

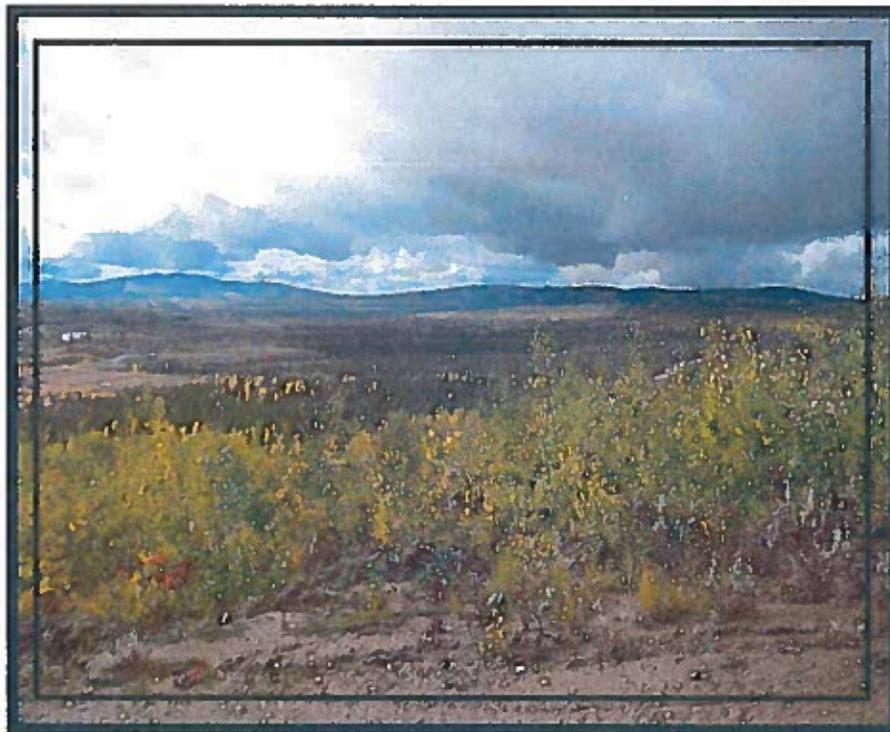
C18-0907
F.M.

NE1/4 and SE1/4 Sec 35.T2N, R1W,

SUMMARY APPRAISAL
NE1/4 & SE1/4 of Section 35, T2N, R1W, F.M.
FAIRBANKS, AK

For:
State of Alaska
DEPT. OF NATURAL RESOURCES

SEPTEMBER 17, 2018



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F.M.



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NE1/4 and SE1/4 Sec 35.T2N, R1W,

January 14, 2019

Department of Natural Resource
550 W 7th Ave, Suite 650
Anchorage, AK 99501-3576

Attn: Kevin Hindmarch, Chief Appraiser

Re: Appraisal of NE1/4 and SE1/4 of Section 35, T2N, R1W, F.M.

Dear Mr. Hindmarch,

At your request we have completed the investigation and analysis necessary to form an opinion of market value for the NE1/4 and SE1/4 of Section 35, T2N, R1W, F.M.

The accompanying report is a Summary Appraisal which in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the General Appraisal requirements. All three approaches to value were considered, and the sales approach method was utilized to arrive at market value. The report contains the most pertinent data gathered, the techniques used, and the reasoning leading to my opinion of value.

The purpose of this assignment is to estimate the market value of the total subject parcel containing approximately 317.44 acres. The intended use of this appraisal is to establish the market value of the subject for a sealed-bid auction.

To the best of our ability, this appraisal has been made in conformance with and subject to the Code of Professional Ethics of the Appraisal Institute. The attached reports identify the properties and set forth the assumptions, limiting conditions, special assumptions, data, and analyses upon which the opinions of value are based. No personal property is included in our estimate of value.

Based upon our research, and considering the property types and local market conditions, it is my opinion a sale of the properties could be completed within

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approximately twelve months of the effective date of the appraisal. This opinion assumes a competent broker is engaged and that broker makes appropriate marketing efforts.

The appraisal report that accompanies this letter of transmittal includes the documentation for the research and analysis that was required in the process of estimating the market value for the subject properties full fee simple rights (less mineral rights).

Extraordinary Assumption: This appraisal is subject to the approved Final Finding and Decision will be similar to the primary proposed actions of the Preliminary Decision of the State of Alaska, DNR, DMLW, LSS. Proposed actions of Preliminary Decision: Proposed Land Offering in the Fairbanks North Star Borough DMVA Tracts- ADL 420894, Proposed Public Access Easement- ADL 421103 and Proposed Private Easement – ADL 421088. See further discussion in our report for more detail.

It is our opinion that the Market Value effective 9/17/2018 "as is" \$ 730,000.

If you have any questions regarding these reports or would like to discuss some aspect please call. Thank you for this opportunity to be of service.

Respectfully submitted,



Chris Guinn, MAI, SRA, SR/WA
Street, Guinn Appraisers



Connie Horton, General Appraiser
Associate Appraiser

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Effective Date of Appraisal:	September 17, 2018
Date of the Report:	January 9, 2019
Property Description:	NE1/4 and SE 1/4 Section 35, T2N, R1W, F.M.
Property Location:	TL 3500 & TL 3503, approximately one mile west of the Steese Highway and north of Goldstream Road near Fox and northwest of Fairbanks, Alaska
Owners of Record:	State of Alaska
Property Rights Appraised:	Fee Simple less mineral rights
Size:	
TL 3500	160 acres
TL 3503	<u>157.44 acres</u>
Total	317.44 acres
Zoning:	GU-1 – General Use
Market Value “As Is” (Fee simple less mineral rights)	\$730,000

CERTIFICATION

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

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- 3) Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- 4) We have no present or prospective interest in the property that is the subject of this report or the participants to the sale. The "Estimate of Market Value" in the appraisal reports is not based in whole or in part upon the race, color, or national origin of the prospective owners or occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
- 5) To the best of our knowledge and belief, all statements and information in this report are true and correct, and I have not knowingly withheld any significant information.
- 6) All Contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned, affecting the analyses, opinions, and conclusions contained in this report).
- 7) The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- 8) All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by me, and my signature appears on the appraisal report. No change of any item in the appraisal

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

report shall be made by anyone other than myself, and I will have no responsibility for any such unauthorized change.

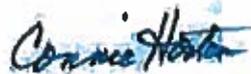
- 9) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 10) No one provided significant professional assistance to me.
- 11) As of the date of this report, I, Chris Guinn, have completed the requirements of the continuing education program of the Appraisal Institute.
- 12) We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. We performed an appraisal regarding the property that is the subject of this report five years preceding this assignment.



Chris Guinn, MAI, SRA, SR/WA
State of Alaska Certification Number: 40



Date



Connie Horton, General Appraiser
State of Alaska Certification Number: 383



Date

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following conditions:

- 1) That the date of value to which the opinions expressed in this report applies is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical changes which occur at a later date and which may affect the estimate of value.
- 2) No opinion as to title is rendered. Ownership data and the legal description were from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions except those specifically identified and discussed in this report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
- 3) No opinion is intended to be expressed for legal matters or that would require a specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
- 4) No survey has been made available to the appraisers. Except as specifically stated, data relative to size and area were taken from sources considered to be reliable, and no encroachment of real property improvements is assumed to exist.
- 5) All maps, plot plans, plats, and exhibits included in this report are for illustration only, and as an in aid in visualizing matters discussed in this report. They should not be considered as surveys or relied upon for any other purpose.
- 6) That no opinion is expressed as to the value of subsurface oil, gas or mineral rights and that the property is not subject to surface entry for the exploration or removal of such materials except as stated herein.

- 7) The testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made at a reasonable time in advance.
- 8) Soils studies covering the subject property was available to the appraisers. Discussions as to the soil qualities in this report are not conclusive but have been considered consistent with information available to the appraisers.
- 9) Acceptance and use of this report implies that the client has read and agrees with the facts, conditions, and conclusions contained herein. In the event of litigation concerning this property, the client agrees to compensate the appraiser for court preparation and testimony performed at his request, or when required to testify by subpoena by another party. The client further agrees that Street, Guinn Real Estate Appraisers and the individual appraiser (s) liability is limited to the amount of the appraisal fee.
- 10) Use of any portion of this report out of context is not permitted.
- 11) The appraisal has been prepared for the sole use of the client to whom it is addressed, and is not intended for third party use unless specifically authorized in writing. Any other party who uses or relies on this report does so at their own risk.
- 12) The appraisal is made in accordance with the Uniform Standards of Professional Practice and of the Appraisal Institute to which Chris Guinn subscribes.
- 13) We do not claim any expertise in assessing the existence of or risk associated with hazardous or toxic materials. At the client's request I have attempted to not any obvious environmental concerns during our inspection that any lay person might be reasonably expected to observe. However, any statement as to the existence or non-existence of hazardous or toxic materials on the subject site should be interpreted as cautionary and the client is ultimately responsible for determining and associated risks to their satisfaction.
- 14) Restriction Upon Disclosure and Use: Neither all nor any part of the contents of this report (especially any conclusions as to value, the

identity of the appraiser, or the firm with which he is connected, or any reference to the Appraisal Institute, or the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales, media or any other public means of communication without the prior written consent and approval of the undersigned. No part of this report or any of the conclusions may be included in any offering statement, memorandum, prospectus, or registration without the prior written consent of the appraiser.

- 15) Responsible ownership and competent property management are assumed.
- 16) The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 17) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- 18) It is assumed that the property is in full compliance with all applicable Federal, state and local environmental regulations and other laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- 19) It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
- 20) It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- 21) It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

- 22) Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraisers. The appraiser have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- 23) Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 24) Possession of this report, or a copy thereof, does not carry with it the right of publication.
- 25) The Americans with Disabilities Act (ADA) became effective January 26, 1992. The Appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the Appraisers have no direct evidence relating to this issue, possible non-compliance of the ADA was not considered in estimating the value of the property.
- 26) Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

- 27) The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 28) Our report is also subject to the following Extraordinary Assumption, (USPAP Definition: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.)

EXTRAORDINARY ASSUMPTION

The approved Final Finding and Decision will be similar to the primary proposed actions of the Preliminary Decision of the State of Alaska, DNR, DMLW, LSS. Proposed actions of Preliminary Decision: Proposed Land Offering in the Fairbanks North Star Borough DMVA Tracts- ADL 420894, Proposed Public Access Easement- ADL 421103 and Proposed Private Easement – ADL 421088.

The Private Easement to be issued by DNR DMLW will also have deed restrictions that will require reasonable access to the Davidson Ditch by the grantee. Reasonable access has not been defined at this point; however, the intent is to allow observation/research of the historic area without imposing an undue burden to the eventual purchaser. The following will define reasonable access and represents an Extraordinary Assumption to be employed in development of the market value estimate:

Reasonable access is defined as utilizing existing legal access and infrastructure, which at this point is the existing trail leading from the southwest side. As the tracts are developed, alternative access that is completed may be utilized for ditch observation. In no case will the owner be required to improve said access nor incur any cost involving grantee access. Further, site damage as a result of traversing the subject will be repaired by the grantee.

REGIONAL INFORMATION

The City of Fairbanks is almost in the center of Alaska and is sometimes referred to as the "Golden Heart" of Alaska. Almost centrally located, it is approximately 370 miles North of Anchorage; 380 miles South of Prudhoe Bay; 275 miles West of Canada; and 530 miles East of Nome. This central location is basic to Fairbanks' strategic position as the key city of a wide area serving interior Alaska. Indeed, it was this location that established early Fairbanks as a distribution point, first for riverboat traffic, and later for rail and air traffic. The completion of the Alaska Railroad in 1924 ended Fairbanks' relative isolation by allowing goods, people, and services to be transported to the ice-free port of Seward more efficiently. This location would prove vital to the distribution of people and materials for the construction of the Trans-Alaskan pipeline.

The climate is extreme, with a range from +90 Fahrenheit in summer to minus 50 F in winters (-62 is the record). Overall, the climate is very dry as the interior is somewhat shielded from rainfall by mountain ranges on the West, North, and South sides. Average annual rainfall in Fairbanks is only about twelve inches. The base altitude of the central city is about 440 feet above sea level.

The Fairbanks North Star Borough was originally incorporated on January 1, 1964, as the "North Star Borough," with a total area of 7,361 square miles. It is a strong mayor form of government who serves as the chief executive officer. As a second-class borough, it has three area-wide powers:

1. assessment and taxation,

2. planning, zoning and platting, and
3. primary and secondary education.

Through elections, the Borough has assumed additional powers since its initial incorporation, including flood control, libraries, hospitals, rural services, data processing, community research, land resources, risk management, road and fire service areas.

There are two first class municipalities, Fairbanks and the City of North Pole (about fifteen miles South of Fairbanks). Each municipality has differing powers, with the main difference between classes being in how the various powers are assumed. The city provides such services as road maintenance, garbage pickup, police and fire protection, utilities and building code enforcement. The Borough's powers include transportation, parks, planning and zoning, environmental control, finance and administrative services.

Local taxing authorities are the City of Fairbanks, the City of North Pole, and the Fairbanks North Star Borough. Each municipality sets its own mil rate and the Borough collects the taxes. Taxes are based on 100% of value and the trend in recent years has been toward higher local taxes to replace the reduction in state revenue sharing that has dramatically declined since 1986.

Population

The Spring 2018 issue of the *Fairbanks Community Research Quarterly* indicates the population of the Fairbanks North Star Borough was 97,738. The population of the city of Fairbanks was 31,905 and North Pole was 2, 124.

Economic Factors

As stated in the January 18 Alaska Economic Trends, the Fairbanks North Star Borough has lost jobs nearly every year since total employment peaked in 2012. Job counts in 2017 were the lowest they've been since 2005. Fairbanks' construction industry continued to lose ground in 2017 with diminished state capital budgets and a lack of commercial or residential building. Fairbanks' economic picture was expected to improve in 2018, though, with a big jump in military construction boosting the overall forecast to 0.8 percent job growth. However, the Real Estate market from 2017 into 2018 has been relatively flat with certain segments of the higher end market declining. The market appears to be somewhat stable just not robust and new construction lagging significantly.

Job losses in the oil and gas industry on the North Slope also hit local contractors. Road construction was a small source of growth last year and so was military construction, but neither were enough to overcome other construction losses. The University of Alaska Fairbanks, a large employer of the borough has lost more than 500 jobs since its peak in 2013 and continues to cut jobs.

Healthcare which accounts for 15 to 20 percent of the economy and employs more people than any other sector is considered over inflated and an industry bubble that may not continue.

Tourism is stable because the U.S. economy has surged and helped residents to earn more than expected.

These job losses extend into 2018 as large construction projects related to the new F-35s planned for Eielson Air Force Base are extended over the next three to four years.

North Pole serves primarily as a sister city for Fairbanks. Many of the residents commute to Fairbanks daily for work. North Pole is becoming an increasingly popular location for people from the two surrounding military facilities to live. Demand for larger developments tends to be in the North Pole area near Eielson Air Force Base in expectation of the F-35 squadrons and an increase in population of about 2,800 people will need to be accommodated. So construction on new housing is also on the horizon. Most of this new housing is expected to be in the North Pole area closer to Eielson Air Force Base. However, the current economy is flat and has been in a recession that began in 2015.

Economic trends can be found detailed in the *Fairbanks Community Research Quarterly*. It contains employment statistics, population estimates, bank deposits, and overall property assessments within the Fairbanks North Star Borough. While there are other indicators, these are believed to be most illustrative of the overall economic condition.

NEIGHBORHOOD

The neighborhood is bounded by the Goldstream ridge on the north, Sheep Creek Road on the west, Goldstream Creek on the south and Steese Highway on the east. Within this area, the subject property is located on the north side of Goldstream Road near the Steese Highway. Goldstream Road is a major connector road from the Steese Highway to the Parks Highway. The subject property is in the area of past and present mining and low density large acreage residential developments. The community of Fox is approximately 2 miles northeast from the subject. Fox has several restaurants, a microbrewery, and industrial type businesses. Fairbanks is approximately 8 miles south of this location where shopping, schools, and major employment is found.

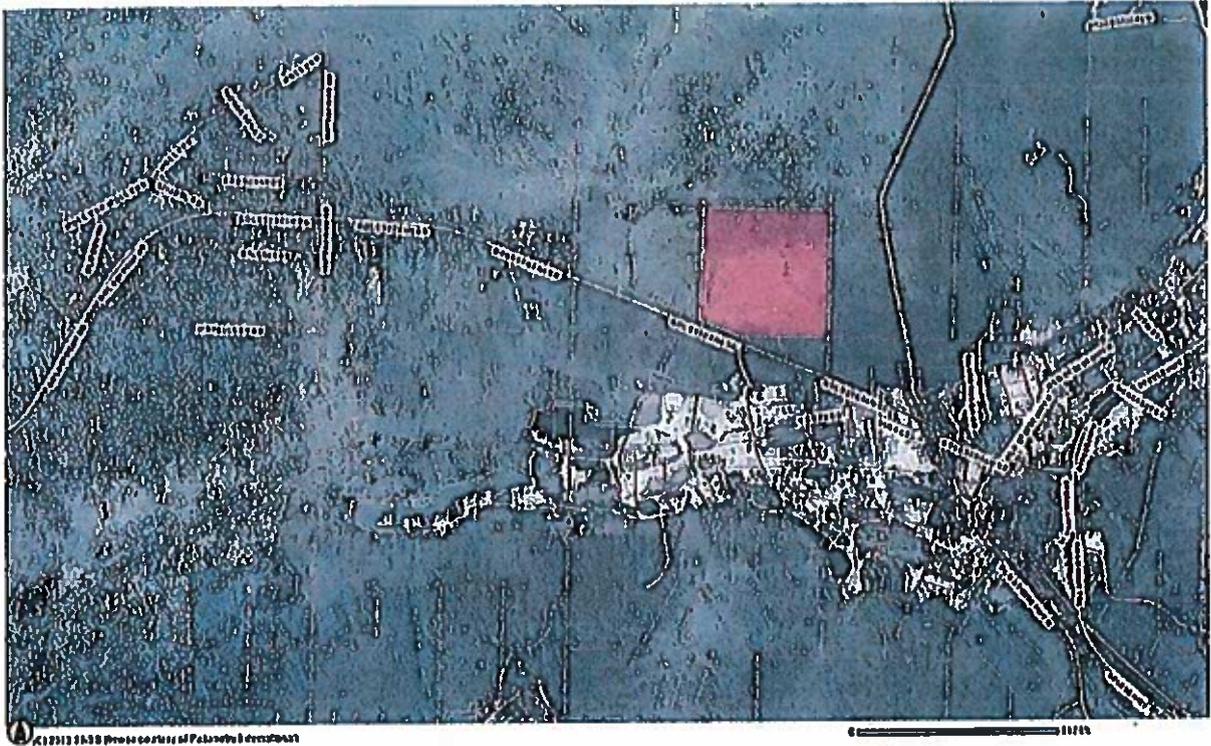
The subject site is located outside the City of Fairbanks where private wells and septic are typical. Electric power is supplied by Golden Valley Electric Association, a private cooperative which is subject to regulation by the Alaska Public Utilities Commission. Telephone service is provided by GCI, Verizon and ACS. Utility rates for all services have seen slight annual increases but are considered stable. Taxes and utility rates appear to be stable.

The south side of Goldstream Road is low and mostly level. The north side of Goldstream Road slopes upward in a North-South direction. Low density residential subdivisions tend to be located on the north side because of better soils to build on and better views. Traffic along Goldstream Road is moderate. Most recently the Goldstream Road has been upgraded with new paving and alignment.

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

Neighborhood Map



SCOPE OF THE APPRAISAL

The scope of the appraisal includes the research and analysis necessary to prepare a report in accordance with the Standards and Practices of the Appraisal Institute, and the Uniform Standards of Professional Practice of the Appraisal Foundation. In the case of the subject properties the scope of the assignment involved the following steps.

1. Chris Guinn has inspected the property on September 17, 2018. . The property was inspected by Connie Horton on September 15, 2013 for the previous appraisal report.
2. The subject properties data was based on an on-site survey and the Interior Alaska Veterans Cemetery Site Characteristics Report that covers the southeast quarter of section 35. In addition, a USDA Natural Resource Conservation Service Custom Soil Report, dated, October 2 and provided by DNR was also reviewed. It provides soil information for the entire subject property.
3. The highest and best use for the subject properties was prepared from an analysis of the character of the subject neighborhood, discussions with local developers and economists, and publications containing population, sociological, and economic data on the Fairbanks Community.
4. The Sales Comparison Approach to value was considered and evaluated. The Income and Cost Approaches were not considered applicable. Information was obtained from the previous owner, local property managers, along with comparable sale information obtained from office files, Realtors, property managers and knowledgeable persons familiar with similar properties in our area.

DEFINITION OF MARKET VALUE

The definition of Market Value is from the Dictionary of Real Estate Appraisal, Sixth Edition Appraisal Institute 2015, page 141:

"the most probable price, as of a specified date, in cash, or in 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 duress".

DEFINITION OF THE APPRAISAL PROBLEM

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the subject property as a 317.44 acre parcel made up of two Tax Lots, 3500 (160 acres) & 3503 (157.44 acres) NE1/4 and SE1/4 of Section 35, T2N, R1W, F.M. This is the total area without consideration of the Davidson Ditch, drainage or ROW easements.

INTENDED USER and INTENDED USE

The report will be used by the Department of Natural Resources, State of Alaska to establish a minimum bid for sealed bid auction.

PROPERTY RIGHTS APPRAISED

The property rights appraised is fee simple less mineral rights.

APPRAISAL DATE

An inspection of the subject lots was made on September 17, 2018 by Chris Guinn, MAI/SRA. September 17, 2018 is the effective date of the appraisal.

PHOTOS

Chris Guinn took photos on 9/17/2018 but the photos in our 2013 appraisal of the subject parcel are superior and we included them in this report. The 2018 photos are available upon request.

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

REPORT TYPE

This is an appraisal report which is intended to comply with the reporting requirements of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. It is presented in a summary format as required by DNR's General Appraisal Requirements.

EXPOSURE & MARKETING PERIOD

Unimproved general use sales of larger parcels in the Fairbanks market indicate that exposure time (i.e., the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded in this analysis as of the date of this valuation) would have been about 24-36 months. The estimated marketing time (i.e., the amount of time it would take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be 24-36 months.

MARKET DATA

The sales search is primarily orientated towards the general use developed areas in suburban/rural Fairbanks North Star Borough. General Use zoning is typically found in areas with larger size parcels outside urban areas. The subject is located on the east end of Goldstream Road, approximately 8 miles north of Fairbanks and two miles southwest of Fox.

QUALITATIVE ANALYSIS

Qualitative analysis recognizes the inefficiencies of the real estate markets and the difficulty in expressing adjustments with mathematical precision. As stated in the 13th edition of The Appraisal of Real Estate, page 320, the relative comparison analysis is the study of the relationships indicated by market data without recourse to quantification. It reflects the imperfect nature of real estate markets. A qualitative technique determines whether the characteristics of a comparable property are inferior, superior, or similar to those of the subject property. In the appraisal reports of the subject lots, this is the analytical process and logic applied in reconciling the market values of the subjects.

OSTENSIBLE OWNERS

State of Alaska, Department of Natural Resources

SALES HISTORY

The subject was purchased in the past five years for \$2,000,000. Recorded transfer was 8/1/2014, Warranty Deed 2014-010775-0 and 2014-010776-0

COMPETENCY STATEMENT

We have appraised numerous industrial/commercial properties in Fairbanks and rural Alaska in the past 30+ years. In our opinion we have the knowledge and experience required by the competency provision of USPAP to complete this appraisal assignment.

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SITE DESCRIPTION

Street Address

NHN Goldstream Road
Fairbanks, Alaska

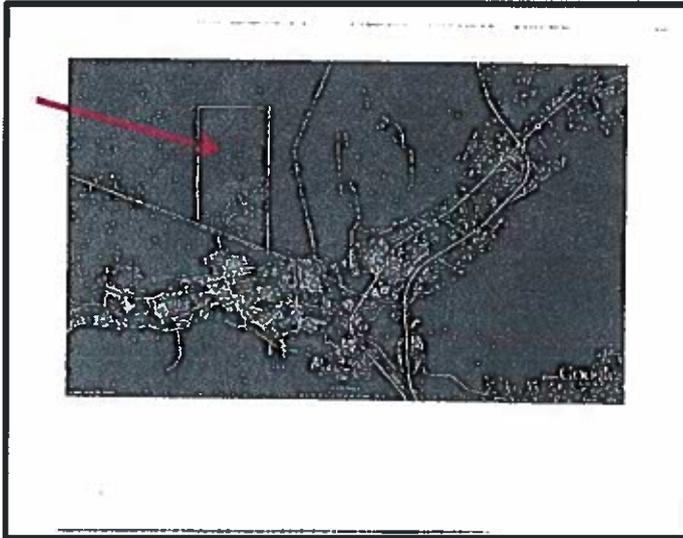
Legal Description

Tax Lots 3500 and 3503, NE1/4 and SE1/4 Section 35, T2N, R1W, F.M.

Fairbanks/North Star Borough Property Number

0207781 and 0207811

Size and Shape:



TL 3500 160.00 acres
TL 3503 157.44 acres
Total 317.44 acres
TL 3500 & 3503 form a
parallelogram.

A small 5,314 square foot part of the subject is located on the south side of Goldstream Road. It has not been deducted from the total acreage (see Page 47).

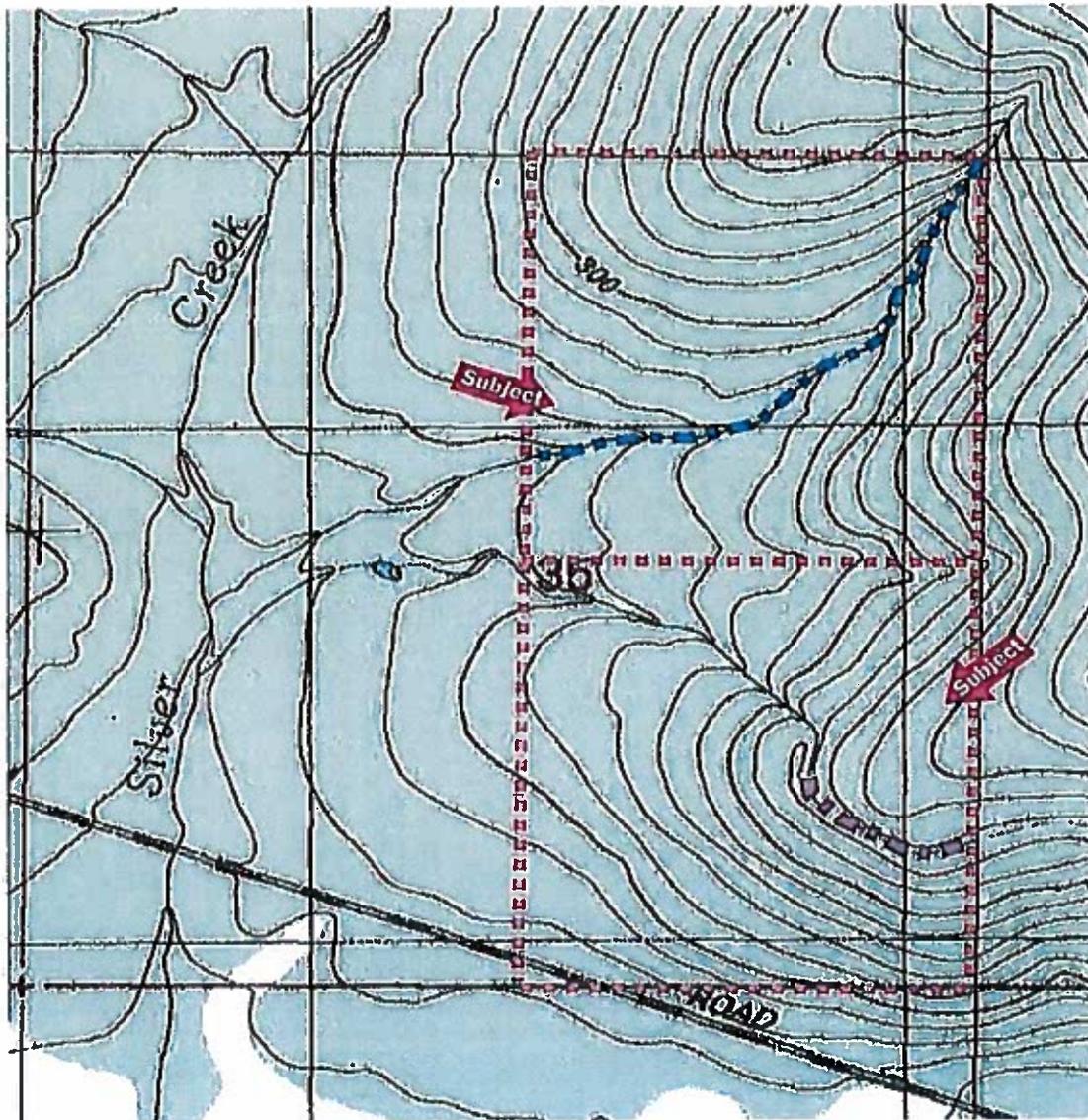
A perpetual right-of-way easement to the State for Goldstream Road occupies 2.23 acres within the SE ¼ of Section 35 (recorded in Book 239, Page 104, Fairbanks

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Recording District), and a construction and maintenance easement to the State for the installation and maintenance of a perforated drain pipe occupying 0.334 acres within the SE ¼ of Section 35 (recorded in Book 239, Page 103, Fairbanks Recording District) have been deducted from the subject's total acreage.

TOPOGRAPHY MAP



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NE1/4 and SE1/4 Sec 35.T2N, R1 W,

Topography

The subject site is sloping from about an elevation of 700 feet to the high point of 1,165 feet at the eastern site boundary.

Soils/Slope:

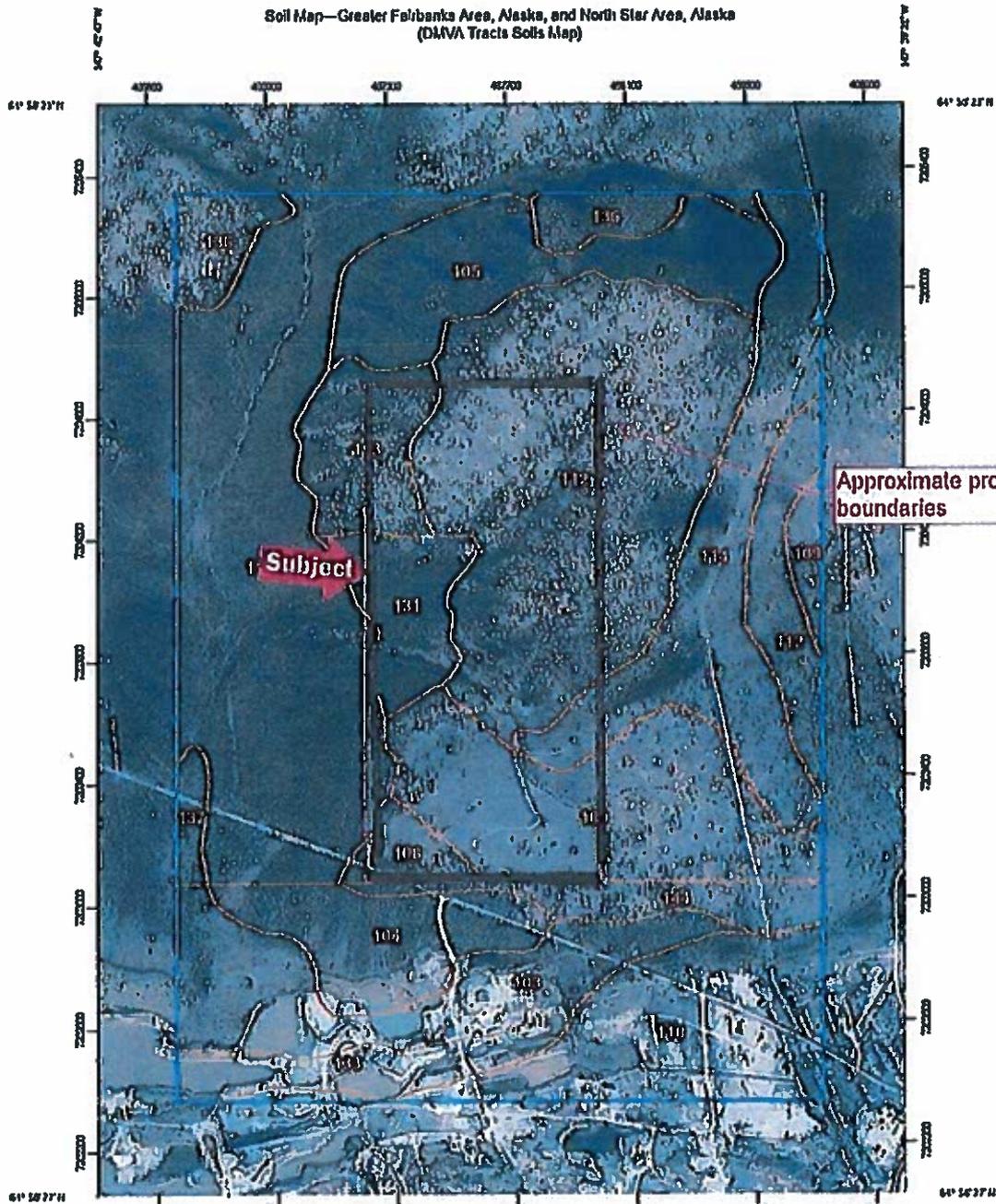
About 15-20% of the subject soils are marginal for conventional residential foundation development. About 24% of the site has slopes from 20% to above 30%. Development on steeper slopes is common on hillside subdivisions near Fairbanks. Road construction costs are higher because of the necessary switchbacks, however the road costs are typically offset by a higher sale price for lots with some type of view. Slopes above 30% are typically used by making the adjacent lots larger.

Various soils: Gilmore silt loam, Saulich peat, and Fairbanks silt loam. See following Soil map and descriptions.

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

Soil Map—Greater Fairbanks Area, Alaska, and North Star Area, Alaska
(DMVA Tracts Soils Map)



Map Scale: 1:17,400 if printed on A portrait (8.5" x 11") sheet.
0 200 400 600 800 1000 1200 Meters
0 800 1600 2400 3200 Feet
Map projection: WGS 84 Mercator Corner coordinates: WGS 84 Edge ties: UTM Zone 6N WGS 84

Soil Map—Greater Fairbanks Area, Alaska, and North Star Area, Alaska
(DMVA Tracts Soils Map)

MAP LEGEND

Area of Interest (AOI)	Area of Interest (AOI)	Spot Area
Soils	Soil Map Unit Polygons	Stony Spot
	Soil Map Unit Lines	Very Stony Spot
	Soil Map Unit Points	Wet Spot
Special Point Features	Blowout	Other
	Borrow Pit	Special Line Features
	Clay Spot	Water Features
	Closed Depression	Streams and Canals
	Gravel Pit	Transportation
	Gravelly Spot	Rails
	Landfill	Interstate Highways
	Lava Flow	US Routes
	Marsh or swamp	Major Roads
	Mine or Quarry	Local Roads
	Miscellaneous Water	Background
	Perennial Water	Aerial Photography
	Rock Outcrop	
	Saline Spot	
	Sandy Spot	
	Severely Eroded Spot	
	Sinkhole	
	Slide or Slip	
	Sodic Spot	

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at scales ranging from 1:24,000 to 1:25,000.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL:
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Greater Fairbanks Area, Alaska
Survey Area Data: Version 11, Sep 27, 2015

Soil Survey Area: North Star Area, Alaska
Survey Area Data: Version 12, Sep 19, 2016

Your area of interest (AOI) includes more than one soil survey area. These survey areas may have been mapped at different scales, with a different land use in mind, at different times, or at different levels of detail. This may result in map unit symbols, soil properties, and interpretations that do not completely agree across soil survey area boundaries.

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Sep 21, 2011—Sep 22, 2011

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

C18-0907
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NE1/4 and SE1/4 Sec 35.T2N, R1W,

Map Unit Legend

Map Unit Symbol	Map Unit Name	Acres In AOI	Percent of AOI
103	Chalanika mucky silt loam, 0 to 3 percent slopes	111.0	7.0%
104	Chalanika mucky silt loam, 3 to 7 percent slopes	70.5	4.4%
110	Dumps, mine	121.8	7.6%
133	Goldstream peal, 0 to 3 percent slopes	42.0	2.7%
144	Minto silt loam, 7 to 12 percent slopes	36.5	2.3%
Subtotals for Soil Survey Area		382.5	24.0%
Totals for Area of Interest		1,597.1	100.0%

Map Unit Symbol	Map Unit Name	Acres In AOI	Percent of AOI
105	Ester peal, 15 to 45 percent slopes	106.1	6.0%
108	Fairbanks silt loam, 7 to 12 percent slopes	18.3	1.1%
109	Fairbanks silt loam, 12 to 20 percent slopes	168.9	9.9%
112	Gilmore silt loam, 12 to 45 percent slopes	337.8	21.1%
113	Gilmore-Ester complex, 15 to 45 percent slopes	54.1	3.4%
114	Gilmore-Steese complex, 3 to 15 percent slopes	140.7	8.8%
118	Histic Pergelic Cryaquepts, fans, 1 to 20 percent slopes	297.0	18.7%
131	Saulich peal, 7 to 12 percent slopes	44.5	2.8%
136	Steese-Gilmore complex, 10 to 45 percent slopes	45.8	2.9%
137	Tanana silt loam, moderately wet, 0 to 3 percent slopes	10.6	0.7%
Subtotals for Soil Survey Area		1,214.6	76.0%
Totals for Area of Interest		1,597.1	100.0%

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NE1/4 and SE1/4 Sec 35.T2N, R1W,



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NE1/4 and SE1/4 Sec 35.T2N, R1W,

Improvements

There is a well located near the upper ridge at approximately 1000' elevation. No indication of its condition or evidence that the well is functional. (64° 57' 16.7" 147° 40' 39.2"W)



Utilities

In this area, Golden Valley Electric Association provides electric, and ACS provides telephone. Electric lines border the southern edge of the property. There are no public water or sewer utilities in the vicinity of the subject. Private wells and septic systems are typical.

Easements and Restrictions

Per the extraordinary assumption on page 12, the approved Final Finding and Decision will be similar to the primary proposed actions of the Preliminary Decision of the State of Alaska, DNR, DMLW, LSS. Proposed actions of Preliminary Decision include a proposed Public Access Easement- ADL 421103 and Proposed Private Easement - ADL 421088 (3.17 acres). In addition, a future access easement crossing ADL 421088 may be authorized in the future; however, it is not necessary for development of the subject.

ADL 421103 is a public access easement that may be authorized in the future to a potential purchaser of the subject. It allows access across state land from Goldstream Road. The subject has adequate access and this potential authorization is not required for development of the subject.

The Private Easement to be issued by DNR DMLW will also have deed restrictions that will require reasonable access to the Davidson Ditch by the grantee. Reasonable access has not been defined at this point; however, the intent is to allow observation/research of the historic area without imposing an undue burden to the eventual purchaser. The following will define reasonable access and represents an Extraordinary Assumption to be employed in development of the market value estimate:

Reasonable access is defined as utilizing existing legal access and infrastructure, which at this point is the existing trail leading from the southwest side. As the tracts are developed, alternative access that is completed may be utilized for ditch observation. In no case will the owner be required to improve said access nor incur any cost involving grantee access. Further, site damage as a result of traversing the subject will be repaired by the grantee.

In addition to the above, there is a section line easement along the eastern border and a public access easement on the bed and 25' upland

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

of and along the ordinary high-water mark of unnamed tributaries of Silver Creek (noted in blue on page 25).

None of the identified easements have a measurable impact to value.

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

Access

Site Access

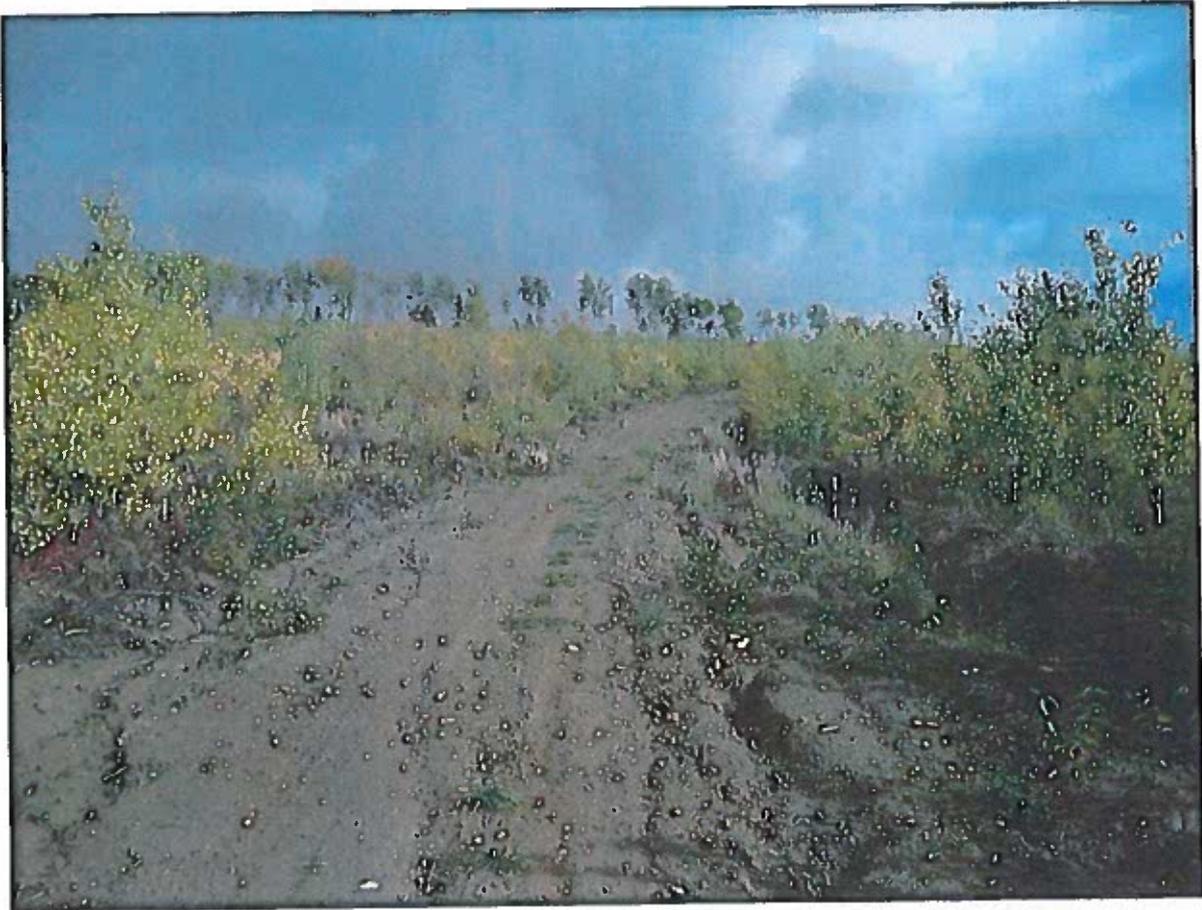
Access to the site is provided by Goldstream Road approximately 1 mile west of the New Steese Highway – Goldstream Road intersection. Fairbanks City Center is approximately 8 miles south of the site. Considering soils, the most likely access point would be just west of an existing Construction and Maintenance Easement (book 239, page 103). This access point has roadway sight distance visibility at the top of the curve and is centrally located along the Goldstream Road frontage.

Clearing

A portion of the southern section was cleared by a previous owner who was making a ski area for his children. Second growth has begun in the cleared area. I found no evidence in the market to suggest it is a positive or negative factor in the market.

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NE1/4 and SE1/4 Sec 35.T2N, R1W,



TRAIL WITHIN SUBJECT PROPERTY

64° 56'55"N 147° 41'10"W

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

Flood plain

The project area is within FEMA Flood Insurance Rate Map Community Panel number 025009 0075F. The project area is within Zone X, which is defined as outside the 500-year flood plain. There is potential for season flooding and erosion of parcels adjacent to water bodies, especially in low-lying areas.

Zoning

The property is zoned GU-1, General Use. "This district is intended to be located in rural areas where community sewer and water systems are unavailable. (Ord. 88-010 § 2, 1988)

18.44.020 Use regulations. Revised 7/31

A. Permitted Uses. In the GU-1, general use district, permitted uses are:

1. Any use except for correctional facilities;
2. Communications tower, major;
3. Communications tower, minor.

B. Conditional Uses. In the GU-1, general use district, conditional uses are:

1. Adult entertainment facilities as a principal use;
2. Biosolids application when used for agricultural purposes or beneficial land application;
3. Large scale development;
4. Nuclear power plant;
5. Petrochemical plant;
6. Petroleum refinery and storage;
7. Residential cluster development;
8. Sanitary landfill;
9. Storage of hazardous substances as the principal use of the property or which are unrelated to those uses that are either permitted outright or conditionally in this zoning district. (Ord. 2012-58 §§ 3, 5, 2013; Ord. 2006-82 § 7, 2007; Ord. 94-066 § 2, 1994; Ord. 93-064 § 6, 1994; Ord. 92-006 § 2, 1992; Ord. 90-007 § 2, 1990; Ord. 88-010 § 2, 1988)

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

18.44.030 Standards.

In the GU-1, general use district, geometric standards are:

A. Lot Area.

1. In the GU-1 district, lot area shall not be less than 40,000 square feet.

B. Required Yards for All Buildings. Front, side and rear yards shall not be required.

C. Building Height. Unlimited.

D. One hundred percent lot coverage¹

Taxes

The subject parcels are in an area taxed at 17.334 mils under current ownership the subject is tax exempt.

Earthquakes

The project area is within the Fairbanks Seismic zone, which has been active within the last 150 years and has had earthquakes of magnitudes over 5.0 (Richter scale) and up to the 7.0 levels. Typically little damage has occurred, however concern should be a part of any future building plan.

Hazards & Nuisances

No hazards or nuisances are noted in the area. No environmental damage was observed.

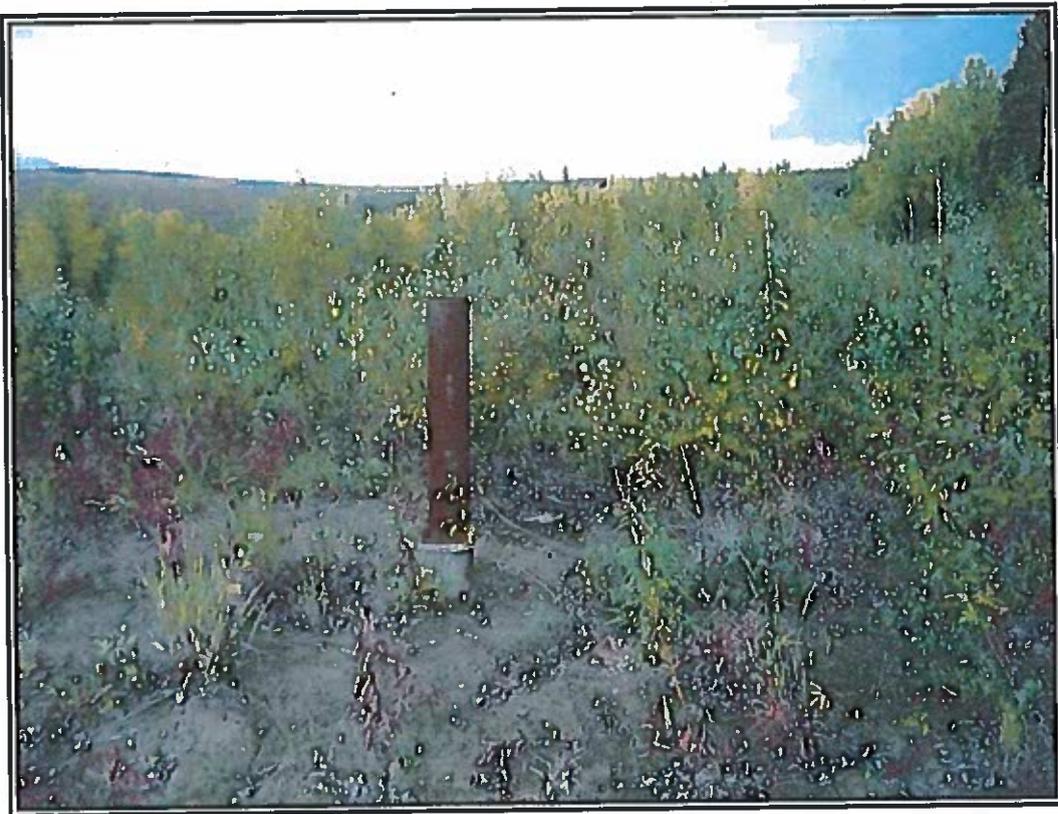
¹ Title 18 Zoning, Fairbanks North Star Borough Code (Ord. 880919 2, 1988)

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

IMPROVEMENT DESCRIPTION

According to the owner there are two wells. The photo shows one of these well casings protruding above ground. There is no evidence or history of the condition or function of these wells. We have determined that the wells do not add any value to the property.



HIGHEST AND BEST USE

The highest and best use is defined as:

The reasonable, probable and legal use of a vacant or an improved property, which is physically possible, appropriately supported financially feasible, and results in the highest value.

The highest and best use of a site must meet a test of four criteria. The highest and best use of a property must be:

Legally permissible

Physically possible

Financially feasible, and

Maximally productive

The value of land is generally estimated as though vacant and available for development to its highest and best use, and that the appraisal of improvements is based on their actual contribution to the land.

HIGHEST AND BEST USE OF THE PROPERTY AS VACANT

Legally Permissible Use

The GU-1 General Use zoning allows for a variety of uses. The uses are itemized in the previous section.

Physically Possible Use

The probable use of a property is constrained by the physical conditions of the site. The subject sites form a parallelogram shaped parcel. The soil conditions consist of well-drained silt loams. The topography is sloping, which allows structures to occupy the sites to any legal use. Utilities available in the area are phone and electricity.

Financially Feasible Use

Based on information provided in the neighborhood section, the subject is in a suburban/rural area located eight miles northwest of Fairbanks. Although located in an area that has had gold mining operations, there is no conclusive evidence that there are any financially feasible deposits in this area. Its use is suitable for any development.

Maximally Productive Use

The feasible choice for optimum physical use of the site is for a large land use that would be enhanced by being in a suburban/rural area. Considering the physical and locational attributes of the site, in my opinion the highest and best use of the subject property, as vacant the highest present worth of the land as presently vacant would be for holding for a future development of rural residential.

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NE1/4 and SE1/4 Sec 35.T2N, R1W,

HIGHEST AND BEST USE OF LAND AS IMPROVED

The subject is not improved with any structures. The well casings are determined not to add any value to the property. Their condition and function are unknown and in our opinion any new owner should drill new wells.

MARKET CONDITION ANALYSIS

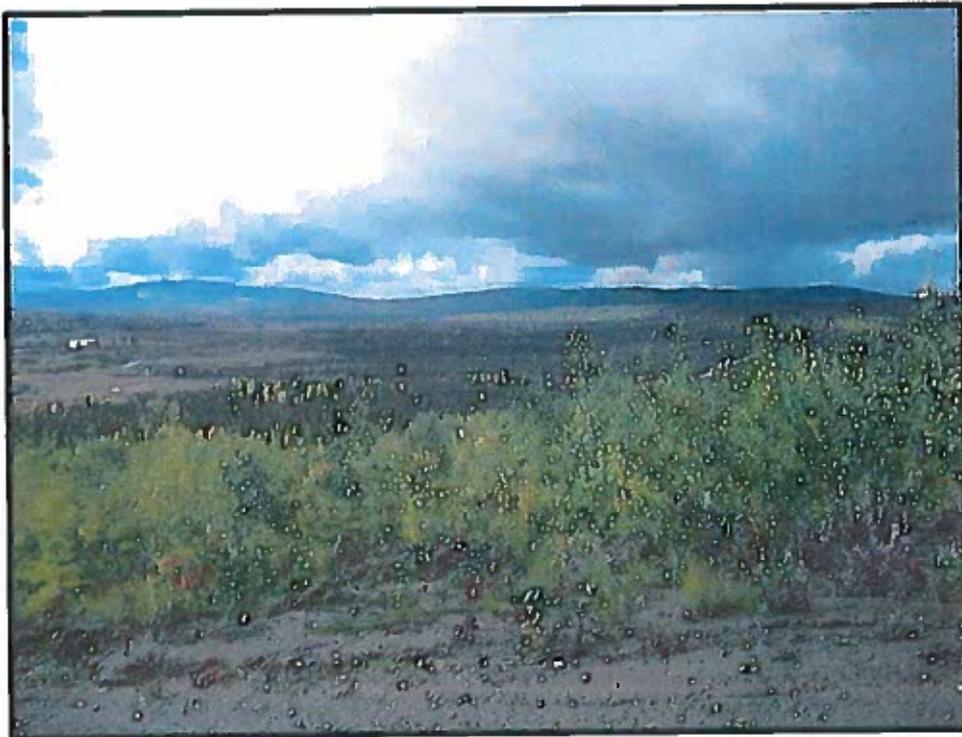
The Fairbanks area development of large acreage peaked in 2006 and few new large tracts have been sold. New subdivision development and housing construction has been minimal. Demand for larger developments tends to be in the North Pole area near Eielson Air Force Base in expectation of the F-35 squadrons and increase in population. It is believed the economy will continue a trend of a slow but stable condition.

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NE1/4 and SE1/4 Sec 35.T2N, R1W,



Looking westerly. ($64^{\circ} 57' 00.37''\text{N}$ $147^{\circ} 41' 10.22''\text{W}$)



Looking southwesterly. ($64^{\circ} 57' 6.7''\text{N}$ $147^{\circ} 40' 54.8''\text{W}$)

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NE1/4 and SE1/4 Sec 35.T2N, R1W,



Looking northerly ($64^{\circ} 57' 14.3''\text{N } 147^{\circ} 41' 00.8''\text{W}$)



Davidson Ditch looking easterly ($64^{\circ} 57' 13.9''\text{N } 147^{\circ} 40' 59.1''\text{W}$)

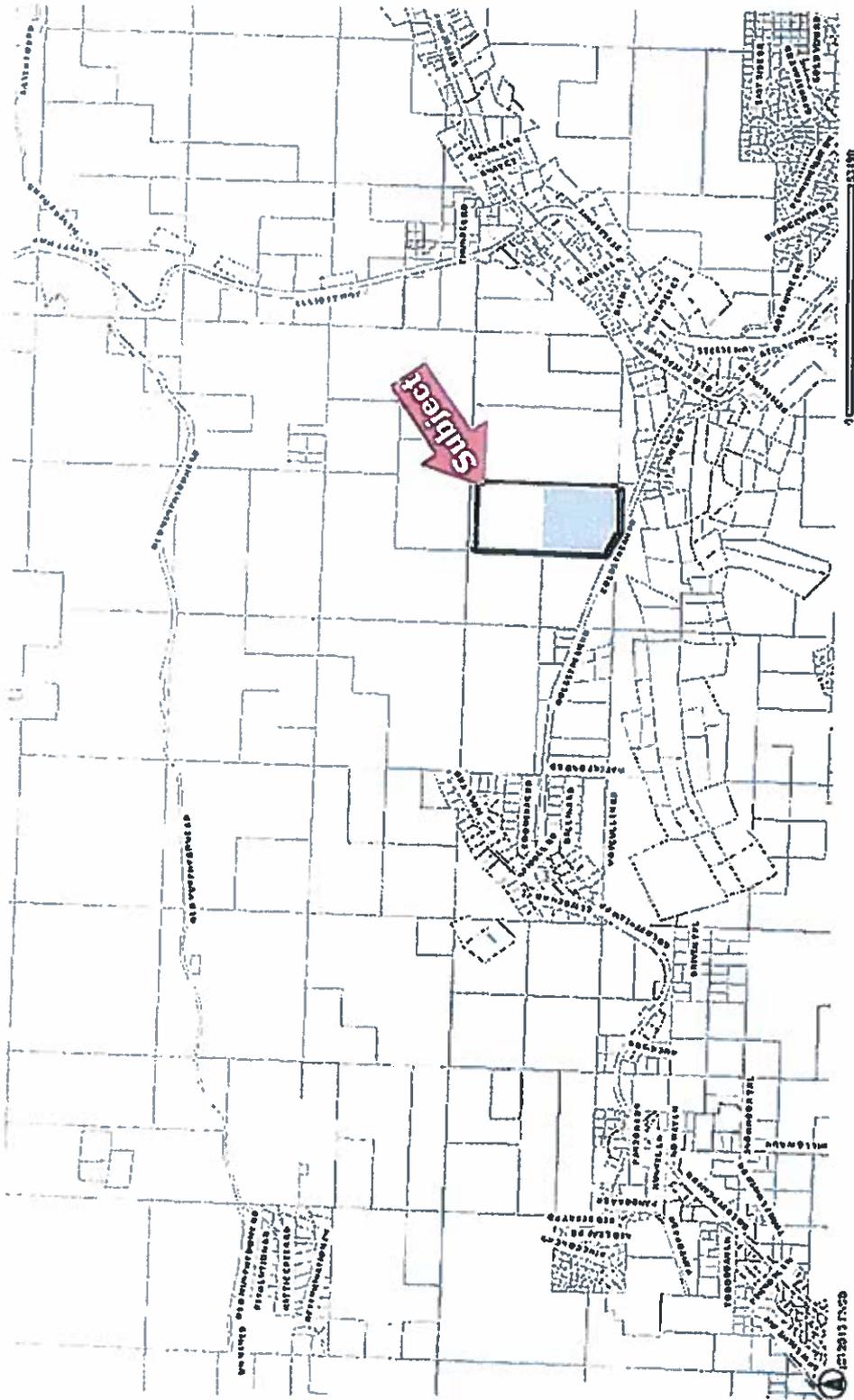
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NE1/4 and SE1/4 Sec 35.T2N, R1W,



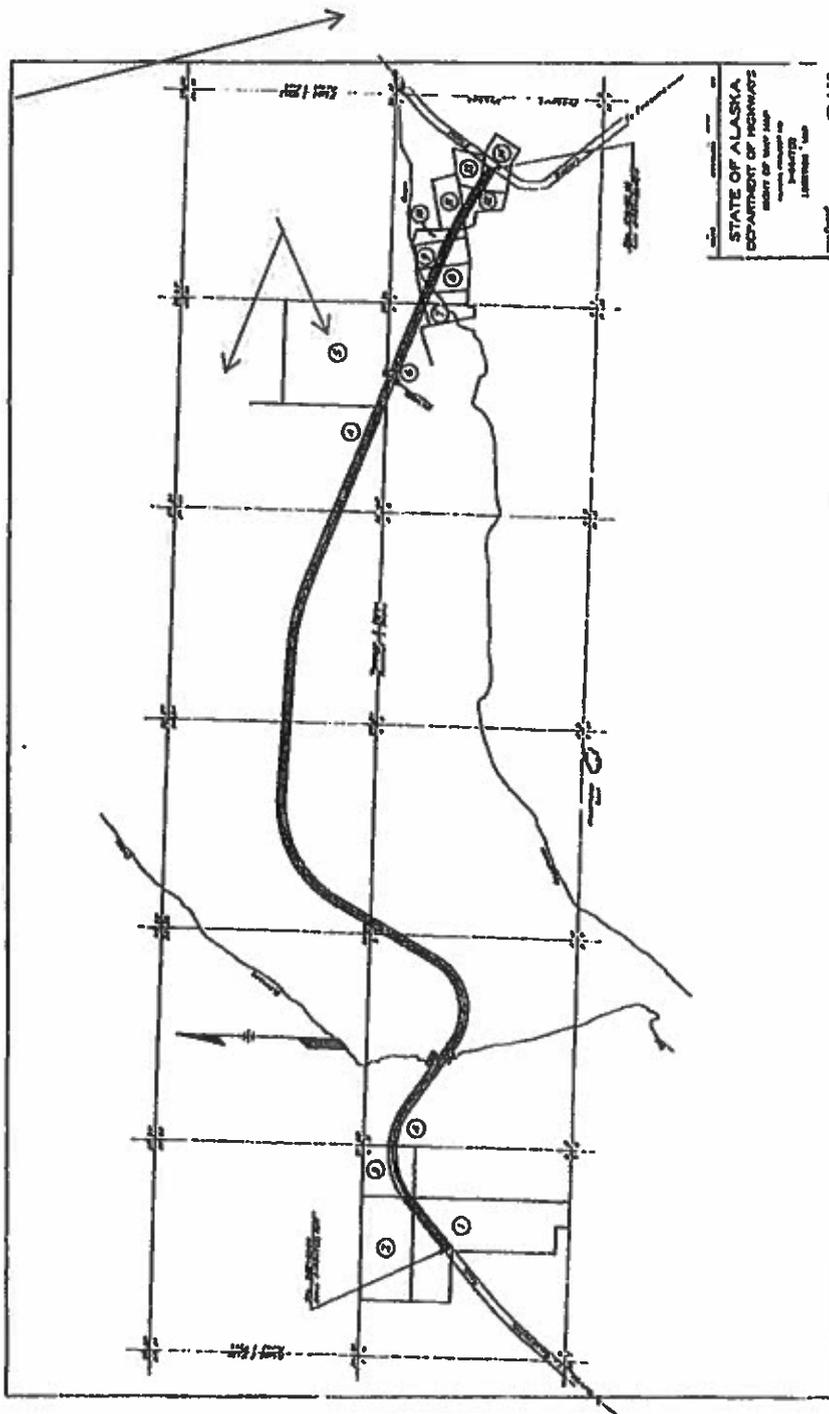
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NE1/4 and SE1/4 Sec 35.T2N, R1W,



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NE1/4 and SE1/4 Sec 35.T2N, R1W,



SECTION 35

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THE APPRAISAL PROCESS

INCOME APPROACH AND COST APPROACH

The subject is raw unimproved land. The Income Approach and the Cost Approach are not considered applicable in this analysis.

SALES COMPARISON APPROACH

In the Sales Comparison Approach, the subject property is compared to similar general use properties that have been sold the interior Fairbanks market. Data for comparable properties are made to demonstrate a probable price at which the subject property would sell if offered on the market. The unit of measurement depends on the market. The price per acre is the most common for the large acreage tracts in Fairbanks.

There appears to be a stabilization of unit price over the last say 10 years that has occurred in this market where the sale of larger tracts of land have been limited. Although land sales are not within the past 6-9 months, there is no evidence that the unit prices paid is a reflection of time.

Research did not reveal any sales of property where there was an arm's length sale of a surface and subsurface estate. In our discussion with local gold miners, if a

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NE1/4 and SE1/4 Sec 35.T2N, R1 W,

patented mining claim has been purchased with no economic gold recovery, there is no value to the subsurface estate. Local realtors agree with that. State officials purchase both the surface and subsurface estate and no value is attributed to the subsurface.

C18-0907
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NE1/4 and SE1/4 Sec 35.T2N, R1W,

ADDENDA

- Comparable Land Sales Map
- Comparable Sales Data
- Engagement letter
- Community Profile
- Appraiser's License And Qualifications

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, AND WATER

PRELIMINARY DECISION

Proposed Land Offering in the Fairbanks North Star Borough,
DMVA Tracts, ADL 420894
Proposed Public Access Easement, ADL 421103
Proposed Private Easement, ADL 421088
AS 38.05.035 (e), AS 38.05.045, AS 38.05.850

RELATED ACTION(S):

None Proposed

PUBLIC COMMENT PERIOD ENDS 5:00PM, WEDNESDAY, NOVEMBER 28, 2018

I. Proposed Action(s)

Preliminary Decision: DMVA Tracts - ADL 420894
Proposed Public Access Easement - ADL 421103
Proposed Private Easement - ADL 421088
Attachment A: Vicinity Map and Easements Map
Attachment B: Area Data Summary Table
Attachment C: Public Notice

Land Offering ADL 420894: The primary proposed action of this Preliminary Decision of the State of Alaska, Department of Natural Resources (DNR), Division of Mining, Land, and Water (DMLW), Land Sales Section (LSS) is to offer for sale State-owned land within the identified project area. If approved, parcels will be offered for sale.

Located within DNR's Northern Region, approximately one mile west of the Steese Highway and Goldstream Road intersection, the project area is within Section 35, Township 2 North, Range 1 West, Fairbanks Meridian, within the Fairbanks North Star Borough (FNSB). The project area consists of approximately 320 acres identified for disposal by this proposed action. See *Attachment A: Vicinity Map* for a depiction of the project area.

In accordance with the governing area plan and for the purposes of providing land for settlement, DNR proposes to sell land within the DMVA Tracts project area. In order to offer these lands for sale, if approved and deemed feasible, DNR may offer for sale no more than two parcels no smaller than 160 acres. DNR currently plans to offer the project area as a 320-acre parcel. This proposed project area is located within the FNSB. The project area may be offered in multiple stages.

If this proposed primary action is approved, the actual area offered for sale may consist of all or only a portion of the overall project area. After consideration of public comment, the size and boundaries of the project area will be described in a subsequent Final Finding and Decision, if the project proceeds to that step. Additional adjustments may be made prior to offering as needed to reserve areas for public use or minimize conflicts between uses. Although actions under this proposal are limited to the stated maximums, additional

Preliminary Decision

DMVA Tracts – ADL 420894

Proposed Public Access Easement – ADL 421103

Proposed Private Easement – ADL 421088

Page 2 of 18

offerings may be authorized under future proposals, which could increase the density of privately-owned parcels within, adjacent to, or near the project area.

Public Access Easement ADL 421103: DNR DMLW proposes to authorize a public access easement to the project area from Goldstream Road up to 100 feet in width within government lots 7 and 8, Section 2, Township 1 North, Range 1 West, Fairbanks Meridian. While the land offering project area has legal access via a section line easement to the southeast corner and direct access from Goldstream road to the southwest corner, the proposed easement would provide access options over land that improves viability of constructing access. See *Attachment A: Easements Map* for a depiction of Goldstream Road, the area of State land where the easement is proposed, and the land offering project area.

Public access easement ADL 421103 is proposed to facilitate development of the land offering project area. If approved, an entry authorization (EA) and draft easement will be created whereby a subsequent owner of the project area may submit an application consistent with the EA and draft easement documents for DNR DMLW adjudication. If approved, the applicant will receive an EA for construction and survey of access through the applicable portion of government lots 7 and 8. If created, the public access easement will be issued to DNR DMLW. This process will allow a subsequent purchaser of the property to identify and locate access to the property in a location which best suits their needs. Refer to the Access To, Within, and Beyond Project Area subsection for more information.

A developed road to the land offering project area and driveway onto Goldstream Road exist within government lot 7. The road and driveway have no current State authorizations. To provide legal access to the project area, the road requires DNR DMLW authorization and a driveway permit from the Northern Region of the Alaska Department of Transportation and Public Facilities.

Private Easement ADL 421088: DNR DMLW proposes to authorize a private easement to the DNR Office of History and Archaeology (OHA) for historic preservation, research, and monitoring of the Davidson Ditch within the project area. The proposed easement would:

- prohibit unauthorized disturbances, such as motorized uses, clearing, filling, placement of structures, removal or alteration of historic property, and activities that disturb the vegetative mat;
- allow OHA to conduct monitoring, documentation and research of the Davidson Ditch;
- an area 60 feet in width encompassing the existing road crossing of the Davidson Ditch will be excluded from the historic preservation, research and monitoring easement stipulations and will serve only to provide OHA continuity of access within the easement; and
- reserve DNR DMLW the right to authorize one additional 60 foot wide access corridor through this easement upon request by the landowner and after consultation with OHA on both location and development plan.

The easement as proposed will be 100 feet in width, approximately centered on the Davidson Ditch channel, encompassing the Davidson Ditch and a buffer area on either side

Preliminary Decision

DMVA Tracts – ADL 420894

Proposed Public Access Easement – ADL 421103

Proposed Private Easement – ADL 421088

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of the ditch channel. See *Attachment A: Easements Map* for a depiction of the approximate easement area.

Additionally, DNR DMLW intends to impose deed restrictions for the SE¼ of Section 35 to ensure that the grantee of proposed easement ADL 421088 is provided reasonable access to the Davidson Ditch.

Public Notice of Proposal: In accordance with *AS 38.05.945 Notice*, during a period of at least 30 consecutive days, the public will have the opportunity to submit written comment on the proposed land sale, public access easement, and private easement. Public notice is being conducted concurrently for the land offering and easements.

See **Section VIII. Submittal of Public Comments** at the end of this document and *Attachment C: Public Notice* for details on how to submit a comment for consideration. If, after consideration of timely, written comments, DNR DMLW moves forward with the proposal, a Final Finding and Decision will be issued.

II. Method of Sale

DNR DMLW proposes to offer for sale land within the project area as described herein, through a future offering under *AS 38.05.045 Generally*.

Parcels offered through this action are offered fee-simple for the surface estate only. For more information about the land sales program, please visit the website at <http://landsales.alaska.gov>.

III. Authority

DNR has the authority under *AS 38.05.045 Generally* to sell State-owned land if, on preparation and issuance of a written finding, it is determined to be in the best interest of the State, as required by *AS 38.05.035(e) Powers and Duties of the Director*. Article VIII, Section 1, of the Constitution of the State of Alaska states "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." In addition, if it is deemed appropriate, DNR has the authority to develop and offer parcels larger than 5 acres under the allowances listed in *AS 38.04.020(h) Land Disposal Bank*.

DNR DMLW has the authority under *AS 38.05.850 Permits* to issue easements on State land.

IV. Administrative Record

The project file for DMVA Tracts (ADL 420894), proposed public access easement ADL 421103, and proposed private easement ADL 421088 constitute the administrative record for this proposed action. Also incorporated by reference are:

- Eastern Tanana Area Plan for State Lands (ETAP, adopted August 2015) and associated land classification files;
- *Alaska Interagency Wildland Fire Management Plan (2017 Review)*;
- *Alaska Department of Fish and Game Catalog of Waters Important for the Spawning, Rearing, or Migration of Anadromous Fishes*;

Preliminary Decision

DMVA Tracts – ADL 420894

Proposed Public Access Easement – ADL 421103

Proposed Private Easement – ADL 421088

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- *USDA, Natural Resource Conservation Service Custom Soil Report for this project, dated October 2, 2017; and*
- *DNR case files: interagency land management agreements ADL 420285 and ADL 420377.*
- *Preliminary Geotechnical Investigations Report, Interior Alaska Veterans Cemetery, Goldstream Road Site – Fox, Alaska, prepared for the Alaska Department of Transportation & Public Facilities and Alaska Department of Military and Veterans Affairs by R&M Consultants, Inc., April 12, 2013.*

V. Scope of the Proposal

The scope of this proposal, under the statutes described in the preceding Section III. Authority, is limited and specific to DNR DMLW's proposal to offer State-owned land within the defined project area for disposal, to authorize the public access easement, and to authorize a private easement as described herein. DNR DMLW intends to impose deed restrictions for the SE¼ of Section 35 to ensure that the grantee of proposed easement ADL 421088 for the Davidson Ditch is provided reasonable access to the Davidson Ditch. The offering may be conducted in multiple stages.

VI. Description

Location: Within DNR's Northern Region, approximately one mile west of the Steese Highway and Goldstream Road intersection, the project area is within Section 35, Township 2 North, Range 1 West, Fairbanks Meridian, within the FNSB. See *Attachment A: Vicinity Map and Attachment B: Area Data Summary Table* for additional information.

Platting Authority: The project area is within the FNSB and subject to the borough's platting authority.

Native Regional and Village Corporations: The project area is within the boundaries of the Doyon regional corporation. There are no villages located within 25 miles of the project area.

Legal Description of the Land Offering: The NE¼ and SE¼ of Section 35 according to the official GLO plat of Township 2 North, Range 1 West, Fairbanks Meridian, Alaska accepted on December 22, 1913 by the Surveyor General, located within the Fairbanks Recording District, Fourth Judicial District, Alaska.

Legal Description of the Public Access Easement: Within government lots 7 and 8, Section 2, Township 1 North, Range 1 West, Fairbanks Meridian, Alaska, according to the BLM supplemental plat of Sections 1, 2, 11, and 12, accepted on September 21, 1970 by the BLM. Said easement will be located northerly of the Goldstream Road right-of-way.

Legal Description of the Private Easement: Within the SE¼ of Section 35 according to the official GLO plat of Township 2 North, Range 1 West, Fairbanks Meridian, Alaska accepted on December 22, 1913 by the Surveyor General, located within the Fairbanks Recording District, Fourth Judicial District, Alaska.

Preliminary Decision
DMVA Tracts – ADL 420894
Proposed Public Access Easement – ADL 421103
Proposed Private Easement – ADL 421088
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Title: Information from Title Report No. 10202, current as of September 19, 2017 indicates the State of Alaska holds fee title to the land and mineral estate for the SE¼ under a warranty deed, dated July 31, 2014 (recorded as document no. 2014-010776 in the Fairbanks Recording District). The title report indicates that the State of Alaska holds fee title to the land estate and the University of Alaska holds fee title to the mineral estate for the NE¼; under warranty deed dated July 31, 2014 (recorded as document no. 2014-010775 in the Fairbanks Recording District). The applicable State case files are UNIV 15 and OSL 1553. The parcel is subject to the reservations, easements and exceptions contained in the warranty deeds dated July 31, 2014 and federal patents. Specific to the SE¼, the parcel is subject to an easement for a highway right-of-way construction and maintenance (i.e. Goldstream Road), and an easement for the construction and maintenance of perforated drain pipe. Specific to the NE¼, the parcel is subject to a public access easement on the bed and 25 feet upland of and along the ordinary high-water mark of unnamed tributaries of Silver Creek created by the University of Alaska in a deed recorded as document number 2003-025985-0 in the Fairbanks Recording District.

State Reservations of Title:

Retention of and Access to Mineral Estate: In accordance with *Section 6 (i) of the Alaska Statehood Act* and *AS 38.05.125 Reservation [of Rights to Alaska]*, the State retains ownership of the mineral estate that may be in or upon the land that it sells. This retention is for all minerals, including both locatable minerals (such as gold, copper and silver, etc.), and leasable minerals (such as oil, gas, coal, etc.).

The State and its successors reserve the right to enter onto the land for the purposes of exploring for, developing, and producing these reserved mineral resources. Access reserved to these retained interests is superior to any and all surface uses. The State may also lease these retained interests to mineral developers or allow mining locations to be staked. However, *AS 38.05.130 Damages and Posting of Bond* also provides that the land estate owner will be compensated for damages resulting from mineral exploration and development.

Navigable Waters: Per *AS 38.05.126 (b) Navigable and Public Waters*, "...the state has full power and control of all of the navigable or public water of the state, both meandered and unmeandered, and the state holds and controls all navigable or public water in trust for the use of the people of the state." This trust is in accordance with the principles of the Public Trust Doctrine, which are included in Article VIII, Section 14 of the Constitution of the State of Alaska and protected in the United States Constitution. It is vested in the title to this land, is not transferable, and the State's title to submerged lands under navigable waters cannot be relinquished by a transfer of the property. In holding with this concept, navigability determinations are made and access will be reserved per *AS 38.05.127 Access To and Along Public and Navigable Water*. For more information, see *Access To, Within, and Beyond Project Area* subsection of this document.

The Bureau of Land Management has not made a navigability determination for waters within the affected townships for title purposes.

Where they exist within the project area, State third-party interests will be described in land sales brochures.

Physical Characteristics and Hazards: Attachment B: Area Data Summary Table describes the project area's physical characteristics. Information about the project area is based on internal research, information received during agency review, and on-ground field inspections conducted on September 18 and 28, 2017. This is by no means a complete description of the project area and if this proposal is approved and the area offered for sale, it will be the responsibility of interested parties to inspect individual parcels prior to purchase to familiarize themselves with the physical characteristics of the land.

Soils: Soils within the project area covered by deciduous forest generally consist of well-drained silt loams that are highly susceptible to erosion if the vegetative mat covering the soil is removed. Some major limitations of these soils include potential for frost heaving, low load supporting capacity, and the steep slope. The portion of the project area dominated by spruce forest generally consists of peat underlain by poorly drained silt loam. These soil types appear to be primarily in the far western margin of SE¼ Section 35 and SW¼ NE¼ Section 35. Some major limitations for this soil type include depth to permafrost and perched groundwater.

Contractors of the Alaska Department of Military and Veterans Affairs (DMVA) conducted a geotechnical exploration within the project area in late 2012. Three soil borings advanced in the western edge of SE¼ Section 35 documented ice inclusions and lenses. Frozen ground underlying the active layer ranged from approximately 8.5 to 20 feet below the ground surface, and extended to the bottom of the soil borings (20 to 21.5 feet below the ground surface). Ten soil borings advanced in the central and eastern portions of SE¼ Section 35 documented weathered schist bedrock 1.0 to 9.5 feet below the ground surface. No frozen ground beneath the active layer was documented in these borings. One soil boring advanced in SE¼ NE¼ Section 35 documented substantially similar soil and bedrock conditions to the aforementioned ten soil borings.

Wetlands: Wetlands exist within the western portion of the project area. The authorization of a public access easement (ADL 421103) through government lots 7 and 8 will assist in reducing impact to those wetlands.

Geologic Hazards: According to information provided by DNR Division of Geological and Geophysical Surveys (DGGS), the project area is within the zone of discontinuous permafrost. Lower slopes and valley bottoms tend to contain silt prone to intense frost heaving. The project area is within the Fairbanks seismic zone, which has been active within the last 150 years and has had earthquakes of magnitudes between 5 and 6. The nearby Salcha seismic zone has had the largest recorded seismic event within Interior Alaska (magnitude 7.3), which resulted in extensive ground failure near its epicenter. The risk posed by building within an active seismic zone should be accommodated by following appropriate construction best practices (e.g. International Building Code published by the International Code Council).

Fire Information: Pursuant to observations from the September 2017 field inspections, fire risk in the area is likely moderate to high within the western-central portion of the project area, due to dense black spruce. The fire risk is likely lower within northern and eastern portions due to the mature deciduous forest, and the southern portion due to the extensive vegetative clearing that occurred around 2003. There is no reported history of fires within the project area, but it appears that small spot fires have occurred within the vicinity. The project area is within the Chena-Goldstream Fire Service Area.

Potential for wildland fire is high in Interior Alaska. Landowners with structures are encouraged to follow the Alaska Wildland Fire Coordinating Group *Firewise Alaska* recommendations. Offering materials include information regarding wildland fire prevention.

Fire management options and policies for the area are identified in the Alaska Interagency Wildland Fire Management Plan available from DNR Division of Forestry. The current fire management option for the project area is "Critical." The policy on areas with the "Critical" management option reads, "wildfires occurring in the Critical Management Option or that threaten critical sites are assigned the highest priority for suppression actions and assignment of available firefighting resources." It also states that the designation of a fire management option does not ensure protection from wildfire, and that a protection response will be based on various factors. "Ultimately it is the personal responsibility of the [landowner] to mitigate and minimize risk to their property and structures and to be 'Firewise'."

Flood Hazard: The project area is within FEMA Flood Insurance Rate Map Community Panel number 025009 0075F. The project area is within Zone X, which is defined as outside the 500-year flood plain. There is potential for seasonal flooding and erosion of parcels adjacent to water bodies, especially in low-lying areas.

Water Resources: All surface and subsurface waters on all lands in Alaska are a public resource, subject to appropriation in accordance with the Alaska Water Use Act (AS 46.15). No water rights have been identified within a half-mile of the project area boundaries. There is no well information within the area. Water quality is unknown.

Two apparent water wells exist within the SE¼ of Section 35 immediately adjacent to the main trail within the project area. The top of the lower well is located at approximately 900 feet in elevation and consists of a capped steel pipe that protrudes approximately 18 inches above the ground surface. This pipe is contained within a larger diameter galvanized steel pipe. The top of the upper well is located at approximately 1,150 feet in elevation and near the eastern property boundary. This upper well extends several feet above the ground surface and is uncapped. This well appears to have a similar construction to the one lower on the hill based on what is visible. No documentation pertaining to these wells was found; it is unknown whether the wells access a water-bearing formation or fracture.

Background: The project area property was purchased by the State in 2014 as two quarter sections for the purpose of hosting the Interior Alaska Veterans Cemetery (IAVC). DNR DMLW issued interagency land management agreement (ILMA) ADL 420285 to DMVA for

the use of the property as the IAVC. In support of the IAVC development on State land between Goldstream Road and the project area, DNR DMLW issued ILMA ADL 420377 to DMVA for cemetery access, landscaping, and signage. After further site evaluation, the property was deemed by DMVA to be unsuitable for the planned cemetery. Selection and purchase of an alternative cemetery site is ongoing. The Alaska Legislature in 2017 appropriated the proceeds from the sale of the project area to DMVA for development of the IAVC. DNR DMLW and DMVA terminated the ILMA for the project area (ADL 420285) in 2017. The ILMA for cemetery access (ADL 420377) remains in place; DNR DMLW and DMVA will terminate this ILMA prior to land offering.

Because sale of the project area is a necessary component of the cemetery development elsewhere, DNR LSS proposes to sell the property as a 320-acre parcel. This provides DNR the flexibility of offering the land without taking further actions that would require substantial investment and delay the land sale, thereby impacting the IAVC project. Furthermore, the lack of practical access through the project area and steep topography complicate subdivision of the project area into typical residential parcel sizes. Such considerations allow DNR to offer parcels larger than five acres under *AS 38.04.020(h)*.

Since being transferred from federal ownership, the property has been owned by mining companies, individuals, and State government entities. LSS knows of no prior use of the property subsequent to leaving federal ownership, beyond land clearing as part of a plan for developing a ski area and the site investigations for the IAVC development plan. The SE¼ of Section 35 has been owned by five mining-related companies. FNSB currently zones the property GU-1.

The historic Davidson Ditch runs through the south half of the project area within the portion that was cleared of vegetation circa 2003. The ditch follows an apparent isocontour line of approximately 1,050 feet in elevation and ends near the northern edge of the vegetative clearing. This is the western terminus of the approximately 90-mile long Davidson Ditch system. Immediately downgradient and west of the terminus is a substantial erosional scar that deepens and broadens as it extends to the west. This erosional feature is oriented approximately east-west and appears to extend for at least 2,000 feet based on aerial imagery. The portions of the erosional feature observed in September 2017 field inspections appeared to be stable and were covered with mature vegetation. A smaller erosional scar originates from a ditch drain east of the terminus. This erosional feature is apparent in aerial imagery as a southwest-sloped drainage feature of at least 1,000 feet in length.

During site assessment work for the IAVC development, DMVA conducted an archaeological inventory survey, identified elements of the Davidson Ditch on the property as eligible for listing on the National Register of Historic Places, and made treatment recommendations that were submitted to the DNR Office of History and Archaeology. For further information, see *Planning and Classification* within this section and Section VII. DMLW and Agency Review.

The erosional scar west of the Davidson Ditch terminus blocks practical access to most areas immediately north of it. Assuming no further disturbance of the Davison Ditch, this historical feature similarly blocks access to portions of the project area north and east of the ditch. The only practical access currently within the project area connecting the NE¼ and

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SE¼ of Section 35 is the trail built over the ditch immediately east of the terminus. Access from Goldstream Road to this ditch crossing is provided by two dirt trails. One trail originates from the southwest corner of the SE¼, without a developed approach from Goldstream Road, and travels approximately northeast. This trail carries through soft, boggy terrain in the low elevations, and then up the steep hillside without switchbacks. This trail was in relatively good condition during the September 18, 2017 field inspection, but with some rutting in the steep sections. The other trail originates from a developed approach from Goldstream Road onto State land outside of the project area, then continues through the center of the SE¼ where it travels up the steep hillside in three main switchback segments. The steepest portions of this trail are approximately 24% slope. This trail was in good condition on the relatively flat portions during the September 28, 2017 field inspection, but had severe rutting from drainage over the trail along the steep portions of the trail.

The trail through the center of the property crosses State land (government Lots 7 and 8) and connects to Goldstream Road. Because this access through government Lots 7 and 8 is the most practical access, DNR DMLW proposes to approve a draft easement (ADL 421103) across this area. Pursuant to submitting an easement development plan to DMLW, the subsequent purchaser of the property may be issued an EA to construct suitable access, survey the access route, and receive a public access easement which will be issued to DNR DMLW. This proposal includes the authorization of that draft EA.

The project area appears to receive incidental use for recreation. Aside from the historical features, vegetative clearing, trails, and potential water wells mentioned above, there are no known improvements on the property. A lookout tower, apparently used for hunting, exists north of the Davidson Ditch and along the edge of the vegetative clearing boundary. A few small areas of trash and debris exist within the southern half of the property.

No prior State land offerings have occurred within the project area. Immediately to the north of the project area is a 240-acre parcel sold by the State in the early 1980s. Immediately to the east of the project area is 320 acres of State land classified as settlement land (unit F-27, ETAP). The Trans-Alaskan Pipeline System (TAPS) runs through unit F-27. The property immediately to the west of the project area (western half of Section 35) is owned by the University of Alaska, and the land immediately to the south is State-owned land. The only known development in this vicinity is TAPS, Goldstream Road, access roads to adjacent properties, and trails. Electric utility lines currently extend to near the south boundary of the project area along Goldstream Road.

Planning and Classification: The general management intent of the area plan and management unit were reviewed for consistency with the proposed offering. The project area is within the Eastern Tanana Area Plan (ETAP, adopted August 28, 2015), Fairbanks Region, Unit F-27. The project area was not included in the ETAP at the time of adoption. The project area was added to the ETAP Unit F-27 pursuant to Determination NC-10-004-D04. Lands within this unit are currently designated Settlement, and classified Settlement Land under Determination NC-10-004-D04 and Land Classification Order No. NC-10-004 and. The project area consists of 320 acres of the 2,480 acre F-27 management unit.

Unit F-27 Considerations: The management intent for Unit F-27 states that the land is appropriate for disposal within the planning period if the land is not returned to the

School Trust. The project area was not affected by the former School Trust litigation, however, this is not reflected in the management intent since it was added to Unit F-27 by Determination NC-10-004-D04 subsequent to adoption of the ETAP.

Area-wide Considerations: LSS reviewed the area plan's guidelines in Chapter 2 Areawide Land Management Policies regarding Coordination and Public Notice, Cultural Resources, Public Access, and Settlement. These considerations will be incorporated into the design and development of the project. Specific area-wide management intent and management guidelines affecting this proposal are discussed below.

Coordination and Public Notice: Management Guidelines provide that public notice will be given for the disposal of land as required under *AS 38.05.945 Notice*, and recommends coordination with the borough and other land owners. Public notice is being issued for this proposed action in accordance with *AS 38.05.945*. Refer to Attachment C: Public notice and Section VIII. Submittal of Public Comments for more information

Cultural Resources: Management Guidelines provide for protection of significant cultural resources by OHA review of project proposals to determine the potential for adverse effects on heritage resources. Subdivision of State land may require the establishment of buffers around significant cultural resources. Agency review for this project included OHA, and OHA notified DMLW about the historical resources associated with the Davidson Ditch within the project area. DMLW, OHA, and DMVA coordinated to protect the Davidson Ditch within the project area through an easement to be issued to OHA prior to sale of the project area. The easement (proposed ADL 421088), if approved, will run with the land to protect the Davidson Ditch historical resources within the project area and preserve access for inspection and further cultural survey work.

Public Access: Management Guidelines provide that prior to disposal of State lands, public access will be reserved in accordance with the applicable regulations, and reasonable access across State land will be retained when lands are sold. The State will dedicate rights-of-way and reserve public access and/or utility easements as appropriate to maintain access through and within the project and retain utility corridors. As part of this decision, public access easement ADL 421103 will be authorized to provide more practical access from Goldstream Road across State land to the project area. DNR DMLW LSS is not proposing to reserve a specific access route through the project area to State land to the east since legal access already exists to this area via section line easements. An access route through the project area would not improve access quality because of limitations imposed by the proposed easement for protection of the Davidson Ditch (ADL 421088) and the steep terrain.

Settlement: Management Guidelines pertaining to settlement include planning and coordination with regard to local governments; local plans, and access; protection of life and property; and protection of resources such as sensitive areas, habitat, scenic features, and other resources. Management Guidelines also provide that design

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should retain appropriate green belts, public-use corridors, riparian buffers, wildlife migration corridors, and provide an open space system designed to protect or maintain important uses and values.

This proposal has considered these guidelines as addressed throughout this document, and has taken into account site limitations such as slope, drainage, and soils. Review of the FNSB Comprehensive plan did not indicate any conflicts with proposed land disposal. DMLW will solicit coordination with local landowners through the public notice and public comment process. See the Coordination and Public Notice subsection for more information. The proposed land offering will not interfere with any critical recreation or environmental resources; known cultural resources within the project area are discussed in Cultural Resources subsection. There are no significant current uses of the project area to protect or maintain and LSS is not proposing to subdivide the project area, therefore no retained lands or buffers are proposed.

The proposed offering is consistent with area-wide land management policies and general management intent of the ETAP and specific management unit. The unit is designated Settlement and State-owned lands within the unit are appropriate for disposal, including sale, during the planning period.

Mineral Activity and Order(s): No mineral activity has been identified on these lands. The project area is closed to mineral entry under Mineral Order (closing) No. 1170 for the SE¼ and Mineral Closing Order 239 for the NE¼.

Mineral orders which close an area to mineral entry, close the applicable area to new exploration and development of locatable minerals. Such mineral orders do not apply to leasable minerals (such as: oil, gas, coal, etc.), or exploration licensing for such, nor do they preclude reasonable surface access to these resources. However, *AS 38.05.130 Damages and Posting of Bond* stipulates that the land estate owner will be compensated for damages resulting from exploration and development.

Mining activity for locatable minerals would be incompatible with the past, current, and proposed land estate uses for land disposals. To allow new mineral location within the boundaries of the parcels encompassed by this decision could create serious conflicts between land estate and mineral estate users. Area plan mineral estate management policy states that, in general, areas scheduled for disposal will be closed to mineral entry prior to sale to minimize potential conflict between land estate and mineral estate users.

Local Planning: The project area is within the FNSB and property purchased through this proposed offering will be subject to the applicable zoning, ordinances, and restrictions of the borough. The project area is within the boundary of the FNSB Comprehensive plan. Review of that plan did not indicate any conflicts with proposed land disposal.

Traditional Use Finding: The project area is located within the FNSB and a traditional use finding is therefore not required per *AS 38.05.830 Land Disposal in the Unorganized Borough*. However, information on current or traditional use is welcomed and can be given during the public comment period. See the Section VIII. Submittal of Public Comments at

the end of this document and *Attachment C*: Public Notice for details on how to submit comment.

Access To, Within, and Beyond Project Area: Legal access to the project area is directly from Goldstream Road through the southwest corner of the property and along the section line easement between Goldstream Road and the eastern property boundary. Additional access across State land between Goldstream Road and the project area is proposed as easement ADL 421103. Two well-developed trails exist within the southern half of the project area; a less developed trail continues into the northern half of the project area along the eastern boundary. DNR does not propose to reserve any additional access to lands beyond the project area and within the project area boundaries.

Access To and Along Public or Navigable Waters: In accordance with AS 38.05.127 *Access To Navigable or Public Water*, DNR will determine if a water body is navigable or public and establish easements or rights-of-way as necessary to ensure unobstructed access to and along the body of water. Regulations dictating the creation of easements or rights-of-way under this statute include 11 AAC 51.035 *Determination of Navigable and Public Water* and 11 AAC 51.045 *Easements To and Along Navigable and Public Water*.

For the purposes of AS 38.05.127:

- navigable waters are generally lakes larger than 50 acres in size or streams larger than 50 feet in average width;
- public waters are generally lakes larger than 10 acres in size or streams larger than 10 feet in average width; and
- waters may be determined public or navigable consistent with AS 38.05.965 (21) *Definitions*.

DNR has not identified any public, navigable, or anadromous water bodies within the project area.

Easements, Setbacks, and Retained Lands: The land offering may include a variety of easements, setbacks, and retained lands, which will be identified on the record of survey and included in related documents as appropriate.

The project area will be subject to easements and reservations of record, including:

- a public access easement on the bed and 25 feet upland of and along the ordinary high-water mark of unnamed tributaries of Silver Creek created by the University of Alaska in a deed recorded as document number 2003-025985-0 in the Fairbanks Recording District;
- a perpetual right-of-way easement to the State for Goldstream Road occupying 2.23 acres within the SE¼ of Section 35 (recorded in Book 239, Page 104, Fairbanks Recording District); and
- a construction and maintenance easement to the State for the installation and maintenance of a perforated drain pipe occupying 0.334 acres within the SE¼ of Section 35 (recorded in Book 239, Page 103, Fairbanks Recording District).

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The project area may be subject to other reservations or restrictions where appropriate, such as:

- a 50-foot-wide section line easement on each side of surveyed or protracted section lines on State-owned land in accordance with *AS 19.10.010 Dedication of Land for Public Highways* and *11 AAC 51.025 Section-line Easements*; section-line easements may be vacated under *AS 19.30.410 Vacation of Rights-of-Way* and *11 AAC 51.065 Vacation of Easements* as part of the subdivision development;
- a 5-foot survey easement from the nearest practical point on the property boundary to control monuments within the parcel and an easement with a radius around the control monument, and as applicable, a 5' direct line-of-sight easement from the control station to an azimuth mark or other control monument;
- a private easement to be issued to OHA to protect the Davidson Ditch within the project area and allow OHA to conduct monitoring, documentation and research (ADL 421088); and
- a reservation in the State patent and contract for reasonable access to the Davidson Ditch.

Hazardous Materials and Potential Contaminants: During ground field inspections conducted on September 18 and 28, 2017, field staff did not observe any environmental hazards within the project area. There are no known environmental hazards present within the project area; however, the State makes no representations and no warranties, express or implied, concerning the existence or absence of any hazardous substances, hazardous wastes, contaminants, or pollutants on the land here proposed for conveyance. The State further assumes no liability for the removal of hazardous substances, hazardous wastes, contaminants, or pollutants, nor for the remediation of the site should such substances eventually be found. Interested parties are encouraged to inspect the property and familiarize themselves with the condition and quality of the land prior to bid or application submittal.

DNR DMLW recognizes there are potential future environmental risks when previously vacant land is occupied. Many of the activities increasing these potential risks are regulated by other agencies, such as the regulation of septic system installation by the State of Alaska, Department of Environmental Conservation. This risk is no greater than when vacant private land undergoes development. Given that this land was specifically designated Settlement for transfer into private ownership, and given the high degree of interest from both the legislature and citizens in transferring State-owned land into private ownership, DNR is of the opinion that the benefits of offering the land outweigh the potential risks.

Survey, Platting, and Appraisal: After evaluation of public comment and conditions of the land, DNR will determine if it is in the State's best interest to offer the proposed project area. DNR is not proposing to subdivide the project area prior to offering.

In accordance with *AS 38.05.840 Appraisal*, an appraisal meeting DNR DMLW standards will be required within two years of the date fixed for the sale of any parcel developed under this proposed action.

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VII. DMLW and Agency Review

Information and comments received from multiple sections within DMLW prior to and during agency review have been considered and included in the preparation of this Preliminary Decision. Agency review was conducted from October 10, 2017 through October 24, 2017. Comments pertinent to this proposed action received during agency review have been considered and addressed below. Additional timely comments received during the Public Notice period will be considered and addressed in a subsequent Final Finding and Decision, if one is issued.

DNR DMLW LSS received brief comments of non-objection from the following agencies: DNR Division of Agriculture; Alaska Railroad; Alaska Department of Military and Veterans Affairs; DNR Division of Forestry; Mental Health Trust Land Office; and DNR Division of Parks and Outdoor Recreation Field Operations.

DNR DMLW LSS Response: Thank you for your review of and comment on this proposal.

DNR Division of Oil and Gas (DOG) Comment: DOG has no objection to the proposed land disposal; there are no applications or pending authorizations in the area. DOG requests that DMLW continue to make potential purchasers aware that the State retains the mineral estate and that mineral orders closing the land to locatable mineral resources do not apply to leasable mineral resources.

DNR DMLW LSS Response: LSS will continue to provide information about State reservations of title and the applicability of mineral orders on the mineral estate in decision documents and the sales materials if the proposed land offering proceeds.

DNR State Pipeline Coordinator's Section (SPCS) Comment: SPCS requests that DMLW provide information about the proposal to the Alyeska Pipeline Service Company because the Trans-Alaska Pipeline is located approximately one-quarter mile to the east of the proposed land sale area.

DNR DMLW LSS Response: LSS will include Alyeska Pipeline Service Company during public notice of this proposal.

DNR Division of Parks and Outdoor Recreation, Office of History and Archaeology Comment: OHA notes that the Davidson Ditch is a cultural resource within the proposed sale area that is eligible for listing on the National Register of Historic Places. The office requests consultation prior to sale of the property to explore options for avoidance, minimization, or mitigation measures for the feature such as a cultural easement, exclusion of the Davidson Ditch from sale, further archaeological documentation, and interpretative materials.

DNR DMLW LSS Response: LSS is coordinating with OHA in the development of this proposal. The private easement to OHA (ADL 421088) is proposed for authorization as part of this Preliminary Decision.

DNR DGGGS Comment: DGGGS summarized the geologic hazards posed by permafrost, frost heaving, and seismic activity (see Section VI, Description, Physical Characteristics and Hazards for more information).

DGGGS has no Alaska Resource Data File (ARDF) mineral-occurrence records for the hill on which the DMVA Tracts property is located, but there are extensive placer mining workings in the immediate vicinity and approximately ten ARDF mineral localities within five miles of the property. The property is generally located within a broader regional belt of gold, arsenic, and antimony mineral occurrences, prospects, and mines. Limited data collected from drainages near the property provide little information about the mineral-resource potential within the property. DGGGS can collect sediment samples from streams draining the hill to better inform decision making.

DNR DMLW LSS Response: LSS appreciates DGGGS explanation of the mineral resources in the vicinity. Because LSS is tasked with selling the property on behalf of DMVA and is proposing to authorize an easement to protect the Davidson Ditch on the property, LSS won't be pursuing the collection of new data on the mineral resource potential within the property.

The following agencies or groups were included in the agency review but no comment was received:

- Department of Commerce, Community, and Economic Development;
- Department of Environmental Conservation;
- Department of Fish & Game;
- Department of Transportation and Public Facilities;
- DNR Office of Project Management and Permitting;
- Fairbanks Soil and Water Conservation District; and
- University of Alaska.

VIII. Submittal of Public Comments

See Attachment C: Public Notice for specific dates and conditions.

Pursuant to *AS 38.05.945 Notice*, DNR is issuing public notice inviting comment on this Preliminary Decision.

In accordance with *AS 38.05.946 (a) Hearings*, a municipality or corporation entitled to receive notice under *AS 38.05.945 (c)* may hold a hearing within 30 days after receipt of the notice. If a hearing is held, the Commissioner (or representative) shall attend the hearing. The Commissioner has discretion whether or not to hold a public hearing.

LSS will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the Preliminary Decision for the proposed land sale or proposed easements, additional public notice for the affected lands will be given. Reducing the amount of land offered and making minor changes to any of the proposals will not be considered significant changes requiring additional public notice.

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If the proposals are approved and no significant change is required, the Preliminary Decision, including any deletions, minor changes, and summary of comments and LSS responses, will be issued as a subsequent Final Finding and Decision.

Only persons from whom DNR DMLW LSS receives timely, written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision. Upon approval and issuance of these actions, a copy of the decision will be made available online at <http://landsales.alaska.gov/> and sent with an explanation of the appeal process to any party who provides timely written comment.

DNR is prepared to accommodate individuals with disabilities by providing auxiliary aids, services, or special modifications in order to participate in this review. Individuals who may need such assistance should contact the Department's Public Information Center. For more information refer to *Attachment C: Public Notice*.

**DEADLINE TO SUBMIT WRITTEN COMMENT IS
5:00 PM, WEDNESDAY, NOVEMBER 28, 2018**

IX. Alternatives and Discussion

DNR DMLW is considering the following alternatives:

Alternative 1: (Preferred) Offer the project area as a 320-acre parcel, but no more than two parcels no smaller than 160 acres. The offering of these parcels may be completed in multiple stages. This proposal includes authorizing the proposed public access easement ADL 421103 and proposed private easement ADL 421088.

Alternative 2: Offer the project area as a 320-acre parcel, but no more than two parcels no smaller than 160 acres. Do not authorize alternative access to the project area from Goldstream Road via public access easement ADL 421103. Do not authorize the proposed private easement ADL 421088.

Alternative 3: (Status Quo) Do not offer this project area for private ownership and do not authorize alternative access from Goldstream Road. Retain the land in State ownership.

Article VIII, Section 1 of the Alaska Constitution states, "it is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." Furthermore, *AS 38.05.045 Generally* has placed this charge with DNR, and the legislature has provided funding to administer the land sale program.

Alternative 1 provides a method for DNR to meet the obligations laid out in the Constitution and statute, and maximizes public interest. This offering provides an opportunity for the public to obtain land for settlement in a desirable area. This proposal, if approved in a subsequent Final Finding and Decision, will allow DNR DMLW to sell property purchased by the State for the IAVC. The proceeds from sale of the project area have been appropriated by the Alaska Legislature to fund development the IAVC project in an alternative location. Accordingly, DNR LSS proposes to sell the property in aliquot parts without subdivision or development that would

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require additional investment and delay the land sale, thereby impacting the cemetery project. Additionally, alternative 1 would authorize a public access easement through other State land to the project area from Goldstream Road. The proposed public access easement would provide access options in areas where ground conditions improve construction viability. The proposed private easement ADL 421103 will allow for protection of that portion of the Davidson Ditch within the project area. Alternative 1 is preferred. If DNR DMLW does not approve the project, the proposed easements will not be processed.

Alternative 2 achieves the primary goal of selling the project area to help fund the development of the IAVC, but would complicate future property development by limiting access options from Goldstream Road to the project area. This would limit access to routes crossing wetlands on the western property boundary or directly uphill within a section line easement on the eastern property boundary. Furthermore, Alternative 2 would not provide protection for the Davidson Ditch within the project area, as has been requested by OHA. Alternative 2 is not preferred.

Alternative 3 is not preferred. The Legislature and the public have indicated a desire for DNR DMLW to offer State-owned land for private ownership. Not offering the project area would remove a funding source for development of the IAVC and deny many Alaskans the opportunity to obtain land in an area suited for settlement.

For the aforementioned reasons, Alternative 1 is the preferred alternative. Recommendation follows.

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X. Recommendation

This Preliminary Decision for the proposed disposal of State lands, public access easement ADL 421103, and proposed private easement ADL 421088 described throughout this document and its attachments are consistent with the overall management intent for State-owned land. Alternative 1 is the preferred alternative because it provides the maximum opportunity for offering State land to the public, helps meet the mission of the Land Sales program, helps fund development of the IAVC in an alternative location, provides protection for the Davidson Ditch within the project area, and improves construction viability for access to the project area. The Preliminary Decision described above, as represented by the preferred alternative, has been reviewed and considered. I find that the recommended action may be in the best interest of the State and that it is hereby approved to proceed to public notice.

This is a Preliminary Decision, and analysis of subsequent public review may result in changes to the preferred alternative of the proposed disposal of State lands and proposed easements.

/s/ Colin M. Craven
Prepared by: Colin Craven
Natural Resource Specialist
Land Sales Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

October 22, 2018
Date

/s/ Kathryn Young
Approved by: Kathryn Young
Section Manager
Land Sales Section
Division of Mining, Land, and Water
Department of Natural Resources
State of Alaska

October 22, 2018
Date

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND, AND WATER**

ATTACHMENT B: AREA DATA SUMMARY TABLE

to the
Preliminary Decision

for a
Proposed Land Offering in the Fairbanks North Star Borough
DMVA Tracts – ADL 420894
Proposed Public Access Easement – ADL 421103
Proposed Private Easement – ADL 421088

Offering Information	
Proposed Number of Parcels	DNR plans to offer the land as a single parcel; may offer as two parcels.
Proposed Parcel Size	Varying in size from 160 to 320 acres.
Proposed Related Actions	None.
Project Area	
Location	Approximately one mile west of the Steese Highway and north of Goldstream Road near Fox, Alaska.
Project Area Acreage	320 acres.
USGS Topography Map	USGS Quad Fairbanks D-2.
Legal Description	<p><u>Proposed land offering:</u> The NE¼ and SE¼ of Section 35 according to the official GLO plat of Township 2 North, Range 1 West, Fairbanks Meridian, Alaska accepted on December 22, 1913 by the Surveyor General, located within the Fairbanks Recording District, Fourth Judicial District, Alaska.</p> <p><u>Proposed public access easement:</u> Within government lots 7 and 8, Section 2, Township 1 North, Range 1 West, Fairbanks Meridian, Alaska, according to the BLM supplemental plat of Sections 1, 2, 11, and 12, accepted on September 21, 1970 by the BLM. Said easement will be located north of the Goldstream Road right-of-way.</p> <p><u>Legal Description of the Private Easement:</u> Within the SE¼ of Section 35 according to the official GLO plat of Township 2 North, Range 1 West, Fairbanks Meridian, Alaska accepted on December 22, 1913 by the Surveyor General, located within the Fairbanks Recording District, Fourth Judicial District, Alaska</p>

Attachment B: Area Data Summary Table
for a Proposed Land Offering in the Fairbanks North Star Borough
DMVA Tracts – ADL 420894
Proposed Public Access Easement – ADL 421103
Proposed Private Easement – ADL 421088
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Title	The State received warranty deeds for the NE¼ and SE¼ sections in 2014 (document numbers 2014-010775 and 2014-010776, in the Fairbanks Recording District).
Area Plan and Classification	Included in the Eastern Tanana Area Plan (ETAP) (adopted August 2015), Management Unit F-27 by Determination NC-10-004-D04. Lands are designated Settlement and classified Settlement Land.
Mineral Orders	Closed to mineral entry by MCO 239 (NE¼) and MO 1170 (SE¼).
Physical Characteristics	
Access	To the project area from Goldstream Road. Two well-developed trails exist within the SE¼; a less developed trail continues into the SE portion of the NE¼. LSS proposes to authorize an access easement (ADL 421103) through government Lots 7 and 8 to the project area.
Terrain and Major Features	The terrain is often steep. Slopes along the trail system approach 25%. Most of the SE¼ has been cleared of vegetation approximately 15 years ago. The Davidson Ditch and associated erosion features cross through the SE¼ of Section 35.
View	Many areas within the SE¼ have views of the Goldstream Valley. Some of the highest elevations in the project area might have views of the Alaska Range.
Soils	Soils in areas with deciduous forest generally consist of well-drained silt loams that are highly susceptible to erosion if the vegetative mat is removed. Major soil limitations include frost heaving, low load supporting capacity, and the steep slopes. Soils in areas dominated by spruce forest generally consists of peat underlain by poorly drained silt loam. Major limitations include permafrost and perched groundwater. Known soil concerns will be described in the project file and offering materials where relevant.
Wetlands	Wetland areas exist within western central portion of the project area. Dredging or filling of wetlands may require a permit from the US Army Corps of Engineers.
Vegetation	Most of the project area consists of a mix of birch and poplar trees. Lower elevation portions are dominated by black spruce. Most of the vegetation within the SE¼ was cleared circa 2003.
Water Source	No known water sources. Two apparent water wells exist on the property, but without any documentation about their depth and functionality.
Anadromous Waters	None.
Local Management Information	
Fire Protection	Critical Fire Management Option. No records of any fires within the project area. The project area is within the Chena-Goldstream Fire Service Area.
Game Management Unit	20B

Attachment B: Area Data Summary Table
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Local Authority	The Fairbanks North Star Borough exercises authority for planning, platting, taxes, and zoning for the project area. The project area is currently zoned GU-1.
Flood Zone	The FEMA Flood Insurance Rate Map is community panel number 025009 0075F. The project area is within Zone X, which is defined as outside the 500-year flood plain.
Utilities	This area is currently served by the Golden Valley Electric Association.
Waste Disposal	Solid waste disposal is available at the Fox Transfer Station, less than 1-mile southeast of the project area. All on-site waste water disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation. A transfer station operated by the borough is less than a mile away along Goldstream Road.
Setbacks, Reserved Areas, Easements, and Conditions	
Building Setbacks	None identified.

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Public Access and Utility Easements	<p>The project area will be subject to easements and reservations of record, including:</p> <ul style="list-style-type: none"> • a public access easement on the bed and 25 feet upland of and along the ordinary high-water mark of unnamed tributaries of Silver Creek created by the University of Alaska in a deed recorded as document number 2003-025985-0 in the Fairbanks Recording District; • a perpetual right-of-way easement to the State for Goldstream Road occupying 2.23 acres within the SE¼ of Section 35 (recorded in Book 239, Page 104, Fairbanks Recording District); and • a construction and maintenance easement to the State for the installation and maintenance of a perforated drain pipe occupying 0.334 acres within the SE¼ of Section 35 (recorded in Book 239, Page 103, Fairbanks Recording District). <p>The project area may be subject to other reservations or restrictions where appropriate, such as:</p> <ul style="list-style-type: none"> • a 50-foot-wide section line easement on each side of surveyed or protracted section lines on State-owned land in accordance with <i>AS 19.10.010 Dedication of Land for Public Highways</i> and <i>11 AAC 51.025 Section-line Easements</i>; section-line easements may be vacated under <i>AS 19.30.410 Vacation of Rights-of-Way</i> and <i>11 AAC 51.065 Vacation of Easements</i> as part of the subdivision development; • a 5-foot survey easement from the nearest practical point on the property boundary to control monuments within the parcel and an easement with a radius around the control monument, and as applicable, a 5' direct line-of-sight easement from the control station to an azimuth mark or other control monument; • a private easement to be issued to OHA to protect the Davidson Ditch within the project area and allow OHA to conduct monitoring, documentation and archaeological research (ADL 421088); and • a reservation in the State patent and contract for reasonable access to and along the Davidson Ditch.
Retained Lands	None Identified.
Public or Navigable Water Bodies	None identified. If any water bodies are deemed public or navigable within the project area prior to platting, DNR DMLW will comply with statutory requirements to provide access to and along said water bodies.
Additional Information	
Native Regional Corporations	Doyon Regional Corporation.

Attachment B: Area Data Summary Table
for a Proposed Land Offering in the Fairbanks North Star Borough
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Page 5 of 5

Villages and Tribal Councils	None within 25 miles.
Oil and Gas Activity	None known.
Mining Activity	None known.
Comments	<p>These parcels were acquired by the State through the Department of Military and Veterans Affairs (DMVA). Development of the parcels is no longer being pursued, and DMVA has requested they be sold.</p> <p>The Davidson Ditch runs through part of the SE¼ of Section 35. DNR Office of History and Archaeology (OHA) has determined that this portion of the Davidson Ditch is eligible for listing on the National Register of Historic Places. Based on consultations with OHA, LSS is proposing a private easement (ADL 421088) to be assigned to OHA for protection of the Davidson Ditch within the project area prior to sale. Access to easement ADL 421088 will be reserved by a deed restriction for the SE¼ of Section 35.</p>

ATTACHMENT C: PUBLIC NOTICE

STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND, & WATER, LAND SALES SECTION

PUBLIC NOTICE

Requesting Input for:

Proposed Land Offering, DMVA Tracts, ADL 420894

Proposed Public Access Easement, ADL 421103

Proposed Private Easement, ADL 421088

COMMENT PERIOD ENDS 5:00PM, WEDNESDAY, NOVEMBER 28, 2018

This proposed project includes offering for sale parcels in a future offering under the method and the two proposed easements as described in the Preliminary Decision document.

Located within DNR's Northern Region, approximately one mile west of the Steese Highway and Goldstream Road intersection, the project area is within Section 35, Township 2 North, Range 1 West, Fairbanks Meridian, within the Fairbanks North Star Borough (FNSB).

Project size: 320 acres proposed for sale.

The proceeds from sale of this State land have been appropriated by the Alaska Legislature to fund development of the Interior Alaska Veterans Cemetery by the Alaska Department of Military and Veterans Affairs.

To obtain the notice of the Preliminary Decision or instructions on submitting comment, go to <http://landsales.alaska.gov/> or <http://aws.state.ak.us/OnlinePublicNotices/>. For assistance in obtaining the documents by an alternative method, to request auxiliary aids, services, or special accommodations, contact DNR's Public Information Centers on State work days, Monday through Friday, between 10AM and 5PM in Anchorage at 907.269.8400 (TDD for the hearing impaired: 907.269.8411) or Fairbanks at 907.451.2705 (TDD for the hearing impaired: 907.451.2770), or the Southeast Land Office in Juneau at 907.465.3400 (TDD for the hearing impaired: 907.465.3888), or go to <http://dnr.alaska.gov/commis/pic/> for additional contact information. Individuals who require special assistance must request assistance from the Public Information Center in Anchorage no later than 4:00 PM, Wednesday, November 21, 2018.

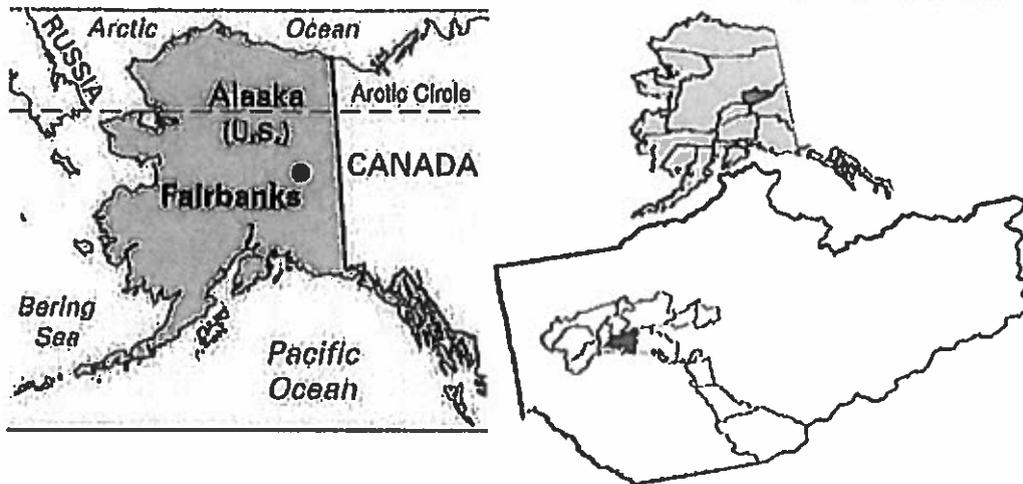
Pursuant to *AS 38.05.945 Notice*, the public is invited to submit comment the Preliminary Decision. The deadline for public comment is 5:00PM, **WEDNESDAY, NOVEMBER 28, 2018**. Only persons from whom DNR DMLW LSS receives timely, written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision. Written comment may be received by fax, email or postal mail. To submit comments or for direct inquiries, contact Colin Craven, DNR Land Sales, 3700 Airport Way, Fairbanks, AK 99709, fax # 907.451.2751, land.development@alaska.gov. If you have questions, call Colin Craven at 907.451.2730.

If no significant change is required, the Preliminary Decision, including any minor changes and a summary of comments and responses, will be issued as the Final Finding and Decision without

Attachment C: Public Notice
for a Proposed Land Offering in the Fairbanks North Star Borough
DMVA Tracts – ADL 420894
Proposed Public Access Easement – ADL 421103
Proposed Private Easement – ADL 421088
Page 2 of 2

further notice. A copy of the Final Finding and Decision will be sent to any persons who commented timely on the Preliminary Decision.

DNR reserves the right to waive technical defects in this notice.



Fairbanks - Home Rule City in the Fairbanks North Star Borough – FNSB
Pronunciation (FAIR-banks)
City of Fairbanks Seal:



Motto: The Golden Heart City

Location: within Fairbanks North Star Borough and the U.S. state of Alaska

Area:

- **City:** 32.7 sq. mi (84.6 km²)
- **Land:** 31.9 sq. mi (82.5 km²)
- **Water:** 0.8 sq. mi (2.1 km²)

Elevation: 446 ft. (136 m)

Coordinates: 64°50'37"N 147°43'23"WCoordinates: 64°50'37"N 147°43'23"W

Country: United States

State: Alaska

Borough: Fairbanks North Star

Incorporated: November 10, 1903[1]

Government Type: Home rule city

Current Population: (2010)

- **City:** 32,070
- **Ranked:** 2nd
- **Estimate (2014):** 32,469
- **Estimate (2016):** 32,751
- **Density:** 1,006.89/sq mi (388.76/km²)
- **Urban:** 51,926
- **Metro:** 100,605

Demonym(s): Fairbanksan

Community's Senate District: B

Community's House District: 03; 04

Communities Judicial District: 4
Recording District: Fairbanks

Description:

Fairbanks is the largest city in the Interior region of Alaska. 2016 estimates put the population of the city proper at 32,751, and put the population of the Fairbanks North Star Borough at 100,605, making it the second most populous metropolitan area in Alaska (after Anchorage). The Metropolitan Statistical Area encompasses all of the Fairbanks North Star Borough and is the northernmost Metropolitan Statistical Area in the United States, located 196 driving miles (or 140 air miles) south of the Arctic Circle. Fairbanks is home to the University of Alaska Fairbanks, the founding campus of the University of Alaska system.

Location

Fairbanks is located in the heart of Alaska's Interior, on the banks of the Chena River in the Tanana Valley. By air, Fairbanks is 45 minutes from Anchorage and 3 hours from Seattle. It lies 358 road miles north of Anchorage. The city is extremely far north, being located close to 16 parallels north of the Pacific border between the U.S. and Canada. It is roughly on the same parallel as the northern Swedish city of Skellefteå and Finnish city of Oulu. On account of its warm summers, however, Fairbanks is located south of the arctic tree line.

Climate

Fairbanks is commonly known as America's coldest city. Interior Alaska experiences seasonal temperature extremes. Average January temperatures range from -19 to -2 °F; average July temperatures range from 53 to 72 °F. Annual precipitation averages 11.5 inches with 67.8 inches of snowfall. Temperatures have been recorded as low as -62 °F in mid-winter and as high as 96 °F in summer. During the winter months, if the temperature drops below -20 °F, ice fog can occur. Fairbanks is known for its lingering summer days. When the solstice arrives, there are more than 22 hours of daylight.

History:

Koyukon Athabascans have lived in this area for thousands of years. In 1901, Captain E.T. Barnette established a trading post on the Chena River called "Barnette's Cache." A year later, gold was discovered 16 miles north of the post. The town grew as the Chena steamboat landing brought many prospectors during the Pedro Dome gold rush. Fairbanks was named in 1902 after Indiana Senator Charles Fairbanks, who became Vice President of the US from 1905 to 1909. In 1903, Judge Wikersham moved the seat of the third judicial district from Eagle to Fairbanks. The population of the area continued to increase as Fairbanks became the hub of the Interior with the addition of the court, government offices, a jail, a post office, and the Northern Commercial Company. Barnette was elected as the first mayor of the City of Fairbanks in 1903 and established telephone service, fire protection, sanitation ordinances, electricity, and steam heat. He also founded the Washington-Alaska Bank. By 1910, the official population had grown to 3,541, although more than 6,000 miners lived and worked their claims on creeks north of town. Ladd Field (now Fort Wainwright) was constructed in 1938. Construction of the Alcan Highway in the 1940s and the Trans-Alaska oil pipeline in the 1970s fueled growth and development.

Topography:

According to the United States Census Bureau, the city has a total area of 32.7 square miles (85 km²); 31.9 square miles (83 km²) of it is land and 0.8 square miles (2.1 km²) of it (2.48%) is water.

Fairbanks is located in the central Tanana Valley, straddling the Chena River near its confluence with the Tanana River. Immediately north of the city is a chain of hills that rises gradually until it reaches the White Mountains and the Yukon River. The southern border of the city is the Tanana River. South of the river is the Tanana Flats, an area of marsh and bog that stretches for more than 100 miles (160 km) until it rises into the Alaska Range, which is visible from Fairbanks on clear days. To the east and west are low valleys separated by ridges of hills up to 3,000 feet (910 m) above sea level.

The Tanana Valley is crossed by many low streams and rivers that flow into the Tanana River. In Fairbanks, the Chena River flows southwest until it empties into the Tanana.

People and culture

Demographics:

Historical population		
Census	Pop.	%±
<u>1910</u>	3,541	—
<u>1920</u>	1,155	-67.4%
<u>1930</u>	2,101	81.9%
<u>1940</u>	3,455	64.4%
<u>1950</u>	5,771	67.0%
<u>1960</u>	13,311	130.7%
<u>1970</u>	14,771	11.0%
<u>1980</u>	22,645	53.3%
<u>1990</u>	30,843	36.2%
<u>2000</u>	30,224	-2.0%
<u>2010</u>	31,535	4.3%
Est. 2016	32,751 ^(U)	3.9%

U.S. Decennial Census:

Fairbanks first appeared on the 1910 U.S. Census as an incorporated city. It incorporated in 1903.

The U.S. Census Bureau estimates that the population of 2011 in the city was 32,036 people, 11,075 households, and 7,187 families residing in the city. The population density was 995 people per square mile (366.3/km²). There were 12,357 housing units at an average density of 387.9 per square mile (149.8/km²). The racial makeup of the city was 66.1% White, 9.0% Black or African American, 10.0% Native American or Alaska Native, 3.6% Asian, 0.8% Pacific Islander. In addition, 9.0% of the population identified as Hispanic or Latino. The population estimate for the Fairbanks North Star Borough was 99,192. The racial makeup of the North Star Borough was 78.2% White, 5.0% Black, 7.2% Alaska Native or Native American, 2.8% Asian, 0.4% Pacific Islander; 6.3% identified as Hispanic or Latino.

Of the 11,075 households, 39.9% had children under the age of 18, 47.2% were married couples living together, 12.6% had a female householder with no husband present, and 35.1% were non-families. 27.4% of all households were made up of individuals and 6.0% had someone living alone who was 65 years of age or older. The average household size was 2.56 and the average family size was 3.15.

The median age of the population was 28 years, with 9.6% under the age of 5, 26.0% under the age of 18, 14.7% from 18 to 24, 32.8% from 25 to 44, 16.4% from 45 to 64, and 7.3% who were 65 years of age or older. For every 100 females, there were 105.3 males. For every 100 females age 18 and over, there were 108.2 males.

The median income for a household between 2007 and 2011 was \$55,409. Males had a median income of \$30,539 versus \$26,577 for females. The per capita income for the city was \$19,814. About 7.4% of families and 10.5% of the population were below the poverty line, including 11.6% of those under age 18 and 7.0% of those age 65 or over. The percentage of high school graduates or higher is 88%. 20.4% of the population 25 years and up had a bachelor's degree or higher.

Notable people:

Fairbanks, Alaska was the birthplace of a significant number of successful musicians. Some distinguished individuals are Kelly Moneymaker, Kevin Johansen, and Kevin Lencar of The Mighty Mighty Bosstones, Vivica Genaux, Lincoln Brewster, Rick Holmstrom, John Luther Adams, and Jon Button.

Susan Butcher, four time Iditarod winner, and husband David Monson, winner of the Yukon Quest, lived in Fairbanks. After Susan's death David kept on running their dog farm, Trail Breaker Kennels.

Lance Mackey, four-time winner of the grueling, world-famous Yukon Quest and Iditarod sled dog races, lives in the Fairbanks area.

Fairbanks was also the starting place for Daryn Colledge, an offensive guard for the Arizona Cardinals. Colledge played for the Green Bay Packers and helped the team gain their victory in Super Bowl XLV.

Mike Dunlap, NBA and college basketball head coach, was born in Fairbanks.

Jessica Gavora is a conservative writer on culture and politics. She was the chief speechwriter for Attorney General John Ashcroft and a senior policy advisor at the Department of Justice.

The late John Drury Clark was born and raised in Fairbanks. He became a noted American rocket fuel developer, science fiction writer, and chemist.

The late Bob Ross, artist and host of *The Joy of Painting* on PBS, made his home in Fairbanks.

Government and politics:

Fairbanks' Patrick Cole City Hall, originally constructed in 1934 as a school building, replacing a wooden structure which burned down. Known colloquially as "Old Main", until the city government took it over in 1995.

Fairbanks is sharply divided politically. The western part of the city, centered on the University of Alaska Fairbanks is Democratic-leaning. The downtown area and the eastern parts near Fort Wainwright are Republican-leaning, and the North Pole area farther east is even more conservative. Thus, many residents have noted that a neighborhood's position on the map of Fairbanks (west to east) mirrors its political orientation (left to right). Fairbanksans elected the first two Libertarian Party members to serve in a state legislature in the United States.

State:

At present, the Fairbanks area comprises two entire districts, and most of a third district, in the Alaska Senate. The area comprises five entire districts, and a portion of one other district, in the Alaska House. A member of the House who lives in the Denali Borough community of Healy, represents Richardson Highway communities beyond the North Pole area but within the Fairbanks North Star Borough boundaries. Fairbanks is a regional center for most departments of the State of Alaska, though the vast majority of state jobs are based in either Anchorage or Juneau.

Municipal:

Fairbanks, unlike other larger cities in Alaska, still has separate borough and city governments. The City of Fairbanks was incorporated on November 10, 1903. The city council held a special meeting at the Carlson Center on November 10, 2003 for the express purpose of denoting the centennial of incorporation. The Fairbanks North Star Borough, created by the Alaska Legislature under the Mandatory Borough Act of 1963, was incorporated on January 1, 1964.

Police:

The Fairbanks Police Department is the law enforcement agency responsible for the city. Since its establishment, 3 officers have died in the line of duty.

Facilities and services and Utilities:

Trans-Alaskan Pipeline, located approximately 10 miles north of Fairbanks, Alaska.

Electricity is provided by the Golden Valley Electric Association. The Chena power site has four steam turbines fueled by coal and one oil-fueled electrical generator. Interior Alaska is not connected to the electrical grid of the contiguous United States and Canada, but a transmission line constructed in 1985 connects Fairbanks with power plants in the coal producing area of Healy and the Anchorage area. Fairbanks currently holds the world record for the largest rechargeable battery, which weighs approximately 1,300 tons. The battery was installed to help bridge the gaps that occur during frequent power outages. The battery will provide power for 7 minutes to about 12,000 homes.

The University of Alaska Fairbanks operates its own coal-fired generating station on campus, providing electricity and steam heat to university buildings.

Until 1996, telephone service was provided by the Municipal Utilities Service, a public company. In that year, telephone service was sold to Alaska Communications Systems, a private company. General Communications Inc. has competed against ACS in Fairbanks since 1997. Both companies offer mobile phone service in Fairbanks, as do national and local providers such as AT&T Mobility and Verizon Wireless.

A pair of fiber optic cables provide long-distance telephone and Internet service. One parallels the Parks Highway and connects Fairbanks to Anchorage, while the other parallels the Richardson Highway and connects Fairbanks to Valdez. A third, spur fiber optic cable parallels the Trans-Alaska Pipeline and connects Fairbanks to Prudhoe Bay. Broadband Internet access is provided by GCI, ACS, Ace Tekk and a handful of satellite Internet and wireless Internet services.

Taxes:

- Sales: None

- Property: 20.777 mills (7.171 city/13.606 borough area wide)
- Special: 5% alcohol tax (city only); 16% tobacco tax (8% city/8% borough); 8% accommodations tax

Transportation:

As the transportation hub for Interior Alaska, Fairbanks features extensive road, rail, and air connections to the rest of Alaska and the Outside. A 2008 survey of city streets indicated the average age of a street in Fairbanks was 31 years.

Public transportation has been provided by the Metropolitan Area Commuter System, an agency of the borough government. Bus service links much of the urban Fairbanks area, with most routes connecting at the downtown transit center. University Bus Lines, a private company, existed for several decades before MACS started.

Commercial airlines connect Fairbanks to the rest of Alaska as well as the lower 48 and select international destinations via Fairbanks International Airport. Fairbanks is the smallest city in the United States to be served by transatlantic flights, as Condor operates direct flight to Frankfurt in the summer tourist season.

Statistics:

Rape:

In 2010 Fairbanks ranks as the third most dangerous U.S. city for women with a rate of rape more than double the national average: 70 forcible rapes per 100,000 inhabitants.

Crime:

Compared to communities of similar population, Fairbanks' crime rate (violent and property crimes combined) is higher than Alaska's average, which in turn is higher than the U.S. average. Fairbanks is No. 3 with an overall violent crime rate of 783 per 100,000.

2014 Crime Statistics per 100,000 People:

<u>Crime Types</u>	<u>U.S.</u>	<u>Alaska</u>	<u>Fairbanks</u>
Violent Crime	366	636	659
Murder	5	6	12
Forcible Rape	37	105	120
Robbery	102	85	160
Aggravated Assault	233	440	366
Property Crime	2,596	2,760	3,840
Burglary	543	428	477
Larceny Theft	1,837	2,096	2,984
Motor Vehicle Theft	216	236	379

Attractions and points of interest:

The city of Fairbanks and the greater Fairbanks area is home to a number of attractions and events, which draw visitors from outside of Alaska throughout the year. Summer tourist traffic primarily consists of cruise ship passengers who purchase package tours which include travel to Fairbanks. Many of these tourists spend one or more nights at a local hotel and visit one or more attractions. Tourism the rest of the year is mostly concentrated around the winter season, centered upon the northern lights, ice carving and winter sports. In addition, other events draw visitors from within Alaska, mostly from the community's trading area throughout Interior Alaska and the North Slope.

License #: APRG40
Effective: 06/12/2017
Expires: 06/30/2019

STATE OF ALASKA
Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
Board of Certified Real Estate Appraisers

Licensee: **HOWARD CHRISTOPHER GUINN**

License Type: **Certified General Real Estate Appraiser**

Status: **Active**

Commissioner: **Chris Hladick**

Relationships

RelationType	License #	LicenseType	Owners/Entities	Names/DBA
No relationships found.				

Designations

Type	Group
No designations found.	

HOWARD CHRISTOPHER GUINN
600 UNIVERSITY AVE STE 100
FAIRBANKS, AK 99709

Wallet Card

State of Alaska Department of Commerce, Community, and Economic Development Division of Corporations, Business, and Professional Licensing Board of Certified Real Estate Appraisers HOWARD CHRISTOPHER GUINN As Certified General Real Estate Appraiser		
License APRG40	Effective 06/12/2017	Expires 06/30/2019

CURRICULUM VITAE

HOWARD CHRISTOPHER GUINN, MAI, SRA, SRWA

600 University Ave Suite 100, Fairbanks, AK.
99709 | chrisguinn@ak.net | 907-479-7603

DESIGNATIONS | MAI (Member Appraisal Institute)
SRA (Senior Residential Appraiser)
SRWA (Senior Right of Way Professional)

EXPERIENCE | OWNER, STREET GUINN REAL ESTATE APPRAISERS
FROM 1986 – CURRENT. COMMERCIAL & RESIDENTIAL APPRAISER
MANAGER/ADMINISTRATOR, STATE OF ALASKA, DEPT OF NATURAL
RESOURCES, CHIEF OF LANDS, CHIEF LEASING OFFICER AND CHIEF OF
PERMITTING, DIVISION OF LAND AND WATER, NORTHERN REGION
FROM 1976 - 1986
CHIEF OF CURRENT PLANNING, FNSB PLANNING DEPARTMENT
FROM 1971 - 1976
Court Appointed Master and Appraiser of record in several Hearings

**PROFESSIONAL
ACTIVITIES** | FORMER MEMBER, STATE OF ALASKA, BOARD OF CERTIFIED REAL ESTATE
APPRAISERS
FORMER MEMBER, FAIRBANKS NORTH STAR BOROUGH BOARD OF EQUALIZATION
FORMER INSTRUCTOR, UNIVERSITY OF ALASKA, FAIRBANKS
PART-TIME
MEMBER, FAIRBANKS BOARD OF REALTORS
MEMBER, APPRAISAL INSTITUTE
FORMER PRESIDENT, IRWA CHAPTER 71
FORMER PRESIDENT, INTERIOR APPRAISERS ASSOCIATION
FORMER PRESIDENT,, ALASKA CHAPTER, APPRAISAL INSTITUTE
1998
FORMER NATIONAL CHAIRMAN, IRWA VALUATION COMMITTEE
CHAIRMAN, FAIRBANKS NORTH STAR BOROUGH PLANNING COMMISSION
2016-2017
MEMBER, STATE OF ALASKA MENTAL HEALTH LAND SETTLEMENT PANEL

License #: APRG383
Effective: 05/30/2017
Expires: 06/30/2019

STATE OF ALASKA

Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing

Real Estate Appraisers

Licensee: **CONNIE L. HORTON**

License Type: **Certified General Real Estate Appraiser**

Status: **Active**

Commissioner: **Chris Hladik**

Relationships

RelationType	License #	LicenseType	Owners/Entities	Names/DBA	Type	Group
No relationships found.					No designations found.	

Wallet Card

State of Alaska Department of Commerce, Community, and Economic Development Division of Corporations, Business, and Professional Licensing Real Estate Appraisers CONNIE L. HORTON As Certified General Real Estate Appraiser		
License APRG383	Effective 05/30/2017	Expires 06/30/2019

CONNIE L. HORTON
1357 E Chilton Drive
Tempe, AZ 85283

Real Estate Appraiser and Consultant
Cande Horton, Horton Appraisal Services, LLC
510 Crosspoint Drive, Fairbanks, AK
Telephone: 907-456-3831
Cell: 907-590-3270
Email: 71horton@gmail.com

QUALIFICATIONS

LICENSES & CERTIFICATIONS

- State Certified General Real Estate Appraiser No. 383
- State Licensed General Real Estate Agent

EXPERIENCE

- Lead Appraiser and Contract Manager for the Dept. of Transportation
— State of Alaska 25 years
- Appraiser in the private sector for 9 years.
- Appraisal of a wide mixture of real estate: Commercial, Residential, Industrial, Land, both accessible and inaccessible.
- Appraisal for purposes of eminent domain and condemnation, leases, and mortgage lending.
- Experience as an Expert Witness

APPRAISAL CLIENTS

State of Alaska DOT/PP
U.S. Army Corps of Engineers (USACE)
Key Bank
Denali State Bank

Mt McKinley Bank
Northline Bank
Spirit of Alaska Federal Credit Union
Wells Fargo Bank
Alaska USA Federal CU

EDUCATION

Appraisal Institute
International Right of Way
University of Alaska

Connie Horton

Education Summary

Condemnation Appraising: Principles & Application	Appraisal Institute	2/28/2018	21
USAP Update	Appraisal Institute	2/7/2018	7
The Appraiser as an Expert Witness	Appraisal Institute	3/16/2017	14
Small Hotel/Motel Valuation	Appraisal Institute	4/18/2016	7
USAP Update	McKissock	1/25/2017	7
Using Spreadsheet Programs in Real Estate Appraisals	Appraisal Institute	1/22/2015	7
Appraising Condos, Co-ops & PUD	Appraisal Institute	4/25/2014	7
Uniform Appraisal Dataset Aftereffects	Appraisal Institute	4/24/2014	7
USAP Update	King & Associates	1/29/2014	7
Energy Efficiency for Appraisals	Cotter & Noson Consulting	2/7/2014	2
Uniform Appraisal Standards for Federal Land Acquisitions	Appraisal Institute	2/05/2013	14
Comparative Analysis	Appraisal Institute	1/23/2013	7
Subdivision Valuation	Appraisal Institute	12/05/2012	7
USPAP	King & Associates	2/27/2012	7
Current Issues & Regulatory Updates Affecting Appraisers	King & Associates	8/22/2011	7
USPAP	Appraisal Institute	2/25/2011	7
Appraisal in Eminent Domain	International Right of Way Association	11/16/2010	7
Appraisal Curriculum Overview	Appraisal Institute	6/14/2010	15
Appraisal Challenges :Declining Markets & Sales	Appraisal Institute	6/24/2009	7
USPAP	Appraisal Institute	6/22/2009	7
Appraisal of Local Retail Properties	Appraisal Institute	2/8/2008	7
Subdivision Valuation	Appraisal Institute	2/7/2008	7
Apartment Appraisal: Concepts & Applications	Appraisal Institute	2/22/2007	15
Analyzing Operation Expenses	Appraisal Institute	2/21/2007	7
USPAP	King	2/26/2007	7
Apartment Appraisals	Appraisal Institute	2/22/2007	15
USPAP	International Right Of Way Association	6/6/2005	7
The Road Less Traveled: Special Purpose Properties	Appraisal Institute	2/27/2004	7
Appraisal of Nonconforming Uses	Appraisal Institute	2/26/2004	7
Partial Interest Valuation Divided	Appraisal Institute	2/25/2004	7
Subdivision Analysis	Appraisal Institute	2/24/2004	7
USPAP	Appraisal Institute	2/13/2003	15
Land Valuation Adjustment Procedures	Appraisal Institute	11/22/2002	7
Laud Valuations Assignments Workshop	Appraisal Institute	11/23/2002	7
Easement Valuation	International Right of Way Association	3/10/2002	7
Principles of Real Estate Law	Appraisal Institute	10/25/01	15
Partial Interest Valuation -Divided & Undivided Valuation	Appraisal Institute	5/10/2001	15
Principles of Real Estate	International Right of Way Association	4/2/2001	16
Easement Valuation	International Right of Way Association	3/10/2001	7
Valuation of Detrimental Conditions in Real Estate	Appraisal Institute	3/22/99	7
Special Purpose Properties: The Challenge of Real Estate Appraising In Limited Markets	Appraisal Institute	3/23/99	7
Eminent Domain and Condemnation Appraising	Appraisal Institute	7/18/99	7

Valuation of Contaminated Properties	International Right of Way Association	6/1/99	7
Appraising 1-4 Family Income Properties	Appraisal Institute	2/14/97	7
Standards of Professional Practice	Appraisal Institute	11/06/96	15
Appraisal Practices for Litigation	Appraisal Institute	5/16/95	7
The Appraiser as Expert Witness	Appraisal Institute	5/17/95	7
Mock Trial	Appraisal Institute	5/18/95	7
Valuation of Leasehold Interests	Appraisal Institute	12/10/93	7
Basic Income Capitalization	Appraisal Institute	6/17/94	36
Market Extractions	Appraisal Institute	4/2/93	7
Appraising Troubled Properties	Appraisal Institute	4/1/93	7
Skills of Expert Testimony	International Right Of Way Association	3/18/93	8
Valuation of Environmentally Impacted Properties	International Right Of Way Association	3/19/93	8
Report Writing and Valuation Analysis	Appraisal Institute	2/7/92	40
Standards of Professional Practice Part A	Appraisal Institute	5/18/91	15
Easement Valuation	International Right Of Way Association	3/2/91	7
Land Titles	International Right Of Way Association	4/7/90	7
Property Descriptions	International Right Of Way Association	3/18/89	7
Interpreting Engineering Drawings	International Right Of Way Association	3/25/89	7
Legal Aspects of Easements	International Right Of Way Association	7/30/88	7
Residential Valuation	Appraisal Institute	5/24/86	36
Real Estate Appraisal Principles	Appraisal Institute	5/17/86	36

NOTE: The course title "Real Estate Appraisal Principles" was changed to "Appraisal Principles" and "Residential Valuation" was changed to "Appraisal Procedures" when AIREA, American Institute of Real Estate Appraisers, became AI, Appraisal Institute.