

# **MARKET VALUE APPRAISAL**

**Of**

**Hypothetical Key Parcels within Lake Louise East Staking Area**



**BASE APPRAISAL REPORT No. 3101-3**

**STATE OF ALASKA  
Department of Natural Resources  
Division of Mining, Land & Water  
550 West Seventh Avenue Suite 650  
Anchorage, AK 99501-3576**

## TABLE OF CONTENTS

### INTRODUCTION

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

### PREMISE OF THE APPRAISAL

|                                     |   |
|-------------------------------------|---|
| Appraisal Summary                   | 2 |
| Type of Appraisal and Report        | 4 |
| Purpose and Use of the Appraisal    | 4 |
| User and Client Identity            | 4 |
| Property Rights Appraised           | 4 |
| Definition of Market Value          | 4 |
| Effective Date of Value Estimate    | 4 |
| Exposure Time                       | 4 |
| Marketing Time                      | 5 |
| Scope of the Appraisal              | 5 |
| Assumptions and Limiting Conditions | 6 |

### PRESENTATION OF DATA

|                          |   |
|--------------------------|---|
| Area Analysis            | 7 |
| Staking Area Description | 8 |

### DATA ANALYSIS AND CONCLUSION

|   |    |
|---|----|
| Highest and Best Use  | 11 |
| Approaches to Value   | 12 |
| Key Parcel Method   | 12 |
| Explanation of Adjustments  | 12 |
| Description of <i>Key Parcel 'A'</i>                                    | 14 |
| Discussion of Comparable Sales & Value Conclusion <i>Key Parcel 'A'</i> | 15 |
| Description of <i>Key Parcel 'B'</i>                                    | 17 |
| Value Conclusion <i>Key Parcel 'B'</i>                                  | 18 |
| Certification of Value  | 21 |

### ADDENDA

|                                  |  |
|----------------------------------|--|
| Staking Area Map                 |  |
| Comparable Sale Forms            |  |
| Lake Louise Area Lake Comparison |  |
| Size Adjustment Chart            |  |
| Special Appraisal Requirements   |  |
| Appraiser Qualifications         |  |

## APPRAISAL SUMMARY

| <b>Lake Louise East Hypothetical Key Parcels</b>   |  |
|--|--|
| <b>Key Parcel 'A'</b><br><i>Waterfront on fly-in lake</i>  | Size: 10-acres   |
|  | Lot Type: Waterfront on any of the following fly-in lakes found within the staking area. A staking map depicting the lakes is included on page 10 of this report. All lakes have been determined to be at least ½ mile in length allowing for floatplane access. |
|  | <i>Lakes found in the following sections within Township 7 North, Range 6 West, Copper River Meridian.</i>   |
|  | -Unnamed lake in Section 3 & 4   |
|  | -Unnamed lake in Section 7,8 & 18  |
|  | -Unnamed lake in Section 8 & 17  |
|  | -Unnamed lake in Section 9 & 16  |
|  | -Unnamed lake in Section 14  |
|  | -Unnamed lake in Section 15  |
|  | -Unnamed lake in Section 19, 20 & 29   |
| -Unnamed lake in Section 21, 27 & 28   |  |
| -Unnamed lake in Section 28 & 29   |  |
| -Unnamed lake in Section 28 & 33   |  |
| <i>Lake found in the following sections within Township 7 North &amp; 6 North, Range 6 West, Copper River Meridian</i> |  |
| -Unnamed lake in Sections 34 & 35, T7N R6W, C.R.M and Sections 2 & 3, T6N R6W, C.R.M.                                  |  |
| <i>Lake found in the following sections within Township 6 North, Range 6 West &amp; 7 West, Copper River Meridian</i>  |  |
| -Unnamed lake in Section 6, T6N R6W, C.R.M. and Section 1, T6N R7W, C.R.M.   |  |
| <i>Lakes found in the following sections within Township 6 North, Range 6 West, Copper River Meridian.</i>             |  |
| -Unnamed lake in Section 7   |  |
| -Unnamed lake in Section 13 & 24   |  |
| -Unnamed lake in Section 24  |  |
| -Unnamed lake in Sections 23 & 24  |  |
| Access: Float plane, ski plane, ATV or snowmachine   |  |
| Building Site: At least 50% level to gently sloping, adequately drained & wooded                                       |  |
| Setbacks: 100-foot building setback from the ordinary high water mark of all water bodies                              |  |
| Easements: Typical section-line easements and public access easements  |  |
| Amenities: Lakefront view amenity  |  |
| <b>Key Parcel 'B'</b><br><i>Interior</i>   | Size: 10-acres   |
|  | Lot Type: 2 <sup>nd</sup> tier* parcel 330-feet or more from fly-in lakes  |
|  | Access: ATV or snowmachine   |
|  | Building Site: At least 50% level to gently sloping, adequately drained & wooded   |
|  | Setbacks: 60-foot to 150-foot setback from creeks and trails in staking area (see staking map for affected trails and creeks)  |
|  | Easements: Typical section-line easements and public access easements  |
|  | Amenities: Limited view potential, no water frontage   |
| Improvements   | None   |
| Highest and Best Use   | Recreational cabin site  |
| Effective Date of Value  | January 16, 2007   |
| Date or Report   | January 30, 2007   |

| <b>Conclusion of Value – Lake Louise East<br/>Hypothetical Key Parcels</b> |                    |                |                 |
|--|--------------------|----------------|-----------------|
|  | Size               | Per/acre       | Per/site (RND)  |
| <b>Key Parcel 'A' Waterfront</b>   | 5.00 acres*        | \$2,926        | \$14,600        |
|  | <b>10.00 acres</b> | <b>\$2,200</b> | <b>\$22,000</b> |
|  | 15.00 acres*       | \$1,914        | \$28,700        |
|  | 20.00 acres*       | \$1,650        | \$33,000        |
|  | Size               | Per/acre       | Per/site (RND)  |
| <b>Key Parcel 'B' Interior</b>   | 5.00 acres*        | \$998          | \$5,000         |
|  | <b>10.00 acres</b> | <b>\$750</b>   | <b>\$7,500</b>  |
|  | 15.00 acres*       | \$653          | \$9,800         |
|  | 20.00 acres*       | \$563          | \$11,300        |

-Key Parcel in bold, \*Size adjusted Key Parcels based on adjustment shown in Addenda

| <b>Lake Louise East Adjustments</b> |  |                         |
|-------------------------------------|--|-------------------------|
| <b>Date of Value</b>                | Date of entry  | To be determined        |
| <b>Location</b>                     | No distinctions within staking area  | None                    |
| <b>Size, acres</b>                  | Adjustments for size variations  | See addenda             |
| <b>Easements</b>                    | Typical easements are considered in the base value. Other easements or trails across staked parcels to be handled on a case-by-case basis. | To be determined        |
| <b>Building site</b>                | <i>Poor:</i> Mostly steep, or wet ground, or unstable soils.   | 0.80 to 0.90            |
|                                     | <i>Average:</i> At least 50% level to gently sloping adequately drained & wooded.  | 1.00                    |
|                                     | <i>Good:</i> Mostly level to gently sloping, well drained and wooded.  | 1.10 to 1.20            |
| <b>Amenities</b>                    | Frontage on lake between ¼ to ½ mile in length   | 0.75 of 'Key A'         |
|                                     | Creek, pond or small lake frontage (Less than ¼ mile in length)  | 1.05 to 1.25 of Key 'B' |
|                                     | Outstanding views  | 1.10                    |

**Adjustment Process:** An adjustment of less than 1.00 means the feature of the staked parcel is inferior to the hypothetical key parcel and requires a downward price adjustment. An adjustment of greater than 1.00 means the feature is superior to the hypothetical key parcel, requiring an upward adjustment. An adjustment of 1.00 means the property feature is similar to the key parcel, and no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the estimated value of the key parcel to yield a value for the staked parcel.

## PREMISES OF THE APPRAISAL

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

This appraisal is a complete, summary appraisal prepared in accordance with Standards Rule 1 and 2 of the current edition of **Uniform Standards of Professional Appraisal Practice** (USPAP), and in accordance with Special Appraisal Instructions, DNR Remote Recreational Cabin Site Disposal.

### **Purpose of Appraisal**

The purpose of this appraisal is to estimate current market value.

### **Intended Use of Appraisal**

The appraisal will be used by DNR to determine the purchase price for parcels to be acquired under the Remote Recreational Cabin Site staking program (AS 38.05.600).

### **User and Client Identity**

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

### **Property Rights Appraised**

Rights appraised are fee simple estate less mineral rights reserved to the State of Alaska under **AS 38.05.125(a)**.

Fee simple estate is defined as<sup>1</sup>:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

**AS 38.05.125(a)** states<sup>2</sup>:

Reservation. (a) Each contract for the sale, lease or grant of state land...is subject to the following reservations: "[sic] the party of the first part, Alaska, hereby expressly saves, excepts and reserves... unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and with may be in or upon said land...[and the right] to occupy as much of said land as may be necessary or convenient... to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved."

### **Definition of Market Value<sup>3</sup>**

"The most probable price, as of a specified date, in cash, or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

### **Effective Date of Value**

January 16, 2007

### **Exposure Time**

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

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<sup>1</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.69

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2002, p. 590-591

<sup>3</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.22

<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2004, Appraisal Foundation, p. 94.

Exposure time can vary depending on the type of property being appraised and constantly changing market conditions. Supply and demand of similar properties to the subject is an important factor for determining exposure time.

Remote parcels similar to the subject typically require a year or longer of marketing time. The subject parcels are considered average to poor when compared with other available properties on the market. Based on exposure time for similar properties, the estimated values are based on an exposure time of one to three years.

### **Marketing Time**

"Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal."<sup>5</sup>

Based on current market conditions for similar properties the estimated value is based on a marketing time of one to three years.

## **SCOPE OF WORK**

### **Property and Comparable Sales Inspection**

I inspected Lake Louise East staking area June 18, 2003 as part of an assignment related to the previous offering of this area. Some of the comparable sales have been inspected during various inspections unrelated to this assignment. The remaining comparable sales are located in areas that the appraiser is familiar with. Topography maps and the latest satellite imagery have been examined for these sales.

### **Research and Analysis Conducted**

Interviews were conducted with local real estate agents, appraisers, and other individuals familiar with the area who provided information about trends in values, supply and demand. DNR records were searched for recent comparable sales. The recorder's office was also searched to identify any recent sales. Sellers and buyers were contacted to verify recent sale prices and other transaction details.

After analysis of all available data, appropriate comparable sales were selected. The market value estimate was derived from this process and is based on the following assumptions and limiting conditions. Individual lot values were derived by correlating the 'Key Lot' value.

### **Extraordinary Assumption**

The staking area was inspected June 18, 2003. It is an extraordinary assumption that the physical characteristics have not changed substantially since this inspection. Since this is a vacant land appraisal, the assumption does not prevent the development of a credible valuation. The most recent satellite imagery available has been investigated to ensure the subject has not changed due to an act of nature. The appraiser reserves the right to modify the value conclusions if an on-site inspection reveals a variation in site features from those assumed in this report.

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<sup>5</sup> Op.Cj., p. 141

## **Assumptions and Limiting Conditions**

1. The property is appraised as vacant land without structural or site improvements.
2. The appraiser assumes no responsibility for legal matters. The subject lots are assumed to be free and clear of encumbrances, except as otherwise noted, and title is assumed to be marketable.
3. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader in visualizing the properties.
4. Information furnished by others and included in the report is believed to be reliable but the appraiser does not warrant the accuracy of such information.
5. Unless otherwise noted in the report, the appraiser did not find any evidence that hazardous materials exist on these properties. The estimate of value is based on the assumption that there are no such materials on the property. The appraiser is not qualified to detect these substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge that is required to discover these substances.
6. Due to the lack of on-site inspections some physical features are assumed based on conversations with those knowledgeable about the area and interpretation of existing maps and aerials. The appraiser reserves the right to modify the value conclusions if an on-site inspection reveals a variation in site features from those assumed in this report.
7. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony, or be in attendance in court with reference to the property in question unless arrangements have been made in advance.
8. The data and conclusions in this report are a part of the whole valuation. Each part of this report is only part of the evidence upon which final judgment is based. Therefore, no part should be used out of context and by itself alone.
9. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for any such conditions, or for arranging engineering studies to discover them.
10. The estimate of value in this report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
11. Some parcels may contain saw timber, but not necessarily in commercial quantities. The estimated market value does not include that value of commercial timber, if any.
12. The per/acre value and total adjustment factor displayed in the adjustment grids in this report have been rounded for display purposes, but not for calculations.

## PRESENTATION OF DATA

### Personal Property

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

### Market Area

The subject parcels are located near the community of Lake Louise. These parcels are not located within an organized borough.

### Copper River Basin

The subject parcels lie in an area of the state referred to as the Copper River Basin, which describes the lands that surround the Copper River and its tributaries.

The Copper River Basin is about 140 air miles northeast of Anchorage. The basin is found in the eastern portion of Southcentral Alaska. It is surrounded by the Alaska Range to the north, the Wrangell Mountains to the east, the Chugach Mountains to the south, and the Talkeetna Mountains to the west.

The basin is a broad forested plain with elevations ranging from 2000 to 3000 feet above sea level. A shallow to deep permafrost table can be found in most of the basin. White and black spruce is the predominant vegetation in the area interspersed with scattered thickets of willow and alder, grasses, low shrubs, and berry bushes. The Copper River is the dominant river in the basin and is fed by the Chistochina, Gulkana, Nelchina, Slana, and Tazlina rivers as well as many other streams.

The climate is continental characterized by long and cold winters and relatively warm summers. Temperatures can range from -74 to 96° Fahrenheit. The mean temperature in January is -10° and 56° in July. Precipitation averages 14 inches annually including 21 inches of snow.

The Copper River Basin is part of the Valdez-Cordova demographic census area. The area population is 2,915, which equates to about 1 person per 25 square miles<sup>6</sup>. The 2000 census shows a slight drop in population. Most of the population is concentrated in the small towns of Glennallen, Gakona, Copper Center, Kenny Lake, McCarthy, and Chitina.

Access to the Copper River Basin is available by the Glenn and Richardson Highways. Charter air service provides access to the roadless areas. Public services and facilities are limited to essential needs.

### Lake Louise

Lake Louise is a State Recreation Area and can be accessed via Lake Louise Road. The state maintains this 20-mile long gravel road that is found near MP 160 of the Glenn Highway just south of Glennallen. The road ends at the south portion of Lake Louise where a state supported boat launch and camping area is found. During the summer, boats and floatplanes allow access to the remainder of Lake Louise as well as Susitna Lake and Tyone Lake (found north of Susitna Lake). Lake Louise is in the Matanuska Susitna Borough. Lake Louise is primarily a recreational area with some year round residents. The approximate population for Lake Louise is 109.

Lake Louise is more popular as a recreational area during the winter months. Lodges provide year-round accommodations. Many residents are seasonally employed or retired.

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<sup>6</sup> US Census Bureau, 2000, Alaska Department of Labor



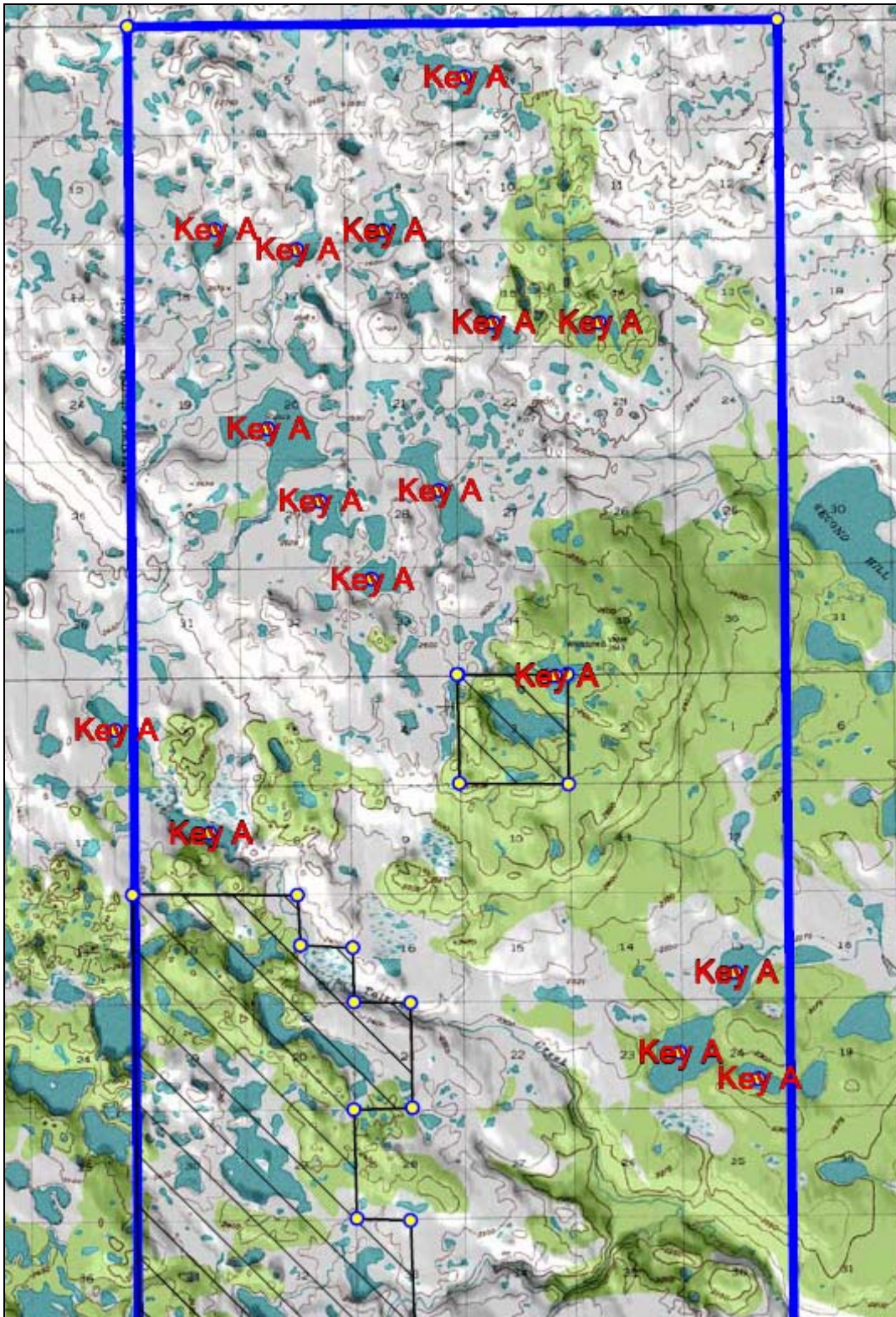
**Lake Louise East Remote Recreational Cabin Staking Area**

| <b>Lake Louise East Physical Characteristics</b> |  |
|--|--|
| Location   | The Lake Louise East staking area is located approximately 120 miles northeast of Anchorage, 1 ½ miles east of Lake Louise and 6 miles west of Crosswind Lake. The area lies 30 miles northwest of the town of Glennallen.<br>The net offering includes 4,600 acres for disposal with 3,408 acres still available after calculating all surveyed parcels total acreage within the staking area. The MTRS are as follows; C007N006W Sections 1 – 36 and C006N006W Sections 1 & 2, 4 – 16, 21 – 28 and 33 -36. There are 35 authorizations proposed. |
| Topography map                                   | Gulkana B-5  |
| Topography/Terrain/Major Features                | Elevations within the staking area range from 2,300 to 2,800 feet. Several creeks are present in the area including Tolsona Creek. Numerous ponds and lakes can be found within the area.  |
| Access   | Via snowmachine, dog sled, and cross country skis during the winter and ATV and by foot during the summer. Additional access is via float or ski-plane to one of the numerous large unnamed lakes within the area.   |
| Roads/Trails                                     | Numerous trails are present within the staking area.   |
| View   | Potential views of the Alphabet Hills to the north and the Wrangells to the east.  |
| Climate  | Continental with long cold winters and short warm summers. Precipitation averages 14 inches annually including 21 inches of snow.  |
| Soils  | Portions of the soil are loamy and poorly drained, while better drained soils are made up of silt and gravel. A shallow to deep permafrost table underlies the majority of the area. Thick peat and muskeg formations exist throughout the area.   |
| Vegetation                                       | Vegetation in the better drained areas consist of White and Black Spruce with scattered thickets of Willow and Alder, grasses and low shrubs. Marsh covers most of the remaining ground.   |
| Water Source                                     | Existing land owners use on site water sources such as lakes and streams or haul water. Water quality and depths are unknown.  |
| Zoning Regulations                               | Lake Louise East staking area is located in an unorganized borough   |
| Tax Assessments                                  | Located in unorganized borough   |
| Ownership History                                | State of Alaska  |
| Adjacent Land Use                                | Primarily recreational use   |
| Sales History                                    | The hypothetical parcels have not sold within the last three years   |

| <b>Lake Louise East Easements and Reservations</b> |  |
|--|--|
| Area Plan, Management Unit, Classification         | Susitna Area Plan, Management Unit – Lake Louise Sub-Region, Sub-unit 2 – Lake Louise East, Classified Settlement - CL SC-82-011.  |
| Allowed Uses                                       | Cabin site leases are for recreational use only. No commercial use or permanent residence is allowed while under lease. Once the cabin site is under purchase contract or conveyed into private ownership, these restrictions no longer apply. |
| Municipal Authority                                | Unorganized Borough  |
| Game Management Unit                               | Unit 13A   |

|  |   |
|--|---|
| Section Line Easements                         | All parcels staked on lands owned by the State of Alaska that contain land within 50 feet of a surveyed or protracted (unsurveyed) section line, or that are bisected by a protracted section line(s), are subject to a 50-foot wide easement on each side of the section line, which is reserved to the State of Alaska for public highways under AS 19.10.010. Staking is not allowed across surveyed section lines or surveyed township lines. |
| Public Access and Utility Easements            | Parcels are subject to a minimum 30-foot public access and utility easement along interior parcel boundary lines and a minimum 60-foot public access easement along all existing unnamed trails. Stakers may not obstruct or block access within these easements.   |
| Public and Navigable Waterbodies and Easements | Parcels staked along the ordinary high water line of public and navigable water bodies are subject to a 50-foot public access easement. Using motorized vehicles to cross streams may be prohibited by applicable state and federal laws.   |
| Setbacks and Other Restrictions                | Parcels are subject to a 100-foot building setback from all streams and other public or navigable water bodies.   |
| Reserved Areas                                 | DNR will reserve areas for future public use and access on lakes with potential float plane access, as well as two areas with high densities of surveyed parcels.   |
| Waste Disposal                                 | Wastewater treatment and disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation. Contact ADEC for information.   |
| Wetlands                                       | Parcels may contain wetlands and may require Army Corps of Engineers permits prior to placement of fill material. Contact ACOE for information.   |
| Improvements                                   | Prior to construction of any structure or waste disposal system, contact the municipal authority for any permits or for required setbacks from water bodies, lot lines, and easements.  |

Lake Louise East Remote Recreational Cabin Site



-Reserved use areas depicted with black lines. Lakes that are ½ mile or longer are labeled 'Key A'. The location of these lakes is described in the Appraisal Summary section on page 2.

## ANAYLSIS AND CONCLUSIONS

### **Highest and Best Use**

Analysis of highest and best use of the subject property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as<sup>7</sup>:

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

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

### **Legally Permissible**

The staking area is not subject to any known zoning requirements that would be restrictive to potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. The *Hypothetical Key Parcels* could be developed for almost any legal use.

### **Physically Possible**

The subject size and physical characteristics are adequate to support all reasonable and probable uses. Staked parcels will be 5 to 20 acres.

### **Financially Feasible**

Surrounding land use is primarily recreational. Development of the parcels depends on the amount of resources the owner is willing to allocate for recreational needs.

### **Maximally Productive**

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease.

### **Highest and Best Use of Land as Vacant**

Based on the foregoing analysis, the highest and best use of the subject *Hypothetical Key Parcels* as vacant would be for almost any legal use, primarily a private recreation cabin site.

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<sup>7</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p.305

## **SALES COMPARISON APPROACH**

### **Valuation Analysis**

Three approaches are considered to determine the market value estimate.

### **Income Approach**

The income approach for valuation is used primarily for income producing properties. It utilizes the capitalization process to discount future anticipated net income to a present value. It is not common to lease vacant land for a residential or recreational use therefore data that supports this approach is not available.

### **Cost Approach**

The cost approach is based on the assumption that an informed buyer would pay no more than the cost of producing a substitute property with the same utility as the subject property. This approach will separate the value of the land from the value of the improvements to determine the cost of reproducing the improvements. The cost approach is most effective for appraising properties that have newer improvements. The subject parcels lack any improvements. As such this approach will not be used for this appraisal.

### **Sales Comparison Approach**

The sales comparison approach considers actual sales or prices asked for properties that have similar characteristics of the subject properties. Adjustments are made to the comparison properties so as to determine a price at which they would have sold if they had identical characteristics as the subject properties. This derived price then indicates a value for the subject properties. Some of the characteristics considered include general market conditions, sales terms, location, highest and best use and physical features. Only the sales comparison approach is applicable.

### **Key Parcel Method**

In appraising more than one similar parcel, it is an accepted practice to appraise a key parcel that is most representative of the other parcels being appraised. The key parcel may be a hypothetical parcel or an actual parcel. The value of the remaining parcels is then based on a comparison to the key parcel.

### **Explanation of Adjustments**

DNR appraisal instructions for the Remote Recreational Cabin Site program require the appraiser to develop and use quantitative adjustments. Ideally, the value differences for any price adjustment is measured by comparing prices of paired sales that are very similar except for the feature of comparison to be measured. When market sales do not support quantifiable adjustments for differences in the comparable sales, the appraiser must use personal knowledge of overall trends, opinion surveys, and/or judgment in making adjustments. The conventional sequence of adjustments is property rights conveyed, financing terms, conditions of sale, time, location, and physical features.

An adjustment of less than 1.00 means the sale feature is superior to that appraised property and requires a downward adjustment to indicate the value of the key parcel. An adjustment greater than 1.00 means that the sale feature is inferior to the subject, requiring an upward adjustment to indicate the value of the key parcel. An adjustment of 1.00 means the sale feature is similar to the key parcel, and no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel.

The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment. The following is a

summary of adjustments and how they were estimated. Detailed information about the comparable sales and the adjustments is contained in the Addenda.

**Unit of Comparison** Generally, the buyers and sellers in the market place determine the unit of comparison, e.g. price per acre, square foot, site, front foot, etc. The price per acre is the most commonly recognized unit of comparison in the subject market.

**Rights Conveyed** Fee simple less mineral rights as per Alaska Statue 38.05.125(a). Retention and exclusion of the mineral estate does not tend to affect property values, because most buyers are interested in the surface estate.

**Financing Terms** In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. Sales used in this analysis do not offer measurable differences in prices as a result of terms. In general a cash transaction would tend to be at the lower end of the price range with listings usually setting the upper limit.

**Conditions of Sale** Unless otherwise noted the market transactions used in this appraisal do not reflect any unusual seller-buyer motivations that affected value.

**Market Conditions (Time)** Analysis of real estate sales in the subject area indicates that prices of vacant land have been level in recent years. Comparable sales used in this valuation are the most recent transactions available and do not need any time adjustments.

**Location** All staking areas and comparables are located near Lake Louise. No location adjustment is necessary.

**Size** The price per unit and size of a given unit tend to have an inverse relationship. As the size of a parcel increases the price paid per acre decreases. Comparables were given size adjustments based on a chart derived from market data by Steve Starrett, staff appraiser. In general, his findings point to a 25% decrease in unit price each time the size of a parcel doubles. A size adjustment chart is included in the addenda to show how the adjustments are derived.

**Access (Lot Type)** The *Hypothetical Key Parcels* have been divided into lot types that distinguish different means of access as well as certain amenities. The *Key Parcel 'A'* features frontage on a lake that can accommodate floatplane and/or ski planes allowing for year round access. Remote parcels that feature similar access generally sell for several times interior parcels.

**Site Quality** Several factors such as drainage, soils, and topography may affect the location, size and number of potential building sites. These factors and their adjustments are noted as follows:

|                      |   |              |
|----------------------|---|--------------|
| <b>Building Site</b> | <i>Poor:</i> Mostly steep, or wet ground, or unstable soils.                      | 0.80 to 0.90 |
|                      | <i>Average:</i> At least 50% level to gently sloping adequately drained & wooded. | 1.00         |
|                      | <i>Good:</i> Mostly level to gently sloping, well drained and wooded.             | 1.10 to 1.20 |

**Utilities** The staking areas and all comparable sales lack utilities.

**Amenities** Exceptional features of a given parcel may increase value. Features such as type of water frontage, proximity to creeks and small ponds, and exceptional views are examples of amenities that may warrant an adjustment. Any adjustments made for amenities will be detailed in the comparable sale discussion.

**VALUATION of LAKE LOUISE EAST *Hypothetical Key Parcel 'A'***

**Lake Louise East Key Parcel 'A' – Waterfront on fly-in lake**

Location Lake Louise East Staking Area  
Size 10.00 acres  
Lot Type Lot Type: Waterfront on any of the following fly-in lakes found within the staking area. A staking map depicting the lakes is included on page 10 of this report. All lakes have been determined to be at least ½ mile in length allowing for floatplane access.

*Lakes found in the following sections within Township 7 North, Range 6 West, Copper River Meridian.*

- Unnamed lake in Section 3 & 4
- Unnamed lake in Section 7,8 & 18
- Unnamed lake in Section 8 & 17
- Unnamed lake in Section 9 & 16
- Unnamed lake in Section 14
- Unnamed lake in Section 15
- Unnamed lake in Section 19, 20 & 29
- Unnamed lake in Section 21, 27 & 28
- Unnamed lake in Section 28 & 29
- Unnamed lake in Section 28 & 33

*Lake found in the following sections within Township 7 North & 6 North, Range 6 West, Copper River Meridian*

- Unnamed lake in Sections 34 & 35, T7N R6W, C.R.M and Sections 2 & 3, T6N R6W, C.R.M.

*Lake found in the following sections within Township 6 North, Range 6 West & 7 West, Copper River Meridian*

- Unnamed lake in Section 6, T6N R6W, C.R.M. and Section 1, T6N R7W, C.R.M.

*Lakes found in the following sections within Township 6 North, Range 6 West, Copper River Meridian.*

- Unnamed lake in Section 7
- Unnamed lake in Section 13 & 24
- Unnamed lake in Section 24
- Unnamed lake in Sections 23 & 24

Access Float plane or ski plane, ATV or snowmachine  
Utilities None  
Building Site At least 50% level to gently sloping, adequately drained & wooded  
Easements Typical section-line easements and public access easements  
Setbacks 100-foot building setback from the ordinary high water mark of all water bodies  
Amenities Lakefront view amenity

Due to the confidentiality of sales information in the state of Alaska, the valuation section of the report is unavailable online. The entire report can be reviewed at the DNR Public Information Center:

**In Anchorage**

(in the Atwood Building)  
550 W. 7<sup>th</sup> Ave. Suite 1200, Anchorage AK, 99501  
Phone (907) 269-8400  
Fax (907) 269-8901  
TDD for hearing impaired (907) 269-8411  
e-mail: [dnr.pic@alaska.gov](mailto:dnr.pic@alaska.gov)  
Business hours 10:00 am to 5:00 pm M-F.

**In Fairbanks**

(Corner of University & Airport Way)  
3700 Airport Way, Fairbanks, AK 99709  
Phone (907) 451-2705  
Fax (907) 451-2706  
TDD for hearing impaired (907) 451-2770  
e-mail: [fbx-pic@alaska.gov](mailto:fbx-pic@alaska.gov)  
Business hours 10:00 am to 5:00 pm M-F.

**In Juneau**

(Southeast Div. of Land)  
400 Willoughby Ave., 4<sup>th</sup> Floor, Juneau AK 99801  
Phone (907) 465-3400  
Fax (907) 586-2954  
e-mail: [southeast\\_land@dnr.state.ak.us](mailto:southeast_land@dnr.state.ak.us)  
Business hours 10:00 am to 5:00 pm M-F.