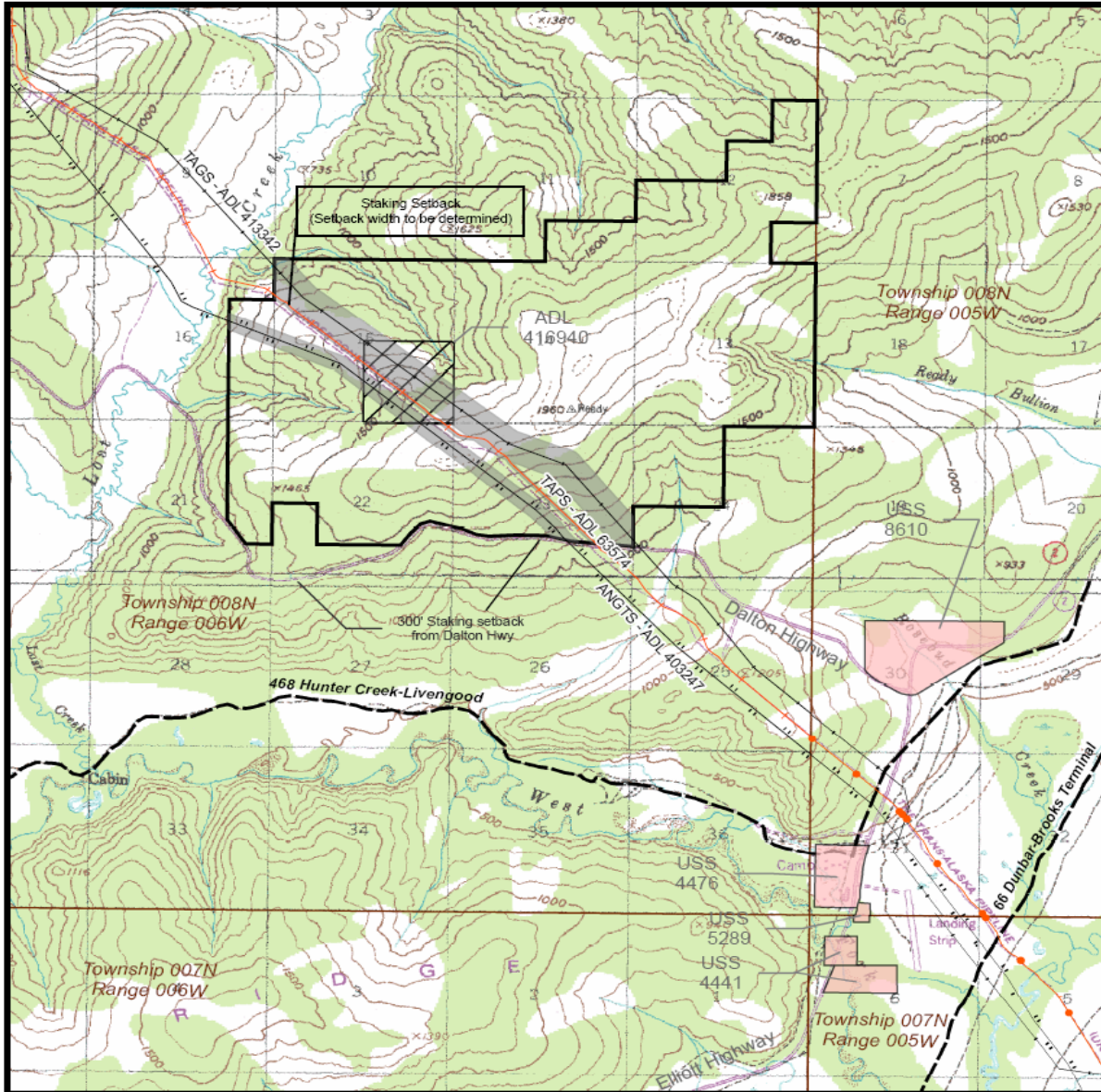


MARKET VALUE APPRAISAL

Parcels within the Lost Creek
Remote Recreational Cabin Staking Area
75 miles north of Fairbanks, Alaska



YEAR 2006
BASE APPRAISAL REPORT No. 3408
STATE of ALASKA
Department of Natural Resources
Division of Mining Land & Water
550 West Seventh Avenue Suite 650
Anchorage AK 99501-3576

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APPRAISAL SUMMARY

Lost Creek Hypothetical Key Parcel	
Location	This area is primarily located north of the Dalton Highway, approximately 75 miles north of Fairbanks.
Topography map	USGS Quads Livengood B-4 & C-4
Legal Description	The Lost Creek staking area encompasses approximately 3,840 acres within Sections 11-16 and 21-24, Township 8 North, Range 6 West, Fairbanks Meridian.
Owner	State of Alaska
Hypothetical Key Parcel "A"	Size: 10 acres Location: Lost Creek Remote Staking Area Access: Walk-in, snow machine, or ATV Lot Type: Parcel 300' to 1,320' from Dalton Highway R-O-W Building Site: at least 50% level, wooded and well drained. Setback: 300' staking setback from Dalton Highway R-O-W. Waterfront: None Easements: Typical section-line & pedestrian around lot. 1,600' TAPS/TAGS Pipeline Setback. Amenities: Typical view of surrounding area.
Improvements	None
Highest and Best Use	Recreational cabin sites
Interest Appraised	Fee simple title, excluding mineral rights
Date of Value	April 1, 2006
Date of Report	April 1, 2006

Conclusion of Values for Hypothetical Key Parcel "A"			
	Size	\$\$ per Acre	\$\$ per Site (rd.)
Minimum Parcel Size	5.00	\$1,197*	\$6,000
Key Parcel Size	10.00	\$900	\$9,000
Maximum Parcel Size	20.00	\$675*	\$13,500

- * Based on size adjustment chart located in the Addenda. **Key Parcel in Bold.**

Summary of Adjustments

Date of Value	Date of filing	To Be Determined
Location	No distinction within the staking area	1.00
Size, acres	Adjustment for variations in size.	See Addenda
Access	Within ¼ mile of Dalton Highway More than ¼ mile from Dalton Highway	1.00 of Key "A" 0.90 of Key "A"
Waterfront	None	
Amenities	Typical view of surrounding landscape Small pond, creek and/or exceptional view	1.00 1.10
Building site	Poor: Mostly steep, or wet ground, or unstable soils. Average: At least 50% level to gently sloping, adequately drained & wooded. Good; Mostly level to gently sloping, well drained and wooded.	0.80 to 0.90 1.00 1.10 to 1.20
Easements	Typical easements are considered in the base value. Other easements or trails across staked parcels to be handled based on a case by case basis.	To be determined

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 is a complete, summary appraisal prepared in accordance with Standard Rules 1 and 2 of the Uniform Standards of Professional Appraisal Practice, Appraisal Foundation, and in accordance with Special Appraisal Instructions, DNR Remote Cabin Sites.

PURPOSE OF THE APPRAISAL

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

INTENDED USE OF THE APPRAISAL

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

CLIENT AND USER IDENTITY

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

PROPERTY RIGHTS APPRAISED

The rights appraised are the fee simple estate less the mineral rights reserved to the State of Alaska under AS 38.05.125(a). Fee simple estate is defined¹ as:

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

AS 38.05.125(a) states²:

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 which 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 VALUE³

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 undue duress.

In accordance with instructions from the State of Alaska, market value for the appraised property is estimated in terms of seller financing typical for the property type as of the date of appraisal.

DEFINITION OF EXTRAORDINARY ASSUMPTION⁴

"an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.

The report is based on the extraordinary assumption that all staked parcels have legal access across any staking area setbacks identified within the staking area. It is assumed that these setbacks will remain in state ownership. It is assumed that the appropriate platting authority will approve plats for all parcels staked under this program. We reserve the right to amend this report should unanticipated platting problems require changes that would significantly impact value.

¹ The Appraisal of Real Estate, 12th Edition, Appraisal Institute, 2001, p.69

² Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2002, pp. 590-591

³ The Appraisal of Real Estate, 12th Edition, Appraisal Institute, 2001, p.22

⁴ The Uniform Standards of Professional Appraisal Practice (USPAP), Appraisal Foundation, 2004, p.3

EFFECTIVE DATE OF VALUE ESTIMATE

The effective date of the value estimate is April 1, 2006.

EXPOSURE TIME

Exposure time is "...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..."⁵

Exposure time varies with the type of property and changes with market conditions. The market for remote recreational properties has been sluggish for years. Supply has grown faster than demand. The market is somewhat saturated. Primary sellers are DNR, the University of Alaska, the Mental Health Lands Trust, Native allottees, and some boroughs. Remote parcels such as the subject typically require 12 or more months of marketing time.

Compared with competing parcels in the overall market for remote parcels, the market appeal for the subject parcels is average to poor. Considering exposure times for similar properties, appraised values for the subject parcels 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."⁶

Considering current market conditions and foreseeable supply and demand as of the date of appraisal, appraised values for the subject parcels are based on an estimated marketing time of one to three years.

SCOPE OF THE APPRAISAL

I did not inspect the staking area in the field. Physical features, access and trails were identified by the use of topographic maps, status plats, aerial photographs, DNR appraisal records and interviews with people who are familiar with the area.

Also, DNR appraisal records were searched for recent sales of similar parcels. Interviews were conducted with real estate agents, appraisers, and other individuals who provided data about trends in values, supply and demand. Sellers and buyers were contacted to verify sale prices and other transaction details.

After analysis of all available data, appropriate sales were selected for comparison with a key parcel of the subject properties being appraised. The market value estimate is based on the following assumptions and conditions.

⁵ op. cit. p. 83.

⁶ *Uniform Standards of Professional Appraisal Practice 2001, Appraisal Foundation, p. 128.*

ASSUMPTIONS AND LIMITING CONDITIONS

1. The property is appraised as vacant land without structural or site improvements.
2. Some parcels may contain saw timber but not necessarily in commercial quantities. The estimated market value does not include the value of commercial timber, if any.
3. The data and conclusions embodied in this report are a part of the whole valuation. Each part of this appraisal is only part of the evidence upon which final judgement is based. Therefore, no part should be used out of context and by itself alone.
4. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question, unless prior arrangement has been made and adequate time is provided to review the appraisal.
5. 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.
6. In this valuation various mathematical calculations were used to formulate the opinion of value. These calculations are only aids for the formulation of the opinion of value by the appraiser. Therefore, in the application of these calculations, certain arithmetical figures are rounded to the nearest significant amount.
7. The information furnished by others is believed to be reliable but it is not warranted for its accuracy. Plats of lease areas in this report are included for illustration only and may not be to scale.
8. 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 such conditions, or for arranging engineering studies to discover them.
9. Unless otherwise stated in this report, the appraiser does not know about the existence of hazardous materials or toxic substances, which may or may not be present on the property. The appraiser is not qualified to detect such substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required discovering them.
10. The report is based on the extraordinary assumption that all staked parcels have legal access across any staking area setbacks identified within the staking area. It is assumed that these setbacks will remain in state ownership. It is assumed that the appropriate platting authority will approve plats for all parcels staked under this program. We reserve the right to amend this report should unanticipated platting problems require changes that would significantly impact value.

PRESENTATION OF DATA

The following analyses of the Minto and Manley Hot Springs areas are provided as they are the two communities located closest to the staking area.

Minto Area Analysis

Current Population: 202 (2004 State Demographer estimate)
Incorporation Type: Unincorporated
Borough Located In: Unorganized
Taxes: No taxing authority

Location and Climate

Minto is located on the west bank of the Tolovana River, 130 miles northwest of Fairbanks. It lies on an 11-mile spur road off of the Elliott Highway. The community lies at approximately 65.153330° North Latitude and -149.33694° (West) Longitude. (Sec. 23, T004N, R009W, Fairbanks Meridian.) Minto is located in the Manley Hot Springs Recording District. The area encompasses 135.1 sq. miles of land and 3.6 sq. miles of water. The climate is cold and continental with extreme temperature differences. The average daily maximum during July is in the low 70s; the average daily minimum during January is well below zero. Extended periods of -40 degrees, and very strong wind chill factors, are common during the winter. Average annual precipitation is 12 inches, with 50 inches of snowfall.

History, Culture and Demographics

Minto is in the western-most portion of traditional Tanana Athabaskan territory. During the late 1800s, some members of the Minto band traveled to Tanana, Rampart and Fort Yukon to trade furs for manufactured goods, tea and flour. With the discovery of gold north of Fairbanks in 1902, steamboats began to navigate the Tanana River, bringing goods and new residents into the area. Old Minto became a permanent settlement when some members of the Minto band built log cabins there, on the bank of the Tanana River. Other families lived in tents on a seasonal basis. A BIA school was established in 1937, but most families still did not live in Minto year-round until the 1950s. The Minto band was eventually joined by families from Nenana, Toklat, Crossjacket and Chena. The village was relocated to its present location, 40 miles north of the old site, in 1969 due to repeated flooding and erosion. The present site had been used as a fall and winter camp since the early 1900s. New housing and a new school were completed by 1971.

A federally-recognized tribe is located in the community -- the Native Village of Minto. The population of the community consists of 92.2% Alaska Native or part Native. Minto residents are mainly Tanana Athabascans. Several families have seasonal fishing/hunting camps and trapping areas on the Tanana River and Goldstream Creek. The sale or importation of alcohol is banned in the village. During the 2000 U.S. Census, total housing units numbered 99, and vacant housing units numbered 25. Vacant housing units used only seasonally numbered 5. U.S. Census data for Year 2000 showed 42 residents as employed. The unemployment rate at that time was 40.85 percent, although 76.54 percent of all adults were not in the work force. The median household income was \$21,250, per capita income was \$9,640, and 26.42 percent of residents were living below the poverty level.

Facilities, Utilities, Schools and Health Care

Water is derived from two wells, is treated, and distributed in a heated circulating water line. Wastes are piped to a sewage lagoon. 52 homes are connected to the piped water and sewer system, and have complete plumbing. The system was completed in 1986, after two systems constructed in the 1970s had failed. The water main froze during the winter of 1999/2000, and the lack of water and heat subsequently caused the sewage system to freeze. Major improvements and repairs are needed. 38 households haul their own water and honeybuckets. There is no washeteria available in the village. Water system improvements have been funded, and a landfill relocation study is underway. Funds are needed to develop facilities at the Old Minto Family Recovery Camp, a 35-day inpatient facility for substance abuse, located at the old village site. Electricity is provided by AVEC. There is one school located in the community, attended by 60 students. Local hospitals or health clinics include Minto Health Clinic (798-7412) or Fairbanks hospitals. Minto is classified as an isolated village, it is found in EMS Region 1C in the Interior

Region. Emergency Services have highway and air access. Emergency service is provided by volunteers and a health aide. Auxiliary health care is provided by Fairbanks hospitals.

Economy and Transportation

Most of the year-round employment is with the school, lodge, clinic or village council. Many residents work during summers fire fighting for the BLM. Some residents trap or work in the arts and crafts center, making birch-bark baskets and beaded skin and fur items. Subsistence is an important part of the local economy. Most families travel to fish camp each summer. Minto Flats is one of the most popular duck hunting spots in Alaska. Salmon, whitefish, moose, bear, small game, waterfowl and berries are utilized.

Minto is accessible by the Elliott Highway, a 118-mile drive to Fairbanks. The Tolovana River allows boat access to the Tanana and Nenana Rivers, but no barge service is available because it is too shallow. A new State-owned 2,000' long by 65' wide gravel airstrip is available. It is a local priority to extend the runway length in order to accommodate loaded Twin Otters. Trucks, cars, snowmachines, ATVs and riverboats are used for transportation, recreation and subsistence purposes.

Manley Hot Springs Area Analysis

Current Population: 73 (2004 State Demographer estimate)
Incorporation Type: Unincorporated
Borough Located In: Unorganized
Taxes: No taxing authority

Location and Climate

Manley Hot Springs is located about 5 miles north of the Tanana River on Hot Springs Slough, at the end of the Elliott Highway, 160 road miles west of Fairbanks. It lies at approximately 65.001110° North Latitude and -150.63389° West Longitude. (Sec. 17, T002N, R015W, Fairbanks Meridian.) Manley Hot Springs is located in the Manley Hot Springs Recording District. The area encompasses 54.3 sq. miles of land and 0.0 sq. miles of water. Manley Hot Springs has a cold, continental climate. The average daily maximum is in the upper 50s in summer, minimum temperatures during winter range from -6 to -21. Temperature extremes have been measured from -70 to 93. Average annual precipitation is 15 inches, with snowfall of 59.3 inches. The worst flood in the history of the community was in May 1956. Other floods occurred in 1961, 1962 and 1982.

History, Culture and Demographics

In 1902 John Karshner, a mining prospector, claimed several hot springs and began a homestead and vegetable farm on 278 acres. At the same time, a U.S. Army telegraph station and trading post were built. The area became a service and supply point for miners in the Eureka and Tofty Mining Districts, and was known as Baker's Hot Springs, after nearby Baker Creek. In 1903, Sam's Rooms and Meals, now called the Manley Roadhouse, opened in the community. Ambitious farming and livestock operations in the area produced fresh meat, poultry and produce for sale. In 1907, miner Frank Manley built the Hot Springs Resort Hotel. The resort was a large four-story building with 45 guest rooms, steam heat, electric lights, hot baths, bar, restaurant, billiard room, bowling alley, barber shop and an Olympic-size indoor swimming pool which used heated water from the hot springs. During the summer, the hotel's private launch transported guests from steamers on the Tanana River. In the winter, an overland stagecoach trip from Fairbanks took two days. Due to the resort and area mining, the town of "Hot Springs" prospered with an Alaska Commercial Company store, a local newspaper, bakery, clothing stores and other businesses. Local estimates of the area's population in 1910 was more than 500. In 1913, this thriving resort burned to the ground. Mining was also declining and by 1920 only 29 residents lived in Hot Springs. The name was changed to Manley Hot Springs in 1957. A small school re-opened in 1958. In 1959, completion of the Elliott Highway gave Manley a road link with Fairbanks during the summer. In 1982, the state began maintaining the Highway for year-round use. A new resort with a small swimming pool opened in 1985, but closed in 1997.

A federally recognized tribe is located in the community -- the Manley Village Council. The population of the community consists of 23.6% Alaska Native or part Native. Native residents are Athabascan. During the 2000 U.S. Census, total housing units numbered 105, and vacant housing units numbered 69. Vacant housing units used only seasonally numbered 67. U.S. Census data for Year 2000 showed 36 residents as

employed. The unemployment rate at that time was 10 percent, although 40 percent of all adults were not in the work force. The median household income was \$29,000, per capita income was \$21,751, and 9.7 percent of residents were living below the poverty level.

Facilities, Utilities, Schools and Health Care

Most residents haul water from the wellhouse one mile east along the Elliott Hwy. Public businesses and facilities use individual wells. Water from a few of these wells is warm or hot. Individual septic systems or outhouses are used for sewage disposal. 15 homes have complete plumbing. The landfill is at mile 158 Elliott Highway, operated by the Manley Community Association. A clinic/washeteria is located 1 mile east of town, operated by the Manley Village Council. Electricity is provided by Manley Utility Company, Inc. There is one school located in the community that is attended by 15 students. Local hospitals or health clinics include Manley Health Clinic (672-3333) or Fairbanks hospitals. Manley Hot Springs is classified as an isolated village, it is found in EMS Region 1C in the Interior Region. Emergency Services have highway, river and air access. Emergency service is provided by volunteers and a health aide. Auxiliary health care is provided by Fairbanks hospitals.

Economy and Transportation

The local economy is based on a wide variety of small businesses, with many residents having 3 or 4 means of income. The Tribe operates the clinic. The Manely Roadhouse is open during summer months. A barter system thrives between residents. Government employment accounts for about one quarter of the total. Nine residents hold commercial fishing permits. Gardening, hunting and fishing provide food sources. Salmon and moose provide the primary meat sources.

The Elliott Highway is the primary means of accessing Manley Hot Springs, which is located approximately 75 miles southwest of the staking area. Goods and fuel are typically delivered by truck. The Highway runs through Manley to the Tanana River Landing, 3 miles southwest. The Tanana River landing is used to launch boats for fishing or transportation. Barge services are sometimes provided during summer months but there is no docking facility due to severe erosion. The State-owned 2,875' long by 30' wide gravel runway is available year-round. A new airport is under construction through FY 2005.

Area Summary

The Lost Creek staking area is located in the Northern region, about 5 miles northwest of Livengood, Alaska and 83 air miles northwest of Fairbanks, Alaska. It is located approximately 1.5 miles north of the West Fork of the Tolovana River, along the north side of the Dalton Highway, approximately two miles west of its intersection with the Elliott Highway. The staking area encompasses approximately 3,840 acres. There are 50 new staking authorizations proposed for this area, with sizes ranging from five to twenty acres.

PHYSICAL CHARACTERISTICS	
Location	This area is primarily located along the north side of the Dalton Highway, approximately two miles west of the Elliott Highway and bordering Lost Creek drainage on the west.
Topography map	USGS Quads Livengood (B-4 & C-4)
Topography/Terrain/Major Features	The area is located within the northern portions of the Cascaden Mountain Range. Lost Creek is at an elevation of approximately 700 feet. Elevation within the staking area varies from 700 to 1,800 feet above sea level. Lost Creek forms the northwest border of the staking area.
Access	Access to the general vicinity is limited to road system, primarily the Elliott and Dalton Highways. Overland access into the staking area north of the Dalton Highway and the Pipeline will be directed to the section line easement between sections 23 and 24. Travel within the staking area is possible along section line easements and across unreserved state land. The TAPS right-of-way maintenance pad does not constitute public access. Travel along this right-of-way is not allowed, unless prior permission has been obtained from Alyeska Pipeline Services.
Roads/Trails	Dalton Highway along south border of staking area.
View	Views of the surrounding forest, hills, rivers and the Minto Flats
Climate	Typical of Interior Alaska, this area has a cold, continental climate. The average daily high temperature is in the upper 50's in summer, low temperatures during winter range from -6 to -21. Temperature extremes have been measured from -70 to 93. Average annual precipitation is 15 inches with snowfall of 59.3 inches.
Soils	The soils are well-drained on natural levees or along existing and former river channels. These soils consist of silt and fine sand covered with a thin layer of organic material. Permafrost is found in scattered locations at depths greater than 5 feet.
Vegetation	White spruce and large birches are predominant. Alder and willow are found in the undergrowth. Vegetation at higher elevations is predominantly black spruce and shrubs.
Water Source	There are several creeks that run through the area. Water quality is unknown.

EASEMENTS AND RESERVATIONS	
Area Plan, Management Unit, Classification	Tanana Basin Area Plan, Subregion 2, Lower Tanana: Management Unit 2K4 West Fork of the Tolovana River.
Fire Management Option	The staking area has a Limited management option. The Alaska Interagency Wildland Fire Management Plan is updated annually. Contact the Division of Forestry for updated information regarding management options. Stakers are urged to locate parcels in hardwood stands or near water bodies to reduce potential for fire.
Game Management Unit	The staking area is in Game Management Unit 2 - Lower Tanana - Livengood.
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	The staking area is not within an organized borough. It is under the State of Alaska platting authority.

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 such 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.
Public Access and Utility Easements	While final details have yet to be determined, a significant setback of 1,600' from each side of the Trans Alaska Pipeline System is anticipated. Although the final setback width may encompass more land than is specifically associated with each individual right of way, the setback will result in the exclusion of all lands within the TAPS, TAGS and ANGTS right-of-way leases from staking. All cabin sites are subject to a minimum 30-foot public access and utility easement along interior parcel boundary lines and a 60-foot public access easement along all existing unnamed trails. Stakers may not obstruct or block access within these easements. A 300' scenic easement along the Dalton Highway is proposed, which would be consistent with other offerings in Management Unit 2.
Water Body Easements, Staking Setbacks and Restrictions	All parcels are subject to a 50-foot public access easement and a 100-foot building setback along the ordinary high water line of all water bodies. Stream crossings with motorized vehicles may be prohibited by applicable state and federal laws.
Reserved Areas	No staking is allowed within areas reserved or excluded on the staking maps for wood lots, airstrips, public use, or other uses.
Water Supply, Sewage Disposal	Wastewater treatment and disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation.
Wetlands	Cabin sites may contain wetlands and may require Army Corps of Engineers permits prior to placement of fill material.
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.
Comments	Survey plats and survey plat notes should be reviewed for specific information on easements, building setbacks, or other restrictions. Check recorder's office for current ownership of private land. Traditional fishing, hunting, and resource harvest for personal use are some of the principle uses of state land within the area. Flooding and glaciation potential exist in stream valleys, and steep slopes may be unstable and subject to landslides.

DATA ANALYSIS and CONCLUSION

Highest and best use analysis identifies the most profitable and competitive use of the property. Therefore, highest and best use is a market driven concept that is fundamental to the valuation of a property.

HIGHEST AND BEST USE

Highest and best use is defined as:

the reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.⁷

The highest and best use of a site must meet 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. The appraisal of improvements (when present on the site) is based on their actual contribution to the total value of the property. The appraised property is vacant and unimproved.

HIGHEST and BEST USE of SITE as VACANT

Legally Permissible

There are no local zoning laws limiting the development of this parcel. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. The key parcel 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.

Financially Feasible

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

Maximally Productive

Surrounding land use is primarily recreational. 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 parcel as vacant would be for almost any legal use, primarily a private recreation cabin site.

⁷ The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p305

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. 7th 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
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
Business hours 10:00 am to 5:00 pm M-F.

In Juneau

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