

**BASE APPRAISAL REPORT**  
**BEARPAW REMOTE RECREATIONAL CABIN SITE AREA**  
Located 100 miles southwest of Fairbanks, Alaska



**YEAR 2007**

**APPRAISAL REPORT No. 3453**

**STATE of ALASKA**  
Department of Natural Resources  
Division of Mining Land & Water  
550 West Seventh Avenue Suite 650  
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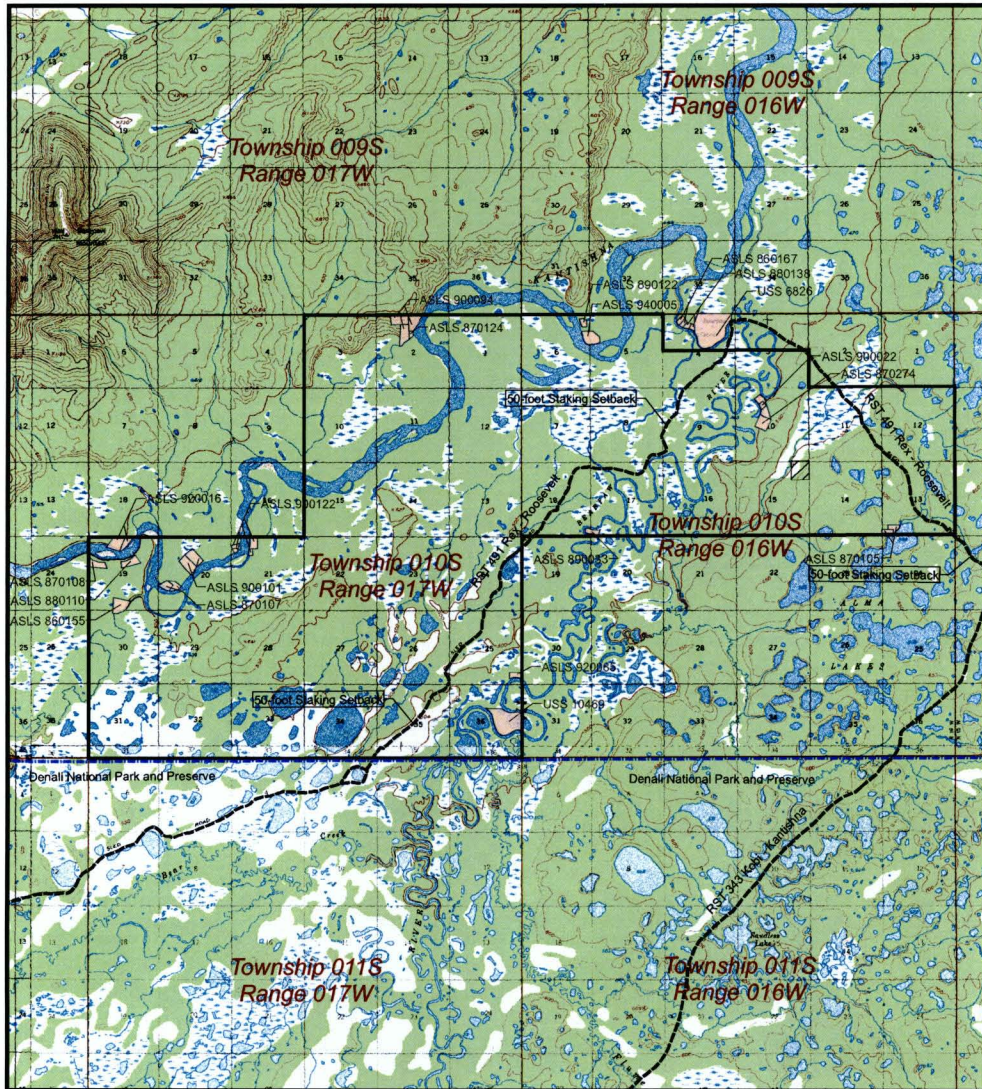
### ADDENDA

Comparable Sales Maps & Forms	
Size Adjustment	
Generally Allowed Uses	
Final Finding	



# Staking Map: Bearpaw

Remote Recreational Cabin Sites Staking Area # XXXX



2025

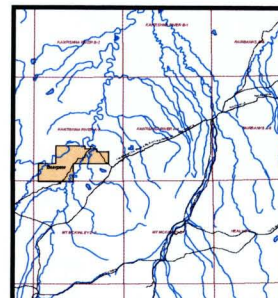
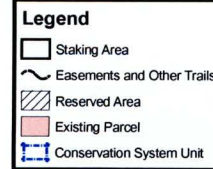
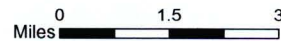
**USGS QUADS 1:63,360  
Kantishna River A-2  
T10S R16W, T10S R17W, Fairbanks Meridian**

This staking map is for graphic representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record and should be reviewed prior to staking.

**Notes:**

- Maximum parcel size: 20 acres
- Minimum parcel size: 5 acres
- Staking authorizations: 40
- Staking period: XXXXXX to XXXXXX

1. All parcels staked on land owned by the State of Alaska that contain land within 50 feet of a surveyed or protracted (unsurveyed) section line, 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. Parcels may not be staked over a surveyed section line.
2. Parcels may not be staked across any public or navigable water body. Parcels are subject to a 50-foot public access easement along the ordinary high water mark.
3. Parcels are subject to a 100-foot building setback from the ordinary high water mark of all streams and all other water bodies determined to be public and navigable. Some water bodies may also have staking setbacks or water frontage limitations.
4. A staking setback is required from unauthorized improvements.
5. A staking setback is required from airstrips used by the public.
6. Most surveys (i.e. ASLS, USS) have survey monuments at each corner, which can be used as reference points and common corners when staking. See the survey plats for information on monument corner numbers, bearings, and distances. Monuments found in the field take precedence over the graphic record.
7. There are public access easements along most ASLS boundaries. Check the survey plats for additional information.
8. Trail easements have not been verified and their actual location may differ on the ground. Labeling of a trail easement does not guarantee the existence of a trail.
9. Unauthorized airstrips are not maintained by the Department of Natural Resources. Use of airstrips on state land that are not authorized is at your own risk.
10. See the general staking instructions and area-specific supplemental staking instructions for additional information.



## APPRAISAL SUMMARY

### Bearpaw RRCS Hypothetical Key Parcels

Location	This staking area is primarily located approximately 50 miles southwest of Anderson and 50 miles northeast of Lake Minchumina. The staking area is located just north of Denali National Park and Preserve boundary. Natural features in the area include the confluence of the Bearpaw River with the Kantishna River and the Alma Lakes. Boat access to the staking area is via the Kantishna River. Overland access in the winter is possible on the Rex – Roosevelt Trail (RST 491) from the Anderson – Clear area. The area is within the Denali Borough.
Topography map	USGS Quad Kantishna River A-2
Legal Description	The Bearpaw staking area encompasses approximately 26,703 acres within Township 10 South, Range 16 West, Fairbanks Meridian; S½ section 3, S½ section 4 & sections 5-18, and Township 10 South, Range 17 West, Fairbanks Meridian; sections 1-3, sections 10-15, and sections 19-36, Fairbanks Meridian.
Owner	State of Alaska
Hypothetical Key Parcel "A", Waterfront Parcel	<p>Size: 10 acres            Location: Bearpaw Remote Staking Area            Access: Boat, snow machine, float/ski plane or ATV            Lot Type: 1<sup>st</sup> tier parcel w/in 330' of the Kantishna or Bearpaw Rivers or fronting on float plane accessible lake.            Building Site: at least 50% level, wooded and well drained.            Setback: 100' building setback from high water mark            Waterfront: Kantishna River/Unnamed lake            Easements: 50' access easement along water body, typical section-line &amp; pedestrian around lot. 100' building setback along MHW.            Amenities: Typical view of surrounding area.</p>
Hypothetical Key Parcel "B" Interior Parcel	<p>Size: 10 acres            Location: Bearpaw Remote Staking Area            Access: Fly-in or boat and then Walk-in, snow machine or ATV            Lot Type: Interior parcel - More than 330' from Kantishna or Bearpaw Rivers or 330' from float plane lake            Building Site: at least 50% level, wooded and well drained.            Setback: 50' setback from Rex – Roosevelt Trail RST 491            Waterfront: None            Easements: Typical section-line &amp; pedestrian around lot.            Amenities: Typical view of surrounding area.</p>
Improvements	None
Highest and Best Use	Recreational cabin sites
Interest Appraised	Fee simple title, excluding mineral rights
Date of Value	December 15, 2006
Date of Report	December 15, 2006

\*1<sup>st</sup> tier parcel is defined as a parcel with direct frontage on a lake, river, or is separated from the water by public land.

\*Interior parcel is defined as a location with no water access frontage.

<b>Conclusion of Values for Hypothetical Key Parcel "A"</b>			
<b>WATER FRONT</b>	Size	\$\$ per Acre	\$\$ per Site (rd.)
Minimum Parcel Size	5.00	\$2,394*	\$12,000
<b>Key Parcel</b>	<b>10.00</b>	<b>\$1,800</b>	<b>\$18,000</b>
	15.00	\$1,575*	\$23,600
Maximum Parcel Size	20.00	\$1,350*	\$27,000

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

<b>Conclusion of Values for Hypothetical Key Parcel "B"</b>			
<b>INTERIOR</b>	Size	\$\$ per Acre	\$\$ per Site (rd.)
Minimum Parcel Size	5.00	\$958*	\$4,800
<b>Key Parcel</b>	<b>10.00</b>	<b>\$720</b>	<b>\$7,200</b>
	15.00	\$630*	\$9,400
Maximum Parcel Size	20.00	\$540*	\$10,800

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

<b>Bearpaw 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>	Location on RST 491 Rex-Roosevelt Trail Creek, pond, small lake frontage or outstanding views	1.10 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.

**Fly-in Lakes/Public Navigable greater than 10 acres in size.**

Generally, lakes smaller than 10 acres are not determined navigable or public unless specifically identified. The following lakes are larger than 10 acres and determined to be public waterbodies.

Within Township 10 South, Range 16 West, Fairbanks Meridian.

The unnamed lake in the S ½ of section 6

The unnamed lake in the NE 1/4 of section 13  
 The unnamed lake in the SW 1/4 of section 13, NW 1/4 of section 24, and NE 1/4 of section 25  
 The unnamed lake in the SE 1/4 of section 14  
 The unnamed lake in the SW 1/4 of section 14

Within Township 10 South, Range 16 West, Fairbanks Meridian.

The unnamed lake in the NE 1/2 of section 12  
 The unnamed lake in the NW 1/4 of section 23  
 The unnamed lake in the E 1/2 of section 24  
 The unnamed lake in the SW 1/4 of section 24  
 The unnamed lake in the NE 1/4 of section 26  
 The unnamed lake in the SW 1/4 of section 26  
 The unnamed lake in the SE 1/4 of section 26  
 The unnamed lake in the SE 1/4 of section 27  
 The unnamed lake in the NE 1/4 of section 31  
 The unnamed lake in the SW 1/4 of section 31  
 The unnamed lake in the SE 1/4 of section 31  
 The unnamed lake in the NE 1/4 of section 32  
 The unnamed lake in the NE 1/4 of section 32 & NW 1/4 of Section 33  
 The unnamed lake in the N 1/2 of section 33  
 The unnamed lake in the SW 1/4 of section 33  
 The unnamed lake in section 34  
 The unnamed lake in the NW 1/4 of section 35  
 The unnamed lake in the W 1/2 of section 36

**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 defined<sup>1</sup> 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) states<sup>2</sup>:

<sup>1</sup> The Appraisal of Real Estate, 12th Edition, Appraisal Institute, 2001, p.69  
<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2002, pp. 590-591

*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 VALUE<sup>3</sup>**

*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 ASSUMPTION<sup>4</sup>**

*"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.

### **EFFECTIVE DATE OF VALUE ESTIMATE**

The effective date of the value estimate is December 15, 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..."<sup>5</sup>

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."<sup>6</sup>

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.

<sup>3</sup> The Appraisal of Real Estate, 12th Edition, Appraisal Institute, 2001, p.22

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

<sup>5</sup> op. cit. p. 83.

<sup>6</sup> Uniform Standards of Professional Appraisal Practice 2001, Appraisal Foundation, p. 128.

**SCOPE OF THE APPRAISAL**

I did not inspect the staking area in the field. Aerial photographs taken by DNR Northern Region representatives from a June 2005 trip were provided. 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.



### 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. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
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 such conditions, or for arranging engineering studies to discover them.
10. 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.
11. 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

### Tanana Area Analysis

<b>Current Population:</b>	304 (2004 State Demographer estimate)
<b>Incorporation Type:</b>	1st Class City
<b>Borough Located In:</b>	Unorganized
<b>Taxes:</b>	Sales: 2%, Property: None, Special: None

### Location and Climate

Tanana is located in Interior Alaska about two miles west of the junction of the Tanana and Yukon Rivers, 130 air miles west of Fairbanks. It lies at approximately 65.171940° North Latitude and -152.07889° West Longitude. (Sec. 17, T004N, R022W, Fairbanks Meridian.) Tanana is located in the Ft. Gibbon Recording District. The area encompasses 11.6 sq. miles of land and 4.0 sq. miles of water. Tanana experiences a cold, continental climate with temperature extremes. Daily maximum temperatures during July range from 64 to 70; daily minimum temperatures during January are -14 to -48. Extremes have been measured from -71 to 94. Average annual precipitation is 13 inches, with 50 inches of snowfall. The River is ice-free from mid-May through mid-October.

### History, Culture and Demographics

Due to its location at the confluence of the Tanana and Yukon Rivers, Tanana was a traditional trading settlement for Koyukon and Tanana Athabascans long before European contact. In 1880, Harper's Station, an Alaska Commercial Company Trading Post, was established 13 miles downriver from the present site. In 1881, Church of England missionaries from Canada built a mission 8 miles downriver. Between 1887 and 1900, an elaborate school and hospital complex, the St. James Mission, was constructed. It became an important source of services and social change along both rivers. In 1898, Fort Gibbon was founded at Tanana to maintain the telegraph line between Fairbanks and Nome. A post office was also established, and several other trading posts developed around the turn of the century. Gold seekers left the Yukon after 1906. Ft. Gibbon was abandoned in 1923. The St. James Hospital was transferred to the BIA administration in the 1920s. During World War II, an air base was established near Tanana as a refueling stop for the lend-lease aircraft program. New hospital facilities were built in 1949; and during the 1950s, hospital administration was transferred to the U.S. Public Health Service. The City of Tanana was incorporated in 1961. The hospital complex was a major employer during this period, employing 54 persons with a payroll of \$1.6 million, but was closed in 1982. During 1982, Tanana incorporated as a First Class City in order to assume control of the local school system. The hospital facilities were remodeled for use as a health clinic, counseling center, tribal office, and Regional Elders's Residence.

A federally recognized tribe is located in the community -- the Native Village of Tanana. The population of the community consists of 81.5% Alaska Native or part Native. Traditional Athabaskan ways of life persist -- subsistence, potlatches, dances and foot races are part of the culture. During the 2000 U.S. Census, total housing units numbered 166, and vacant housing units numbered 45. Vacant housing units used only seasonally numbered 42. U.S. Census data for Year 2000 showed 100 residents as employed. The unemployment rate at that time was 23.66 percent, although 52.38 percent of all adults were not in the work force. The median household income was \$29,750, per capita income was \$12,077, and 22.95 percent of residents were living below the poverty level.

### Facilities, Utilities, Schools and Health Care

Water and sewer utilities are operated by Too'gha, Inc., a non-profit utility board. Water is derived from three wells near the Yukon River, and four watering points are available. In 1970, 55 individual wells were drilled, but due to permafrost and poor water quality, the project essentially failed. Nearly all residents now haul their own water from the washeteria and use privies and honeybuckets. In 1976, a piped water and sewer system was constructed to serve the Tanana Hospital, clinic, Regional Elders Residence, and now serves the Tribal council building. A new washeteria and water treatment plant were recently completed. Construction has begun to install pipes in 40 homes downtown. The landfill uses an incinerator, and provides recycling services. Electricity is provided by Tanana Power Company. There are 2 schools located in the community, attended by 80 students. Local hospitals or health clinics include Tanana Health Center (366-7222). The clinic is a qualified Emergency Care Center. X-Ray and pharmacy are available. Tanana is classified as an isolated town/Sub-Regional Center, it is found in EMS Region 1C in the Interior

Region. Emergency Services have limited highway, river and airport access. Emergency service is provided by 911 Telephone Service, volunteers and a health aide. Auxiliary health care is provided by Tanana Tribal EMS (366-7170).

### **Economy and Transportation**

Two-thirds of the full-time jobs in Tanana are with the city, school district or native council. There are a number of positions with local businesses and services. BLM firefighting, trapping, construction work and commercial fishing are important seasonal cash sources. 17 residents hold commercial fishing permits. Subsistence foods include salmon, whitefish, moose, bear, ptarmigan, waterfowl and berries.

Tanana is accessible only by air and river transportation. The City maintains 32 miles of local roads. The City operates a dock on the River; barged goods can be offloaded at a staging and storage area. The State owns and operates the Ralph M. Calhoun Memorial Airport with a 4,400' long by 150' wide lighted gravel runway. Float planes land on the Yukon River. Cars, trucks, snowmachines, ATVs and riverboats are used for local transportation.

### **Manley Hot Springs Area Analysis**

<b>Current Population:</b>	73 (2004 State Demographer estimate)
<b>Incorporation Type:</b>	Unincorporated
<b>Borough Located In:</b>	Unorganized
<b>Taxes:</b>	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, 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 25 miles northeast, (upstream) 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.

#### **Nenana Area Analysis**

<b>Current Population:</b>	549	(2005 State Demographer est.)
<b>Pronunciation/Other Names:</b>		(nuh-NAN-uh)
<b>Incorporation Type:</b>		Home Rule City
<b>Borough Located In:</b>		Unorganized
<b>School District:</b>		Nenana City Schools
<b>Regional Native Corporation:</b>		Doyon, Limited

#### **Location:**

Nenana is located in Interior Alaska, 55 road miles southwest of Fairbanks on the George Parks Highway. Nenana is located at mile 412 of the Alaska Railroad, on the south bank of the Tanana River, just east of the mouth of the Nenana River. It lies 304 road miles northeast of Anchorage. It lies at approximately 64.563890° North Latitude and -149.09306° West Longitude. (Sec. 14, T004S, R008W, Fairbanks Meridian.) Nenana is located in the Nenana Recording District. The area encompasses 6.0 sq. miles of land and 0.1 sq. miles of water. Nenana has a cold, continental climate with an extreme temperature range. The average daily maximum during summer months is 65 to 70; the daily minimum during winter is well below zero. The highest temperature ever recorded is 98; the lowest is -69. Average precipitation is 11.4 inches, with 48.9 inches of snowfall annually. The River is ice-free from mid-May to mid-October.

#### **History:**

Nenana is in the western-most portion of Tanana Athabascan Indian territory. It was first known as Tortella, an interpretation of the Indian word "Toghotthele," which means "mountain that parallels the river." Early explorers such as Allen, Harper and Bates first entered the Tanana Valley in 1875 and 1885. However, the Tanana people were accustomed to contact with Europeans, due to trading journeys to the Village of Tanana, where Russians bartered Western goods for furs. The discovery of gold in Fairbanks in 1902 brought intense activity to the region. A trading post/roadhouse was constructed by Jim Duke in

1903, to supply river travelers and trade with Indians. St. Mark's Episcopal mission and school was built upriver in 1905. Native children from other communities, such as Minto, attended school in Nenana. A post office opened in 1908. By 1909, there were about 12,000 residents in the Fairbanks area, most drawn by gold mining activities. In 1915, construction of the Alaska Railroad doubled Nenana's population. The Nenana Ice Classic - a popular competition to guess the date and time of the Tanana River ice break-up each spring - began in 1917 among surveyors for the Alaska Railroad. The community incorporated as a City in 1921. The Railroad Depot was completed in 1923, when President Warren Harding drove the golden spike at the north end of the 700-foot steel bridge over the Tanana River. Nenana now had a transportation link to Fairbanks and Seward. According to local records, 5,000 residents lived in Nenana during this time, however, completion of the railroad was followed by an economic slump. The population in 1930 was recorded at 291. In 1961, Clear Air Force Station was constructed 21 miles southwest, and many civilian contractors commuted from Nenana. A road was constructed south to Clear, but north, vehicles were ferried across the Tanana River. In 1967 the community was devastated by one of the largest floods ever recorded in the valley.

**Culture:**

The population of Nenana is a diverse mixture of non-Natives and Athabascans. The majority of residents participate in subsistence activities. Several Iditarod sled dog race competitors and former champions are residents of Nenana.

**Economy:**

Over 40% of the year-round jobs are government-funded, including the City, Tribe, Nenana School District, Yukon-Koyukuk School District, and DOT highway maintenance. Nenana has a strong seasonal private sector economy as the center of rail-to-river barge transportation center for the Interior. Yutana Barge Lines is the major private employer in Nenana, supplying villages along the Tanana and Yukon Rivers each summer with cargo and fuel. The City also attracts independent travelers with fuel and supplies, the Alaska Railroad Museum, the Golden Railroad Spike Historic Park and Interpretive Center, the historical Episcopal Church, Iditarod dog kennels, and a replica of the sternwheeler Nenana. A heritage center is also under development. The Nenana Ice Classic administration provides short-term employment for nearly 100 locals. 27 residents hold commercial fishing permits. The majority of Native households rely on subsistence foods, such as salmon, moose, caribou (by permit), bear, waterfowl and berries.

**Facilities:**

Water is derived from two wells, is treated and distributed via circulating loops. A piped gravity system collects sewage, which is treated at a secondary treatment plant. Most of the City is connected to the piped water and sewer system -- 215 homes and the school are served. The remaining homes have individual wells and septic systems. Refuse is collected by a private firm, and hauled to the new Denali Borough regional landfill, located south of Anderson.

**Transportation:**

Nenana has excellent air, river, road and railroad access. The George Parks Highway provides road access to Fairbanks and Anchorage. The railroad provides daily freight service. The Nenana Municipal Airport offers a 5,000' long by 100' wide asphalt, lighted runway, in addition to a turf, 2,520' long by 80' wide air strip. The airport also has float plane and ski plane landing areas. The Nenana Port Authority operates the dry cargo loading and unloading facilities, dock, bulkhead, and warehouse. The Tanana River is shallow, with a maximum draft for loaded river barges of 4.5 feet; by comparison, the Yukon River has very few shallow areas.

**Climate:**

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

### Area Summary

The Bearpaw staking area is located in the Northern region, about 50 air miles southwest of Anderson, Alaska and 50 air miles northeast of Lake Minchumina, Alaska. It is located along the Kantishna River, approximately 30 miles upstream, or southwest from the confluence of the Kantishna and Toklat Rivers. The staking area encompasses approximately 26,703 acres. There are 50 new staking authorizations proposed for this area, with sizes ranging from five to twenty acres. The staking area is located just north of the Denali National Park and Preserve boundary.

PHYSICAL CHARACTERISTICS	
Location	This staking area is primarily located approximately 50 miles southwest of Anderson and 50 miles northeast of Lake Minchumina. The staking area is located just north of Denali National Park and Preserve boundary. National features in the area include the confluence of the Bearpaw River with the Kantishna River and the Alma Lakes. Boat access to the staking area is via the Kantishna River. Overland access in the winter is possible on the Rex – Roosevelt Trail (RST 491) from the Anderson – Clear area. The area is within the Denali Borough.
Topography map	USGS Quad Kantishna River (A-2)
Topography/Terrain/Major Features	The area is located within the Kantishna River drainage, 15 miles south of Mucha Lake. The banks of the river rise 5 to 15 feet above the water level through the disposal area. The river is at an elevation of approximately 475 feet. Elevation within the staking area varies from 475 to 600 feet above sea level. The Kantishna River runs through the northern portions of the staking area. The Bearpaw River runs through the eastern portion of the area.
Access	Access to the general vicinity is limited to river systems, primarily via the Tanana and Kantishna River from Manley Hot Springs to the mouth of the Kantishna River. Access to the eastern portion of the staking area is via float plane to several small lakes in the Alma lakes area and then overland. Overland access to the staking area may be possible in the winter on a series of trails, as well as RST 491, the Rex-Roosevelt trail from Nenana.
Roads/Trails	RST 491 Rex-Roosevelt Trail runs through the area. RST 343 Kobi-Kantishna Trail is located southeast of the staking area.
View	Views of the surrounding forest, hills, rivers and Mount McKinley.
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/Vegetation	The soils are well-drained soils found along the Kantishna and Bearpaw Rivers and at higher elevations, but much of the project area at lower elevations has poorly drained and loamy soils over permafrost. Upland or well drained areas support aspen, spruce and birch. Lowland or poorly drained areas are boggy with tussock or moss and black spruce.
Water Source	In addition to the Kantishna and Bearpaw Rivers, several creeks run through the area. Numerous lakes are located within the staking area. Water quality is unknown.

<b>EASEMENTS AND RESERVATIONS</b>	
Area Plan, Management Unit, Classification	Tanana Basin Area Plan, Subregion 3, Kantishna: Management Unit 3L Bearpaw, Subunit 3L2 Bearpaw, classified Settlement NO-90-002.
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.
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 located within the Denali Borough. It is within 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	All cabin sites are subject to a minimum 30-foot public access and utility easement along interior parcel boundary lines and a 50-foot public access easement along the Rex-Roosevelt trail, RST 491 trails. Stakers may not obstruct or block access within these easements.
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.***<sup>7</sup>

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.

<sup>7</sup> The Appraisal of Real Estate, Twelfth Edition, Appraisal Institute, 2001, p305



## SALES COMPARISON APPROACH

### VALUATION PROCESS

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 a number of similar parcels, it is accepted appraisal practice to appraise a key parcel that is most representative of all the parcels being appraised. The key parcel may be a hypothetical parcel or an actual parcel. The value of the remaining parcels is then based on a comparison to the key parcel. This methodology replicates typical developer thinking.

### DESCRIPTION OF KEY PARCEL

<b>Location</b>	Bearpaw Remote Staking Area
<b>Size</b>	10 acres
<b>Lot Type</b>	1 <sup>st</sup> tier* parcel within 330 feet from Kantishna or Bearpaw Rivers or frontage on unnamed float plane lakes.
<b>Access</b>	Float/ski plane to East Twin Lake or boat access along the Kantishna River
<b>Building Site</b>	Average - At least 50% dry level ground, well-drained soils
<b>Utilities</b>	None
<b>Setbacks</b>	100' building setback from MHW of all water bodies
<b>Easements</b>	50' public access easement extending from ordinary high water mark. Typical lot line easements or as required by plating authority.
<b>Amenities</b>	Water front 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  
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e-mail: [fbx-pic@alaska.gov](mailto:fbx-pic@alaska.gov)  
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**In Juneau**

(Southeast Div. of Land)  
400 Willoughby Ave., 4<sup>th</sup> Floor, Juneau AK 99801  
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