

**MARKET VALUE APPRAISAL**

**Of**

**Hypothetical Key Parcels within Kantishna  
Remote Recreational Cabin Staking Area**



**BASE APPRAISAL REPORT No. 3504-0**

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



## A. SUMMARY OF APPRAISAL NO. 3504

1. ADL NO(S): Various
2. SIZE: 5.00 to 20.00 acres
3. APPLICANT: N/A
4. LOCATION: 32 miles west of Nenana, Alaska
5. LEGAL DESCRIPTION(S): Sections within T2-4SR13W, Fairbanks Meridian
6. INTEREST APPRAISED: Fee Simple less mineral rights
7. PURPOSE OF THE APPRAISAL: Estimate market value of hypothetical key parcels within the subject area
8. APPRAISED BY: Brandon Simpson, Appraiser II
9. DATE of REPORT: January 7, 2009
10. DATE of VALUE(S): January 7, 2009
11. APPRAISED VALUE(S):

Conclusion of value for Hypothetical Key Parcels			
	Size	Per/acre	Per/site (RND)
<b>Key Parcel 'A' Waterfront</b>	<b>5.00 acres</b>	<b>\$2,700</b>	<b>\$13,500</b>
	10.00 acres*	\$2,025	\$20,200
	15.00 acres*	\$1,755	\$26,300
	20.00 acres*	\$1,512	\$30,200
	Size	Per/acre	Per/site (RND)
<b>Key Parcel 'B' Interior</b>	<b>5.00 acres</b>	<b>\$1,080</b>	<b>\$5,400</b>
	10.00 acres*	\$810	\$8,100
	15.00 acres*	\$702	\$10,500
	20.00 acres*	\$605	\$12,100

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

**B. SUMMARY OF REVIEW**

1. DATE of REVIEW: January 30, 2009
2. REVIEWER'S CLIENT:  DNR     Other: \_\_\_\_\_
3. INTENDED USERS of the REVIEW:  DNR     General Public     Other: \_\_\_\_\_
4. INTENDED USE of the REVIEW: The values and adjustments will be used to establish the purchase prices for parcels to be staked by various applicants
5. PURPOSE of REVIEW:  Evaluate for Technical Compliance with DNR Instructions & USPAP  
 Evaluate for Technical Compliance with UASFLA     Develop Independent Estimate of Value  
 Other: \_\_\_\_\_
6. SCOPE OF REVIEW: I Inspected the Subject on \_\_\_\_\_    I Did Not Inspect the Subject   
 I Inspected the Comparable Sales on \_\_\_\_\_    I Did Not Inspect the Comparable Sales   
 I Independently Verified the Comparable Sales in the Report  Yes  No  
 Data and Information Considered in Addition to that Contained in the Report:  None     See Sections C thru F  
 Extraordinary Assumptions, Hypothetical Conditions, & Other Limiting Conditions for this review:  
 None     See Section G    Related appraisals reviewed: None  
 Proofread DNR data entry:  Yes  No
7. RESULTS OF REVIEW:  Not Approved     Approved    Approved Value: See A.11

**C. COMPLETENESS OF APPRAISAL MATERIAL WITHIN SCOPE OF WORK APPLICABLE TO THE ASSIGNMENT/CONFORMANCE with APPRAISAL INSTRUCTIONS: Adequate****D. ADEQUACY and RELEVANCE of APPRAISAL DATA and PROPRIETY OF ADJUSTMENTS: Adequate****E. APPROPRIATENESS OF APPRAISAL METHODS and TECHNIQUES: Appropriate****F. ANALYSES, OPINIONS, and CONCLUSIONS ARE APPROPRIATE and REASONABLE, except:****G. REVIEWER'S ASSUMPTIONS AND LIMITING CONDITIONS**

1. This review is based on data and information contained in the appraisal report as well as any additional data from other sources that is identified in this review.
2. The reviewer assumes that the data and information in the appraisal are factual and accurate.
3. The reviewer reserves the right to consider any additional data or information that may subsequently become available, and to revise an opinion or conclusion, if such data and information warrant a revision.
4. All assumptions and limiting conditions contained in the appraisal report are part of this review unless otherwise stated.
5. A title report has been provided to the appraiser and the reviewer. Unless specifically noted in the report or this review, it is assumed that the only easements and restrictions that affect the property are those shown on the plat.
6. The value of commercial timber, if any, is specifically excluded from the final conclusion of value.



REVIEW APPRAISER'S CERTIFICATION APPRAISAL NO. 3504

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

- The facts and data reported by the reviewer and used in the review process are true and correct.
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this review.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I did  did not  personally inspect the subject property of the report under review.
- No one provided significant professional assistance to the person signing this review report.

Reviewed by Kevin Hindmarch  
Kevin R. Hindmarch, Review Appraiser

Date 1/30/09

cc: Marta Mueller  
Chuck Pinckney  
Victoria Braun

# MEMORANDUM

# State of Alaska

**Department of Natural Resources**  
Tel (907) 269-8513  
Fax (907) 269-8914  
[brandon\\_simpson@alaska.gov](mailto:brandon_simpson@alaska.gov)

**Division of Mining, Land and Water**  
550 West 7<sup>th</sup> Avenue, Suite 650  
Anchorage AK 99501-3576

DATE: January 7, 2009

TO: Kevin Hindmarch  
Review Appraiser

FROM: Brandon Simpson *BIS*

SUBJECT: Appraisal of Hypothetical *Key Parcels* in the Kantishna Remote Recreational Cabin Site Staking Area – Base Appraisal Report no. 3504.

As requested, I have completed a valuation of the hypothetical *Key Parcels* in the above staking area. I understand that this appraisal will be used to determine the base purchase price for recreational parcels staked within this area. I am submitting this report for your review and approval.

The appraisal was completed in accordance with the "Uniform Standards of Professional Appraisal Practice" of the Appraisal Foundation and in accordance with the Special Appraisal Instructions, DNR Remote Recreational Cabin Site Disposal. This is a complete, summary report based on the General Assumptions and Limiting Conditions stated in the report, as well as the facts, analyses, and reasoning leading to the opinions of value.

I have flown over a portion of the staking area in June 2007 for an unrelated appraisal assignment. In addition, some of the comparables sales have been inspected during unrelated assignments. The remaining portion of the staking area and comparable sales has not been inspected. The physical description of the *Key Parcels* was based on aerial photography, topographic maps, previously completed appraisal reports, and interviews of various individuals familiar with the area. Based on my observations and analyses of all available data, I have formed an opinion of the market value as of the effective date of value.

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## APPRAISAL SUMMARY

<b>Kantishna Remote Hypothetical Key Parcels</b>	
<b>Location</b>	Approximately 32 miles west of Nenana and 30 miles south of Kantishna and Tanana Rivers confluence.
<b>Topography Map</b>	USGS Kantishna River C-1
<b>Owner</b>	State of Alaska
<b>Key Parcel 'A' Waterfront</b>	Size: 5.00 acre
	Lot Type: 1 <sup>st</sup> tier* Kantishna River frontage, frontage on a boat accessible slough, or frontage on fly-in lake*
	Access: Boat, fly-in or snowmachine
	Building Site: Mostly level, wooded parcel with adequate drainage
	Setbacks: 300' staking setback from ordinary high water line of Kantishna River
	Easements: 30' public access and utility easement along all interior parcel lot lines
	Amenities: Unobstructed access to river or slough
<b>Key Parcel 'B' Interior</b>	Size: 5.00-acres
	Lot Type: Interior lot and/or 2 <sup>nd</sup> tier* parcel located 300 feet or more from Kantishna River or fly-in lake*
	Access: Snowmachine, or boat or fly-in to vicinity of parcel then overland walk
	Building Site: Mostly level, wooded parcel with adequate drainage
	Easements: 30' public access and utility easement along all interior parcel lot lines
	Amenities: Interior lot, typical view of surrounding area
<b>Improvements</b>	None
<b>Highest and Best Use</b>	Recreational cabin site
<b>Interest Appraised</b>	Fee simple title, excluding mineral rights
<b>Effective Date of Value</b>	January 7, 2009
<b>Date of Report</b>	January 7, 2009

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

\*2<sup>nd</sup> tier parcel is defined as a location where a parcel(s) could be staked between the subject and the nearest water-body access.

\*Fly-in lakes will be determined during inspection. Based on the information available before inspection the lake in Section 9, T3S, R13W, F.M. and the lake in Section 18, T3S, R13W, F.M. appear to be the only fly-in lakes located in the staking area.

<b>Conclusion of value for Hypothetical Key Parcels</b>			
	Size	Per/acre	Per/site (RND)
<b>Key Parcel 'A' Waterfront</b>	<b>5.00 acres</b>	<b>\$2,700</b>	<b>\$13,500</b>
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	20.00 acres*	\$605	\$12,100

**-Key Parcel in bold**

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

<b>Adjustments</b>		
Date of Value	Date of entry	To be determined
Location	No distinctions within staking area	None
Size, acres	Adjustments for size variations	See addenda
Easements	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
Building site	Poor: Mostly steep, mostly wet ground, or unstable soils	0.75 to 0.90
	Average: Mostly level, wooded parcel with adequate drainage	1.00
	Good: Mostly level to gently sloping, well drained and wooded.	1.10
Amenities	Good view	1.10 of Key 'A' or 'B'
	Non fly-in pond/lake* or frontage on non-boat accessible creek/slough	1.10 of Key 'B'
Miscellaneous	Differences in parcels discovered during field inspection.	To be determined

\*Fly-in lakes will be determined during inspection. Based on the information available at this time the lake in Section 9, T3S, R13W, F.M. and the lake in Section 18, T3S, R13W, F.M. appear to be the only fly-in lakes located in the staking area.

**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**

The effective date of the value estimate is January 7, 2009

### **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..."

<sup>1</sup> The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.111

<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, Thirteenth Edition, Appraisal Institute, 2008, p.23

<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2006, Appraisal Foundation, p. 90.

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.

Based on exposure time for similar properties, the estimated values are based on an exposure time of up to two years.

#### **Sales History**

Existing surveyed parcels can be found within the staking area boundaries as a result of previous offerings. The remainder of the staking area has never been sold.

#### **Scope of the Appraisal**

I have flown over a portion of the staking area in June 2007 for an unrelated appraisal assignment. In addition, some of the comparables sales have been inspected during unrelated assignments. Physical features and access 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 or other knowledgeable market participants were contacted to verify recent sale prices and other transaction details.

In addition, a search for all DNR parcels that have sold or currently are available in the general vicinity of the staking area was undertaken.

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.

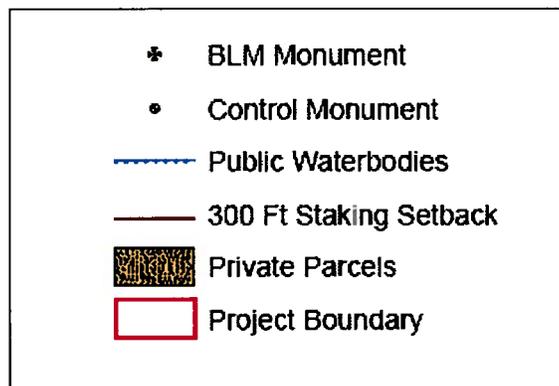
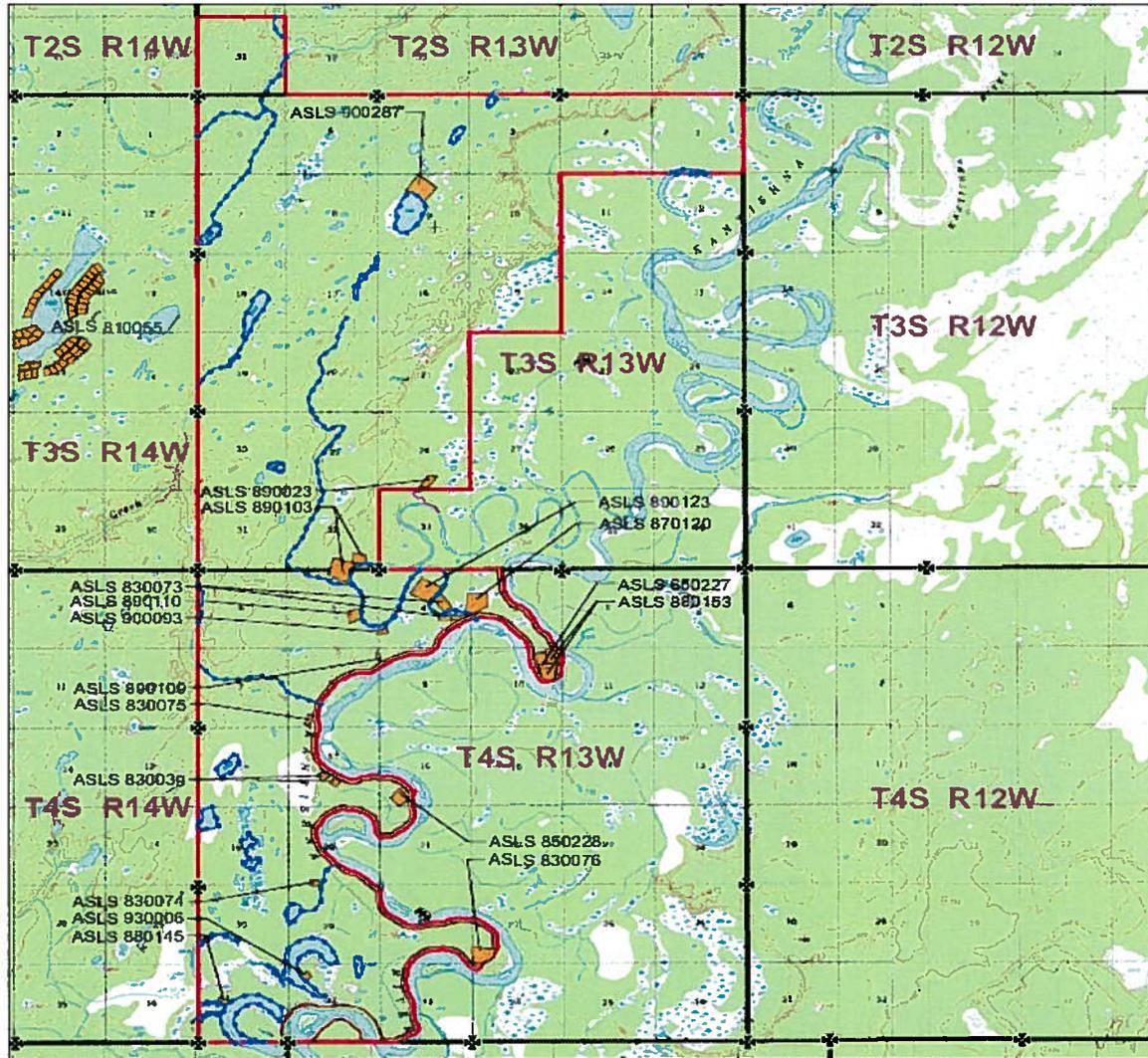
## **Assumptions and Limiting Conditions**

1. The property is appraised as vacant land without structural or site improvements.
2. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader in visualizing the properties.
3. Information furnished by others and included in the report is believed to be reliable but the appraiser does not warrant the accuracy of such information.
4. Unless otherwise noted in the report, the appraiser did not find any evidence that hazardous materials exist on these properties. The estimate of value is based on the assumption that there are no such materials on the property. The appraiser is not qualified to detect these substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge that is required to discover these substances.
5. 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.
6. 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.
7. 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.
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 any such conditions, or for arranging engineering studies to discover them.
9. 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.
10. 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.
11. It is assumed that the land within the required 300' staking setback from the ordinary high water mark of the Kantishna River will remain in state ownership.

## PRESENTATION OF DATA

### Area Data

Kantishna Remote staking area is located about 32 miles west of Nenana and 30 river miles south of Kantishna and Tanana River confluence.



## Kantishna Remote



June 18, 2007 – looking west across staking area

## Nenana

<b>Current Population:</b>	553 (2007 DCCED Certified Population)
<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

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 -149.093060 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.

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. In 1968, a \$6 million bridge was completed across the Tanana River, which gave the city a road link to Fairbanks and replaced the River ferry. The George Parks Highway was completed in 1971, which provided a shorter, direct route to Anchorage.

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.

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.

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.

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.<sup>5</sup>

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<sup>5</sup> Alaska DCCED 'Community Database Online', accessed 5 January 2009.  
[http://www.commerce.state.ak.us/dca/CF\\_BLOCK.htm](http://www.commerce.state.ak.us/dca/CF_BLOCK.htm).

<b>PHYSICAL CHARACTERISTICS</b>	
Location	Approximately 32 miles west of Nenana and 30 river miles south of Kantishna and Tanana Rivers confluence.
Topography map	USGS Kantishna River C-1
Topography/Terrain/Major Features	This area is generally level, situated in the Tanana River Valley, and ranges from 325 to 650 feet elevation. Steep bluffs are present in the northern portion of the staking area. Localized steeply sloping, stabilized sand dunes are likely present throughout the interior portions of the area. A portion of the Kantishna staking area directly borders the Kantishna River.
Access	Primary access to the staking area is via riverboat and floatplane during the summer, and snowmachine and ski-plane during the winter.
View	Potential views of the Kantishna River and surrounding landscape.
Climate	Typical of Interior Alaska river valleys, this area has a cold, continental climate with extreme seasonal temperature variation and low precipitation. Summer temperatures range from the mid-30's to low-90's. Winter temperatures range from -65 to 45. Average annual precipitation is 10 inches with 68 inches of snowfall.
Soils/Vegetation	Dominant soils in the lowlands around the Kantishna River consist of poorly drained lowlands and silt or sandy loam with shallow permafrost, interspersed with well drained natural levees along current or historic river channels. Soils in the upland portion of the staking area consist of silty loess over sand and stabilized sand dunes. Discontinuous permafrost may be present. Vegetation within the proposed project is typical of Interior Alaska, with areas of mixed hardwoods and spruce found along the riparian areas and in the uplands. Large areas in the lowlands off the river are wet and contain tussocks and mats of moss. Contiguous stands of black spruce are found within the staking area.
Water Source	Water quality and depth is unknown. Small drainages provide surface water within the staking area. The Kantishna River and sloughs are silt laden.

<b>EASEMENTS AND RESERVATIONS</b>	
Title	The State holds Tentative Approval to lands within F003S013W. All other lands within the staking area are patented to the State of Alaska, Patent No. 50-76-0060 and 50-86-0438. The applicable State casefiles are GS 516, GS1063, and GS 1065.
Allowed Uses	Cabin site leases are for recreational use only. No commercial use or permanent residence is allowed while under lease. Once the parcel is under purchase contract or conveyed into private ownership, these restrictions no longer apply.
Municipal Authority	The staking area is within the unorganized borough and is not subject to a municipal authority. The area is subject to 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. Staking is not allowed across surveyed section lines or surveyed township lines.
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 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' public access easement. Using motorized vehicles to cross streams may be prohibited by applicable state and federal laws.

<b>Setbacks and Other Restrictions</b>	Parcels staked along the Kantishna River are subject to a 300-foot staking setback from ordinary high water mark. Parcels are subject to a 100-foot building setback from all streams and public or navigable water bodies.
<b>Reserved Areas</b>	DNR will reserve areas for future use and access.
<b>Fire Management Option</b>	The staking area has a Full Protection 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 fire defensible areas, hardwood stands, or near water bodies to reduce potential for fire.
<b>Waste Disposal</b>	Wastewater treatment and disposal systems must meet the regulatory requirements of the Alaska Department of Environmental Conservation. Contact ADEC for information.
<b>Wetlands</b>	Cabin sites may contain wetlands and may require Army Corps of Engineers permits prior to placement of fill material. Contact ACOE for information.
<b>Improvements</b>	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.
<b>Comments/Issues</b>	Recreation, hunting, trapping, wildlife habitat, forestry, settlement, and resource harvest for personal use are some of the principal uses of state land within the area. Stakers should be aware of existing parcels in the area, and be respectful of private property. Check recorder's office for current ownership of private land. Review survey plats and plat notes for specific information on easements, setbacks or other restrictions. There may be active trap lines in the area.

## 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>6</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**

Ridgeview 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 parcel 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 *Key Lot* as vacant would be for almost any legal use, primarily a private recreation cabin site.

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<sup>6</sup> The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.278