

MARKET VALUE APPRAISAL
of
Forty-Five (45) parcels within
Cosna RRCS – ASLS 2006-20
Deadman Lake ASLS 81-40 & 81-40A
Dune Lake – ASLS 81-56
West Twin Lake ASLS 81-219
Wien Lake RRCS ASLS 2009-7
Wien Lake West ASLS 2013-30



West Twin Lake

APPRAISAL REPORT No. 4495-0

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. 4495-0

1. ADL NO(S): See table below
2. SIZE: See table below
3. APPLICANT: N/A
4. LOCATION: Subdivided lots in the Kantishna drainage, north of the Alaska Range
5. LEGAL DESCRIPTION(S): See table below
6. INTEREST APPRAISED: Fee Simple Title less Mineral Rights
7. PURPOSE OF THE APPRAISAL: Estimate Market Value
8. APPRAISED BY: Johnthomas Williamson
9. DATE of REPORT: December 30, 2019
10. DATE of VALUE(S): June 13, 2019
11. APPRAISED VALUE(S):

ADL	Subdivision	Lot / Tr.	Blk.	ASLS	Acres	Date of Value	Value (rnd)
417567	Cosna RRCS	A	-	2006-20	14.41	6-13-19	\$23,100
407606	Deadman Lk.	1	6	81-40	4.597	6-13-19	\$16,000
407616	Deadman Lk.	18	7	81-40	4.374	6-13-19	\$16,000
419021	Deadman Lk.	1	11	81-40A	4.785	6-13-19	\$4,100
409078	Dune Lake	6	2	81-56	4.677	6-13-19	\$3,400
409079	Dune Lake	7	2	81-56	4.812	6-13-19	\$3,500
409081	Dune Lake	9	2	81-56	4.929	6-13-19	\$3,500
409083	Dune Lake	11	2	81-56	4.646	6-13-19	\$3,300
409088	Dune Lake	16	2	81-56	4.979	6-13-19	\$3,600
409097	Dune Lake	8	3	81-56	4.940	6-13-19	\$3,600
409133	Dune Lake	3	8	81-56	4.999	6-13-19	\$3,600
409134	Dune Lake	4	8	81-56	4.92	6-13-19	\$3,500
409136	Dune Lake	6	8	81-56	4.941	6-13-19	\$3,600
409138	Dune Lake	8	8	81-56	4.916	6-13-19	\$3,500
409140	Dune Lake	10	8	81-56	4.974	6-13-19	\$3,600
409142	Dune Lake	12	8	81-56	4.843	6-13-19	\$3,500
420629	West Twin Lk.	2	1	81-219	3.06	6-13-19	\$14,400



420630	West Twin Lk.	3	1	81-219	3.029	6-13-19	\$14,400
420631	West Twin Lk.	4	1	81-219	3.124	6-13-19	\$14,400
420632	West Twin Lk.	1	2	81-219	6.879	6-13-19	\$4,400
420633	West Twin Lk.	2	2	81-219	6.333	6-13-19	\$4,100
418478	Wien Lk. RRCS	F	-	2009-7	18.81	6-13-19	\$30,100
418516	Wien Lk. RRCS	K	-	2009-7	5.84	6-13-19	\$3,900
420488	Wien Lk. West	1	1	2013-30	5.71	6-13-19	\$3,900
420489	Wien Lk. West	2	1	2013-30	6.92	6-13-19	\$4,400
420490	Wien Lk. West	3	1	2013-30	5.64	6-13-19	\$3,800
420491	Wien Lk. West	4	1	2013-30	5.47	6-13-19	\$3,700
420492	Wien Lk. West	5	1	2013-30	5.63	6-13-19	\$3,800
420493	Wien Lk. West	6	1	2013-30	5.46	6-13-19	\$3,700
420494	Wien Lk. West	7	1	2013-30	4.04	6-13-19	\$3,100
420495	Wien Lk. West	1	2	2013-30	2.05	6-13-19	\$14,400
420496	Wien Lk. West	2	2	2013-30	2.04	6-13-19	\$14,400
420497	Wien Lk. West	3	2	2013-30	1.83	6-13-19	\$14,400
420498	Wien Lk. West	4	2	2013-30	2.73	6-13-19	\$14,400
420499	Wien Lk. West	5	2	2013-30	4.35	6-13-19	\$16,000
420503	Wien Lk. West	9	2	2013-30	4.59	6-13-19	\$16,000
420504	Wien Lk. West	10	2	2013-30	3.84	6-13-19	\$3,000
420505	Wien Lk. West	11	2	2013-30	4.02	6-13-19	\$3,000
420506	Wien Lk. West	12	2	2013-30	4.72	6-13-19	\$3,400
420521	Wien Lk. West	2	4	2013-30	6.61	6-13-19	\$4,200
420522	Wien Lk. West	3	4	2013-30	5.79	6-13-19	\$3,900
420534	Wien Lk. West	2	6	2013-30	14.24	6-13-19	\$6,700
420537	Wien Lk. West	3	7	2013-30	13.35	6-13-19	\$6,300
420545	Wien Lk. West	6	8	2013-30	11.9	6-13-19	\$5,900
420546	Wien Lk. West	1	9	2013-30	16.9	6-13-19	\$27,500

**B. SUMMARY OF REVIEW**

1. DATE of REVIEW: February 5, 2020
2. REVIEWER'S CLIENT: DNR Other: _____
3. INTENDED USERS of the REVIEW: DNR General Public Other: _____
4. INTENDED USE of the REVIEW: Establish minimum bid price for sealed bid auction
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: _____
 Proofread DNR data entry: Yes No
7. RESULTS OF REVIEW: Not Approved Approved Approved Value: As noted in previous table

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: Adequate

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 not 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. 4495-0

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.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this review report within the three-year period immediately preceding acceptance of this assignment

Reviewed by Kevin Hindmarch
Kevin Hindmarch, Review Appraiser

Date 2/5/2020

cc: Hannah Uher-Koch

MEMORANDUM

State of Alaska

Department of Natural Resources
Tel (907) 269-8539
Fax (907) 269-8914

Division of Mining, Land & Water
550 West 7th Avenue, Suite 650
Anchorage AK 99501-3576

DATE: December 30, 2019

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson 
Appraiser

SUBJECT: Forty-five parcels within Cosna RRCS, Dune Lake, Deadman Lake, West Twin Lake, Wien Lake RRCS and Wien Lake West Subdivisions.

As requested, I have completed an appraisal of the above referenced parcels, and understand that this appraisal will be used to determine a minimum purchase price for a sealed bid auction. 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. This appraisal report is 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 inspected all of the subject parcels and the majority of comparable sales used in this report. Physical descriptions of the subject parcels were based on inspections, aerial photography, topographic maps, peer appraisal reports, interviews with realtors and various individuals familiar with the area. Based on these observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

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APPRAISAL SUMMARY

Subdivision Names	Location	Survey
Cosna RRCS	110 miles west of Fairbanks	ASLS 2006-20
Deadman Lake	65 miles west of Fairbanks	ASLS 81-40 & 81-40A
Dune Lake	70 miles southwest of Fairbanks	ASLS 81-56
West Twin Lake	95 miles southwest of Fairbanks	ASLS 81-219
Wien Lake West	110 miles southwest of Fairbanks	ASLS 2013-30
Wien Lake RRCS	110 miles southwest of Fairbanks	ASLS 2009-7

SUMMARY OF VALUES

ADL	Subdivision	MTRS	Lot / Tr.	Blk.	ASLS	Acres	Date of Value	Value (rnd)
417567	Cosna RRCS	1S 19W 19 FM.	A	-	2006-20	14.41	6-13-19	\$23,100
407606	Deadman Lk.	1S 12W 4 FM.	1	6	81-40	4.597	6-13-19	\$16,000
407616	Deadman Lk.	1S 12W 9 FM.	18	7	81-40	4.374	6-13-19	\$16,000
419021	Deadman Lk.	1S 12W 10 FM.	1	11	81-40A	4.785	6-13-19	\$4,100
409078	Dune Lake	6S 12W 2 FM.	6	2	81-56	4.677	6-13-19	\$3,400
409079	Dune Lake	6S 12W 2 FM.	7	2	81-56	4.812	6-13-19	\$3,500
409081	Dune Lake	6S 12W 2 FM.	9	2	81-56	4.929	6-13-19	\$3,500
409083	Dune Lake	6S 12W 2 FM.	11	2	81-56	4.646	6-13-19	\$3,300
409088	Dune Lake	6S 12W 2 FM.	16	2	81-56	4.979	6-13-19	\$3,600
409097	Dune Lake	6S 12W 2 FM.	8	3	81-56	4.940	6-13-19	\$3,600
409133	Dune Lake	6S 12W 3 FM.	3	8	81-56	4.999	6-13-19	\$3,600
409134	Dune Lake	6S 12W 3 FM.	4	8	81-56	4.92	6-13-19	\$3,500
409136	Dune Lake	6S 12W 3 FM.	6	8	81-56	4.941	6-13-19	\$3,600
409138	Dune Lake	6S 12W 3 FM.	8	8	81-56	4.916	6-13-19	\$3,500
409140	Dune Lake	6S 12W 3 FM.	10	8	81-56	4.974	6-13-19	\$3,600
409142	Dune Lake	6S 12W 3 FM.	12	8	81-56	4.843	6-13-19	\$3,500
420629	West Twin Lk.	5S 16W 31 FM.	2	1	81-219	3.06	6-13-19	\$14,400
420630	West Twin Lk.	5S 16W 31 FM.	3	1	81-219	3.029	6-13-19	\$14,400
420631	West Twin Lk.	5S 16W 31 FM.	4	1	81-219	3.124	6-13-19	\$14,400
420632	West Twin Lk.	5S 16W 31 FM.	1	2	81-219	6.879	6-13-19	\$4,400
420633	West Twin Lk.	5S 16W 31 FM.	2	2	81-219	6.333	6-13-19	\$4,100

ADL	Subdivision	MTRS	Lot / Tr.	Blk.	ASLS	Acres	Date of Value	Value (rnd)
418478	Wien Lk. RRCS	7S 19W 19 FM.	F	-	2009-7	18.81	6-13-19	\$30,100
418516	Wien Lk. RRCS	7S 19W 4 FM.	K	-	2009-7	5.84	6-13-19	\$3,900
420488	Wien Lk. West	6S 19W 22 FM.	1	1	2013-30	5.71	6-13-19	\$3,900
420489	Wien Lk. West	6S 19W 22 FM.	2	1	2013-30	6.92	6-13-19	\$4,400
420490	Wien Lk. West	6S 19W 27 FM.	3	1	2013-30	5.64	6-13-19	\$3,800
420491	Wien Lk. West	6S 19W 27 FM.	4	1	2013-30	5.47	6-13-19	\$3,700
420492	Wien Lk. West	6S 19W 27 FM.	5	1	2013-30	5.63	6-13-19	\$3,800
420493	Wien Lk. West	6S 19W 27 FM.	6	1	2013-30	5.46	6-13-19	\$3,700
420494	Wien Lk. West	6S 19W 27 FM.	7	1	2013-30	4.04	6-13-19	\$3,100
420495	Wien Lk. West	6S 19W 22 FM.	1	2	2013-30	2.05	6-13-19	\$14,400
420496	Wien Lk. West	6S 19W 22 FM.	2	2	2013-30	2.04	6-13-19	\$14,400
420497	Wien Lk. West	6S 19W 22 FM.	3	2	2013-30	1.83	6-13-19	\$14,400
420498	Wien Lk. West	6S 19W 27 FM.	4	2	2013-30	2.73	6-13-19	\$14,400
420499	Wien Lk. West	6S 19W 27 FM.	5	2	2013-30	4.35	6-13-19	\$16,000
420503	Wien Lk. West	6S 19W 27 FM.	9	2	2013-30	4.59	6-13-19	\$16,000
420504	Wien Lk. West	6S 19W 27 FM.	10	2	2013-30	3.84	6-13-19	\$3,000
420505	Wien Lk. West	6S 19W 27 FM.	11	2	2013-30	4.02	6-13-19	\$3,000
420506	Wien Lk. West	6S 19W 27 FM.	12	2	2013-30	4.72	6-13-19	\$3,400
420521	Wien Lk. West	6S 19W 27 FM.	2	4	2013-30	6.61	6-13-19	\$4,200
420522	Wien Lk. West	6S 19W 27 FM.	3	4	2013-30	5.79	6-13-19	\$3,900
420534	Wien Lk. West	6S 19W 28 FM.	2	6	2013-30	14.24	6-13-19	\$6,700
420537	Wien Lk. West	6S 19W 27 FM.	3	7	2013-30	13.35	6-13-19	\$6,300
420545	Wien Lk. West	6S 19W 33 FM.	6	8	2013-30	11.9	6-13-19	\$5,900
420546	Wien Lk. West	6S 19W 33 FM.	1	9	2013-30	16.9	6-13-19	\$27,500

PREMISES OF THE APPRAISAL

Type of Appraisal and Report

This appraisal report is prepared in accordance with Standards Rule 1 and 2 of the current edition of Uniform Standards of Professional Appraisal Practice (USPAP) and DNR's Special Appraisal Instructions.

Purpose of Appraisal

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

Intended Use of Appraisal

The appraisal will be used by DNR to determine the minimum bid for parcels to be acquired through the auction sale program under AS 38.05.055.

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:

"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."¹

AS 38.05.125(a) states:

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."²

Definition of Market Value

"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 un due duress."³

Effective Date of Value Estimate

June 13, 2019.

Date of Report

December 30, 2019.

¹ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, p.90.

² Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2018, www.legis.state.ak.us/basis/folio.asp

³ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, p.141

Exposure Time

Exposure time is defined as the "...estimated length of time that 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."⁴

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. Currently, there are multiple parcels available throughout the area that are offered through various government and private programs. Considering the availability of parcels on the market, a longer exposure time of up to a year is reasonable.

Property History

Multiple properties within Cosna RRCS, Deadman Lake, Wien Lake West and Wien Lake RRCS have been previously offered and sold through various DNR offerings. These subjects have returned to the State via incomplete applications or terminated land sale contracts. Parcels within Dune Lake have been offered for sale yet have never sold. Parcels within West Twin Lake and multiple parcels within Wien Lake West have never been offered to the public. Details on specific properties are included within the Property Description section of this report. DNR is the owner of record for all subjects.

Scope of the Appraisal

Property and Comparable Sales Inspection

I inspected the subject properties and the majority of comparable sales on July 13, 2019. Physical features and access were identified by use of site inspections, topographic maps, status plats, aerial photographs, DNR appraisal records, and interviews with people who are familiar with the area.

Research and Analysis conducted

Interviews were conducted with real estate agents, appraisers, local residents, and other individuals familiar with the area who provided information about trends in value, supply, demand, access, and physical characteristics of the subject properties. DNR records and the Recorders Office databases were searched for recent comparable sales. Private real estate agent websites were searched for recent listings. Sellers, buyers, and agents were contacted to verify recent sale prices and other transaction details.

After analysis of all available data, appropriate comparable sales were selected. The market value estimate was derived from this process and is based on the following assumptions and limiting conditions.

⁴ Uniform Standards of Professional Appraisal Practice 2018-2019, Appraisal Foundation, p.U-2.

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 visualize 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. 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.
6. 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 the final judgment is based. Therefore, no part should be used out of context and by itself alone.
7. 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.
8. 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.
9. 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.
10. Unless noted, the existence of personal property or improvements, if any, could not be confirmed. The properties are appraised "as vacant".
11. 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.
12. 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.

PRESENTATION OF DATA

Market Area

The Fairbanks North Star Borough is located in the heart of Interior Alaska. It is the second-largest population center in the state with a population of approximately 97,738 as of 2017. Of which, about half live in and around Fairbanks. The area encompasses 7,361.0 sq. miles of land and 77.8 sq. miles of water. Interior Alaska experiences seasonal temperature extremes. January temperatures range from -66 to 50 degrees Fahrenheit. July temperatures range from 30 to 99 degrees Fahrenheit. Fairbanks is known for its lingering summer days. When the solstice arrives, there is more than 22 hours of daylight. Major communities include: College, Eielson Air Force Base, Ester, Fairbanks, Fox, Harding Lake, Moose Creek, North Pole, Pleasant Valley, Salcha, and Two Rivers. There are 35 schools located in the borough.

City, borough, state, and federal government agencies, including the military, provide over one-third of the employment in the borough. The borough school district and the University of Alaska Fairbanks are the primary public employers. Nearly 8,400 soldiers are stationed in the borough on Fort Wainwright or the Eielson Air Force Base. Retail services, gold mining, tourism, transportation, medical, and other services are the primary private sector activities. The Fort Knox hard rock gold mine is located in the borough.

The Richardson Highway, the Parks Highway, the Steese Highway and the Elliott Highway connect the Interior to Anchorage, Canada and the lower 48. Truck, rail and air services provide transportation of cargo. Scheduled jet services are available at Fairbanks International airport. An 11,800' asphalt runway, heliport and seaplane landing strip are available. A public seaplane base is located on the Chena River. Eielson Air Force Base and Fort Wainwright also conduct flight operations in the area.

Fairbanks is a Home Rule city and the second largest population center in the state. Currently, its estimated population is 31,905, comprised of 11,500 households. The average household size is 2.52. Power is supplied by Golden Valley Electric Association Inc. through diesel generators. Supplemental power is supplied by Aurora Energy LLC. The area is serviced by local schools, hospitals, libraries, refuse systems, and other urban facilities.

Manley Hot Springs⁵

Manley Hot Springs is a small community of 70+ residents located 5 miles north of the Tanana River, 160 road miles west of Fairbanks. The area has a cold, continental climate typical for interior Alaska with average temperatures ranging from the upper 50's in summer to -20°F in winter. Extremes have been recorded from 93°F to -70°F. Most of the residents support themselves by multiple jobs including: gold mining, tourism, government, and a semi-subsistence bartering system. Residents haul water from a community wellhouse, while public buildings have private wells. The community has a local clinic, roadhouse, landfill, and school. A federally recognized tribe (Manley Village Council) is located within the community

The most notable characteristic is the geothermal hot springs located just north of town. Naturally occurring hot springs have been an economic advantage for the community since 1902, when a mining prospector named John Karshner claimed several hot springs and started an ambitious vegetable farm. The community boomed during the gold rush era when in 1907 a hotel was built complete with 45 guest rooms, steam heat, electric lights, hot baths, a bowling alley, and an Olympic-size indoor heated swimming pool. Nowadays, tourism is still important to the local economy. One individual has developed a small-scale commercial hot springs attraction.

⁵ All information regarding Market Area information derived from <https://www.commerce.alaska.gov/dcra/DCRAExternal>, and <https://en.wikipedia.org/>

Property Description - Cosna RRCS

ADL	Subdivision	Sec.	MTR	Tract	ASLS	Acres	Access	Plat	Recording District
417567	Cosna RRCS	19	T1S R19W FM.	A	2006-20	14.41	River	2008-03	Manley

Location

ADL 417567 is located on the Cosna River approximately 110 miles west of Fairbanks and 25 miles southwest of Manley Hot Springs. The subject is within Section 19 of Township 1 South, Range 19 West, Fairbanks Meridian.

Access & Amenities

ADL 417567 has frontage along the Cosna River, which allows for access via boat or snowmachine from the Tanana River.

Topography, Soils, Size & Shape

The parcel is level, 14.41 acres, and irregular in shape. The site contains primarily mature birch and spruce mix with some poplar. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision and a 100' building set back along the Cosna River. The subject is within the Unorganized Borough and not subject to zoning.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Ownership History

ADL 417567 was staked through the DNR RRCS Staking Program in 2005. The lessee entered into a land sale contract that was later terminated in 2014. In 2016, the parcel was offered through the DNR Subdivision Auction with a minimum bid of \$12,700. The parcel received a high bid of \$26,160, and the applicant entered into a land sale contract, which was subsequently terminated due to non-payment. See Recorded Document 2018-000179-0. The parcel returned to the State. DNR is the current owner of record.

Tax Assessments & Personal Property

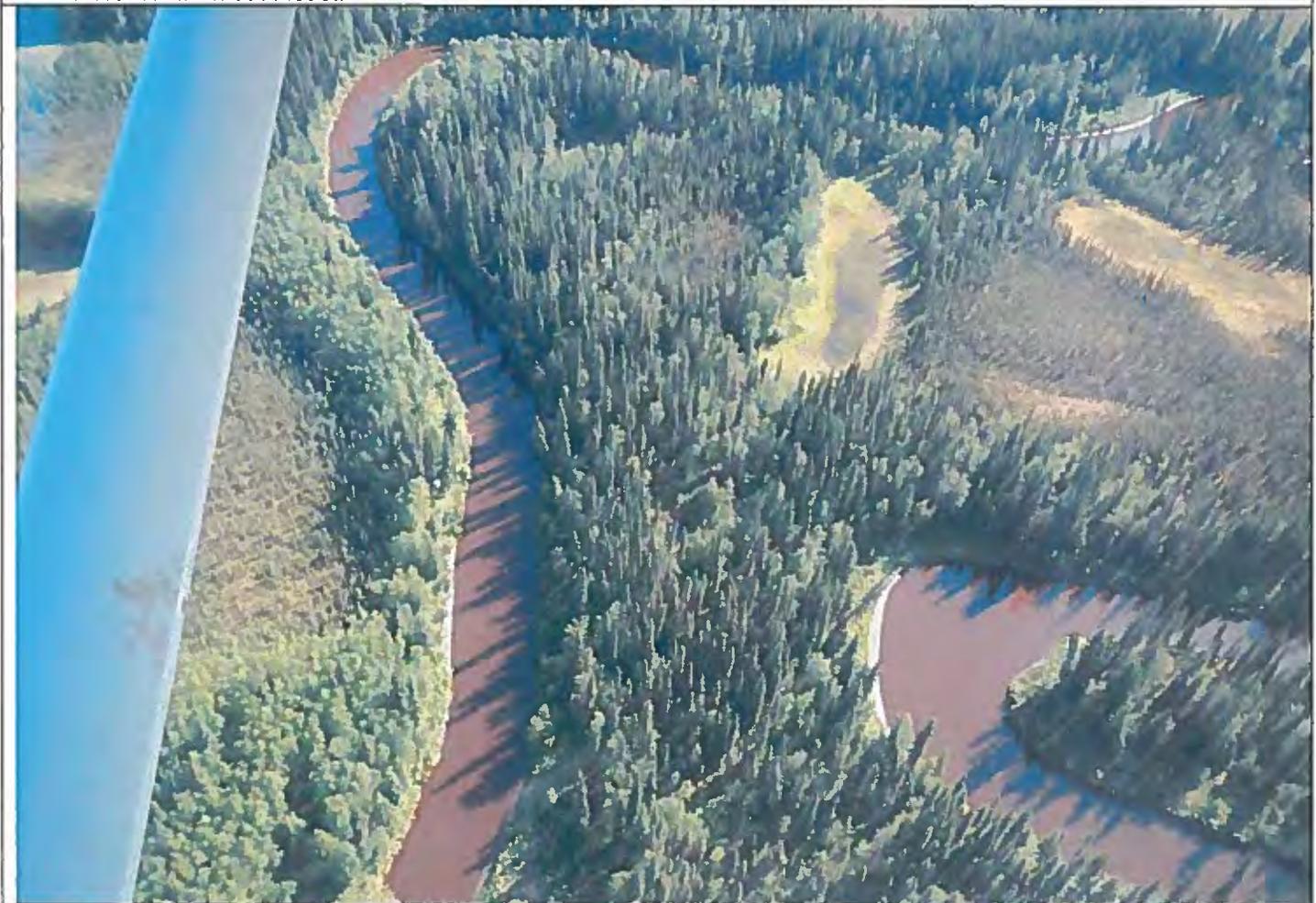
The subdivision lies within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of this parcel. Nor are there improvements on the property.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.



Cosna Tract A from southeast.



Cosna Tract A from southwest looking downriver.

Property Description – Deadman Lake

ADL	Subdivision	MTRS	Survey	Lot	Block	Acres	Plat	Recording District
407606	Deadman Lake	F001S012W04	81-40	1	6	4.597	81-10	Manley
407616	Deadman Lake	F001S012W9	81-40	18	7	4.374	81-10	Manley
419021	Deadman Lake	F001S012W10	81-40A	1	11	4.785	81-9	Manley

Location

Deadman Lake Subdivision is located approximately 65 miles west of Fairbanks and 5 miles north of the Tanana River. The subdivision is within Township 1 South, Range 12 West, Fairbanks Meridian.

Access & Amenities

ADL 407606 and ADL 407616 have frontage along Deadman Lake, allowing for float plane access. Access to the ADL 419021 is via fly-in, then overland, or snowmachine from Fairbanks along sled roads and the Tanana River.

Topography, Size & Shape

Parcels are generally level to rolling. Sizes of the individual lots range from 4.374-acres to 4.785-acres and are both rectangular and irregularly shaped.

Soils/Vegetation

The subdivision contains mixed spruce and birch. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical easements throughout the subdivision including a 50' public access easement from the ordinary high-water line of Deadman Lake.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Ownership History

All of the Deadman Lake parcels have been offered through various DNR subdivision Auctions. None of the parcels received high bids. All sold through the OTC offering. The land sale contracts were either terminated or relinquished back to the State. DNR is the current owner of record. See chart below:

ADL	Subdivision	Survey	Lot	Block	Sold	Returned to State Ownership
407606	Deadman Lake	81-40	1	6	OTC in 2015 See Doc. 2015-000195-0	Relinquished See Doc. 2018-000196-0
407616	Deadman Lake	81-40	18	7	OTC in 2017 See Doc. 2018-000018-0	Contract Terminated See Doc. 2019-000003-0
419021	Deadman Lake	81-40A	1	11	OTC in 2017 See Doc 2017-000075-0	Contract Terminated See Doc. 2018-000074-0

Tax Assessments & Personal Property

The subdivision is within the Unorganized Borough and is not currently subject to ad valorem taxation. There is no personal property involved with the appraisal of this property. There are no improvements on the property.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.



Deadman Lake Lot 1 Block 6 on right



Deadman Lake Lot 1 Block 6 from south



Lot 1 Block 11, Deadman Lake



Lot 18 Block 7, Deadman Lake on right, looking south



Lot 18 Block 7, Deadman Lake looking east



Lot 18 Block 7, Deadman Lake looking northeast

Property Description – Dune Lake

ADL	Subdivision	MTRS	Lot	Blk.	ASLS	Acres	Plat	Recording District
409078	Dune Lake	6S 12W 2 FM.	6	2	81-56	4.677	82-112	Fairbanks
409079	Dune Lake	6S 12W 2 FM.	7	2	81-56	4.812	82-112	Fairbanks
409081	Dune Lake	6S 12W 2 FM.	9	2	81-56	4.929	82-112	Fairbanks
409083	Dune Lake	6S 12W 2 FM.	11	2	81-56	4.646	82-112	Fairbanks
409088	Dune Lake	6S 12W 2 FM.	16	2	81-56	4.979	82-112	Fairbanks
409097	Dune Lake	6S 12W 2 FM.	8	3	81-56	4.940	82-112	Fairbanks
409133	Dune Lake	6S 12W 3 FM.	3	8	81-56	4.999	82-112	Fairbanks
409134	Dune Lake	6S 12W 3 FM.	4	8	81-56	4.920	82-112	Fairbanks
409136	Dune Lake	6S 12W 3 FM.	6	8	81-56	4.941	82-112	Fairbanks
409138	Dune Lake	6S 12W 3 FM.	8	8	81-56	4.916	82-112	Fairbanks
409140	Dune Lake	6S 12W 3 FM.	10	8	81-56	4.974	82-112	Fairbanks
409142	Dune Lake	6S 12W 3 FM.	12	8	81-56	4.843	82-112	Fairbanks

Location

Dune Lake located approximately 70 miles southwest of Fairbanks, 30 miles west of Nenana. The subdivision is within Sections 2 & 3, of Township 6 South, Range 12 West, Fairbanks Meridian.

Access & Amenities

All subjects are interior sites and lack waterfront. Access is via fly-in to Dune Lake then overland to the specific subjects. There are ATV trails through portions of the subdivision.

Topography & Shape

The parcels are gently rolling, range from 4.646-acres to 4.999-acres, and are irregularly shaped.

Soils/Vegetation

Several parcels have sandy soils. Much of the subdivision is devoid of mature trees due to fires and sandy soils.

Easements & Zoning Regulations & Tax Assessments

There are typical access easements throughout the subdivision. The parcels are within the Unorganized Borough and are not subject to zoning regulations or taxation.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Ownership History & Personal Property

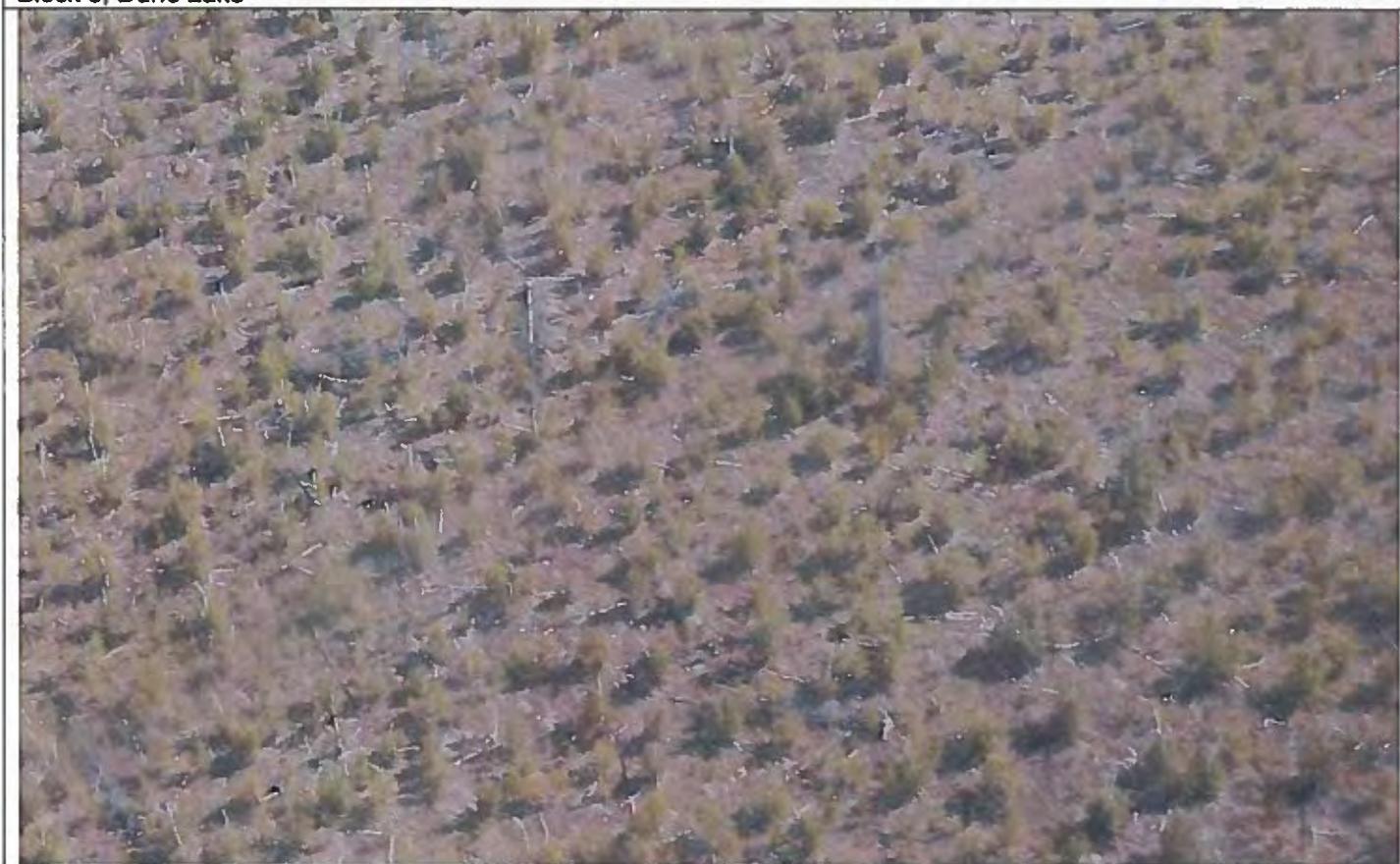
None of the subjects have been encumbered by land sale contracts. Select parcels have received land sale applications. However, all applications were cancelled prior to contract. DNR is the current owner of record. No personal property is involved with the appraisal of this property.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation. Conservation.



Block 8, Dune Lake



Lot 8 Block 8, Dune Lake



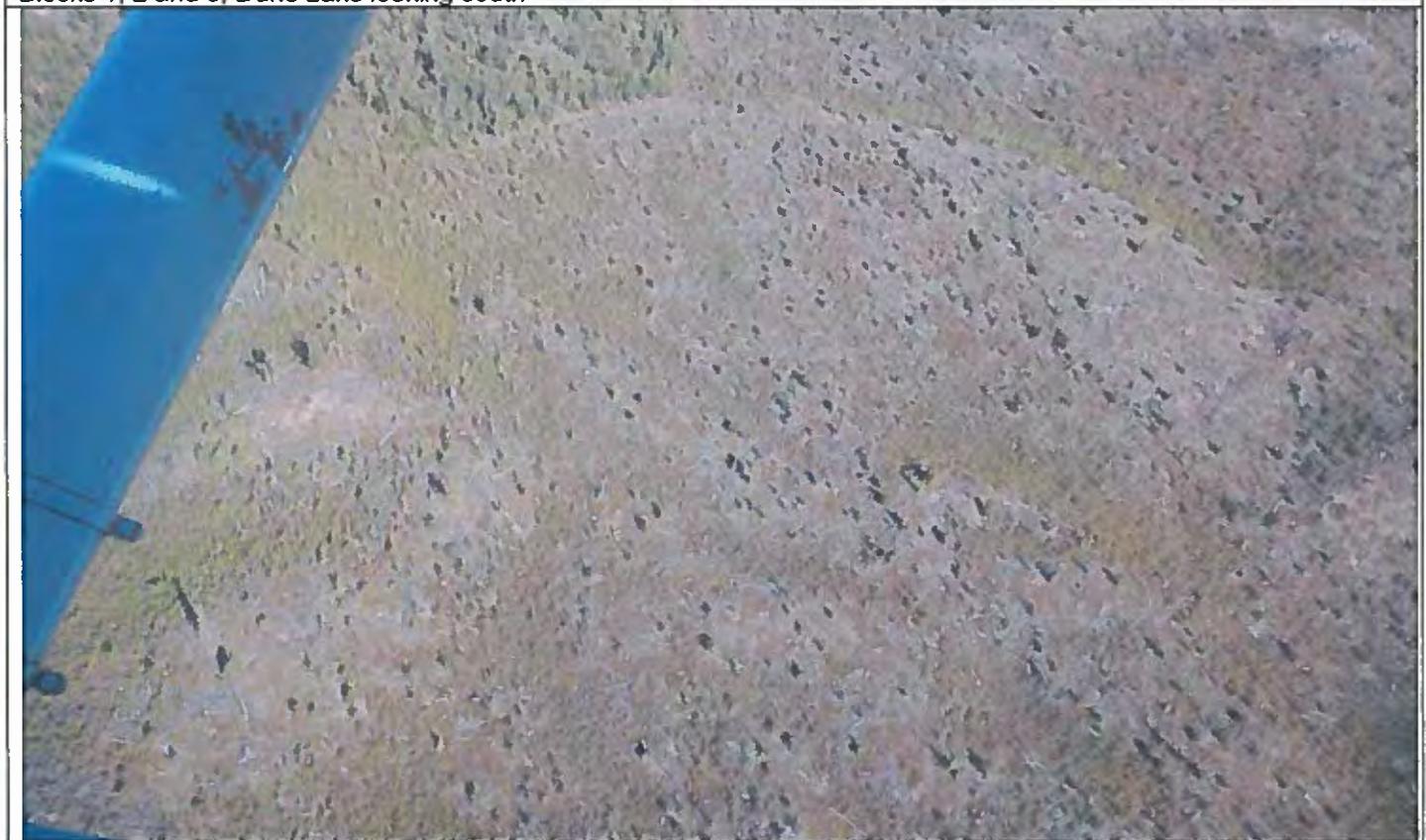
Lot 3 Block 8, Dune Lake



Lot 12 Block 8, Dune Lake



Blocks 1, 2 and 3, Dune Lake looking south



Lot 16 Block 2, Dune Lake



Lots 6 and 7 Block 2, Dune Lake



Lot 9 and 11 Block 2, Dune Lake

Property Description – West Twin Lake

ADL	Subdivision	MTRS	Lot	Blk.	ASLS	Acres	Plat	Recording District
420629	West Twin	F T5S R16W 31	2	1	81-219	3.060	82-140	Fairbanks
420630	West Twin	F T5S R16W 31	3	1	81-219	3.029	82-140	Fairbanks
420631	West Twin	F T5S R16W 31	4	1	81-219	3.124	82-140	Fairbanks
420632	West Twin	F T5S R16W 31	1	2	81-219	6.879	82-140	Fairbanks
420633	West Twin	F T5S R16W 31	2	2	81-219	6.333	82-140	Fairbanks

Location

West Twin Lake is located approximately 95-miles southwest of Fairbanks, 40-miles south of Manley Hot Springs, 50-miles west of Nenana. Subjects are within Section 31, Township 5 South, Range 16 West, Fairbanks Meridian

Access & Amenities.

Access to subjects within Block 1 is via float plane or ski plane. Access to subjects within Block 2 is fly-in, then overland. It is unknown if snowmachine access is viable.

Topography, Soils, Size & Shape

Parcels are level to rolling, 3.029-acres to 6.879-acres, and generally rectangular in shape. The parcels contain primarily mature spruce and birch mix. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision. There is no building setback along the ordinary high-water line. The parcels are within the Unorganized Borough and not subject to zoning.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Ownership History

The parcels were surveyed in 1981. In 1982, a bald eagle's nest was located near the common corner of Lot 2 and Lot 3. The subjects lots were never offered based on the federal regulations pertaining to active bald eagle nests. In 2017, DNR staff conducted an on-site inspection of the area. The 2017 inspection did not locate a nest within the subdivision. However, staff identified an eagle's nest approximately 400' south of Lot 1, Block 1, outside of the subdivision. The parcels have never been offered for sale. DNR is the current owner of record.

Tax Assessments & Personal Property

The parcels are within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of these parcels, nor are there improvements on the properties.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.



West Twin Lake approach, subjects, looking northeast.



West Twin Lots 1 & 2 Block 1 looking west. (file photo)



Lots 2-4, Block 1, West Twin Lake, looking east



West Twin Lake interior parcels heavily wooded with good drainage, sloping to the west. (file photo)

**Property Description – Wien Lake West
And Wien Lake RRCS**

ADL	Subdivision	MTRS	Lot	Blk.	ASLS	Acres	Plat	Recording District
418478	Wien Lake RRCS	F007S019W19	F	-	2009-7	18.81	2011-108	Fairbanks
418516	Wien Lake RRCS	F007S004W19	K	-	2009-7	5.84	2011-108	Fairbanks
420488	Wien Lake West	F006S019W22	1	1	2013-30	5.71	2015-35	Fairbanks
420489	Wien Lake West	F006S019W22	2	1	2013-30	6.92	2015-35	Fairbanks
420490	Wien Lake West	F006S019W27	3	1	2013-30	5.64	2015-35	Fairbanks
420491	Wien Lake West	F006S019W27	4	1	2013-30	5.47	2015-35	Fairbanks
420492	Wien Lake West	F006S019W27	5	1	2013-30	5.63	2015-35	Fairbanks
420493	Wien Lake West	F006S019W27	6	1	2013-30	5.46	2015-35	Fairbanks
420494	Wien Lake West	F006S019W27	7	1	2013-30	4.04	2015-35	Fairbanks
420495	Wien Lake West	F006S019W22	1	2	2013-30	2.05	2015-35	Fairbanks
420496	Wien Lake West	F006S019W22	2	2	2013-30	2.04	2015-35	Fairbanks
420497	Wien Lake West	F006S019W22	3	2	2013-30	1.83	2015-35	Fairbanks
420498	Wien Lake West	F006S019W27	4	2	2013-30	2.73	2015-35	Fairbanks
420499	Wien Lake West	F006S019W27	5	2	2013-30	4.35	2015-35	Fairbanks
420503	Wien Lake West	F006S019W27	9	2	2013-30	4.59	2015-35	Fairbanks
420504	Wien Lake West	F006S019W27	10	2	2013-30	3.84	2015-35	Fairbanks
420505	Wien Lake West	F006S019W27	11	2	2013-30	4.02	2015-35	Fairbanks
420506	Wien Lake West	F006S019W27	12	2	2013-30	4.72	2015-35	Fairbanks
420521	Wien Lake West	F006S019W27,28	2	4	2013-30	6.61	2015-35	Fairbanks
420522	Wien Lake West	F006S019W27,28	3	4	2013-30	5.79	2015-35	Fairbanks
420534	Wien Lake West	F006S019W28	2	6	2013-30	14.24	2015-35	Fairbanks
420537	Wien Lake West	F006S019W27,28	3	7	2013-30	13.35	2015-35	Fairbanks
420545	Wien Lake West	F006S019W33	6	8	2013-30	11.9	2015-35	Fairbanks
420546	Wien Lake West	F006S019W33,34	1	9	2013-30	16.9	2015-35	Fairbanks

Location

Wien Lake is located approximately 110 miles southwest of Fairbanks, 50 miles southwest of Manley Hot Springs, 90 miles north of Denali, south of the Tanana River. Subjects are within Sections 27, 28, 33 and 34 of Township 6 South, Range 19 West, Fairbanks Meridian

Access

Access to the subdivision is via float plane or wheeled plane. There is a grass airstrip on the northern side of the lake connected to area trails. There are several ATV trails along the western portion of the lake within the subdivision.

Topography, Soils, Size & Shape

Parcels are level to rolling, 1.83-acres to 18.81-acres, and variable in shape. The parcels contain primarily mature spruce and birch mix. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access and utility easements throughout the subdivision including a 100' building set back along Wien Lake. The subjects are within the Unorganized Borough and not subject to zoning.

Environmental Hazards, Hazardous Waste & Toxic Materials

No toxic materials, waste, or hazards were observed during the field inspection.

Ownership History

The majority of these subjects have never been offered for sale. Two parcels were sold and encumbered by land sale contracts, then subsequently terminated due to non-payment. Two parcels received land sale applications and were cancelled prior to contract. DNR is the owner of record for all subjects. See below:

ADL	Subdivision	Survey	Lot Tr.	Block	Sold	Returned to State Ownership
418478	Wien Lake RRCS	2009-7	F	-	OTC in 2014 See Doc. 2016-000179-0	Terminated See Doc. 2019-000016-0
418516	Wien Lake RRCS	2009-7	K	-	OTC in 2014	Application closed
420503	Wien Lake West	2013-30	9	2	OTC in 2018	Application closed
420545	Wien Lake West	2013-30	6	8	OTC in 2014 See Doc. 2016-000179-0	Terminated See Doc. 2018-000123-0

Tax Assessments & Personal Property

The parcels are within the Unorganized Borough and not subject to ad valorem assessment. There is no personal property involved with the appraisal of this parcel. Nor are there improvements on the property.

Utilities, Water & Sewer

There are no utilities available. Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.



Wien Lake West, Block 1 inland, Block 2 on shoreline



Wien Lake West Block 1 foreground looking west



Wien Lake West Block 2 in Section 27.



Wien Lake West Block 4.



Wien Lake West Blocks 6, 7 and 8.



Wien Lake West Lot 1 Block 9.



Wien Lake West Lot 2 Block 6



Wien Lake West, northern portion of Block 2



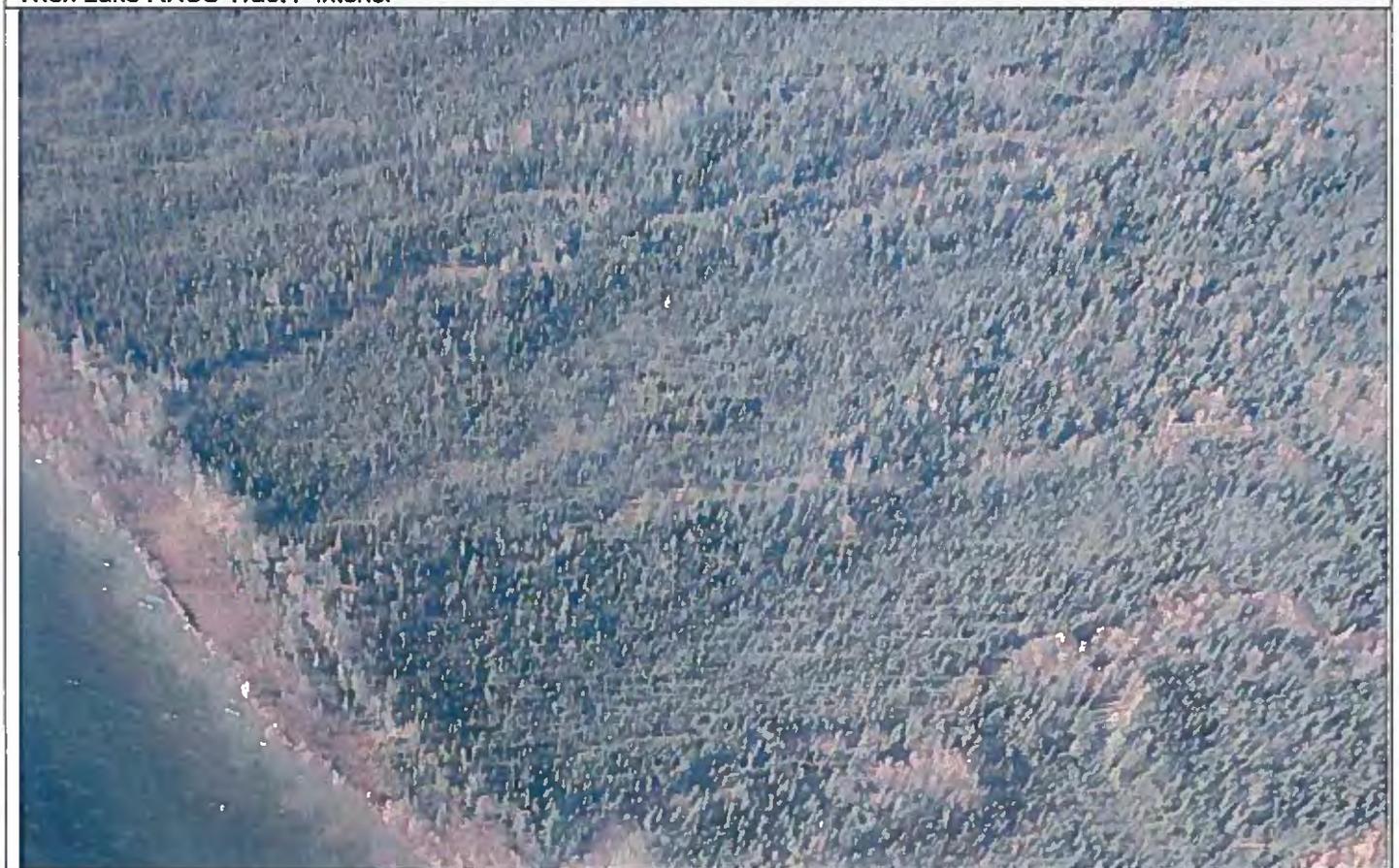
Wien Lake RRCS Tract K



Wien Lake RRCS Tract K



Wien Lake RRCS Tract F interior



Wien Lake RRCS Tract F (file photo)



Airstrip at north end of lake allows for wheeled access to Wien Lake West Subdivision. (file photo)

DATA ANALYSIS AND CONCLUSION

Valuation Analysis

Three approaches to value 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 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. Since all the parcels are vacant, the cost approach will not be used.

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. Of the three approaches to value, only the sales comparison approach is applicable.

Key Parcel Method

In appraising more than one similar parcel, it is an accepted practice to appraise a key parcel that is most representative of the other parcels being appraised. The key parcel may be a hypothetical parcel or an actual parcel. The value of the remaining parcels is then based on a comparison to the key parcel. This methodology replicates typical developer thinking, and will be utilized. The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment.

Explanation of Adjustments

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

An adjustment of less than 1.00 (or <) means the sale feature is superior to that appraised property and requires a downward adjustment to indicate the value of the key parcel. An adjustment greater than 1.00 (or >) means that the sale feature is inferior to the subject's feature which requires an upward adjustment to indicate the value of the key parcel. An adjustment of 1.00 (or =) means the sale feature is similar to the key parcel, no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel. Qualitative adjustments are noted as superior (-), inferior (+), or equal/similar (=). The overall comparability of each sale is analyzed to bracket a probable value for the subject. In many cases, combinations of both quantitative and qualitative adjustments are used.

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.