

MARKET VALUE APPRAISAL
of
Thirty-One (31) parcels within
June Creek ASLS 79-166
Nenana South ASLS 80-106



Kennedy Drive in June Creek

APPRAISAL REPORT No. 4493-0
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. 4493-0

1. ADL NO(S): See table below
2. SIZE: See table below
3. APPLICANT: N/A
4. LOCATION: Subdivided lots located near Nenana, Alaska
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: November 24, 2019
10. DATE of VALUE(S): June 13, 2019 and August 28, 2019
11. APPRAISED VALUE(S):

ADL	Subdivison	Lot	Blk.	ASLS	Acres	Date	Value (rnd)
405150	June Creek	13	1	79-166	5.510	6/13/19	\$11,000
405215	June Creek	8	7	79-166	4.591	8/28/19	\$9,400
405216	June Creek	9	7	79-166	4.591	8/28/19	\$9,600
405217	June Creek	10	7	79-166	4.591	8/28/19	\$9,600
405225	June Creek	6	8	79-166	4.660	8/28/19	\$9,300
405229	June Creek	1	9	79-166	5.399	8/28/19	\$11,900
405230	June Creek	2	9	79-166	5.354	8/28/19	\$11,800
405231	June Creek	3	9	79-166	5.330	8/28/19	\$11,800
405243	June Creek	7	11	79-166	5.794	8/28/19	\$11,000
405244	June Creek	8	11	79-166	4.897	8/28/19	\$9,800
405245	June Creek	9	11	79-166	5.113	8/28/19	\$10,200
405246	June Creek	10	11	79-166	5.113	8/28/19	\$10,200
405247	June Creek	11	11	79-166	5.113	8/28/19	\$10,200
405248	June Creek	12	11	79-166	5.113	8/28/19	\$10,200
405249	June Creek	13	11	79-166	5.113	8/28/19	\$10,200
405271	June Creek	14	14	79-166	3.942	8/28/19	\$9,600
405272	June Creek	15	14	79-166	3.877	8/28/19	\$9,400
405280	June Creek	3	16	79-166	6.595	8/28/19	\$12,900
405324	June Creek	2	20	79-166	4.591	8/28/19	\$10,100
405325	June Creek	3	20	79-166	4.591	8/28/19	\$10,100
405326	June Creek	4	20	79-166	4.591	8/28/19	\$10,100
405374	June Creek	10	23	79-166	4.959	8/28/19	\$13,000
405378	June Creek	1	24	79-166	4.959	8/28/19	\$10,400



405393	June Creek	1	25	79-166	4.959	8/28/19	\$9,900
405394	June Creek	2	25	79-166	4.959	8/28/19	\$9,900
405411	June Creek	4	28	79-166	4.043	6/13/19	\$8,100
405412	June Creek	5	28	79-166	4.043	6/13/19	\$8,100
405414	June Creek	7	28	79-166	4.060	6/13/19	\$8,100
405416	June Creek	9	28	79-166	4.054	6/13/19	\$8,100
405420	June Creek	1	29	79-166	5.020	6/13/19	\$9,500
407057	Nenana South	4	G	80-106	4.803	8/28/19	\$13,900

B. SUMMARY OF REVIEW

- DATE of REVIEW: February 5, 2020
- REVIEWER'S CLIENT: DNR Other: _____
- INTENDED USERS of the REVIEW: DNR General Public Other: _____
- INTENDED USE of the REVIEW: Establish minimum bid price for sealed bid auction
- PURPOSE of REVIEW: Evaluate for Technical Compliance with DNR Instructions & USPAP
 Evaluate for Technical Compliance with UASFLA Develop Independent Estimate of Value
Other: _____
- 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
- 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**

- 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.
- The reviewer assumes that the data and information in the appraisal are factual and accurate.
- 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.
- All assumptions and limiting conditions contained in the appraisal report are part of this review unless otherwise stated.
- 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.
- The value of commercial timber, if any, is specifically excluded from the final conclusion of value.



REVIEW APPRAISER'S CERTIFICATION APPRAISAL NO. 4493-0

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 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: November 27, 2019.

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson 
Appraiser

SUBJECT: Appraisal of thirty-one parcels within June Creek and Nenana South Subdivisions, ASLS 79-166 and ASLS 80-106.

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.

At the time of inspection, there was a portion of a neighbor's greenhouse encroaching onto one of the subjects within Nenana South Subdivision. For the purpose of this analysis, it is a hypothetical condition that greenhouse has been moved and ADL 407057 is clear of encroachments, see Hypothetical Condition on Page 7.

I have inspected all the subject parcels and the 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
June Creek	20-miles north of Healy, west of the Parks Highway	ASLS 79-166
Nenana South	55-miles south of Fairbanks, two miles south of Nenana	ASLS 80-106

SUMMARY OF VALUES

ADL	Subdivision	Lot	Blk.	ASLS	Acres	Date	Value (rnd)
405150	June Creek	13	1	79-166	5.510	6/13/19	\$11,000
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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 undue duress."³

Effective Date of Value Estimate

The effective dates of valuation are described on Page 4. Subjects within June Creek, Block 1, Block 28 and Block 29 were inspected on June 13, 2019. The remaining subjects were inspected on August 28, 2019.

Date of Report

November 27, 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

All of the subjects have been offered through previous DNR auctions. Some have been encumbered under land sale contracts, which have been subsequently terminated due to non-payment. Other parcels have received applications to purchase, which were terminated prior to contract. Specific property histories are outlined within the Parcel 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 all the comparable sales on June 13th and August 28th, 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 Records 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.

Hypothetical Condition – A portion of a neighbor's greenhouse encroaches onto a corner of ADL 407057, Nenana South. See page 18. The Department of Natural Resources has requested that that greenhouse be relocated entirely onto the owner's property. For the purpose of this analysis, it is a hypothetical condition that greenhouse has been moved and ADL 407057 is clear of encroachments.

PRESENTATION OF DATA

Market Area – Nenana⁵

Nenana is located in Interior Alaska, 55 road miles southwest of Fairbanks on the George Parks Highway. The town site 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 is approximately 300 road miles northeast of Anchorage.

Nenana has a cold, continental climate with an extreme temperature range. The average daily maximum during summer months is 65 to 70°F; the daily minimum during winter is well below 0°F. The highest temperature ever recorded is 98°F; the lowest is -69°F. Average annual precipitation is 11.4 inches, with 48.9 inches of snowfall. The river is ice-free from mid-May to mid-October.

History & Demographics

The discovery of gold in Fairbanks in 1902 brought intense activity to the region. In 1903, a trading post/roadhouse was constructed by Jim Duke to supply river travelers and trade with Natives. 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 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, which created a transportation link to Fairbanks and Seward. During the 1925 diphtheria epidemic in Nome, serum from Anchorage was transported to Nenana by train before being sent by dogsled to Nome. 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. Today, close to 500 people live there.

A federally-recognized tribe is located in the community – the Nenana Native Association. 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. The community has a health clinic, mental health clinic, fire department, public library, and State Troopers office. It is home to the Nenana District Court system. Golden Valley Electric has their Railbelt office located in Nenana. The Nenana Student Living Center, one of three statewide boarding facilities for high school students, has students from around the state; it attracts students due to its extensive programs, academic quality, and vocational studies.

Facilities

Water is derived from a deep well, treated, and then distributed throughout the community 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 Denali Borough regional landfill, located south of Anderson. Electricity is provided by Golden Valley Electric Association. There are two schools located in the community, attended by 1,151 students. Local hospitals or health clinics include Nenana Clinic. Emergency Services include highway river and airport access. Emergency service is provided by 911 Telephone Service volunteers and a health aide. Auxiliary health care is provided by Nenana Volunteer Fire/EMS Department.

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. As the center of rail-to-river barge transportation center for the Interior, Nenana has a strong seasonal private-sector economy. Crowley Marine is the major private employer in Nenana, providing supplies and fuel to over 40 villages along the Tanana and Yukon Rivers each summer. The city also attracts independent travelers with fuel and supplies, the Alaska Railroad Museum, the Golden Railroad Spike Historic Park and Interpretive Center,

⁵ All information regarding Market Area information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

the historical St. Mark's Episcopal Church, Iditarod dog kennels, and the Alfred Starr Museum & Cultural Center. The Nenana Ice Classic, a guessing contest when the ice breaks in the Nenana River, is a statewide event. In 2010, 19 residents held commercial fishing permits. Subsistence foods, such as salmon, moose, caribou (by permit), bear, waterfowl, and berries play an important role. The public sector employed 17.4% of all workers. The local unemployment rate was 23.6%. The percentage of workers not in labor force was 35.6%. The ACS surveys established that average median household income (in 2010 inflation-adjusted dollars) was \$56,250. The per capita income (in 2010 inflation-adjusted dollars) was \$25,479. About 20.9% of all residents had incomes below the poverty level.

Transportation

Nenana has air, river, road, and railroad access. It lies on the George Parks Highway, the road between Wasilla and Fairbanks. The railroad provides daily freight service. The Nenana Municipal Airport offers a 4,600' long by 100' wide lighted asphalt runway and a gravel runway that doubles as a winter ski strip and measures 2,520' long by 60' wide. There is also a float pond with parking basins. 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. There is a public boat launch with a recreational area to provide access to the Nenana and Tanana rivers. Daily buses to Fairbanks and Anchorage are available year-round.

Anderson Neighborhood

Location

Anderson is a community which lies on a spur road that spans 6 miles west off the George Parks Highway, 76 miles southwest of Fairbanks and 285 miles north of Anchorage. Clear Air Force Station is located within the city boundaries. Anderson is located in the Nenana Recording District and has a cold, continental climate. The average high temperature range during July is from 66 to 70 °F. The average low temperature range during January is -6 to -24 degrees Fahrenheit. Extreme temperatures have been measured, ranging from a low of -63 to a high of 98 °F. Average annual precipitation is 12.7 inches, and average annual snowfall is 49.3 inches

History

The city is named for Arthur Anderson, one of several homesteaders who originally settled in the area in the late 1950s. In 1959, Mr. Anderson subdivided his 80-acre homestead into quarter-acre lots for sale. Most of these lots were purchased by civilian workers from Clear Air Force Station, a ballistic missile early warning site that was completed in 1961. An elementary school was established in the community in 1961, and Anderson incorporated as a city in 1962. A road was completed between Anderson and Nenana, which allowed easy access to Fairbanks. Vehicles were ferried across the Tanana River at Nenana until 1968, when a \$6 million steel bridge was completed. By 1971, the George Parks Highway was constructed, which enabled road access to Anchorage.

Economy, Facilities & Transportation

Clear Air Force Station, the school, city, and other government positions employ most of the residents. An intercontinental ballistic missile radar warning system was constructed at Clear AFS; "PAVE PAWS" identifies and warns of missiles launched from Asia and Europe. The Clear Fish Hatchery provides small stocks of gamefish to area streams and lakes and has been the only commercial hatchery to rear sheefish. Residents often travel to Fairbanks to purchase goods and services.

All homes have individual wells, septic systems, and plumbing. Water is also derived from a well at the Anderson School. Clear Air Force Station provides piped water and sewer to all base facilities. A permitted RV disposal lagoon and sludge disposal site is provided by the city. Refuse is hauled to the borough regional landfill located just 2 miles south of Anderson. Electricity is provided by Golden Valley Electric Association. There is one school located in the community, attended by 39 students. Local hospitals or health clinics include Anderson Health Clinic. Anderson is an isolated location it is part of the Interior EMS Region. Emergency Services have highway and air access and are within 30 minutes of a higher-level satellite health care facility. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Anderson Volunteer Fire Dept./EMS/Ambulance.

Property Description – June Creek

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District
405150	June Creek	F9S9W10	13	1	79-166	5.510	80-9	Nenana
405215	June Creek	F9S9W22,23	8	7	79-166	4.591	80-9	Nenana
405216	June Creek	F9S9W22,23	9	7	79-166	4.591	80-9	Nenana
405217	June Creek	F9S9W22,23	10	7	79-166	4.591	80-9	Nenana
405225	June Creek	F9S9W23	6	8	79-166	4.660	80-9	Nenana
405229	June Creek	F9S9W14	1	9	79-166	5.399	80-9	Nenana
405230	June Creek	F9S9W14	2	9	79-166	5.354	80-9	Nenana
405231	June Creek	F9S9W14	3	9	79-166	5.330	80-9	Nenana
405243	June Creek	F9S9W22	7	11	79-166	5.794	80-9	Nenana
405244	June Creek	F9S9W22	8	11	79-166	4.897	80-9	Nenana
405245	June Creek	F9S9W22	9	11	79-166	5.113	80-9	Nenana
405246	June Creek	F9S9W22	10	11	79-166	5.113	80-9	Nenana
405247	June Creek	F9S9W22	11	11	79-166	5.113	80-9	Nenana
405248	June Creek	F9S9W22	12	11	79-166	5.113	80-9	Nenana
405249	June Creek	F9S9W22,23	13	11	79-166	5.113	80-9	Nenana
405271	June Creek	F9S9W23	14	14	79-166	3.942	80-9	Nenana
405272	June Creek	F9S9W23	15	14	79-166	3.877	80-9	Nenana
405280	June Creek	F9S9W26	3	16	79-166	6.595	80-9	Nenana
405324	June Creek	F9S9W26	2	20	79-166	4.591	80-9	Nenana
405325	June Creek	F9S9W26	3	20	79-166	4.591	80-9	Nenana
405326	June Creek	F9S9W26	4	20	79-166	4.591	80-9	Nenana
405374	June Creek	F9S9W35	10	23	79-166	4.959	80-9	Nenana
405378	June Creek	F9S9W25,36	1	24	79-166	4.959	80-9	Nenana
405393	June Creek	F9S9W25	1	25	79-166	4.959	80-9	Nenana
405394	June Creek	F9S9W25	2	25	79-166	4.959	80-9	Nenana
405411	June Creek	F9S9W10	4	28	79-166	4.043	80-9	Nenana
405412	June Creek	F9S9W10	5	28	79-166	4.043	80-9	Nenana
405414	June Creek	F9S9W10	7	28	79-166	4.060	80-9	Nenana
405416	June Creek	F9S9W10	9	28	79-166	4.054	80-9	Nenana
405420	June Creek	F9S9W10	1	29	79-166	5.020	80-9	Nenana

Location

June Creek is roughly 20 miles north of Healy, west of the Parks Highway within multiple sections of Township 9 South, Range 9 West, Fairbanks Meridian.

Access

Access to the subdivision is via the Parks Highway then west along interior subdivision rights of ways. A portion of Washington Way has been improved. Kennedy Drive has been constructed from the highway to the GVEA easement, approximately ½ mile. However, a swampy area along Kennedy Drive prohibits highway vehicle access into the subdivision. ADL 405374 fronts a constructed road. The remaining parcels have ATV trail access.

Topography, Soils, Size & Shape

The parcels are level, and rectangular in shape. The subdivision is approximately 1,000 feet above sea level. Subjects contain primarily mature spruce mix with stands of poplar and aspen. Most of the subjects have vegetation indicative of well drained soils. However, ADL 405150 and ADL 405420 have areas of poorly drained soils, indicating limited building sites.

Easements & Zoning Regulations

There are typical access and utility easements throughout the subdivision. The parcels are located within the Denali Borough. All borough lands are zoned unrestricted unless otherwise provided by ordinance. Hence, there are no zoning restrictions for these parcels.

Ownership History

Several parcels have been previously sold through multiple DNR offerings and encumbered under land sale contracts. The contracts were subsequently terminated due to non-payment, or relinquished. DNR is the current owner of record. The remaining parcels were either never sold, or the application process was terminated prior to contract. See chart below:

ADL	Lot	Block	Date Sold	Doc.	Returned to State Ownership	Doc.
405150	13	1	5-23-2017	2017-000278-0	2-19-19	2019-000053-0
405217	10	7	12-31-2015	2016-000293-0	12-28-2018	2019-000052-0
405271	14	14	10-16-2003	N/A	3-8-2012	2012-000213-0
405272	15	14	10-15-2003	N/A	4-11-2012	2012-000214-0
405374	10	23	6-6-2007	2008-000627-0	7-13-2012	2012-000581-0
405393	1	25	12-1-2017	2018-000329-0	12-17-2018	2018-001360-0
405411	4	28	3-2-2004	N/A	12-14-2011	2011-000916-0
405412	5	28	3-2-2004	N/A	12-14-2011	2011-000917-0
405414	7	28	3-2-2004	N/A	12-14-2011	2011-000918-0
405420	1	29	10-3-2017	2018-000122-0	8-14-2018	2018-000640-0

Tax Assessments

The subjects are located within the Denali Borough. Currently, the Denali Borough is not exercising its taxing authority.

Personal Property, Environmental Hazards, Hazardous Waste & Toxic Materials

There is no personal property involved with the appraisal of the subjects. There are no improvements on the properties. No toxic materials, waste, or hazards were observed during the field inspection.

Utilities, Water & Sewer

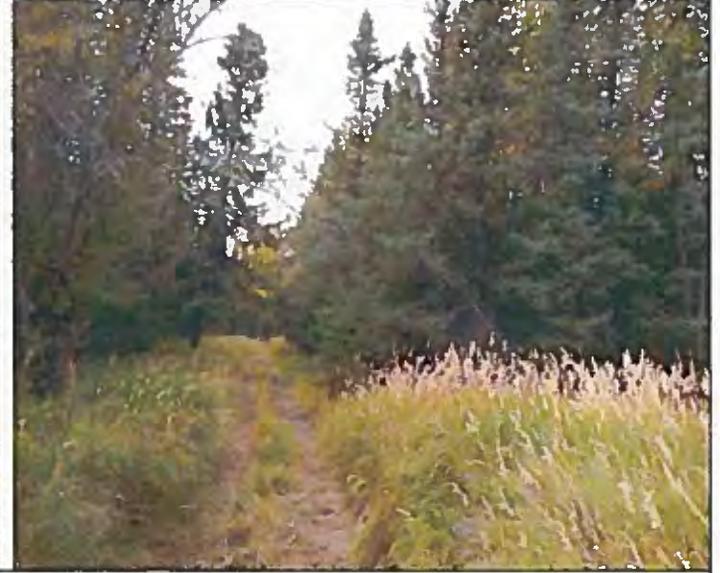
Water supply or sewage disposal systems must be located, constructed, and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation. Golden Valley Electric Association has constructed overhead distribution lines in portions of the subdivision. Some parcels have overhead electric on site, while others are a prohibitive distance from service. Red lines on the exhibits following Page 19 indicate the location of power lines within the subdivision. See the following, distances are approximate:

ADL	Lot	Blk.	Acres	Electric		ADL	Lot	Blk.	Acres	Electric
405150	13	1	5.51	On Site		405271	14	14	3.942	On Site
405215	8	7	4.591	1,685'		405272	15	14	3.877	On Site
405216	9	7	4.591	1,285'		405280	3	16	6.595	On Site
405217	10	7	4.591	885'		405324	2	20	4.591	On Site
405225	6	8	4.66	2,067'		405325	3	20	4.591	On Site
405229	1	9	5.399	On Site		405326	4	20	4.591	On Site
405230	2	9	5.354	On Site		405374	10	23	4.959	On Site
405231	3	9	5.33	On Site		405378	1	24	4.959	1,460'
405243	7	11	5.794	1,608'		405393	1	25	4.959	2,540'
405244	8	11	4.897	2,397'		405394	2	25	4.959	2,400'
405245	9	11	5.113	2,097'		405411	4	28	4.043	3,247'
405246	10	11	5.113	3,200'		405412	5	28	4.043	3,597'
405247	11	11	5.113	2,558'		405414	7	28	4.06	4,297'
405248	12	11	5.113	2,358'		405416	9	28	4.054	5,998'
405249	13	11	5.113	2,558'		405420	1	29	5.02	1,482'



Lot 6 Block 8, June Creek.

Lot 1 Block 9, June Creek.



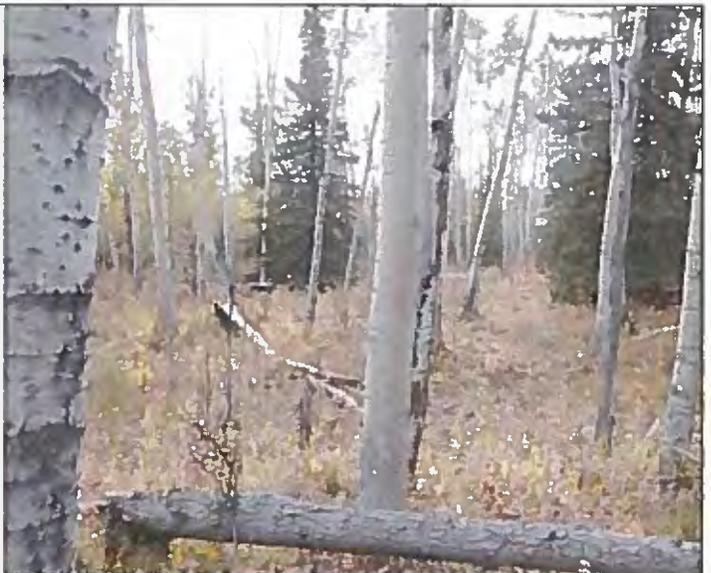
Lot 2 Block 9, June Creek.

Lot 3 Block 9, June Creek.



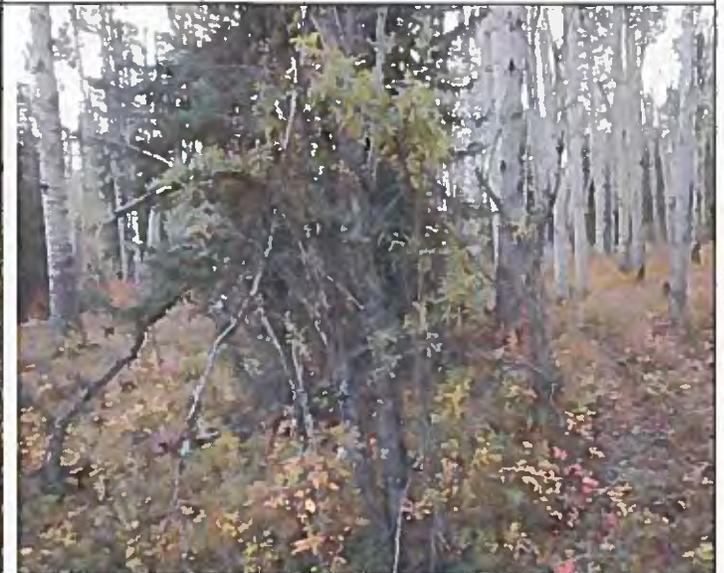
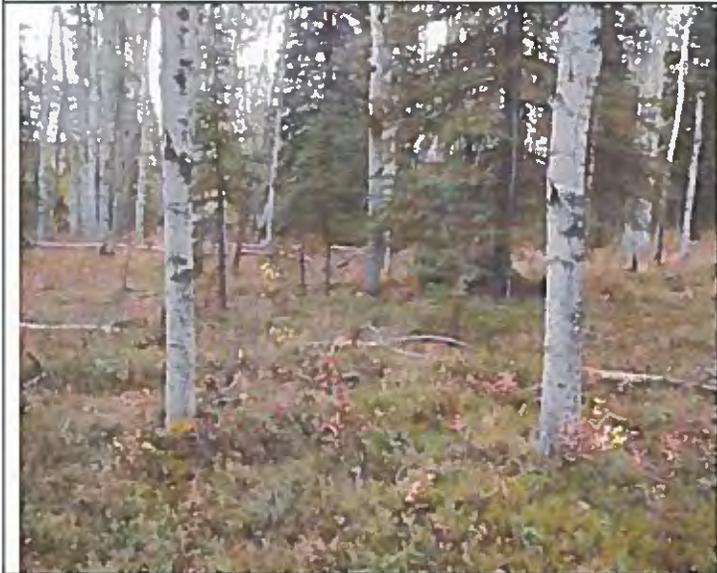
Lot 7 Block 11, June Creek.

Lot 8 Block 11, June Creek.



Lot 9 Block 11, June Creek.

Lot 10 Block 11, June Creek.



Lot 12 Block 11, June Creek.

Lincoln Drive, Block 11.



Lot 3 Block 16, June Creek.

Lot 14 Block 14, June Creek



Lot 15 Block 14, June Creek.



Lot 2 Block 20, June Creek.



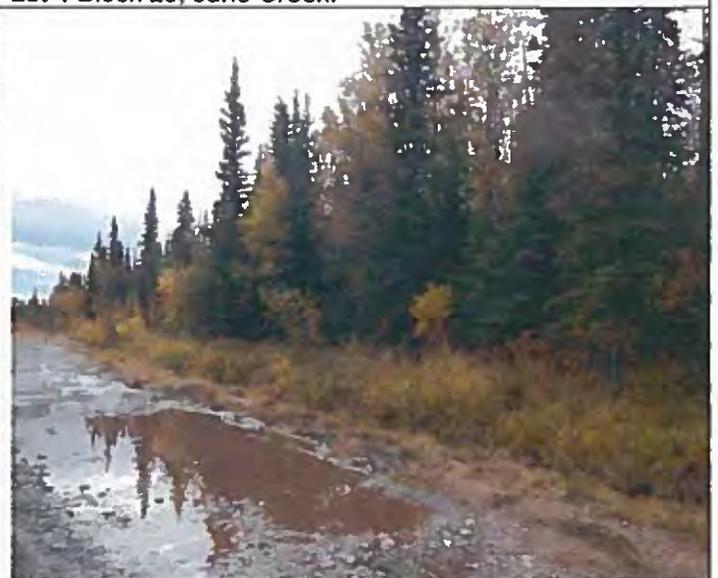
Lot 3 Block 20, June Creek.



Lot 4 Block 20, June Creek.



Lot 10 Block 23, June Creek.



Lot 10 Block 23, June Creek, road access



Lot 10 Block 23, June Creek.

Lot 1 Block 24, June Creek.



Lot 1 Block 25, June Creek

Lot 2 Block 25, June Creek.



Block 1 with electric distribution line.

Blocks 28 and 29, across wet area.

Property Description – Nenana South

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District
407057	Nenana South	F4S8W36	4	G	80-106	4.803	81-4	Nenana

Location

ADL 407057 is located approximately 3-miles south of Nenana, west of the Parks Highway within Section 36 of Township 4 South, Range 8 West, Fairbanks Meridian.

Access

Access to the subjects is via Parks Highway then southwest along Cosna Circle Way, a constructed gravel road. The subject is on the southeast side of the road.

Topography & Shape

The parcel is level, 4.803 acres and rectangular in shape. The elevation of the general area is approximately 400 feet above sea level.

Soils/Vegetation

The subject contains primarily mature black spruce with a mix of shrubs and grasses. Vegetation is indicative of poorly drained soils with limited building sites.

Easements & Zoning Regulations & Tax Assessments

There are typical access easements throughout the subdivision. The parcels are within the Unorganized Borough. However, the parcels are also within the city limits of Nenana. Because the property is owned by the State of Alaska, it is not currently taxed. However, upon transfer to private ownership, the new owner will be responsible for future property taxes levied by the Borough. Currently Nenana has a mill rate of 12.00 for this subject.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

The parcel was most recently offered through the 2017 DNR Subdivision Auction. It received no bids and was placed on the OTC offering. In October of 2017, the parcel was purchased through the OTC offering. The applicant failed to return the purchase contract and the application was closed. DNR is the current owner of record.

Personal Property and Hypothetical Condition

There is no personal property involved with the appraisal of this parcel. There are no improvements. A portion of a neighbor’s temporary greenhouse encroaches onto a corner of the subject, Nenana South. See page 18. The Department of Natural Resources has requested that that greenhouse be relocated entirely onto the neighboring owner’s property. For the purpose of this analysis, it is a hypothetical condition that greenhouse has been moved and the subject is clear of encroachments.

Utilities, Water & Sewer

There are overhead electric and telephone 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.



Lot 4 Tract G, Nenana South, access from Parks Hwy

Lot 4 Tract G, Nenana South on left



Lot 4 Tract G, Nenana South, electric adjacent

Lot 4 Tract G, Nenana South looking southeast



Lot 4 Tract G, Nenana South. Northeast lot line

Northwest corner of parcel. Greenhouse encroaching.

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.