

**MARKET VALUE APPRAISAL**  
Of  
Various Copper Center and Glennallen Area Parcels  
For The 2020 Auction

Appraisal Report No. 4520



**STATE OF ALASKA**

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

# MEMORANDUM

# State of Alaska

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*Department of Natural Resources*

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*Division of Mining, Land and Water*

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Anchorage AK 99501-3576

DATE: January 17, 2020

TO: Kevin Hindmarch  
Review Appraiser

FROM: Mike Dooley

SUBJECT: Appraisal of 16 parcels of land located near the communities of Copper Center, Glennallen, and McCarthy. The parcels are being appraised to establish minimum bid price for sale at auction.

As requested, I have completed an appraisal of the referenced parcels. I understand that this appraisal will be used to determine the minimum purchase price for the above referenced parcels. 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 Land Disposal), DNR. This Appraisal Report is based on the General Assumptions and Limiting Conditions, Hypothetical Condition and Extraordinary Assumption (see Page 7) stated in the report, as well as the facts, analyses, and reasoning leading to the opinions of value.

I have inspected the subject area and most of the comparable sales used in this report. Physical descriptions of the subject parcels are based on physical inspections, soil maps, aerial photography and topographic maps. Based on my observations and analysis of all available data, I have formed an opinion of market value as of the effective date of value.

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**ADDENDA**

Comparable Sales Forms  
Subject Parcels Surveys  
DNR Size Adjustment Method  
DNR Land Disposal Appraisal Instructions  
Appraiser Qualifications

**APPRAISAL SUMMARY**

**Location**

<b>Subdivision Name</b>	<b>Location</b>	<b>Lot Size (acres)</b>
Mankomen Lake	Approximately 65 miles northeast of Glennallen, approximately 25 miles northwest of Mentasta Lake, and 25 miles north of Chistochina.	3.40-4.97
Sage	Approximately 4.0 miles southeast of the Kennicott River, south of McCarthy Road.	5.00-12.38
Tazlina Southwest	Approximately 8.0 miles south of the Glenn Highway and .40 miles west of the Richardson Highway.	2.374-5.00
Willowcrest	7 miles south of Copper Center, ½ mile west of the Richardson Highway, and east of the Trans-Alaska Pipeline.	4.965

**Value Summary**

<b>ADL</b>	<b>Subdivision</b>	<b>Lot</b>	<b>Block/ Or Tract</b>	<b>Survey</b>	<b>Size (acres)</b>	<b>Value (RND)</b>
233397	Mankomen Lake	-	1	USS 4059	3.40	\$25,200
233398	Mankomen Lake	-	2	USS 4059	3.08	\$24,400
233399	Mankomen Lake	-	4	USS 4059	4.90	\$32,300
233400	Mankomen Lake	-	8	USS 4059	4.97	\$32,300
233401	Mankomen Lake	-	10	USS 4059	4.95	\$32,300
233231	Sage	10	3	ASLS 2016-46	5.08	\$32,000
233232	Sage	11	3	ASLS 2016-46	7.35	\$41,700
233233	Sage	12	3	ASLS 2016-46	7.10	\$41,600
233234	Sage	13	3	ASLS 2016-46	5.00	\$31,500
233235	Sage	1	4	ASLS 2016-46	11.09	\$52,400
233236	Sage	2	4	ASLS 2016-46	5.59	\$35,200
204521	Tazlina Southwest	6	2	ASLS 79-121	2.374	\$5,100
204539	Tazlina Southwest	4	4	ASLS 79-121	5.00	\$8,000
204540	Tazlina Southwest	5	4	ASLS 79-121	5.00	\$8,000
204583	Tazlina Southwest	5	8	ASLS 79-121	4.717	\$15,800
204397	Willowcrest	7	1	ASLS 80-8	4.965	\$7,900

## PREMISES OF THE APPRAISAL

### **Type of Appraisal and Report**

This appraisal is an Appraisal Report 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 DNR's Special Appraisal Instructions – DNR Land Disposal.

### **Purpose of Appraisal**

The purpose of this appraisal is to estimate current market value.

### **User and Client Identity**

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

### **Intended Use of Appraisal**

The appraisal will be used by DNR to establish the minimum price for a sealed bid auction and will be used by the general public for guidance in determining actual bid prices.

### **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 Sage subdivision was inspected by foot on 07/22/2019. The Mankomen Lake, Tazlina Southwest, and Willowcrest subdivisions non-road accessible parcels were inspected by air on 09/13/2019. The road accessible parcel in Tazlina southwest subdivision was inspected on foot on 09/13/2019.

### **Date of Report**

01/17/2020

<sup>1</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, p.90

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, <http://www.legis.state.ak.us/basis/folio.asp>, Accessed 01/11/2019

<sup>3</sup> The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, 2013, p.58

**Exposure Time**

Exposure time is defined as "...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; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is different for various types of property and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort."<sup>4</sup>

An exposure time of up to one year for road accessible parcels is typical, and up to three years for non-road accessible parcels.

**Sale History**

A contract to purchase the Tazlina Southwest parcel, ADL #204539, from the State of Alaska was recorded on 04/13/2017. The contract was terminated 03/16/2018, and the parcel was placed into Potential Reoffer status.

A contract to purchase the Tazlina Southwest parcel, ADL #204540, from the State of Alaska was recorded on 04/13/2017. The contract was terminated 03/16/2018, and the parcel was placed into Potential Reoffer status.

A contract to purchase the Tazlina Southwest parcel, ADL #204583, from the State of Alaska was recorded on 03/30/2017. The contract was terminated 02/15/2019, and the parcel was placed into Potential Reoffer status.

None of the remaining subject parcels have sold within the past three years.

**Prior Appraisal History**

I previously appraised the Tazlina Southwest parcel ADL #204521, and Willowcrest parcel ADL #204397 on January 30, 2017. I have not previously appraised any of the other subject parcels within the preceding three years.

**SCOPE OF WORK****Property and Comparable Sales Inspection**

The Sage subdivision was inspected by foot on 07/22/2019. The Mankomen Lake, Tazlina Southwest, and Willowcrest subdivisions non-road accessible parcels were inspected by air on 09/13/2019. The road accessible parcel in Tazlina southwest subdivision was inspected on foot on 09/13/2019. The comparable sales that have not previously been inspected were inspected during this period.

**Research and Analysis Conducted**

Interviews were conducted with local real estate agents, appraisers, and other individuals familiar with the area who provided information about trends in values, supply and demand. DNR records were searched for recent comparable sales and information about parcels currently available. Previous appraisals of the subject parcels were utilized to help identify pertinent physical characteristics and neighborhood characteristics. Current listings were also searched. The recorder's office was searched to identify any recent sales. Sellers and buyers or other knowledgeable market participants were contacted to verify recent sale prices and other transaction details.

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<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2016-2017, Appraisal Foundation, p. 2-3

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 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 subject parcels are located near the communities of Chitina, Copper Center, Glennallen, and McCarthy. The Glenn Highway, Richardson Highway, and the McCarthy Road provide road access to these communities. The subject parcels are recreational or residential parcels that have various access means. Below is a description of the individual subdivisions and nearby communities.

### ***Mankomen Lake***

There are five subject parcels located in the Mankomen Lake Subdivision. The subdivision is located approximately 65 miles northeast of Glennallen, approximately 25 miles northwest of Mentasta Lake, and 25 miles north of Chistochina.

### **Sage**

There are 6 subject parcels within Sage subdivision. The subdivision is located approximately 4.0 miles southeast of the Kennicott River, south of McCarthy Road.

### **Tazlina Southwest**

There are four subject parcels located in the Tazlina Southwest Subdivision. The subdivision is located approximately 8.0 miles south of the Glenn Highway and .40 miles west of the Richardson Highway.

### **Willowcrest Subdivision**

There is one subject parcel located in the Willowcrest Subdivision. The subdivision is located 7 miles south of Copper Center, one half mile west of the Richardson Highway, and east of the Trans-Alaska Pipeline.

### **Copper Center<sup>5</sup>**

<b>Current Population:</b>	315 (2013 Alaska Department of Labor Estimate)
<b>Incorporation Type:</b>	Unincorporated
<b>Located In:</b>	Valdez-Cordova Census Area
<b>School District:</b>	Copper River School District

**Location** Copper Center is located between miles 101 and 105 of the Richardson Highway. It is on the west bank of the Copper River at the confluence of the Klutina River. It lies just west of the Wrangell-St. Elias National Park.

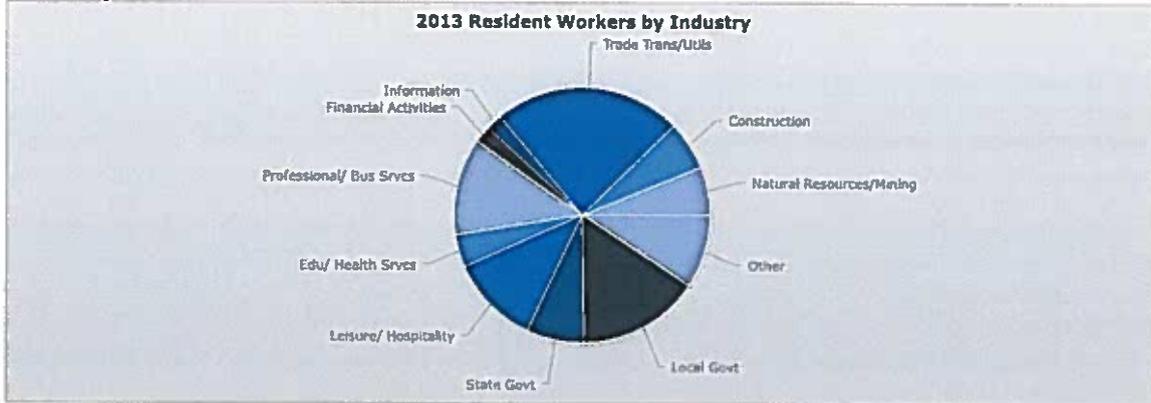
**Climate** Copper Center is located in the continental climate zone. Winters are long and cold, and summers are relatively warm. Temperature extremes have been recorded from a low of -74 to a high of 96 °F. Annual snowfall averages 39 inches, and total precipitation averages 9 inches per year.

**Transportation** Copper Center lies on the Richardson Highway. A state-owned gravel airstrip provides for chartered flights and general aviation.

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<sup>5</sup> All information regarding market area and neighborhood information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

**Economy**



**Glennallen<sup>6</sup>**

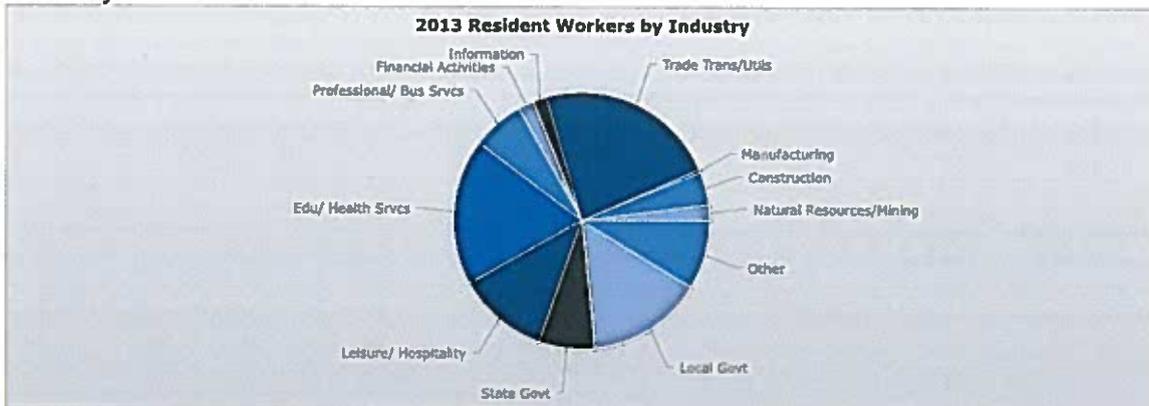
<b>Current Population:</b>	514 (2013 Alaska Department of Labor Estimate)
<b>Incorporation Type:</b>	Unincorporated
<b>Located In:</b>	Valdez-Cordova Census Area
<b>School District:</b>	Copper River School District

**Location** The community of Glennallen lies along the Glenn Highway at its junction with the Richardson Highway, 189 road miles east of Anchorage. It is located just outside the western boundary of Wrangell-St. Elias National Park.

**Climate** Glennallen lies in the continental climate zone, characterized by about 20 inches of average annual precipitation and an average temperature of about 22 °F. Temperature extremes are greater in the Continental zone than in the other climatic zones. The coldest month in 2013 was December, with a mean minimum temperature of -13.2 °F. The warmest month was June, with a mean maximum temperature of 74.2 °F.

**Transportation** Glennallen is located at milepost 187 on the Glenn Highway, northeast of Anchorage and just west of the junction with the Richardson Highway. It is the supply hub of the Copper River region. The Gulkana Airport, five miles northeast of Glennallen, provides scheduled flights to Anchorage and McCarthy.

**Economy**



<sup>6</sup> All information regarding market area and neighborhood information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

## McCarthy

<b>Current Population:</b>	34 (2018 Alaska Department of Community & Regional Affairs)
<b>Incorporation Type:</b>	Unincorporated
<b>Located In:</b>	Valdez-Cordova Census Area
<b>School District:</b>	Copper River School District

**Location** McCarthy lies 61 miles east of Chitina off the Edgerton Highway. It is on the Kennicott River at the mouth of McCarthy Creek, 12 miles northeast of the junction of the Nizina and Chitina Rivers, in the heart of the Wrangell-St. Elias National Park and Preserve.

**Climate** McCarthy falls within the transitional climate zone, characterized by a semi-arid atmosphere, long, cold winters, and mild summers.

**Transportation** McCarthy is accessible from the Richardson via Edgerton Highways. The 58-mile McCarthy Road starts in Chitina and continues into the Wrangell-St. Elias Park. A footbridge is used to cross the Kennicott River. There are two gravel airstrips in the vicinity, one is owned privately, and the other is state owned. DOT performs irregular winter maintenance of the McCarthy airport.

**Economy** McCarthy is predominantly a seasonal tourist-based economy. The majority of the business types in the McCarthy are tour companies, bed & breakfasts, hotels, gift shops and art galleries.

**Parcel Descriptions  
Mankomen Lake Parcels**

ADL	Tract	ASLS	Site Size	MTRS
233397	1	USS 4059	3.40	C014N004E16
233398	2	USS 4059	3.08	C014N004E17
233399	4	USS 4059	4.90	C014N004E17
233400	8	USS 4059	4.97	C014N004E17
233401	10	USS 4059	4.95	C014N004E17

**Location**

The Mankomen Lake parcels are located approximately 65 miles northeast of Glennallen, approximately 25 miles northwest of Mentasta Lake, and 25 miles north of Chistochina.

**Access**

The primary access to the subject parcels is by floatplane to Mankomen Lake. There are two main trail systems that provide possible ATV/snowmachine access to the Mankomen Lake area. The first is RST 440, Mentasta-Slate Creek Trail. From Mentasta Lake west through the Slana River drainage. The second is RST 437, Chistochina-Mankomen Lake Trail. However, the trail conditions are unknown, but have been reported as very challenging.

**Size & Shape**

The subject parcels are 3.08 to 4.95 acres in size and are rectangular to irregular in shape.

**Topography**

The subject parcels generally have a level to slightly sloping topography with minimal variation in elevation. All of the parcels have lake frontage on the north side of Mankomen Lake and are approximately 3,000 feet above sea level.

**Soils/Vegetation**

ADL #233397, ADL #233398, and ADL #233399 are comprised of predominately low laying tundra vegetation with sporadic spruce trees. ADL #233400 and ADL #233401 are heavily treed with spruce trees. Soils are typical of the surrounding area.

**Utilities, Water & Sewer**

There are no utilities available to any of the subject parcels. 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.

**Easements & Zoning Regulations**

The subject parcels are not encumbered by zoning restrictions or easements.

**Environmental Hazards, Hazardous Waste & Toxic Materials**

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

**Tax Assessments**

None.

**Ownership History**

The Department of Natural Resources is the current owner of record for all of the subject parcels within the Mankomen Lake subdivision. There are no other know sales or deed transfers of the subject property within the past three years.

**Personal Property**

There is no personal property involved with the appraisal of this property.

**Mankomen Lake**  
ADL #233397



Aerial field inspection photo.



Satellite image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

ADL #233398



Aerial field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

ADL #233399



Aerial field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

ADL #233400



Aerial field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

ADL #233401



Aerial field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

### Sage Subdivision Parcels

ADL	Lot	Block	ASLS	Site Size	MTRS
233231	10	3	ASLS 2016-46	5.08	C005S013E28
233232	11	3	ASLS 2016-46	7.35	C005S013E28
233233	12	3	ASLS 2016-46	7.10	C005S013E28
233234	13	3	ASLS 2016-46	5.00	C005S013E28
233235	1	4	ASLS 2016-46	11.09	C005S013E28
233236	2	4	ASLS 2016-46	5.59	C005S013E28

#### Location

Sage subdivision is located approximately 4.0 miles west of the Kennicott River on the south side of the McCarthy Road.

#### Access

The parcels are accessed by McCarthy Road. McCarthy Road is a gravel road that is not maintained in the winter months. There are platted roads within the subdivision. However, none of the platted roads have been constructed. There is an established ATV trail that begins at the McCarthy Road and extends south along the section line easement identified as Savant Street on the plat. The other access easements within the subdivision have been well brushed providing for good access.

#### Size & Shape

The subject parcels are 5.0-11.09 acres in size and are irregular in shape.

#### Topography

The subject subdivision is characterized by a generally level to sloping topography. The parcels lie at approximately 1,400 feet to 1,600 feet above sea level.

#### Soils/Vegetation

The parcel contains a mix of balsam poplar, spruce, and aspen trees. Soils are typical of the surrounding area with areas of wetlands, identified as Tract F, at the southern end of the subdivision.

#### Utilities, Water & Sewer

No electrical service is available in the area. No public water or sewer system is 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.

#### Easements & Zoning Regulations

There is a 30' public utility easement along some of the platted rights-of-way, and a 50' public access easement along either side of section lines. None of the subject parcels are encumbered by zoning.

#### Environmental Hazards, Hazardous Waste & Toxic Materials

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

#### Tax Assessments

None.

**Ownership History**

The Department of Natural Resources is the current owner of record for the subject parcel within the Sage Subdivision. There are no other known sales or deed transfers of the subject properties within the past three years.

**Personal Property**

There is no personal property involved with the appraisal of this property.

**Sage Photos**  
ADL #233231



Field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

ADL #233232



Field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

ADL #233233



Field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

ADL #233234



Field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries

ADL #233235



Field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries

ADL #233236



Field inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries

### Tazlina Southwest Subdivision Parcels

ADL	Lot	Block	ASLS	Site Size	MTRS
204521	6	2	ASLS 79-121	2.374	C003N001W34
204539	4	4	ASLS 79-121	5.00	C003N001W34
204540	5	4	ASLS 79-121	5.00	C003N001W34
204583	5	8	ASLS 79-121	4.717	C003N001W35

#### Location

Tazlina Southwest subdivision is located approximately 8.0 miles south of the Glenn Highway and .40 miles west of the Richardson Highway, and east of the Alyeska Pipeline.

#### Access

The parcels are generally accessed from the Richardson Highway by turning onto Weasel Road. ADL #204583 is located at the northern most end of the improved portion of Porcupine Road two lots north of Wolverine road. The remaining subject parcels within the subdivision do not have improved access. These parcels may be accessed on foot or by ATV/snowmachine via platted rights-of-way within the subdivision.

#### Size & Shape

The subject parcels are 2.374-5.00-acres in size and are rectangular to irregular in shape.

#### Topography

The subject parcels are characterized by a generally level topography with minimal variation in elevation. The subdivision is located approximately 1,300 feet above sea level.

#### Soils/Vegetation

The parcels contain a mix of low shrubs such as willow with a mix of aspen and spruce. Yetna Creek, which meanders through the subdivision, and other low laying areas of wet soils are identified as tracts on the survey. Soils are typical of the surrounding area.

#### Utilities, Water & Sewer

Electrical service is extended along Porcupine Street. No public water or sewer system is 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.

#### Easements & Zoning Regulations

There are 30' public utility easements along some of the platted rights-of way. None of the subject parcels are encumbered by zoning.

#### Environmental Hazards, Hazardous Waste & Toxic Materials

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

#### Tax Assessments

None.

#### Ownership History

The Department of Natural Resources is the current owner of record for the subject parcel within the Tazlina Southwest Subdivision. There are no other known sales or deed transfers of the subject property within the past three years.

#### Personal Property

There is no personal property involved with the appraisal of this property. However, ADL #204583 has a lot of garbage and debris remaining on the parcel which a future owner will probably want to remove. A cost to cure for the removal of this garbage and debris will be

deducted from the market value of the parcel. Photos of the parcel with the garbage and debris can be found in the addendum.

**Tazlina Southwest Photos**  
ADL #204521



Aerial field inspection photo.

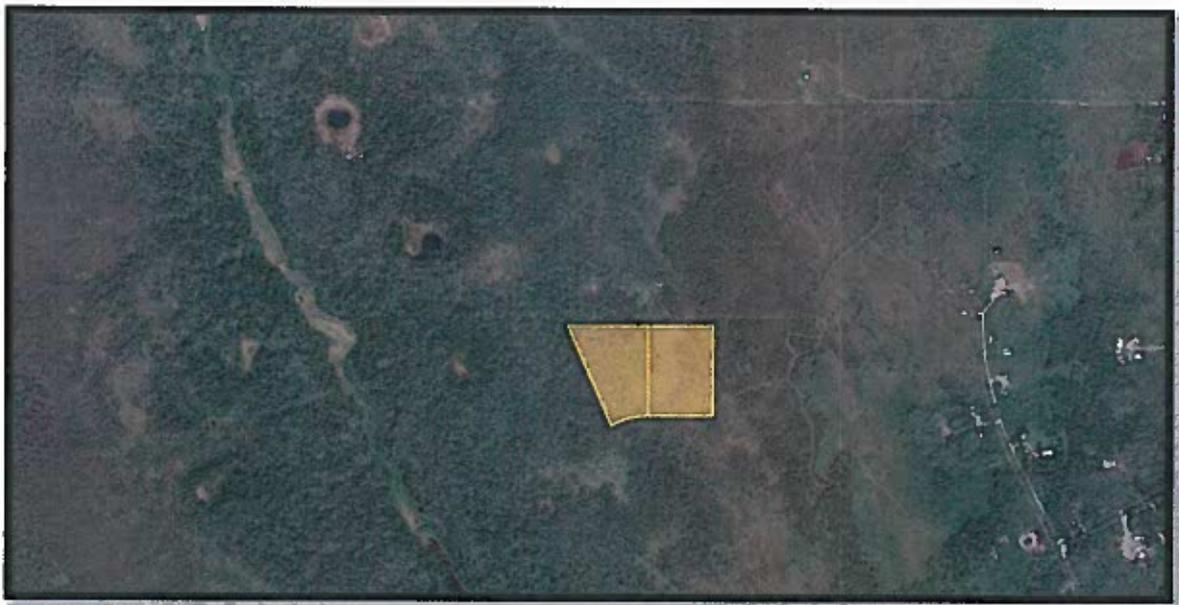


Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

**Tazlina Southwest Photos**  
ADL #204539 and ADL #204540



Aerial field inspection photo.



Satellite image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.  
ADL #204539 to the left and ADL #204540 to the right.

ADL #204583



Photo taken from the street.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

### General Property Description for Willowcrest Subdivision

ADL	Lot	Block	ASLS	Site Size	MTRS
204397	7	1	80-8	4.965	C001N00E20

#### Location

Willowcrest subdivision is located approximately seven miles south of Copper Center, one half mile west of the Richardson Highway, and east of the Trans-Alaska Pipeline

#### Access

Access is by driving south on the Richardson Highway, make a right on Lakewood Drive, make a right on Woodland Way. Drive to the end of Lakewood Way; then walk on platted right-of-way to parcel on left. It may be possible to drive to the parcel when dry. However, at the time of the inspection there were areas of soft/wet ground on the platted right-of-way that were not drivable.

#### Size & Shape

The subject parcel is 4.965 acres and is rectangular in shape.

#### Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The entire subdivision lies approximately 1,450 feet above sea level.

#### Soils/Vegetation

Subdivision contains primarily spruce and willow with areas of wetlands identified as tracts within the subdivision. Soils are typical of the surrounding area.

#### Utilities, Water & Sewer

Electricity is not available to subject parcel. No public water or sewer system is 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.

#### Easements & Zoning Regulations

The outer 20' on either side of the 100' right-of-way is reserved for utility easements. All water bodies of any sort are subject to a 50' access easement along the line of ordinary high water. The subject parcel is not encumbered by zoning.

#### Environmental Hazards, Hazardous Waste & Toxic Materials

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

#### Tax Assessments

None.

#### Ownership History

The Department of Natural Resources is the current owner of record for the subject parcel within the Willowcrest Subdivision. There are no other known sales or deed transfers of the subject property within the past three years.

#### Personal Property

There is no personal property involved with the appraisal of this property.

**Willowcrest Parcel Photos**  
ADL #204397



Aerial inspection photo.



Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

## **DATA ANALYSIS AND CONCLUSION**

The subject parcels in this analysis have been grouped into to four groups based on market area and access. The four groups are identified as Mankomen Lake parcels, Tazlina Southwest road accessible parcels, Tazlina Southwest and Willowcrest Subdivisions non-road accessible parcels, and Sage Subdivision parcels. A Key Parcel will be identified for groups that contain more than one parcel. Therefore, the Key Parcel method of analysis will be utilized.

### **Mankomen Lake Parcels**

#### **Highest and Best Use**

Analysis of highest and best use for 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:

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

The 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 parcels are vacant and unimproved.

#### **Legally Permissible**

The Key Parcel is not encumbered by any known zoning requirements that would restrict potential development. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Almost any legal use of the site would be possible.

#### **Physically Possible**

The size and physical characteristics of the Key Parcel are adequate to support all reasonable and probable uses.

#### **Financially Feasible**

The Key Parcel lacks developed access or utilities. As a result, development as a residential home site is not financially feasible.

#### **Maximally Productive**

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. The immediate vicinity is characterized by private recreation. Outdoor recreational activities are the primary motivations for the surrounding recreational users.

#### **Highest and Best Use of Land as Vacant**

Based on the foregoing analysis, the highest and best use of the subject Key Parcel as vacant would be for almost any legal use, primarily a rural recreation cabin site.

#### **Valuation Analysis**

Three approaches to value are considered to determine the market value estimate.

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<sup>7</sup> The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, 2013, p.333

**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. As such, 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**

When 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 used for valuing all of the subject parcels in this report.

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:

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