

# MARKET VALUE APPRAISAL

of

Various Parcels of Vacant Land in The Lakes Subdivision  
and One Thousand Skies-Sunrise Subdivision

## Appraisal Report No.4521



### 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 31, 2020

TO: Kevin Hindmarch  
Review Appraiser

FROM: Mike Dooley

SUBJECT: Appraisal of 55 parcels of land located near the community of Glennallen, Alaska and Eureka, Alaska. 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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**APPRAISAL SUMMARY**

**Location**

| <b>Subdivision Name</b>                | <b>Location</b>   | <b>Lot Size (acres)</b> |
|--|---|-------------------------|
| The Lakes                              | The Lakes Subdivision is comprised of five parcels on Lake Dinty, one parcel on Lake Louise, and twelve parcels on Susitna Lake. The subject parcels are located between 37.0 miles and 45.0 miles northwest of Glennallen, Alaska. | 4.03-4.98               |
| One Thousand Skies-Sunrise Subdivision | There are 37 subject parcels in One Thousand Skies-Sunrise Subdivision. The subject is located 48 miles west of Glennallen, Alaska.   | 9.21-10.39              |

**Value Summary**

**The Lakes Parcels**

| <b>ADL</b> | <b>Subdivision</b> | <b>Lot</b> | <b>Block/<br/>Tract</b> | <b>Survey</b> | <b>Size<br/>(acres)</b> | <b>Value<br/>(RND)</b> |
|------------|--------------------|------------|-------------------------|---------------|-------------------------|------------------------|
| 232050     | The Lakes          |            | 24                      | USS 3493      | 2.67                    | \$28,400               |
| 232054     | The Lakes          |            | 9                       | USS 3494      | 4.06                    | \$34,500               |
| 232057     | The Lakes          |            | 13                      | USS 3494      | 5.00                    | \$42,500               |
| 232058     | The Lakes          |            | 14                      | USS 3494      | 4.53                    | \$38,500               |
| 232059     | The Lakes          |            | 15                      | USS 3494      | 4.89                    | \$41,600               |
| 232060     | The Lakes          |            | 16                      | USS 3494      | 4.74                    | \$40,300               |
| 232088     | The Lakes          |            | 10                      | USS 4585      | 4.69                    | \$39,900               |
| 232089     | The Lakes          |            | 9                       | USS 4587      | 4.88                    | \$41,500               |
| 232090     | The Lakes          |            | 10                      | USS 4587      | 4.60                    | \$39,100               |
| 232091     | The Lakes          |            | 11                      | USS 4587      | 3.94                    | \$33,500               |
| 232092     | The Lakes          |            | 12                      | USS 4587      | 4.31                    | \$36,600               |
| 232093     | The Lakes          |            | 13                      | USS 4587      | 4.48                    | \$38,100               |
| 232099     | The Lakes          |            | 5                       | USS 4590      | 4.66                    | \$39,600               |
| 232100     | The Lakes          |            | 17                      | USS 4590      | 5.00                    | \$42,500               |
| 232101     | The Lakes          |            | 20                      | USS 4590      | 4.82                    | \$45,100               |
| 232102     | The Lakes          |            | 21                      | USS 4590      | 4.93                    | \$41,900               |
| 232103     | The Lakes          |            | 25                      | USS 4590      | 4.98                    | \$42,300               |
| 232119     | The Lakes          |            | 1                       | USS 5655      | 4.93                    | \$41,900               |

**Value Summary**

**One Thousand Skies-Sunrise Subdivision Parcels**

| <b>ADL</b> | <b>Subdivision</b>         | <b>Lot</b> | <b>Block/<br/>Tract</b> | <b>Survey</b> | <b>Size<br/>(acres)</b> | <b>Value<br/>(RND)</b> |
|------------|----------------------------|------------|-------------------------|---------------|-------------------------|------------------------|
| TBD        | One Thousand Skies-Sunrise | 1          | 1                       | 2018-11       | 9.60                    | \$62,400               |
| TBD        | One Thousand Skies-Sunrise | 2          | 1                       | 2018-11       | 9.68                    | \$62,900               |
| TBD        | One Thousand Skies-Sunrise | 3          | 1                       | 2018-11       | 9.95                    | \$64,700               |
| TBD        | One Thousand Skies-Sunrise | 4          | 1                       | 2018-11       | 9.67                    | \$62,900               |
| TBD        | One Thousand Skies-Sunrise | 5          | 1                       | 2018-11       | 9.62                    | \$62,500               |
| TBD        | One Thousand Skies-Sunrise | 6          | 1                       | 2018-11       | 9.91                    | \$64,400               |
| TBD        | One Thousand Skies-Sunrise | 7          | 1                       | 2018-11       | 9.98                    | \$64,900               |
| TBD        | One Thousand Skies-Sunrise | 8          | 1                       | 2018-11       | 9.65                    | \$62,700               |
| TBD        | One Thousand Skies-Sunrise | 1          | 2                       | 2018-11       | 10.19                   | \$66,200               |
| TBD        | One Thousand Skies-Sunrise | 2          | 2                       | 2018-11       | 10.07                   | \$65,500               |
| TBD        | One Thousand Skies-Sunrise | 3          | 2                       | 2018-11       | 10.09                   | \$65,600               |
| TBD        | One Thousand Skies-Sunrise | 4          | 2                       | 2018-11       | 10.09                   | \$65,600               |
| TBD        | One Thousand Skies-Sunrise | 5          | 2                       | 2018-11       | 10.11                   | \$72,300               |
| TBD        | One Thousand Skies-Sunrise | 6          | 2                       | 2018-11       | 10.14                   | \$72,500               |
| TBD        | One Thousand Skies-Sunrise | 7          | 2                       | 2018-11       | 9.70                    | \$63,100               |
| TBD        | One Thousand Skies-Sunrise | 8          | 2                       | 2018-11       | 10.01                   | \$71,600               |
| TBD        | One Thousand Skies-Sunrise | 9          | 2                       | 2018-11       | 10.00                   | \$65,000               |
| TBD        | One Thousand Skies-Sunrise | 10         | 2                       | 2018-11       | 10.01                   | \$65,100               |
| TBD        | One Thousand Skies-Sunrise | 1          | 3                       | 2018-11       | 10.12                   | \$65,800               |
| TBD        | One Thousand Skies-Sunrise | 2          | 3                       | 2018-11       | 10.00                   | \$65,000               |
| TBD        | One Thousand Skies-Sunrise | 3          | 3                       | 2018-11       | 10.39                   | \$67,500               |
| TBD        | One Thousand Skies-Sunrise | 4          | 3                       | 2018-11       | 10.02                   | \$65,100               |
| TBD        | One Thousand Skies-Sunrise | 5          | 3                       | 2018-11       | 9.86                    | \$64,100               |
| TBD        | One Thousand Skies-Sunrise | 6          | 3                       | 2018-11       | 9.80                    | \$63,700               |
| TBD        | One Thousand Skies-Sunrise | 7          | 3                       | 2018-11       | 10.02                   | \$65,700               |
| TBD        | One Thousand Skies-Sunrise | 8          | 3                       | 2018-11       | 9.83                    | \$63,900               |
| TBD        | One Thousand Skies-Sunrise | 9          | 3                       | 2018-11       | 9.46                    | \$61,500               |
| TBD        | One Thousand Skies-Sunrise | 10         | 3                       | 2018-11       | 9.21                    | \$59,900               |
| TBD        | One Thousand Skies-Sunrise | 1          | 4                       | 2018-11       | 9.81                    | \$63,800               |
| TBD        | One Thousand Skies-Sunrise | 2          | 4                       | 2018-11       | 10.04                   | \$65,300               |
| TBD        | One Thousand Skies-Sunrise | 3          | 4                       | 2018-11       | 10.02                   | \$65,100               |
| TBD        | One Thousand Skies-Sunrise | 4          | 4                       | 2018-11       | 10.00                   | \$71,500               |
| TBD        | One Thousand Skies-Sunrise | 5          | 4                       | 2018-11       | 9.54                    | \$68,200               |
| TBD        | One Thousand Skies-Sunrise | 6          | 4                       | 2018-11       | 9.82                    | \$63,800               |
| TBD        | One Thousand Skies-Sunrise | 7          | 4                       | 2018-11       | 10.00                   | \$78,000               |
| TBD        | One Thousand Skies-Sunrise | 8          | 4                       | 2018-11       | 10.02                   | \$71,600               |
| TBD        | One Thousand Skies-Sunrise | 1          | 5                       | 2018-11       | 10.00                   | \$65,000               |

## 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**

I inspected all of the subject parcels and some of the comparable sales on September 13, 2019. The Lakes parcels were inspected by air. The 1000 Skies-Sunrise Subdivision parcels were inspected by foot on the ground.

#### **Date of Report**

January 31, 2020

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<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 1/17/2020

<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>

The parcels are recreational lots located near the communities of Lake Louise and Glennallen. An exposure time for the subject parcels of up to one to two year is reasonable.

**Sale History**

A contract to purchase ADL #232050 recorded on 11/30/2015. The contract was terminated on 05/15/2018, and the parcel was placed into potential reoffer status.

A contract to purchase ADL #232054 recorded on 04/24/2018. The contract was relinquished on 02/04/2019, and the parcel was placed into potential reoffer status.

There are no other known sales or deed transfers within the past three years.

**Prior Appraisal History**

I appraised ADL #232054 in 2017. I have not previously appraised any of the other subject parcels in the preceding three years.

## SCOPE OF WORK

**Property and Comparable Sales Inspection**

I inspected all of the subject parcels September 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.

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.

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

## ***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.
13. At the time of the appraisal, there was not a final record of survey for the One Thousand Skies-Sunrise subdivision. A preliminary plat was utilized to obtain necessary site information. The appraiser makes the **extraordinary assumption** that all information taken from the preliminary plat will not be changed on the final record of survey. The appraiser also makes the **hypothetical condition** that they were legal lots of record as of the date of the valuation.

## PRESENTATION OF DATA

### **Market Area**

The subject parcels are located near the communities of Glennallen and Lake Louise. The Glenn Highway and Lake Louise Road provide road access to these communities. The subject parcels are recreational parcels that have various access means. Below is a description of the individual subdivisions and nearby communities.

### ***The Lakes***

There are 18 subject parcels located in The Lakes Subdivision, approximately 45 miles west of Glennallen, Alaska. All of the subject parcels within The Lakes Subdivision fall within the Matanuska -Susitna Borough. The parcels are located on Lake Louise, Susitna Lake, and Lake Dinty.

### **One Thousand Skies-Sunrise Subdivision**

There are 37 parcels within the 1000 Skies-Sunrise Subdivision. The Subdivision is located between MP 136 and MP 137 of the Glenn Highway, approximately 48 miles east of Glennallen, Alaska.

## **The Matanuska Susitna Borough<sup>5</sup>**

### **Location:**

The Matanuska-Susitna (Mat-Su) Borough is located in the middle of south-central Alaska, including the Matanuska and Susitna River Drainages, portions of the Chugach Mountains as well as the Alaska, Talkeetna, and Clearwater Ranges. The Municipality of Anchorage, Upper Cook Inlet, and Knik Arm delineate the Borough's southern border. The average temperatures in January range from 6°F to 14°F; in July, 47°F to 67°F. Annual precipitation is 16.5 inches.

### **Local Government:**

The Mat-Su Borough is a second-class Borough incorporated in 1964 with an elected Mayor and Assembly. The Borough's area-wide powers include assessment and collection of taxes, education, planning and zoning, parks and recreation, ports, harbors and wharves, ambulance service, transportation systems, air pollution control, day care facilities, historic preservation, and transient accommodations taxation. The Borough's non-area-wide powers include fireworks, motor vehicles and operators, snow vehicles, solid waste, libraries, septic tank waste disposal, economic development, limited health and social service, natural gas, electric, and road local improvement districts, animal control, and water pollution control.

### **Demographics:**

Low housing costs, the rural lifestyle, and a reasonable commute to Anchorage for employment and services has made the Mat-Su Borough one of the fastest growing areas of Alaska in recent years.

According to the 2010 Census, the population was 88,995. There were 41,329 housing units in the community and 31,824 were occupied. Its population was 5.5 percent American Indian or Alaska Native; 84.9 percent white; 1 percent black; 1.2 percent Asian; 0.2 percent Pacific Islander; 6.5 percent of the local residents had multi-racial backgrounds. Additionally, 3.7 percent of the population was of Hispanic descent.

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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:**

The economy is diverse, and residents are employed in a variety of retail, professional services, city, borough, state and federal occupations. Top employers are Mat-Su Schools, Valley Hospital, Wal-Mart, Carrs/Safeway and Fred Meyer. About one-third of the Borough's labor force commutes to Anchorage for employment. In 2010, 300 borough residents held commercial fish permits.

The 2005-2009 American Community Survey (ACS) estimated 35,540 residents as employed. The public sector employed 17.9% of all workers. The local unemployment rate was 11.8%. The percentage of workers not in labor force was 34.3%. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$66,052 (MOE +/- \$1,869). The per capita income (in 2009 inflation-adjusted dollars) was \$24,906 (MOE +/- \$707). About 10.3% of all residents had incomes below the poverty level.

**Facilities:**

There are three incorporated cities within the Borough: Houston, Palmer, and Wasilla. Additionally, there are several unincorporated communities and twenty-five (25) Borough recognized community councils. The majority of the Borough population resides in the "core area" surrounding the cities of Palmer and Wasilla, and within the cities themselves. The remaining population is spread out among the various unincorporated communities, as well as some remote sites. There are 44 schools located in the borough, attended by 17,079 students.

**Transportation:**

The area accesses both the Glenn and George Parks Highways. Commercial airlines serve the nearby Anchorage International Airport, but a local municipal airport supports private and chartered services. The Alaska Railroad provides for delivery of ocean freight.

**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                   |

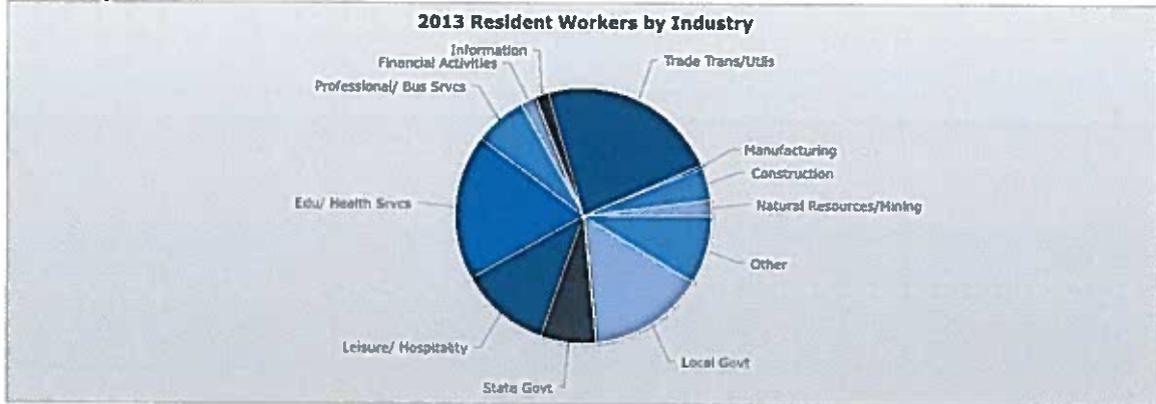
**Location** The community of Glennallen lies along the Glenn Highway at its junction with the Richardson Highway, 189 road miles east of Anchorage. It is located just outside the western boundary of Wrangell-St. Elias National Park.

**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 McGarthy.

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

## Economy



### Lake Louise<sup>7</sup>

Lake Louise is located approximately 32 miles northwest of Glennallen, Alaska near the western border of the Matanuska-Susitna Borough. Lake Louise Road is 19.3 miles long and extends from mile 159.8 of the Glenn Highway to Lake Louise. Annual precipitation is 16.5 inches with over 50 inches of snowfall. Snow machining, fishing, and hunting are popular recreational activities in the area. A Borough operated refuse transfer station is located at Dinty Bush Services at Mile 15.5 of Lake Louise Road. There is a 700' long by 18' wide State-owned gravel airstrip and a floatplane site is located along the south end of Lake Louise.

<sup>7</sup> All information regarding market area and neighborhood information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

## Parcel Descriptions

### The Lakes Parcels

| ADL    | Tract | ASLS     | Site Size | MTRS           |
|--------|-------|----------|-----------|----------------|
| 232050 | 24    | USS 3493 | 2.67      | C006N007W07    |
| 232054 | 9     | USS 3494 | 4.06      | C006N007W19    |
| 232057 | 13    | USS 3494 | 5.00      | C006N007W19    |
| 232058 | 14    | USS 3494 | 4.53      | C006N007W19    |
| 232059 | 15    | USS 3494 | 4.89      | C006N007W19    |
| 232060 | 16    | USS 3494 | 4.74      | C006N007W19    |
| 232088 | 10    | USS 4585 | 4.69      | C007N008W01    |
| 232089 | 9     | USS 4587 | 4.88      | C008N008W34    |
| 232090 | 10    | USS 4587 | 4.60      | C008N008W27    |
| 232091 | 11    | USS 4587 | 3.94      | C008N008W27    |
| 232092 | 12    | USS 4587 | 4.31      | C008N008W27    |
| 232093 | 13    | USS 4587 | 4.48      | C008N008W27    |
| 232099 | 5     | USS 4590 | 4.66      | C008N008W27    |
| 232100 | 17    | USS 4590 | 5.00      | C008N008W27    |
| 232101 | 20    | USS 4590 | 4.82      | C008N008W27,22 |
| 232102 | 21    | USS 4590 | 4.93      | C008N008W22    |
| 232103 | 25    | USS 4590 | 4.98      | C008N008W27,22 |
| 232119 | 1     | USS 5655 | 4.93      | C008N008W22    |

#### Location

The Lakes parcels are located between 39.0 to 47.0 miles northwest of Glennallen.

#### Access

All of The Lakes parcels are lakefront parcels accessible by float plane, or by boat via a boat launch at the south side of Lake Louise. Lake Dinty and Lake Louise are accessible by road. Susitna Lake is adjoined to Lake Louise by a narrow and shallow channel.

#### Size & Shape

The subject parcels range from 2.67-acres to 5.00-acres in size and are irregular in shape.

#### Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The parcels are located approximately 2,300 feet to 2,400 feet above sea level.

#### Soils/Vegetation

The Lake Louise and Susitna Lake parcels contain primarily mature spruce trees with some areas of wetlands. Soils are typical of the surrounding area. The Lake Dinty parcel is sparsely treed which can be indicative of poorly drained soils.

#### Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. 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 subject parcels are subject to a 50' public access easement and 100' building setback upland from the ordinary high-water line, and 50' public access easement and 30' utility easements along certain upland lot lines. The subject parcels are not encumbered by zoning restrictions.

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

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

**Tax Assessments**

The subject parcels fall within the Tax Zone 21 of the Matanuska-Susitna Borough. The subject parcels will be subject to property taxes. In 2019 parcels within Tax Zone 21 were assessed at 10.959 mils.

**Ownership History**

The Department of Natural Resources is the current owner of record for all of the subject parcels within the Lakes subdivision.

A contract to purchase ADL #232050 recorded on 11/30/2015. The contract was terminated on 05/15/2018, and the parcel was placed into potential reoffer status.

A contract to purchase ADL #232054 recorded on 04/24/2018. The contract was relinquished on 02/04/2019, and the parcel was placed into potential reoffer status.

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.

## The Lakes

ADL #232050



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 #232054



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.

From left to right, ADL #232057, ADL #232057, ADL #232058, ADL #232059, & ADL #232060



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.

From right to left, ADL #232057, ADL #232057, ADL #232058, ADL #232059, & ADL #232060

ADL #232088



Aerial field inspection photo.

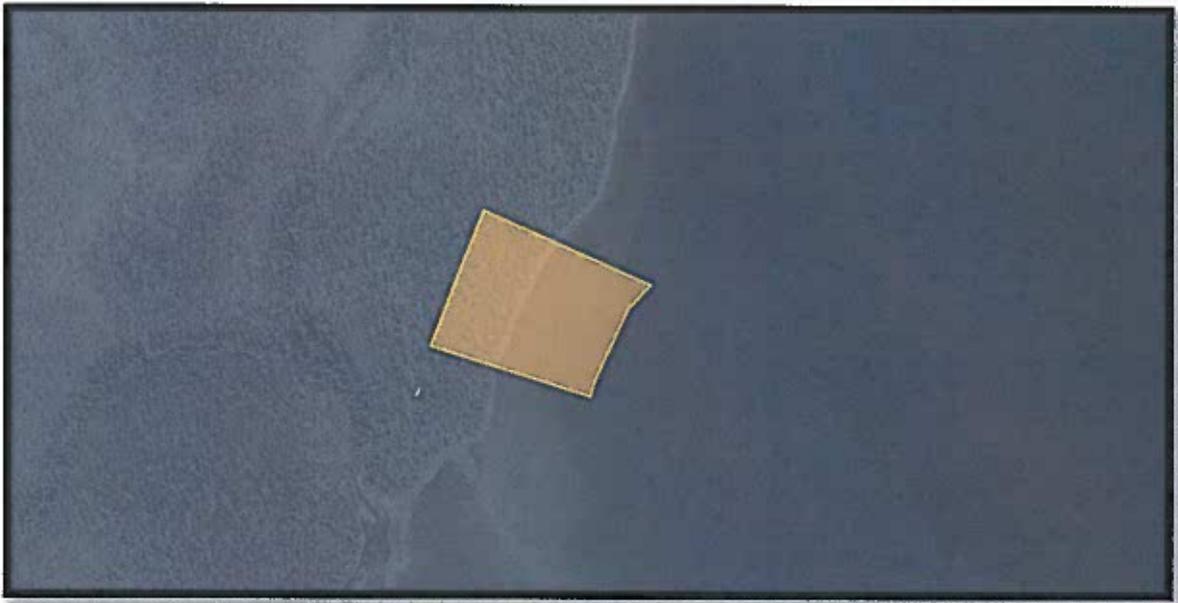


Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries.

ADL #232089



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. Right side of shape file should be in line with lake shore.

From left to right, ADL #232090 and ADL #232091.



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. Right side of shape file should be in line with lake shore.  
ADL #232090 on bottom and ADL #232091 on top.

From left to right, ADL #232092 and ADL #232093.



Aerial field inspection photo.

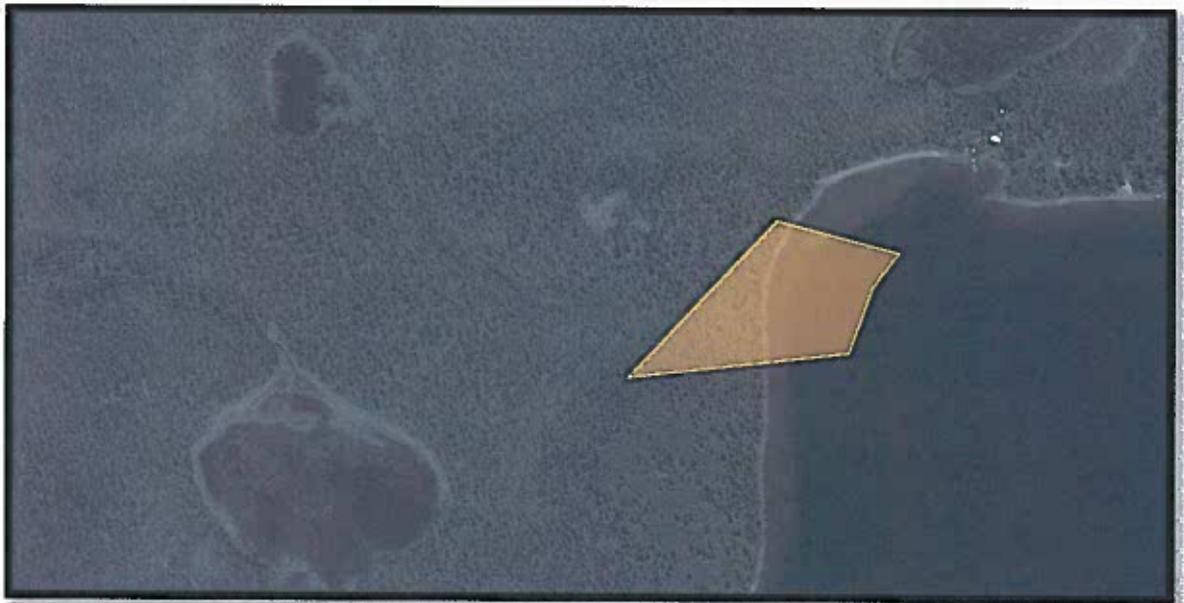


Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries. Right side of shape file should be in line with lake shore.  
ADL #232091 on bottom and ADL #232092 on top.

ADL #232099



Aerial field inspection photo.

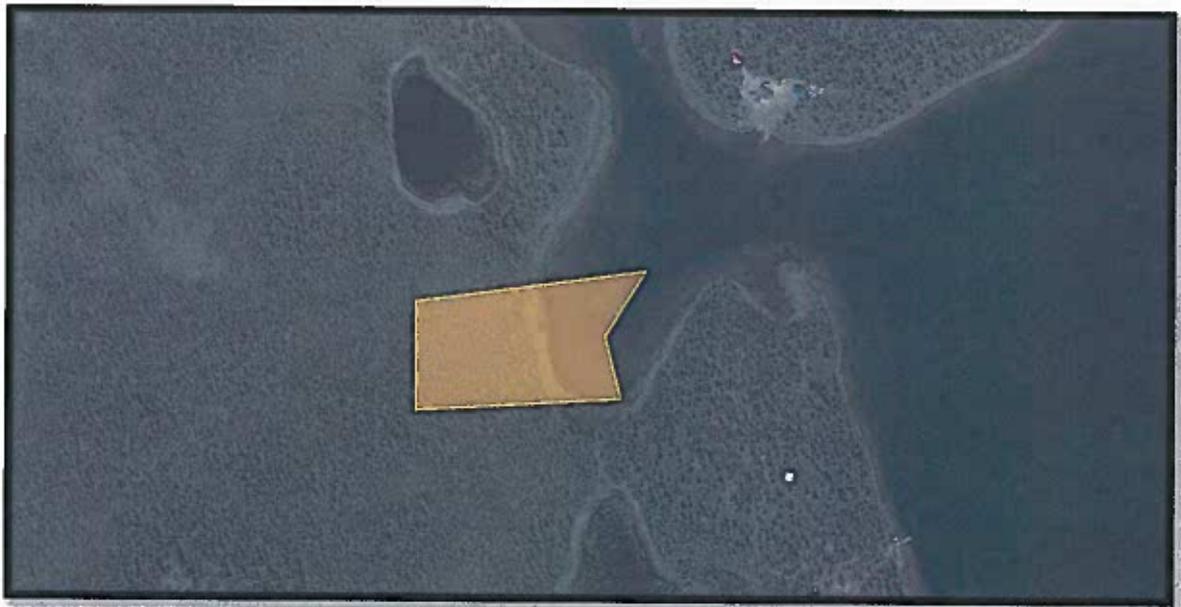


Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries. Right side of shape file should be in line with lake shore.

ADL #232100



Aerial field inspection photo.

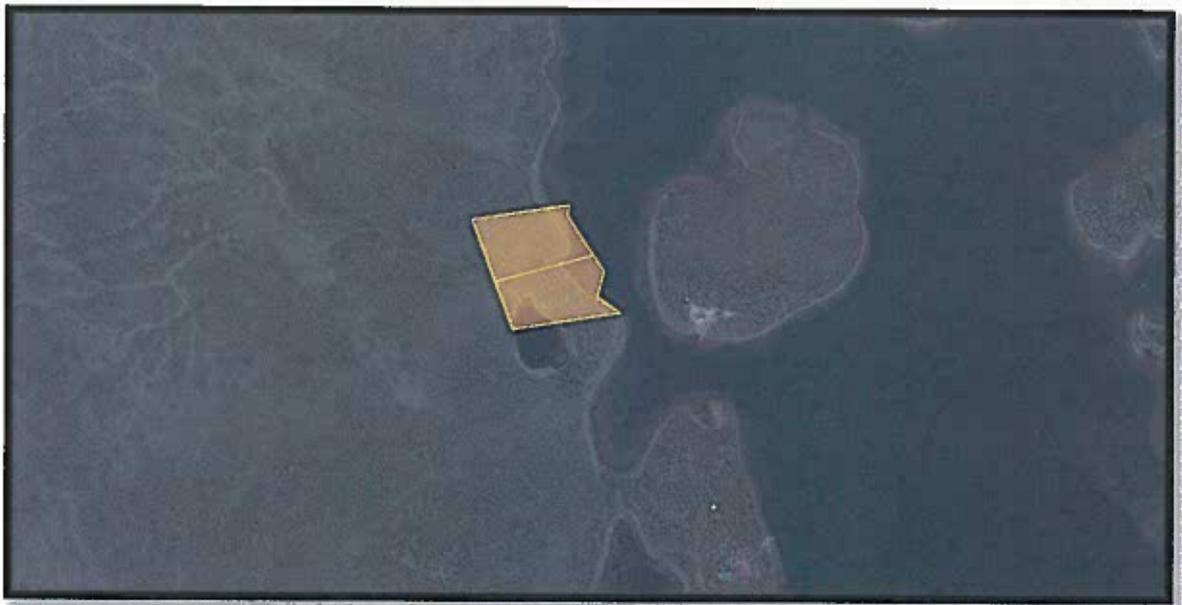


Satellite image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries. Right side of shape file should be in line with lake shore.

ADL #232101 and ADL #232102



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. Right side of shape file should be in line with lake shore. The bottom of shape file should be just above pond.

ADL #232103 Looking down toward the southeast.



Aerial field inspection photo.

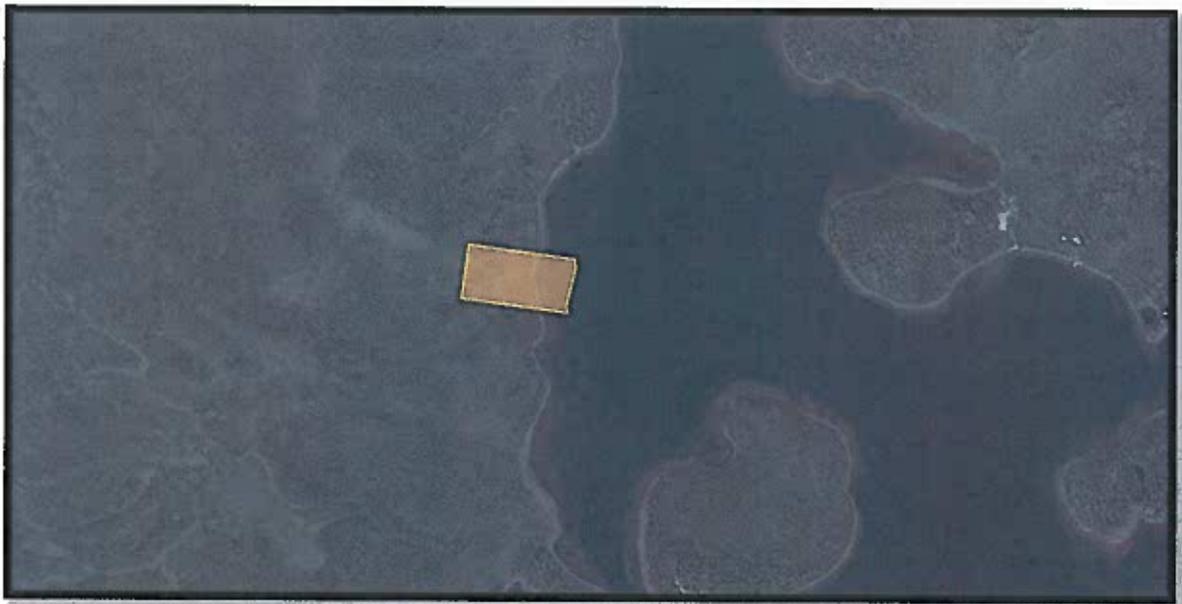


Satellite Image. The yellow outline is the *approximate* location of parcel. This outline is *not* to be relied upon to locate parcel boundaries. Right side of shape file should be in line with lake shore.

ADL #232103



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. Right side of shape file should be in line with lake shore.

**Thousand Skies-Sunrise Subdivision Parcels**

| <b>ADL</b> | <b>Lot</b> | <b>Block</b> | <b>ASLS</b> | <b>Site Size</b> | <b>MTRS</b>    |
|------------|------------|--------------|-------------|------------------|----------------|
| TBD        | 1          | 1            | 2018-11     | 9.60             | C002N010W01    |
| TBD        | 2          | 1            | 2018-11     | 9.68             | C002N010W01    |
| TBD        | 3          | 1            | 2018-11     | 9.95             | C002N010W01    |
| TBD        | 4          | 1            | 2018-11     | 9.67             | C002N010W01    |
| TBD        | 5          | 1            | 2018-11     | 9.62             | C002N010W01    |
| TBD        | 6          | 1            | 2018-11     | 9.91             | C002N010W01    |
| TBD        | 7          | 1            | 2018-11     | 9.98             | C002N010W01    |
| TBD        | 8          | 1            | 2018-11     | 9.65             | C002N010W01    |
| TBD        | 1          | 2            | 2018-11     | 10.19            | C002N010W01    |
| TBD        | 2          | 2            | 2018-11     | 10.07            | C002N010W01    |
| TBD        | 3          | 2            | 2018-11     | 10.09            | C002N010W01    |
| TBD        | 4          | 2            | 2018-11     | 10.09            | C002N010W01    |
| TBD        | 5          | 2            | 2018-11     | 10.11            | C002N010W01    |
| TBD        | 6          | 2            | 2018-11     | 10.14            | C002N010W01    |
| TBD        | 7          | 2            | 2018-11     | 9.70             | C002N010W01    |
| TBD        | 8          | 2            | 2018-11     | 10.01            | C002N010W01    |
| TBD        | 9          | 2            | 2018-11     | 10.00            | C002N010W01    |
| TBD        | 10         | 2            | 2018-11     | 10.01            | C002N010W01    |
| TBD        | 1          | 3            | 2018-11     | 10.12            | C002N010W01    |
| TBD        | 2          | 3            | 2018-11     | 10.00            | C002N010W01    |
| TBD        | 3          | 3            | 2018-11     | 10.39            | C002N010W01    |
| TBD        | 4          | 3            | 2018-11     | 10.02            | C002N010W01    |
| TBD        | 5          | 3            | 2018-11     | 9.86             | C002N010W01    |
| TBD        | 6          | 3            | 2018-11     | 9.80             | C002N010W01    |
| TBD        | 7          | 3            | 2018-11     | 10.02            | C002N010W01    |
| TBD        | 8          | 3            | 2018-11     | 9.83             | C002N010W01&12 |
| TBD        | 9          | 3            | 2018-11     | 9.46             | C002N010W01&12 |
| TBD        | 10         | 3            | 2018-11     | 9.21             | C002N010W012   |
| TBD        | 1          | 4            | 2018-11     | 9.81             | C002N010W01    |
| TBD        | 2          | 4            | 2018-11     | 10.04            | C002N010W01    |
| TBD        | 3          | 4            | 2018-11     | 10.02            | C002N010W01    |
| TBD        | 4          | 4            | 2018-11     | 10.00            | C002N010W01&12 |
| TBD        | 5          | 4            | 2018-11     | 9.54             | C002N010W01&12 |
| TBD        | 6          | 4            | 2018-11     | 9.82             | C002N010W012   |
| TBD        | 7          | 4            | 2018-11     | 10.00            | C002N010W012   |
| TBD        | 8          | 4            | 2018-11     | 10.02            | C002N010W012   |
| TBD        | 1          | 5            | 2018-11     | 10.00            | C002N010W012   |

**Location**

The Thousand Skies-Sunrise Subdivision parcels are located approximately 48.0 miles west of Glennallen, and 22 miles east of Lake Louise Road.

**Access**

All of the parcels within the subdivision have gravel road access off of the paved Glenn Highway. There are two unnamed lakes that lay at the west boundary of the subdivision. Lots 5, 6, and 8 of Block 2 have frontage on the east side of the northern unnamed lake. Lot 3, 4, 5, 7, and 8 of Block 4 have frontage on the east side of the southern unnamed lake. The northern lake is too small to be accessed by floatplane. The southern lake is long enough to land a small floatplane, but it may be too shallow. As such, this analysis will assume that floatplane frontage is not a viable option.

**Size & Shape**

The subject parcels range from 9.21-acres to 10.39-acres in size and are rectangular to irregular in shape.

**Topography**

The subdivision is characterized by a generally level to sloping topography with minimal variation in elevation. There two unnamed lakes the lay at the west boundary of the subdivision. Lots 5, 6, and 8 of Block 2 have frontage on the east side of the northern unnamed lake. Lot 3, 4, 5, 7, and 8 of Block 4 have frontage on the east side of the southern unnamed lake. The parcels are located approximately 2,500 feet to 2,600 feet above sea level.

**Soils/Vegetation**

The One Thousand Skies-Sunrise parcels contain a mix of low laying tundra brush and black spruce trees. Soils are typical of the surrounding area.

**Utilities, Water & Sewer**

Electricity is not available to any of the lots within the subdivision. 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**

All of the parcels within the subdivision have a 20' public utility easement along the front property line, except flag shaped parcels have 20' public utility easements along both sides of the long narrow portions of the lots that provide access to the larger portions of the lots. In addition, parcels located along section lines are subject to 50' section line easements along each side off the section line. Section lines that bisect lots within the subdivision have been vacated. Lakefront parcels are subject to a 50' public access easement and 75' building setback upland from the ordinary high-water line. The subject parcels are not encumbered by zoning restrictions.

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

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

**Tax Assessments**

The subject parcels are within the Matanuska-Susitna Borough and are subject to property taxes. The subdivision is within the Borough tax zone 21, which in 2019 was assessed at 10.959 mils.

**Ownership History**

The Department of Natural Resources is the current owner of record for all of the subject parcels within the One Thousand Skies-Sunrise subdivision.

There are no other known sales or deed transfers within the past three years.

**Personal Property**

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

**One Thousand Skies-Sunrise Subdivision**

**Photos**

**Lot 1/Block 1**



**Lot 2/Block 1**



Lot 3/Block 1



Lot 4/Block 1



**Lot 5/Block 1**



**Lot 6/Block 1**



**Lot 7/Block1**



**Lot 8/Block 1**



Lot 1/Block 2



Lot 2 /Block 2



Lot 3/Block 2



Lot 4 /Block 2



**Lot 5/Block 2**



**Lot 6 /Block 2**



**Lot 7/Block 2**



**Lot 8 /Block 2**



**Lot 9/Block 2**



**Lot 10 /Block 2**



Lot 1/Block 3



Lot 2 /Block 3



**Lot 3/Block 3**



**Lot 4 /Block 3**



**Lot 5/Block 3**



**Lot 6 /Block 3**



**Lot 7/Block 3**



**Lot 8 /Block 3**



Lot 9/Block 3



Lot 10 /Block 3



**Lot 1/Block 4**



**Lot 2 /Block 4**



**Lot 3/Block 4**



**Lot 4 /Block 4**



**Lot 5/Block 4**



**Lot 6 /Block 4**



Lot 7/Block 4



Lot 8 /Block 4



Lot 1/Block 5



## **Data Analysis and Value Conclusions**

The subject parcels in this analysis have been grouped into two groups based on market area and access. The two groups are identified as The Lakes parcels and the One Thousand Skies-Sunrise Subdivision parcels. A Key Parcel will be identified for each group. Therefore, the Key Parcel method of analysis will be utilized.

### **The Lakes 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>8</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 rural recreation cabin sites.

#### **Valuation Analysis**

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

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<sup>8</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:

### **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](mailto:dnr.pic@alaska.gov)  
Business hours 10:00 am to 5:00 pm M-F.

### **In Fairbanks**

(Corner of University & Airport Way)  
3700 Airport Way, Fairbanks, AK 99709  
Phone (907) 451-2705  
Fax (907) 451-2706  
TDD for hearing impaired (907) 451-2770  
e-mail: [fbx-pic@alaska.gov](mailto: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](mailto:southeast_land@dnr.state.ak.us)  
Business hours 10:00 am to 5:00 pm M-F.