

MARKET VALUE APPRAISAL

of

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

Appraisal Report No.4620-0



STATE OF ALASKA

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

MEMORANDUM

State of Alaska

Department of Natural Resources

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Division of Mining, Land and Water

550 West 7th Avenue, Suite 650

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DATE: February 7, 2023

TO: Kevin Hindmarch
Review Appraiser

FROM: Mike Dooley

SUBJECT: Appraisal of 36 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 8) 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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One Thousand Skies-Sunrise Subdivision Parcels

ADL	Subdivision	Lot	Block/ Tract	Survey	Size (acres)	Value (RND)
233661	One Thousand Skies-Sunrise	2	1	2018-11	9.68	\$62,900
233662	One Thousand Skies-Sunrise	3	1	2018-11	9.95	\$64,700
233663	One Thousand Skies-Sunrise	4	1	2018-11	9.67	\$62,900
233665	One Thousand Skies-Sunrise	6	1	2018-11	9.91	\$64,400
233667	One Thousand Skies-Sunrise	8	1	2018-11	9.65	\$62,700
233669	One Thousand Skies-Sunrise	2	2	2018-11	10.07	\$65,500
233671	One Thousand Skies-Sunrise	4	2	2018-11	10.09	\$65,600
233672	One Thousand Skies-Sunrise	5	2	2018-11	10.11	\$72,300
233673	One Thousand Skies-Sunrise	6	2	2018-11	10.14	\$72,500
233674	One Thousand Skies-Sunrise	7	2	2018-11	9.70	\$63,100
233675	One Thousand Skies-Sunrise	8	2	2018-11	10.01	\$71,600
233676	One Thousand Skies-Sunrise	9	2	2018-11	10.00	\$65,000
233677	One Thousand Skies-Sunrise	10	2	2018-11	10.01	\$65,100
233678	One Thousand Skies-Sunrise	1	3	2018-11	10.12	\$65,800
233679	One Thousand Skies-Sunrise	2	3	2018-11	10.00	\$65,000
233681	One Thousand Skies-Sunrise	4	3	2018-11	10.02	\$67,500
233682	One Thousand Skies-Sunrise	5	3	2018-11	9.86	\$64,100
233683	One Thousand Skies-Sunrise	6	3	2018-11	9.80	\$63,700
233684	One Thousand Skies-Sunrise	7	3	2018-11	10.02	\$65,100
233685	One Thousand Skies-Sunrise	8	3	2018-11	9.83	\$63,900
233686	One Thousand Skies-Sunrise	9	3	2018-11	9.46	\$61,500
233687	One Thousand Skies-Sunrise	10	3	2018-11	9.21	\$59,900
233688	One Thousand Skies-Sunrise	1	4	2018-11	9.81	\$63,800
233691	One Thousand Skies-Sunrise	4	4	2018-11	10.00	\$71,500
233692	One Thousand Skies-Sunrise	5	4	2018-11	9.54	\$68,200

APPRAISAL SUMMARY

Subdivision Name	Location	Lot Size (acres)
The Lakes	The Lakes Subdivision is comprised of two parcels on Lake Dinty and eight parcels on Susitna Lake. The subject parcels are located between 37.0 miles and 45.0 miles northwest of Glennallen, Alaska.	3.94-10.07
Memory Lane	There is one subject parcel located in the Memory Lane Subdivision. The subdivision is located approximately 2.8 miles east of the intersection of the Glenn Highway and Richardson Highway, at approximately mile marker 186.	5.20
One Thousand Skies-Sunrise Subdivision	There are 25 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

ADL	Subdivision	Lot	Block/ Tract	Survey	Size (acres)	Value (RND)
232064	The Lakes		21A&21B	USS 3494	4.60	\$34,510
232065	The Lakes		22A&22B	USS 3494	4.85	\$41,200
232089	The Lakes		9	USS 4587	4.88	\$38,100
232090	The Lakes		10	USS 4587	4.60	\$39,100
232091	The Lakes		11	USS 4587	3.94	\$33,500
232102	The Lakes		21	USS 4590	4.93	\$41,900
232114	The Lakes		7	USS 4594	4.71	\$40,000
232115	The Lakes		8	USS 4594	4.36	\$37,100
232116	The Lakes		9	USS 4594	4.43	\$37,700
232118	The Lakes		3	USS 5654	10.07	\$71,500

Memory Lane

ADL	Subdivision	Lot	Block/ Tract	Survey	Size (acres)	Value (RND)
233087	Memory Lane	2	2	2017-01	5.20	\$21,800

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 as¹:

"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) states²:

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 Value³

"The most probable price, as of a specified date, in cash, or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Effective Date of Value

The effective date for the 1000 Skies-Sunrise Subdivision parcels is August 24, 2022. The effective date of the Lakes Subdivision parcels is August 25, 2022. The effective date of the Memory Lane parcel is August 26, 2022.

Date of Report

February 7, 2023

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

² Alaska Statutes Title 38, Public Land Article 5, <http://www.legis.state.ak.us/basis/folio.asp>, Accessed 1/27/2023.

³ 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."⁴

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

There are no known sales or deed transfers of any of the subject parcels within the past three years.

Prior Appraisal History

I appraised ADL #232089, ADL #232090, and ADL#232091 on 02/04/2020. I have not previously appraised any of the other subject parcels in the preceding three years.

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

The 1000 Skies-Sunrise Subdivision parcels were inspected on the ground on August 24, 2022. The Lakes Subdivision parcels were inspected by boat on August 25, 2022. The Memory Lane parcel was inspected on August 26, 2022. 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.

⁴ 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.

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 10 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 Susitna Lake, and Lake Dinty.

Memory Lane

There is one parcel located in the Memory Lane Subdivision. The subdivision located approximately 2.8 miles east of the Richardson Highway, just south of the mile marker 186 of the Glenn Highway.

One Thousand Skies-Sunrise Subdivision

There are 25 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 Borough⁵

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

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

Islander; 6.5 percent of the local residents had multi-racial backgrounds. Additionally, 3.7 percent of the population was of Hispanic descent.

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.

Glennallen⁶

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

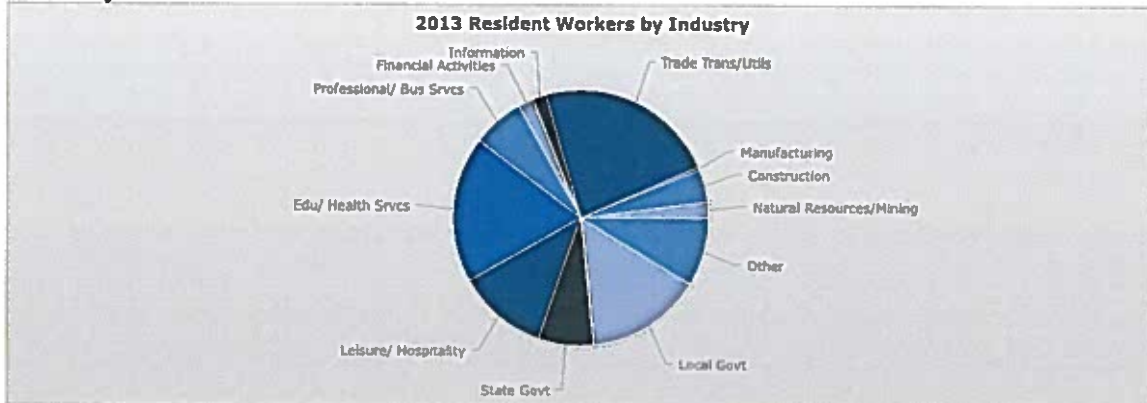
Location The community of Glennallen lies along the Glenn Highway at its junction with the Richardson Highway, 189 road miles east of Anchorage. It is located just outside the western boundary of Wrangell-St. Elias National Park.

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.

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

Economy



Lake Louise⁷

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.

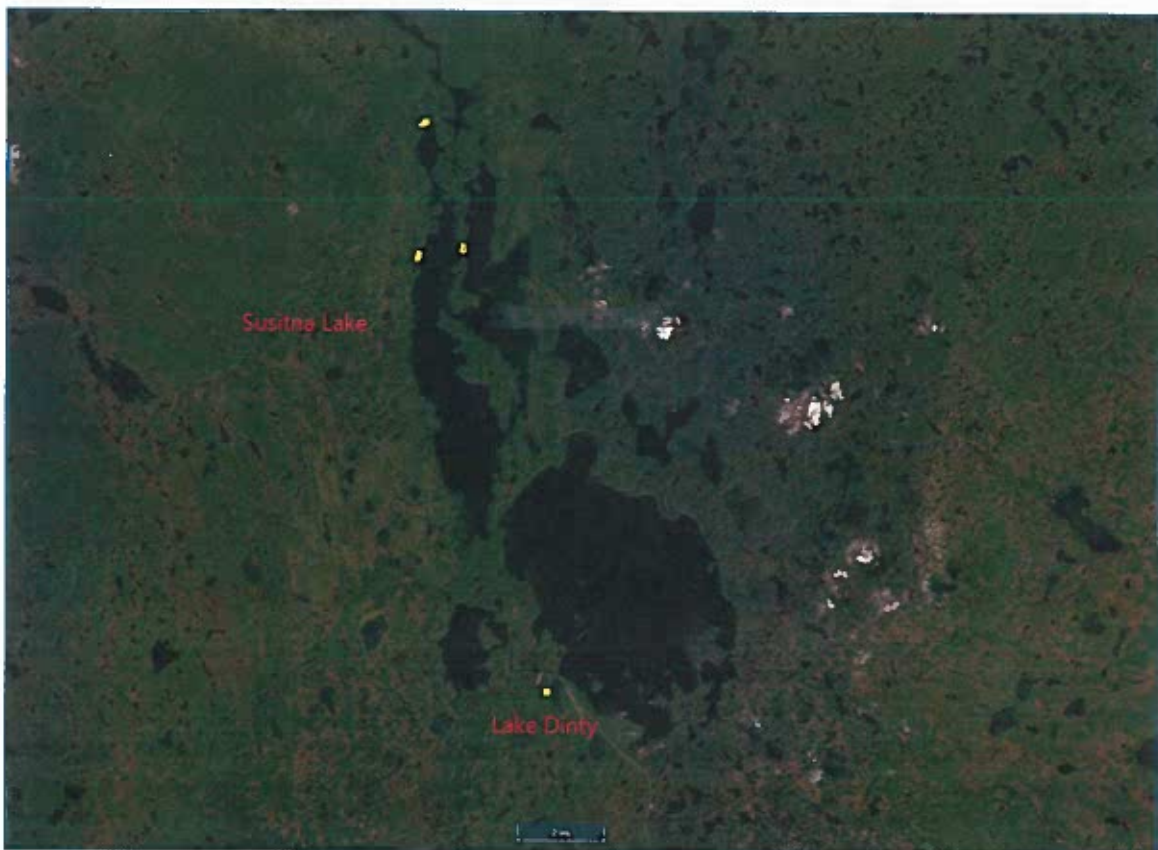
⁷ All information regarding market area and neighborhood information derived from <http://www.commerce.state.ak.us/dca/commdb/CIS.cfm>

Parcel Descriptions
General Property Descriptions for The Lakes Subdivision

ADL	Lot	Lot/ Tract	Survey	Size (acres)	MTRS
Lake Dinty Parcels					
232064		21A&21B	USS 3494	4.60	C006N007W18
232065		22A&22B	USS 3494	4.85	C006N007W18
Susitna Lake Parcels					
232089		9	USS 4587	4.88	C008N008W34
232090		10	USS 4587	4.60	C008N008W27
232091		11	USS 4587	3.94	C008N008W27
232102		21	USS 4590	4.93	C008N008W22
232114		7	USS 4594	4.71	C008N008W10
232115		8	USS 4594	4.36	C008N008W10
232116		9	USS 4594	4.43	C008N008W10
232118		3	USS 5654	10.07	C008N008W26

Location

The Lakes parcels are located between 37.0 to 45.0 miles northwest of Glennallen.



Access

All of The Lakes parcels are lakefront parcels. The Susitna Lake front parcels are accessible by float plane, or by boat via a boat launch at the south side of Lake Louise. Susitna Lake is adjoined to Lake Louise by a narrow and shallow channel. The Dinty Lake parcels accessible by float plane or by boat from the public boat launch. However, the channel between Lake Louise and Dinty Lake is very shallow and may not be passible at times. There is another boat launch directly into Lake Dinty. This boat launch has a very long shallow runout to deeper water. Additionally, the Lake Louise Trail bisects the western portion of the Dinty Lake parcels. This provides ATV/Snowmachine access.

Size & Shape

The subject parcels range from 3.94-acres to 10.07-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 Dinty and Susitna Lake parcels contain primarily mature spruce trees with some areas of wetlands. 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

The subject parcels are subject to a 50' public access easement and 100' building setback upland from the ordinary high-water line. In addition, the Dinty Lake parcel ADL #232064 and ADL #232065 are bisected by a 100' wide RST 1522 trail easement. ADL #232064 is also encumbered by a 30' utility easement along the south property line, and a 50' public access easement along the east property line. The remaining parcels are subject to 15' utility easements along the back property lines, and some shared lot lines.

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 2022, parcels within Tax Zone 21 were assessed at 9.293 mils.

Ownership History

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

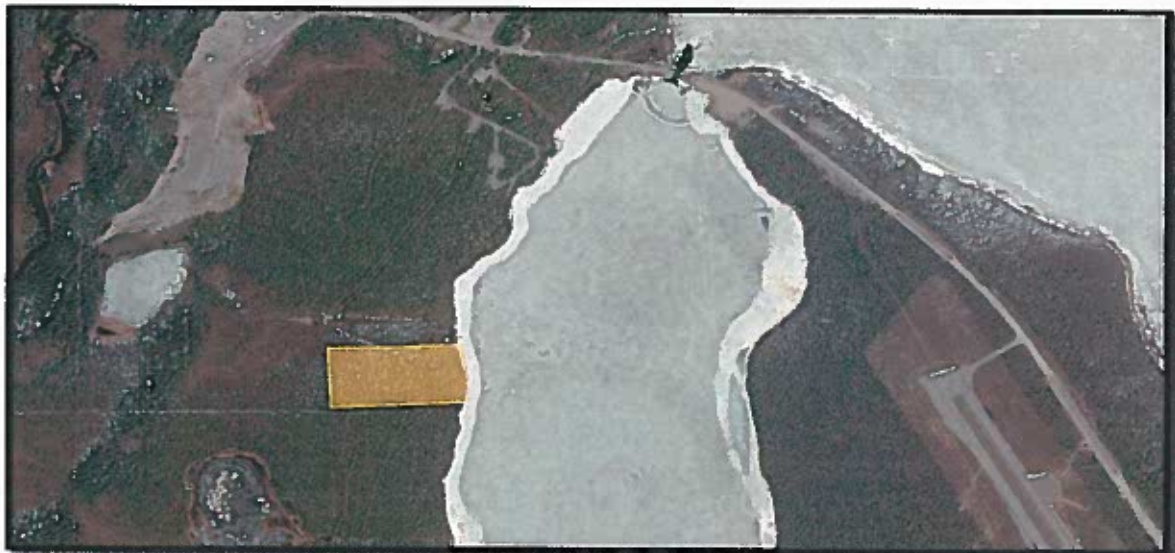
Personal Property

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

The Lakes
ADL #232064



The red arrow is the approximate location of the parcel.



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

ADL #232065



The red arrow is the approximate location of the parcel.



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



The red arrow is the approximate location of the parcel.



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

ADL #232090

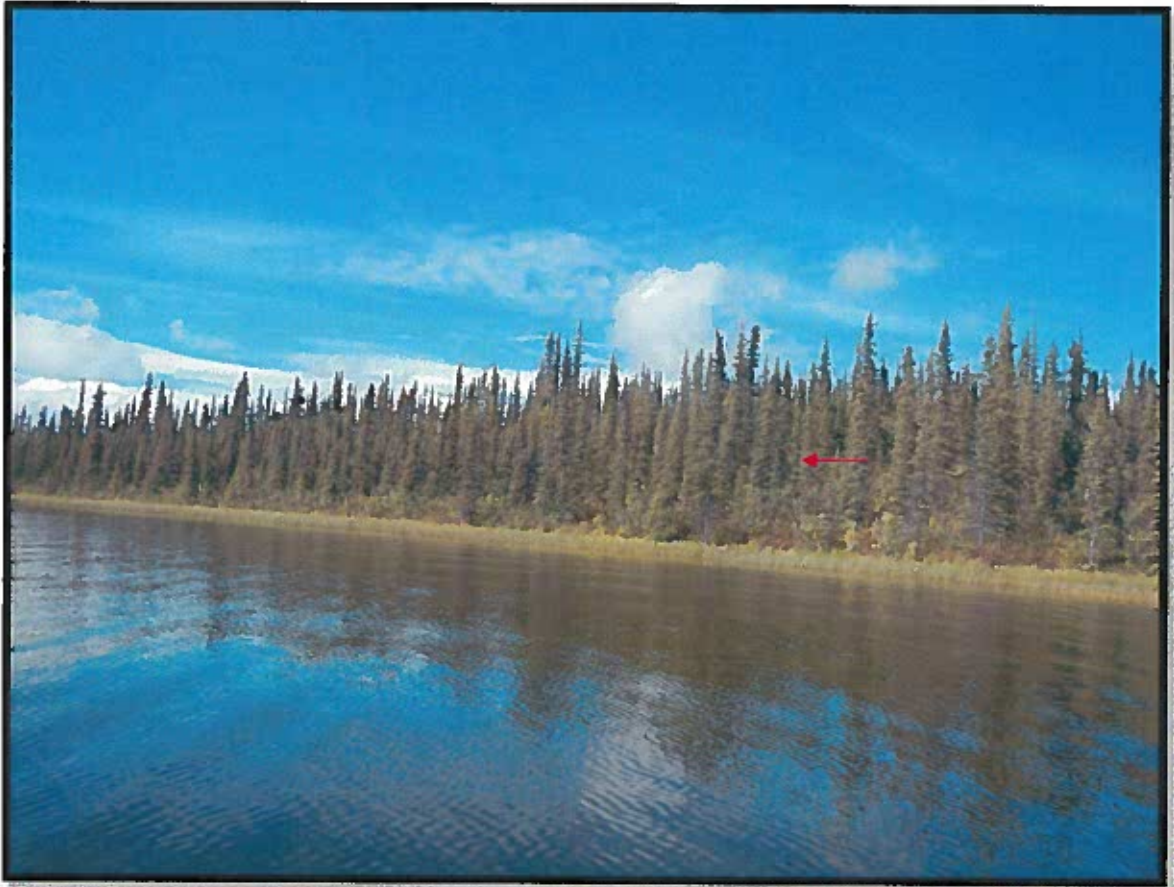


The red arrow is the approximate location of the parcel.



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

ADL #232091



The red arrow is the approximate location of the parcel.

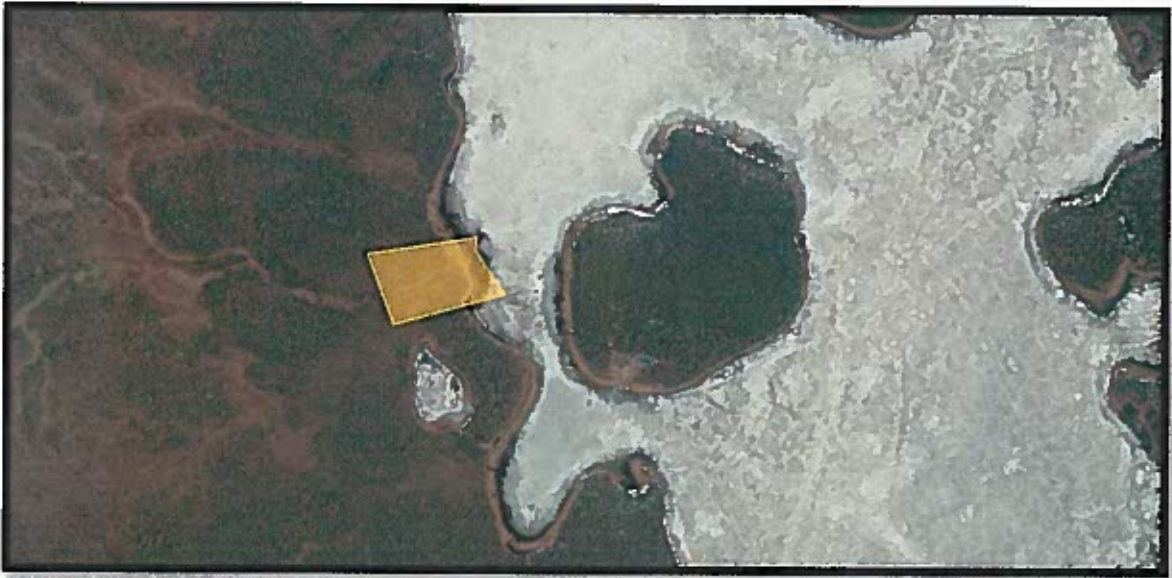


Satellite Image. The yellow outline is the *approximate* location of parcel. Imagery is shifted to the right. This outline is *not* to be relied upon to locate parcel boundaries.

ADL #232102



Looking east from Susitna Lake. The red arrow is the approximate location of the parcel.



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

ADL #232114



The red arrow is the approximate location of the parcel.



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

ADL #232115



The red arrow is the approximate location of the parcel.



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

ADL #232116



The red arrow is the approximate location of the parcel.



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

ADL #232118



Looking east from Susitna Lake. The red arrow is the approximate location of the parcel.



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

Thousand Skies-Sunrise Subdivision Parcels

ADL	Subdivision	Lot	Block/ Tract	Survey	Size (acres)
233661	One Thousand Skies-Sunrise	2	1	2018-11	9.68
233662	One Thousand Skies-Sunrise	3	1	2018-11	9.95
233663	One Thousand Skies-Sunrise	4	1	2018-11	9.67
233665	One Thousand Skies-Sunrise	6	1	2018-11	9.91
233667	One Thousand Skies-Sunrise	8	1	2018-11	9.65
233669	One Thousand Skies-Sunrise	2	2	2018-11	10.07
233671	One Thousand Skies-Sunrise	4	2	2018-11	10.09
233672	One Thousand Skies-Sunrise	5	2	2018-11	10.11
233673	One Thousand Skies-Sunrise	6	2	2018-11	10.14
233674	One Thousand Skies-Sunrise	7	2	2018-11	9.70
233675	One Thousand Skies-Sunrise	8	2	2018-11	10.01
233676	One Thousand Skies-Sunrise	9	2	2018-11	10.00
233677	One Thousand Skies-Sunrise	10	2	2018-11	10.01
233678	One Thousand Skies-Sunrise	1	3	2018-11	10.12
233679	One Thousand Skies-Sunrise	2	3	2018-11	10.00
233681	One Thousand Skies-Sunrise	4	3	2018-11	10.02
233682	One Thousand Skies-Sunrise	5	3	2018-11	9.86
233683	One Thousand Skies-Sunrise	6	3	2018-11	9.80
233684	One Thousand Skies-Sunrise	7	3	2018-11	10.02
233685	One Thousand Skies-Sunrise	8	3	2018-11	9.83
233686	One Thousand Skies-Sunrise	9	3	2018-11	9.46
233687	One Thousand Skies-Sunrise	10	3	2018-11	9.21
233688	One Thousand Skies-Sunrise	1	4	2018-11	9.81
233691	One Thousand Skies-Sunrise	4	4	2018-11	10.00
233692	One Thousand Skies-Sunrise	5	4	2018-11	9.54

Location

The Thousand Skies-Sunrise Subdivision parcels are located approximately 48.0 miles west of Glennallen, and 22 miles west 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 5 of Block 4 has 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 is likely too shallow. As such, this analysis will assume that floatplane access is not a viable option.

Size & Shape

The subject parcels range from 9.21-acres to 10.14-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, and as mentioned above, some of the lots have lake frontage. 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 2022 was assessed at 9.293 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 2/Block 1



Lot 3/Block 1



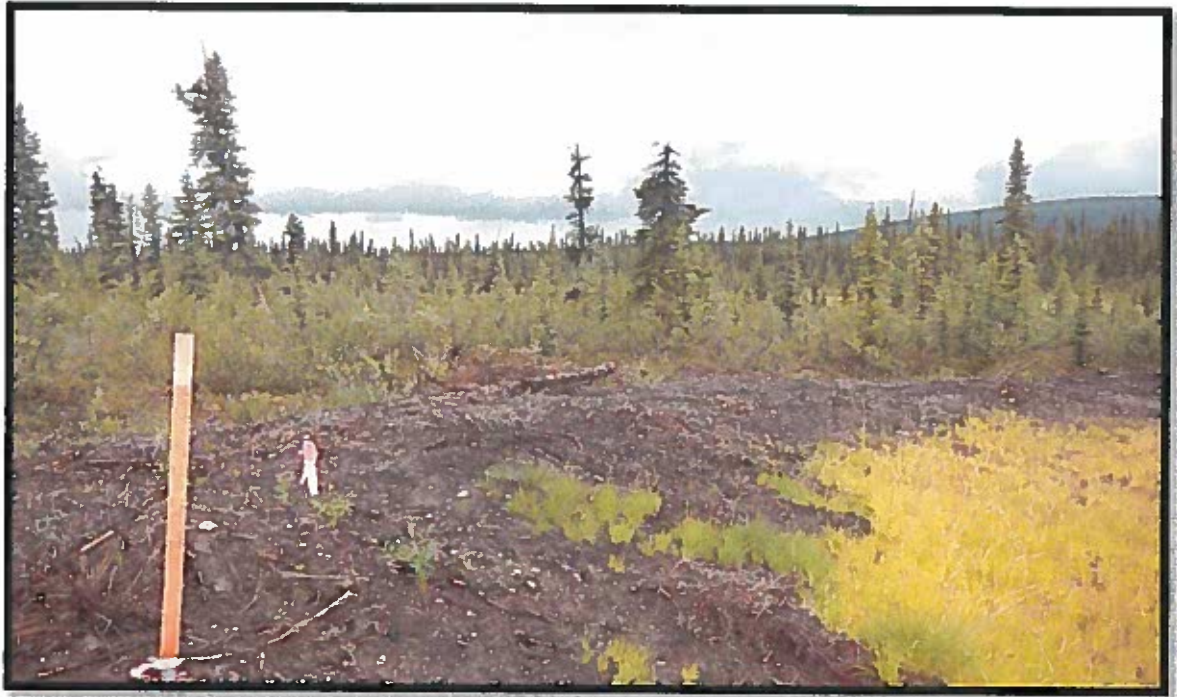
Lot 4/Block 1



Lot 6/Block 1



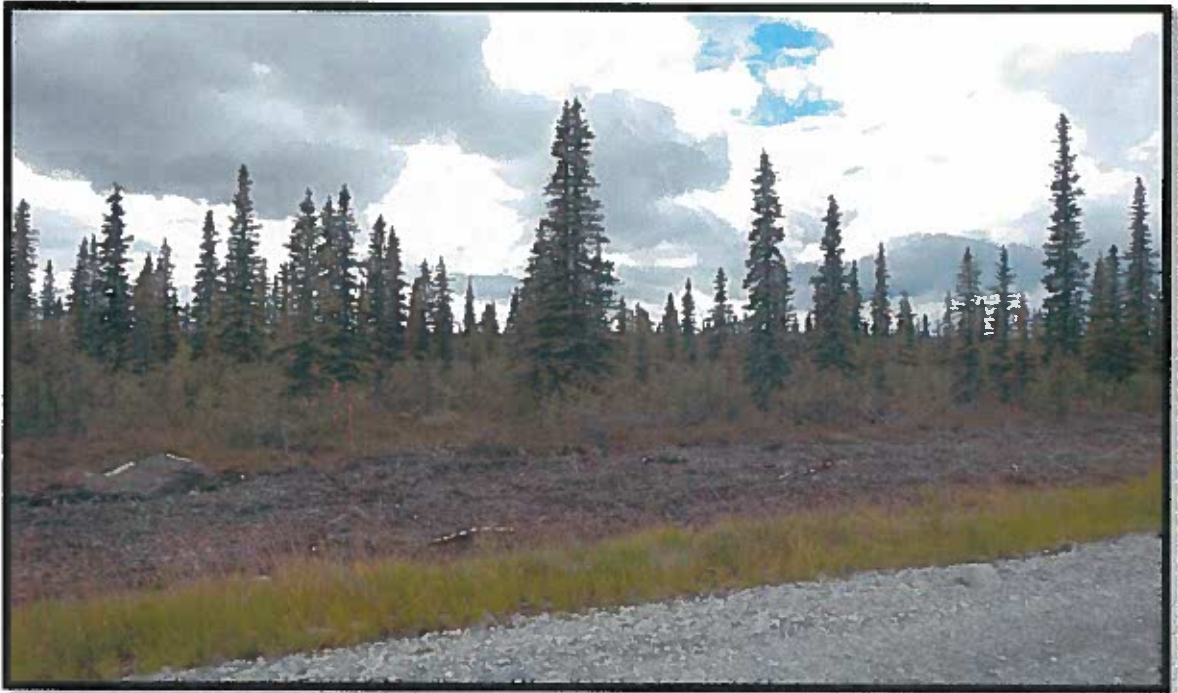
Lot 8/Block 1



Lot 2 /Block 2



Lot 4 /Block 2



Lot 5/Block 2



Lot 6 /Block 2



Lot 7/Block 2



Lot 8 /Block 2



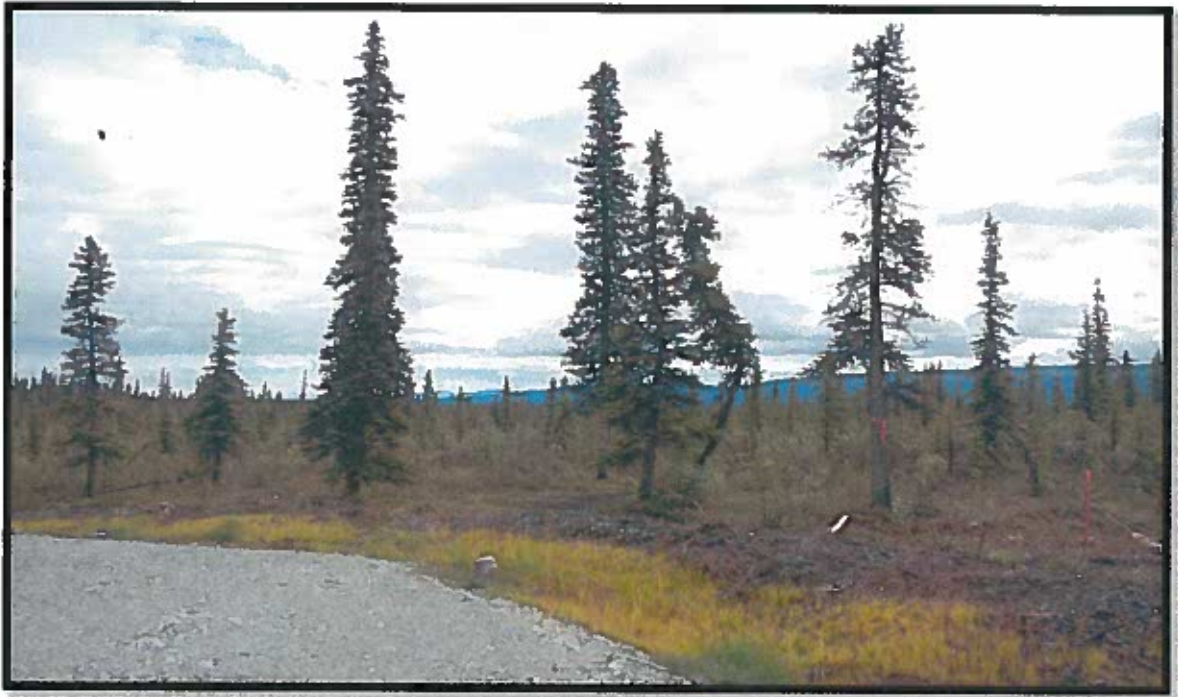
Lot 9/Block 2



Lot 10 /Block 2



Lot 1/Block 3



Lot 2 /Block 3



Lot 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 4 /Block 4



Lot 5/Block 4



Memory Lane Subdivision Parcels

ADL	Lot	Block	ASLS	Site Size	MTRS
233087	2	2	2018-1	5.20	C004N002W22

Location

The Memory Lane parcel is located approximately 2.8 miles west of the Richardson Highway, just south of the Glenn Highway, within the community of Glennallen, Alaska.

Access

The subject parcel is located on the south side of the Glenn Highway and is accessed via Memory Lane.

Size & Shape

The subject parcel is 5.20 acres in size and is irregular in shape.

Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The entire subdivision lies approximately 1,400 feet above sea level.

Soils/Vegetation

The subdivision contains primarily mature aspen, spruce, birch, and willow mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with the larger portions of wetlands identified as tracts within the subdivision.

Utilities, Water & Sewer

Electrical service is adjacent to the subdivision on both sides of the Glenn Highway, and along the west side of Memory Lane. Electrical service is at the 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

The subject parcel has a 20' utility easements along the front property line along Memory Lane, and a 50' section line easement along the south property line. The subject parcel is 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

None.

Ownership History

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

Memory Lane Photos



Lot 2/Block 2, Front Photo



Lot 2/Block 2, on left Looking north.

Data Analysis and Value Conclusions

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."⁸

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 Subject Parcels are 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 Subject Parcels are adequate to support all reasonable and probable uses.

Financially Feasible

The Lakes Key Parcel lacks developed access or utilities. As a result, development as a residential home site is not financially feasible. The 1000 Skies-Sunrise and the Memory Lane subdivision parcels have developed road access, therefore residential use is feasible. However, recreational use is most prominent use in the 1000 Skies-Sunrise subdivision area.

Maximally Productive

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. The immediate vicinity of the Lakes and the 1000 Skies-Sunrise parcels is characterized predominantly by private recreational activities, with single family use also a factor for 1000 skies-sunrise subdivision. The Memory Lane parcel and the surrounding area is for predominately used for single family residential use.

Highest and Best Use of Land as Vacant

Based on the foregoing analysis, the highest and best use for The Lakes parcel is for recreational use. The highest and best use for the 1000 Skies-Sunrise parcels is for residential or recreational use. The highest and best use for the Memory Lane parcel is for residential use.

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.

⁸ The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, 2013, p.333

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 The Lakes and the 1000-Skies-Sunrise subject parcels.

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 in 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 match the quality of the key parcel's feature, thus indicating 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 match, thus indicating the value of the key parcel. An adjustment of 1.00 (or =) means the sale feature is similar to the key parcel, and no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel.

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 the remaining appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment. Detailed information about the comparable sales and the adjustments is contained in this report and addenda.

Unit of Comparison

Generally, the buyers and sellers in the marketplace determine the unit of comparison, e.g., price per acre, square foot, site, front foot, etc. The subject parcels will be valued on a per acre basis.

Rights Conveyed

Fee simple less mineral rights as per Alaska Statue 38.05.125(a). Retention and exclusion of the mineral estate does not tend to affect property values, because most buyers are interested in the surface estate.

Financing Terms

In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. Sales used in this analysis do not offer quantifiable differences in price as a result of terms. In general, a cash transaction would tend to be at the lower end of the price range with listings or sales with favorable financing usually setting the upper limit.

Conditions of Sale

Unless otherwise noted, the market transactions used in this appraisal do not reflect any unusual seller-buyer motivations that affected value.

Market Conditions (Time)

Analysis of real estate sales in the subject area indicates that prices of vacant land have been stable in recent years. Comparable sales used in this valuation are the most recent transactions available and do not need to be adjusted for time.

Location

Each the subject parcel and their associated comparable sales are located in the same market area. No location adjustment is necessary.

Size & Topography

Some of the parcels within this appraisal required site size adjustments. The DNR site size adjustment method was utilized to calculate site size adjustments for The Lakes parcels and 1000 Skies-Sunrise parcels. An explanation of this method is located in the addendum. Size differences in the Memory Lane analysis were adjusted for qualitatively. There are no major topographical deficiencies which would require an adjustment.

Access

The subject parcels and comparable sales have similar access and no adjustments for access were required.

Site Quality

Describes the physical attributes of the parcel. All of the comparable sales have similar physical characteristics as the subject parcel. No site quality adjustments were warranted.

Utilities

The Lakes Key Parcel and all comparable sales lack utilities, no adjustment is necessary. The 1000 Skies Key Parcel does not have utilities. One of the comparable sales does, but no adjustment was warranted. The Memory Lane parcel and all of the comparables have electrical service, not adjustment was warranted.

Amenities

Exceptional features of a given parcel may increase value. Features such as type of water frontage, proximity to bodies of water, exceptional views are examples of amenities that may warrant adjustments. Some of the 1000 Skies-Sunrise parcels had pond front that warranted a nominal upward adjustment of 10%.

Due to the confidentiality of sales information, the valuation section of the report is not available online. The entire report can be obtained by submitting a request to the Land Conveyance Section at (907)269-8594, or by e-mail: landsales@alaska.gov.