

**MARKET VALUE APPRAISAL
of**

Twenty-Five (25) parcels within

**Cannon RRCS – ASLS 2007-6
Chitanana Lake – ASLS 2019-20
Dugan Hills RRCS – ASLS 2005-26
Mucha Lake II RRCS – ASLS 2003-41
West Twin Lake – ASLS 81-219
Wien Lake West – ASLS 2013-30**



Chitanana Lake

APPRAISAL REPORT No. 4633-0

**STATE OF ALASKA
Department of Natural Resources
Division of Mining, Land & Water
550 West Seventh Avenue Suite 650
Anchorage, AK 99501-3576**

**A. SUMMARY OF APPRAISAL NO. 4633-0**

1. ADL NO(S): See table below
2. SIZE: See table below
3. APPLICANT: N/A
4. LOCATION: Subdivided lots west and southwest of Fairbanks, AK
5. LEGAL DESCRIPTION(S): See table below
6. INTEREST APPRAISED: Fee Simple Title less Mineral Rights
7. PURPOSE OF THE APPRAISAL: Estimate Market Value
8. APPRAISED BY: Johnthomas Williamson
9. DATE of REPORT: January 24, 2024
10. DATE of VALUE(S): October 2, 2023
11. APPRAISED VALUE(S):

ADL	Subdivision	Lot / Tr.	Blk	ASLS	Acres	Date of Value	Value (Rnd)
418004	Cannon RRCS	M	-	2007-6	19.28	10/2/23	\$28,800
TBA	Chitanana Lake	1	-	2019-20	7.35	10/2/23	\$16,900
TBA	Chitanana Lake	2	-	2019-20	8.89	10/2/23	\$20,400
TBA	Chitanana Lake	3	-	2019-20	11.24	10/2/23	\$22,200
TBA	Chitanana Lake	4	-	2019-20	12.16	10/2/23	\$23,500
TBA	Chitanana Lake	5	-	2019-20	12.5	10/2/23	\$23,600
TBA	Chitanana Lake	6	-	2019-20	10.73	10/2/23	\$21,500
TBA	Chitanana Lake	7	-	2019-20	5.75	10/2/23	\$15,100
TBA	Chitanana Lake	8	-	2019-20	5.98	10/2/23	\$15,400
TBA	Chitanana Lake	9	-	2019-20	6.08	10/2/23	\$15,700
TBA	Chitanana Lake	10	-	2019-20	7.02	10/2/23	\$16,100
TBA	Chitanana Lake	11	-	2019-20	6.62	10/2/23	\$16,400
TBA	Chitanana Lake	12	-	2019-20	8.04	10/2/23	\$18,500
TBA	Chitanana Lake	13	-	2019-20	8.11	10/2/23	\$18,700
TBA	Chitanana Lake	14	-	2019-20	8.46	10/2/23	\$19,500
TBA	Chitanana Lake	15	-	2019-20	8.17	10/2/23	\$18,800
TBA	Chitanana Lake	16	-	2019-20	8.94	10/2/23	\$20,600
417621	Dugan Hills RRCS	I	-	2005-26	18.86	10/2/23	\$33,900
417650	Mucha Lake II RRCS	A	-	2003-41	13.25	10/2/23	\$21,000
417658	Mucha Lake II RRCS	H	-	2003-41	6.49	10/2/23	\$13,900
417660	Mucha Lake II RRCS	J	-	2003-41	5.35	10/2/23	\$12,200
417664	Mucha Lake II RRCS	N	-	2003-41	8.49	10/2/23	\$18,400
420628	West Twin Lake	1	1	81-219	4.008	10/2/23	\$14,400
420631	West Twin Lake	4	1	81-219	3.124	10/2/23	\$14,400
418478	Wien Lake RRCS	F	-	2009-7	18.81	10/2/23	\$32,400

**B. SUMMARY OF REVIEW**

1. DATE of REVIEW: February 16, 2024
2. REVIEWER'S CLIENT: ☒ DNR ☐ Other: _____
3. INTENDED USERS of the REVIEW: ☒ DNR ☒ General Public ☐ Other: _____
4. INTENDED USE of the REVIEW: Establish minimum bid price for sealed bid auction
5. PURPOSE of REVIEW: ☒ Evaluate for Technical Compliance with DNR Instructions & USPAP
☐ Evaluate for Technical Compliance with UASFLA ☐ Develop Independent Estimate of Value
 Other: _____
6. SCOPE OF REVIEW: I Inspected the Subject on _____ I Did Not Inspect the Subject ☒
 I Inspected the Comparable Sales on _____ I Did Not Inspect the Comparable Sales ☒
 I Independently Verified the Comparable Sales in the Report ☐ Yes ☒ No
 Data and Information Considered in Addition to that Contained in the Report: ☒ None ☐ See Sections C thru F
 Extraordinary Assumptions, Hypothetical Conditions, & Other Limiting Conditions for this review:
☒ None ☐ See Section G Related appraisals reviewed: _____
 Proofread DNR data entry: ☐ Yes ☒ No
7. RESULTS OF REVIEW: ☐ Not Approved ☒ Approved Approved Value: As noted in previous table

C. COMPLETENESS OF APPRAISAL MATERIAL WITHIN SCOPE OF WORK APPLICABLE TO THE ASSIGNMENT/CONFORMANCE with APPRAISAL INSTRUCTIONS: Adequate**D. ADEQUACY and RELEVANCE of APPRAISAL DATA and PROPRIETY OF ADJUSTMENTS: Adequate****E. APPROPRIATENESS OF APPRAISAL METHODS and TECHNIQUES: Adequate****F. ANALYSES, OPINIONS, and CONCLUSIONS ARE APPROPRIATE and REASONABLE, except:****G. REVIEWER'S ASSUMPTIONS AND LIMITING CONDITIONS**

1. This review is based on data and information contained in the appraisal report as well as any additional data from other sources that is identified in this review.
2. The reviewer assumes that the data and information in the appraisal are factual and accurate.
3. The reviewer reserves the right to consider any additional data or information that may subsequently become available, and to revise an opinion or conclusion, if such data and information warrant a revision.
4. All assumptions and limiting conditions contained in the appraisal report are part of this review unless otherwise stated.
5. A title report has not been provided to the appraiser and the reviewer. Unless specifically noted in the report or this review, it is assumed that the only easements and restrictions that affect the property are those shown on the plat.
6. The value of commercial timber, if any, is specifically excluded from the final conclusion of value.



REVIEW APPRAISER'S CERTIFICATION APPRAISAL NO. 4633-0

I certify that, to the best of my knowledge and belief:

- The facts and data reported by the reviewer and used in the review process are true and correct.
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this review.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I did ☐ did not ☒ personally inspect the subject property of the report under review.
- No one provided significant professional assistance to the person signing this review report.
- I reviewed and approved an appraisal for ADSL 420628 and 420631 within the past three years

Reviewed by Kevin Hindmarch
Kevin Hindmarch, Review Appraiser

Date 2/16/24

cc: Justin Wholey

MEMORANDUM

State of Alaska

Department of Natural Resources

Tel (907) 269-8539

Fax (907) 269-8914

Division of Mining, Land & Water

550 West 7th Avenue, Suite 650

Anchorage AK 99501-3576

DATE: January 4, 2024

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson
Appraiser

SUBJECT: Twenty-five remote parcels within Cannon RRCS, Chitanana Lake, Dugan Hills RRCS, Mucha Lake II RRCS, Deadman Lake, Kindamina Lake, West twin Lake, and Wien Lake RRCS Subdivisions.

As requested, I have completed an appraisal of the above referenced parcels and understand that this appraisal will be used to determine a minimum purchase price for a sealed bid auction. I am submitting this report for your review and approval.

The appraisal was completed in accordance with the "Uniform Standards of Professional Appraisal Practice" of the Appraisal Foundation and in accordance with the Special Appraisal Instructions, DNR. This appraisal report is based on the General Assumptions and Limiting Conditions stated in the report, as well as the facts, analyses, and reasoning leading to the opinions of value.

I have inspected the subject parcels and comparable sales used in this report. Physical descriptions of the subject parcels were based on inspections, aerial photography, topographic maps, peer appraisal reports, interviews with realtors and various individuals familiar with the area. Based on these observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

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APPRAISAL SUMMARY

Legal Description and Location

Subdivision Names	Location	Survey
Cannon RRCS	45 miles southwest of Nenana	ASLS 2007-6
Chitanana Lake	120 miles west of Fairbanks	ASLS 2019-20
Dugan Hills RRCS	70 miles west of Fairbanks	ASLS 2005-26
Mucha Lake II RRCS	100 miles southwest of Fairbanks	ASLS 2003-41
West Twin Lake	95 miles southwest of Fairbanks	ASLS 81-219
Wien Lake West	110 miles southwest of Fairbanks	ASLS 2013-30

SUMMARY OF VALUES

ADL	Subdivision	Lot / Tr.	Blk	ASLS	Acres	Date of Value	Value (Rnd)
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PREMISES OF THE APPRAISAL

Type of Appraisal and Report

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

Purpose of Appraisal

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

Intended Use of Appraisal

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

User and Client Identity

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

Property Rights Appraised

Rights appraised are fee simple estate less mineral rights reserved to the State of Alaska under **AS 38.05.125(a)**.

Fee simple estate is defined as:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”¹

AS 38.05.125(a) states:

Reservation. (a) Each contract for the sale, lease or grant of state land...is subject to the following reservations: “[sic] the party of the first part, Alaska, hereby expressly saves, excepts and reserves... unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and with may be in or upon said land...[and the right] to occupy as much of said land as may be necessary or convenient... to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.”²

Definition of Market Value

“The most probable price, as of a specified date, in cash, or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”³

Effective Date of Value Estimate

The effective date of value is October 2, 2023.

Date of Report

The date of the report is January 4, 2024.

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

² Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2020, www.legis.state.ak.us/basis/folio.asp

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

Exposure Time

Exposure time is defined as the "...estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."⁴

Exposure time can vary depending on the type of property being appraised and constantly changing market conditions. Supply and demand of similar properties to the subject is an important factor for determining exposure time. Currently, there are a number of parcels available throughout the area offered through various government and private programs. Considering the availability of parcels on the market, an exposure time of over one year is reasonable.

Property History

Chitanana Lake Subdivision is a new subdivision and has not been previously sold. The remaining parcels have been previously offered to the public through the DNR Subdivision Auction. Individual subjects have either sold through the auction, through the over-the-counter offering, or have not sold. For parcels that have been previously sold, the land sale contract has been either terminated or relinquished. DNR is the owner of record for all subjects. See the individual Property Description sections of the report for detailed information.

Scope of the Appraisal**Property and Comparable Sales Inspection**

I inspected the subject properties and select comparable sales on October 2, 2023. I have inspected the remaining comparable sales on previous, recent appraisal assignments. Physical features and access were identified by use of site inspections, topographic maps, status plats, aerial photographs, DNR appraisal records, and interviews with people who are familiar with the area.

Research and Analysis

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

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

⁴ Uniform Standards of Professional Appraisal Practice 2024, Appraisal Foundation, p.U-2

Assumptions and Limiting Conditions

1. The property is appraised as vacant land without structural or site improvements.
2. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader visualize the properties.
3. Information furnished by others and included in the report is believed to be reliable but the appraiser does not warrant the accuracy of such information.
4. Unless otherwise noted in the report, the appraiser did not find any evidence that hazardous materials exist on these properties. The estimate of value is based on the assumption that there are no such materials on the property. The appraiser is not qualified to detect these substances. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge that is required to discover these substances.
5. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony, or be in attendance in court with reference to the property in question unless arrangements have been made in advance.
6. The data and conclusions in this report are a part of the whole valuation. Each part of this report is only part of the evidence upon which the final judgment is based. Therefore, no part should be used out of context and by itself alone.
7. It is assumed that there are no hidden or apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for any such conditions, or for arranging engineering studies to discover them.
8. The estimate of value in this report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
9. Some parcels may contain saw timber, but not necessarily in commercial quantities. The estimated market value does not include the value of commercial timber, if any.
10. Unless noted, the existence of personal property or improvements, if any, could not be confirmed. The properties are appraised "as vacant".
11. In this valuation, various mathematical calculations were used to formulate the opinion of value. These calculations are only aids for the formulation of the opinion of value by the appraiser. Therefore, in the application of these calculations, certain arithmetical figures are rounded to the nearest significant amount.
12. The appraiser assumes no responsibility for legal matters. The subject lots are assumed to be free and clear of encumbrances, except as otherwise noted, and title is assumed to be marketable.

PRESENTATION OF DATA

Market Area – Interior

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

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

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

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

Manley Hot Springs⁵

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

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

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

Property Description – Cannon RRCS

ADL	Subdivision	MTRS	Tr	ASLS	Acres	Plat	Recording District
418004	Cannon RRCS	Sec. 27 T6S R15W FM.	M	2007-6	19.28	2009-124	Fairbanks

Location

Cannon RRCS is located on the Kantishna River approximately 85-miles southwest of Fairbanks, 45-miles south of Manley Hot Springs within Section 28, Township 6 South, Range 15 West, Fairbanks Meridian.

Topography, Soils, Size & Shape

ADL 418004 is 19.28-acres and irregular in shape. The parcel is along the left bank of the Kantishna River, downstream of Ketzler Slough with a slope to the south. The site contains primarily mature spruce mixed with some poplar. Soils within this area have adequate drainage. Local elevation is approximately 500 feet above sea level.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision. There is a 50' public access easement and 100' building setback along the river. The parcel is within the Denali Borough and zoned as Unrestricted.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

The parcel was surveyed within the Cannon RRCS Staking Area as an administrative parcel and has been previously offered through the DNR Subdivision Auction. Most recently, the parcel sold in 2011 and the applicant entered into a land sale contract, see Document 2011-013795-0. The contract was subsequently terminated in 2022 due to non-payment, see Document 2022-013405-0. The parcel returned to the State, and DNR is the owner of record.

Access

Access to the parcel is along the Kantishna River by either boat or floatplane. Alternate access may be possible by snowmachine along an old sled road from Nenana, approximately 80-miles away, then along the river corridor.

Tax Assessments & Personal Property

ADL 418004 is located within the Denali Borough. The Borough is not currently assessing residential parcels. There is no personal property located on the parcel.

Utilities, Water & Sewer

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

ADL 418004 – Tract M of ASLS 2007-6 Cannon RRCS



ADL 418004 from Alaska Mapper



ADL 418004 topo



ADL 418004



ADL 418004

Property Description – Chitanana Lake

ADL	Subdivision	MTRS	Lot	ASLS	Acres	Plat	Recording District
TBA	Chitanana Lake	Sec. 10 T1N R21W FM.	1	2019-20	7.35	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 10 T1N R21W FM.	2	2019-20	8.89	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	3	2019-20	11.24	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	4	2019-20	12.16	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	5	2019-20	12.5	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	6	2019-20	10.73	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	7	2019-20	5.75	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	8	2019-20	5.98	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	9	2019-20	6.08	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	10	2019-20	7.02	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	11	2019-20	6.62	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	12	2019-20	8.04	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	13	2019-20	8.11	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	14	2019-20	8.46	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	15	2019-20	8.17	2022-2	Manley Hot Springs
TBA	Chitanana Lake	Sec. 11 T1N R21W FM.	16	2019-20	8.94	2022-2	Manley Hot Springs

Location

Chitanana Lake Subdivision is located approximately twenty miles southeast of the village of Tanana, and thirty-five miles west of Manley Hot Springs. The subdivision is located on the northern and eastern shoreline of the lake and within Sections 10 & 11 of Township 1 North, Range 21 West, Fairbanks Meridian.

Access

Primary access to the parcel is by float or ski plane, then accessed directly from the lake. It may be possible to access the area via snowmachine during the winter. However, summer access via ATV is not feasible.

Topography, Soils, Size & Shape

The parcels are level to moderately sloping, range from 5.75-acres to 12.16-acres, and irregular in shape. All of the parcels contain primarily mature spruce and birch mix with some poplar. Vegetation is indicative of adequate drainage. In the summer of 2018, a large forest fire burned the area of Chitanana Lake Subdivision, including the subjects. The parcels are in the process of recovery.

Easements & Zoning Regulations

There are typical access and utility easements throughout the subdivision. The subjects are within the Unorganized Borough and not subject to zoning.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

The Department of Natural Resources surveyed the subdivision in 2022. None of the parcels have been previously offered. DNR is the current owner of record.

Tax Assessments, Personal Property

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

Utilities Water & Sewer

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

Chitanana Lake Subdivision



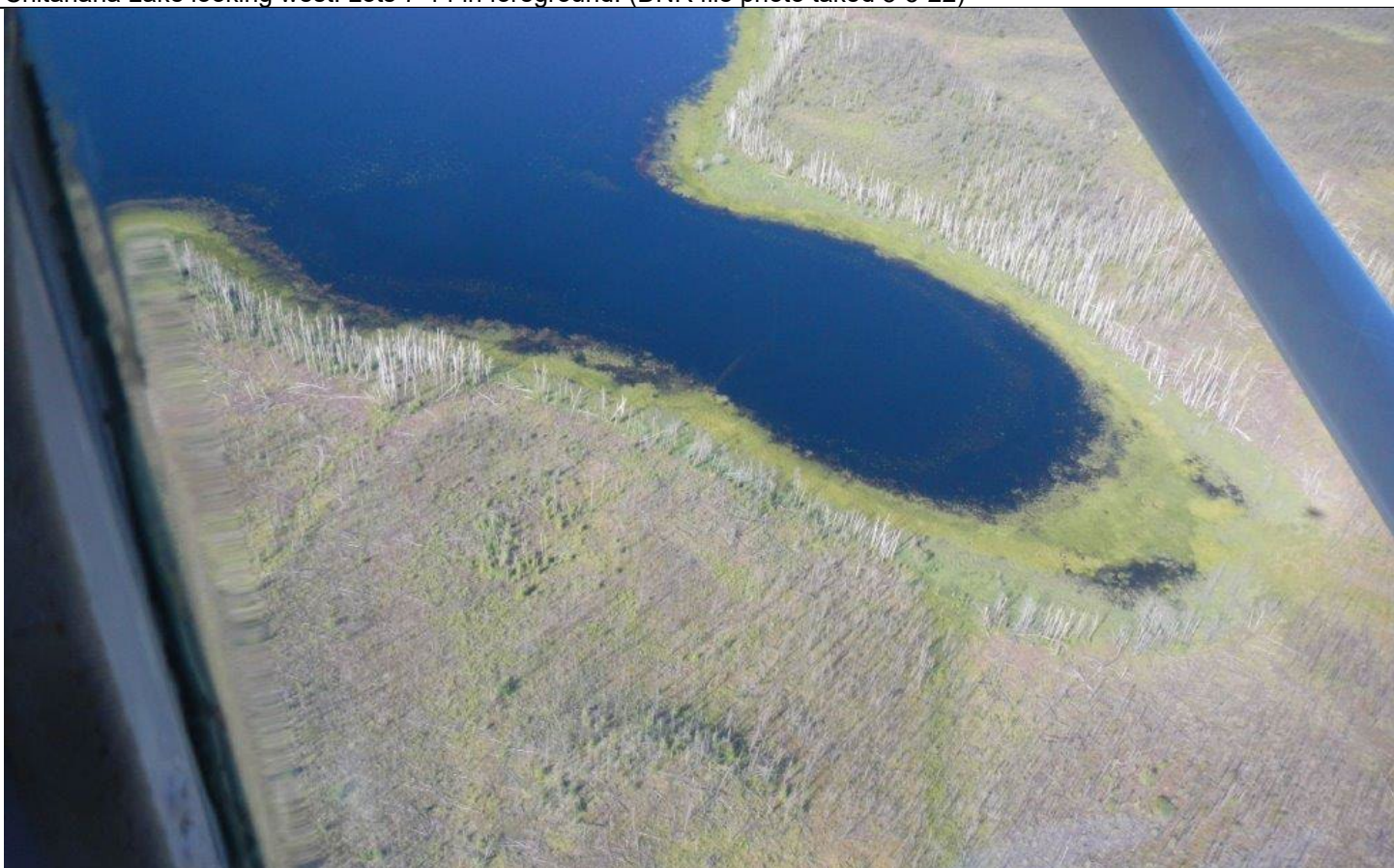
Chitanana Lake from Alaska Mapper



Chitanana Lake topo



Chitanana Lake looking west. Lots 7-14 in foreground. (DNR file photo taken 8-5-22)



Northeast corner of Chitanana Lake. Lots 7-9 in foreground. Lots 5-6 in background (DNR file photo taken 8-5-22)



Chitanana Lake. Lots 1-6 in background. Lots 7-11 in foreground. (DNR file photo taken 8-5-22)



Typical monumentation. Corner of Lots 12 & 13. (DNR file photo taken 8-5-22)



Chitanana Lake Lot 12. (DNR file photo taked 8-5-22)



Chitanana Lake Lot 13. (DNR file photo taked 8-5-22)



Chitanana Lake Lot 12 view. (DNR file photo taked 8-5-22)



Chitanana Lake Lot 13. (DNR file photo taked 8-5-22)



Chitanana Lake Lot 14. (DNR file photo taked 8-5-22)



Section Corner. (DNR file photo taked 8-5-22)



Section corner at Lots 15 and 16, along the back lot line. (DNR file photo taked 8-5-22)



Corner Lot 14 and Lot 15 near lakefront. (DNR file photo taked 8-5-22)

Property Description – Dugan Hills RRCS

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Recording District	Recording District
417621	Dugan Hills RRCS	Sec. 15 T1S R13W FM.	I	2005-26	18.86	Manley Plat 2008-1	Fairbanks Plat 2008-33

Location

Dugan Hills RRCS is approximately 70 miles west of Fairbanks, on the Tanana River, southeast of Manley Hot Springs. The subdivision is located within Township 1 South, Range 13 West, Fairbanks Meridian. The subject is within Section 15.

Access

Access to the subject is from the Tanana River via floatplane, boat or snowmachine. Additionally, there is a sled road to the east that serves as alternative access to the general area.

Topography & Shape

The subject is rectangular in shape. The topography is level, and the subdivision is approximately 300-feet above sea level.

Soils & Vegetation

Dugan Hills RRCS contains primarily mature spruce with a mix of some deciduous trees. Vegetation in the subdivision is indicative of adequately drained soils. There is a portion of wet soils in the center of the parcel. However, this section does not substantially affect the potential building sites closer to the river.

Easements & Zoning Regulations & Tax Assessments

There are typical access easements throughout the subdivision. All parcels are within the Unorganized Borough and are not subject to zoning regulations or taxation. The plat for Dugan Hills RRCS was simultaneously recorded in both the Manley Recording District and the Fairbanks Recording District.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

The subject has been previously sold through the DNR OTC offering, and the applicant entered into a land sale contract, see Document 2012-000063-0 Manley and Document 2012-007640-0 Fairbanks. The contract was subsequently terminated due to non-payment, see Document 2022-000082-0 Manley and Document 2022-013416-0 Fairbanks. The parcel returned to the State, and DNR is the owner of record.

Personal Property

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

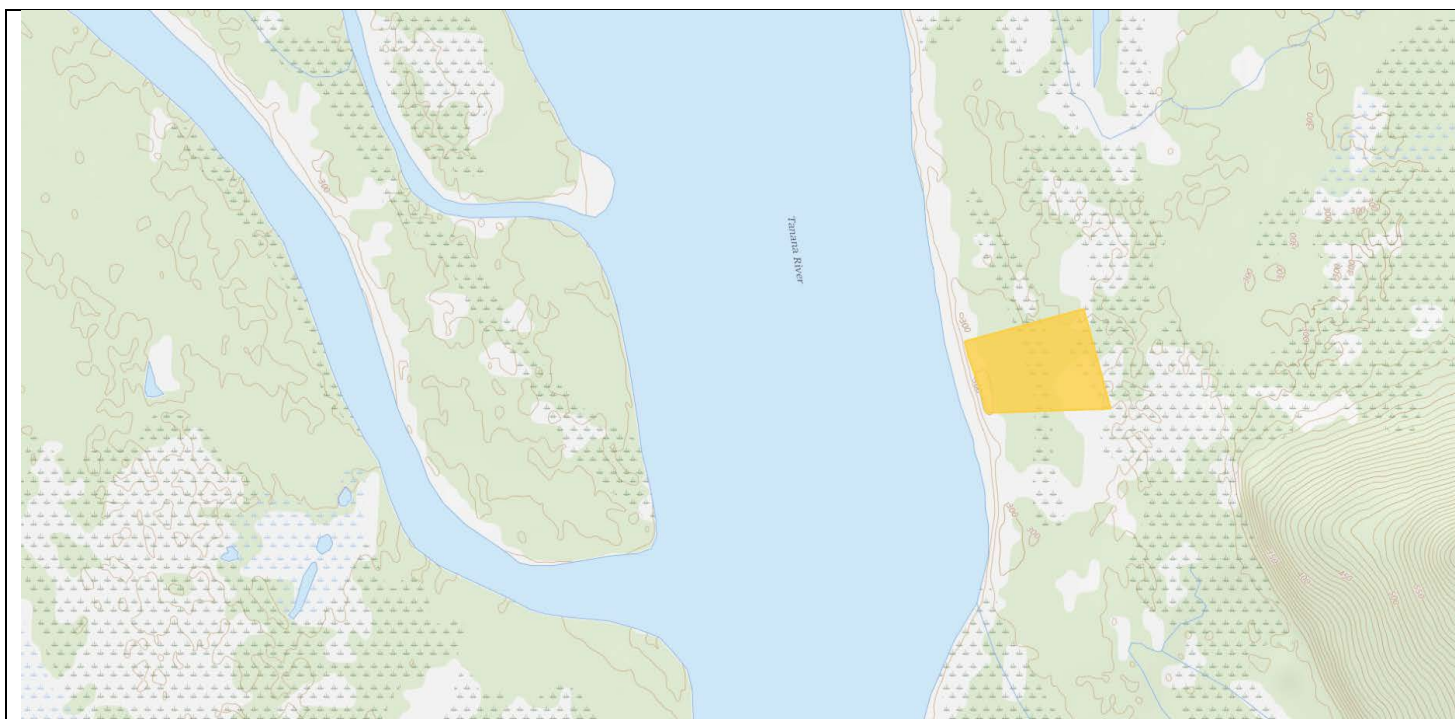
Utilities, Water & Sewer

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

Dugan Hills RRCS



Imagery from Alaska Mapper



Topo from Alaska Mapper



Tract I of Dugan Hills



Local trails approximately 1,000 east of subject



Tract I of Dugan Hills on left. Cabin on right is located on adjacent parcel to the south.



Tract I of Dugan Hills

Property Description – Much Lake II RRCS

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Borough	Recording District
417650	Mucha Lake II RRCS	Sec. 6 T8S R17W FM.	A	2005-26	13.25	Unorganized Borough	Fairbanks Plat 2006-193
417658	Mucha Lake II RRCS	Sec. 29 T8S R17W FM.	H	2003-41	6.49	Denali Borough	Fairbanks Plat 2006-193
417660	Mucha Lake II RRCS	Sec. 14 T8S R17W FM.	J	2003-41	5.53	Denali Borough	Fairbanks Plat 2006-193
417664	Mucha Lake II RRCS	Sec. 16 T8S R17W FM.	N	2003-41	8.49	Denali Borough	Fairbanks Plat 2006-193

Location

Mucha Lake RRCS is approximately 100 miles southwest of Fairbanks, west of the Kantishna River. The subjects are on multiple lakes within the staking area and within Sections 6, 14, 16, and 29 of Township 8 South, Range 29 West, Fairbanks Meridian

Access

Access to subjects is via floatplane or ski plane to their respective lakes.

Topography & Shape

The subjects are flat and irregular in shape. The subdivision is approximately 650-feet above sea level.

Soils & Vegetation

Mucha II RRCS is sparsely vegetated, and vegetation is indicative of poorly drained soils.

Easements & Zoning Regulations & Tax Assessments

There are typical access easements throughout the subdivision. Tract A is within the Unorganized Borough. The remaining tracts are within the Denali Borough. However, the Denali Borough does not assess taxes for this type of property. The subdivision is within an area of the Denali Borough that is not zoned.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

ADL 417664 received an application. However, the applicant failed to enter into a land sale contract. The remaining parcels have been purchased through the DNR OTC offering. Each applicant entered into a land sale contract that was subsequently terminated due to non-payment. The parcels returned to the State, and DNR is the owner of record. See grid below:

ADL	Subdivision	Tract	Contract Document	Contract Date	Termination Document	Termination Date
417650	Mucha Lake II RRCS	A	2017-011856-0	7-31-17	2022-013401-0	9-2-22
417658	Mucha Lake II RRCS	H	2019-001936-0	2-19-19	2022-013402-0	9-8-22
417660	Mucha Lake II RRCS	J	2020-003922-0	3-17-20	2022-013403-0	9-8-22

Personal Property

There is no personal property involved with the appraisal of these subjects.

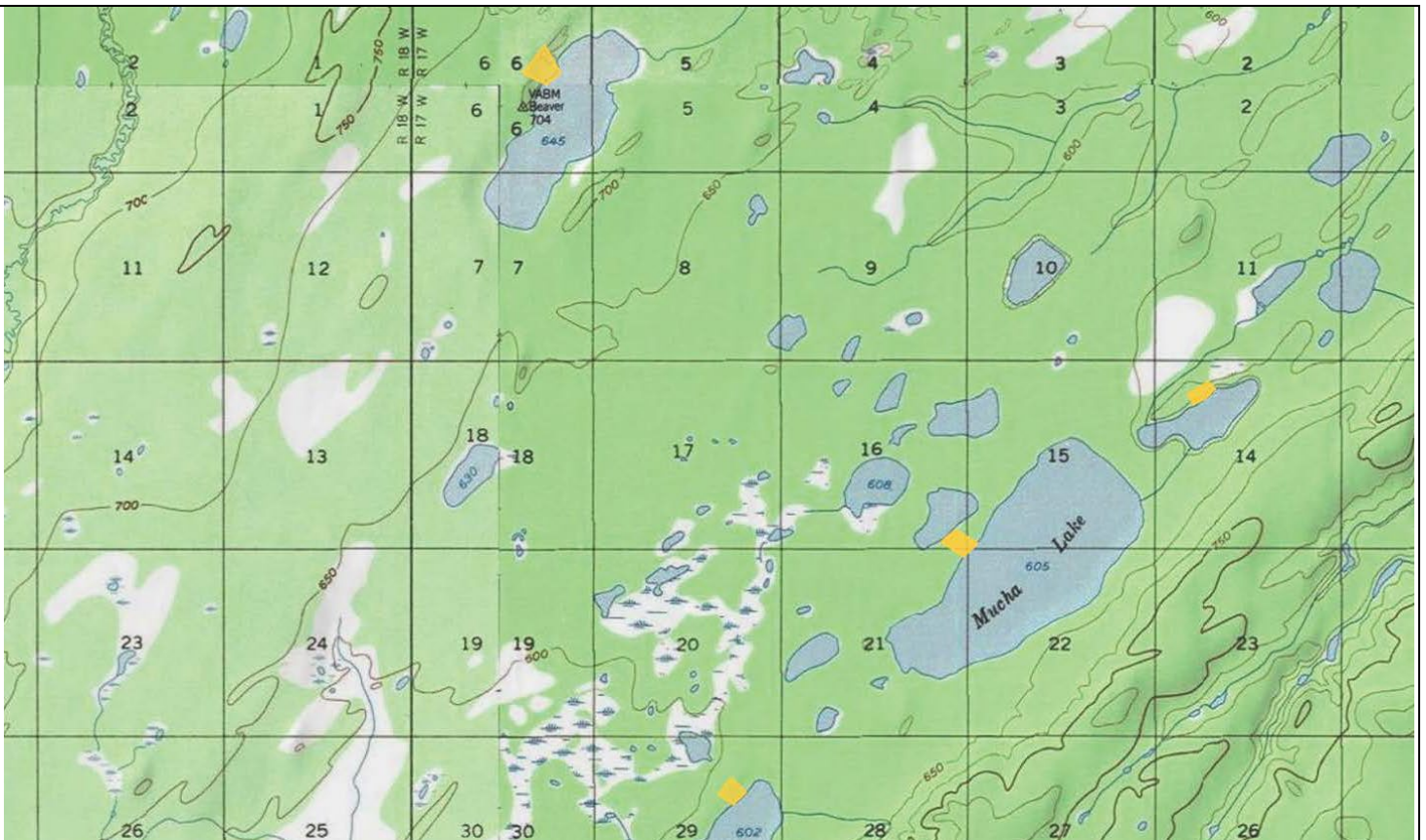
Utilities, Water & Sewer

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

Mucha Lake II RRCS



Imagery from Alaska Mapper



Topo from Alaska Mapper



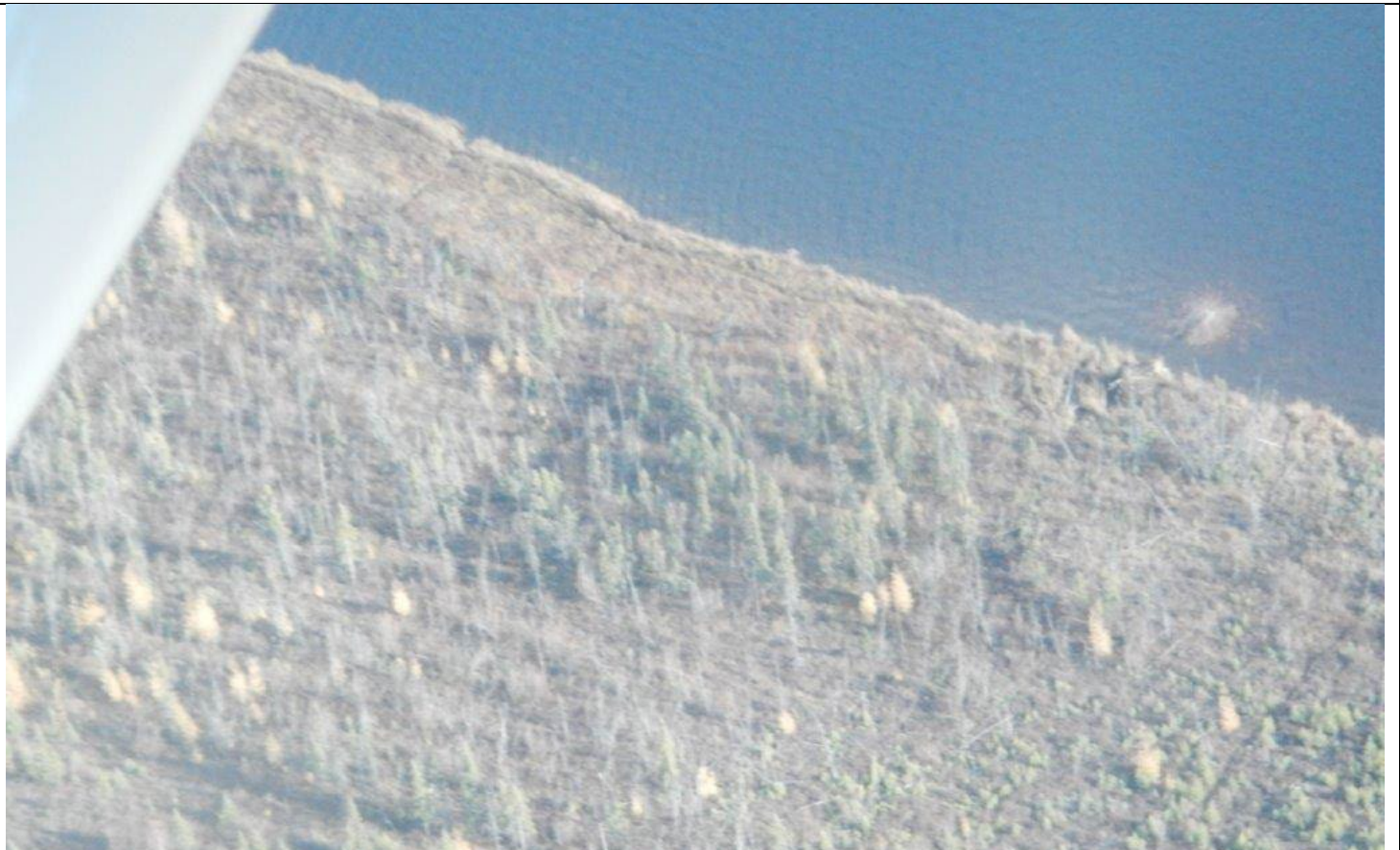
Tract A of Mucha Lake II RRCS



Tract J of Mucha Lake II RRCS



Tract J of Mucha Lake II RRCS on North Mucha Lake



Tract H of Mucha Lake II RRCS on Chapple Lake



Tract N of Mucha Lake II RRCS looking northeast



Tract N of Mucha Lake II RRCS looking southeast



Interior of Tract H of Mucha Lake II RRCS, on Chapple Lake.



Mucha Lake in foreground, looking northwest at Tract N. Area ponds in background.

Property Description – West Twin Lake

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District
420628	West Twin Lake	Sec. 31 T5S R16W FM.	1	1	81-219	4.008	82-140	Fairbanks
420631	West Twin Lake	Sec. 31 T5S R16W FM.	4	1	81-219	3.124	82-140	Fairbanks

Location

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

Access & Amenities.

Access to the subjects are via float plane or ski plane, then accessed directly from the lake. It is unknown if snowmachine access is viable.

Topography, Soils, Size & Shape

The parcels are approximately 800-feet above sea level and the general topography slopes moderately upward from the lake. ADL 420628 is 4.008 acres while ADL 420631 is 3.124-acres. Both parcels are rectangular in shape. The parcels contain primarily mature spruce and birch mix. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

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

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

Both parcels have been offered through previous DNR Subdivision Auctions. However, neither parcel has sold. In 1982, a bald eagle's nest was located near the common corner of Lot 2 and Lot 3. The subjects were initially held based on the federal regulations pertaining to active bald eagle nests. In 2017, DNR staff conducted an on-site inspection of the area. The 2017 inspection did not locate a nest within the subdivision. However, staff identified an eagle's nest approximately 400' south of Lot 1, Block 1, outside of the subdivision. DNR is the current owner of record.

Tax Assessments & Personal Property

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

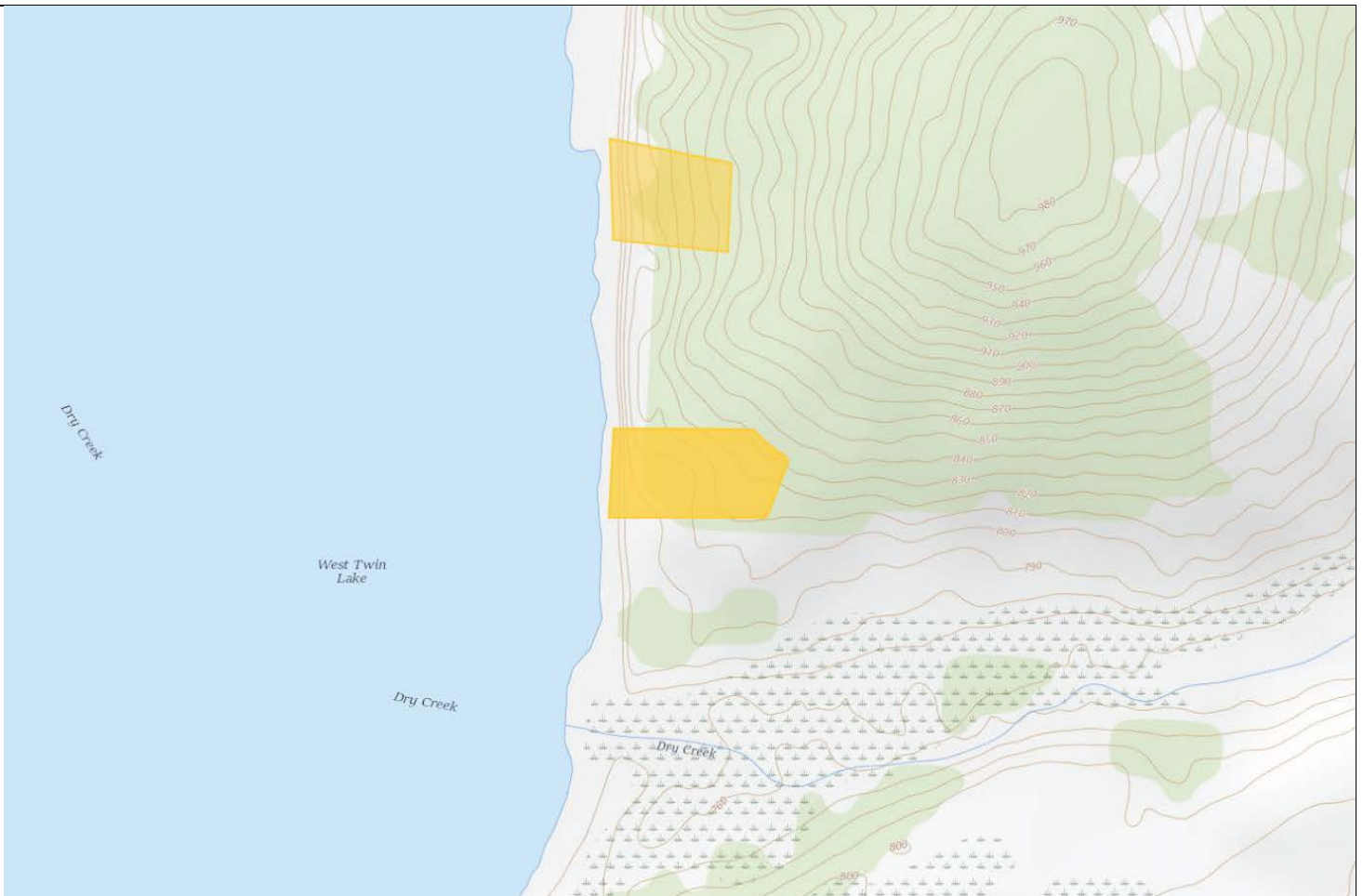
Utilities, Water & Sewer

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

Lots 1 & 4 of Block 1 West Twin Lake



Imagery from Alaska Mapper



Topo from Alaska Mapper



Lot 4 Block 1 looking east



Lot 4 Block 1 looking southwest. Cabin on the left is on the neighboring lot to the north. (MLW file photo)



Southern portion of Lot 1, looking east.



Northern portion of Lot 1 looking east, looking east.

Property Description Property Description – Wien Lake RRCS

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Recording District	Recording District
418478	Wien Lake RRCS	Sec 4 T7S R19W FM.	F	2009-7	18.81	Manley Plat 2011-4	Fairbanks Plat 2011-108

Location

Wien Lake is approximately 110 miles southwest of Fairbanks, near the Kuskokwim Mountains. The subdivision is located on the western side of the lake, and the subject is located within Section 4 of Township 7 South, Range 19 West, Fairbanks Meridian.

Access

Access to the subdivision is via float plane or wheeled plane. ADL 418478 has waterfront and can be accessed directly from Wien Lake. Alternatively, there is a dirt airstrip on the northern side of the lake connected to area trails. There are several ATV trails along the western portion of the lake within the subdivision.

Topography, Soils, Size & Shape

The parcel moderately slopes upwards to the west. ADL 418478 is 18.81-acres and rectangular in shape. This site contains primarily mature spruce and birch mix, and vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access and utility easements throughout the subdivision including a 100' building set back and 50' public access easement along Wien Lake. The subject is within the Unorganized Borough and not subject to zoning. The plat for Wien Lake RRCS was simultaneously recorded in both the Manley Recording District and the Fairbanks Recording District.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

The parcel was originally staked in the 2008 Wien Lake RRCS offering. The parcel was initially under lease by the applicant. However, the initial staker did not purchase the parcel. In 2016, the parcel was purchased through the DNR OTC offering and the applicant entered into a land sale contract, see Document 2016-000179-0 Manley and Document 2016-016535-0 Fairbanks. The contract was subsequently terminated, see Document 2019-000016-0 Manley and Document 2019-002846-0 Fairbanks. The parcel returned to the State, and DNR is the owner of record.

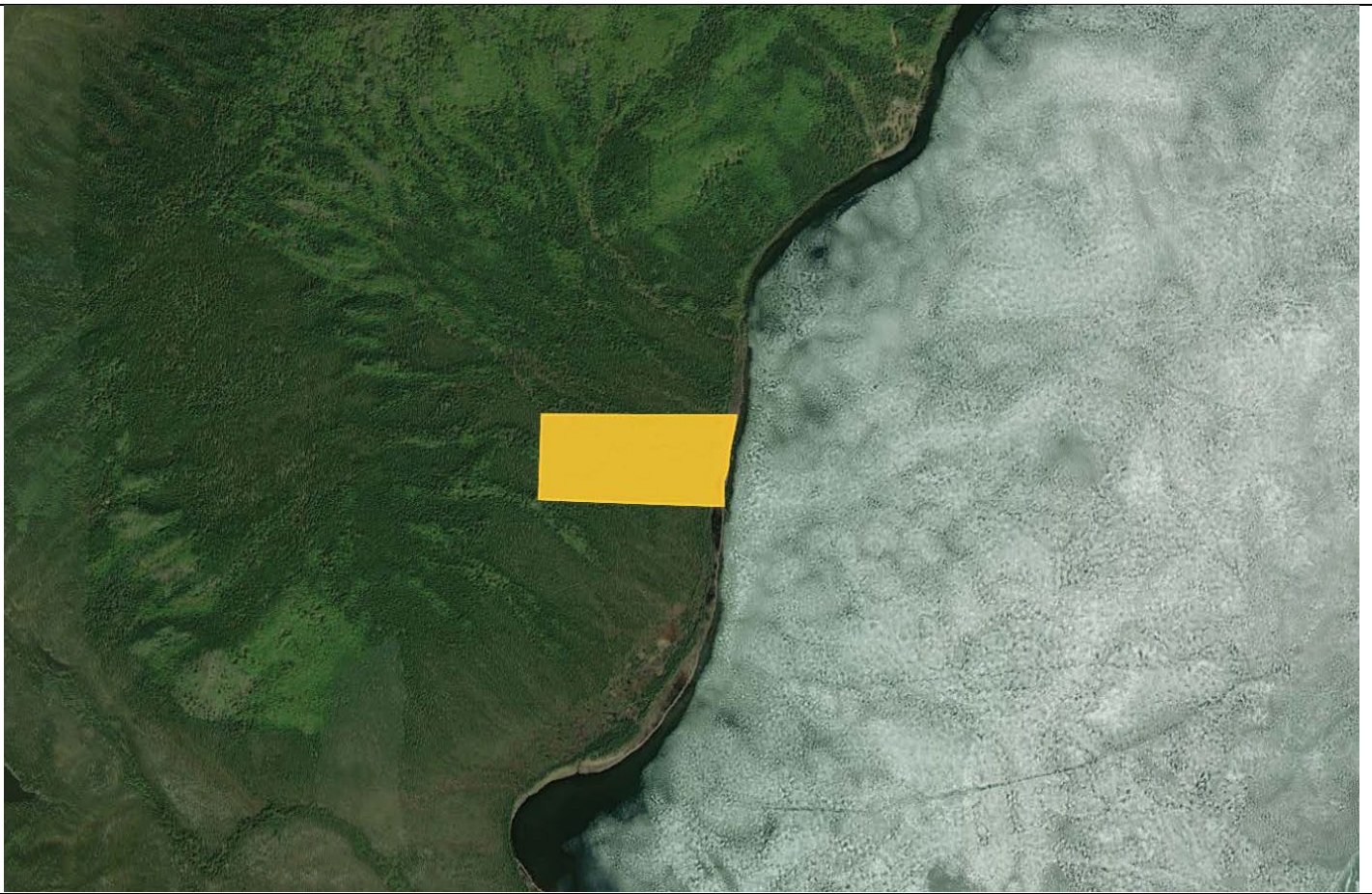
Tax Assessments & Personal Property

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

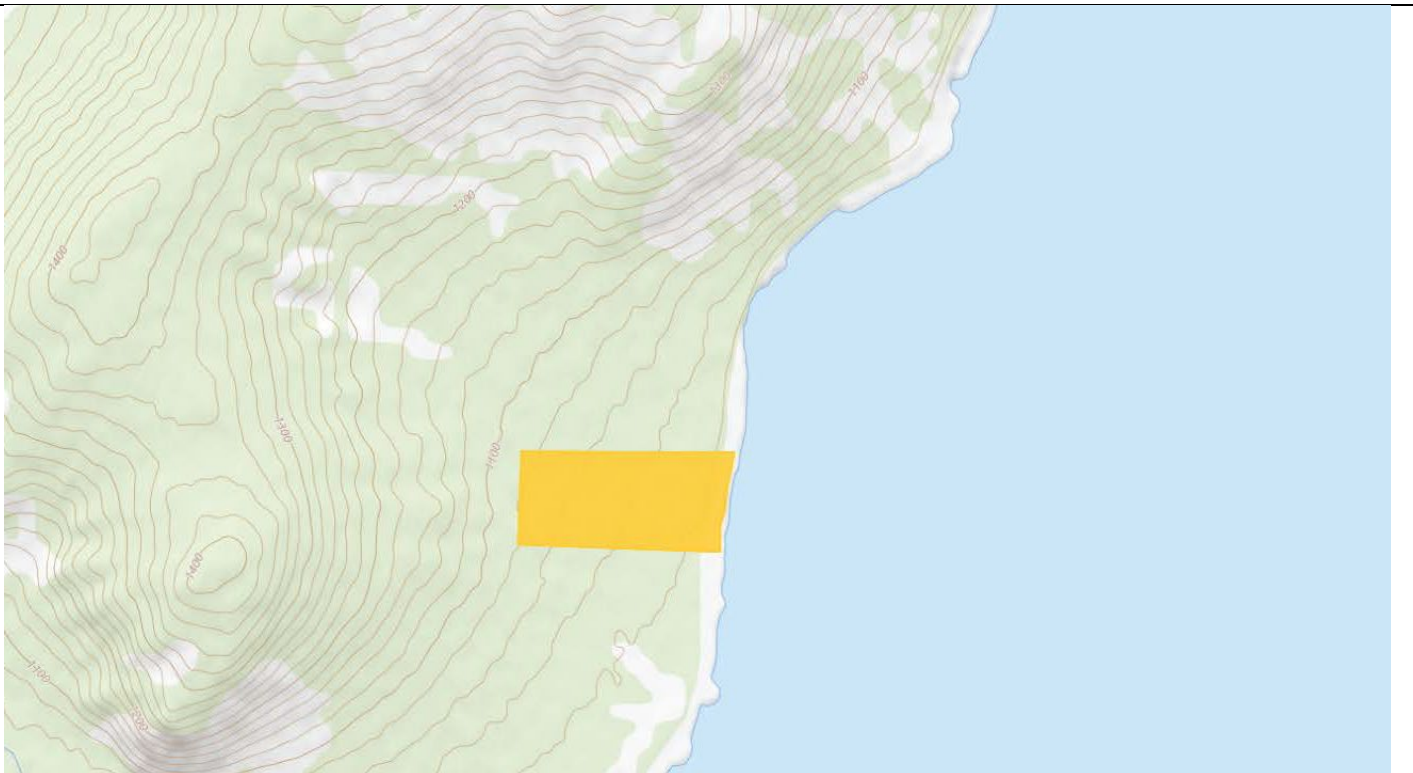
Utilities, Water & Sewer

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

Wien Lake RRCS – Tract F of ASLS 2009-7



Wien Lake imagery from Alaska Mapper



Wien Lake topo from Alaska Mapper



Wien Lake RRCS Tract F looking north



Wien Lake RRCS Tract F looking northeast



Wien Lake RRCS Tract F looking west



Wien Lake RRCS Tract F looking west

DATA ANALYSIS AND CONCLUSION

Valuation Analysis

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

Income Approach

The income approach for valuation is used primarily for income producing properties. It utilizes the capitalization process to discount future anticipated net income to a present value. It is not common to lease vacant land for a residential use; therefore, data that supports this approach is not available.

Cost Approach

The cost approach is based on the assumption that an informed buyer would pay no more than the cost of producing a substitute property with the same utility as the subject property. This approach will separate the value of the land from the value of the improvements to determine the cost of reproducing the improvements. The cost approach is most effective for appraising properties that have newer improvements. Since all the parcels are vacant, the cost approach will not be used.

Sales Comparison Approach

The sales comparison approach considers actual sales or prices asked for properties that have similar characteristics of the subject properties. Adjustments are made to the comparison properties so as to determine a price at which they would have sold if they had identical characteristics as the subject properties. This derived price then indicates a value for the subject properties. Some of the characteristics considered include general market conditions, sales terms, location, highest and best use and physical features. Of the three approaches to value, only the sales comparison approach is applicable.

Key Parcel Method

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

Explanation of Adjustments

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

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

Due to the confidentiality of sales information, 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.