

MARKET VALUE APPRAISAL
of
Nine (9) parcels within

Martin Subdivision ASLS 84-21
Olnes East ASLS 80-178
Skyridge Drive 2007-13
Steele Hollow 2017-16
Tatalina II RRCS – ASLS 2016-12
White Mountain II RRCS 2011-18



White Mountains RRCS Subdivision

APPRAISAL REPORT No. 4635-0

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. 4635-0

1. ADL NO(S): See table below
2. SIZE: See table below
3. APPLICANT: N/A
4. LOCATION: Subdivided lots located outside 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: February 6, 2024
10. DATE of VALUE(S): See table below
11. APPRAISED VALUE(S):

ADL	Subdivision	Lot / Tr.	Block	ASLS	Acres	Date	Value (rnd)
419102	Martin	15	7	84-21	3.682	10-5-23	\$11,400
419109	Martin	22	7	84-21	3.682	10-5-23	\$11,400
407254	Olnes East	35	3	80-178	7.816	10-4-23	\$20,000
418603	Skyridge Drive	3	2	2007-13	1.573	10-4-23	\$37,500
421590	Steele Hollow	2	-	2017-16	16.775	10-4-23	\$47,900
421591	Steele Hollow	3	-	2017-16	13.574	10-4-23	\$46,200
421058	Tatalina II RRCS	2	-	2016-12	7.38	10-2-23	\$17,700
418967	White Mountain II RRCS	L	-	2011-18	18.82	10-2-23	\$16,000
419002	White Mountain II RRCS	F	-	2011-18	13.64	10-2-23	\$13,600

**B. SUMMARY OF REVIEW**

1. DATE of REVIEW: February 20, 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. 4635-0

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

- The facts and data reported by the reviewer and used in the review process are true and correct.
- The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this review.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I did did not personally inspect the subject property of the report under review.
- No one provided significant professional assistance to the person signing this review report.
- I have reviewed and approved appraisals for ADL 421590 and ADL 421591 within the past three years.

Reviewed by Kevin Hindmarch
Kevin Hindmarch, Review Appraiser

Date 2/20/24

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: February 6, 2024

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson
Appraiser

SUBJECT: Appraisal of nine parcels within Martin, Olnes East, Skyridge Drive, Steele Hollow, Tatalina II RRCS and White Mountain II 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 all the subject parcels and the comparable sales used in this report. Physical descriptions of the subject parcels were based on inspections, aerial photography, topographic maps, peer appraisal reports, interviews with realtors and various individuals familiar with the area. Based on these observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

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APPRAISAL SUMMARY

Subdivision Names	Location	Survey
Martin Subdivision	Approximately six miles northwest of Fairbanks, off Murphy Dome Road.	ASLS 84-21
Olmes East Subdivision	Approximately twenty miles north of Fairbanks on the Elliott Highway, less than a mile east of the highway.	ASLS 80-178
Skyridge Drive Subdivision	Approximately ten miles north of Fairbanks off Skyridge Drive.	ASLS 2007-13
Steele Hollow Subdivision	Approximately ten miles east of Fairbanks, north of Chena Hot Springs Road.	ASLS 2017-16
Tatalina II RRCS	Approximately thirty-five miles north of Fairbanks on the Elliott Highway, less than a mile east of the highway.	ASLS 2016-12
White Mountain II RRCS	Approximately fifty miles northeast of Fairbanks, a mile north of the Steese Highway.	ASLS 2011-18

SUMMARY OF VALUES

ADL	Subdivision	Lot / Tr.	Block	ASLS	Acres	Date	Value (rnd)
419102	Martin	15	7	84-21	3.682	10-5-23	\$11,400
419109	Martin	22	7	84-21	3.682	10-5-23	\$11,400
407254	Olmes East	35	3	80-178	7.816	10-4-23	\$20,000
418603	Skyridge Drive	3	2	2007-13	1.573	10-4-23	\$37,500
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421591	Steele Hollow	3	-	2017-16	13.574	10-4-23	\$46,200
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418967	White Mountain II RRCS	L	-	2011-18	18.82	10-2-23	\$16,000
419002	White Mountain II RRCS	F	-	2011-18	13.64	10-2-23	\$13,600

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 valuation for Olnes, Skyridge and Steele Hollow is October 4, 2023. The effective date of valuation for Martin Subdivision is October 5, 2023. The effective date of valuation for Tatalina II RRCS and White Mountain RRCS is October 2, 2023.

Date of Report

The date of report is February 6, 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, 2024, www.legis.state.ak.us/basis/folio.asp

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

Exposure Time

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

Exposure time can vary depending on the type of property being appraised and constantly changing market conditions. Supply and demand of similar properties to the subject is an important factor for determining exposure time. Currently, there are multiple parcels available throughout the area that are offered through various government and private programs. Considering the availability of parcels on the market, a longer exposure time of up to a year is reasonable for parcels off the road system. Road accessible parcels generally sell in a shorter period.

Property History

All the subjects have been previously offered through the DNR Subdivision Auction. Some of the subjects were sold either through the Auction, or the OTC process and encumbered under a land sale contract. Each land sale contract has been subsequently terminated due to non-payment. Specific property histories are outlined within the Parcel Description section of this report. DNR is the owner of record for all subjects.

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

I inspected the subject properties and select comparable sales from October 2nd to October 5th, 2023. I have inspected the remaining comparable sales during previous 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 conducted

Interviews were conducted with real estate agents, appraisers, local residents, and other individuals familiar with the area who provided information about trends in value, supply, demand, access, and physical characteristics of the subject properties. DNR records and the Recorders 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 Area⁵

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 100,600 as of 2016. 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.

Livengood Neighborhood

Livengood lies 50 miles northwest of Fairbanks on the Dalton Highway, at its junction with the Elliott Highway within Section 15, T8N, R5W, Fairbanks Meridian. Livengood is located within the Manley Hot Springs Recording District.

Gold was discovered on July 24, 1914, on Livengood Creek by N.R. Hudson and Jay Livengood. A village was founded near their claim as a mining camp during the winter of 1914-15, when hundreds of people came into the district. A post office was established in 1915 and was discontinued in 1957. Most homes in Livengood are seasonally occupied. Per the 2010 Census, there were 34 housing units in the community and 7 were occupied.

About two-thirds of homes are completely plumbed, with individual wells and septic tanks. The Livengood landfill is closed. Electricity is provided by individual generators. Most of the residents are seasonal. The local economy is limited to seasonal mining and Department of Transportation maintenance positions. Year-round employment is limited. Some residents are retired. There are no facilities.

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

Fox Neighborhood

Fox lies 10 miles northeast of Fairbanks on the Steese Highway, at its junction with the Elliott Highway within Township 2 North, Range 1 East, Fairbanks Meridian. The community lies on the right bank of Fox Creek as it enters Goldstream Creek Valley, 10 miles northeast of Fairbanks. It is located at the junction of the Steese and Elliot Highways. It is located within the Fairbanks Recording District.

Fox was established as a mining camp prior to 1905. The Fox Post Office operated from 1908 to 1947. The majority of the population of Fox is non-Native. It is part of the Fairbanks metropolitan area, the second largest in the state.

The local economy is predominately a bedroom community for Fairbanks. There is limited seasonal mining in the area. The highway provides some roadside service opportunities. There is about 230 housing units with 200 households. The average household size is 2.1. Students travel to Fairbanks area schools.

Property Description – Martin Subdivision

ADL	Sub.	Sec.	MTR	Lot	Blk.	ASLS	Acres	Plat	Rec. District	PAN
419102	Martin	5	F1N3W	15	7	84-21	3.682	84-275	Fairbanks	0421120
419109	Martin	5	F1N3W	22	7	84-21	3.682	84-275	Fairbanks	0421278

Location

Martin Subdivision is located approximately 25-miles northwest of Fairbanks, off Murphy Dome Road within Sections 31 and 32 of Township 2 North, Range 3 West Fairbanks Meridian, and Sections 5 and 6 of Township 1 North, Range 3 West, Fairbanks Meridian.

Access

Access to all subjects is via ATV trail. There are constructed roads within the subdivision. However, High Sierra Drive deteriorates into a trail before Matterhorn Drive, prior to the subjects.

Topography, Soils, Size & Shape

Martin Subdivision is generally sloping downwards to the south. Lots are level to sloping. Both lots are 3.682-acres and are irregular in shape. The subdivision contains primarily mature birch and spruce mix with some poplar with vegetation indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision. The subdivision lies within the Fairbanks – North Star Borough, and the subjects are zoned RE-4.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Property History

All the subjects have been previously offered through the DNR Subdivision Auction. Subjects that have been previously sold have been encumbered under a land sale contract. Each land sale contract has been subsequently terminated due to non-payment and parcels have reverted to State ownership. DNR is the owner of record, see grid below:

ADL	Sub.	Lot	Blk.	Sold	Document	Termination	Document
419102	Martin	15	7	3-12-21	2021-009207-0	9-8-22	2022-013412-0
419109	Martin	22	7	7-16-20	2020-018126-0	9-8-22	2022-013413-0

Tax Assessments & Personal Property

There is no personal property or improvements involved with the appraisal of these sites. The current mill rate for the subdivision is 26.392. Because the subjects are owned by the State of Alaska, they are not currently taxed. However, upon transfer to private ownership, the new owner will be responsible for future property taxes levied by the Borough.

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



Martin, Lot 15 Block 7.



Martin, Lot 15 Block 7.



Martin Lot 22 Block 7



Martin Lot 22 Block 7

Property Description – Olnes East

ADL	Sub.	Sec.	MTR	Lot	Blk.	ASLS	Acres	Plat	Rec. District	PAN
407254	Olnes East	19	F3N1E	35	3	80-178	7.816	81-143	Fairbanks	0342351

Location

Olnes East Subdivision is located approximately 22 miles north of Fairbanks, east of the Elliott Highway within Section 24 of Township 3 North, Range 1 West, Fairbanks Meridian, and Section 19 and 20 of Township 3 North, Range 1 East, Fairbanks Meridian.

Access

Access to the subdivision is via the Elliott Highway, then At Your Own Risk Road to Olnes Loop Road, a 4x4 pioneer road.

Topography, Soils, Size & Shape

The subdivision is on a hill with the subject parcel generally sloping downwards to the south. The size of the subject is 7.816-acres and is irregular in shape. The parcel contains primarily mature birch and spruce mix with some poplar. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision. The subject is within the Fairbanks – North Star Borough and zoned RE-4.

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 offered the parcel through the 2016 DNR Subdivision Auction. The parcel received no bids, and sold later that year through the OTC offering, see Recorded Document 2017001238-0. The contract was subsequently terminated due to non-payment, see Recorded Document 2022-013399-0. The parcel returned to State ownership. DNR is the owner of record.

Tax Assessments & Personal Property

The subdivision lies within the Fairbanks – North Star Borough. The current mill rate for the property is 12.634. There is no personal property involved with the appraisal of this property. There are no improvements on the 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.



Access to Olnes East Lot 35 Block 3.



Olnes Loop Road on northern side of Olnes East Lot 35 Block 3, diminishes to trail.



Olmes Loop Road on northern side of Olmes East Lot 35 Block 3, diminishes to trail.



Olmes East Lot 35 Block 3. Typical vegetation



Olnes East Lot 35 Block 3. Sloping topography, looking west.



Olnes East Lot 35 Block 3. Potential building site.

Property Description – Skyridge Drive ASLS 2007-13

ADL	Subdivision	MTRS	Lot	Blk	ASLS	Acres	Plat	Recording District	PAN
418603	Skyridge Drive	FM T1N R1W Sec. 12	3	2	2007-13	1.573	2012-104	Fairbanks	0651465

Location

The subject is located approximately 6 miles north of Fairbanks between Farmers Loop and the Elliott Highway along Skyridge Drive.

Access

ADL 418603 is accessed along constructed gravel roads via Skyridge Drive, then Quakenbush Road. Quakenbush is a gravel road.

Size & Shape

The parcel is 1.573-acres and rectangular in shape.

Topography

The subject is situated along a gently sloping hill approximately 1,000 feet above sea level.

Soils/Vegetation

The parcel is vegetated with a mix of birch, alder, white spruce and poplar. Vegetation is indicative of adequate drainage.

Utilities, Water & Sewer

There is overhead electric service lines adjacent to the parcel. No public water or sewer system is available. Water supply or sewage disposal systems must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Easements & Zoning Regulations⁶

The parcel is located within the Fairbanks – NorthStar Borough zoned for Rural Residential. There are typical easements throughout the subdivision. The site is not adversely affected by atypical easements.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments⁷

There is no tax burden assessed to the State of Alaska from the Fairbanks - NorthStar Borough. Tax assessments to private parties will become active when property is sold into private ownership. The Mill Rate for this area is currently 14.611.

Ownership History

ADL 418603 was sold in 2015 through the OTC offering for \$34,100. The applicant entered into a land sale contract, which was subsequently terminated in 2022 due to non-payment, see Document 2022-013407-0. 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.

⁶ <http://gis.co.fairbanks.ak.us/>

⁷ *ibid*



ADL 418603, access along Quakenbush.



ADL 418603. Access along Quakenbush.



ADL 418603. Site is above the road grade.



ADL 418603. Typical vegetation.



ADL 418603. Overhead electric near southeastern corner.



ADL 418603. Typical vegetation.

Property Description – Steele Hollow

ADL	Subdivision	MTRS	Lot	ASLS	Acres	Plat	Recording District	PAN
421590	Steele Hollow	T1N R1E Sec.23 FM	2	2017-16	16.775	2021-5	Fairbanks	697326
421591	Steele Hollow	T1N R1E Sec.23 FM	3	2017-16	13.574	2021-5	Fairbanks	697336

Location

Steele Hollow Subdivision is approximately nine miles east of Fairbanks, north of Chena Hot Springs Road. The subdivision is within Section 23 of Township 1 North, Range 1 East, Fairbanks Meridian

Access

Access to Steele Hollow Subdivision is via Chena Hot Springs Road to Juniper Drive, a paved road, then along Sub Zero Court, a brushed right of way. Sub Zero Court has been brushed to a width of 30'. However, there is a steep drop from Juniper Drive onto Sub Zero Court. Sub Zero Court is not accessible with a highway vehicle. Access from the cul-de-sac on Sub Zero Court is limited to walk-in, ATV, or tracked vehicle.

Topography & Shape

Lots 2 and 3 are irregular in shape and slopes moderately to the east, down to Steele Creek. The meander of the creek defines the eastern boundary of the subjects. The subjects are approximately 700-feet to 600-feet above sea level.

Soils & Vegetation

Lot 2 has poor soils with limited building sites, and vegetation indicative of poor drainage. There are several small ponds on Lot 2. Potential building sites are located near the main access on the cul-de-sac. Further to the east, and closer to Steele Creek, the vegetation is indicative of wet soils and poor drainage. Also, there is wetland area near the north lot line of Lot 2 containing a small pond.

Lot 3 has mixed vegetation. The southern and western portions of Lot 3 has adequate drainage and multiple building sites. Further to the east, and closer to Steele Creek, the vegetation is indicative of wet soils and poor drainage.

Easements & Setbacks

In addition to the typical access easements throughout the subdivision, there is a 30' flag stem between the lots for alternative access to Tract A, to the east. On the eastern side of both subjects, there is a 50' public access easement along the thread of Steele Creek, and a 300' building setback from the meander of the creek. There is an additional 50' section line easement along the northern lot line of Lot 2.

Zoning Regulations & Tax Assessments

The subjects are within the Fairbanks North Star Borough. Because the property is owned by the State of Alaska, it is not currently taxed. However, upon transfer to private ownership, the new owner will be responsible for future property taxes levied by the Borough. The parcels are zoned Rural Residential, and the current mill rate for the parcel is 14.611.

Ownership History

Steele Hollow Subdivision was subdivided in 2021. Prior to subdivision, the parent parcel was under a long-term lease. The individual subjects offered for sale through the 2022 DNR Subdivision Auction. Neither parcel received a high bid and both parcels were retained by the State. Neither parcel was offered through the OTC offering. DNR is the owner of record.

Personal Property

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

Utilities, Water & Sewer

There is no public water or sewer in the area. 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. There is overhead electric service available along Juniper Road, on the western boundary of the subdivision, but electric service has not been extended along Sub Zero Court.

Environmental Hazards, Hazardous Waste, Toxic Materials & Debris.

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



Sub Zero Court cleared ROW looking east



Cul-de-sac on Sub Zero Court. Lot 2 on Left, Lot 3 on Right



Typical vegetation on western portion of subjects



Typical monumentation in subdivision.



Multiple building sites on Lot 3



Lot 3



Lot 2



Lot 2

Property Description – Tatalina II RRCS

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Plat	Recording District
421058	Tatalina II RRCS	F6N4W13	2	2016-12	7.38	2018-52	Fairbanks

Location

The subject is located approximately 35 miles north of Fairbanks, less than a mile east of the Elliott Highway.

Access

The parcel is accessed via the Elliott Highway, then either walk-in overland or along the Tatalina River corridor. There is no constructed trail to the subject. Winter access is via snow machine. The Tatalina River is shallow in this area, boat access is limited to canoe, kayak, or similar vessel.

Topography

ADL 421058 is approximately 600-feet above sea level. The site is flat.

Soils/Vegetation

The parcel is vegetated with a mix of black spruce with limited stands of birch and aspen. Vegetation is indicative of adequately drained soils.

Easements & Zoning Regulations

The subject is within the Unorganized Borough and not subject to zoning. There are typical easements throughout the subdivision. The parcel is not adversely affected by atypical easements.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

ADL 421058 was surveyed through the Remote Recreational Cabin Site program as an administrative parcel. In 2019, the parcel was offered through the DNR Subdivision Auction. ADL 421058 received no bids and later received a purchase application through the OTC offering. The applicant entered into a land sale contract, see Recorded Document 2022-015354-0. The contract was subsequently terminated and the parcel returned to the State, see Recorded Document 2022-013415-0. DNR is the current owner of record.

Tax Assessments

The parcel is within the Unorganized Borough and not subject to taxation at this time.

Utilities, Water & Sewer

No utilities are 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.



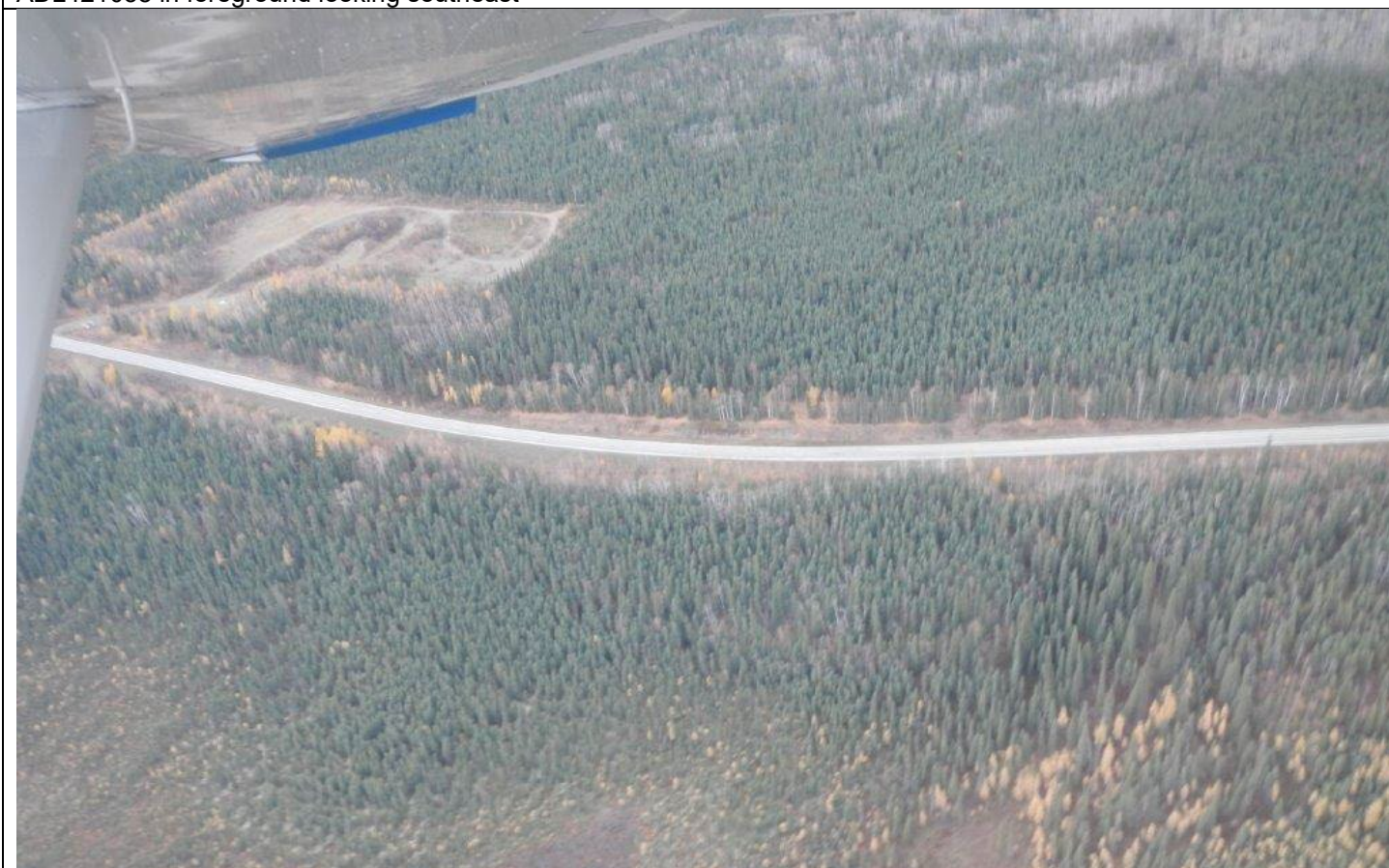
ADL421058 in foreground, adjacent to clearing



ADL421058 in foreground, adjacent to clearing, approximately 300' setback from centerline of Elliott Highway.



ADL421058 in foreground looking southeast



ADL421058 in back ground, opposite side of Highway looking northwest.

Property Description – White Mountain II RRCS

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Plat	Recording District	PAN
418967	White Mt. II RRCS	F5N4E22	L	2011-18	18.82	2006-21	Fairbanks	656874
419002	White Mt. II RRCS	F5N4E21	F	2011-18	13.64	2013-94	Fairbanks	656796

Location

The subjects are located roughly fifty road miles northeast of Fairbanks, 20-miles northeast of Chatanika townsite, north of the Chatanika River, northeast of Riverview Subdivision.

Access

The parcels are accessed via the Steese Highway, then along local ATV trails or walk-in to the sites.

Topography

ADL 418967 is situated near the top of a hill and slopes to the northeast. The elevation is approximately 2,200 feet above sea level. ADL 419002 is situated along a drainage and the elevation is approximately 1,400 feet above sea level and slopes eastwardly.

Soils/Vegetation

Both parcels are vegetated with a mix of birch, alder, white spruce, black spruce and interspersed underbrush. Vegetation varies with elevation. Both parcels have adequate drainage.

Easements & Zoning Regulations⁸

Both sites are located within an area of the Fairbanks – North Star Borough and zoned as General Use - 1. There are typical easements throughout the subdivision. Neither parcel is not adversely affected by zoning, or atypical easements.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

Both parcels were sold through the OTC offering. Both applicants entered into real estate contracts, which were subsequently terminated due to non-payment. The parcels returned to the State and DNR is the current owner of record. See chart below:

ADL	Tr.	Sold	Doc.	Terminated	Doc.
418967	L	10-4-18	2019-000859-0	9-8-22	2022-013410-0
419002	F	9-24-14	2014-019182-0	9-8-22	2022-013411-0

Tax Assessments⁹

There is no tax burden assessed to the State of Alaska from the Fairbanks – North Star Borough. Tax assessments to private parties will become active when property is sold into private ownership. The mill rate for this area is currently 12.634.

⁸ <http://gis.co.fairbanks.ak.us/>

⁹ *ibid*

Utilities, Water & Sewer

No utilities are 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.



Trail leading to White Mountain II RRCS



ADL 418967



ADL 418967, arrow approximate center of parcel. Cabin on adjacent parcel.



ADL 419002 between trail and drainage



DL 419002 between trail and drainage

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.