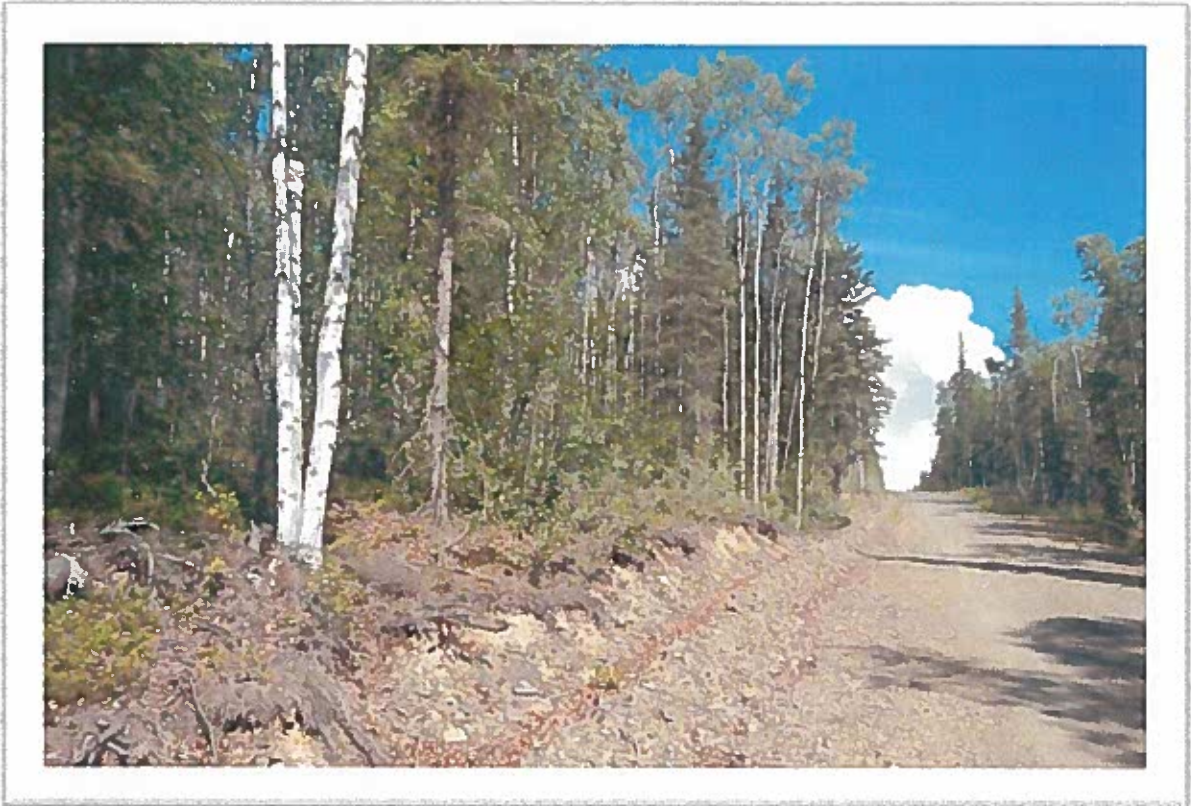


MARKET VALUE APPRAISAL
of
Nine (9) parcels within

Cascaden Subdivision – ASLS 86-98
Kentucky Creek Subdivision – ASLS 2004-15
Riverview Subdivision – ASLS 83-128
Tatalina II RRCS – ASLS 2016-12



Constructed access in Cascaden Subdivision

APPRAISAL REPORT No. 4664-0

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. 4664-0

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: December 31, 2024
10. DATE of VALUE(S): Varies, see page four of the report
11. APPRAISED VALUE(S):

ADL	Subdivision	Lot / Tr.	Block	ASLS	Acres	Date	Value (rnd)
419367	Cascaden	6	2	89-98	5.084	6/18/24	\$16,800
419813	Cascaden	3	2	89-98	4.81	6/18/24	\$14,400
419818	Cascaden	9	3	89-98	5.747	6/18/24	\$16,400
420194	Cascaden	2	3	89-98	5.038	6/18/24	\$16,600
417544	Kentucky Creek II	16	-	2004-15	19.99	6/20/24	\$18,000
417560	Kentucky Creek II	32	-	2004-15	19.99	6/20/24	\$16,200
411192	Riverview	5	8	83-128	10.453	8/21/24	\$15,200
421038	Tatalina II RRCS	9	-	2016-12	14.62	6/18/24	\$22,800
420454	Tatalina II RRCS	19	-	2016-12	16.61	6/20/24	\$27,900

**B. SUMMARY OF REVIEW**

1. DATE of REVIEW: February 18, 2025
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. 4664-0

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 performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Reviewed by Kevin Hindmarch
Kevin Hindmarch, Review Appraiser

Date 2/18/25

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: December 31, 2024

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson 
Appraiser

SUBJECT: Appraisal of nine parcels within Cascaden, Kentucky Creek, Riverview, and Tatalina 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.

It is noted that there are structures and debris, including 55-gallon drums, on subjects within Kentucky Creek and Riverview subdivisions that were left by prior occupants. It is unknown if any of these materials contaminated the soil. The appraiser is not an expert in identifying environmental contamination. It is an extraordinary assumption that no soil contamination has occurred. See Extraordinary Assumption on Page 8.

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.

TABLE OF CONTENTS

INTRODUCTION

Title Page	
Letter of Transmittal	ii

PREMISES OF THE APPRAISAL

Appraisal Summary	4
Type of Appraisal and Report	5
Purpose and Use of the Appraisal	5
User and Client Identity	5
Property Rights Appraised	5
Definition of Market Value	5
Effective Date of Value Estimate	5
Exposure Time	6
Property History	6
Scope of the Appraisal	6
Assumptions and Limiting Conditions	7
Extraordinary Assumption	8

PRESENTATION OF DATA

Area Analysis	9
Parcel Descriptions	11

DATA ANALYSIS AND CONCLUSION

Approaches to Value	41
Valuation of Cascaden and Tatalina	42
Valuation of Riverview	50
Valuation of Kentucky Creek	56
Certification of Value	62

ADDENDA

Subject Surveys	
Size Adjustment Chart	
Comparable Sale Forms	
Appraisal Instructions	
Qualifications	

APPRAISAL SUMMARY

Subdivision Names	Location	Survey
Cascaden Subdivision	Seven miles southwest of Livengood on the north side of the Elliott Highway.	ASLS 86-98
Kentucky Creek Subdivision	Approximately 140 miles northwest of Fairbanks, on the Elliott Highway near Eureka.	ASLS 2004-15
Riverview	Approximately 50 miles northeast of Fairbanks, a mile north of the Steese Highway.	ASLS 83-128
Tatalina II RRCS	Approximately 35 miles north of Fairbanks on the Elliott Highway, less than a mile east of the highway.	ASLS 2016-12

SUMMARY OF VALUES

ADL	Subdivision	Lot / Tr.	Block	ASLS	Acres	Date	Value (rnd)
419367	Cascaden	6	2	89-98	5.084	6/18/24	\$16,800
419813	Cascaden	3	2	89-98	4.81	6/18/24	\$14,400
419818	Cascaden	9	3	89-98	5.747	6/18/24	\$16,400
420194	Cascaden	2	3	89-98	5.038	6/18/24	\$16,600
417544	Kentucky Creek II	16	-	2004-15	19.99	6/20/24	\$18,000
417560	Kentucky Creek II	32	-	2004-15	19.99	6/20/24	\$16,200
411192	Riverview	5	8	83-128	10.453	8/21/24	\$15,200
421038	Tatalina II RRCS	9	-	2016-12	14.62	6/18/24	\$22,800
420454	Tatalina II RRCS	19	-	2016-12	16.61	6/20/24	\$27,900

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

There are multiple dates of value for individual parcels. The effective date of valuation for each subject is identified on Page 4.

Date of Report

The date of report is December 31, 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 on June 18, June 20, and August 21, 2024. 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 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.

Extortionary Assumption-

An extraordinary assumption is an assumption which, if found to be false, could alter the appraiser's opinion or conclusion. During a previous field inspection of ADL 417544 and ADL 417560 in Kentucky Creek Subdivision, the appraiser discovered various household hazardous materials on both parcels including deep cycle batteries, petroleum-based solvents, and used 55-gallon heating oil drums.

During the field inspection of ADL 411192 in Riverview Subdivision, the appraiser discovered various household hazardous materials including petroleum-based solvents and a used 55-gallon heating oil drum.

It is unknown if any of these materials contaminated the soil. The appraiser is not an expert in identifying environmental contamination. It is an extraordinary assumption that subjects within Kentucky Creek and Riverview Subdivisions have not been contaminated.

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 31,900, 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.

Manley Hot Springs Neighborhood

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.

Property Description – Cascaden Subdivision

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District
419367	Cascaden	T7N R6W Sec 9	6	2	89-98	5.084	87-20	Fairbanks
419813	Cascaden	T7N R6W Sec 9	3	2	89-98	4.81	87-20	Fairbanks
419818	Cascaden	T7N R6W Sec 9	9	3	89-98	5.747	87-20	Fairbanks
420194	Cascaden	T7N R6W Sec 9	2	3	89-98	5.038	87-20	Fairbanks

Location

Cascaden Subdivision is located approximately seven miles southwest of Livengood on the north side of the Elliott Highway. The subdivision lies within Sections 9, 10 & 11 of Township 7 North, Range 6 West, Fairbanks Meridian

Access

Access to Cascaden is via the Elliott Highway. All the rights-of-way throughout the western half of the subdivision are brushed and ADL 419813 and ADL 419818 have ATV access. Recently, Long Tom Drive has been cleared and improved with a dirt road. As a result, ADL 419367 and ADL 420194 have road access.

Topography & Shape

Cascaden is generally sloping upwards towards the northwest. The subjects have a modest slope and are irregular in shape. Generally, parcels within the northwestern portion of the subdivision tend to have steeper slopes.

Soils/Vegetation

Cascaden contains primarily mature birch and spruce mix with some poplar. Vegetation is indicative of adequate drainage on all subjects.

Easements & Zoning Regulations & Tax Assessments

There is a series of 100' wide tracts that separate Cascaden from the Elliott Highway, and there are typical access easements throughout the subdivision. All parcels are within the Unorganized Borough and are not subject to zoning regulations or taxation.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

All of the subjects within Cascaden have been previously offered through the DNR Subdivision Auction. See chart below:

ADL	Lot	Block	Date Sold	Method	Doc.	Date Term/Relinq	Doc.
419367	6	2	7/11/18	Auc	2018-020004-0	2/28/23	2023-00226-0
419813	3	2	2/7/19	OTC	2019-006041-0	3/6/23	2023-002602-0
419818	9	3	4/13/21	OTC	2021-009807-0	3/21/23	2023-003283-0
420194	2	3	2/27/21	OTC	2021-011172-0	2/28/23	2023-002427-0

Personal Property

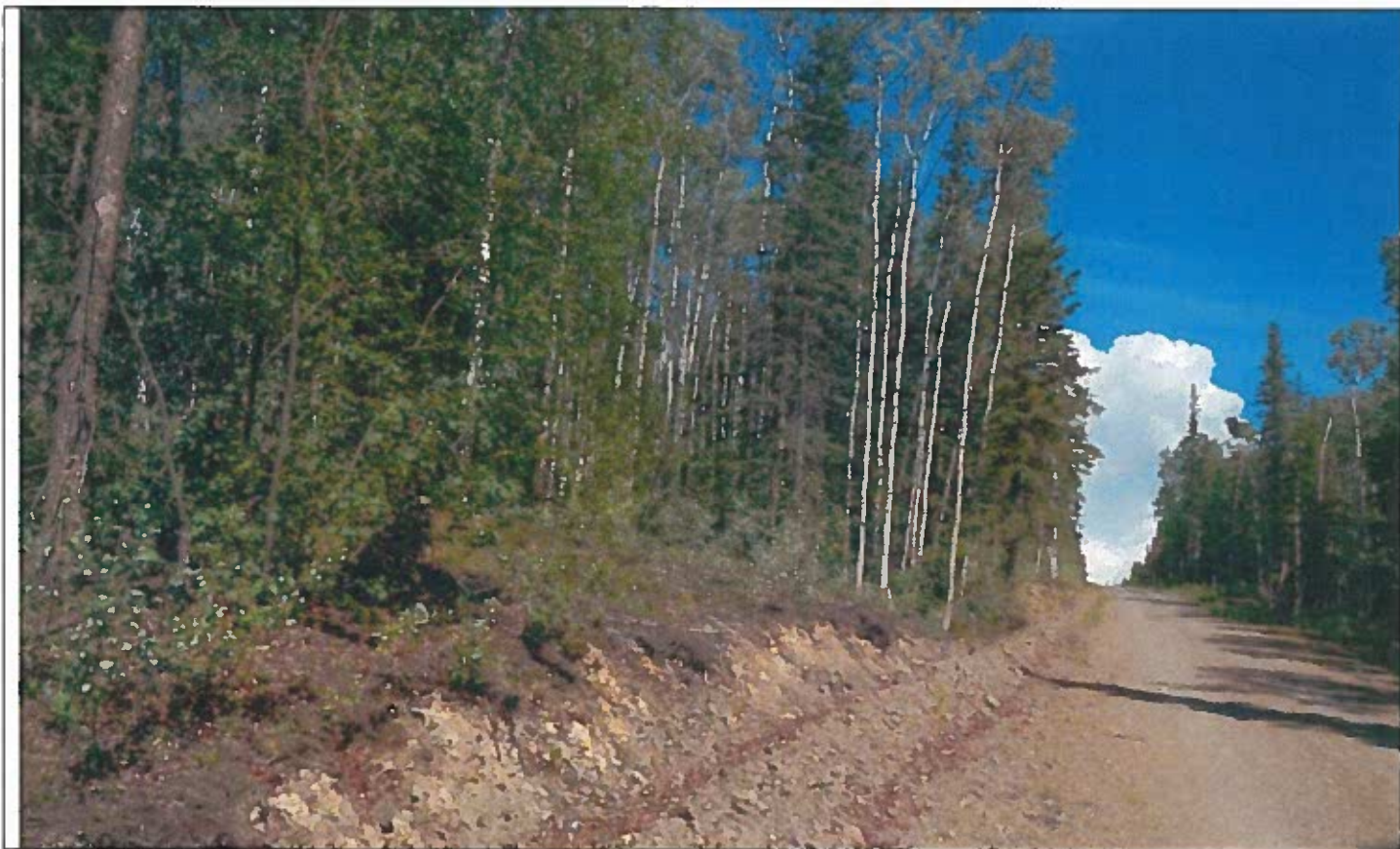
There is no personal property involved with the appraisal of this property.

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.



On State-owned tract of land in Cascaden looking south toward parking and staging area.



ADL 419367. Cascaden, Lot 6 Block 2. Looking north along Long Tom Drive.



ADL 419367. Cascaden, Lot 6 Block 2. Looking south along Long Tom Drive.



ADL 420194. Cascaden, Lot 2 Block 3. On Long Tom Drive.



ADL 420194. Cascaden, Lot 2 Block 3. On Long Tom Drive.



ADL 419818. Cascaden, Lot 9 Block 3. Southeast corner. Rocker Drive is ATV trail



ADL 419818. Cascaden, Lot 9 Block 3 along Rocker Drive.



ADL 419813. Cascaden, Lot 3 Block 2 along Rocker Drive.



ADL 419813. Cascaden, Lot 3 Block 2 along Rocker Drive.

Property Description – Kentucky Creek Subdivision

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Plat	Recording District
417544	Kentucky Creek	T3N R13W Sec 8 FM	16	2004-15	19.99	2005-1	Manley Hot Springs
417560	Kentucky Creek	T3N R13W Sec 8 FM	32	2004-15	19.99	2005-1	Manley Hot Springs

Location

Kentucky Creek Subdivision is located approximately 140 miles northwest of Fairbanks, on the Elliott Highway near Eureka. The subdivision lies within Section 8 of Township 3 North, Range 13 West, Fairbanks Meridian.

Access

Access to Kentucky Creek is via the Elliott Highway, then along brushed ATV trails to the subject parcels.

Topography & Shape

Both parcels are flat and rectangular in shape. The subdivision is approximately 450-feet above sea level.

Soils & Vegetation

Kentucky Creek contains primarily mature birch and spruce mix with some poplar. Vegetation in the subdivision is indicative of predominantly poorly drained soils with some pockets of adequately drained soils.

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.

Environmental Hazards, Hazardous Waste & Toxic Materials

The most recent inspection was an aerial inspection only. Previously, I inspected both parcels on the ground during other assignments. Prior inspections revealed the presence of deep-cycle batteries on both properties, left by the former occupants. It is unknown if the batteries leaked or caused any environmental contamination. Both parcels contain a small amount of petroleum-based products in their original containers including hydraulic oil, motor oil, bar oil and other common household solvents. There is a freezer on ADL417560 with unknown contents. It is unknown if the freezer has the refrigerant intact. There are used 55-gallon drums which appeared to have contained heating oil. There did not appear to be any ground staining. However, the appraiser is not an expert in determining environmental contamination. No other toxic materials, waste, or hazards were observed during the field inspection.

The previous occupant of ADL 417560 indicated that up to 25-gallons of fuel was stored in on site but was removed at the time of relinquishment, see Document 2019-000090-0. It is an extraordinary assumption that none of the containers have leaked and contaminated the soil within Kentucky Creek Subdivision, see page 8.

Ownership History

Both subjects have been previously offered to the public. ADL417544 sold through the OTC offering in 2012 and the applicant entered into a land sale contract, see Document 2013-000004-0. The contract was subsequently terminated due to non-payment, see Document 2017-000128-0.

ADL 417560 was sold through the OTC offering in 2016. The applicant entered into a land sale contract, see Document 2016-000119-0. Three years later, the contract was relinquished, see Document 2019-000090-0. Ownership of both parcels reverted to the State. DNR is the owner of record.

Personal Property

There is no personal property involved with the appraisal of this property. However, there are structures on both properties. I have conducted on-site inspections of both parcels for previous appraisal assignments. The field inspection for this assignment was by aerial inspection only. The most recent aerial inspection on 6/20/24 confirmed the structures are still standing.

ADL 417544 has a 16' by 16' cabin shell with shed-style roof. The roof is 12' at the highest point, then slopes down to 9'. The windows are intact. However, the structure does not have enclosed soffits and is not weather tight. Construction is rough-hewed lumber with plywood sheathing. The interior of the structure has insulation falling down and debris strewn about. There is no foundation. The cabin sits approximately 1-foot above grade on a series of railroad ties that are shimmed up with spruce rounds and untreated plywood. It appears that as the railroad ties sank into the soil, the prior occupant attempted to level the structure. The structure was built in a meadow.

ADL 417560 also has a structure on site. There is a dilapidated log cabin made from local trees. The roof has failed. The structure is not weather tight and is open to the elements. There is no foundation as the logs sit directly on the ground. The interior of the cabin has a plywood floor which has failed in some areas. There is also a shed made from corrugated metal, a chicken coop, and multiple dog houses. Debris is strewn about 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.

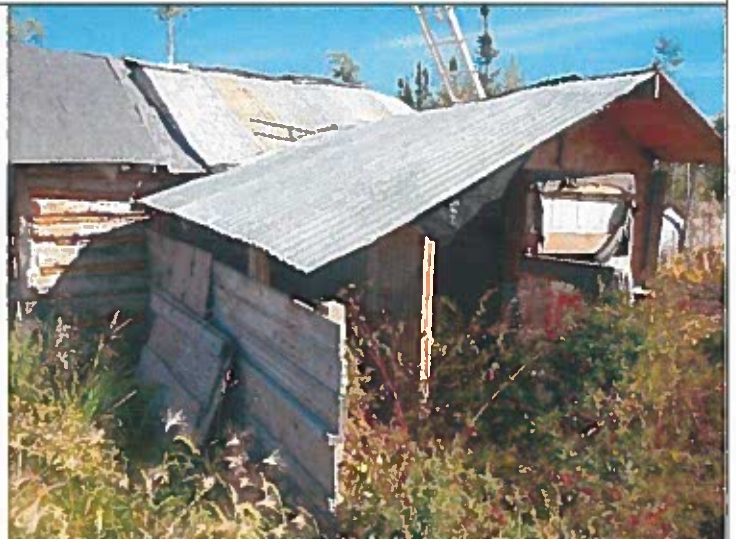
ADL 417544, Tract 16 of Kentucky Creek – file photos



ADL 417544, Tract 16 of Kentucky Creek– file photos



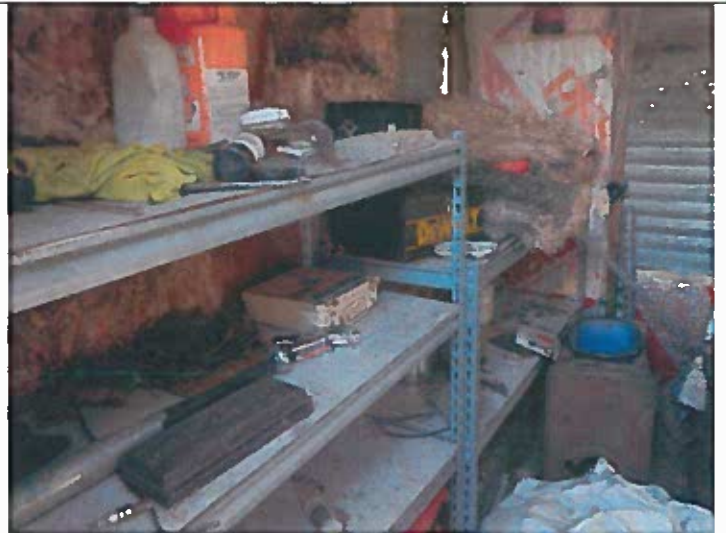
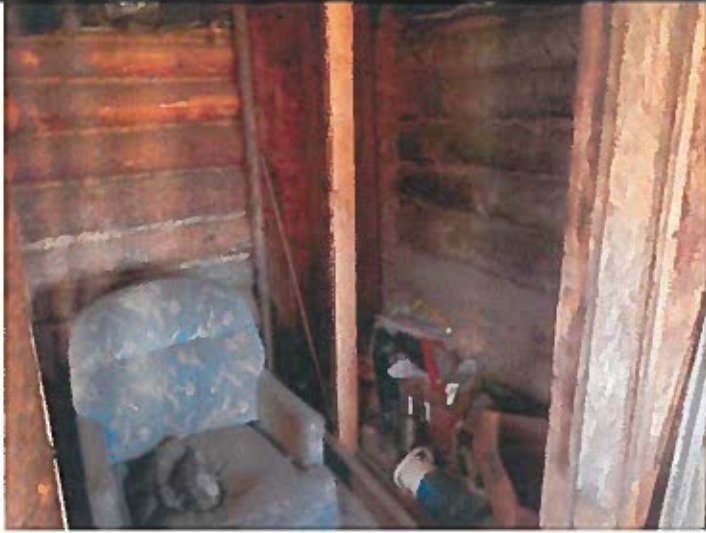
ADL 417560, Tract 32 of Kentucky Creek– file photos



ADL 417560, Tract 32 of Kentucky Creek— file photos



ADL 417560, Tract 32 of Kentucky Creek— file photos



Property Description – Riverview

ADL	Subdivision	MTRS	Lot	Block	ASLS	Acres	Plat	Recording District	PAN
411192	Riverview	F5N3E29	5	8	83-128	10.453	80-9	Fairbanks	412465

Location

The subject is located roughly fifty road miles northeast of Fairbanks, twenty miles northeast of Chatanika townsite, north of the Chatanika River, and west Camp Creek. The parcel is within Section 30 of Township 5 North, Range 3 East, Fairbanks Meridian.

Access

The subject is accessed via the Steese Highway, then north along interior subdivision roads. The subject is accessed from Chulitna Drive, a partially constructed 4x4 road.

Topography, Soils/Vegetation

The subject is situated along rolling hills north of the Chatanika River east of Camp Creek. Elevation ranges from 1,400 to 1,500 feet above sea level, and the parcel slopes generally to the south and east. The site is vegetated with a mix of birch, alder, white spruce, black spruce and interspersed underbrush.

Easements & Zoning Regulations⁶

The subject is within the Fairbanks – North Star Borough and zoned for RE-4, or Rural Estate. There are typical easements throughout the subdivision. The parcel is not adversely affected by zoning, or atypical easements.

Environmental Hazards, Hazardous Waste & Toxic Materials

There is miscellaneous debris including an abandoned vehicle and a used 55-gallon drum which appeared to have contained heating oil. There did not appear to be any ground staining. However, the appraiser is not an expert in determining environmental contamination. No other toxic materials, waste, or hazards were observed during the field inspection.

Ownership History

ADL 411192 was offered through the 2017 DNR Subdivision auction and later sold through the OTC offering. The applicant entered into a land sale contract, which was subsequently terminated due to non-payment. DNR is the current owner of record. See below:

ADL	Lot	Block	Date Sold	Doc.	Returned to State Ownership	Doc.
411192	5	8	11/22/17	2018-002872-0	3/21/23	2023-003282-0

Tax Assessments⁷

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 12.794.

Utilities, Water & Sewer

There is overhead electric service near the highway. However, this service has not been extended to the subject parcel. No public water or sewer system is available. Water supply or sewage disposal systems

⁶ <http://gis.co.fairbanks.ak.us/>

⁷ *ibid*

must be located, constructed and equipped in accordance with the requirements, standards, and recommendations of the Alaska Department of Environmental Conservation.

Personal Property

There is no personal property involved with the appraisal of this property. However, there is an 18' x 26' cabin with a loft on site. The structure is not fastened to the Sonotube foundation, and is shimmed with untreated plywood. The roof is bare plywood and open to the weather. Water from rain and snow-melt has inundated the interior, which has damaged the structure. From the inspection, it appears the structure is unsafe for habitation. Salvage of some of the framing materials for use in outbuildings or animal enclosures appears possible. Additionally, there is an abandoned vehicle on the property, and debris is strewn about the property.





ADL 411192 at southern corner. Looking northeast along Chulitna Drive.



ADL 411192. Monumentation on southern corner.



ADL 411192. Tent platform and debris.



ADL 411192 Typical vegetation.



ADL 411192. Driveway to cabin.



ADL 411192. Abandoned vehicle.



ADL 411192. Cabin on property.



ADL 411192. Cabin foundation. Unsecured non-treated timber on Sonotube.



ADL 411192. Interior of cabin.



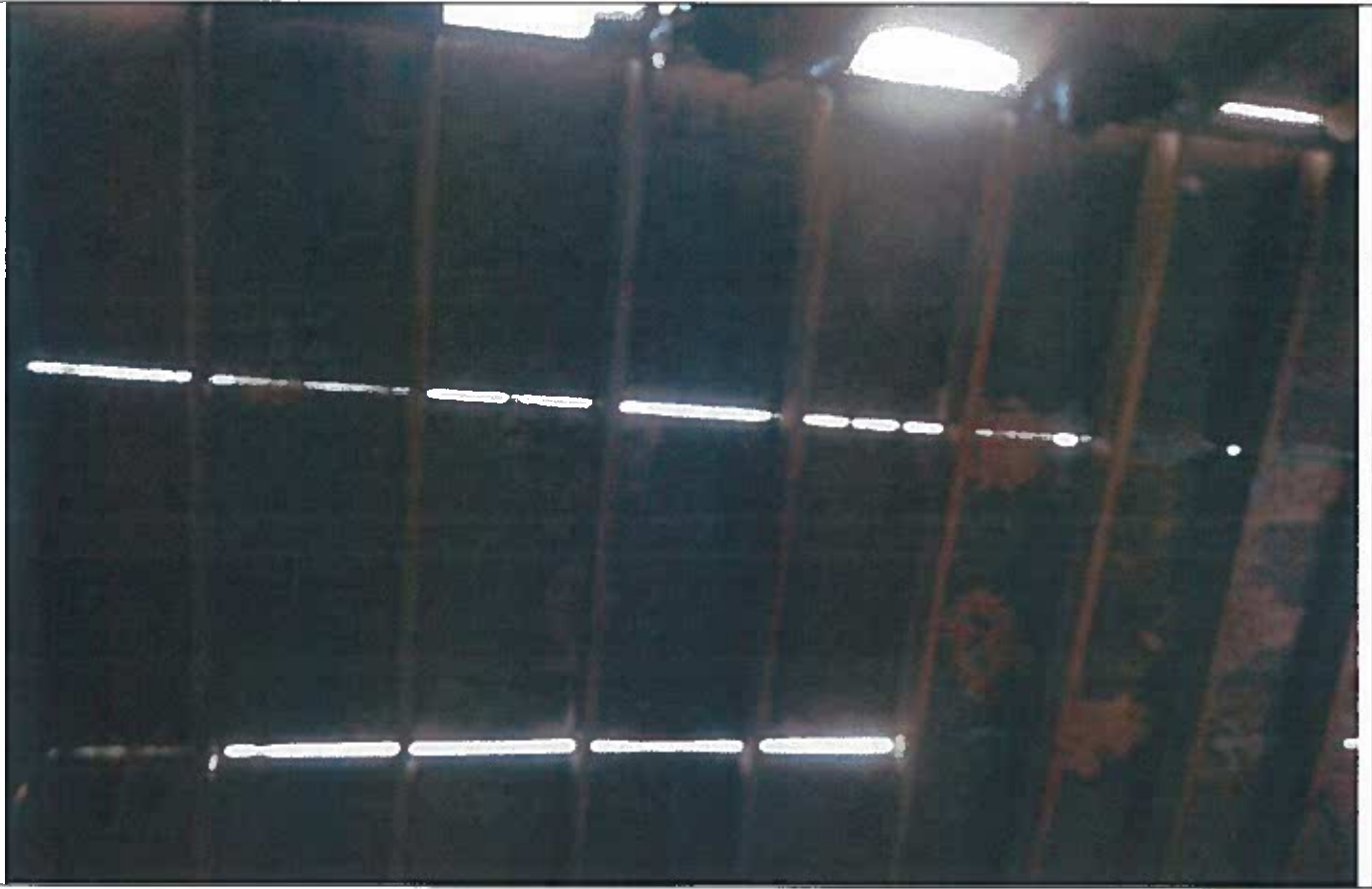
ADL 411192. Interior of cabin.



ADL 411192. Interior of cabin.



ADL 411192. Loft area. Open to weather.



ADL 411192. Interior of cabin. Open to weather.



ADL 411192. Ceiling of cabin, damaged by weather.



Interior of cabin.



Loft. Open to weather.



ADL 411192. Miscellaneous debris.



ADL 411192. Miscellaneous debris. Moose leg in cage.

Property Description – Tatalina II RRCS

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Plat	Recording District
421038	Tatalina II RRCS	F6N4W14	9	2016-12	14.62	2018-52	Fairbanks
420454	Tatalina II RRCS	F6N4W12	19	2016-12	16.61	2018-52	Fairbanks

Location

The subjects are located approximately 35 miles north of Fairbanks, less than a mile west of the Elliott Highway.

Access

Both parcels are accessed via the Elliott Highway, then overland. Tract 9 is set back 300' from the highway. Tract 9 is not accessible with a highway vehicle and is limited to ATV, snowmachine, or walk-in. Tract 19 is approximately a quarter mile from the road and accessed along a section line. The section line has not been brushed and access to Tract 19 is walk-in only.

Topography

Both parcels are flat, rectangular, and approximately 600-feet above sea level.

Soils/Vegetation

Tract 19 is vegetated with a mix of black spruce with limited stands of birch and aspen. Vegetation is indicative of adequately drained soils on Tract 19. Tract 9 is entirely comprised of black spruce and poorly 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. However, there is debris on Tract 9 left from the previous occupant, including a structure made from black spruce and a burned-out motorhome.

Ownership History

Both subjects have been sold through prior DNR offerings and have returned to State ownership. ADL 421038 was purchased through the OTC offering and the applicant entered into a land sale contract, see Recorded Document 2019-018193-0. The contract was subsequently terminated due to non-payment, see Recorded Document 2022-013414-0.

ADL 420454 was staked through the DNR Remote Recreational Cabin Site program, and the applicant entered into a lease. The applicant failed to purchase the parcel at the end of the first lease term, and the lease was renewed. The applicant again failed to purchase the parcel at the end of the second lease term, and the parcel reverted to the State, see Recorded Document 2023-015791-0. DNR is the owner of record.

Tax Assessments

The parcels are 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.



ADL 420454 in foreground, one quarter mile west of highway.



ADL 420454, one quarter mile west of highway.



ADL421038. Bearing tree on ground.



ADL421038. Monumentation.



ADL421038. Brushed eastern lot line.



ADL421038. Typical black spruce.



ADL421038. Debris on parcel.



ADL421038. Debris on parcel



ADL421038. Debris on parcel



ADL421038.

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.