

MARKET VALUE APPRAISAL
of
One Parcel within Bruce Lake Subdivision



APPRAISAL REPORT No. 4707-0

STATE OF ALASKA
Department of Natural Resources
Division of Mining, Land & Water
550 West Seventh Avenue, Suite 650
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MEMORANDUM

State of Alaska

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DATE: 02/05/2026

TO: Kevin Hindmarch
Review Appraiser

FROM: Michael S. Dooley
Appraiser II



SUBJECT: Appraisal of one parcel within Bruce Lake Subdivision.

As requested, I have completed an appraisal of the above referenced parcel 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 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 physically inspected the subject parcel. All of the comparable sales used in this report were inspected from the street. 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

Location and Legal Description

Subdivision Name	ADL	Location	Legal Description
Bruce Lake	205937	Approximately 4.5 miles northwest of downtown Wasilla, 2.0 miles north of the Parks Highway, between Beverly Lake and Bruce Lake.	Lot 1/Block 2 of ASLS 79-155

SUMMARY OF VALUES

Subdivision	ADL	Lot/Tract	Block	ASLS	Site Size	Value
Bruce Lake	205937	1	2	79-155	1.21	\$45,000

Type of Appraisal and Report

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

Purpose of Appraisal

The purpose of this appraisal is to estimate the current market value of the property 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: 09/19/2025

Date of Report: 01/27/2026

Exposure Time

Exposure time is defined as “...the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is different for various types of property and under various market conditions. It is noted that the

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

² Alaska Statutes Title 38, Public Land Article 5, <http://www.legis.state.ak.us/basis/statutes.asp#38.05.125>, Accessed 01/20/2026

³ The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, 2020, p.58

overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort.”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 are important factors for determining exposure time. An exposure time of up to one year is typical.

Scope of the Appraisal

Property and Comparable Sales Inspection

I physically inspected the subject property and some of the comparable sales on September 19, 2025. The comparable sales were inspected from the street.

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 while the Matanuska - Susitna Borough database was searched for relevant sale information. Private real estate agent websites were searched for recent listings while 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 2018-2019, Appraisal Foundation, 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 – The Matanuska Susitna Borough⁵

Location:

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

Local Government:

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

Demographics:

Low housing costs, the rural lifestyle, and a reasonable commute to Anchorage for employment and services has made the Mat-Su Borough one of the fastest growing areas of Alaska in recent years. According to the 2020 Census the population estimate was 107,081.

Economy:

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

Facilities:

There are three incorporated cities within the Borough: Houston, Palmer, and Wasilla. Additionally, there are several unincorporated communities and twenty-five (25) Borough recognized community councils. The majority of the Borough population resides in the "core area" surrounding the cities of Palmer and Wasilla, and within the cities themselves. The remaining population is spread out among the various unincorporated communities, as well as some remote sites. There are 46 schools located in the borough, attended by more than 19,000 students.

Transportation:

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

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

Houston⁶

The City of Houston is a 2nd Class City in the Matanuska-Susitna Borough. Houston is located 18 miles northwest of Wasilla and 57 miles north of Anchorage. It lies on the George Parks Highway, along the Little Susitna River. The area encompasses 22.40 square miles of land and 1.2 square miles of water. Houston falls within the transitional climate zone, characterized by a semi-arid atmosphere, long, cold winters, and mild summers. Winds are frequently lower than the Palmer/Wasilla area, with daily averages ranging from 0 to 6 mph.

Houston residents enjoy a diverse economy and residents are employed by a variety of industry types including but not limited to, government, trade, transportation, professional, and retail positions. Furthermore, the City of Houston is within commuting distance from the City of Wasilla, and the City of Anchorage. A large number of the workforce commute to Wasilla and Anchorage for employment.

The community lies on Alaska's road system. The Alaska Railroad serves Houston Wasilla on the Fairbanks-to-Seward route. There are numerous private airstrips in the vicinity. Commercial air service is located at the Anchorage International Airport.

Wasilla⁷

Wasilla is located midway between the Matanuska and Susitna Valleys, on the George Parks Highway. It lies between Wasilla and Lucille Lakes, 43 miles north of Anchorage. The area encompasses 11.7 square miles of land and .70 square miles of water. January temperatures range from -33 to 33 °F; July temperatures range from 42 to 83 °F. The average annual precipitation is 17 inches, with 50 inches of snowfall.

Wasilla residents enjoy a diverse economy and residents are employed by a variety of industry types including but not limited to, government, trade, transportation, professional, and retail positions. Furthermore, the City of Wasilla is within commuting distance from the City of Anchorage and a large number of the workforce commute to Anchorage for employment.

Although the majority of homes use individual water wells and septic systems, the City of Wasilla does operate a piped water system and sewer system.

The community lies on Alaska's road system. The Alaska Railroad serves Wasilla on the Fairbanks-to-Seward route. A city airport, with a paved 3,700' long by 75' wide airstrip, provides scheduled commuter and air taxi services. Float planes land at Wasilla Lake, Jacobsen Lake, and Lake Lucille. There are numerous additional private airstrips in the vicinity. Commercial air service is located at the Anchorage International Airport.

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

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General Property Description for Bruce Lake Subdivision

ADL	Lot/Block	ASLS	Size	MTRS
205937	L1/B2	79-155	1.21	S018N002W36

Location

Bruce Lake Subdivision is located approximately 4.5 miles northwest of downtown Wasilla, 2.0 miles north of the Parks Highway, between Beverly Lake and Bruce Lake. The parcel is directly across the street from a public access trail to Beverly and Kalbach Lakes



Access

Access to the parcel is from the Parks Highway, north on Church Road, then west on Seldon Road, and south of North Windy Bottom Road to the parcel. The parcel is a corner lot and has frontage on the paved North Windy Bottom Road to the north and west, and frontage on the graveled West Thunder Cloud Drive to the south.

Size & Shape

The subject parcel is rectangular in shape and has a total of 1.21-acres. However, there is a 50' section line/road easement along the north property line. The plat indicates a net useable area of 40,000 sf, or 0.92-acres.

Topography

The subdivision is characterized by a generally level to rolling topography. The subject parcel is generally level and sits above the road grade.

Soils/Vegetation

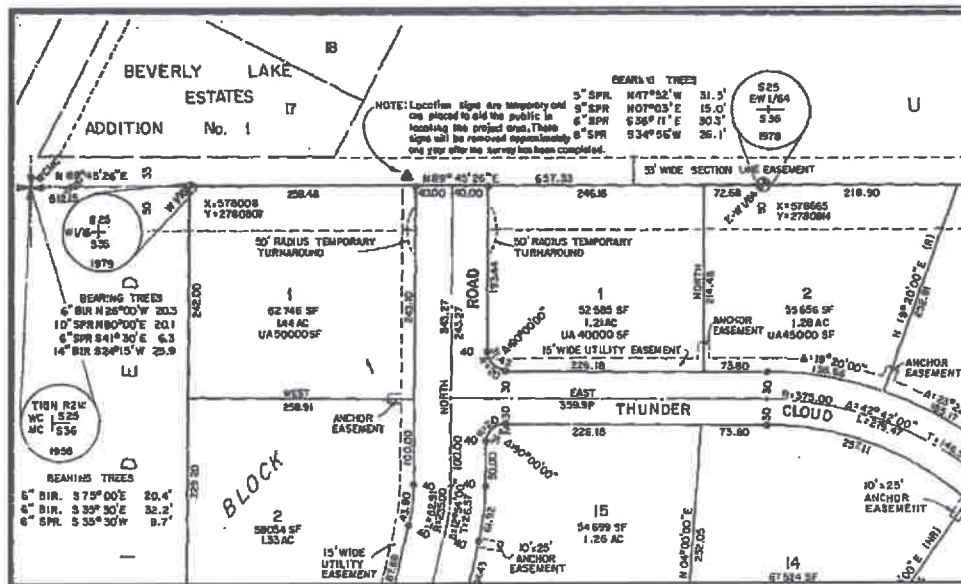
The subdivision contains primarily spruce and birch.

Utilities, Water & Sewer

Electrical service runs past subject parcel along North Windy Bottom Road and along West Thunder Cloud Drive. No public water or sewer system is available.

Easements & Zoning Requirements

The subject parcel is located within the Matanuska-Susitna Borough but outside of the Wasilla city limits. There is currently no zoning for the subject subdivision. The plat indicates a 15' utility easements along the south lot line. And a 50' section line easement along the north property line.



Environmental Hazards, Hazardous Waste & Toxic Materials

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

Tax Assessments⁸

The subjects are located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2025 mill rate for the subject subdivision is 13.516

Ownership History

The Department of Natural Resources (DNR) is the current owner of record for the subject parcel within the Bruce Lake subdivision. There are no known deed transfers or contracts to purchase the subject property within the past 3 years.

Personal Property

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

⁸ <http://www.matsugov.us/realpropertyquery/detail> accessed 10/03/2023

Bruce Lake Subdivision Photos
ADL #205937



Looking east down North Windy Bottom Road.



Looking south down North Windy Bottom Road.



Looking east down West Thunder Cloud Drive to the right and North Windy Bottom Road to the left.



Looking west on West Thunder Cloud Drive.

DATA ANALYSIS AND CONCLUSION

Highest and Best Use

Analysis of highest and best use for the subject property is necessary to accurately estimate the value of the land. Highest and best use analysis ensures that the value estimate is derived with the use in mind that maximizes the utility for a given property. The appropriate highest and best use for a given property is determined by the conditions of the market. Highest and best use can be defined as:

“The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.”⁹

The land to be valued is considered vacant and thus valued with the highest and best potential use for the property. Value for improvements (when present on the site) is then based on their contribution to this use. The appraised parcels are vacant and unimproved.

Legally Permissible

The subject parcel is located within Matanuska-Susitna Borough, but the outside of the city limits. Almost any legal use of these sites would be possible.

Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation.

Physically Possible

The size and physical characteristics are adequate to support all reasonable and probable uses.

Financially Feasible

Surrounding land use is primarily residential development. Development of the parcel depends on the amount of resources the owner is willing to allocate for residential needs.

Maximally Productive

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. The immediate vicinity is characterized by semi-rural residential sites.

Highest and Best Use of Land as Vacant

Based on the foregoing analysis, the highest and best use of the subject parcel as vacant would be for almost any legal use, primarily residential sites.

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

⁹ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015

from the value of the improvements to determine the cost of reproducing the improvements. The cost approach is most effective for appraising properties that have newer improvements. As such, the cost approach will not be used.

Sales Comparison Approach

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

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 match the quality of the key parcel's feature, thus indicating the value of the key parcel. An adjustment greater than 1.00 (or >) means that the sale feature is inferior to the subject's feature which requires an upward adjustment to match, thus indicating the value of the key parcel. An adjustment of 1.00 (or =) means the sale feature is similar to the key parcel, and no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel. The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment. Detailed information about the comparable sales and the adjustments is contained in this report and addenda.

Unit of Comparison

Generally, the buyers and sellers in the marketplace determine the unit of comparison, e.g. price per acre, square foot, site, front foot, etc. The appropriate unit of comparison will be identified and analyzed accordingly for each of the key parcels.

Rights Conveyed

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

Financing Terms

In accordance with DNR instructions, market value is estimated in terms of seller financing typical for the market. Cash transactions sometimes are afforded a discount from typical financing. In general, a cash transaction would tend to be at the lower end of the price range with listings usually setting the upper limit.

Conditions of Sale

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

Market Conditions (Time)

Analysis of real estate sales in the subject area indicates that prices of vacant land have remained stable. Market times of up one year are typical. No market conditions adjustments are warranted.

Location

The subject parcel and all of the comparable sales are located in the same market area. No location adjustment is necessary.

Size & Topography

Unless otherwise noted, the subject parcel and comparable sales are similar in size and do not require size adjustments. There are no major topographical deficiencies which would require an adjustment.

Access

Unless noted otherwise, the subject and comparables sales feature similar means of access. All of the comparables and subject parcels are within one mile of paved, arterial access.

Utilities

The availability of utilities varies among the subject parcel and the associated comparable sales. Availability of utilities and adjustments, if needed, will be identified in the adjustment grid and reconciliation.

Amenities

Exceptional features of a given parcel may increase value. Features such as type of water frontage, proximity to bodies of water, exceptional views are examples of amenities that may warrant adjustments.

Due to the confidentiality of sales information in the State of Alaska, the valuation section of the report is unavailable online. The entire report can be reviewed at the DNR Public Information Center:

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