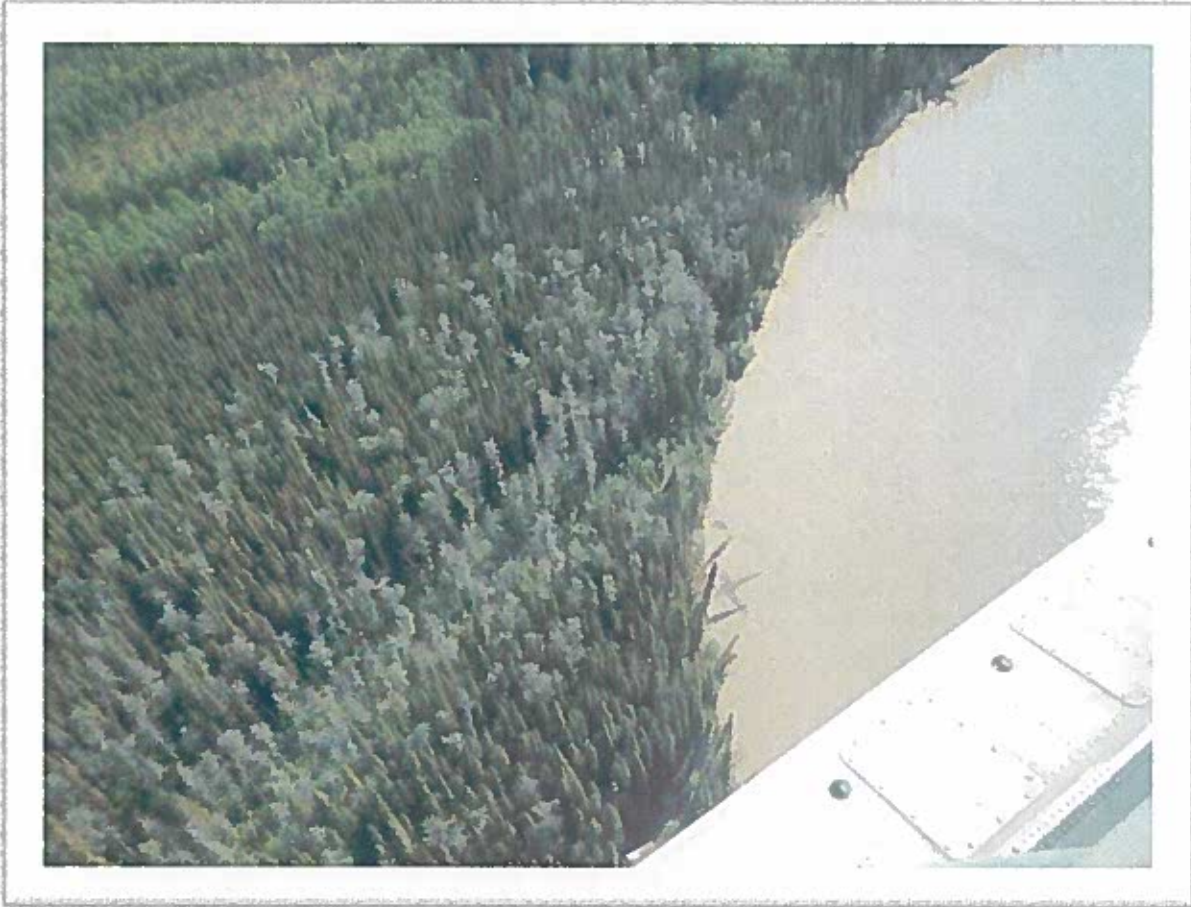


**MARKET VALUE APPRAISAL  
of**

**Four (4) parcels within**

**Cosna RRCS – ASLS 2006-20  
Deadman Lake – ASLS 81-40A  
Dugan Hills RRCS – ASLS 2005-26  
Kindamina Lake – ASLS 81-218**



Dugan Hills

**APPRAISAL REPORT No. 4665-0**

**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. 4665-0**

1. ADL NO(S): See table below
2. SIZE: See table below
3. APPLICANT: N/A
4. LOCATION: Subdivided lots west of Fairbanks and north of the Alaska Range
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 20, 2024
10. DATE of VALUE(S): June 20, 2024
11. APPRAISED VALUE(S):

ADL	Subdivision	Lot / Tr.	Blk	ASLS	Acres	Date of Value	Value (Rnd)
417567	Cosna RRCS	A	-	2006-20	14.41	6/20/24	\$24,600
419014	Deadman Lake	28	10	81-40A	4.677	6/20/24	\$4,400
417385	Dugan Hills RRCS	C	-	2005-26	5.00	6/20/24	\$15,500
409209	Kindamina Lake	6	5	81-218	3.01	6/20/24	\$14,400

**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. 4665-0**

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 review 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 7<sup>th</sup> Avenue, Suite 650  
Anchorage AK 99501-3576

DATE: December 20, 2025

TO: Kevin Hindmarch  
Review Appraiser

FROM Johnthomas Williamson   
Appraiser

SUBJECT: Four remote parcels within Cosna RRCS, Deadman Lake, Dugan Hills RRCS, and Kindamina Lake Subdivisions.

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

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

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

## 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

### PRESENTATION OF DATA

Area Analysis	8
Parcel Descriptions	9

### DATA ANALYSIS AND CONCLUSION

Approaches to Value	22
Valuation of Interior Parcels	23
Valuation of Riverfront	28
Valuation of Lakefront Parcels (Per-Site Valuation)	34
Certification of Value	40

### ADDENDA

Subject Surveys	
Size Adjustment	
Comparable Sale Forms	
Appraisal Instructions	
Qualifications	

## APPRAISAL SUMMARY

### Legal Description and Location

Subdivision Names	Location	Survey
Cosna RRCS	Approximatly 30-miles downriver from Manley Hot Springs, up the Cosna River.	ASLS 2006-20
Deadman Lake	Approximatly 60 air-miles west of Fairbanks	ASLS 81-40A
Dugan Hills RRCS	Approximatly 20 miles upriver from Manley Hot Springs, on the Tanana River.	ASLS 2005-26
Kindamina Lake	Approximatly 80 miles west of Fairbanks, and 15 miles south of Manley Hot Springs	ASLS 81-218

### SUMMARY OF VALUES

ADL	Subdivision	Lot / Tr.	Blk	ASLS	Acres	Date of Value	Value (Rnd)
417567	Cosna RRCS	A	-	2006-20	14.41	6/20/24	\$24,600
419014	Deadman Lake	28	10	81-40A	4.677	6/20/24	\$4,400
417385	Dugan Hills RRCS	C	-	2005-26	5.00	6/20/24	\$15,500
409209	Kindamina Lake	6	5	81-218	3.01	6/20/24	\$14,400

## 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.”<sup>1</sup>

**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.”<sup>2</sup>

### 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.”<sup>3</sup>

### Effective Date of Value Estimate

The effective date of value is June 20, 2024.

### Date of Report

The date of the report is December 20, 2024.

<sup>1</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, p.90

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2020, [www.legis.state.ak.us/basis/folio.asp](http://www.legis.state.ak.us/basis/folio.asp)

<sup>3</sup> 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."<sup>4</sup>

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

**Property History**

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

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

I inspected the subject properties and select comparable sales on June 20, 2024. I have inspected the remaining comparable sales on previous, recent appraisal assignments. Physical features and access were identified by use of site inspections, topographic maps, status plats, aerial photographs, DNR appraisal records, and interviews with people who are familiar with the area.

**Research and Analysis**

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

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

---

<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2024-2025, Appraisal Foundation, p.U-2

## Assumptions and Limiting Conditions

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

## PRESENTATION OF DATA

### Market Area – Interior

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

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

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

Fairbanks is a Home Rule city and the second largest population center in the state. Currently, its estimated population is 32,000, comprised of 11,500 households. The average household size is 2.52. Power is supplied by Golden Valley Electric Association Inc. through diesel generators. Supplemental power is supplied by Aurora Energy LLC. The area is serviced by local schools, hospitals, libraries, refuse systems, and other urban facilities.

### Manley Hot Springs<sup>5</sup>

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.

---

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

### Property Description – Cosna RRCS

ADL	Subdivision	MTRS	Tr	ASLS	Acres	Plat	Recording District
417567	Cosna RRCS	F001S019W19	A	2006-20	14.41	2008-3	Fairbanks

#### Location

ADL 417567 is located on the Cosna River approximately 110 miles west of Fairbanks and 25 miles southwest of Manley Hot Springs. The subject is within Section 19 of Township 1 South, Range 19 West, Fairbanks Meridian.

#### Access & Amenities

The subject has frontage along the Cosna River, which allows for access via boat or snowmachine from the Tanana River.

#### Topography, Soils, Size & Shape

The parcel is level, 14.41 acres, and irregular in shape. The site 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 and a 100' building set back along the Cosna River. The subject is within the Unorganized Borough and not subject to zoning.

#### Environmental Hazards, Hazardous Waste & Toxic Materials

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

#### Ownership History

In 2020, ADL 417567 was offered through the DNR Subdivision Auction with a minimum bid of \$23,100. The parcel received a high bid of \$24,900, and the applicant entered into a land sale contract, which was subsequently terminated due to non-payment. See Recorded Document 2023-000011-0. The parcel returned to the State. DNR is the current owner of record.

#### Tax Assessments & Personal Property

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



Cosna Tract A from southeast. (MLW file photo)



Cosna Tract A from southwest looking downriver. (MLW file photo)

### Property Description – Deadman Lake

ADL	Subdivision	MTRS	Lot	Blk.	ASLS	Acres	Plat	Recording District
419014	Deadman Lake	Ff001S012W10	28	10	81-40A	4.677	81-9	Manley Hot Springs

#### Location

Deadman Lake Subdivision is located approximately 65 miles west of Fairbanks and five miles north of the Tanana River. The subdivision is within Township 1 South, Range 12 West, Fairbanks Meridian.

#### Access & Amenities

The primary access to the parcel is via fly-in, then overland to the site. Alternative access is via snowmachine from Fairbanks along trails and the Tanana River.

#### Topography, Size & Shape

The parcel is moderately sloping, 4.677-acres, and rectangular in shape. The site is approximately 700' above sea level.

#### Soils/Vegetation

The subdivision contains mixed spruce and birch. Vegetation on ADL 419014 is indicative of adequate drainage.

#### Easements & Zoning Regulations

There are typical easements throughout the subdivision including a 50' public access easement from the ordinary high-water line of Deadman Lake.

#### Environmental Hazards, Hazardous Waste & Toxic Materials

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

#### Ownership History

ADL 419014 was offered through the multiple DNR Subdivision Auctions. While the parcel has received applications for purchase, the applicants have not proceeded to contract. The site has remained in State ownership. DNR is the owner of record.

#### Tax Assessments & Personal Property

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

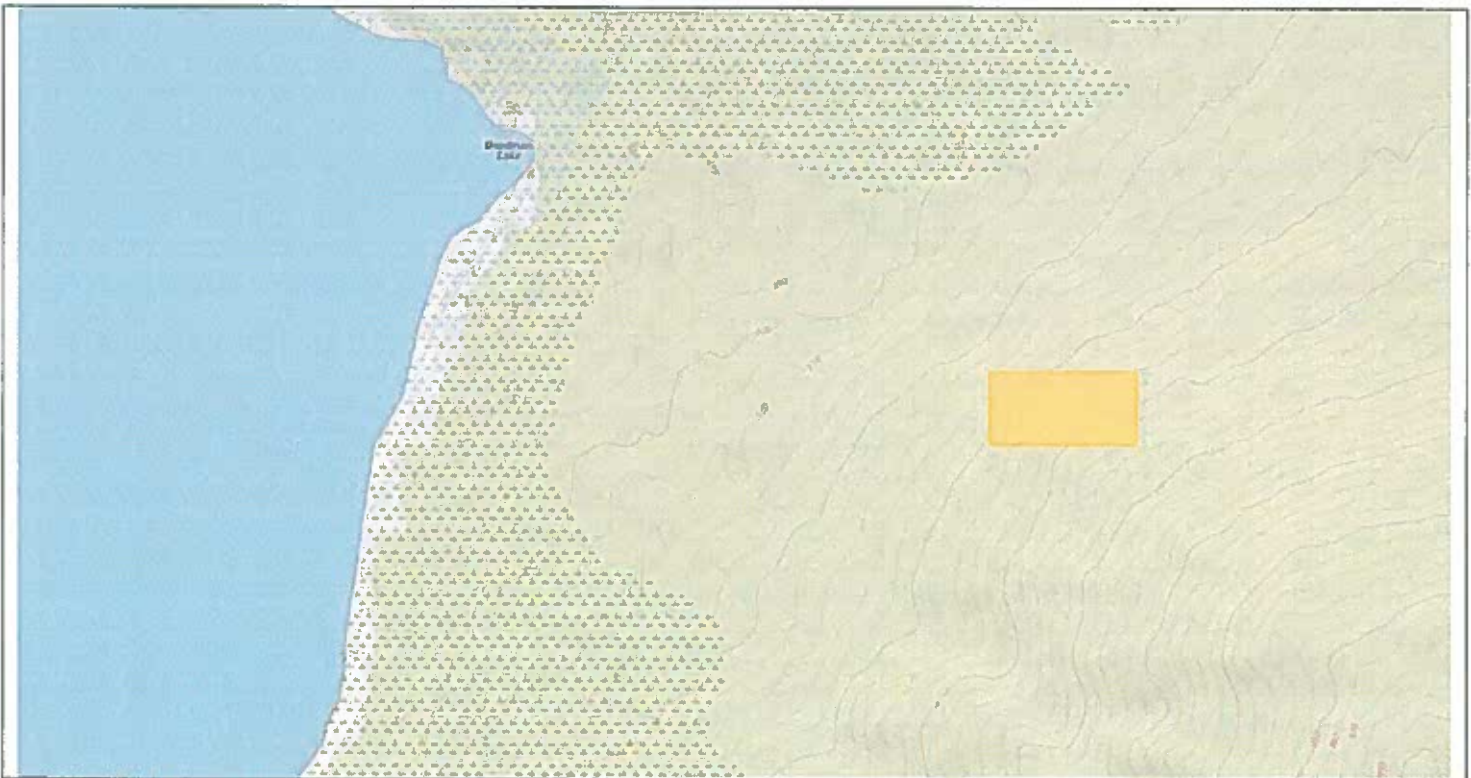
#### Utilities, Water & Sewer

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

**ADL 419014 – Lot 28 Block 10 of Deadman Lake**



Imagery from Alaska Mapper



Topo from Alaska Mapper



ADL 419010 looking west



ADL 419010

**Property Description – Dugan Hills RRCS**

<b>ADL</b>	<b>Subdivision</b>	<b>MTRS</b>	<b>Tract</b>	<b>ASLS</b>	<b>Acres</b>	<b>Recording District</b>	<b>Recording District</b>
417385	Dugan Hills RRCS	Sec. 22 T1S R13W FM.	C	2005-26	5.00	Manley Plat 2008-1	Fairbanks Plat 2008-33

**Location**

Dugan Hills RRCS is approximately 70 miles west of Fairbanks, on the Tanana River, southeast of Manley Hot Springs. The subdivision is located within Township 1 South, Range 13 West, Fairbanks Meridian. The subject is within Section 22.

**Access**

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

**Topography & Shape**

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

**Soils & Vegetation**

Dugan Hills RRCS contains primarily mature spruce with a mix of some deciduous trees. Vegetation in the subdivision is indicative of adequately drained soils.

**Easements & Zoning Regulations & Tax Assessments**

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

**Environmental Hazards, Hazardous Waste & Toxic Materials**

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

**Ownership History**

ADL 417385 was most recently offered through the 2022 DNR Subdivision Auction. The parcel did not receive a high bid. In 2023, the parcel received an OTC application. However, the applicant did not enter into a land sale contract. The parcel remained in State ownership, and DNR is the owner of record.

**Personal Property**

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

**Utilities, Water & Sewer**

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

ADL 417385 Tr. C Dugan Hills RRCS



Imagery from Alaska Mapper



Topo from Alaska Mapper



Tract C of Dugan Hills



Tract C on left.



Tract C of Dugan Hills



Tract C of Dugan Hills on right

**Property Description – Kindamina Lake**

<b>ADL</b>	<b>Subdivision</b>	<b>MTRS</b>	<b>Lot</b>	<b>Block</b>	<b>ASLS</b>	<b>Acres</b>	<b>Plat</b>	<b>Recording District</b>
409209	Kindamina Lake	Sec. 12 T2S R15W FM.	6	5	81-218	3.01	82-5	Manley Hot Springs

**Location**

Kindamina Lake Subdivision is located approximately eight miles southwest of the Tanana River and 18 miles south of Manley Hot Springs. The subject is located east of the lake within Sections 12 of Township 2 South, Range 15 West, Fairbanks Meridian.

**Access**

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

**Topography, Soils, Size & Shape**

The parcel is level, 3.01-acres, and rectangular in shape. ADL 409209 contains primarily mature spruce and birch mix with some poplar. Vegetation is indicative of adequate drainage. In the summer of 2018, a large forest fire burned a large portion of Kindamina Lake Subdivision, including the immediate area surrounding the subject. The subject is in the process of recovery.

**Easements & Zoning Regulations**

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

**Environmental Hazards, Hazardous Waste & Toxic Materials**

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

**Ownership History**

In 2017, ADL 409209 was sold through the DNR OTC offering. The applicant entered into a land sale contract. Subsequently the purchaser passed away, and the heirs opted not to continue the contract. The contract was terminated and the parcel returned to the State. DNR is the current owner of record.

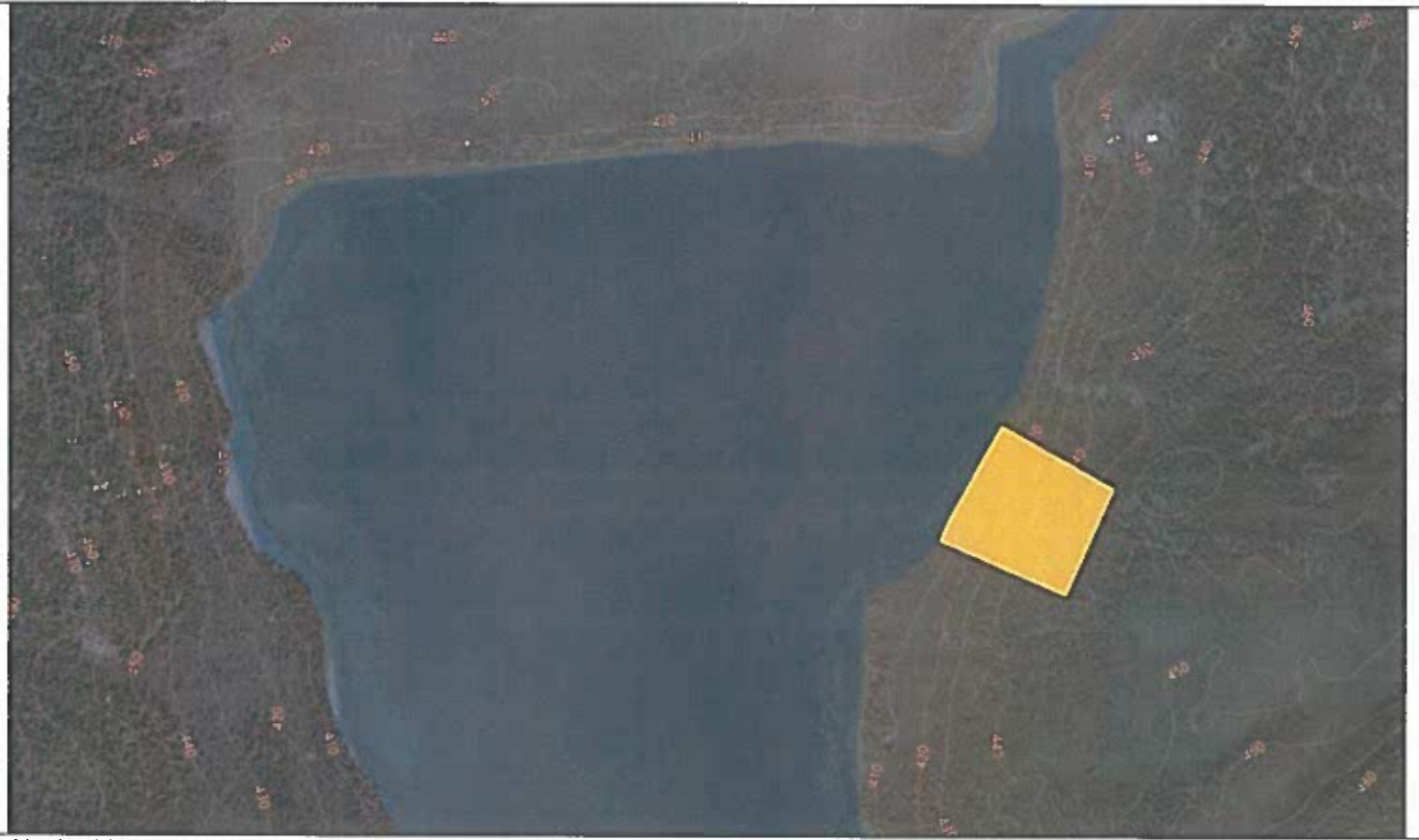
**Tax Assessments, Personal Property**

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

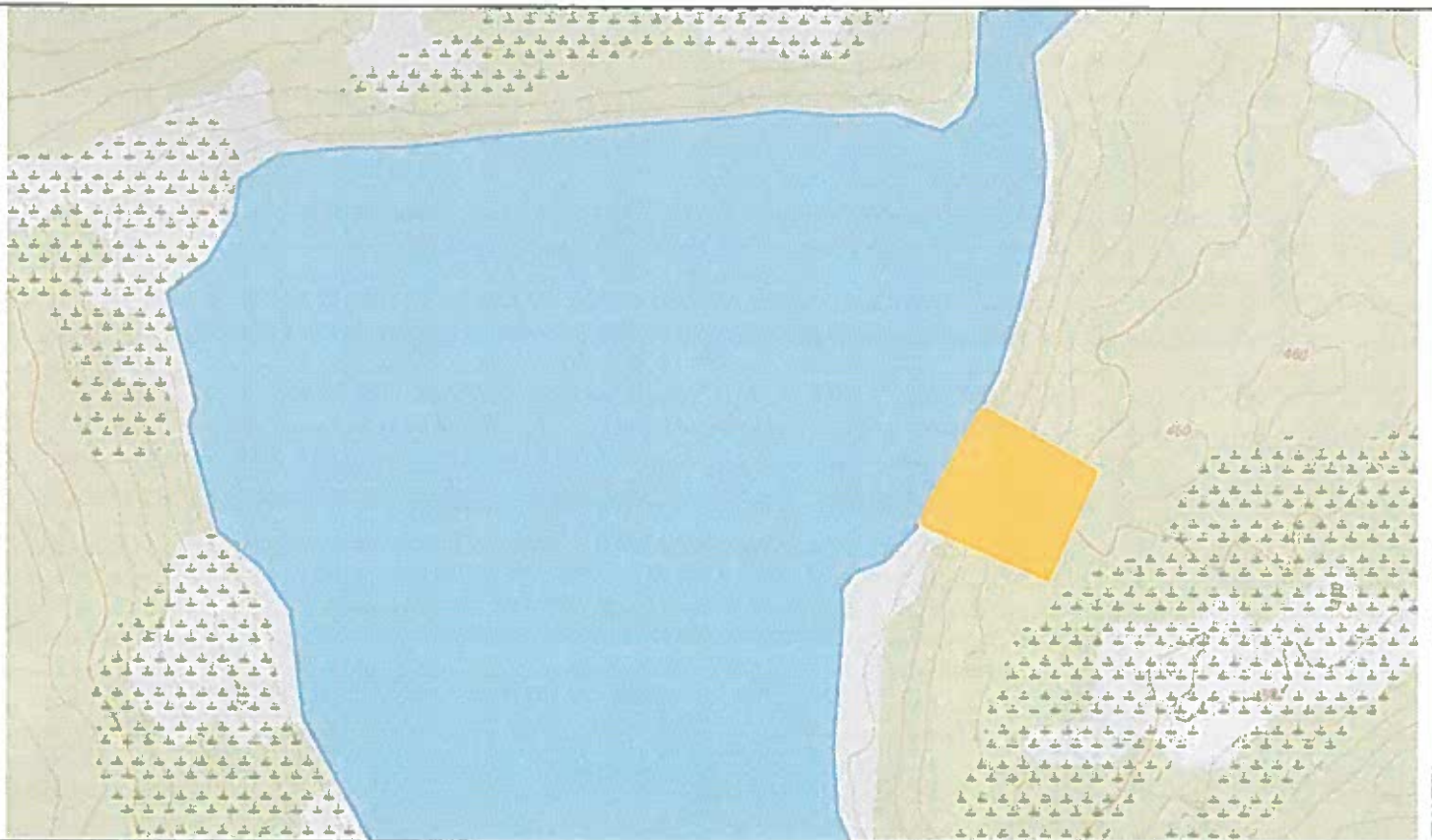
**Utilities Water & Sewer**

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

ADL 409209 – Lot 6 Block 5 of Kindamina Lake



Alaska Mapper imagery



Alaska Mapper topo



ADL 409209 Kindamina Lake looking east



ADL 409209 Kindamina Lake looking southwest



ADL 409209 Kindamina Lake looking west



ADL 409209 Kindamina Lake looking southeast

---

## 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](mailto:landsales@alaska.gov).