

MARKET VALUE APPRAISAL
of

**Thirty (30) Parcels within
Anderson ASLS 79-28 & 79-31
Clear Sky ASLS 91-63
Farmview ASLS 82-123
June Creek Subdivision ASLS 79-166**



June Creek

APPRAISAL REPORT No. 4286-0

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

MEMORANDUM

State of Alaska

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DATE: December 22, 2015

TO: Kevin Hindmarch
Review Appraiser

FROM Johnthomas Williamson 
Appraiser

SUBJECT: Appraisal of Thirty (30) parcels near Healy and Nenana within June Creek, Farmview, Anderson, and Clear Sky Subdivisions.

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

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

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

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APPRAISAL SUMMARY

Location and Legal Description

Anderson parcels are located approximately six to seven miles northwest of the Parks Highway – Nenana River crossing and seven miles southwest of Anderson. The parcels are within Sections 29 & 32 of Township 7 South, Range 9 West, Fairbanks Meridian.

Clear Sky Homestead is located approximately 7 miles west of the Parks Highway – Nenana River crossing within Section 22 of Township 8 South, Range 10 West, Fairbanks Meridian.

Farmview is located approximately 4 miles north of Nenana, one half mile east of the Parks Highway within Sections 36 of Township 3 South, Range 8 West, Fairbanks Meridian.

June Creek is located approximately 13 to 18 miles south of Anderson, west of the Parks Highway. The subdivision lies within multiple sections of Township 9 South 9 West, Fairbanks Meridian.

SUMMARY OF VALUES

ADL	Subdivision	Lot / Tr.	Block	ASLS	Acres	Value (Rnd)	Date of Value
401982	Anderson	3		79-28	38.48	\$21,200	7/15/2015
401998	Anderson	7		79-31	39.14	\$21,500	7/15/2015
414222	Clear Sky Homestead	D		91-63	39.03	\$21,300	7/15/2015
409782	Farmview	5	1	82-123	20.41	\$22,500	7/15/2015
409790	Farmview	1	3	82-123	19.57	\$21,900	7/15/2015
409791	Farmview	2	3	82-123	20.41	\$22,500	7/15/2015
405139	June Creek	2	1	79-166	5.51	\$11,000	7/15/2015
405140	June Creek	3	1	79-166	5.51	\$11,000	7/15/2015
405141	June Creek	4	1	79-166	5.51	\$11,000	7/15/2015
405142	June Creek	5	1	79-166	5.51	\$11,000	7/15/2015
405143	June Creek	6	1	79-166	5.51	\$11,000	7/15/2015
405144	June Creek	7	1	79-166	5.51	\$11,000	7/15/2015
405146	June Creek	9	1	79-166	5.51	\$11,000	7/15/2015
405147	June Creek	10	1	79-166	5.51	\$11,000	7/15/2015
405148	June Creek	11	1	79-166	5.51	\$11,000	7/15/2015
405149	June Creek	12	1	79-166	5.51	\$11,000	7/15/2015
405150	June Creek	13	1	79-166	5.51	\$11,000	7/15/2015
405151	June Creek	14	1	79-166	4.955	\$9,900	7/15/2015
405152	June Creek	15	1	79-166	4.857	\$9,700	7/15/2015
405154	June Creek	17	1	79-166	5.372	\$10,700	7/15/2015
405375	June Creek	11	23	79-166	4.959	\$10,900	7/15/2015
405378	June Creek	1	24	79-166	4.959	\$8,900	7/15/2015
405393	June Creek	1	25	79-166	4.959	\$8,900	7/15/2015
405394	June Creek	2	25	79-166	4.959	\$8,900	7/15/2015
405395	June Creek	3	25	79-166	4.959	\$8,900	7/15/2015
405397	June Creek	5	25	79-166	4.959	\$8,900	7/15/2015
405409	June Creek	2	28	79-166	4.054	\$8,000	7/15/2015
405410	June Creek	3	28	79-166	4.043	\$7,300	7/15/2015
405413	June Creek	6	28	79-166	4.037	\$8,000	7/15/2015
405420	June Creek	1	29	79-166	5.02	\$9,000	7/15/2015

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

July 15, 2015.

Date of Report

December 22, 2015.

¹ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, p.78

² Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2014, pp. 653

³ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, p.122

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 limited parcels available throughout the area offered through various government and private programs. Considering the limited availability of parcels on the market, an exposure time of six months to a year is reasonable.

Property History

Some of the parcels have been offered in the past under the DNR Subdivision Auction. Of these, eight were purchased through a land sale contract. Contracts were subsequently terminated due to non-payment. The Department of Natural Resources is the current owner of record for all subjects. Please see chart below:

ADL	Subdivision	Tr. Lot/Bk.	Status
401982	Anderson	Lot 3	Sold in 2007, land sale contract terminated in 2012
401998	Anderson	Lot 7	Sold in 2005, land sale contract terminated in 2012
414222	Clear Sky Homestead	Tr. D	Sold in 2006, land sale contract terminated in 2012
409782	Farmview	L5 / B1	Sold in 2007, land sale contract terminated in 2013
409790	Farmview	L1 / B3	Sold in 2006, land sale contract terminated in 2013
409791	Farmview	L2 / B3	Sold in 2006, land sale contract terminated in 2013
405410	June Creek	L3 / B28	Sold in 2004, land sale contract terminated in 2006
405413	June Creek	L6 / B28	Sold in 2004, land sale contract terminated in 2006

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

I inspected the subject properties and all of the comparable sales on July 15, 2015. 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 2014-2015, Appraisal Foundation, p.U-2 www.uspap.org/#/19/

Assumptions and Limiting Conditions

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

PRESENTATION OF DATA

Market Area⁵ –

Healy Neighborhood

Healy lies at the mouth of Healy Creek on the Nenana River, 78 miles southwest of Fairbanks. It is located on a 2.5-mile spur road, just north of the entrance to the Denali National Park and Preserve on the George Parks Highway. The community boasted just over 1,000 residents in 2010.

Healy was established in 1904 and is the home of the Usibelli Coal Mine, Alaska's only operating coal mine. The mine produces 1.3 million tons of coal per year, supplying coal to Golden Valley Electric Association, the University of Alaska Fairbanks, Aurora Energy, Clear AFS, Eielson AFB, and Ft. Wainwright Army Base. The mine also ships coal to South Korea and Chile through the Port of Seward. The Usibelli Coal Mine began a successful environmental reclamation program in 1971. Dall sheep now graze where there was once a strip mine.

Healy is a coal mining town that has evolved into an economically-diverse community. Tourism also greatly affects the economy during summer months. During the 2010 U.S. Census, total housing units numbered 604, and vacant housing units numbered 168. Vacant housing units used only seasonally numbered 91. U.S. Census data for Year 2010 showed 476 residents as employed. The unemployment rate at that time was 8.85 percent, although 35.94 percent of all adults were not in the work force. The median household income was \$60,000, per capita income was \$28,225, and 4.89 percent of residents were living below the poverty level.

The large majority of homes use individual wells and septic systems. Over 80% are fully plumbed. Usibelli Mine and the Healy Clean Coal Project have individual water well systems. Refuse is hauled to the new Borough regional landfill located just south of Anderson. Electricity is provided by Golden Valley Electric Association. There is one school located in the community, attended by 194 students. Local hospitals or health clinics include Interior Community Health Center. The clinic is a qualified Emergency Care Center. Specialized Care: Railbelt Mental Health & Addictions; Healy Senior Center. Healy is classified as an isolated town/Sub-Regional Center, it is found in EMS Region 1C in the Interior Region. Emergency Services have highway and air access. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Tri-Valley Volunteer Fire Dept./EMS.

The Usibelli Coal Mine has dominated the economy of Healy for over 60 years, and employs 95 positions. Of the 1.3 million tons of coal the mine produces annually, 400,000 tons are exported for delivery to South Korea and Chile and 900,000 tons remain in Alaska for domestic use. Golden Valley Electric Association and the Railbelt School District are also major employers in Healy. Tourism at nearby Denali Park supports local RV Parks, guided rafting trips, helicopter tours and other businesses. The \$274 million Healy Clean Coal Power Plant was completed in November 1997, but has sat idle since 2000. It is projected to restart production in 2016. To lower the costs per kilowatt hour and be economically viable, the plant needs retrofits and modifications costing another \$50 to \$80 million. The Plant is owned by the Alaska Industrial Development and Export Authority, an independent State corporation.

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

Nenana Neighborhood

Nenana is located in Interior Alaska, 55 road miles southwest of Fairbanks on the George Parks Highway. Nenana is located at mile 412 of the Alaska Railroad, on the south bank of the Tanana River, just east of the mouth of the Nenana River. It lies 304 road miles northeast of Anchorage.

History:

Nenana is in the western-most portion of Tanana Athabascan territory. It was first known as Tortella, an interpretation of the word "Toghotthele," which means "mountain that parallels the river." The Nenana Valley of Central Alaska is the site of one of the earliest archaeological sites in North America, dating between about 11,000 and 12,000 years old. The first non-Native explorers to enter the Tanana Valley were Allen, Harper, and Bates in 1875 and 1885. However, the Tanana people were accustomed to contact with Europeans, due to trading journeys to the Village of Tanana, where Russians bartered western goods for furs. The discovery of gold in Fairbanks in 1902 brought intense activity to the region. In 1903, a trading post/roadhouse was constructed by Jim Duke to supply river travelers and trade with Natives. St. Mark's Episcopal Mission and School was built upriver in 1905. Native children from other communities, such as Minto, attended school in Nenana. A post office opened in 1908. By 1909, there were about 12,000 residents in the Fairbanks area, most drawn by gold mining activities. In 1915, construction of the Alaska Railroad doubled Nenana's population. The Nenana Ice Classic - a popular competition to guess the date and time of the Tanana River ice break-up each spring - began in 1917 among surveyors for the Alaska Railroad. The community incorporated as a city in 1921. The railroad depot was completed in 1923, when President Warren Harding drove the golden spike at the north end of the 700-foot steel bridge over the Tanana River, which created a transportation link to Fairbanks and Seward. During the 1925 diphtheria epidemic in Nome, serum from Anchorage was transported to Nenana by train before being sent by dogsled to Nome. According to local records, 5,000 residents lived in Nenana during this time; however, completion of the railroad was followed by an economic slump. The population in 1930 was recorded at 291.

Economy:

Over 40% of the year-round jobs are government-funded, including the city, tribe, Nenana School District, Yukon-Koyukuk School District, and DOT highway maintenance. As the center of rail-to-river barge transportation center for the Interior, Nenana has a strong seasonal private-sector economy. Crowley Marine is the major private employer in Nenana, providing supplies and fuel to over 40 villages along the Tanana and Yukon Rivers each summer. The city also attracts independent travelers with fuel and supplies, the Alaska Railroad Museum, the Golden Railroad Spike Historic Park and Interpretive Center, the historical St. Mark's Episcopal Church, Iditarod dog kennels, and the Alfred Starr Museum & Cultural Center. The Nenana Ice Classic, a guessing contest when the ice breaks in the Nenana River, is a statewide event. In 2011, five residents held commercial fishing permits. Subsistence foods, such as salmon, moose, caribou (by permit), bear, waterfowl, and berries play an important role.

Facilities:

Water is derived from a deep well, treated, and then distributed throughout the community via circulating loops. A piped gravity system collects sewage, which is treated at a secondary treatment plant. Most of the city is connected to the piped water and sewer system. 215 homes and the school are served. The remaining homes have individual wells and septic systems. Refuse is collected by a private firm and hauled to the Denali Borough regional landfill, located south of Anderson.

Transportation:

Nenana has air, river, road, and railroad access. It lies on the George Parks Highway, the road between Wasilla and Fairbanks. The railroad provides daily freight service. The Nenana Municipal Airport offers a 4,600' long by 100' wide lighted asphalt runway and a gravel runway that doubles as a winter ski strip and measures 2,520' long by 60' wide. There is also a float pond with parking basins. The Nenana Port Authority operates the dry cargo loading and unloading facilities, dock, bulkhead, and warehouse. The Tanana River is shallow, with a maximum draft for loaded river barges of 4.5 feet. There is a public boat launch with a recreational area to provide access to the Nenana and Tanana rivers. Daily buses to Fairbanks and Anchorage are available year-round.

Property Description - Anderson

ADL	Subdivision	MTRS	Lot	Access	ASLS	Acres	Plat	Recording District
401982	Anderson	Sec 29, T7S R9W FM.	3	4x4 Road	ASLS 79-28	38.48	79-15	Nenana
401998	Anderson	Sec 32, T7S R9W FM.	7	4x4 Road	ASLS 79-31	39.14	79-18	Nenana

Location

Anderson parcels are located approximately six to seven miles west of the Parks Highway – Nenana River Crossing and approximately seven miles southwest of Anderson. The parcels are within Sections 29 and 32 of Township 7 South, Range 9 West, Fairbanks Meridian.

Access

Access to the general area is via the Parks Highway, west along Kobe Ag Road, then north along Nenana Road, a constructed dirt road. Both parcels can be accessed along minimally constructed 4x4 pioneer roads.

Topography, Soils, Size & Shape

Anderson parcels are level and rectangular. Sizes of the individual lots are 38.48 and 39.14 acres. The subdivision contains primarily mature spruce mix with some poplar. Vegetation was indicative of adequate drainage. Both parcels burned in the 2015 Kobe Fire.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision. Both subjects are within the Denali Borough. All borough lands are zoned unrestricted unless otherwise provided by ordinance. Hence, there are no zoning restrictions for these parcels.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

ADL 401982 and ADL 401998 were purchased in 2007 and 2005 respectively. The contracts were terminated in 2012 due to default. DNR is the current owner of record.

Tax Assessments

The subdivision lies within the Denali Borough and is not currently subject to ad valorem taxation.

Personal Property

There is no personal property involved with the appraisal of the subjects. There are no improvements on the properties.

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.

Property Description – Clear Sky Homestead ASLS 91-63

ADL	Subdivision	MTRS	Tract	Access	ASLS	Acres	Plat	Recording District
414222	Clear Sky Homestead	Sec. 22 T8S R10W FM.	D	Trail	91-63	39.03	92-39	Nenana

Location

Clear Sky Homestead is located approximately 7 miles west of the Parks Highway – Nenana River crossing within Section 22 of Township 8 South, Range 10 West, Fairbanks Meridian.

Access

Access to the subdivision is via the Parks Highway, then west along Kobe Ag Road. A network of brushed section lines and ATV trails extend west toward the Teklanika River. Clear Sky Homestead is accessible via these brushed section lines, then south approximately one mile on an established ATV trail.

Topography, Soils, Size & Shape

Clear Sky Homestead Tract D is generally sloping upwards toward the southeast. The parcel is 39.03 acres, irregular in shape, and contains primarily mature spruce mix with some poplar. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision. The parcel is within the Denali Borough. All borough lands are zoned unrestricted unless otherwise provided by ordinance. Hence, there are no zoning restrictions for this parcel.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History –

ADL 414222 was offered through the 2006 DNR Subdivision Auction. The parcel received no bids and was purchased later that year through the OTC offering. In 2012 the land sale contract was terminated due to non-payment. DNR is the current owner of record.

Tax Assessments & Personal Property

The parcel lies within the Denali Borough and is not currently subject to ad valorem taxation.

Personal Property

There is no personal property involved with the appraisal of the subjects. There are no improvements on the properties.

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.

Property Description – Farmview ASLS 82-123

ADL	Subdivision	MTRS	Lot	Block	Access	ASLS	Acres	Plat	Recording District
409782	Farmview	Sec 20 T3S R8W FM.	5	1	ATV / Trail	82-123	20.41	83-1	Nenana
409790	Farmview	Sec 20 T3S R8W FM.	1	3	ATV / Trail	82-123	19.57	83-1	Nenana
409791	Farmview	Sec 20 T3S R8W FM.	2	3	ATV / Trail	82-123	20.41	83-1	Nenana

Location

Farmview is located approximately 4.5 miles north of Nenana, one half mile east of the Parks Highway within Sections 36 of Township 3 South, Range 8 West, Fairbanks Meridian.

Access

Access to the subdivision is via the Parks Highway, then east along a constructed dirt road approximately 4.5 miles north of Nenana. Portions of the right of way in the subdivision have been improved. Access to the individual parcels is via ATV or overland on foot. There have been some access improvements around private lots in the area.

Topography, Soils, Size & Shape

Farmview parcels are located on a hill generally sloping towards the south. Lots are heavily treed with a mix of spruce, birch, and poplar. Vegetation indicates adequately drained soils. Sizes of the individual lots range from 19.57 acres to 20.41 acres and are irregularly shaped.

Easements & Zoning Regulations

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

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

ADL 409782 was purchased OTC in 2006 for \$20,400, less a 25% Veteran's Discount. ADL 409790 and 409791 were purchased OTC in 2006 by another individual for \$19,600 and \$20,400 respectively. All three land sale contracts were terminated in 2013 due to non-payment. DNR is the current owner of record.

Tax Assessments & Personal Property

The subdivision lies within the Unorganized Borough and is not currently subject to ad valorem taxation. There is no personal property involved with the appraisal of this property. There are no improvements on the property.

Personal Property

There is no personal property involved with the appraisal of the subjects. There are no improvements on the properties.

Utilities, Water & Sewer

Overhead electric utilities are located in the northwestern portion of the subdivision, but have not been extended to the subjects. 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.

Property Description – June Creek ASLS 79-166

ADL	Subdivision	Section	Lot	Blk.	Electric	Access	Acres	Plat	Recording District
405139	June Creek	14	2	1	Adjacent	Trail	5.51	80-9	Nenana
405140	June Creek	14, 15	3	1	Adjacent	Trail	5.51	80-9	Nenana
405141	June Creek	14, 15	4	1	Adjacent	Trail	5.51	80-9	Nenana
405142	June Creek	14, 15	5	1	Adjacent	Trail	5.51	80-9	Nenana
405143	June Creek	15	6	1	Adjacent	Trail	5.51	80-9	Nenana
405144	June Creek	15, 10	7	1	Adjacent	Trail	5.51	80-9	Nenana
405146	June Creek	10	9	1	Adjacent	Trail	5.51	80-9	Nenana
405147	June Creek	10	10	1	Adjacent	Trail	5.51	80-9	Nenana
405148	June Creek	10	11	1	Adjacent	Trail	5.51	80-9	Nenana
405149	June Creek	10	12	1	Adjacent	Trail	5.51	80-9	Nenana
405150	June Creek	10	13	1	Adjacent	Trail	5.51	80-9	Nenana
405151	June Creek	10	14	1	Adjacent	Trail	4.955	80-9	Nenana
405152	June Creek	10	15	1	Adjacent	Trail	4.857	80-9	Nenana
405154	June Creek	10	17	1	Adjacent	Trail	5.372	80-9	Nenana
405375	June Creek	35	11	23	Adjacent	Road	4.959	80-9	Nenana
405378	June Creek	25, 36	1	24	In area	Trail	4.959	80-9	Nenana
405393	June Creek	25	1	25	In area	Trail	4.959	80-9	Nenana
405394	June Creek	25	2	25	In area	Trail	4.959	80-9	Nenana
405395	June Creek	25	3	25	In area	Trail	4.959	80-9	Nenana
405397	June Creek	25	5	25	In area	Trail	4.959	80-9	Nenana
405409	June Creek	10	2	28	None	Trail	4.054	80-9	Nenana
405410	June Creek	10	3	28	None	Trail	4.043	80-9	Nenana
405413	June Creek	10	6	28	None	Trail	4.037	80-9	Nenana
405420	June Creek	10	1	29	None	Trail	5.02	80-9	Nenana

Location - June Creek is roughly 20 miles north of Healy, west of the Parks Highway within multiple sections of Township 9 South, Range 9 West, Fairbanks Meridian.

Access - Access to the subdivision is via the Parks Highway then west along interior subdivision rights of ways. Brushed trails and 4x4-roads provide access to the subjects. Washington Way is a constructed dirt road that accesses the southern portion of the subdivision. ADL 405375 fronts this road while the remaining parcels have trail access. In the northern portion of the subdivision, Golden Valley Electric Association has brushed a wide swath along Filmore Road and Buchanan Street to service the overhead power lines. During low water, the creek bed along Bear Creek serves as alternate access

Topography, Soils, Size & Shape - The parcels are level and rectangular in shape. The subdivision is approximately 1,000 feet above sea level. The parcels contain primarily mature black spruce mix with some poplar. Vegetation is indicative of adequate to poor drainage in some areas.

Easements & Zoning Regulations

There are typical access and utility easements throughout the subdivision. The parcels are located within the Denali Borough. All borough lands are zoned unrestricted unless otherwise provided by ordinance. Hence, there are no zoning restrictions for this parcel.

Environmental Hazards, Hazardous Waste & Toxic Materials - No toxic materials, waste, or hazards were observed during the field inspection.

Ownership History

ADL 405410 and ADL 405413, both in Block 28, were sold in 2004. The land sale contracts were terminated due to non-payment in 2006. The remaining parcels have been offered in past DNR Subdivision Auctions. However, none were sold. DNR is the current owner of record.

Tax Assessments & Personal Property

The subjects are located within the Denali Borough. Currently the Denali Borough is not exercising its taxing authority.

Personal Property

There is no personal property involved with the appraisal of the subjects. There are no improvements on the properties.

Utilities, Water & Sewer

Multiple parcels have overhead electric adjacent. Parcels within Blocks 24 & 25 have electric in the area. Parcels within Blocks 28 & 29 are roughly ¼ to ½ mile from transmission lines. 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.



Lot 3 ASLS 79-28, Anderson



Lot 3 ASLS 79-28, Anderson



Lot 7 ASLS 79-31, Anderson



Lot 7 ASLS 79-31, Anderson



Farmview heavily vegetated.



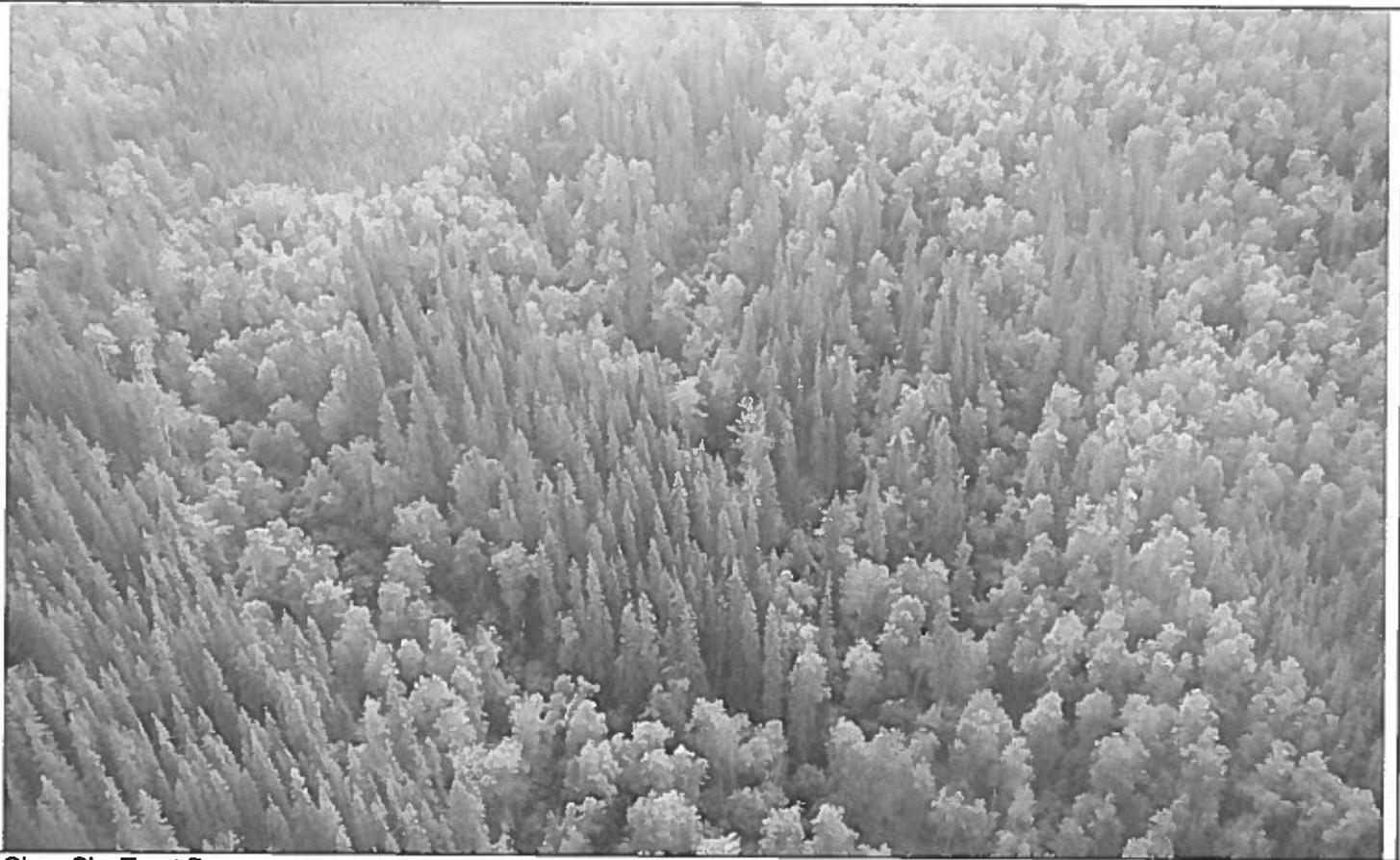
Farmview Lot 5 Block 1



Farmview Lot 5 Block 1 looking toward the Nenana River



Farmview cut line, Lot 2 Block 3 on right



Clear Sky Tract D



Clear Sky, creek in foreground



June Creek Block 25



June Creek Block 24 & 25 looking northeast, Parks Highway in background



Block 29 June Creek



Block 28 June Creek



June Creek Block 1 looking north, GVA Transmission line and Parks Highway on right. Filmore Rd in foreground.



June Creek Subdivision near Bear Creek looking north.

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 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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