

MARKET VALUE APPRAISAL
of

**Twenty-Six (26) Parcels within
Any Creek Remote ASLS 93-144
Martin Subdivision ASLS 84-21
McCloud Subdivision ASLS 82-157
Olmes East Subdivision ASLS 80-178**



Olmes East

APPRAISAL REPORT No. 4289-0

**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

Department of Natural Resources
Tel (907) 269-8539
Fax (907) 269-8914

Division of Mining, Land & Water
550 West 7th Avenue, Suite 650
Anchorage AK 99501-3576

DATE: January 4, 2016

TO: Kevin Hindmarch
Review Appraiser

FROM: Johnthomas Williamson 
Appraiser

SUBJECT: Appraisal of Twenty-Six (26) parcels near north of Fairbanks within the following subdivisions: Any Creek Remote ASLS 93-144, Martin ASLS 84-21, McCloud ASLS 82-157, Olmes East ASLS 80-178.

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

Legal Description and Location

Any Creek Remote is located approximately 25 miles north of Fairbanks, off Murphy Dome Road within Section 18 of Township 2 North, Range 1 West, Fairbanks Meridian.

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

McCloud is located approximately 23 miles northeast of Fairbanks off Murphy Dome Road within Section 19 of Township 2 North, Range 2 West, Fairbanks Meridian.

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

SUMMARY OF VALUES

| ADL | Subdivision | Lot | Block | ASLS | Acres | Value (Rnd) | Date of Value |
|--------|------------------|-----|-------|--------|-------|-------------|---------------|
| 410409 | Any Creek Remote | A | - | 93-144 | 26.75 | \$40,900 | 7/15/2015 |
| 419089 | Martin | 2 | 7 | 84-21 | 5.361 | \$15,900 | 7/15/2015 |
| 419090 | Martin | 3 | 7 | 84-21 | 4.243 | \$12,600 | 7/15/2015 |
| 419091 | Martin | 4 | 7 | 84-21 | 4.002 | \$11,600 | 7/15/2015 |
| 419092 | Martin | 5 | 7 | 84-21 | 3.945 | \$11,600 | 7/15/2015 |
| 419093 | Martin | 6 | 7 | 84-21 | 4.052 | \$11,800 | 7/15/2015 |
| 419094 | Martin | 7 | 7 | 84-21 | 3.908 | \$11,600 | 7/15/2015 |
| 419102 | Martin | 15 | 7 | 84-21 | 3.682 | \$11,200 | 7/15/2015 |
| 419103 | Martin | 16 | 7 | 84-21 | 4.347 | \$11,700 | 7/15/2015 |
| 419104 | Martin | 17 | 7 | 84-21 | 3.774 | \$11,300 | 7/15/2015 |
| 419105 | Martin | 18 | 7 | 84-21 | 3.695 | \$11,200 | 7/15/2015 |
| 419106 | Martin | 19 | 7 | 84-21 | 4.465 | \$12,100 | 7/15/2015 |
| 419107 | Martin | 20 | 7 | 84-21 | 4.041 | \$11,800 | 7/15/2015 |
| 419114 | Martin | 27 | 7 | 84-21 | 5.309 | \$14,300 | 7/15/2015 |
| 419115 | Martin | 28 | 7 | 84-21 | 5.491 | \$14,800 | 7/15/2015 |
| 419116 | Martin | 29 | 7 | 84-21 | 5.057 | \$13,700 | 7/15/2015 |
| 419117 | Martin | 30 | 7 | 84-21 | 5.021 | \$13,600 | 7/15/2015 |
| 419118 | Martin | 31 | 7 | 84-21 | 5.015 | \$13,500 | 7/15/2015 |
| 419119 | Martin | 32 | 7 | 84-21 | 5.836 | \$15,800 | 7/15/2015 |
| 409917 | McCloud | 1 | 2 | 82-157 | 4.538 | \$13,600 | 7/15/2015 |
| 407231 | Olnes East | 4 | 3 | 80-178 | 4.982 | \$14,900 | 7/15/2015 |
| 407238 | Olnes East | 11 | 3 | 80-178 | 5.000 | \$15,000 | 7/15/2015 |
| 407254 | Olnes East | 35 | 3 | 80-178 | 7.816 | \$20,200 | 7/15/2015 |
| 407261 | Olnes East | 11 | 4 | 80-178 | 5.000 | \$15,000 | 7/15/2015 |
| 407293 | Olnes East | 21 | 3 | 80-178 | 5.000 | \$16,500 | 7/15/2015 |
| 407305 | Olnes East | 19 | 3 | 80-178 | 5.000 | \$15,000 | 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

August 19, 2015.

Date of Report

January 4, 2016.

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

Parcels within Any Creek, McCloud, and Olnes East have been offered in the past, but have returned to State ownership. Parcels within Martin Subdivision have not been previously offered; see the section on Property Descriptions for more detail. The Department of Natural Resources is the current owner of record for all subjects.

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

I inspected the subject properties and all of the comparable sales on July 15th, 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 Recorders Office databases were searched for recent comparable sales. Private real estate agent websites were searched for recent listings. Sellers, buyers, and agents were contacted to verify recent sale prices and other transaction details.

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

⁴ Uniform Standards of Professional Appraisal Practice 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

The Fairbanks North Star Borough, located in the heart of Interior Alaska. It is the second-largest population center in the state with a population of approximately 98,000 as of 2014. 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, Saicha, 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. In 2014, nearly 8,400 soldiers were stationed in the borough on Fort Wainwright or the Eielson Air Force Base. Retail services, gold mining, tourism, transportation, medical, and other services are the primary private sector activities. The Fort Knox hard rock gold mine is located in the borough.

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

Fairbanks is a Home Rule city and the second largest population center in the state. Currently, its estimated population is 31,720, 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.

Fox Neighborhood

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

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

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

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

Property Description - Any Creek Remote

| ADL | Subdivision | MTRS | Tract | Access | ASLS | Acres | Plat | Recording District |
|--------|------------------|---------------------|-------|--------------|--------|-------|--------|--------------------|
| 410409 | Any Creek Remote | Sec. 18 T2N R1W FM. | A | Pioneer Road | 93-144 | 26.75 | 94-132 | Fairbanks |

Location

Any Creek Remote Odd Lot is located approximately 25 miles north of Fairbanks, off Murphy Dome Road within Section 18 of Township 2 North, Range 1 West, Fairbanks Meridian.

Access

Access to the subdivision is via Murphy Dome Road then a 4x4 pioneer road north which deteriorates as it approaches Any Creek.

Topography, Soils, Size & Shape

The parcel is generally sloping upwards to the north, 26.75 acres, and rectangular in shape. The parcel contains primarily mature birch and spruce mix with some poplar. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision. The subject is within the Fairbanks – North Star Borough and zoned General Use-1.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

ADL 410409 was offered through the 1983 DNR Staking program. The applicant entered into a land sale contract in 1996, which was subsequently terminated in 2004. The property has not been offered since. DNR is the current owner of record.

Tax Assessments & Personal Property

The subdivision lies within the Fairbanks – North Star Borough. The current mill rate for the property is 13.456. There is no personal property involved with the appraisal of this property. There are no improvements on the property.

Utilities, Water & Sewer

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

Property Description - Martin

| ADL | Subdivision | Sec. | MTR | Lot | Blk. | ASLS | Acres | Access | Plat | Rec. District |
|--------|-------------|------|---------|-----|------|-------|-------|--------|--------|---------------|
| 419089 | Martin | 5 | T1N R3W | 2 | 7 | 84-21 | 5.361 | Trail | 84-275 | Fairbanks |
| 419090 | Martin | 5 | T1N R3W | 3 | 7 | 84-21 | 4.243 | Trail | 84-275 | Fairbanks |
| 419091 | Martin | 5 | T1N R3W | 4 | 7 | 84-21 | 4.002 | Trail | 84-275 | Fairbanks |
| 419092 | Martin | 5 | T1N R3W | 5 | 7 | 84-21 | 3.945 | Trail | 84-275 | Fairbanks |
| 41093 | Martin | 5 | T1N R3W | 6 | 7 | 84-21 | 4.052 | Trail | 84-275 | Fairbanks |
| 419094 | Martin | 5 | T1N R3W | 7 | 7 | 84-21 | 3.908 | Trail | 84-275 | Fairbanks |
| 419102 | Martin | 5 | T1N R3W | 15 | 7 | 84-21 | 3.682 | Trail | 84-275 | Fairbanks |
| 419103 | Martin | 5 | T1N R3W | 16 | 7 | 84-21 | 4.347 | Trail | 84-275 | Fairbanks |
| 419104 | Martin | 5&6 | T1N R3W | 17 | 7 | 84-21 | 3.774 | Trail | 84-275 | Fairbanks |
| 419105 | Martin | 6 | T1N R3W | 18 | 7 | 84-21 | 3.695 | Trail | 84-275 | Fairbanks |
| 419106 | Martin | 5&6 | T1N R3W | 19 | 7 | 84-21 | 4.465 | Trail | 84-275 | Fairbanks |
| 419107 | Martin | 5 | T1N R3W | 20 | 7 | 84-21 | 4.041 | Trail | 84-275 | Fairbanks |
| 419114 | Martin | 5 | T1N R3W | 27 | 7 | 84-21 | 5.309 | Trail | 84-275 | Fairbanks |
| 419115 | Martin | 5 | T1N R3W | 28 | 7 | 84-21 | 5.491 | Trail | 84-275 | Fairbanks |
| 419116 | Martin | 5 | T1N R3W | 29 | 7 | 84-21 | 5.057 | Trail | 84-275 | Fairbanks |
| 419117 | Martin | 5 | T1N R3W | 30 | 7 | 84-21 | 5.021 | Trail | 84-275 | Fairbanks |
| 419118 | Martin | 5 | T1N R3W | 31 | 7 | 84-21 | 5.015 | Trail | 84-275 | Fairbanks |
| 419119 | Martin | 5 | T1N R3W | 32 | 7 | 84-21 | 5.836 | Trail | 84-275 | Fairbanks |

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

Access - Access to the subdivision is via Murphy Dome Road then along interior subdivision roads to ATV trails. Grand Teton road is a constructed dirt road. High Sierra Drive is partially constructed but deteriorates into a 4x4 trail prior to the subjects. Matterhorn Drive is a brushed 4x4 trail.

Topography, Soils, Size & Shape - Martin is generally sloping downwards to the south. Lots are level to sloping. Sizes range from 3.682 to 5.836 and are both rectangular and irregular in shape. The subdivision contains primarily mature birch and spruce mix with some poplar with vegetation indicative of adequate drainage.

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

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

Ownership History - The subdivision was surveyed in 1984. However, the parcels have not been previously offered for sale. DNR is the current owner of record.

Tax Assessments & Personal Property - The subdivision lies within the Fairbanks – North Star Borough. The current mill rate for the property is 13.456. There is no personal property involved with the appraisal of this property. There are no improvements on the property.

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

Property Description - McCloud

| ADL | Subdivision | MTRS | Lot | Block | ASLS | Acres | Access | Plat | Recording District |
|--------|-------------|------------------------|-----|-------|--------|-------|--------------|-------|--------------------|
| 409917 | McCloud | Sec 19 T 2N R2W FM. | 1 | 2 | 82-157 | 4.538 | Pioneer Road | 83-35 | Fairbanks |

Location

McCloud is located approximately 23 miles northeast of Fairbanks off Murphy Dome Road within Section 19 of Township 2 North, Range 2 West, Fairbanks Meridian.

Access

Access to the subdivision is via Murphy Dome Road then McCall Street, a constructed gravel road. The parcel fronts a 4x4 pioneer road.

Topography, Soils, Size & Shape

The parcel is level, 4.538 acres, and irregular in shape. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

There are typical access easements throughout the subdivision. The subject is within the Fairbanks – North Star Borough and zoned GU-1.

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

ADL 409917 was offered through the 2000 DNR Subdivision Auction program. The parcel received no bids and was later purchased through the OTC offering. The land sale contract was terminated in 2012. DNR is the current owner of record.

Tax Assessments & Personal Property

The subdivision lies within the Fairbanks – North Star Borough. The current mill rate for the property is 13.456. There is no personal property involved with the appraisal of this property. There are no improvements on the property.

Utilities, Water & Sewer

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

Property Description Olnes East

| ADL | Subdivision | MTRS | Lot | Blk. | ASLS | Acres | Access | Plat | Recording District |
|--------|-------------|---|-----|------|--------|-------|--------------|--------|--------------------|
| 407231 | Olnes East | Sec 19 T3N R1E FM. | 4 | 3 | 80-178 | 4.982 | Pioneer Road | 81-143 | Fairbanks |
| 407238 | Olnes East | Sec 19 T3N R1E FM. | 11 | 3 | 80-178 | 5.000 | Pioneer Road | 81-143 | Fairbanks |
| 407254 | Olnes East | Sec 19 T3N R1E FM. | 35 | 3 | 80-178 | 7.816 | Pioneer Road | 81-143 | Fairbanks |
| 407261 | Olnes East | Sec 24 T3N R1W & Sec. 19 T3N R1E FM. | 11 | 4 | 80-178 | 5.000 | Pioneer Road | 81-143 | Fairbanks |
| 407293 | Olnes East | Sec 24 T3N R1W FM. | 21 | 3 | 80-178 | 5.000 | Pioneer Road | 81-143 | Fairbanks |
| 407305 | Olnes East | Sec 24 T3N R1W FM. | 19 | 3 | 80-178 | 5.000 | Pioneer Road | 81-143 | Fairbanks |

Location

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

Access

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

Topography, Soils, Size & Shape

The subdivision is on a hill with individual parcels generally sloping downwards to the southeast and southwest. Lots are generally level to sloping. Sizes range from 4.982 to 7.816 acres and vary in shape. The subdivision contains primarily mature birch and spruce mix with some poplar. Vegetation is indicative of adequate drainage.

Easements & Zoning Regulations

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

Environmental Hazards, Hazardous Waste & Toxic Materials

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

Ownership History

The Department of Natural Resources has offered all of the above referenced parcels through various programs. The parcels have been either under a land sale contract or a homesite permit. From 1994 to 1997, each of the Olnes East Parcels were either relinquished, the contract was terminated, or the Department revoked the homesite permit. Since 1997, none of the parcels have been offered. DNR is the current owner of record.

Tax Assessments & Personal Property

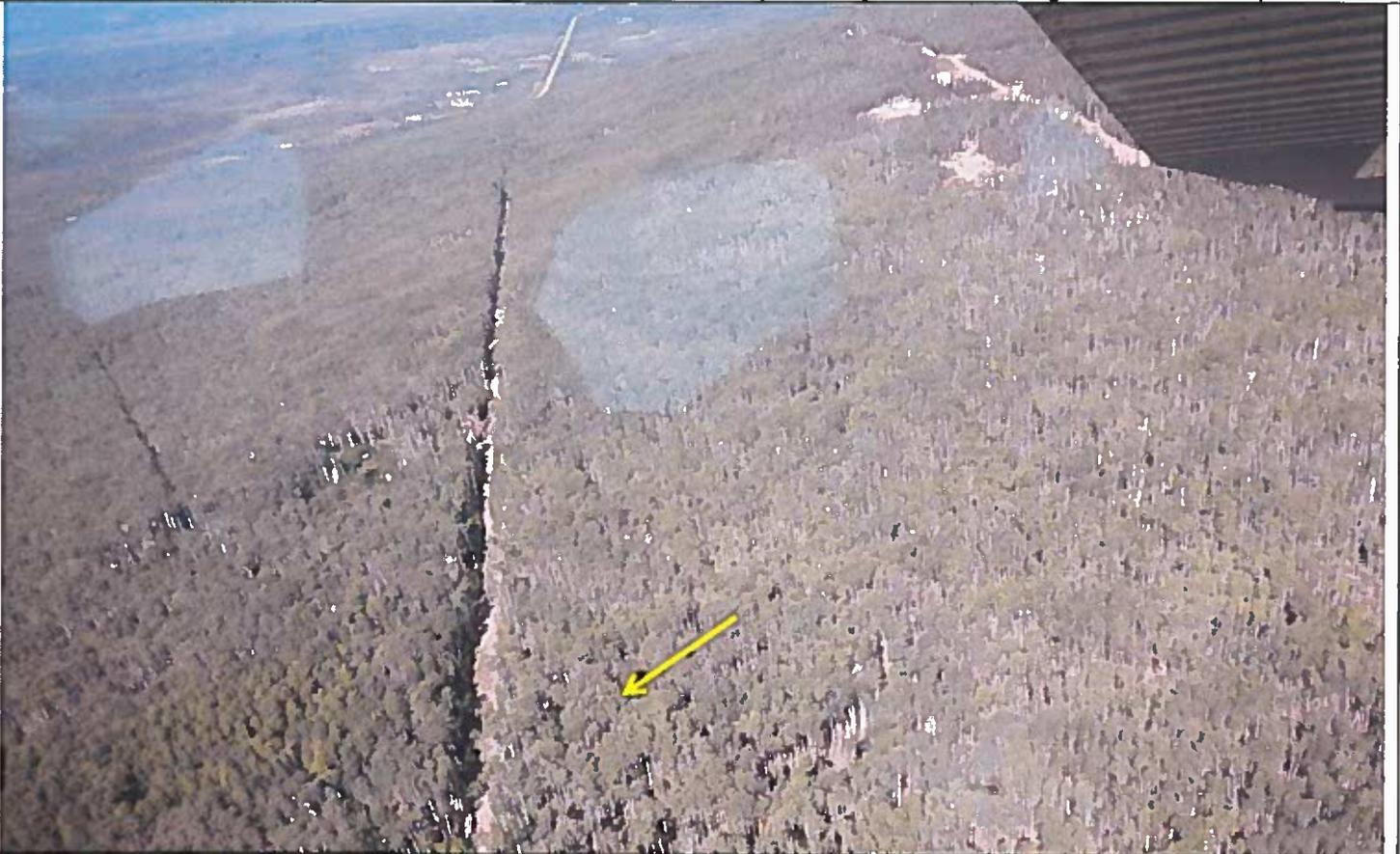
The subdivision lies within the Fairbanks – North Star Borough. The current mill rate for the property is 13.456. There is no personal property involved with the appraisal of this property. There are no improvements on the property.

Utilities, Water & Sewer

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



Olnes East is situated on top of a hill, looking north. Corner of Simpson Way and Lunderberg Rd. at bottom of photo.



Olnes East. Lot 11 Block 3. Simpson Way looking west, Block 3 on right, Block 4 on Left



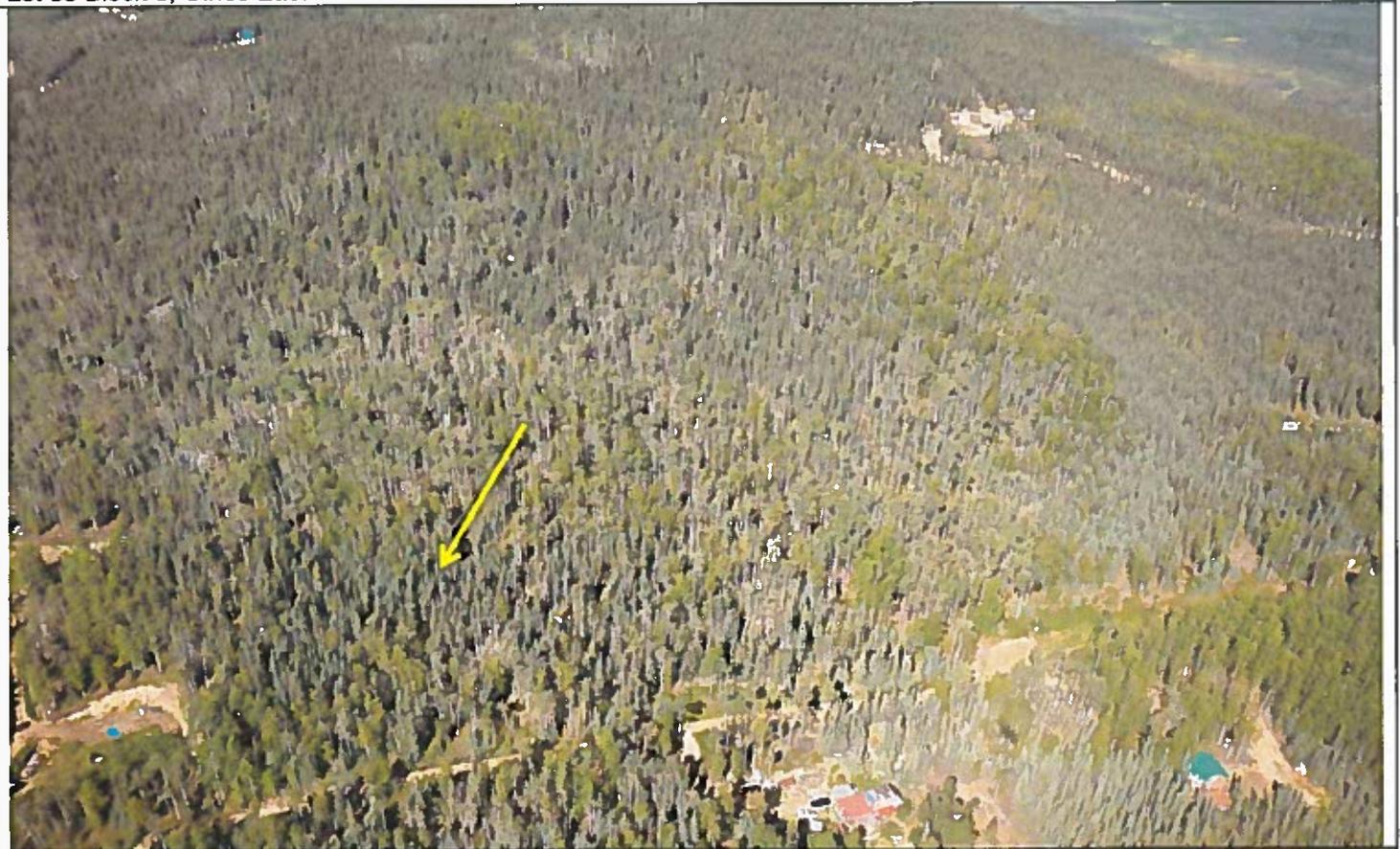
Olnes East, Simpson Way (Below) and Olnes Loop Road (above) looking north. L11 B4 (left) L35 B3 (right)



Lot 19 & 21 Block 3, looking east. Simpson Way on Right.



Lot 35 Block 3, Olmes East



Lot 4 Block 3. Lunderberg Road in foreground looking west



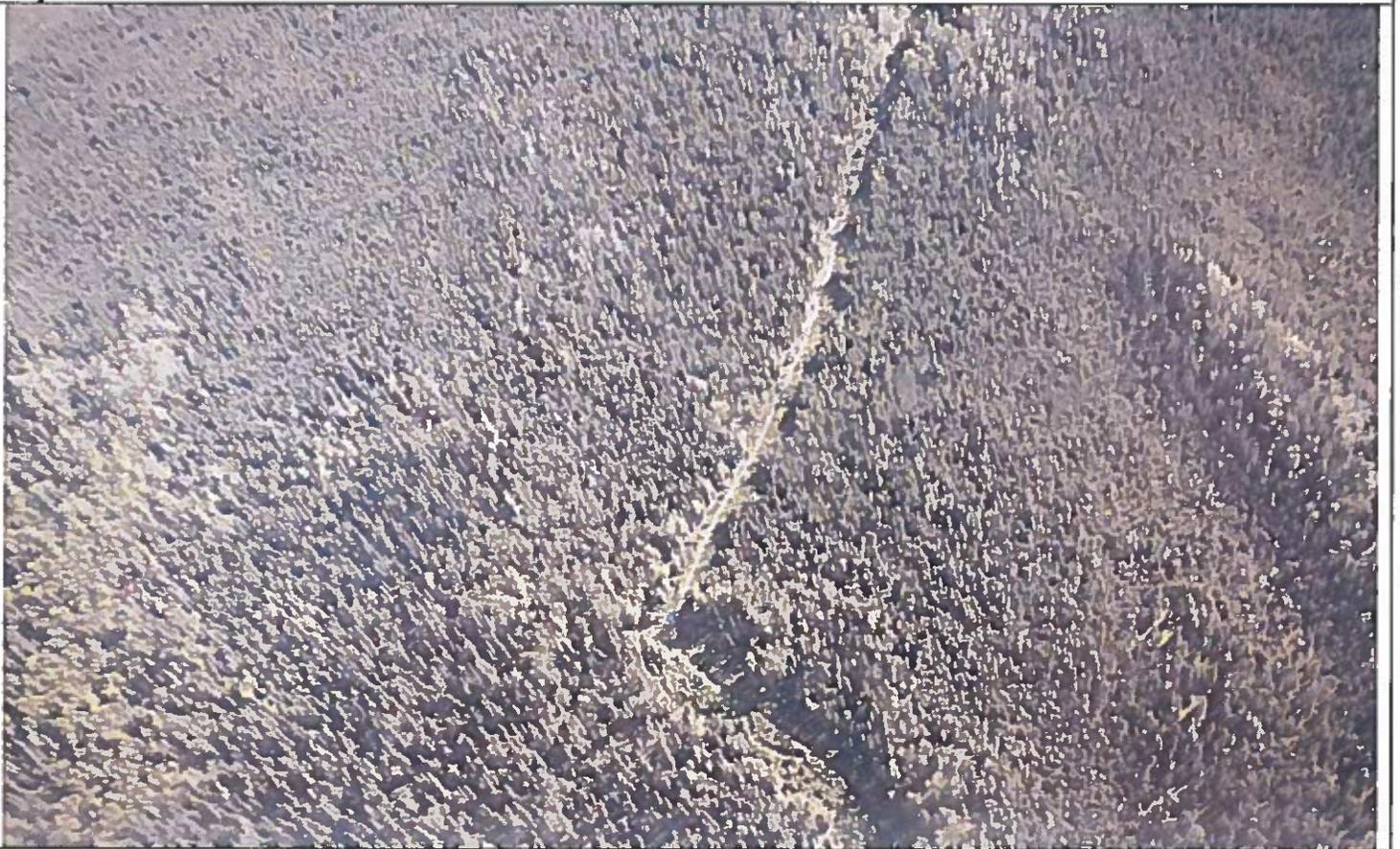
Any Creek Remote Tract A



Any Creek Remote Tract A



Any Creek Remote Tract A



Any Creek Remote Tract A



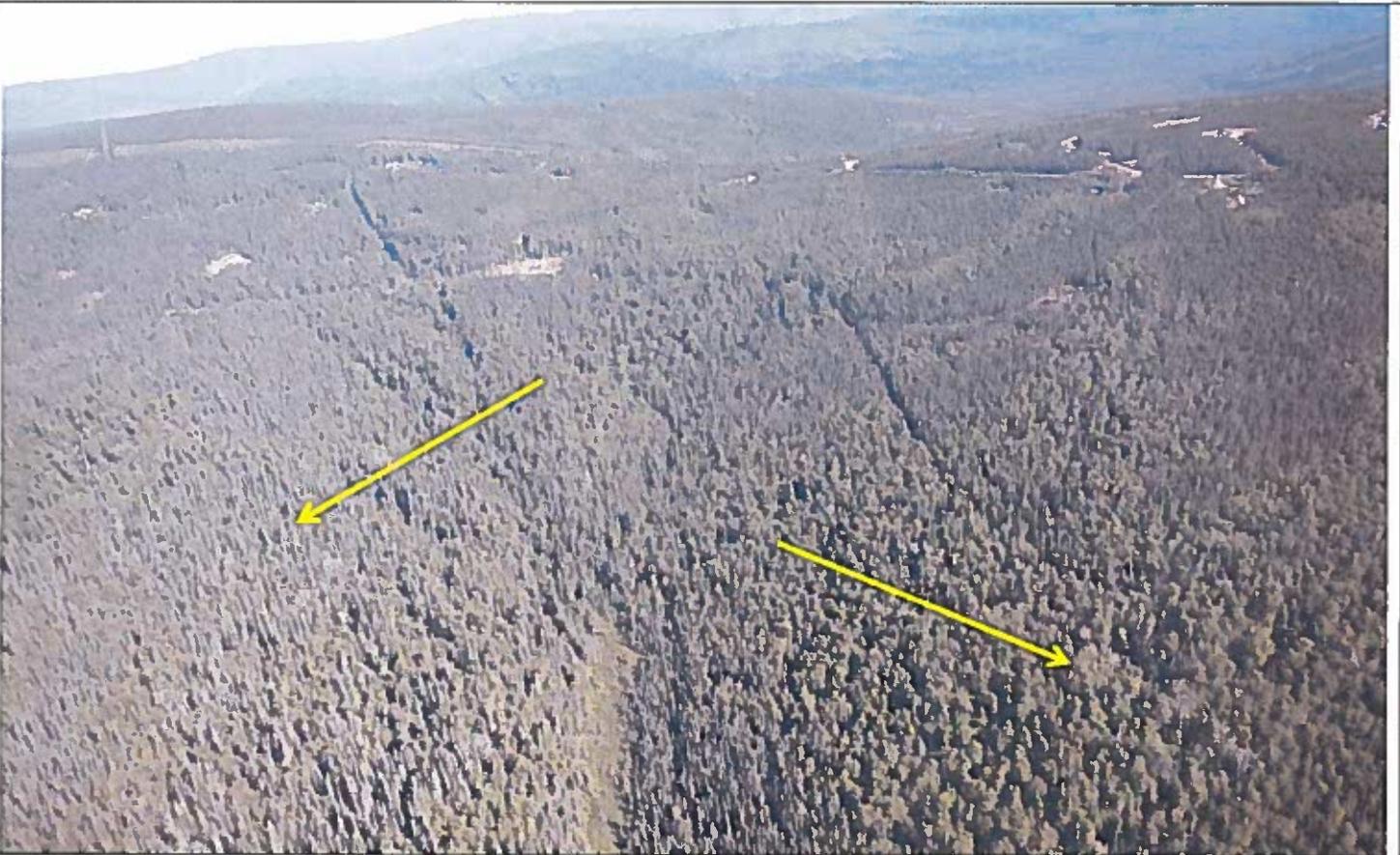
Firebreak north of Lot 1 Block 2 McCloud



Lot 1 Block 2 McCloud



Lot 1 Block 2 McCloud



Martin Subdivision looking north along Tract H. Subjects on Left and Right of drainage



Lots 27-32, Block 7, Martin Subdivision looking northwest. Rocky Mt. Road at top of photo



Lots 15 thru 20, Block 7, Martin Subdivision looking north.



Brushed trail in Martin Subdivision.



Development within northern portion of Martin Subdivision

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:

In Anchorage

(in the Atwood Building)
550 W. 7th Ave. Suite 1200, Anchorage AK, 99501
Phone (907) 269-8400
Fax (907) 269-8901
TDD for hearing impaired (907) 269-8411
e-mail: dnr.pic@alaska.gov
Business hours 10:00 am to 5:00 pm M-F.

In Fairbanks

(Corner of University & Airport Way)
3700 Airport Way, Fairbanks, AK 99709
Phone (907) 451-2705
Fax (907) 451-2706
TDD for hearing impaired (907) 451-2770
e-mail: fbx-pic@alaska.gov
Business hours 10:00 am to 5:00 pm M-F.

In Juneau

(Southeast Div. of Land)
400 Willoughby Ave., 4th Floor, Juneau AK 99801
Phone (907) 465-3400
Fax (907) 586-2954
e-mail: southeast_land@dnr.state.ak.us
Business hours 10:00 am to 5:00 pm M-F.