

# **MARKET VALUE APPRAISAL**

**Of**

## **Remote Matanuska-Susitna Borough Parcels**

**Shell Lake North Subdivision, High Mountain Lakes Subdivision, Skwentna Station Subdivision, Quartz Creek Subdivision, and Trapper Creek Glen Subdivision**



**APPRAISAL REPORT No.3613**

**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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**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: February 2, 2012

TO: Kevin Hindmarch  
Review Appraiser

FROM Michael S. Dooley   
Appraiser I

SUBJECT: Appraisal of 157 remote parcels within the Shell Lake North, High Mountain Lakes, Skwentna Station, Quartz Creek, and Trapper Creek Glen 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 is a summary report 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, via aerial inspection. Physical descriptions of the subject parcels were based on inspections, aerial photography, topographic maps, peer appraisal reports, interviews with realtors and various individuals familiar with the area. Based on these observations and analyses of all available data, I have formed an opinion of the market values as of the effective date of value.

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## APPRAISAL SUMMARY

### Location and Legal Description

Subdivision Name	ADL	Location	Legal Description
Shell Lakes North	Various, See Following	Approximately 80 miles northwest of Anchorage, 12 miles west of Skwentna.	Various, See Following
High Mountain Lakes	Various, See Following	Approximately 65 miles northwest of Anchorage, 6 miles north of Beluga Lake.	Various, See Following
Skwentna Station	Various, See Following	Approximately 70 miles northwest of Anchorage at the confluence of the Susitna and Yentna Rivers.	Various, See Following
Quartz Creek	229079	Approximately 70 miles northwest of Anchorage and approximately 15 miles southwest of the confluence of the Susitna and Yentna Rivers.	Tract G of ASLS 2003-42
Trapper Creek Glen	206037	Approximately 85 miles north of Anchorage, 8 miles northwest of Talkeetna.	L1/B22 of ASLS 79-242

### SUMMARY OF VALUES

Subdivision	ADL	Lot	Block	ASLS	Site Size	Value
High Mtn Lks	210379	1	2	80-154	4.17	\$3,400
High Mtn Lks	210574	1	1	80-154	4.98	\$3,700
High Mtn Lks	210575	2	1	80-154	4.98	\$3,700
High Mtn Lks	210576	3	1	80-154	4.95	\$3,700
High Mtn Lks	210578	2	4	80-154	5.00	\$3,800
High Mtn Lks	210579	3	4	80-154	4.99	\$3,700
High Mtn Lks	210580	4	4	80-154	4.99	\$3,700
High Mtn Lks	210581	5	4	80-154	4.98	\$3,700
High Mtn Lks	210583	1	5	80-154	4.79	\$3,600
High Mtn Lks	210584	2	5	80-154	4.53	\$3,400
High Mtn Lks	210585	3	5	80-154	4.93	\$3,700
High Mtn Lks	210586	4	5	80-154	4.99	\$3,700
High Mtn Lks	210587	1	7	80-154	4.94	\$3,700
High Mtn Lks	210588	2	7	80-154	4.31	\$3,200
High Mtn Lks	210589	3	7	80-154	5.00	\$3,800
High Mtn Lks	210590	4	7	80-154	5.00	\$3,800
High Mtn Lks	210593	1	8	80-154	4.04	\$3,000

High Mtn Lks	210594	1	9	80-154	4.92	\$3,700
High Mtn Lks	210595	2	9	80-154	4.93	\$3,700
High Mtn Lks	210596	3	9	80-154	4.76	\$3,600
High Mtn Lks	210600	2	12	80-154	4.62	\$3,500
High Mtn Lks	210601	3	12	80-154	4.91	\$3,700
High Mtn Lks	210602	4	12	80-154	4.94	\$3,700
High Mtn Lks	210603	5	12	80-154	4.91	\$3,700
High Mtn Lks	210604	6	12	80-154	4.68	\$3,500
High Mtn Lks	210605	7	12	80-154	4.41	\$3,300
High Mtn Lks	210606	1	13	80-154	4.93	\$3,700
High Mtn Lks	210607	2	13	80-154	4.93	\$3,700
High Mtn Lks	210608	3	13	80-154	4.93	\$3,700
High Mtn Lks	210612	1	17	80-154	4.91	\$3,700
High Mtn Lks	210613	1	18	80-154	4.48	\$3,400
High Mtn Lks	210617	2	21	80-154	4.90	\$3,700
High Mtn Lks	210619	4	21	80-154	4.81	\$3,600
High Mtn Lks	210620	5	21	80-154	4.88	\$3,700
High Mtn Lks	210622	7	21	80-154	4.83	\$3,600
High Mtn Lks	210625	2	22	80-154	4.88	\$3,700
High Mtn Lks	210630	1	24	80-154	4.60	\$3,500
High Mtn Lks	210631	2	24	80-154	4.15	\$3,100
High Mtn Lks	210633	4	24	80-154	5.00	\$3,800
High Mtn Lks	210634	5	24	80-154	4.99	\$3,700
High Mtn Lks	210636	2	25	80-154	5.00	\$3,800
High Mtn Lks	210637	3	25	80-154	5.00	\$3,800
High Mtn Lks	210638	4	25	80-154	5.00	\$3,800
High Mtn Lks	210639	1	26	80-154	4.52	\$3,400
High Mtn Lks	210640	2	26	80-154	4.89	\$3,700
High Mtn Lks	210641	3	26	80-154	4.89	\$3,700
High Mtn Lks	210642	4	26	80-154	4.89	\$3,700
High Mtn Lks	210643	5	26	80-154	4.89	\$3,700
High Mtn Lks	210645	7	26	80-154	4.85	\$3,600
High Mtn Lks	210650	5	27	80-154	5.00	\$4,100
High Mtn Lks	210652	1	29	80-154	4.99	\$3,800
High Mtn Lks	210653	2	29	80-154	4.98	\$3,700
High Mtn Lks	210656	5	29	80-154	4.71	\$3,500
High Mtn Lks	210657	6	29	80-154	4.98	\$3,700
High Mtn Lks	210664	1	32	80-154	4.70	\$3,500
High Mtn Lks	210665	2	32	80-154	4.76	\$3,600
High Mtn Lks	210668	1	33	80-154	4.99	\$3,700
High Mtn Lks	210669	2	33	80-154	4.99	\$3,700
High Mtn Lks	210670	3	33	80-154	4.16	\$3,100
High Mtn Lks	210671	4	33	80-154	4.08	\$3,100
High Mtn Lks	210673	2	34	80-154	4.75	\$3,200
High Mtn Lks	210679	2	35	80-154	4.97	\$3,700
High Mtn Lks	210685	5	28	80-154	4.57	\$3,400
Shell Lake N	214026	3	3	80-174	3.85	\$3,400
Shell Lake N	214027	4	3	80-174	3.63	\$3,200
Shell Lake N	214028	5	3	80-174	3.63	\$3,200

Shell Lake N	214029	6	3	80-174	3.67	\$3,200
Shell Lake N	214030	7	3	80-174	3.55	\$3,100
Shell Lake N	213955	2	5	80-174	4.14	\$4,000
Shell Lake N	213956	3	5	80-174	4.18	\$4,000
Shell Lake N	213957	4	5	80-174	4.09	\$3,600
Shell Lake N	213958	5	5	80-174	4.13	\$3,600
Shell Lake N	213959	6	5	80-174	4.02	\$3,500
Shell Lake N	213960	7	5	80-174	3.90	\$3,400
Shell Lake N	213961	8	5	80-174	3.73	\$3,300
Shell Lake N	213962	9	5	80-174	4.27	\$3,700
Shell Lake N	213963	10	5	80-174	4.99	\$4,400
Shell Lake N	213964	11	5	80-174	4.90	\$4,300
Shell Lake N	213965	12	5	80-174	3.63	\$3,200
Shell Lake N	213966	13	5	80-174	4.43	\$3,900
Shell Lake N	213967	14	5	80-174	4.73	\$4,100
Shell Lake N	213968	15	5	80-174	4.15	\$3,600
Shell Lake N	213969	16	5	80-174	4.64	\$4,100
Shell Lake N	213970	17	5	80-174	3.94	\$3,400
Shell Lake N	213971	18	5	80-174	4.99	\$4,400
Shell Lake N	213972	19	5	80-174	4.99	\$4,400
Shell Lake N	213973	20	5	80-174	4.52	\$4,000
Shell Lake N	213974	21	5	80-174	3.30	\$3,300
Shell Lake N	213975	22	5	80-174	4.03	\$3,500
Shell Lake N	213976	23	5	80-174	4.41	\$3,900
Shell Lake N	213977	24	5	80-174	3.92	\$3,400
Shell Lake N	213978	25	5	80-174	4.51	\$3,900
Shell Lake N	213979	26	5	80-174	5.00	\$4,400
Shell Lake N	213980	27	5	80-174	4.82	\$4,200
Shell Lake N	213981	28	5	80-174	4.88	\$4,300
Shell Lake N	213983	1	6	80-174	4.81	\$4,200
Shell Lake N	213984	2	6	80-174	4.13	\$3,600
Shell Lake N	213985	3	6	80-174	4.13	\$3,600
Shell Lake N	213986	4	6	80-174	4.13	\$3,600
Shell Lake N	213987	5	6	80-174	3.81	\$3,300
Shell Lake N	214033	1	7	80-174	4.81	\$4,200
Shell Lake N	214034	2	7	80-174	4.82	\$4,200
Shell Lake N	214035	3	7	80-174	4.82	\$4,200
Shell Lake N	214036	4	7	80-174	4.81	\$4,200
Shell Lake N	214037	5	7	80-174	2.96	\$3,200
Shell Lake N	214040	3	8	80-174	3.79	\$3,300
Shell Lake N	214041	4	8	80-174	3.78	\$3,300
Shell Lake N	214042	5	8	80-174	3.97	\$3,500
Shell Lake N	214045	1	9	80-174	2.64	\$3,000
Shell Lake N	214046	2	9	80-174	3.07	\$3,300
Shell Lake N	213988	1	10	80-174	4.11	\$3,600
Shell Lake N	213989	2	10	80-174	3.93	\$3,400
Shell Lake N	213990	3	10	80-174	4.31	\$3,800
Shell Lake N	213991	4	10	80-174	4.80	\$4,200
Shell Lake N	213992	5	10	80-174	4.47	\$3,900

Shell Lake N	213993	6	10	80-174	4.02	\$3,500
Shell Lake N	213994	7	10	80-174	4.11	\$3,600
Shell Lake N	213995	8	10	80-174	3.79	\$3,300
Shell Lake N	213996	9	10	80-174	2.95	\$3,100
Shell Lake N	213997	1	11	80-174	4.77	\$4,200
Shell Lake N	213998	2	11	80-174	3.90	\$3,400
Shell Lake N	213999	3	11	80-174	3.84	\$3,400
Shell Lake N	214000	4	11	80-174	3.75	\$3,300
Shell Lake N	214001	5	11	80-174	4.04	\$3,500
Shell Lake N	214002	6	11	80-174	3.35	\$3,400
Shell Lake N	214003	7	11	80-174	3.30	\$3,300
Shell Lake N	214004	8	11	80-174	3.22	\$3,300
Shell Lake N	214005	9	11	80-174	3.27	\$3,400
Shell Lake N	214006	10	11	80-174	3.07	\$3,300
Shell Lake N	214007	1	12	80-174	4.36	\$3,800
Shell Lake N	214008	2	12	80-174	4.81	\$4,200
Shell Lake N	214009	3	12	80-174	4.85	\$4,200
Shell Lake N	214010	4	12	80-174	3.27	\$3,400
Shell Lake N	214011	5	12	80-174	4.39	\$3,800
Shell Lake N	214012	6	12	80-174	4.68	\$4,100
Shell Lake N	214013	7	12	80-174	4.99	\$4,400
Shell Lake N	214014	8	12	80-174	5.00	\$4,400
Shell Lake N	214015	9	12	80-174	4.60	\$4,000
Shell Lake N	214016	10	12	80-174	3.77	\$3,300
Shell Lake N	214017	11	12	80-174	4.82	\$4,200
Shell Lake N	214018	12	12	80-174	4.89	\$4,300
Shell Lake N	214019	13	12	80-174	4.99	\$4,400
Shell Lake N	214020	14	12	80-174	4.99	\$4,400
Shell Lake N	214021	15	12	80-174	4.99	\$4,400
Shell Lake N	214022	16	12	80-174	4.99	\$4,400
Shell Lake N	214023	17	12	80-174	4.99	\$4,400
Shell Lake N	214024	18	12	80-174	5.00	\$4,400
Shell Lake N	214025	1	13	80-174	4.07	\$3,600
Skwentna St.	205125	4,5&6	4	79-205	14.63	\$11,100
Skwentna St.	205219	16&17	3	79-205	9.71	\$8,100
Skwentna St.	205987	21&22	4	79-205	9.78	\$8,600
Quartz Creek	229079	Tract G	-	2003-42	12.54	\$10,100
Trapper Creek Glenn	206037	4	22	79-242	4.82	\$8,400

## PREMISES OF THE APPRAISAL

### Type of Appraisal and Report

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

### Purpose of Appraisal

The purpose of this appraisal is to estimate 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

September 27, 2011

<sup>1</sup> The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.111

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2008, pp. 624-625

<sup>3</sup> The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.23

### **Exposure Time**

Exposure time is defined as "...the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. Exposure time is different for various types of property and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable effort."<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 over 100 available parcels within the immediate area. Considering the availability of parcels on the market, a longer exposure time of up to three years is reasonable.

### **Scope of the Appraisal**

#### **Property and Comparable Sales Inspection**

I inspected the subject property and all of the comparable sales on September 27, 2011, via aerial inspection. Physical features and access were identified by use of aerial 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 while the Matanuska - Susitna Borough database was searched for relevant sale information. Private real estate agent websites were searched for recent listings while sellers, buyers, and agents were contacted to verify recent sale prices and other transaction details.

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

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<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2010-2011, Appraisal Foundation, p. U-89

## **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

All of the subject parcels are all located in remote areas of the Matanuska-Susitna Borough. All of the parcels are located north of the Cook Inlet, south of Denali National Park, east of the Alaska Range, and west of the Parks Highway.

### **Market Area – The Matanuska Susitna Borough<sup>5</sup>**

#### **Location:**

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

#### **Local Government:**

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

#### **Demographics:**

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

According to the 2010 Census, the population was 88,995. There were 41,329 housing units in the community and 31,824 were occupied. Its population was 5.5 percent American Indian or Alaska Native; 84.9 percent white; 1 percent black; 1.2 percent Asian; 0.2 percent Pacific Islander; 6.5 percent of the local residents had multi-racial backgrounds. Additionally, 3.7 percent of the population was of Hispanic decent.

#### **Economy:**

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

The 2005-2009 American Community Survey (ACS) estimated 35,540 residents as employed. The public sector employed 17.9% of all workers. The local unemployment rate was 11.8%. The percentage of workers not in labor force was 34.3%. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$66,052 (MOE +/- \$1,869). The per capita income (in 2009 inflation-adjusted dollars) was \$24,906 (MOE +/- \$707). About 10.3% of all residents had incomes below the poverty level.

#### **Facilities:**

There are three incorporated cities within the Borough: Houston, Palmer, and Wasilla. Additionally, there are several unincorporated communities and twenty-five (25) Borough recognized community councils. The majority of the Borough population resides in the "core area" surrounding the cities of Palmer and Wasilla, and within the cities themselves. The remaining population is spread out among the various unincorporated communities, as well as some remote sites. There are 44 schools located in the borough, attended by 17,079 students.

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

**Transportation:**

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

**Skwentna Neighborhood<sup>6</sup>**

Skwentna is an unincorporated town site located just north of the Skwentna River, and within the Yentna River drainage. Skwentna is not accessible by the road system; however it serves a hub for local snowmachiners in the winter and boat traffic up the Yentna in the summer.

**History, Culture and Demographics**

Dena'ina Athabascans have fished and hunted along the Skwentna and Yentna Rivers for centuries. In 1908, an Alaska Road Commission crew blazed a trail from Seward to Nome, going through Old Skwentna from the Susitna River to Rainy Pass. Many roadhouses were later constructed along the trail to the Innoko Mining District, including the Old Skwentna Roadhouse. Prospectors, trappers and Indians often used sled dogs to transport goods over the trail. Max and Belle Shellabarger homesteaded and started a guide service in 1923, and later a flying service and weather station. A post office was opened in 1937. After World War II, Morrison-Knudson built an airstrip, and in 1950, the U.S. Army established a radar station at Skwentna and a recreation camp at Shell Lake, 15 air miles from Skwentna. In the 1960s, State land disposals increased settlement.

Skwentna residents are scattered over a large area of land. It has a number of seasonal use homes. There is a small local store, and residents use snowmachines or aircraft to travel to the post office.

According to the 2010 Census, There are approximately 37 full time residents. There were 353 housing units in the community and 20 were occupied.

**Facilities, Utilities, Schools and Health Care**

A number of homes have individual water wells and septic systems, but very few homes are fully plumbed. Outhouses are the primary means of sewage disposal. There is no central electric system; residents provide power via individual generator sets. A community refuse incinerator is available at the unpermitted dump site near the airport, operated by the Borough. The site is currently being used by several families, but most residents burn and bury their own refuse. There are no state operated schools located in the community. Local hospitals or health clinics include Valley Hospital in Palmer. Skwentna is classified as an isolated village, it is found in EMS Region 2C in the Mat-Su Region. Emergency Services is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Lake Creek/Skwentna First Responders.

**Economy and Transportation**

Employment is provided through local lodges, the post office and the airstrip.

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

### Subject Parcel Descriptions

Subdivision Name	Survey #	# of Lots	Date Inspected
Shell Lake North	80-174	84	09-27-2011
High Mountain Lakes	80-154	67	09-27-2011
Skwentna Station	79-205	3	09-27-2011
Quartz Creek	2003-42	1	09-27-2011
Trapper Creek Glen	79-242	1	09-27-2011

### General Property Description for Shell Lake North Subdivision

#### Legal Description

There are 84 subject parcels within the Shell Lake North Subdivision ASLS 80-174, within Township 22 North, Range 13 West, Sections 13, 14, 23, and 24.

#### Location

Shell Lake North Subdivision is located approximately 80 miles northwest of Anchorage, 12 miles west of Skwentna.

#### Access

Access to the subdivision is either by float plane to Shell Lake, then overland. Winter access is by snowmachine up area rivers then overland to subdivision.

#### Size & Shape

There are a total of 84 lots ranging in size from 3.97 to 5 acres. The majority of the lots are rectangular in shape.

#### Topography

The entire subdivision lies approximately 400 to 750 feet above sea level.

#### Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with the larger portions of wetlands identified as tracts within the subdivision.

#### Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. No public water or sewer system is 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.

#### Easements & Zoning Regulations

No zoning, the subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common lot lines, and structures may not be constructed within 25' of a right of way. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort. Additionally, there is a fifty foot easement on each side of each section line within the subdivision.

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

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

**Tax Assessments<sup>7</sup>**

The subjects are located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2011 mill rate for the subject subdivision was 10.476

**Ownership History**

The Department of Natural Resources is the current owner of record for all of the subject parcels within the Shell Lake North subdivision. The majority of the subject parcels are available for purchase through the DNR Over-The-Counter. However, the following parcel is currently in potential reoffer status;

Shell Lake North L1/B9, ADL#214045, ASLS 80-174, 2.638 Acres

An application to purchase this parcel was received on 07-09-2009. On 09-14-2010 the application was relinquished and the parcel was put into potential reoffer status.

**Personal Property**

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

**Shell Lake North Subdivision**

Looking South

<sup>7</sup> <http://www.matsugov.us/realpropertyquery/detail> accessed 12-07-2011

**Shell Lake North Subdivision**



**Looking West**



**Looking East**

## General Property Description for High Mountain Lakes Subdivision

### Legal Description

There are 67 subject parcels within the High Mountain Lakes Subdivision ASLS 80-154, within Township 17 North, Range 13 West, Sections 27, 28, 33, and 34.

### Location

High Mountain Lakes Subdivision is located approximately 65 miles northwest of Anchorage, and approximately 6 miles north of Beluga Lake.

### Access

Summer access to the subdivision is by float plane to area lakes, then overland. Winter access is primarily via airplane on skis. However, the subdivision has been accessed by very experienced snowmachiners in winter.

### Size & Shape

Lots range in size from 4.0 to 5.0 acres. The majority of the lots are rectangular in shape.

### Topography

The subdivision is characterized by a gentle to moderately sloping topography with a variation in elevation from between 1000 to 2000 feet above sea level.

### Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area.

### Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. No public water or sewer system is 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.

### Easements & Zoning Regulations

No zoning, the subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common lot lines, and structures may not be constructed within 25' of a right of way. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort. Additionally, there is a fifty foot easement on each side of each section line within the subdivision.

### Environmental Hazards, Hazardous Waste & Toxic Materials

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

### Tax Assessments<sup>8</sup>

The subjects are located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2011 mill rate for the subject subdivision was 10.476.

### Ownership History

The Department of Natural Resources is the current owner of record for all of the subject parcels within the High Mountain Lakes Subdivision. The majority of the parcels are currently available for purchase through the DNR Over-The-Counter offering. However, two of the parcels have been placed into Potential Reoffer status due to the termination of purchase applications. The list of the aforementioned Potential Reoffer parcels is on the following page.

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<sup>8</sup> <http://www.matsugov.us/realpropertyquery/detail> accessed 12-07-2011

### **Potential Reoffer Parcels**

High Mountain Lakes L2/B21, ADL#210617, ASLS 80-154, 4.88 Acre

An application to purchase this parcel was received on 05-30-2008. On 01-27-2011 the application was terminated and the parcel was put into potential reoffer status.

High Mountain Lakes L7/B26, ADL#210645, ASLS 80-154, 4.85 Acre

An application to purchase this parcel was received on 07-27-2009. On 06-27-2010 the application was terminated and the parcel was put into potential reoffer status.

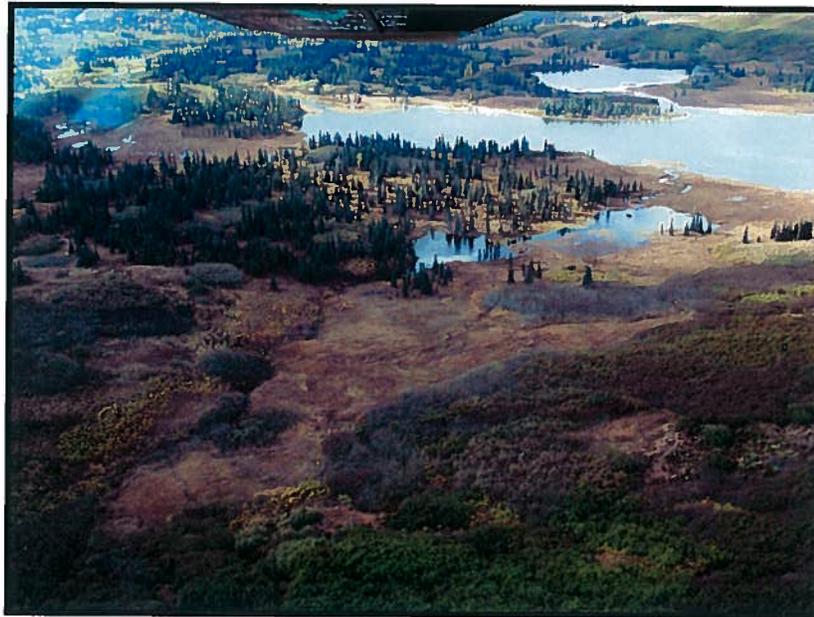
### **Personal Property**

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

**High Mountain Lakes Subdivision**



**Middle Lake-Looking North**



**Middle Lake-Looking South**

**High Mountain Lakes Subdivision**



**North Lake-Looking Southeast**



**North Lake-Looking North**

## General Property Description for Skwentna Station Subdivision

### Legal Description

There are three subject parcels located within Skwentna Subdivision, ASLS 79-205, within Township 22 North, Range 11 West, Sections 23, 24 and 25.

### Location

Skwentna Station Subdivision is located approximately 70 miles northwest of Anchorage at the confluence of the Susitna River and the Yentna River.

### Access

Summer access to the subdivision is either by wheeled airplane to the Skwentna airstrip, then overland, or by boat up the Yentna River, then overland. Winter access is via airplane, or snowmachine along rivers and/or overland to the subject subdivision.

### Size & Shape

Lots range in size from 9.711 to 14.634 acres. The lots are irregular in shape.

### Topography

The subdivision is characterized by a generally level topography with minimal variation in elevation. The entire subdivision lies approximately 100 to 200 feet above sea level.

### Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with the larger portions of wetlands identified as tracts within the subdivision.

### Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. No public water or sewer system is 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.

### Easements & Zoning Regulations

No zoning, the subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common lot lines, and structures may not be constructed within 25' of a right of way. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort. Additionally, there is a fifty foot easement on each side of each section line within the subdivision.

### Environmental Hazards, Hazardous Waste & Toxic Materials

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

### Tax Assessments<sup>9</sup>

The subjects are located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2011 mill rate for the subject subdivision was 10.476.

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<sup>9</sup> <http://www.matsugov.us/realpropertyquery/detail> accessed 12-07-2011

**Ownership History**

The Department of Natural Resources is the current owner of record for all three of the subject parcels. The following is a list of the subject parcels, all of which were in predisposal status from 2003 to 2010 at which time they were put into, and still remain in, potential reoffer status.

Skwentna Station L4, 5, & 6/B4 ADL#205125, ASLS 79-205, 14.634 Acre

Skwentna Station L21&22/B4, ADL#205987, ASLS 79-205, 9.776 Acres

Skwentna Station L1/B22, ADL#206219, ASLS 79-205, 9.711 Acres

**Personal Property**

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

Skwentna Station Subdivision



Looking North

Skwentna Station Subdivision



Looking Southwest



Looking West

## General Property Description for Quartz Creek Subdivision

### Legal Description

There is 1 subject parcel within the Quartz Creek Subdivision ASLS 2003-42, within Township 20 North, Range 12 West, Section 7.

### Location

Quartz Creek Subdivision is located approximately 70 miles northwest of Anchorage and approximately 15 miles southwest Skwentna.

### Access

Summer access to the subdivision is limited to a wheeled plane to gravel bars on the Skwentna River then overland to property or float plane to an unnamed lake approximately ½ mile to the west, then overland. Winter access is by snowmachine up area rivers then overland to subdivision.

### Size & Shape

The subject parcel in this subdivision is 12.54 acres and is irregular in shape.

### Topography

The entire subdivision lies approximately 500 to 600 feet above sea level.

### Soils/Vegetation

Subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with the larger portions of wetlands identified as tracts within the subdivision.

### Utilities, Water & Sewer

Electricity is not available to any of the lots within the subdivision. No public water or sewer system is 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.

### Easements & Zoning Regulations

No zoning, the subjects are located within an unregulated area of the Mat-Su Borough. Parcel is subject to a 30' public access and utility easement on each side of common lot lines, and structures may not be constructed within 25' of a right of way. The survey plat indicates a 50' wide section line easement at the southwest corner of the parcel, a 50' public access easement along the mean high water or ordinary high water line, and a 100 foot building setback from the ordinary high water line.

### Environmental Hazards, Hazardous Waste & Toxic Materials

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

### Tax Assessments<sup>10</sup>

The subjects are located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2011 mill rate for the subject subdivision was 10.476

### Ownership History

The Department of Natural Resources is the current owner of the subject parcel within the Quartz Creek subdivision. The subject parcel was available for purchase through the DNR Over-The-Counter program. However, the subject parcel is currently in potential reoffer status. Additional details regarding ownership history of the subject parcel is on the following page.

<sup>10</sup> <http://www.matsugov.us/realpropertyquery/detail> accessed 12-07-2011

Tract G, Quartz Creek Subdivision, ADL#229079, ASLS 2003-42, 14.54 Acres  
An application to purchase this parcel was received on 06-04-2008. On 05-04-2010 the application was terminated and the parcel was put into potential reoffer status.

**Personal Property**

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

**Quartz Creek Subdivision**



Tract G-Looking Southwest



Tract G-Looking East

## **General Property Description for Trapper Creek Glen Subdivision**

### **Legal Description**

There is 1 subject parcel within the Trapper Creek Glen Subdivision ASLS 79-242, within Township 27 North, Range 6 West, Section 36.

### **Location**

Trapper Creek Glenn Subdivision is located approximately 7 miles northwest of Talkeetna west of the Parks Highway.

### **Access**

There is good year round access to the Trapper Creek Glen Subdivision. Trailhead access for the southern portion of the subdivision is via a shared parking lot at mile 118.2 of the Parks highway, just north of Petersville Road. Well established trails allow all terrain vehicle access in the summer time and snowmobile access in the winter time. Trails are maintained via a homeowners association.

### **Size & Shape**

The subject parcel in this subdivision is 4.82 acres and is rectangular in shape.

### **Topography**

The entire subdivision lies approximately 500 to 700 feet above sea level.

### **Soils/Vegetation**

Subdivision contains primarily mature birch and spruce mix with some areas of wetlands within the tracts. Soils are typical of the surrounding area, with the larger portions of wetlands identified as tracts within the subdivision.

### **Utilities, Water & Sewer**

Electricity is not available to any of the lots within the subdivision. No public water or sewer system is 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.

### **Easements & Zoning Regulations**

No zoning, the subjects are located within an unregulated area of the Mat-Su Borough. Parcels are subject to a 10' easement on each side of common lot lines, and structures may not be constructed within 25' of a right of way. The survey plat indicates a 50' public access easement along the mean high water or ordinary high water line of any water frontage of any sort. Additionally, there is a fifty foot easement on each side of each section line within the subdivision.

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

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

### **Tax Assessments<sup>11</sup>**

The subjects are located within the taxing authority of the Matanuska-Susitna Borough; however, there is no tax burden assessed to the State of Alaska from the borough. Tax assessments to private parties will become active when property is sold into private ownership. The 2011 mill rate for the subject subdivision was 10.476

### **Ownership History**

The Department of Natural Resources is the current owner of the subject parcel within the Trapper Creek Glen subdivision. The subject parcel was available for purchase through the DNR Over-The-Counter program. However,

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<sup>11</sup> <http://www.matsugov.us/realpropertyquery/detail> accessed 12-07-2011

L1/B22 Trapper Creek Glenn Subdivision, ADL#206037, ASLS 79-242, 4.821 Acres

An application to purchase the subject parcel was received on 02-25-2008. On 06-07-2009 the application was terminated and the parcel was put in potential reoffer status.

### **Personal Property**

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

## **DATA ANALYSIS AND CONCLUSION**

### **Highest and Best Use**

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

"The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value."<sup>12</sup>

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

### **Legally Permissible**

All parcels are subject to local zoning laws, subdivision covenants and restrictions, plat notes, as well as Borough and State regulations. Development of well and septic systems must comply with the requirements of the Department of Environmental Conservation. Almost any legal use of the site would be possible.

### **Physically Possible**

The subject parcels range in size from 2.64 to 14.63 acres. The size and physical characteristics are adequate to support all reasonable and probable uses.

### **Financially Feasible**

Surrounding land use is primarily residential. Development of the parcel depends on the amount of resources the owner is willing to allocate for residential needs. Development in the area is ongoing; however, the overall market has slowed as evidenced by stagnant prices and longer marketing times.

### **Maximally Productive**

Maximally productive use is the use that produces the maximum return from the proceeds of a sale or lease. The immediate vicinity is characterized by private recreation. Snowmachining and other outdoor activities are the primary motivations for the surrounding recreational users.

### **Highest and Best Use of Land as Vacant**

Based on the foregoing analysis, the highest and best use of the subject parcels as vacant would be for almost any legal use, primarily rural recreation cabin sites.

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<sup>12</sup> The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p.277-278