

MARKET VALUE APPRAISAL

**Of
Delta Junction & Tok Area
Parcels
For 2016 Auction**

Appraisal Report No. 4252



STATE OF ALASKA

Department of Natural Resources
Division of Mining, Land and Water
550 West 7th Avenue, Suite 650
Anchorage, AK 99501-3576

MEMORANDUM

State of Alaska

Department of Natural Resources

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550 West 7th Avenue, Suite 602

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DATE: December 23, 2015

TO: Kevin Hindmarch
Review Appraiser

FROM: Brandon Simpson *BS*

SUBJECT: Appraisal of eighty-four parcels of land located near the communities of Delta Junction and Tok. The parcels are being appraised to establish minimum bid price for sale at auction.

As requested, I have completed an appraisal of the referenced parcels. I understand that this appraisal will be used to determine the minimum purchase price for the above referenced parcels. 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 Land Disposal), DNR. This is Appraisal Report is based on the General Assumptions and Limiting Conditions, Hypothetical Condition and Extraordinary Assumption (see Page 7) stated in the report, as well as the facts, analyses, and reasoning leading to the opinions of value.

I have inspected the subject area and the comparable sales used in this report. Physical descriptions of the subject parcels are based on physical inspections, soil maps, aerial photography and topographic maps. Based on my observations and analysis of all available data, I have formed an opinion of market value as of the effective date of value.

TABLE OF CONTENTS

INTRODUCTION

Title Page	
Letter of Transmittal	ii

PREMISES OF THE APPRAISAL

Appraisal Summary	4
Type of Appraisal and Report	7
Purpose and Use of the Appraisal	7
User and Client Identity	7
Property Rights Appraised	7
Definition of Market Value	7
Effective Date of Value Estimate	7
Exposure Time	7
Sale History	8
Scope of the Appraisal	9
Assumptions and Limiting Conditions	8

PRESENTATION OF DATA

Area Analysis	13
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DATA ANALYSIS AND CONCLUSION

Approaches to Value	15
Delta Junction Comparable Sales & Value Conclusions	16
Tok Residential Comparable Sales & Value Conclusions	26
Tok Recreational Comparable Sales & Value Conclusions	34
Remote Comparable Sales & Value Conclusions	43
Certification of Value	52

ADDENDA

Subject Parcel Survey	
Market Data Map	
Comparable Sales Forms	
DNR Size Adjustment Method	
DNR Land Disposal Appraisal Instructions	
Appraiser Qualifications	

APPRAISAL SUMMARY

Location

Subdivision Name	Location	Lot Size (acres)
Clearwater Road	Approximately 7 miles southeast of Delta Junction	2.52 to 3.57
Delta Ag Oddlots	10 to 12 1/2 miles southeast of Delta Junction	4.87 to 5
Delta Homesites	Approximately 8 1/2 miles southeast of Delta Junction	2.79 to 5
Glen	Approximately 5 miles south of the Tok Junction	5 to 20
Three Mile	Approximately 2 1/2 miles south of the Tok Junction	5
Tok	Parcels are found less than 1 mile northwest of the Tok Junction	5.01 to 5.08
Tok Tetlin Trail (ASLS 79-134)	Approximately 4 miles west of the Tok Junction and south of the Alaska Highway	5 to 10
Tok Tetlin Trail (ASLS 79-135)	Approximately 4 miles west of the Tok and north of the Alaska Highway	4.77 to 5
Tok Triangle Phase III	Approximately 3 1/2 miles southwest of the Tok Junction	10 to 30.58
Tok Triangle Phase IV	Approximately 6 miles south of Tok Junction	11.01 to 38.21
Eagle	Approximately 8 miles west of the Tok Junction and south of the Alaska Highway.	4.727 & 7.984
Eagle II	Approximately 7 1/2 miles west of the Tok Junction and south of the Alaska Highway.	4.54
Tower Bluffs	Approximately 31 1/2 miles north of the Tok Junction and less than 1 mile west of the Alaska Highway.	4.996
Tower Bluffs RRCS	Approximately 32 miles north of the Tok Junction and 2 to 3 miles west of the Alaska Highway.	10.58 to 20
Robertson River RRCS	Approximately 30 to 31 miles north of the Tok Junction and 2 1/2 west of the Alaska Highway.	7.43 to 20.00
Bluff Cabin Ridge RRCS	Approximately 9 miles north of Delta Junction, just south of the Tanana River and 4 to 5 miles east of the highway.	5

Value Summary

ADL	Subdivision	Lot or Tract	Block	Survey	Size (acres)	Value (RND)
420233	Clearwater Road	C1		ASLS 2008-25	2.57	\$7,100
420234	Clearwater Road	C5		ASLS 2008-25	2.52	\$6,000
420235	Clearwater Road	C6		ASLS 2008-25	2.58	\$4,600
420236	Clearwater Road	C7		ASLS 2008-25	2.7	\$5,600
420237	Clearwater Road	C2		ASLS 2008-25	3.2	\$6,700
420238	Clearwater Road	C3		ASLS 2008-25	3.57	\$7,300
420239	Clearwater Road	C4		ASLS 2008-25	2.83	\$6,400
401160	Delta Ag Oddlots	10	3	ASLS 78-93	4.99	\$14,100
401188	Delta Ag Oddlots	T43	3	ASLS 78-93	4.99	\$13,400
409658	Delta Ag Oddlots	T42	3	ASLS 78-93	4.99	\$13,400
418585	Delta Ag Oddlots	26	1	ASLS 78-93	5	\$15,600
418586	Delta Ag Oddlots	15	5	ASLS 78-93	4.99	\$13,500
418587	Delta Ag Oddlots	16	5	ASLS 78-93	4.87	\$12,600
418588	Delta Ag Oddlots	17	5	ASLS 78-93	4.87	\$12,600
418589	Delta Ag Oddlots	18	5	ASLS 78-93	4.99	\$12,800
400233	Delta Homesites	G	3	ASLS 77-162	3.64	\$11,600

400983	Delta Homesites	F	1	ASLS 77-162	5	\$11,000
400987	Delta Homesites	B	3	ASLS 77-162	2.79	\$7,600
400989	Delta Homesites	F	3	ASLS 77-162	3.47	\$9,200
412756	Glenn	17, 18, 19, 20	2	ASLS 81-205	20	\$20,500
418344	Glenn	22	5	ASLS 81-205	5	\$8,600
418356	Glenn	3	6	ASLS 81-205	5	\$8,600
409604	Three Mile	7	2	ASLS 82-10	5	\$9,100
409605	Three Mile	8	2	ASLS 82-10	5	\$9,100
400333	Tok	C	1	ASLS 77-164	5.01	\$12,000
400380	Tok	F	6	ASLS 77-164	5.06	\$12,700
400381	Tok	G	6	ASLS 77-164	5.06	\$12,700
400388	Tok	B	8	ASLS 77-164	5.08	\$12,700
401025	Tok	G	8	ASLS 77-164	5.08	\$12,700
405833	Tok (Tetlin Trail)	3&4	1	ASLS 79-134	10	\$12,400
405840	Tok (Tetlin Trail)	10	1	ASLS 79-134	5	\$8,200
405851	Tok (Tetlin Trail)	5	3	ASLS 79-134	5	\$8,600
405856	Tok (Tetlin Trail)	10	3	ASLS 79-134	5	\$8,200
405858	Tok (Tetlin Trail)	12	3	ASLS 79-134	5	\$8,200
405859	Tok (Tetlin Trail)	13	3	ASLS 79-134	5	\$8,200
405860	Tok (Tetlin Trail)	14	3	ASLS 79-134	5	\$8,200
405871	Tok (Tetlin Trail)	25	3	ASLS 79-134	5	\$12,500
405876	Tok (Tetlin Trail)	5		ASLS 79-135	5	\$9,600
405880	Tok (Tetlin Trail)	9		ASLS 79-135	5	\$10,600
405882	Tok (Tetlin Trail)	11		ASLS 79-135	5	\$11,900
405885	Tok (Tetlin Trail)	14		ASLS 79-135	4.77	\$8,000
405886	Tok (Tetlin Trail)	15		ASLS 79-135	4.77	\$8,000
419050	Tok Triangle Phase III	1	1	ASLS 2008-41	10	\$13,000
419051	Tok Triangle Phase III	2	1	ASLS 2008-41	10	\$12,400
419052	Tok Triangle Phase III	3	1	ASLS 2008-41	20.01	\$19,500
419053	Tok Triangle Phase III	4	1	ASLS 2008-41	30.58	\$25,800
419054	Tok Triangle Phase III	5	1	ASLS 2008-41	20.01	\$19,500
420248	Tok Triangle Phase IV	2	2	ASLS 2012-11	37.05	\$29,800
420258	Tok Triangle Phase IV	1	4	ASLS 2012-11	38.21	\$26,900
420259	Tok Triangle Phase IV	2	4	ASLS 2012-11	17.85	\$17,600
420261	Tok Triangle Phase IV	4	4	ASLS 2012-11	13.05	\$14,800
420262	Tok Triangle Phase IV	5	4	ASLS 2012-11	21.42	\$19,300
420263	Tok Triangle Phase IV	1	5	ASLS 2012-11	37.6	\$26,900
420266	Tok Triangle Phase IV	4	5	ASLS 2012-11	37.02	\$27,000
420267	Tok Triangle Phase IV	1	6	ASLS 2012-11	22.95	\$20,400
420268	Tok Triangle Phase IV	2	6	ASLS 2012-11	11.01	\$13,200
420269	Tok Triangle Phase IV	3	6	ASLS 2012-11	13.18	\$15,000
420274	Tok Triangle Phase IV	8	6	ASLS 2012-11	12.86	\$14,600
420275	Tok Triangle Phase IV	9	6	ASLS 2012-11	11.97	\$14,000

408093	Eagle	1	9	ASLS 81-33	4.984	\$13,100
408132	Eagle	1	3	ASLS 81-33	4.727	\$12,500
410952	Eagle II	8	10	ASLS 82-136	4.54	\$11,400
402858	Tower Bluffs	1	4	ASLS 80-97	4.996	\$5,500
417228	Tower Bluffs RRCS	17		ASLS 2006-23	10.58	\$8,200
417833	Tower Bluffs RRCS	4		ASLS 2006-23	15.51	\$9,900
417834	Tower Bluffs RRCS	3		ASLS 2006-23	16.8	\$10,400
417835	Tower Bluffs RRCS	27		ASLS 2006-23	20	\$12,400
417948	Tower Bluffs RRCS	16		ASLS 2006-23	15.49	\$10,600
418466	Robertson River RRCS	R		ASLS 2007-22	14.98	\$10,800
418467	Robertson River RRCS	Q		ASLS 2007-22	15	\$10,800
418468	Robertson River RRCS	T		ASLS 2007-22	13.23	\$10,100
418469	Robertson River RRCS	A		ASLS 2007-22	7.43	\$17,100
418470	Robertson River RRCS	K		ASLS 2007-22	17.56	\$10,700
418471	Robertson River RRCS	G		ASLS 2007-22	20	\$11,200
417836	Bluff Cabin Ridge RRCS	C		ASLS 2006-18	5	\$13,100
417837	Bluff Cabin Ridge RRCS	K		ASLS 2006-18	5	\$5,000
417838	Bluff Cabin Ridge RRCS	N		ASLS 2006-18	5	\$5,000
417839	Bluff Cabin Ridge RRCS	M		ASLS 2006-18	5	\$5,000
417840	Bluff Cabin Ridge RRCS	H		ASLS 2006-18	5	\$5,000
417841	Bluff Cabin Ridge RRCS	I		ASLS 2006-18	5	\$5,000
417842	Bluff Cabin Ridge RRCS	J		ASLS 2006-18	5	\$5,000
417843	Bluff Cabin Ridge RRCS	E		ASLS 2006-18	5	\$5,000
417844	Bluff Cabin Ridge RRCS	F		ASLS 2006-18	5	\$5,000
417845	Bluff Cabin Ridge RRCS	G		ASLS 2006-18	5	\$5,000

PREMISES OF THE APPRAISAL

Type of Appraisal and Report

This appraisal is a Summary Appraisal Report 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 – DNR Land Disposal.

Purpose of Appraisal

The purpose of this appraisal is to estimate current market value.

User and Client Identity

This appraisal is prepared for the State of Alaska, Department of Natural Resources and the general public.

Intended Use of Appraisal

The appraisal will be used by DNR to establish the minimum price for a sealed bid auction and will be used by the general public for guidance in determining actual bid prices.

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 as¹:

"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."

AS 38.05.125(a) states²:

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."

Definition of Market Value³

"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."

Effective Date of Value

June 3, 2015

Date of Report

December 23, 2015

Exposure Time

Exposure time is defined as⁴:

¹ The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, p.79

² Alaska Statutes Title 38, Public Land Article 5, accessed 16 November 2012.

<Codes.lp.findlaw.com/akstatutes/38/38.05./05./38.05.125>

³ The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, 2013, p.58

⁴ Uniform Standards of Professional Appraisal Practice 2014-2015, Appraisal Foundation, accessed January 8, 2014
<www.uspap.org/2/2/>

"...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."

Exposure time varies with property type and changes with market conditions.

Tok Area Parcels

DNR has had numerous offerings over the years around the community of Tok. All of the parcels that have been offered have sold at auction or over-the-counter. The appraised parcels are considered average when compared to competing parcels in the market. Appraised values for the subject parcels are based on an exposure time of one to two years.

Delta Junction Area Parcels

The Delta area parcels are considered similar to other competing parcels in the market. DNR has not offered many similar sized properties in the area lately, but numerous properties have sold in the private market. An exposure time of one to two years is reasonable.

Remote Parcels

The remote parcels are located in two different areas. The Tower Bluff and Robertson River parcels are located west of the Alaska Highway about 30 miles north of Tok. The Bluff Cabin Ridge parcels are located about 9 miles north of Delta Junction. Although there is a difference in location the utility for all of the remote parcels is similar. The majority of these parcels are located in remote recreational cabin sites areas that were originally offered by DNR as part of the remote cabin staking program. Due to the lack of developed access an exposure time of up to two years is reasonable.

Sale History

None of the appraised parcels sold within three years of the effective date of June 3, 2105.

Prior Appraisal History

I have not previously appraised the subject parcels within the previous three years.

SCOPE OF WORK

Property and Comparable Sales Inspection

I inspected the subject parcels and comparable sales over two days. An aerial inspection of the remote parcels and comparable sales was conducted June 2, 2015. The Tok area parcels and comparable sales were inspected on the ground on June 2, 2015, and the Delta Junction area parcels and comparable sales were inspected on the ground June 3, 2015.

Research and Analysis Conducted

Interviews were conducted with local real estate agents, appraisers, and other individuals familiar with the area who provided information about trends in values, supply and demand. DNR records were searched for recent comparable sales and information about parcels currently available. Current listings were also searched. The recorder's office was searched to identify any recent sales. Sellers and buyers or other knowledgeable market participants 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.

Extraordinary Assumption

ADL 401160 (Delta Ag Oddlots) has debris on the site including empty barrels. It is an extraordinary assumption that there is no hazardous material present on the parcel. The appraiser lacks the expertise to detect such substances.

Assumptions and Limiting Conditions

1. The property is appraised as vacant land without structural or site improvements.
2. 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.
3. All engineering studies are assumed to be accurate. Plats and illustrative material included in the report are intended to help the reader in visualizing the properties.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. Some parcels may contain saw timber, but not necessarily in commercial quantities. The estimated market value does not include that value of commercial timber, if any.
11. Some of the appraised parcel was inspected from the air. Due to the lack of on-site inspections for these parcels (aerial only) some physical features are assumed based on conversations with those knowledgeable about the area, photographs and parcel descriptions provided by the surveyors and interpretation of existing maps and aerials. The appraiser reserves the right to modify the value conclusions if an on-site inspection reveals a variation in site features from those assumed in this report.

PRESENTATION OF DATA

Property Identification

ADL	Subdivision	Lot or Tract	Block	Survey	Size (acres)
420233	Clearwater Road	C1		ASLS 2008-25	2.57
420234	Clearwater Road	C5		ASLS 2008-25	2.52
420235	Clearwater Road	C6		ASLS 2008-25	2.58
420236	Clearwater Road	C7		ASLS 2008-25	2.7
420237	Clearwater Road	C2		ASLS 2008-25	3.2
420238	Clearwater Road	C3		ASLS 2008-25	3.57
420239	Clearwater Road	C4		ASLS 2008-25	2.83
401160	Delta Ag Oddlots	10	3	ASLS 78-93	4.99
401188	Delta Ag Oddlots	T43	3	ASLS 78-93	4.99
409658	Delta Ag Oddlots	T42	3	ASLS 78-93	4.99
418585	Delta Ag Oddlots	26	1	ASLS 78-93	5
418586	Delta Ag Oddlots	15	5	ASLS 78-93	4.99
418587	Delta Ag Oddlots	16	5	ASLS 78-93	4.87
418588	Delta Ag Oddlots	17	5	ASLS 78-93	4.87
418589	Delta Ag Oddlots	18	5	ASLS 78-93	4.99
400233	Delta Homesites	G	3	ASLS 77-162	3.64
400983	Delta Homesites	F	1	ASLS 77-162	5
400987	Delta Homesites	B	3	ASLS 77-162	2.79
400989	Delta Homesites	F	3	ASLS 77-162	3.47
412756	Glenn	17, 18, 19, 20	2	ASLS 81-205	20
418344	Glenn	22	5	ASLS 81-205	5
418356	Glenn	3	6	ASLS 81-205	5
409604	Three Mile	7	2	ASLS 82-10	5
409605	Three Mile	8	2	ASLS 82-10	5
400333	Tok	C	1	ASLS 77-164	5.01
400380	Tok	F	6	ASLS 77-164	5.06
400381	Tok	G	6	ASLS 77-164	5.06
400388	Tok	B	8	ASLS 77-164	5.08
401025	Tok	G	8	ASLS 77-164	5.08
405833	Tok (Tetlin Trail)	3&4	1	ASLS 79-134	10
405840	Tok (Tetlin Trail)	10	1	ASLS 79-134	5
405851	Tok (Tetlin Trail)	5	3	ASLS 79-134	5
405856	Tok (Tetlin Trail)	10	3	ASLS 79-134	5
405858	Tok (Tetlin Trail)	12	3	ASLS 79-134	5
405859	Tok (Tetlin Trail)	13	3	ASLS 79-134	5
405860	Tok (Tetlin Trail)	14	3	ASLS 79-134	5
405871	Tok (Tetlin Trail)	25	3	ASLS 79-134	5
405876	Tok (Tetlin Trail)	5		ASLS 79-135	5
405880	Tok (Tetlin Trail)	9		ASLS 79-135	5
405882	Tok (Tetlin Trail)	11		ASLS 79-135	5
405885	Tok (Tetlin Trail)	14		ASLS 79-135	4.77
405886	Tok (Tetlin Trail)	15		ASLS 79-135	4.77
419050	Tok Triangle Phase III	1	1	ASLS 2008-41	10
419051	Tok Triangle Phase III	2	1	ASLS 2008-41	10

419052	Tok Triangle Phase III	3	1	ASLS 2008-41	20.01
419053	Tok Triangle Phase III	4	1	ASLS 2008-41	30.58
419054	Tok Triangle Phase III	5	1	ASLS 2008-41	20.01
420258	Tok Triangle Phase IV	1	4	ASLS 2012-11	38.21
420259	Tok Triangle Phase IV	2	4	ASLS 2012-11	17.85
420261	Tok Triangle Phase IV	4	4	ASLS 2012-11	13.05
420262	Tok Triangle Phase IV	5	4	ASLS 2012-11	21.42
420263	Tok Triangle Phase IV	1	5	ASLS 2012-11	37.6
420266	Tok Triangle Phase IV	4	5	ASLS 2012-11	37.02
420267	Tok Triangle Phase IV	1	6	ASLS 2012-11	22.95
420268	Tok Triangle Phase IV	2	6	ASLS 2012-11	11.01
420269	Tok Triangle Phase IV	3	6	ASLS 2012-11	13.18
420274	Tok Triangle Phase IV	8	6	ASLS 2012-11	12.86
420275	Tok Triangle Phase IV	9	6	ASLS 2012-11	11.97
420248	Tok Triangle Phase IV	2	2	ASLS 2012-11	37.05
408093	Eagle	1	9	ASLS 81-33	4.984
408132	Eagle	1	3	ASLS 81-33	4.727
410952	Eagle II	8	10	ASLS 82-136	4.54
402858	Tower Bluffs	1	4	ASLS 80-97	4.996
417228	Tower Bluffs RRCS	17		ASLS 2006-23	10.58
417833	Tower Bluffs RRCS	4		ASLS 2006-23	15.51
417834	Tower Bluffs RRCS	3		ASLS 2006-23	16.8
417835	Tower Bluffs RRCS	27		ASLS 2006-23	20
417948	Tower Bluffs RRCS	16		ASLS 2006-23	15.49
418466	Robertson River RRCS	R		ASLS 2007-22	14.98
418467	Robertson River RRCS	Q		ASLS 2007-22	15
418468	Robertson River RRCS	T		ASLS 2007-22	13.23
418469	Robertson River RRCS	A		ASLS 2007-22	7.43
418470	Robertson River RRCS	K		ASLS 2007-22	17.56
418471	Robertson River RRCS	G		ASLS 2007-22	20
417836	Bluff Cabin Ridge RRCS	C		ASLS 2006-18	5
417837	Bluff Cabin Ridge RRCS	K		ASLS 2006-18	5
417838	Bluff Cabin Ridge RRCS	N		ASLS 2006-18	5
417839	Bluff Cabin Ridge RRCS	M		ASLS 2006-18	5
417840	Bluff Cabin Ridge RRCS	H		ASLS 2006-18	5
417841	Bluff Cabin Ridge RRCS	I		ASLS 2006-18	5
417842	Bluff Cabin Ridge RRCS	J		ASLS 2006-18	5
417843	Bluff Cabin Ridge RRCS	E		ASLS 2006-18	5
417844	Bluff Cabin Ridge RRCS	F		ASLS 2006-18	5
417845	Bluff Cabin Ridge RRCS	G		ASLS 2006-18	5

Personal Property

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

MARKET AREA

Subject Parcels

Nineteen of the subject parcels are located near the community of Delta Junction and forty-three parcels are located near the community of Tok. The remaining twenty-two parcels are located in two different areas. The Tower Bluff and Robertson River parcels are located west of the Alaska Highway about 30 miles north of Tok. The Bluff Cabin Ridge parcels are located about 9 miles north of Delta Junction.

DELTA JUNCTION

Current Population

1,089 (2014 DCCED Commissioner Certified Figure)

Location

Delta Junction is located at the convergence of the Richardson and Alaska Highways, approximately 95 miles southeast of Fairbanks and 236 miles northeast of Anchorage. The city developed along the east bank of the Delta River, south of its junction with the Tanana River.

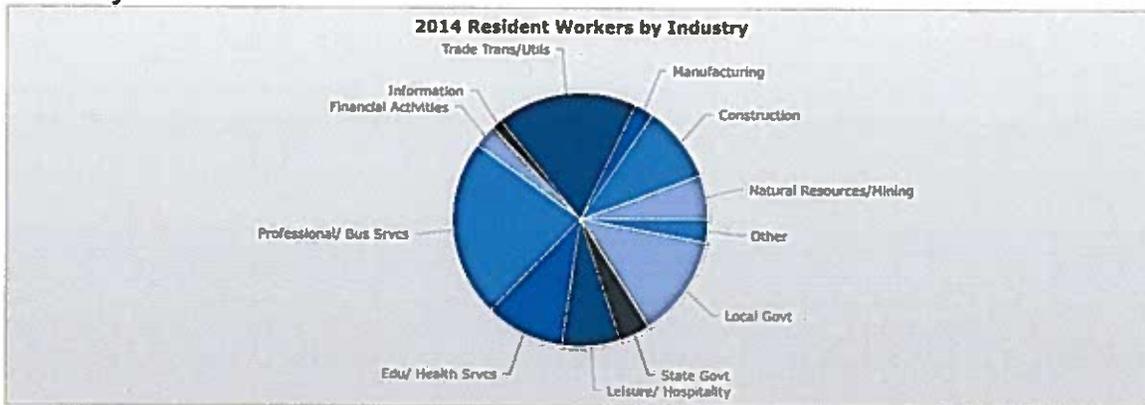
Climate

Delta Junction falls within the continental climate zone, characterized by extreme temperature differences. The continental climate zone encompasses most of the central part of the state and experiences extremely cold winters and warm summers.

Transportation

Buses provide transportation to Fairbanks and Whitehorse. The state-maintained Delta Junction airport has a gravel runway in good condition. The U.S. Army maintains the Allen AAF airport, which has an asphalt runway. Plans are underway for joint use of the Allen Airfield on Fort Greely. Snowmobiles are used for recreation. Freight and mail are shipped by truck from Fairbanks.⁵

Economy



⁵ Alaska DCCED 'Community Database Online', accessed 22 September 2015.
<https://www.commerce.alaska.gov/dcra/DCRAExternal/community>.

TOK

Current Population

1,246 (2014 Department of Labor Estimate)

Location

Tok is located at the junction of the Alaska Highway and the Tok Cutoff to the Glenn Highway, at 1,635' elevation, 200 miles southeast of Fairbanks. It is called the "Gateway to Alaska," as it is the first major community upon entering Alaska, 93 miles from the Canadian border.

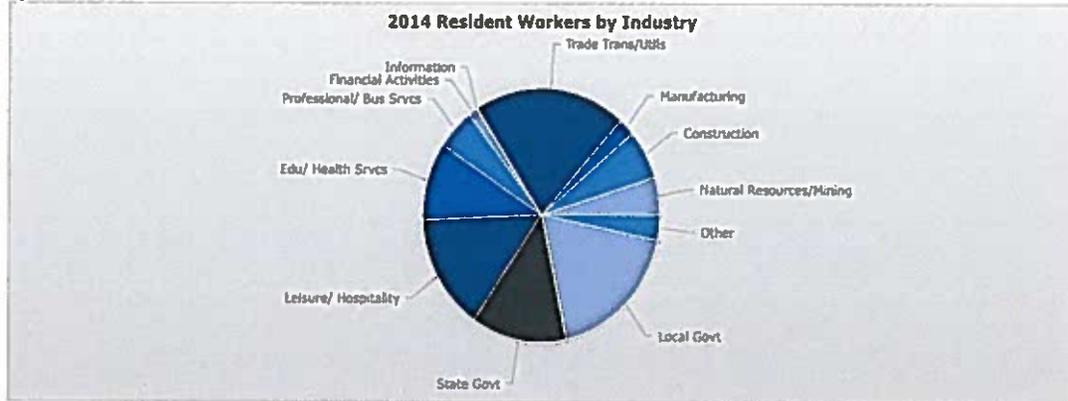
Climate

Tok is in the continental climate zone, with cold winters and warm summers. In the winter, ice fog and smoke conditions are common. The average low temperature during January is -32 °F; the average high during July is 72 °F. Extreme temperatures have been measured from -71 to 99 °F. Annual precipitation averages 11 inches, with 33 inches of snow.

Transportation

Tok is located on the Alaska Highway about 200 miles southeast of Fairbanks. Tok has two private airports and one state-maintained public airport with a 2509' x 50' asphalt runway in good condition.

Economy



DATA ANALYSIS AND CONCLUSION

Valuation Analysis

Three approaches 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 or recreational 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. The appraised parcels lack any improvements therefore; 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 property. Some of the characteristics considered include general market conditions, sales terms, location, highest and best use and physical features. Only the sales comparison approach is applicable for valuation of the subject parcels.

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 the 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 is 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 in the comparable sales, the appraiser must use personal knowledge of overall trends, opinion surveys, and/or judgment in making adjustments. These qualitative adjustments indicate if the feature being adjusted for is superior, or inferior to the *subject parcel*. 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 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 means that the sale feature is inferior to the subject, requiring an upward adjustment to indicate the value of the key parcel. An adjustment of 1.00 means the sale feature is similar to the key parcel, and no adjustment is necessary. The adjustments are multiplied to obtain a total

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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