

Note for Appraisal Review Report

The USDA Forest Service's March 25, 2008 Appraisal Review Report prepared for the Danskin-Camas Land Exchange is disclosed in the following pages.

The appraisal process for the Danskin-Camas Land Exchange described the acquired private and conveyed federal parcels with a different set of identifiers than those used in the Environmental Assessment and Decision Notice/Finding of No Significant Impact (NEPA documents). The following table should help the reader maintain proper association of the parcels when the same parcels are described, but referred to with different identifiers in different documents.

Parcels Identified in Appraisal Review are Parcels Identified in NEPA Documents as ...
Federal Property	Conveyance Parcels
Federal Grouping 1	
Parcel 1	Conveyance Parcel 3
Parcel 2	Conveyance Parcel 4b
Parcel 3 (including sub-parcels 3a and 3c)	Conveyance Parcel 4a
Parcel 4	Conveyance Parcel 5
Federal Grouping 2	
Parcel 5	Conveyance Parcel 1
Non-Federal Property	Acquired (or Acquisition) Parcels
Non-Federal Grouping 1	
Parcel 1	Acquisition Parcel 6
Parcel 2	Acquisition Parcel 5
Parcel 3	Acquisition Parcel 4
Non-Federal Grouping 2	
Parcel 1	Acquisition Parcel 3
Parcel 3	Acquisition Parcel 2

APPRAISAL REVIEW REPORT

REVIEW OF A FEBRUARY 7, 2008 SUPPLEMENT/UPDATE TO

**THE DECEMBER 7, 2006 APPRAISAL OF THE FEDERAL
AND NON-FEDERAL PROPERTIES**

DANSKIN-CAMAS LAND EXCHANGE CASE

**BY: JOHN H MOORE, ARA
SENIOR REVIEW APPRAISER
USDA FOREST SERVICE**



**USDA FOREST SERVICE - INTERMOUNTAIN REGION
VALUATION SERVICES**



United States
Department of
Agriculture

Forest
Service

R4 Regional Office

324 25th Street
Ogden, UT 84401
V/TTY (801) 625-5825
FAX (801) 625-5378

File Code: 5430/5410

Date: March 25, 2008

Route To:

Subject: Danskin-Camas Land Exchange Appraisal Supplement/Update Review

To: Idaho/Wyoming Land Adjustment Zone

This responds to your request for Appraisal Services for the proposed Danskin-Camas Land Exchange. During negotiations Parcel 2 of Non-Federal Grouping #2 was dropped out of the exchange. Equalization of Federal and Non-Federal property values required reducing the size of the Federal Grouping #2. The effective date of values in the original appraisal was December 7, 2006 so it expired on December 6, 2007. At your request the appraisal has been supplemented to account for the changes and values have been updated. In compliance with FSM 5400 – 5415, the original appraisers, Bradford T. Knipe, MAI/ARA and Mike Wright, MAI completed the supplement/update. As of February 7, 2008 the market values are:

Federal Property Grouping 1	\$396,000
Federal Property Grouping 2	\$160,000
Non-Federal Property Grouping 1	\$126,000
Non-Federal Property Grouping 2	\$424,000

The appraisal supplement/update incorporated information from the original report by reference. This review also incorporates by reference information from my original review dated March 16, 2007. Please refer to it for more detailed descriptions of my scope of work, the properties that were appraised, and the appraisers work and conclusions. Only critical information outlining the differences in acreage, changes in value, and my conclusions and related comments are reported here.

I completed this review on March 25, 2008. The appraisal report supplement/update and my appraisal review report were prepared for the use by representatives of Forest Service to negotiate an exchange of the appraised properties. The purpose of my review was to determine if the appraisal report supplement/update complied with required appraisal standards, and if it could be approved for use by the Forest Service. I find that the report is appropriately supported and complies with required appraisal standards. I approve the report for agency use for the proposed Danskin-Camas Land Exchange Case. **The Appraisal Supplement/Update Report Expires on February 6, 2009.**


JOHN H MOORE, ARA
Senior Review Appraiser

cc: Kraig Frome, Don Fuller, Jack Haddox



Acreage Changes
(Changes are highlighted)

<u>Federal Property:</u>	Original Appraisal		Supplement/Update	
Grouping 1	Parcel	Acres	Acres	Weeks Law Acres
	1	120.00	120.00	120
	2	40.00	40.00	40
	3a	200.00	204.00	40
	3b	27.00	0.00	
	3c	113.00	113.00	
	3 (road)	... 10.00	8.50	
	4	636.34	636.34	
	Total	1,146.34	1,121.84*	200
Grouping 2	5a	1,076 +-	160.00	
	5b	965 +-	0.00	
	Total	2,041.64	160.00	
Total Federal		3,177.98	1,281.84	

Federal Grouping 1: 25 acres were dropped.

The total acreage of Federal property appraised in the supplement/update is *0.50 acres greater than described in the legal description. The difference is not significant since the appraiser rounded each parcel to the nearest whole number of acres for valuation purposes (which is appropriate).

For the supplement/update assignment the appraiser was furnished a Forest Service Surveyor's estimate of the acres Grouping 1 that are included in the Highway Right-of Way. The Surveyor's estimate indicated that Federal Sub-Parcel 3a contained 4 more acres than the original estimate.

Federal Grouping 2: 1,881.64 acres were dropped.

<u>Non-Federal Property:</u>	Original Appraisal		Supplement/Update	
Grouping 1 (Blacks Creek)	Parcel	Acres	Acres	
	1	85.108	85.108	
	2	25.371	25.371	
	3	265.230	265.230	
	Total	375.709	375.709	
Grouping 2 (Danskin)	1	601.950	601.950	
	2	484.100	0.000	
	3	79.980	79.980	
	Total	1166.030	681.930	
Total Non-Federal		1541.739	1057.639	

Non-Federal Grouping 2: Parcel 2 (484.10 acres) was dropped.

Value Changes

Federal Property

Original Appraisal			Supplement/Update Appraisal		
<u>Grouping</u>	<u>Acres</u>	<u>Value</u>	<u>Grouping</u>	<u>Acres</u>	<u>Value</u>
1	1,146.34	\$ 396,000	1	1,121.84	\$396,000
2	2,041.64	\$1,634,000	2	160.00	\$160,000

Federal Grouping 1: 25 acres were dropped and the value remained equal. The values of the individual parcels were discounted by 15% to arrive at their contribution to the grouping. This percentage did not change. The value of Grouping 1 is the sum of the contributory values of Parcels 1,2, and 3 -- \$396,000.

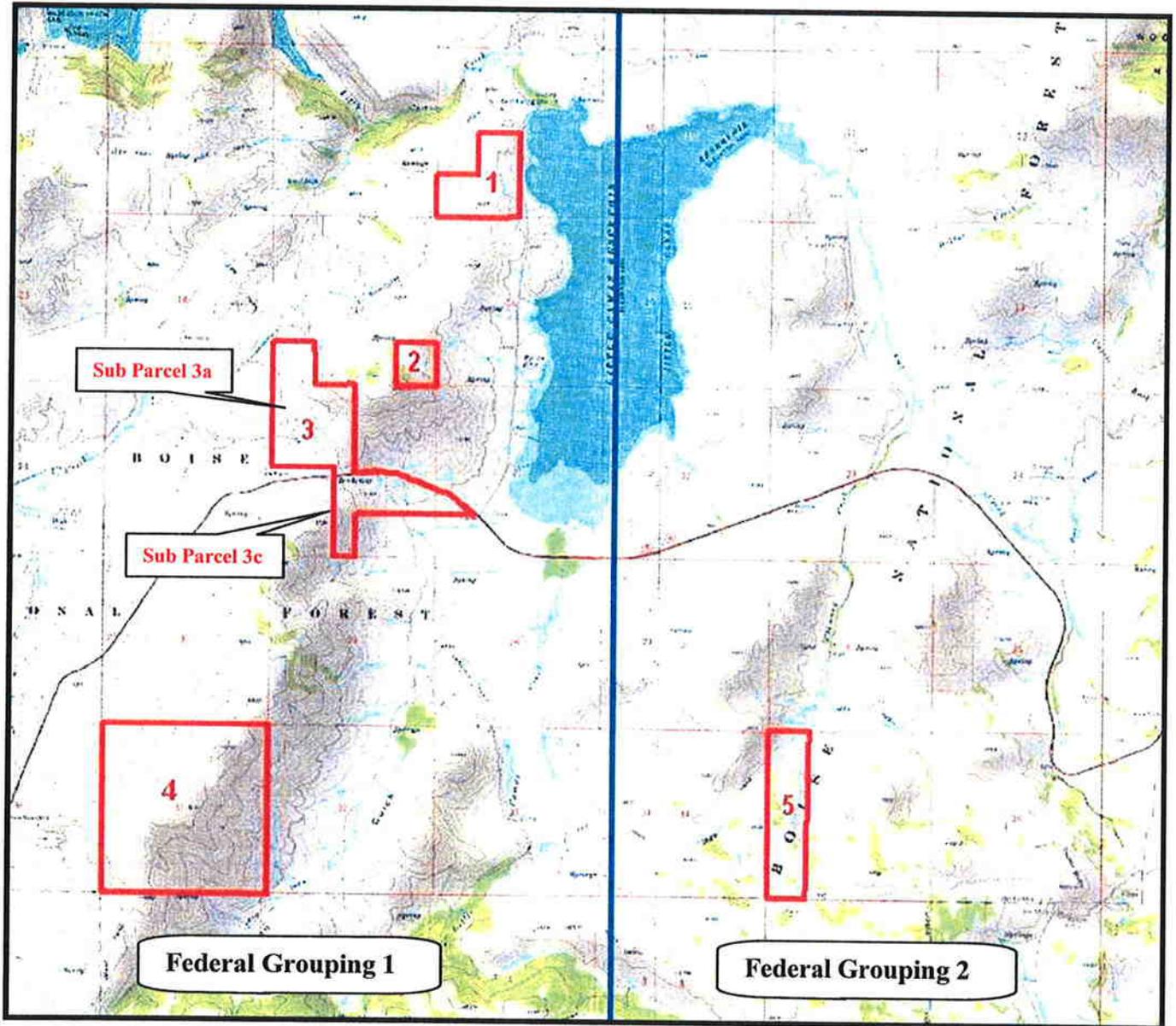
- **Parcel 1**-- The sales were adjusted upward 5% for appreciation and two additional sales were considered. The subject remained bracketed by the same sales indicating an increase from \$1,400/acre to \$1,600/acre x 120 acres = \$192,000 – 15% = \$163,000 contributory value (CV).
- **Parcel 2** – the acreage and value remained the same \$250/acre x 40 acres = \$10,000 – 15% = \$8,500 rounded up to \$9,000 CV.
- **Parcel 3** – The values of sub-parcels 3a and 3b were discounted 5% to arrive at their contributory value the parcel. The discount dropped from 15% to 5% because sub-parcel –3b was dropped. The value of Parcel 3 is \$187,000 – 5% = \$177,650 rounded to \$178,000. Its CV is \$178,000 – 15% = \$151,300 rounded to \$151,000.
 - **Sub-Parcel 3a** -- The acreage increased from 200 to 204 acres and the value per acre remained the same -- \$500/acre x 204 acres = \$102,000 – 5% = \$97,000 CV to Parcel 3.
 - **Sub-Parcel 3b** was dropped.
 - **Sub-Parcel 3c** – the value per acre remained the same -- \$750/acre x 113 acres = \$85,000 – 5% = \$81,000 CV to Parcel 3.
- **Parcel 4** – The value increased \$5.00 per acre (\$130 to \$135). \$130 plus 5% appreciation was rounded to \$135 per acre. Its CV is 636 acres x \$135/acre = \$85,860 rounded to \$86,000 – 15% = \$73,000.

Federal Grouping 2: The 160-acre parcel is a tiny fraction of the original acreage. It was appraised at \$1,000 per acre or \$160,000.

Contribution of the Federal Weeks Law Land

Grouping 1	Parcel 1 --120 acres	\$163,000
	Parcel 2 -- 40 acres	\$ 9,000
	<u>Parcel 3a – 40 acres</u>	<u>\$ 19,000</u>
	200 acres	

Parcel #3a's contributory value: 204 acres x \$500/acre = \$102,000 – 5% discount = \$96,900/204 acres = \$475/acre x 40 acres = \$19,000.



Non-Federal Property

Original Appraisal			Supplement/Update Appraisal		
<u>Grouping</u>	<u>Acres</u>	<u>Value</u>	<u>Grouping</u>	<u>Acres</u>	<u>Value</u>
1	375.709	\$ 120,000	1	375.709	\$126,000
2	1,166.030	\$ 791,000	2	681.93	\$424,000

Grouping 1:

- Parcels 1 & 2: The value for these parcels increased by 5% to \$27,000.
- Parcel 3: Bracketing the time adjusted sale prices indicated a value slight per acre increase for this parcel from \$320 to \$325 per acre (\$99,000)

Grouping 2:

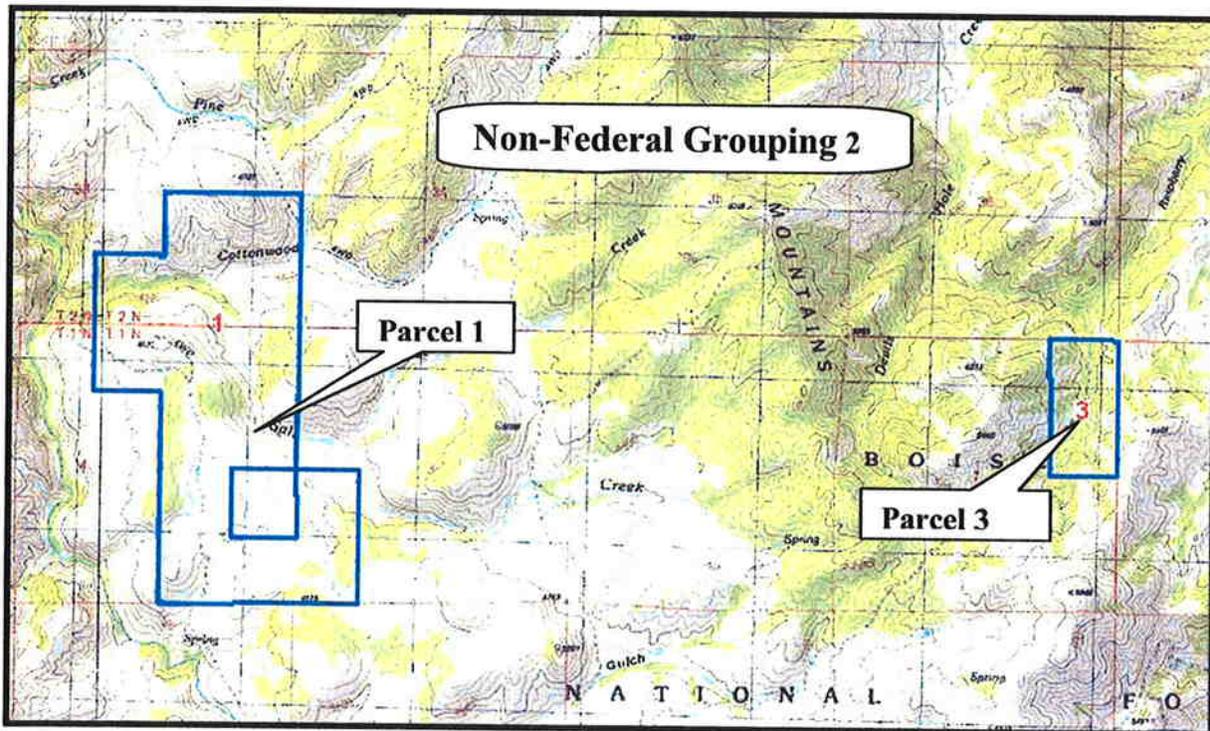
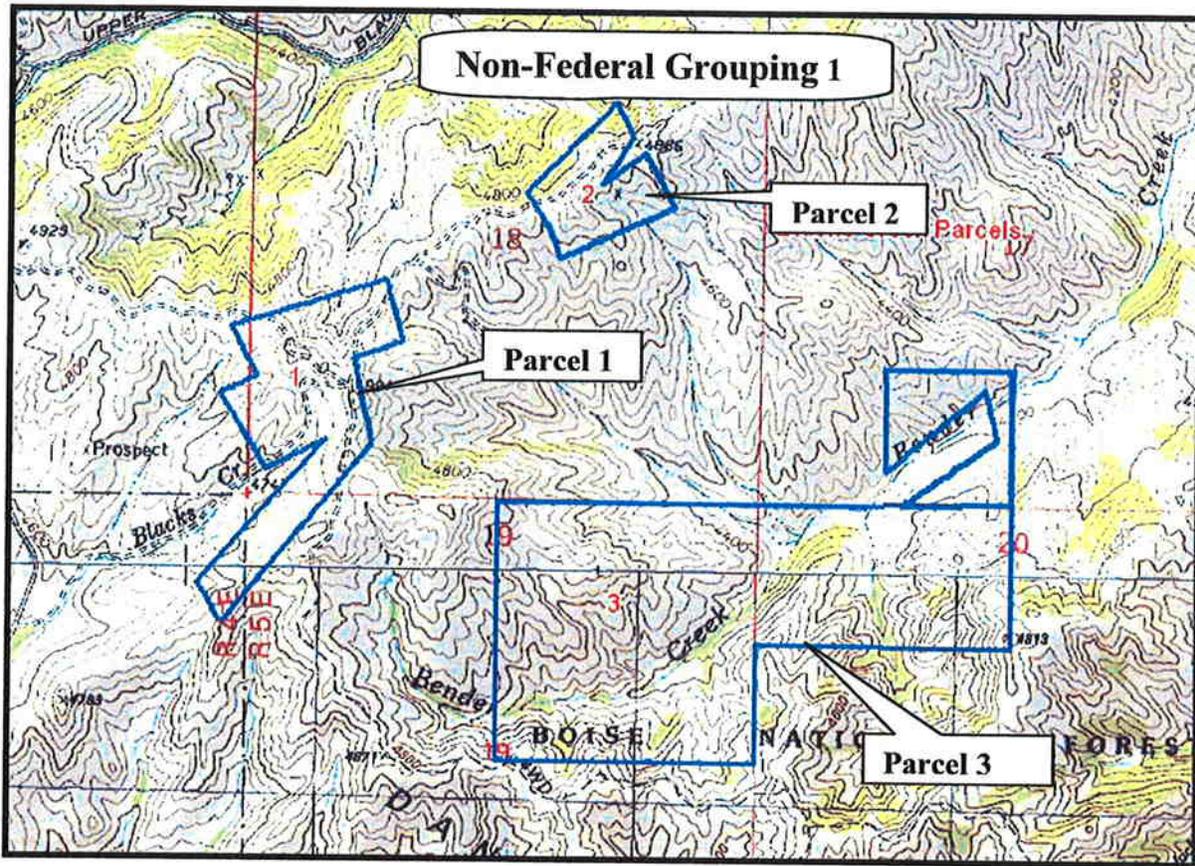
The sales were adjusted upward 5% for the year of appreciation since the effective date of the original appraisal. The discount to arrive at contributory value of the parcels to the grouping was reduced from 15% to 5% because Parcel 2 was dropped from the proposed exchange.

- Parcel 1: The appraiser continued to use sale 59 as the benchmark (most similar to the subject). Its time adjusted value changed from the \$635 to \$675 ($\$406,000 - 5\% = \underline{\$386,000}$ CV)
- Parcel 2 was dropped.
- Parcel 3: \$500 per acre remained well within the mid range of the time adjusted sale indications so the value of the parcel remained \$500 per acre ($\$40,000 - 5\% = \underline{\$38,000}$ CV).

Non-Federal Allocation to Weeks Law:

Grouping 1	375.709 acres \$126,000
Grouping 2	
Parcel 1	100.000 acres \$ 64,100

Maps of the Non-Federal Groupings follow.



**REVIEWER COMMENTS, CONCLUSIONS,
LIMITING CONDITIONS, AND CERTIFICATION**

Reviewer Comments

3. Adequacy of the Supplement:

- **Limiting Conditions/Hypothetical Conditions and Extraordinary Assumptions:**

Limiting conditions/hypothetical conditions and extraordinary assumptions remained the same.

- **The Estate Appraised:**

The legal description and property rights appraised in the supplement/update are consistent with the estate to be acquired by the agency as described in the last 2 pages of the appraisal supplement/update Addenda. Schedules A & B and LDVs for the Federal and Non-Federal land were not provided for the supplement/update. The revised legal descriptions are headed as Federal and Non-Federal.

- **Highest and Best Use Analysis and Conclusions:**

The highest and best use analysis and conclusions remained the same.

- **Valuation Analysis:**

The appraiser supported his value conclusions in a detailed and thorough analysis and write-up.

Reviewer Conclusion

Given the data and analysis presented, the report follows through to a logical conclusion. The appraisal supplement/update report is adequately documented with market evidence to support the conclusion of value, as defined and as presented.

- the completeness of the material under review is appropriate and adequate considering the scope of work applicable in the appraisal assignment;
- the data is adequate and relevant and adjustments to the data are reasonable and appropriate;
- the appraisal methods and techniques used are appropriate.
- the analyses, opinions, and conclusions in the work under review are appropriate and reasonable. .

The appraisal supplement/update report has been prepared in compliance with 1) the *Uniform Standards of Professional Appraisal Practice*, 2) the 2000 edition of the *Uniform Appraisal Standards for Federal Land Acquisitions*, and 3) FSM 5410 (5415), as iterated in the assignment instructions by appropriately incorporating information from the original report and appropriately referencing back to the original report..

The appraisal supplement/update is very detailed, thorough, supports the value conclusion presented, and is approvable.

Reviewer Assumptions and Limiting Conditions

1. This Appraisal Review Report is based on information and data contained in the appraisal report supplement/update that is the subject of the review. Data and information from other sources may be considered. If so, they are identified and noted as such.
2. I assume that such data and information are factual and accurate.
3. I reserve the right to consider any new or additional data or information that may subsequently become available.
4. This review has been conducted in the context of the market conditions as of the effective date of the appraisal report. No information was available to me during preparation of the review that was not available to the appraisers during the performance of his appraisal.

Reviewer's Certification

I certify that, to the best of my knowledge and belief:

1. The facts and data reported by the review appraiser and used in the review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this report, and are my personal, unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
7. My report preparation and presentation conform to in conform to the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the American Society of Farm Managers and Rural Appraisers.
8. My analyses, opinions, and conclusions were developed, and this review report was prepared, in conformity with the Appraisal Foundation's *Uniform Standards of Professional Appraisal Practice* (USPAP), except to the extent that the *Uniform Standards for Federal Land Acquisitions* (UASFLA) require invocation of the Jurisdictional Exception Rule of the USPAP as described in Section D-1 of the UASFLA.
9. I personally inspected the subject property on September 19, 2005. I inspected some but not all of the sales used as direct comparables in the appraisal report.
10. No one provided significant real property appraisal review assistance to the person signing this certification.
11. As of the date of this report, I am licensed by the State of Utah, Department of Commerce, Division of Real Estate. Under the state's licensing regulations, I am a Certified General Appraiser and my license has not been revoked, suspended, canceled, or restricted.
12. I am an Accredited Rural Appraiser (ARA) with the American Society of Farm Managers and Rural Appraisers. I am current with the ASFRMRA continuing education requirements. Use of this report is subject to the requirements of the ASFMRA relating to review by their duly authorized representatives.
13. OMB Bulletin 92-06 directs that Federal employees need only be licensed or certified in one State or territory to perform real estate duties as Federal employees in all States and territories.

The appraisal supplement/update report, which as of February 7, 2008 concluded an opinion of the following market values (non-Federal Ownership Grouping #1-\$126,000, non-Federal Ownership Grouping #2- \$424,000, Federal Grouping #1-\$396,000 and Federal Grouping #2- \$160,000) is **APPROVED**.

The appraisers' effective date of value is February 7, 2008. The market conditions in this neighborhood allow the appraisal to remain valid for 12 months. The appraisal report is valid through February 6, 2009. If the appraised value is not fixed by purchase agreement or decision prior to that date, then an update or a re-appraisal of the subject property may be necessary.



John H Moore, ARA

Senior Review Appraiser, USDA Forest Service, Intermountain Region

Utah State-Certified General Appraiser
Certificate No. 5640464-CG00 -- Expires 07/31/09

March 25, 2008