



United States Department of the Interior

Office of Valuation Services

12136 West Bayaud Avenue, Suite 100

Lakewood, CO 80228

Subject: Sutey Ranch (Parcels 1A and 1B)
IVIS Number: L13323 – regarding a supplemental Appraisal Review
Date: August 26, 2013

SUPPLEMENTAL APPRAISAL REVIEW REPORT

Kevin A. Chandler, MAI originally appraised the subject Sutey Ranch property with an effective date of November 15, 2012. The Sutey Ranch appraisal report was one of several parcels appraised as part of a proposed land exchange of private lands (including the Sutey Ranch) and various BLM parcels. I completed my reviews of all of the exchange parcel reports and approved them for agency use in early January 2013. Because of differences in combined value for the two sides of the exchange, one of the non-federal or private parcels, the Sutey Ranch or Non-Federal Parcel 1, per agreement with both parties of the exchange, has been proposed to be divided and each of the two portions has been assigned an opinion of value. A Supplemental Appraisal Report in letter form has been prepared by Kevin A. Chandler, MAI based on a Supplemental Statement of Work (SOW) provided to him. This Supplemental Review Report is of the separated portions of the Parcel 1 (Sutey Ranch) referenced as Parcel 1A and Parcel 1B.

The appraiser allocated Parcel 1 (Sutey Ranch) with 556.63-acres into Parcel 1A (321.25-acres) as the western portion of the holding while Parcel 1B (235.38-acres) is the eastern portion. The letter explains that each tract enjoys year-round access from a county road, dry utilities, similar terrain and views, and some borders of public land (managed by BLM). Since the 91-acres of irrigated land are situated on Parcel 1A, all adjudicated water rights are to be conveyed with that tract. The analysis of the appraiser for the comparable sales indicates the presence of the irrigated acreage has nominal impact on the concluded value per acre, as the ranch only has average natural features. The Highest and best Use for both Parcel 1A and Parcel 1B remains rural residential development with year-round home sites with a minimum lot size of six to 35 acres as well as complimentary agricultural / recreation.

The original Parcel 1 (Sutey Appraisal) for 556.63-acres concluded a value per acre of \$9,500 per acre based on the potential for rural subdivision, versus just agricultural production value. Based on additional analysis of the appraiser for the new parcels the appraiser concluded that the unit value remained the same for both Parcels 1A and Parcel 1B as no size adjustment is necessary since the comparable indicated no difference for parcels between 100 and 1,000 acres.

The effective date of value for Parcel 1A and Parcel 1B is November 15, 2012, the same as all the other parcels of the exchange. The date of my review of the Supplemental Appraisal Report is August 26, 2013.

The supplemental value determinations are as follows:

Parcel 1A - \$9,500 per acre x 321.25 acres = \$3,051,875

Rounded to **\$3,050,000**

Parcel 1B - \$9,500 per acre x 235.38 Acres = \$2,236,110

Rounded to **\$2,240,000**

Each of these values represents the contribution of the parcel to the whole value. Because there are now two larger parcels within the lands identified in the appraisal report, each was evaluated as a stand-alone parcel and contributes its full amount to the total value. Additionally, as an assembled land exchange, the value of each of the non-Federal parcels will be summed to arrive at the total non-Federal value for purposes of the proposed exchange.

The original report in its entirety was incorporated by reference for this supplemental appraisal report.

This supplemental appraisal review must be made part of the original appraisal / review for the Sutey Ranch Parcel (non-Federal) of the Sutey Ranch BLM Land Exchange.

My client for this supplemental appraisal review report is the Bureau of Land Management Reality Supervisor. The intended users of this supplemental review are the qualified BLM Reality staff, Western Land Group and qualified proponent representatives. This supplemental review report was prepared to enable the Bureau of Land Management and the proponent to consummate the proposed land exchange.

The supplemental appraisal letter that concludes a value for the subject non-Federal Parcel 1A of \$3,050,000 and Parcel 1B of \$2,240,000 with an effective date of November 15, 2012 is approved for agency use.

Kent C. Stevens, MAI
Review Appraiser – BLM Team
Office of Valuation Services - DOI
Colorado Certified General Appraiser
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