

**MARKET VALUE APPRAISAL  
of**

**ADL 421593 - Steele Hollow  
Tract A- ASLS 2017-16**



Tract A of Steele Hollow

**APPRAISAL REPORT No. 4698-0**

**STATE OF ALASKA  
Department of Natural Resources  
Division of Mining, Land & Water  
550 West Seventh Avenue Suite 650  
Anchorage, AK 99501-3576**

**A. SUMMARY OF APPRAISAL NO. 4698-0**

1. ADL NO(S): See table below
2. SIZE: See table below
3. APPLICANT: N/A
4. LOCATION: Subdivided lot located ten miles east of Fairbanks, AK
5. LEGAL DESCRIPTION(S): See table below
6. INTEREST APPRAISED: Fee Simple Title less Mineral Rights
7. PURPOSE OF THE APPRAISAL: Estimate Market Value
8. APPRAISED BY: Johnthomas Williamson
9. DATE of REPORT: November 7, 2025
10. DATE of VALUE(S): July 7, 2025
11. APPRAISED VALUE(S):

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Date of Value	Value (rnd)
421593	Steele Hollow	1N 1E 23 FM.	A	2017-16	59.595	7/17/25	\$71,500

**B. SUMMARY OF REVIEW**

1. DATE of REVIEW: February 25, 2026
2. REVIEWER'S CLIENT:  DNR  Other: \_\_\_\_\_
3. INTENDED USERS of the REVIEW:  DNR  General Public  Other: \_\_\_\_\_
4. INTENDED USE of the REVIEW: Establish minimum bid price for sealed bid auction
5. PURPOSE of REVIEW:  Evaluate for Technical Compliance with DNR Instructions & USPAP  
 Evaluate for Technical Compliance with UASFLA  Develop Independent Estimate of Value  
 Other: \_\_\_\_\_
6. SCOPE OF REVIEW: I Inspected the Subject on \_\_\_\_\_ I Did Not Inspect the Subject   
 I Inspected the Comparable Sales on \_\_\_\_\_ I Did Not Inspect the Comparable Sales   
 I Independently Verified the Comparable Sales in the Report  Yes  No  
 Data and Information Considered in Addition to that Contained in the Report:  None  See Sections C thru F  
 Extraordinary Assumptions, Hypothetical Conditions, & Other Limiting Conditions for this review:  
 None  See Section G Related appraisals reviewed: \_\_\_\_\_  
 Proofread DNR data entry:  Yes  No
7. RESULTS OF REVIEW:  Not Approved  Approved Approved Value: As noted in previous table



C. COMPLETENESS OF APPRAISAL MATERIAL WITHIN SCOPE OF WORK APPLICABLE TO THE ASSIGNMENT/CONFORMANCE with APPRAISAL INSTRUCTIONS: Adequate

D. ADEQUACY and RELEVANCE of APPRAISAL DATA and PROPRIETY OF ADJUSTMENTS: Adequate

E. APPROPRIATENESS OF APPRAISAL METHODS and TECHNIQUES: Adequate

F. ANALYSES, OPINIONS, and CONCLUSIONS ARE APPROPRIATE and REASONABLE, except:

G. REVIEWER'S ASSUMPTIONS AND LIMITING CONDITIONS

- 1. This review is based on data and information contained in the appraisal report as well as any additional data from other sources that is identified in this review.
2. The reviewer assumes that the data and information in the appraisal are factual and accurate.
3. The reviewer reserves the right to consider any additional data or information that may subsequently become available, and to revise an opinion or conclusion, if such data and information warrant a revision.
4. All assumptions and limiting conditions contained in the appraisal report are part of this review unless otherwise stated.
5. A title report has not been provided to the appraiser and the reviewer. Unless specifically noted in the report or this review, it is assumed that the only easements and restrictions that affect the property are those shown on the plat.
6. The value of commercial timber, if any, is specifically excluded from the final conclusion of value.

REVIEW APPRAISER'S CERTIFICATION APPRAISAL NO. 4698-0

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

- The facts and data reported by the reviewer and used in the review process are true and correct.
The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions, and conclusions.
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.
I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
My engagement in this assignment was not contingent upon developing or reporting predetermined results.
My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this review.
My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
I did [ ] did not [X] personally inspect the subject property of the report under review.
No one provided significant professional assistance to the person signing this review report.
I have reviewed and approved appraisals for the subject parcel within the past three years.

Reviewed by Kevin Hindmarch, Review Appraiser

Date 2/25/2026

cc: Justin Wholey

# 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: November 7, 2025

TO: Kevin Hindmarch  
Review Appraiser

FROM Johnthomas Williamson   
Appraiser

SUBJECT: Tract A of Steele Hollow, ADL 421593.

As requested, I have completed an appraisal of the above referenced parcel and understand that this appraisal will be used to determine a minimum purchase price for a sealed bid auction. I am submitting this report for your review and approval.

The appraisal was completed in accordance with the "Uniform Standards of Professional Appraisal Practice" of the Appraisal Foundation and in accordance with the Special Appraisal Instructions, DNR. This appraisal report is based on the General Assumptions and Limiting Conditions stated in the report, as well as the facts, analyses, and reasoning leading to the opinions of value.

I have inspected the subject parcel and selected comparable sales used in this report. Physical descriptions of the subject parcel was 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 value as of the effective date of value.

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## APPRAISAL SUMMARY

### Legal Description and Location

Steele Hollow is located approximately 10-miles east of Fairbanks, north of Chena Hot Springs Road, off Esro Road.

### Summary of Value:

ADL	Subdivision	MTRS	Tr.	ASLS	Acres	Date of Value	Value (rnd)
421593	Steele Hollow	1N 1E 23 FM.	A	2017-16	59.595	7/17/25	\$71,500

## **PREMISES OF THE APPRAISAL**

### **Type of Appraisal and Report**

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

### **Purpose of Appraisal**

The purpose of this appraisal is to estimate current market value of the properties described in this report.

### **Intended Use of Appraisal**

The appraisal will be used by DNR to determine the minimum bid for parcels to be acquired through the auction sale program under **AS 38.05.055**.

### **User and Client Identity**

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

### **Property Rights Appraised**

Rights appraised are fee simple estate less mineral rights reserved to the State of Alaska under **AS 38.05.125(a)**.

Fee simple estate is defined as:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<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**

The effective date of value for Steele Hollow Tract A is July 17, 2025.

### **Date of Report**

The date of report is November 7, 2025.

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<sup>1</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, p.90.

<sup>2</sup> Alaska Statutes Title 38, Public Land Article 5, State of Alaska, 2020, [www.legis.state.ak.us/basis/folio.asp](http://www.legis.state.ak.us/basis/folio.asp)

<sup>3</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, p.141

**Exposure Time**

Exposure time is defined as the "...estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."<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 multiple parcels available throughout the area that are offered through various government and private programs. Considering the availability of parcels on the market, an exposure time of up to a year is reasonable.

**Property History**

The subject has been offered by DNR multiple times. Most recently, ADL 421593 was sold in the 2023 DNR Subdivision Auction. The applicant entered into a land sale contract. However, the applicant relinquished to contract and the parcel reverted to State ownership. DNR is the owner of record.

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

I inspected the subject and select comparable sales July 17, 2025. I inspected the remaining comparable sales during previous appraisal assignments. Physical features and access were identified by use of site inspections, topographic maps, status plats, aerial photographs, DNR appraisal records, and interviews with people who are familiar with the area.

**Research and Analysis conducted**

Interviews were conducted with real estate agents, appraisers, local residents, and other individuals familiar with the area who provided information about trends in value, supply, demand, access, and physical characteristics of the subject properties. DNR records and the Recorders Office databases were searched for recent comparable sales. Private real estate agent websites were searched for recent listings. Sellers, buyers, and agents were contacted to verify recent sale prices and other transaction details.

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

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<sup>4</sup> Uniform Standards of Professional Appraisal Practice 2020-2021, Appraisal Foundation, p.U-2

## **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.

### **Extraordinary Assumption.**

ADL 421593, Tract A in Steele Hollow was previously under lease. There is some debris on the parcel left from the previous lessee including a well house, dilapidated shed, dilapidated shelter, and a collapsed outbuilding. While no toxic or hazardous materials were found during the field inspection, the appraiser is not an expert in identifying environmental contamination. It is an Extraordinary Assumption that no hazardous waste or toxic materials are on the subject.

## PRESENTATION OF DATA

### Market Area – Fairbanks<sup>5</sup>

The Fairbanks North Star Borough is located in the heart of Interior Alaska. It is the second-largest population center in the state with a population of approximately 97,738 as of 2017. Of which, about half live in and around Fairbanks. The area encompasses 7,361.0 sq. miles of land and 77.8 sq. miles of water. Interior Alaska experiences seasonal temperature extremes. January temperatures range from -66 to 50 degrees Fahrenheit. July temperatures range from 30 to 99 degrees Fahrenheit. Fairbanks is known for its lingering summer days. When the solstice arrives, there is more than 22 hours of daylight. Major communities include: College, Eielson Air Force Base, Ester, Fairbanks, Fox, Harding Lake, Moose Creek, North Pole, Pleasant Valley, Salcha, and Two Rivers. There are 35 schools located in the borough.

City, borough, state, and federal government agencies, including the military, provide over one-third of the employment in the borough. The borough school district and the University of Alaska Fairbanks are the primary public employers. Nearly 8,400 soldiers are stationed in the borough on Fort Wainwright or the Eielson Air Force Base. Retail services, gold mining, tourism, transportation, medical, and other services are the primary private sector activities. The Fort Knox hard rock gold mine is located in the borough.

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

Fairbanks is a Home Rule city and the second largest population center in the state. Currently, its estimated population is 31,905, comprised of 11,500 households. The average household size is 2.52. Power is supplied by Golden Valley Electric Association Inc. through diesel generators. Supplemental power is supplied by Aurora Energy LLC. The area is serviced by local schools, hospitals, libraries, refuse systems, and other urban facilities.

### Fox Neighborhood

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

Fox was established as a mining camp prior to 1905. The Fox Post Office operated from 1908 to 1947. The majority of the population of Fox is non-Native. It is part of the larger Fairbanks metropolitan area, the second largest in the state. The local economy is predominately a bedroom or commuter community for Fairbanks. There is limited seasonal mining in the area, and the highway provides some roadside service opportunities. There is about 230 housing units with 200 households. The average household size is 2.1. Students travel to Fairbanks area schools.

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<sup>5</sup> All information regarding Market Area information derived from <https://www.commerce.alaska.gov/dcra/DCRAExternal>, and <https://en.wikipedia.org/>

## Property Description – Steele Hollow

ADL	Subdivision	MTRS	Tract	ASLS	Acres	Plat	Recording District	PAN
421593	Steele Hollow	T1N R1E Sec.23 FM	A	2017-16	59.595	2021-5	Fairbanks	697356

### Location

Steele Hollow Subdivision is approximately nine miles east of Fairbanks, north of Chena Hot Springs Road. The subdivision is within Section 23 of Township 1 North, Range 1 East, Fairbanks Meridian

### Access

Access to Steele Hollow Subdivision is via Chena Hot Springs Road to Esro Road, a gravel road. Alternative access is via Juniper Drive, a paved road, then along Sub Zero Court, a brushed right of way. Sub Zero Court has been brushed to a width of 30'. However, there is a steep drop from Juniper Drive onto Sub Zero Court. Sub Zero Court is not accessible with a highway vehicle. Access from the cul-de-sac on Sub Zero Court is limited to walk-in, ATV, or tracked vehicle.

### Topography & Shape

Tract A is irregular in shape and slopes moderately to the west, down to Steele Creek. The meander of the creek defines the majority of the western boundary of the subject. The subject is approximately 700-feet to 600-feet above sea level.

### Soils & Vegetation

The subject was surveyed out as a Tract from the subdivision due to poor soils. The vegetation covering the southwestern half of the site is indicative of wet soils and poor drainage. There are approximately 10 small ponds and areas of standing water. The western boundary of the subject is bounded by Steele Creek, a small drainage. Portions of the subject along the creek are within Flood Zone A and are impacted by wetlands. The northeastern half of the parcel is characterized by a mix of mature spruce, birch, and alder indicative of adequate drainage.

### Easements & Setbacks

In addition to the typical access easements throughout the subdivision, there is a 30' public access easement near the eastern lot line that runs parallel to Esro Road. There is a constructed dirt road on the easement that provides access the neighboring lot to the north. On the western side of the subject, there is a 50' public access easement along the thread of Steele Creek, and a 300' building setback from the meander of the creek. There are additional 50' public access easements along the northern and southern lot lines.

### Zoning Regulations & Tax Assessments

The subject is within the Fairbanks North Star Borough. Because the property is owned by the State of Alaska, it is not currently taxed. However, upon transfer to private ownership, the new owner will be responsible for future property taxes levied by the Borough. The parcel is zoned RA-40, and the current mill rate for the parcel is 14.861.

### Ownership History

Steele Hollow Subdivision was subdivided in 2020. Prior to subdivision, the parent parcel was under a long-term lease. The individual subject has been most recently offered to the public through the 2023 DNR Subdivision Auction. The parcel received a high bid. However, the applicant relinquished the application prior to contract and the parcel remained in State ownership. DNR is the owner of record.

### Personal Property

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

**Utilities, Water & Sewer**

There is overhead electric service available. There is no public water or sewer in the area. 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.

**Environmental Hazards, Hazardous Waste, Toxic Materials & Debris.**

No toxic materials, waste, or hazards were observed during the field inspection. There are the remnants of a shed, wellhouse and dilapidated structure on the property. It is unknown if the well can be put back into commission.

**Extraordinary Assumption.**

While no toxic or hazardous materials were found during the field inspection, the appraiser is not an expert in identifying environmental contamination. A potential purchaser should rely on an environmental engineer or other professional individual with expertise in identifying hazardous materials. It is an Extraordinary Assumption that no hazardous waste or toxic materials are on the subject. See Page 7.





Tract A of Steele Hollow on Left. Esro Road on Right. Dirt road on public access easement on left. File photo.



Dirt road on Public Access Easement parallel to Esro Road. File photo.



Overhead powerline on the eastern lot line of Tract A. File photo.



Typical monumentation in subdivision. File photo.



Typical vegetation on Tract A. File photo.



Utility pole on Tract A. File photo.

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## DATA ANALYSIS AND CONCLUSION

### Valuation Analysis

Three approaches to value are considered to determine the market value estimate.

### Income Approach

The income approach for valuation is used primarily for income producing properties. It utilizes the capitalization process to discount future anticipated net income to a present value. It is not common to lease vacant land for a residential use; therefore, data that supports this approach is not available.

### Cost Approach

The cost approach is based on the assumption that an informed buyer would pay no more than the cost of producing a substitute property with the same utility as the subject property. This approach will separate the value of the land from the value of the improvements to determine the cost of reproducing the improvements. The cost approach is most effective for appraising properties that have newer improvements. Since all the parcels are vacant, the cost approach will not be used.

### Sales Comparison Approach

The sales comparison approach considers actual sales or prices asked for properties that have similar characteristics of the subject properties. Adjustments are made to the comparison properties so as to determine a price at which they would have sold if they had identical characteristics as the subject properties. This derived price then indicates a value for the subject properties. Some of the characteristics considered include general market conditions, sales terms, location, highest and best use and physical features. Of the three approaches to value, only the sales comparison approach is applicable.

### Key Parcel Method

In appraising more than one similar parcel, it is an accepted practice to appraise a key parcel that is most representative of the other parcels being appraised. The key parcel may be a hypothetical parcel or an actual parcel. The value of the remaining parcels is then based on a comparison to the key parcel. This methodology replicates typical developer thinking and will be utilized. The same adjustments and procedures are applied to the key parcel value to indicate the market value of a parcel being appraised, except the direction of adjustment is reversed when comparing appraised parcels to the key parcel. Superior features require a positive adjustment compared with the appraised parcel; inferior features require a negative adjustment.

### Explanation of Adjustments

DNR appraisal instructions state that the appraiser may develop and use quantitative or qualitative adjustments. Ideally, the value differences for any price adjustment are measured by comparing prices of paired sales that are very similar except for the feature of comparison to be measured. When market sales do not support quantifiable adjustments for differences and the comparable sales, the appraiser must use personal knowledge of overall trends, opinion surveys, and/or judgment in making adjustments. The conventional sequence of adjustments is property rights conveyed, financing terms, conditions of sale, time, location, and physical features.

An adjustment of less than 1.00 (or < ) means the sale feature is superior to that appraised property and requires a downward adjustment to indicate the value of the key parcel. An adjustment greater than 1.00 (or > ) means that the sale feature is inferior to the subject's feature which requires an upward adjustment to indicate the value of the key parcel. An adjustment of 1.00 (or = ) means the sale feature is similar to the key parcel, no adjustment is necessary. The adjustments are multiplied to obtain a total adjustment, which is then multiplied by the sale price to indicate the value of a key parcel. Qualitative adjustments are noted as superior ( - ), inferior ( + ), or equal/similar ( = ). The overall comparability of each sale is analyzed to bracket a probable value for the subject. In many cases, combinations of both quantitative and qualitative adjustments are used.

Due to the confidentiality of sales information, the valuation section of the report is not available online. The entire report can be obtained by submitting a request to the Land Conveyance Section at (907)269-8594, or by e-mail: [landsales@alaska.gov](mailto:landsales@alaska.gov).