

THE CITY AND BOROUGH OF JUNEAU, ALASKA
BOARD OF EQUALIZATION
May 18, 2006

I. CALL TO ORDER: The Board of Equalization meeting of the City and Borough of Juneau, held in the Assembly Chambers of the Municipal Building, was called to order at 5:05 p.m. by Chair Alexander Hoke.

II. ROLL CALL

Members Present: Frankie Pillifant, Ed Kalwara, Alexander Hoke (Panel 1).

Members Absent: None.

Staff Present: Barbara Ritchie, Assistant City Attorney; Craig Duncan, Finance Director; Laurie Sica, Municipal Clerk; Jim Canary, Assessor; Kenneth Miller, Appraiser; John Skan, Appraiser; Bob Kelly, Appraiser; Terry Ullmayer, Assessment Clerk.

III. PROPERTY APPEALS

Appeal #2

Subject Property: 8B3701000160 – 19501 Glacier Highway

Appellant: Sally Hooton

2006 Preliminary Assessed Value:

Site: \$205,000	Improvements: \$310,000	Total: \$515,000
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Owner's Estimated Value:

Site: \$100,000	Improvements: \$260,000	Total: \$360,000
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Assessor's Recommendation:

Site: \$205,000	Improvements: \$291,400	Total: \$496,000
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Mr. Canary explained the review of the property. Mr. Canary said that an on-site inspection of the property was performed of the interior and exterior, and the Assessor recommended a reduction from \$515,000 to \$496,400 due to the observation that the improvements were 94% complete.

Mr. Hoke asked about comparables. He thought that they could rapidly become outdated. Mr. Canary said the Assessor used a time adjustment on paired sales. They looked at how much the property appreciated between the times of the comparable sales. All appraisers were using paired sales analysis.

In her appeal, Ms. Hooton stated that the property value was excessive, unequal and valued improperly. The home was only 94% and would probably remain at this level. She distributed a letter to the Board of Equalization at the meeting. She said that for the last three years the borough had made ridiculously high values, and in the past two years they were able to come to the site and reduce the value based on an actual on-site inspection. One year the value went up due to house construction. Ms. Hooton said her property was not waterfront, but it was mud flats, it did have a view, but it was very steep with a 600' driveway, which was very difficult to navigate and almost inaccessible in the winter.

Mr. Kalwara asked about the 64% increase was comparable to other increases. Mr. Canary said they did a physical inspection of all the properties in this general location and found that the assessment was improperly low as compared to neighboring properties. She is a nice person and one staff member has a soft heart for her. We are required to appraise property at a fair and equitable value. We are required to treat her property like other properties. We have adjusted for the steepness of the driveway.

Mr. Hoke asked Ms. Hooton if the property was in line with the neighboring properties. Ms. Hooton said that her assessment was the same as her neighbor's, however he did not have a chance to appeal. She and her neighbor's assessment went up the same amount last year. Ms. Hooton said that none of her closest four neighbors had driveway and the comparables the assessors were across the way from her.

Mr. Canary provided more detail about his analysis of the value of the property.

Mr. Kalwara asked if the 64% increase was based on the land. Mr. Canary said yes. They analyzed all sales of waterfront property and found that there was an 80% increase in waterfront property, where there was an average increase of 20% on buildings. Mr. Canary said that waterfront property was the most highly desired area in town.

Mr. Hoke asked if he had seen any social impacts from people moving away from the waterfront due to its high cost. Mr. Canary said they only reviewed properties on market value based on current sales.

MOTION, by Pillifant, to grant the appeal, and to adopt the Assessor's amended value of \$496,400, based on the Assessor's recommendations. Hearing no objection, it was so ordered.

Appeal #3

Subject Property: 8B3701000170- 19.7 Mile Glacier Highway

Appellant: Sally M. Hooton

2006 Preliminary Assessed Value:

Site: \$155,000 Improvements: \$0 Total: \$155,000

Owner's Estimated Value:

Site: \$78,000 Improvements: \$0 Total: \$78,000

Assessor's Recommendation:

Site: \$135,000 Improvements: \$0 Total: \$135,000

Mr. Canary explained the review of the property. An on-site inspection was performed. The property is unimproved and the Assessor gave a \$20,000 cost to cure for electrical pole relocation and market impact. The electrical pole would have to be relocated to get access to the benched area near the beach. Ms. Hooton owns the adjoining lot with driveway access to the benched area. Mr. Canary said he just learned tonight from Ms. Hooton that the driveway started on the Juneau side of the property and he recommended an additional reduction of \$25,000 for purchase of an easement.

In her appeal, Ms. Hooton stated that the property was assessed improperly in excess of fair market value. The lot was steep with no direct access to the highway and was valued at 107% over the assessed value from 2004. \$110,000 is still over 50% higher than last year. She attached an analysis of the value of the property provided to her by a local real estate agent. The agent found a few comparables, one lot had better water access and a better view, and had not sold for \$110,000. She bought this property to help make her driveway

more accessible. The lot was used as access to her home. AEL&P put the utility pole on the center of the lot instead of on the lot line.

The board discussed the comparables and the issues of what was considered a buildable lot and what was considered subdividable. Mr. Canary said he would never consider a lot “unbuildable,” as people could be very creative. Waterfront land was a limited commodity.

Mr. Hoke asked if Mr. Canary had any information about the comparables used by the appellant. Mr. Canary said he did not feel the comparables were comparable as some were on North Douglas and those were less desirable. Cliff frontage did not sell like waterfront property, on the subject lot there was a nice bench area 50 yards from the beach.

MOTION, by Pillifant, to grant the appeal, and to adopt the Assessor’s amended value of \$110,000, based on the Assessor’s recommendations. Hearing no objection, it was so ordered.

Mr. Hoke said it was not without some anguish that the BOE made these decisions as they were all feeling some sting and he felt compassion to appellants’ situations. He appreciated Ms. Hooton’s time to come in to explain her appeal.

Mr. Duncan said that the manager would be offering some mill rate reductions.

Appeal #1

Subject Property: 1D050L520150 – 2551 Vista Drive, Unit 201-C

Appellant: Norman and Betty Miller

2006 Preliminary Assessed Value:

Site: \$5,000 Improvements: \$255,900 Total: \$260,900

Owner’s Estimated Value:

Site: \$5,000 Improvements: \$226,500 Total: \$231,500

Assessor’s Recommendation:

No Change.

Appellant’s representatives were not present. The appeal stated that the property value was valued in excess of fair market value, and to their knowledge, no Crest condo had sold for more then \$230,000. A \$30,000 increase was excessive and above market value for their condo. They believed that last year’s value was fair and acceptable.

Ken Miller provided his analysis to the Board of Norman and Betty Miller’s property. He said an on-site inspection of the property was done and everything was in good condition. Mr. Miller explained comparable sales. The assessor recommended no change. Mr. Hoke asked how the most comparable sales were chosen. Mr. Miller looked at a plat of the relationship of the elevations and view, and these were all very similar, however, the view location was a major factor.

MOTION, by Pillifant, to grant the appeal and vote no for the reasons provided by the assessor. Hearing no objection, motion passed.

Appeal #4

Subject Property: 1C040A280050 1780 Evergreen Ave.

Appellant: William E. Spear

2006 Preliminary Assessed Value:

Site: \$130,000 Improvements: \$415,000 Total: \$545,000

Owner's Estimated Value:
Not Provided.
Assessor's Recommendation:
No Change.

Appellant's representatives were not present. Mr. Spear submitted two letters with his appeal. He stated that the property was valued in excess of fair market value, and the nature of the building made it difficult to heat, that it had old wiring and plumbing, was difficult to rent as a residence and therefore was rented for commercial use, which was limited due to zoning. He provided 548 Main Street as a comparable assessment that was newer and larger.

Mr. Canary provided his analysis and said an on-site inspection of the property was performed. They spoke to a tenant, remeasured the property, which held three law offices and a studio. The owner called and denied the appraiser access for an interior inspection. According to the tenant, there was some settlement and cracking in the building. A market grid indicated the property was worth \$618,000 – 743,000, however, the assessor was not recommending an increase at this time. The assessor also identified a rental unit on the lot that was not on the roll. Mr. Canary said all the comparables sold for more than the assessment, this was a flag for next year. Mr. Canary said he had been inside of all of the comparables.

Mr. Hoke asked about the knob and tube wiring and the plumbing. Mr. Canary said that they were not allowed entry, and with three law offices he was guessing that the old wiring was not working and new wiring was in service.

Ms. Pillifant asked that since the appellant had not provided an estimated value, had he met the burden of proof. Mr. Canary said that everyone had the right to appeal.

Mr. Hoke said that an interior inspection was his only way to prove that his claims of antiquated plumbing and wiring were valid. Mr. Canary said the assessors would address a cost of cure. Mr. Canary said to determine the value of historic properties they had to follow sales.

Mr. Miller said the tenant met him inside of the property and in one of the law offices, and that room was of good quality.

Mr. Kalwara said that in Mr. Spear's letter he stated that no one ever asked to go into the house. It appears that a request was made and a denial came. Mr. Miller said he was met on site by Trace Lewis, who told him that he was instructed to not allow an inspection. Mr. Spear's letter arrived 2-3 weeks after the inspection.

MOTION, by Pillifant, to grant the appeal and asked for a no vote for the reasons provided by the assessor's office. Hearing no objection, it was so ordered.

Mr. Canary discussed his office's workload and the scheduling of the appeal hearings.

MOTION, by Pillifant, to hold the three appeals pending hearing on May 23 and move them up to May 30, as a better use of the assessor's time and a way to consolidate efforts.

She asked the Assessor to make contacts with appellants scheduled for May 23rd and attempt to consolidate the hearings on May 30th - if not possible the May 23 meeting will continue.

Hearing no objection, it was so ordered.

V. ADJOURNMENT – 6:30 p.m.

Signed: _____
Laurie Sica, CMC, Municipal Clerk

Signed: _____
Alexander Hoke, Chair