

**THE CITY AND BOROUGH OF JUNEAU, ALASKA  
BOARD OF EQUALIZATION**

**May 30, 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 Cathy Munoz.

**II. ROLL CALL**

Members Present: Dennis Egan, Jeannie Johnson, Cathy Munoz (Panel 2).

Members Absent: None.

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

**III. PROPERTY APPEALS**

Ms. Munoz said that the Board of Equalization operates as a quasi-judicial body, and the burden of proof is on the appellant to demonstrate that the Assessor had made an error in calculation of the property assessment. The Board needed to make specific findings, to have its reasons for the action taken stated in the record. Motions were to be made in the affirmative. Alaska statute governed this process for assessment of property at fair market value. The issue of whether or not to consider late filed appeals would be taken up at the end of the meeting. Regarding late files, there were stringent guidelines for property owners to make a timely appeal within 30 days of the Assessor's notice, and unless the board found that the appellant was unable to file due to incapacitation or other specific reasons, there was no allowance for late filed appeals.

**Appeal #1**

The appellant was not present, so the case was held for later review.

**Appeal #2**

Subject Property: 6D0901020120 – 8000 N. Douglas Highway

Appellant: Rodney Ahlbrandt and Christina Yearous

2006 Preliminary Assessed Value:

|                 |                         |                  |
|-----------------|-------------------------|------------------|
| Site: \$120,000 | Improvements: \$349,800 | Total: \$469,800 |
|-----------------|-------------------------|------------------|

Owner's Estimated Value:

|                 |                   |                  |
|-----------------|-------------------|------------------|
| Site: \$120,000 | Improvements: \$0 | Total: \$120,000 |
|-----------------|-------------------|------------------|

Assessor's Recommendation:

No Change

Mr. Ahlbrandt said that his house burned, and was completely destroyed, on January 15, 2006. No structure existed on the site and he requested that the tax assessment of the building be waived.

Mr. Canary described the property. He said a site inspection was performed, and the old improvements were gone. The Assessor was required by law to assess the property as it existed as of January 1, and he was not allowed to make any exceptions to this state law. Mr. Canary said that in the past the assembly had allowed exceptions for this type of situation.

Ms. Munoz asked what type of construction was on the site. He said the improvements on site were old and slated to be removed.

Ms. Johnson quoted from the Alaska statutes regarding assessments and thought that this situation could be classified as a disaster.

*MOTION, by Johnson, to grant the appeal, for the reasons given by the appellant, and to set the total assessment of the property at \$120,000 to reflect the value of the land. Hearing no objection, it was so ordered.*

### **Appeal #3**

Subject Property: 8B3501000133 - 17330 Pt. Lena Loop Road

Appellant: Kirk and Raandi Miller

2006 Preliminary Assessed Value:

Site: \$150,000            Improvements: \$196,700            Total: \$346,700

Owner's Estimated Value:

Site: \$130,000            Improvements: \$168,700            Total: \$298,700

Assessor's Recommendation:

No Change.

Mr. Miller said that the assessed value of his home was too high compared to his neighbors' assessments. The properties are on the uphill side of Lena Loop and he distributed a spreadsheet comparing those properties. His home was assessed at \$146.35 per square foot. His immediate neighbors' property ran \$128.92 and \$138.00, the others run the gamut but on a square foot value his home was higher than the other neighbors. His home was standard construction, and was a small home he built in order to live within his means. He is a registered civil engineer, he built this home himself, so was familiar with values. He requested a lower assessment to come into line with his neighbors. He said he had been in all of the homes and he thought they were nicer than his. He described the interior as standard construction with average building materials. All homes in the area were expensive considering the site work needed for construction. His recommended assessment of \$168,000 was based on the construction loan he took out for the house. The actual cost to construct was actually a little under that amount.

Ms. Johnson asked about the request to lower the site value. Mr. Miller said he abandoned that portion of his appeal.

Mr. Canary described the property. An on-site inspection was performed and no deferred maintenance was noted. A market analysis recommended an increase to \$380,000, though he recommended no change at this time. He reviewed comparable sales.

Ms. Johnson asked for Canary to review the table provided by Mr. Miller. Mr. Canary said the larger the house the less it cost per square foot to build. Two stories would be less

expensive as well. This was a newer home, with good quality construction. Some of the homes listed by Mr. Miller were of fair to average quality.

Mr. Miller said that Mr. Canary was partially correct, but he thought that size would increase the price and that he thought that he should be assessed more closely to his neighbors.

Ms. Johnson asked about the unfinished space and how that was calculated. Mr. Canary said it was run as unfinished space.

Ms. Munoz agreed that it made sense to drop the appeal of the land value, she said that Mr. Miller made a compelling case with his statistics.

Ms. Johnson said that based on Mr. Miller's figures, she would recommend a value of \$140 per square foot, or \$188,060, taking an average of the other properties.

Ms. Munoz said she thought that might be a little arbitrary, and suggested an average of the immediate neighbors. Mr. Miller said both homes are very nice and custom built. The assessment was wacked – and one didn't know what a home was worth until someone walked through the door and made an offer. \$128.05 was the average of four adjacent similar homes per square foot, and Mr. Miller agreed to include his own assessment in the averaging.

Mr. Egan said that the Assessor was required to assess the property at market value and the Board had to be careful about making arbitrary decisions. Mr. Miller said he thought his assessment was arbitrary. Mr. Egan said that the state assessor required the assessor to follow a formula. Mr. Canary said that they used the Marshall and Swift cost approach, which was relatively accurate, and the reassessment showed that the neighborhood was under assessed.

*MOTION, by Johnson, to grant the appeal, and to change the building value to \$185,400, leaving the site value at \$150,000 for the reasons given by the appellant concerning quality and square footage of the structure. Hearing no objection, it was so ordered.*

#### **Appeal #4**

Subject Property: 8B3601040021 – NHN Chilkat Road

Appellant: Richard & Geraldine Straty

2006 Preliminary Assessed Value:

|                |                   |                 |
|----------------|-------------------|-----------------|
| Site: \$90,000 | Improvements: \$0 | Total: \$90,000 |
|----------------|-------------------|-----------------|

Owner's Estimated Value:

|                |                   |                 |
|----------------|-------------------|-----------------|
| Site: \$66,300 | Improvements: \$0 | Total: \$66,300 |
|----------------|-------------------|-----------------|

Assessor's Recommendation:

No Change.

Mr. Straty said this was an undeveloped lot, half was wetland, and he was told he could not put fill in without a corps permit. The assessment was up 35% over last year. Last year he went to SKS Construction to find out what it would take to make the property usable, and he came up with \$218,000 for fill and a road to the lot. He stated that other lots in the area were valued less. He said there was a temporary turn around on the property and discussed the power lines. The back half of the lot would be unusable without fill and he would need 211 truckloads of fill to create the road to get it a buildable condition.

Mr. Canary said an on-site inspection of the property was performed. There was only one lot in that immediate area that was valued lower than his. He recommended no change. Ms. Munoz asked for the difference between the lower priced lot and Mr. Straty's. Mr. Kenneth Miller said he had the information in the office and it was not available.

The Board discussed the road access to this property and the comparable sales with Mr. Canary, Mr. Miller and Mr. Straty. Ms. Johnson said that to construct a home on this property, with a Corps permit, CDD would require improvements to the road, so in light of lack of access to property, she made a motion.

*MOTION, by Johnson, to grant the appeal, and to adjust the price, to \$74,300, which was the last year's assessment of \$66,300, with an addition of an increase of 1% per month, which was the rate land was appreciating in Juneau. Hearing no objection, it was so ordered.*

#### **Appeal #5**

Subject Property: 8B3601040021 – 17870 Chilkat Road

Appellant: Richard and Geraldine Straty

2006 Preliminary Assessed Value:

|                 |                        |                  |
|-----------------|------------------------|------------------|
| Site: \$250,000 | Improvements: \$77,200 | Total: \$327,200 |
|-----------------|------------------------|------------------|

Owner's Estimated Value:

|                 |                        |                  |
|-----------------|------------------------|------------------|
| Site: \$166,000 | Improvements: \$70,000 | Total: \$236,000 |
|-----------------|------------------------|------------------|

Assessor's Recommendation:

No Change.

Mr. Straty said he did not object the assessment of the house, but to the assessment of the land. The land in front of his property was leased tideland, and he could be denied access below mean high tide, Donahue Marina could deny him access to the water except at mean high tide of 16.1 feet. His daylight, legal access was limited to when tide exceeded 16.1. He had not had any trouble to this point, although there had been some moaning. He could not have a dock or mooring which most beachfront owners had. He spoke with a real estate broker to find out if this was a consideration in the asking and selling price of the property and was told beach front and access were issues for selling. This applied to the next property too on the appeal list as well. The broker said that he would have to disclose this to the potential buyers. This property had considerably less beach frontage than adjacent properties. Compared to assessed value of adjacent properties his assessment was higher even though percentage of beach frontage was lower and access was limited. With their road connection they could build more units on their lots as well.

Ms. Johnson asked about the leased tidelands, and Mr. Canary said this was a patent, and not a lease.

Mr. Egan discussed the road access to this property.

Mr. Miller said he inspected the properties and described the property. The property was used as a rental, no interior inspection was done as it was leased, and Mr. Straty was not objecting to the improvement value. Mr. Miller said the value appeared correct. He discussed three comparable sales. He explained that the income approach was not applicable to single family rentals. He recommended maintaining current assessed value. He acknowledged the owner could have access to the beach, but could not make permanent

structures. The assessors considered that access in the land values. Mr. Canary said the beach was level, gently sloping and there was a plane that was parked on the lot.

Ms. Johnson asked about the size variation and the assessed value. She said that there was no budging on that issue. Mr. Canary said waterfront property was limited, and of premium value. They looked at older sales, and sales within an individual area to determine overall values and site value worked very well. This was true all over Southeast Alaska. If your house is for sale on the waterfront, it is probably the only choice. Size did not matter unless it was large enough to subdivide, and then there was an adjustment made for it. Ms. Johnson asked why there was a discrepancy of \$240,000 for Appeal #7 in the same area and this property at \$250,000. Mr. Canary said that on this parcel the owner could drive to the property and there was no large rock on the beachfront access.

Ms. Munoz asked about the tideland access – Mr. Canary said the owner was crossing patented land, so there was a possibility that the access could be restricted. Mr. Canary said that if the access was ever formally restricted, they would need to adjust the value. Mr. Straty said that since he had used the property for 35 years, he would not be in too much trouble, but a potential buyer would be a new situation. When he built a house, he had to pay the marina to bring materials over the patented land.

*MOTION, by Johnson, to uphold the Assessor's decision, to grant the appeal and she requested a no vote, for the reasons provided by the Assessor. Hearing no objection, the Assessor's value was upheld.*

Mr. Straty asked about the tideland jurisdictional issues and Ms. Johnson said he should contact the attorney's office.

#### **Appeal #6**

Subject Property: 8B3601040051 – 17880 Chilkat Road

Appellant: Richard & Geraldine Straty

2006 Preliminary Assessed Value:

|                 |                         |                  |
|-----------------|-------------------------|------------------|
| Site: \$260,000 | Improvements: \$273,900 | Total: \$533,900 |
|-----------------|-------------------------|------------------|

Owner's Estimated Value:

|                 |                         |                  |
|-----------------|-------------------------|------------------|
| Site: \$176,000 | Improvements: \$250,000 | Total: \$426,000 |
|-----------------|-------------------------|------------------|

Assessor's Recommendation:

No change.

Mr. Straty said he had no qualms about the assessment of the house, but he felt the same arguments he made on the previous property applied to this property.

Mr. Miller said this property was inspected along with the others. It was adjacent to the other properties, it had a good harbor view, and the quality of construction was average plus. The assessor recommended the property remain at its current level.

Mr. Egan requested the information on previous year's assessments and Ms. Ritchie noted were provided by Mr. Straty on page 99 of his appeal. Mr. Canary showed comparable sales.

*MOTION, by Johnson, to grant the appeal and requested a no vote based on information provided on the previous appeal by the assessor. Hearing no objection, the Assessor's value was upheld.*

Mr. Canary discussed the hardship exemption qualifications and the growing popularity of the exemption. Ms. Munoz asked about publicizing the information. Mr. Canary said had been done, and the assessors worked with individual property owners.

**Appeal #7**

Subject Property: 8B3601940140 – 18155 Glacier Highway

Appellant: Violet Cope

2006 Preliminary Assessed Value:

Site: \$260,000                      Improvements: \$60,700                      Total: \$320,700

Owner's Estimated Value:

Site: \$190,000                      Improvements: \$60,700                      Total: \$250,700

Assessor's Recommendation:

Site: \$240,000                      Improvements: \$60,700                      Total: \$300,700

David Dapceovich spoke for Ms. Cope, and said he had served on the Sitka Assembly and Board of Equalization, and as a tax accountant he had seen thousands of assessments and sales and the assessors are almost always wrong. He was a friend of Mr. Canary's, but he respectfully disagreed with his assessment of this property that it is worth the same as the five neighboring parcels, or even \$20,000 less than was offered the other day. The reason was that in the attempt to find comparables, the Assessor missed out on the other side of the equation in treating all taxpayers on a level playing field. That is where the Board of Equalization can level inequities, when blanket decisions are made.

Sam Dapceovich showed a power point presentation. Mr. David Dapceovich reviewed the assessed properties of the five neighboring properties. The subject property is a smaller property and has less front footage. The first time Ms. Cope appealed was in 1995, and the Assembly agreed at that time that it was reasonable to value the property less for a number of reasons. This year, all the properties were assessed at \$260,000. The square footage cost ranged from a low of \$20.58 to a high of \$31.42 for the subject property, and no one is within \$8.00 of her property. Using the front footage method, the subject property is \$2563 per front foot, and the largest property is \$1580 per front foot. He distributed some proposed valuation methods. He suggested an assessment for the land of \$190,000. Based on \$20.58 per square foot that the largest property is valued at, the subject property would be \$170,000, and he added 5% for a better view, however she is also exposed to northerly winds. Based on the front footage method, he came up with \$160,000, added 5% for a value of \$168,000. If using a square footage method compared with the average square feet of the other properties, he came up with \$184,000, added 5% for view for a value of \$193,600. If using front footage method on with an average of the other properties, he came up with \$174,000 rounded up to \$183,300. The average of all the alternatives was \$181,050. Even if you added another 5% for view, it would still be less than 191,000. Every other lot had enough front footage to enable them to add other structures, such as garages and shops. The steepness of the bank widens the disparity between the other properties. The vehicle access to the property is blocked twice a day by the large rock due to tides. That was a point argued in the past to the Board of Equalization. Two other homes there are valued lower than her home, which has no insulation, it is 50 years old and is only usable in warmer months. None of the lots have sold so there are no true comparables, and the properties are unique. If all the properties were for sale, this would be the least attractive to a buyer.

Mr. Canary reviewed the assessment of the property this property has been appealed in the past many times, we did find we were 20,000 over in the land, so they recommended the property be reduced from \$260,000 to \$240,000. Mr. Canary reviewed the comparables, which he said were hard to find. They recommended a total value of \$300,700.

Mr. Egan asked about the assessment and appeal in 2005 of this property and noted that the building value was decreased from \$80,700 to \$52,400 and asked about the site value increasing from \$148,500 to \$176,000 on appeal. Mr. Canary, said the change was made at the Board of Equalization, based on current year sales. Mr. Egan said that a near \$100,000 increase on the land for this year's assessment seemed like a lot.

Mr. Dapcevich said that previous BOE's acknowledged that the lots were being unfairly valued, and the Assessor had to deal with a lower starting point, but his insistence has been that the lots are worth the same, so he has been trying to equalize the value of the lots in the area. It seems the only reason that this Board exists is that the Assembly threw up its hands last year, and they didn't allow any appeal last year and they started this new process. The fact that her appeal was denied last year is not as significant as the fact that it was approved before.

Mr. Egan said that the figures were changed, so something was appealed – he noted two entries on the assessors card in the packet. Mr. Canary explained that the Board last year heard this appeal, and the Assessor, upon appeal, reviewed the property and made a second assessment, which was upheld by the BOE. The assessor's attempt was to get equity in the area, and the building was credited for its condition.

Ms. Munoz said there was a long history of this property being assessed at a lower value than others in area, and it was consistently less all the way through 2004.

*MOTION, by Egan, to grant the appeal for the site amount of \$193,600, building to remain the same value at \$60,700, for a total value of \$254,300, for reasons presented by the appellant, using the square footage method, compared to the square footage of the other five properties. Hearing no objection, it was so ordered.*

**Appeal #1**

Subject Property: 4B2601020050 – 11001 Black Bear Road

Appellant: Shane Hooton

2006 Preliminary Assessed Value:

Site: \$215,000                      Improvements: \$263,900                      Total: \$478,900

Owner's Estimated Value:

Site: \$175,000                      Improvements: \$260,000                      Total: \$435,000

Assessor's Recommendation:

No change.

Mr. Hooten was not present.

*MOTION, by Johnson, to grant the appeal and requested a no vote, based on the information provided by the Assessor in the meeting packet. Hearing no objection, the appeal was denied.*

**Appeal #8**

Subject Property: 5B1201000170 – 5140 Glacier Highway

Appellant: Pat Quigley, Chuck Quigley, Q3LLC





Mr. Canary said it was difficult to find comparables, however, he described a few. This is a 4 acre parcel of land, there was one comparable on Engineer's Cutoff, at 3.99 acres and has a single family with an apartment. The Assessors broke this down as each parcel assessed separately. The current assessment would be \$315,000 based on the sales comparison approach for Tract A and \$290,00 for Tract B.

Mr. Canary provided the previous year's assessed values. Tract A, 170, 2005, Site was \$50,000, Improvements were \$150,000, Total \$200,000. This year, Site is \$75,000, Improvements \$180,000, Total \$255,000.

For Tract B, 180, 2005, Site was \$50,000, Improvements \$43,700, Total \$93,700. This year, Site is \$110,000, Improvements \$52,400, Total \$162,400.

Following this discussion, Mr. Canary said that they had switched the Tract A and Tract B designations. Tract A was 5B1201000180, and Tract B was 5B1201000170.

*MOTION, by Johnson, regarding Parcel 5B1201000170, Tract B, to increase the building value on that parcel by \$8,700, added to the previous year's assessment of \$150,000, for a total building value of \$158,700. The land would be valued at the previous year's assessment if \$50,000, which came to a total of \$208,700. In addition, she added 12% for the 1% per month appreciation rate applied to another property onto the property from last year's assessment, for a total assessment of \$233,700.*

Mr. Canary again said that he thought the parcel identification was confused. Ms. Johnson withdrew the motion. Following discussion, and further property identification, Ms. Johnson renewed her motion. Mr. Canary said that the breakdown of the 12% on the building and property would be \$176,700 for total building value. Ms. Johnson withdrew the motion.

Ms. Johnson said that this would be a difficult property to sell, and a 1% increase was too high.

*MOTION, by Johnson, to grant the appeal and adjust the price to \$208,700 on Tract B(5B1201000170), with a breakdown of \$50,000 for land, \$150,000 for improvements, plus \$8700 for the additional improvements. Hearing no objection, it was so ordered.*

*MOTION, by Johnson, to grant the appeal and set the value at 93,700, the same as the previous year, on Tract A(5B1201000180), with a breakdown of \$50,000 for land, \$43,700 for improvements. Hearing no objection, it was so ordered.*

Ms. Munoz said that the total for both parcels was \$302,4000 total.

#### **IV. LATE FILED APPEALS**

Mr. Canary said none of the properties had been reviewed, due to the late filed applications.

Ms. Munoz said that she had reviewed the reasons from the appellants for filing an appeal after the deadline for appeals had passed, and the one she found compelling was from George and Marlene Ibsen. Mr. Egan and Ms. Johnson agreed that their reason for filing a

late appeal was outlined in the information provided to the BOE, was valid and fit the statutory requirements for accepting a late filed appeal.

*MOTION, by Johnson, to grant the appeal for a late filed application, and for the Assessor to start the appeal process with George and Marlene Imbsen, 2113 2<sup>nd</sup> St., Parcel Code # 2D04020DC0020, and to deny the other six late filed appeals in the packet. Hearing no objection, it was so ordered.*

Mr. Canary said they would do a review of the property and if they settled, the board would address this issue again.

Mr. Josh Yerkes addressed the Board of Equalization from the audience about his reason for filing a late filed appeal. He said his hardship was that he worked full time and was building a house, and he was out of town for two weeks, and he thought that the deadline for filing would be a Friday, and his house was being assessed as complete, when it was not complete.

Ms. Munoz explained that the reason for not hearing his late filed appeal was spelled out in state statute, that the hardship was such that the appellant was unable to comply with the time deadline for filing, due to situations beyond the control of the taxpayer, such as physical or mental disability which would prevent the appellant from rationally addressing their private affairs.

Mr. Yerkes asked if the Assessor could change their practice to make the appeal date fall on a Friday, or the last day of the month. The Board of Equalization asked the Assessor to consider this request.

**IV. ADJOURNMENT - 7:50 p.m.**

Signed: \_\_\_\_\_  
Laurie Sica, CMC, Municipal Clerk

Signed: \_\_\_\_\_  
Cathy Munoz, Chair