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THE CITY AND BOROUGH OF JUNEAU, ALASKA BOARD OF EQUALIZATION

May 24, 2007

- I. CALL TO ORDER:** The Board of Equalization meeting of the City and Borough of Juneau, held in the Conference Room #224 of the Municipal Building, was called to order at 5:00 p.m. by Chair Ed Kalwara.

II. ROLL CALL

Members Present: Ed Kalwara, Michael Boyer and John Gaguine (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; Bob Kelly, Appraiser; Robin Potter, Appraiser.

III. PROPERTY APPEALS

Appeal #1

Subject Property: 8B3601040021 – Lot 4, South Tee Harbor

Appellant: Richard and Geraldine Straty

2007 Preliminary Assessed Value:

Site: \$86,800	Improvements: \$0	Total: \$86,800
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Owner's Estimated Value:

Site: \$69,217	Improvements: \$0	Total: \$69,217
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Assessor's Recommendation:

Site: No Change.

John Skan, CBJ Appraiser, provided the information that was in the packet.

Richard Straty, property owner, provided information as well as a plat map of the area and digital photos. Mr. Straty requested that the BOE reduce the property's assessment to \$69,217 based on lack of access to a road and that a significant part of the property was wetlands and would require filling in order to build a home on the property. Mr. Straty said that the minimum bid for six lots in the recent Lena land sale, accessible by paved road, was less than the 2007 assessed value of his property. Mr. Straty said he was willing to accept a 4.4 percent increase which he said was being applied to other properties in the area, rather than the 24% over the 2006 assessed value. He provided an estimate he received from a construction firm that it would cost \$36,000 to build adequate access and a building pad on his property.

Ken Miller, CBJ Appraiser, said that the assessment was based on the 2006 assessment of \$74,300, which was the adjusted assessment based on the reduction from the BOE in the previous year, plus the additional assessment for every lot in area 8, which was increased by \$12,500, for a total 2007 assessment of \$86,800. Mr. Miller said that increase was based on the fact of scarcity of land. Land sold in Juneau regardless of size, so every residential building site in that area was increased by \$12,500.

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***MOTION**, by Boyer, to uphold the Assessor's decision, to grant the appeal and he requested a no vote, for the reasons provided by the Assessor.*

Mr. Gaguine said he reluctantly agreed. He did not think the net increase was a fair way to do the increases, however, that was the way it was done across the board. Mr. Kalwara voted no as well based on the information presented.

Hearing no objection, the Assessor's value was upheld.

Appeal #2

Subject Property: 4B230106403A – 12175 Glacier Hwy, Unit 403A

Appellant: Karol and Karen Kriens

2007 Preliminary Assessed Value:

Site: \$5,000 Improvements: \$249,300 Total: \$254,300

Owner's Estimated Value:

Site: \$5,000 Improvements: \$235,000 Total: \$240,000

Assessor's Recommendation:

Site: No Change.

Robin Potter, CBJ Appraiser, reviewed the information presented in the packet.

Kyler Kriens represented the appellants and distributed a sheet of information to the BOE, which showed comparisons of the top floor condominiums in the same units. The value of their condo was higher than all the other top floor condos. He said the values were provided by the Assessor's office. Mr. Kriens said the Assessors offered to reduce the value to the purchase price of \$245,000, however, that figure was rejected as the comment was made by the Assessor's office that "smaller units were valued at a higher per square foot value than the larger units simply due to the affordability of the smaller unit."

Robin Potter said that a site inspection had been requested but not arranged as the owners lived out of town. She said there were some inequity issues, but the property was not over-assessed, and it appeared that the other properties were undervalued. Based on the market, the assessment should be \$272,000, however, the assessors worked on a mass appraisal basis and this had not been picked up in the 2007 assessments. Ms. Potter explained her assessment method and the sales comparison approach. It had been listed at \$259,000 and when it was taken off the market she paid \$245,000.

***MOTION**, by Gaguine, to grant the appeal, and to adjust the assessment to \$245,000.*

Mr. Gaguine said if all the properties were undervalued with the exception of this one, then this was a basis of an appeal, and even though the appellant had not checked off the appropriate box on the form, all issues should be considered. The one property owner should not be treated differently.

Mr. Boyer supported the motion, as well as Mr. Kalwara.

Hearing no objection, the appeal was granted, and the assessed value was adjusted to a total of \$245,000.

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Appeal #3

Subject Property: 4B2301020100 – 3170 Fritz Cove Road

Appellant: Thomas C. and Debra L. Williams

2007 Preliminary Assessed Value:

Site: \$380,000 Improvements: \$623,400 Total: \$1,003,400

Owner's Estimated Value:

Site: \$300,000 Improvements: \$562,000 Total: \$862,000

Assessor's Recommendation:

Site: No Change.

Ms. Potter reviewed the information provided in the packet.

Mr. Williams distributed five documents, which he described. He said that based on a 2005 appraisal of his property, an additional amount for appreciation, and a comparison of lot values of adjacent property owners as well as other similar properties in the area, the property should be valued at \$862,000. The assessors had offered an adjustment to settle the appeal at \$975,000. Mr. Williams said a fair result would be \$919,771, based on an appreciation analysis which he provided in the packet. Mr. Williams said if he had been offered that as an adjustment he would not have pursued the appeal.

Ms. Potter said that Mr. Williams' lot and the lots on either side were all assessed at \$380,000. One other owner had appealed the assessment and the value was reduced to \$300,000 based on a "cost to cure." The nature of the blue clay and instability of the lots was discussed. The other lot was value was not appealed, had blue clay issues, and remained valued at \$380,000. Mr. Williams's lot had been improved with removal of clay and placement of fill, and Ms. Potter said the value was \$380,000.

The BOE discussed the comparable properties shown by both the appellant and the Assessor's staff.

***MOTION**, by Gaguine, to accept the appeal, and to request a no vote, based on the information provided by the Assessor.*

Mr. Gaguine said that if actual testimony had been provided that property appreciation was stagnant, and if there had been more explanation of Mr. Williams's document #5, that could have helped to illuminate the appeal.

Mr. Boyer concurred with Mr. Gaguine, and Mr. Kalwara concurred.

Hearing no objection, the Assessor's value was upheld.

Mr. Gaguine suggested some procedural considerations be reviewed, including providing witnesses rather than what he called hearsay evidence, and that no documents be put in the packet which had written notes on the documents that were not outlined as to the author of the notes, and that the assessor's office should consider using a draft stamp for any outgoing information which they did not consider a final document.

IV. ADJOURNMENT – The meeting adjourned at 8:05 p.m.

Submitted by Laurie Sica, Municipal Clerk