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THE CITY AND BOROUGH OF JUNEAU, ALASKA BOARD OF EQUALIZATION

July 2, 2007

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 5:30 p.m. by Chair Michael Boyer. This meeting was set as a continuation of the June 4, 2007 hearing regarding Telephone Hill Neighborhood Non-Profit Management Corp. appeal.

II. ROLL CALL

Members Present: Jaqueline Fowler, Michael Boyer and Scott Novak (Panel 3).

Members Absent: None.

Staff Present: Barbara Ritchie, Deputy City Attorney; Jim Canary, CBJ Assessor; John Skan, Appraiser; Beth McEwen, Deputy Municipal Clerk

Others present: Jack McGee, Attorney representing Telephone Hill Neighborhood Non-Profit Management Corporation; and Maureen Connerton, a representative from Telephone Hill Neighborhood Non-Profit Management Corporation, Rachael Beck, Telephone Hill; Marty Holmberg, appellant; and John Olds, appellant who participated telephonically.

III. PROPERTY APPEALS

Appeal #1

Subject Property: Parcel #'s 1C070A060010, 1C060A010060, 1C070A010050, 1C070B0E0010, 1C060B0E0020, 1C070B0F0010, 1C070B0D0020, and 1C070B0D0010, located at 124, 125,128,135,139, 204, 211, and 214 Dixon St.

Appellant: Telephone Hill Neighborhood Non-Profit Management Corp.

2007 Preliminary Assessed Value:

Site: \$86,400	Improvements: \$90,300	Total: \$176,700
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Owner's Estimated Value:

Site: \$0	Improvements: \$0	Total: \$0
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Assessor's Recommendation:

Site: No Change.

Chairman Boyer asked what the board's wishes were with regard to process since this was a continuation of the Telephone Hill appeal hearing. Mr. Novak stated that with regards to Telephone Hill, he felt the issue was pretty clear and that it was to determine the definition the lease burdens. The basic appeal was the difference between the city's definition and the appellant's definition of the lease burdens.

Mr. Boyer asked Mr. Canary that since he wasn't present at the last meeting if he would like to give a brief overview and focus on some of the issues on contention in the overview.

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Mr. Canary stated that there are basically 7 buildings on telephone hill purchased through imminent domain in 1987. Since that time, there have been different property managers that have managed these properties, they have remained rented. In 2001 Telephone Hill Neighborhood Non-Profit Management Corp began managing the property. CBJ thought the property was vacant. They discovered that in fact there were people occupying the properties on the hill, thereby creating a possessory interest. The state is non-taxable entity but the renters are actually holding a possessory interest for a term. The term ran out in October 2006 and the renters have since been renting it on a month to month basis. The issue, which he asked assessors about around the state, is how to handle month to month, year or two year terms, to which he received a variety of answers from assessors around the state. Basically, they have occupied this property since 1987. They have had a long term lease so the assumption is that they could continue to have a lease as they are in negotiations currently for a new lease. With the appeal period happening in May and Telephone Hill having the unique situation of a six month call to vacate if the state ever decided to do that, it is the assessor's opinion that at a minimum, it should be a one year possessory interest. With a hearing period in May or June and six months would be December so realistically, the one year seems reasonable and probably even generous since they could look at past practice that the previous lease was for five years and likely they would do the same. Also, for any capital project, how long would it take for wheels to turn, how long would it take before they would get a notice to vacate, it could even take a few years. Mr. Canary said in light of this, he went with one year since they are currently in negotiations. Mr. Canary asked the Board if they all had a chance to read his response to the question regarding burdens. Mr. Canary said that basically the burdens that they show, in his opinion, are not burdens but rather they are typical rental type issues and shouldn't even be considered burdens.

Ms. Fowler asked Mr. Canary with regards to his June 28 letter, under the "Explanation of the value of the burdens" under "2(A) Major Repairs – Typically not paid by lessee." to explain what he meant by "typically".

Mr. Canary said what they are talking about is new roof, new foundation, and issues of that nature. Typically the owner or lessor of the property is responsible for major issues. The interesting part, is the way the contract is written which basically states "All major repairs shall be made at the expense of the lessee, however the state shall maintain a major repair fund of \$10,000 which is subject to legislative appropriation. In other words, the state has figured that if there is a major repair, like a roof, that they would be able to help out with that major repair. There is also a deduction in the rent for anything the renters actually put into it, so in his opinion, where it is unique, it is still not a major burden in his mind.

Ms. Fowler said her understanding is that their possessory interest, the way that they have calculated, has factored in major repair expenditures. Mr. Canary agreed that was the case. Ms. Fowler said her understanding of the issue at hand is this interpretation of major repairs and asked Mr. Canary if that was correct, to which he replied in the affirmative. Ms. Fowler then asked Mr. Canary if the appellant's proposal as given in their July 2 letter was still not acceptable to the assessor.

There was some discussion as to which proposal she was referring to, Mr. McGee clarified that the proposal referred to in the July 2 letter was actually based on an earlier proposal of June 13, listed as Attachment 1. Mr. Canary and Ms. Fowler went on to discuss comparables, true market value, and reversion based on the term of the lease. The basic method of calculation was to take the property, pretending that it was not essentially lease

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hold, you establish the market value, and then you do the reversion method that accommodates for that sequence.

Mr. Novak said at the last hearing they were pretty much in agreement on everything except defining the burdens. The big issue was that the appellants wanted to use the financial aspects of the lease as the burdens and the City was saying no it is the land use which is the lease burden. He asked if there is anything in case law or from other assessors as to what is the definition of a lease burden.

Mr. Canary said they quoted Black's Law Dictionary in the first part of burden and Barbara Ritchie also listed burdens under the Fairbanks North Star Borough vs. Golden Heart Utility. According to the Alaska Supreme Court, the value of possessory interest in tax exempt properties is determined without regard to the obligation to pay rent because the assessment does not extinguish the lessee's obligation to pay rent. So what the assessor did was to look at what a typical renter would pay in Juneau for a non-encumbered property. So basically, everything they listed is typical except for the major repairs but also under those major repairs, they can be reimbursed by taking it out of their rent so in effect, it is not a burden.

Ms. Ritchie said that a burden in this context would be a restriction on use of this property. An example of a restricted use is that the property could only be a golf course or in the instance of one Alaska case, there was a use restriction for a utility corridor in which the property could only be used as a utility corridor. These examples of use restrictions would be considered burdens vs. paying rent or utilities. The requirement to pay for major repairs may be of such significance in the lease document as to potentially constitute a burden. This one apparently has a caveat that the state says they'll maintain a fund for repairs and some exclusions or refunds for rent payments may also be taken into account. The bottom line is that the verbiage is on "use" restrictions as opposed to lessor/lessee agreements.

Mr. Boyer asked the appellants to give a summary of the appeal.

Mr. McGee said there are really two issues before the board. At the last meeting, they spent a fair amount of time on what was a burden and touched briefly on the other question that they touched on but didn't spend a lot of time on was the reasonableness of assuming the existence of a one year lease when in fact they pay a month to month tenancy. That was the bases for the letter of June 13 to John Hartle. That letter stated that they would accept the assessor's evaluation on the burdens but asked that the assessor base the reversionary method on the real world month to month tenancy.

Ms. Fowler asked the appellants to speak to the repairs, which, when done by the tenants, are then reimbursable through a deduction from the cost of the rent. Ms. Connerton replied that in fact they do not get reimbursed for the major repairs.

Mr. Boyer asked the appellants to speak to the assessor's assertion that there will be a six month notice or period to redeem. Mr. McGee said the tenants agree that is the case, the city agrees with that being the case, and hopefully the State agrees that is the case but the reality is they have a month to month tenancy and the Telephone Hill people interpret that month to month tenancy can be terminated on six months notice.

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Ms Connerton said there was one thing that seemed to be indicated that wasn't necessarily true. They would of course like this lease to be extended and she hopes it will but she said they are not a shoe in for having it granted.

Discussion took place between the appellants, the assessor, and the board members regarding the month to month lease, the period of notice for a six month period to redeem and looking at the assessment as of the January 1. Mr. Canary argued that past practice shows they have occupied the property for the past 20 years and it has never had the six month call given. They are currently under negotiations and the board meeting is called in June and if notice was given it would be the end of the year before they would need to vacate. It was also made clear that if they had been given notice on January 2, and they were given six months to vacate, the Assessor would not grant a refund or credit for the remaining six months of the year. Mr. Boyer asked if it was considered for a six month period, would the appellant's number of \$76,256 be correct in terms of using his burden number and their six month number.

The assessor and appellants discussed the formula on second page of the June 13 letter to the city attorney. The \$76,256 amount was agreed upon by both parties if they use a 6 month lease period.

MOTION by Ms. Fowler to grant and approve the appeal of Telephone Hill and reduce the assessment to \$76,256 for purposes of discussion.

Ms. Fowler spoke to her motion. She said when she asked about "major repairs", the assessor said there is a \$10,000 reserve account but in Juneau she feels that would only cover minor repairs whereas major repairs such as a new roof would cost approximately \$30,000 so there is a burden. She spoke to the fact on the table about the lease currently being a month to month lease and therefore she supports the appellants appeal for those reasons.

Mr. Boyer stated he was in accord with Ms. Fowler's statements.

Mr. Novak brought up the points on appeal: 1) the definitions of burdens and 2) the question of the term of the lease issue and he felt the appellants had vacated the second issue at the previous portion of the hearing.

Mr. Novak seconded the motion for purposes of discussion.

Mr. Boyer asked Ms. Ritchie to comment on some of the questions raised. Ms. Ritchie advised the board that you look at the assessment situation as of the January 1 date. She stated that other than Ms. Connerton and her colleague's remarks about the status of negotiations, there isn't any credible evidence on negotiations since there isn't anyone from the state to say one way or the other. Ms. Ritchie referred to the handbook from the state assessor, page 12 talking about the term of possession; you'll see that there are times where some judgment goes into the terms based on past history, pre-January 1, 2007. The different comments from the assessors from the e-mails in 2005 run from one end of the scale to another on their opinions on how to determine the term of interest.

Further discussion ensued and it was decided that whether or not the arguments regarding the time frames vs. the burdens were given up at the previous portion of the hearing, it was determined that the board needs to base their decision upon all points brought up in the

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original appeal and the facts pertaining thereto. Ms. Ritchie said the board's main goal is to come up with what they feel is a fair and equitable assessment, however they get there.

Mr. Boyer called for the vote on the motion before the body. The motion to rule in favor of the appellants and reduce the Telephone Hill 2007 assessment to \$76,256 passed with unanimous consent.

Mr. Canary asked if they would consider rounding the dollar amount to \$76,3000. Mr. Boyer asked if the members would stipulate to round the numbers to \$76,300. Hearing no objection, that is the final amount.

Appeal #2

Appellant: Holmberg Corp.

Subject Property: 10404 N. Douglas Hwy. APN# 6D1101040020

Legal: USS 2560 Lot B Location: Holmberg Lane between Nine Mile Creek and Sundown Drive, N. Douglas [Lot size 4.45 acres]

2007 Preliminary Assessed Value:

Site: \$300,000 Improvements: \$0 (site imps. only) Total: \$300,000

Owner's Estimated Value:

Site: \$220,000 Improvements: \$0 Total: \$220,000

Assessor's Recommendation: No change to 2007 Assessed Value, based on market & equity.

Subject Property: 10424 N. Douglas Hwy. APN# 6D1101040021

Legal: USS 2560 Lot C Location: Holmberg Lane between Nine Mile Creek and Sundown Drive, N. Douglas [Lot size 4.99 acres]

2007 Preliminary Assessed Value:

Site: \$300,000 Improvements: \$9,900 Total: \$309,900

Owner's Estimated Value:

Site: \$250,000 Improvements: \$5,000 Total: \$255,000

Assessor's Recommendation: No change to 2007 Assessed Value, based on market & equity.

Mr. Boyer asked the parties and the board if there were any objections to considering the two pieces of property at the same time since they are adjoining properties and the appellant is the same for both cases. *Hearing no objection, the two properties under appeal were considered simultaneously.*

Mr. Canary gave the assessor's overview summary and review as provided in the packets. One is a vacant lot, both are semi-improved, with one of the lots having a barn on it located between 9 mile creek and Sundown Drive on North Douglas.

Mr. Boyer asked if there were any wetlands that prevent development on the properties. Mr. Canary said there are some wetlands on the property but the site pads are close to the property lines. Mr. Holmberg said his limits were at forested wetlands and the property line goes out with different areas having different amounts. The state and Army Corps made him put up boundaries so no stuff goes out on wetlands. Basically, all grasslands for the horses are wetlands and can't be developed.

Mr. Boyer asked Mr. Holmberg to go through his points on appeal. Mr. Holmberg said he just realized that one of the city's comparables is the same as one of the ones he provided to the board that evening but that they each had two different amounts listed per acre. The comparable he is speaking about is the city's comparable #4 6D0901030071 (on page 8 of the city's packet and on

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page 9 of Mr. Holmberg's appeal handout). The city provided a price per acre of \$43,000 and from what he looked up of the assessed value from the assessor's database, he came up with a price per acre of \$37,037.

The board and the parties discussed the value for the comparable properties, the subject properties and the compared the photos provided by the appellant as those of the assessors. There was also discussion regarding the difference of assessments depending on lots which have access to city property or if easements across other owners' lots are required, the location of the lots on water side or upland side of the road, the proximity to town compared to the subject properties and other factors.

Discussion took place regarding the what the appellant is using for the term "comparable" which are appraisals of neighboring properties vs. the assessor's term for "comparable" which is the actual sales price for a piece of property within the same general vicinity.

Ms. Fowler asked if the appellant has had an appraisal done of the property. Mr. Holmberg said he hasn't had an appraisal done. The lots have been in the family forever, and he can't afford to put a house on it due to the amount of taxes an increased assessment would require.

Mr. Boyer asked the appellant if he has any comments on the sales comparison approach the assessor uses. Mr. Holmberg said he doesn't want to be penalized for a neighbor's bad judgment in paying a high purchase price for their adjacent property.

The board took a break from 7:25-7:30pm.

Mr. Boyer asked Mr. Holmberg if he wished to articulate his distinctions between excessive and unequal assessments.

Mr. Holmberg said he had a hard time with what the differences of definition were between like properties being "excessively assessed" or "unequally assessed" compared to his properties. He said he felt they both fell within the parameters with what he is trying to get at.

Additional discussion took place regarding excessive vs. unequal market value.

The board members and Ms. Ritchie discussed the correct wording of the motion and the requirement for the motion to be made in the affirmative. Board members agreed that the appellant didn't meet the burden of proof required to grant the appeal.

MOTION by Mr. Novak to grant the two appeals and ask for a no vote. *The vote was unanimous against granting the appeal on both properties.*

Appeal #3

Appellant: Lila & Peter Youkeles & John Olds

Subject Property: U.S. M.S. 318 Berners Bay, Boulder Creek APN# 3M000BB00100

Legal: U.S. M.S. 318 Berners Bay, Boulder Creek Lot Size 19.98 Acres

2007 Preliminary Assessed Value:

Site: \$259,800 Improvements: \$0

Total: \$259,800

Owner's Estimated Value: none listed.

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Reason for appeal: Box checked: My property value is Excessive. (Valued in excess of fair market value.) My property value is unequal to similar properties. My property was valued improperly. “We believe that the re-assessment from \$10,000 in 2005, to \$259,800 in 2007 is excessive. The property is a Federal Mining Claim & Timber resources to which no improvements have been made. No road access. Supplemental information will be provided prior to the hearing.”

Assessor's Review: No on-site inspection of the property was done due to remoteness and appellant's only concern is site value. Market analysis was performed which indicates a market value of \$399,600. Mr. Canary said he has flown over the site but never been physically on the site.

Assessor's Recommendation: Recommend no change to 2007 assessed value. Site \$259,800; Improvements \$0; Total \$259,800.

Mr. Canary stated that the appellant sent them an e-mail stating that they would not be ready until June 29 through July 3. In the meantime their office has not received any correspondence from the appellant. The assessor's office sent a certified letter to the appellant telling them that the Board of Equalization would hold a meeting on this issue on June 18th. The board at that time was willing to hear the appeal without the person present. Mr. Canary said he didn't feel good about having the board meet that day as they had not received the certified return receipt notice showing that the appellant had received the certified letter. They subsequently received the return receipt showing the notice had been signed for by the appellant the date of the previous meeting. He tried repeatedly to contact the appellants and was finally able to reach them at 4:20p.m.the same day as this hearing (July 2). The appellant told the assessor that they would be willing to participate telephonically this evening. Mr. Canary said he has not received any other documentation from them other than what was initially submitted regarding the appeal. They did mention that they would also be available on July 16 so Mr. Canary asked the board if they wished to postpone this matter.

The board discussed the option of hearing the appeal, postponing it to a later date or to not hear it based on the lack of proof of the points on the appeal. The assessor explained that mining claims were assessed across the board this past year and the assessment on this property went from \$99,900 last year to \$225,000 this year. Mining claims were assessed this past year. The board decided that they would call the appellant to allow him to participate telephonically.

Appellant Mr. John Olds was reached and participated in the hearing telephonically.

The assessor gave the above listed overview of the property. Ms. Fowler asked the assessor to explain the discrepancy between the \$10,000 and the \$259,800 assessed value.

Mr. Canary explained that this last year they did an extensive analysis of mineral claim properties both waterfront and upland and because of that, they were able to locate quite a few sales over the years that they used within their analysis and based on those sales, values have increased on those. Most of these properties they are dealing with are remote so to find 4-5 sales a year is highly unlikely. It has only been within the last couple of years that they have been able to get sales. He said the reason sales figures were available the last year or so is because the State of Alaska proposed a road through those areas. Working with the State of Alaska, the assessor's office was able to obtain sales information for this area – Southeast Alaska, which extends from Excursion Inlet up to Haines all the way down to around Sitka, Tenakee, Hoonah to try to look at the whole area concentrating on mineral claims survey properties mainly in remote areas.

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Ms. Fowler asked how long since they conducted this survey. Mr. Canary said the assessed value has been at \$10,000 since 1997 which was a reduction from 1994-1996 where it was \$12,000 and previous to that it was \$6,000 for almost 20 acres of land on the water.

Mr. Boyer asked if this would be something potentially accessible by a road, if it was developed. Mr. Canary said the new road proposal is to go just above the appellant's mineral claim survey. The appellant said it would basically follow a boundary on the upward land side.

Mr. Novak asked if Mr. Olds could explain the situation of the claim. Mr. Olds explained that the claim has his name on it, John Olds by his grandfather, has been in the family ever since 1885. Under that, they still have grandfather rights in the borough like many other properties do there. It has never changed hands. The analysis of the property that Mr. Canary is giving is somebody from outside coming and saying this is beautiful beach property and it is worth a lot of money. The reason the land is still in the family's name is because they have never intended on selling it. They have held it as a family property for its natural resources of timber, minerals, and water.

Until it is developed as something else, it would be very unfair to tax it on a different basis. An example of this would be a property that used to be in Juneau called Sherwood's and it had been a farm. He raised cattle and he had hay. It is on the northern side of Glacier Highway as you pass the Airport. That property was assessed back then under agricultural assessment at about \$100/year and he had about 150 acres in there. At that time back in 1969, Mr. Sherwood was willing to sell some of that property. The assessment on that was agricultural until it is sold. Mr. Olds said he bought a section of that property, he went to the borough, and he had it rezoned to industrial. At that time, if you had a regular industrial park, the taxes were based on what the property was being used for, however when he bought it, he used it for agricultural so it never got taxed at the higher industrial rate. Many of the properties in the borough have that over the period of time. The examples Mr. Canary gave him for areas such as Snettisham, Berners Bay sales, Admiralty Island at Funter Bay, the Pekovich's had the mining companies out there. He illustrated the cases of the Pekovich's property and that of Snettisham which were sold to speculators. He also mentioned that the Berners Bay sales were to speculators for lodges or other uses. He said their property has been for family use, they have held timber resources, if they use it, it is used for selective cutting and their use only.

He referenced a variety of other claims in the Berners Bay area surveys. He said he didn't hear anything mentioned in the increase of these properties. When he spoke with Mr. MacKinnon a few years ago, he said he was paying \$10,000 tax base per claim. Mr. Olds went on to say that until the use changes, the assessment rate shouldn't change. A patented mining claim should be assessed at \$500 rate for the \$500 worth of assessment work that they do. He feels that this is absurd to assess the land at the same rates as those properties purchased by speculators.

Mr. Novak asked to clarify that this is fee simple property and could be sold and enjoy all the traditional rights of ownership. Mr. Olds said yes, he could but their family wants to continue to hold it, they still have children and grandchildren up there and they wouldn't want to sell it.

Mr. Boyer asked Mr. Olds if he had any questions about the other valuations that Mr. Canary has spoken of from the other sales. Mr. Olds said that is his point is that Mr. Canary is just giving examples of a few private sales that have been around the area and yet, like Snettisham, the majority of claims down there haven't been sold, one of Funter Bay, one near Skagway and that these are speculators buying these, they aren't the people who are holding them for mining bases. He said his and his grandfather's names are on the patent, they aren't speculators and they aren't

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turning it loose to the highest bidder. They have been offered substantial amounts for the property but they are not in the market to sell.

Mr. Boyer explained that the state assessment laws require the assessment based on an objective market value on a real estate market and it might have a different value to individuals but the state has told the boroughs that they have to assess property at market value so the assessor has tried to figure out what market value is. Granted it is a limited market and not an exact science with all the factors that go into it.

Mr. Olds asked what if they used part of the property for a family cemetery, raising blueberries, selective timber cutting; how you base an assessment on something that is not taking place. You don't go downtown Juneau and have a house on one side of the street and a business on the other side of the street and assess the house at the same rate as the business. So therefore, why should there assessment be any different than all those other mining properties that are being taxed at \$10,000 a year since his family is the original holder and the others are just speculators.

Mr. Boyer asked Mr. Canary to answer what the adjustments to the other mining holders were as well as the adjustment to Mr. Olds' property.

Mr. Canary said that last year, the assessments when from last year's amount of \$400,000 total assessment to \$6.something million and this year, they readjusted again starting out at about 52 or 53 million and came down to 33 million to this property. The property he is talking about is from Berners Bay basically from Slate Creek all the way up to the portal and even higher up on the mountainside. They were new values and the values for the Kensington properties, including MacKinnon's property, which is high up, and one other piece of property total combined value was about 33-34 million dollars just in the recent agreement with the assessor's office and Kensington on the properties they were looking at. They are required to look at what the values would be as of January 1. It is a remote parcel, close to 20 acres in size, it does have limited water frontage but it also has a fresh water creek that runs through it. The way the assessor looked at this property compared to a mineral claim would be for recreational use; what somebody would pay for this property for recreational use.

Mr. Olds asked how you base a value on something that will not take place since they have no intentions of selling it.

Mr. Canary said that state law requires the assessment to be based on market value on what it could sell for as of January 1. The assessor is looking at the property as if it was for as a recreational site. State law does not allow them to assess it as minerals in place. They value it based on the zoning and highest and best use of the property.

Discussion took place on the use of the property and what the assessor is required to value it at according to state law vs. what the owners intentions are for the use of the property. There was additional discussion about the how it would be assessed if it was used for recreational purposes, as mining property, and as agricultural property. Mr. Olds argued that the property is a federal mining claim in a national forest under federal mining laws that was established well before statehood and should not be compared to a recreational piece of property that speculators have purchased elsewhere in the area.

The assessor reviewed a number of pieces of property that they used as comparatives which were for recreational use. He concluded that the adjusted value for this property from the assessor is

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\$259, 800 and they recommend it be kept at that amount as opposed to the current market value of \$399,600.

Mr. Olds then asked the assessor if what he saying is that he has the power and has decided that this property is recreational use and even though his family has held it for over 100 years for mining purposes, the land and its timber, that they don't have the right to do that, the assessor has decided it is going to be for recreational use. Mr. Canary said that he valuing it as recreational use is as the least value.

Ms. Barbara Ritchie, Deputy City Attorney clarified that reading from the statute regarding what the assessor is required to do. "Required to assess property at its full and true value." And "Full and true value" according to the statute is "the estimated price that the property would bring in an open market and under the then prevailing market conditions in the sale between a willing seller and a willing buyer, both conversant with the property and with the prevailing general price levels." She went on to explain that Mr. Canary is not saying Mr. Olds has to use his property for recreational purposes, what he has to do in trying to come up with an assessed value is based upon looking at comparable sales, estimate, if his property were sold in an open market under prevailing conditions, what would that price come to between a willing seller and a willing buyer. He based his estimation upon a lot of information looking at these types of properties all around the borough.

The parties discussed how they each view "speculation" differently.

Mr. Boyer asked if Mr. Olds has anything else to add for the board to consider.

Mr. Olds said he disagrees with the assessor's final price that he is putting on this, whether it is high or low is immaterial, he disagrees with his assessment. In his personal opinion there are lots of ways that it would be a lot different.

Mr. Boyer asked what Mr. Olds would think it would be worth. Mr. Olds said he would not say what it is worth. Mr. Boyer said he noticed that Mr. Olds left the owner's estimate blank on his appeal form and that at the end of everything the board has to come up with a number and the burden of proof lies with the appellant. Mr. Olds said he gave a list of all the patented claims in Berners Bay and according to Mr. MacKinnon when he spoke with them last year; they were assessed at \$10,000 per claim, which was the amount that he was told they had agreed upon.

Mr. Canary said that is an incorrect statement. He said that MacKinnon's property and all the properties that Coeur was involved with increased up to a total of \$6 million last year before the large increase this year and that was a substantial increase from the previous year.

Mr. Olds asked what he based the \$6 million on, if that was were the main ore bodies are or what. Mr. Canary said no that it was not based on where the ore bodies were but rather based on the sales of upland and waterfront properties.

Mr. Olds asked if he then was saying that every claim is worth an equal amount of money. Mr. Canary answer no, it depends on topography, if it on the waterfront, it is a higher rate. If it is level waterfront it is a higher rate. If it is moderate waterfront, it is a lower rate than that etc...

Mr. Olds asked that it just be noted in the record that he disagrees with the final price whatever it is. He did add that he appreciates the opportunity to be able to speak to this issue.

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MOTION by Ms. Fowler for the board to accept the appeal of 3M000BB00100 Berners Bay, Boulder Creek, John Olds parcel number.

Mr. Novak seconded the motion.

Ms. McEwen asked for clarification on the motion – was a “No” vote requested or an amount given?

Ms. Fowler said the motion was just to accept the appeal, no amount was given and no request for or against the motion was indicated.

Mr. Novak said he would like to speak against the motion. He said the appellant hasn't met the burden of proof showing the assessor had erred and he would suggest the board accept the assessor's argument that he is following the mandate by state law so he would recommend a “No” vote against the motion.

Ms. Fowler concurred.

Mr. Boyer restated that the motion is to grant the appeal and ask for a “No” vote.

Mr. Boyer stated that the value has gone up substantially to catch up with the market. The appellant's intentions or personal motivations don't have any bearing on the market value necessarily. They have to base their decisions upon sales data.

The vote on the motion was: Ayes – 0, Nays – 3.

The affect of the motion is that the value will remain at the assessed amount for 2007 which is \$259,800.

IV. ADJOURNMENT – MOTION by Ms. Fowler to adjourn the meeting. There being no further business, Chair Boyer adjourned the meeting at 8:31pm.

Submitted by Beth McEwen, Deputy Clerk