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**THE CITY AND BOROUGH OF JUNEAU, ALASKA
BOARD OF EQUALIZATION
June 29, 2011**

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 6:00 p.m. by Chair Ed Kalwara.

II. ROLL CALL

Members Present: Chairman Ed Kalwara, Jesse Kiehl, Karen Lawfer

Members Absent: None.

Staff Present: John Hartle, City Attorney; Beth McEwen, Deputy Municipal Clerk; Craig Duncan, Finance Director; Jeff Hurt, Appraiser II; John Sahnaw, Appraiser II; Benjamin Singleton, Appraiser II

Others Present: Appellant Jean Jasmine

III. PROPERTY APPEALS

Appeal #1

Current Owner: Jean Jasmine

Appellant: Jean Jasmine

Subject Property: 12175 Glacier Hwy, Spaulding Beach Condos, Unit A-202

Parcel 4B230106202A

2011 Preliminary Assessed Value:

Site: \$5,000	Improvements: \$282,000	Total: \$287,000
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Owner's Estimated Value:

Site: \$5,000	Improvements: \$255,000	Total: \$260,000
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Assessor's Recommendation:

Site: \$5,000	Improvements: \$272,000	Total: \$277,000
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Mr. Jeff Hurt, CBJ Appraiser II, gave an introduction of the appeal property.

Appellant Jean Jasmine presented her arguments. She said her main concern was with the question of why the cost of the assessment was not more in line with the appraisal given when she purchased the condo at the price of \$255,000 in 2010. The parcels used as comparisons by the appraisers were from sales in 2008, 2009, and 2010. She felt the use of these amounts were not reasonable to her in 2011 when the prices for condos have dropped so substantially to assess a condo now according to prices three years ago.

Discussion took place regarding the owner's estimated values and the 27 page appraisal that she had submitted as part of the packet compared to the Assessor's valuation and the state of the market value of condos in 2011 compared to those in 2008 and 2009. Ms. Jasmine mentioned that another comparable property currently for sale or which has sold is that of Assemblymember Bob Doll and while she didn't know the price they were working with asked for a few minutes to contact them to find out. She proceeded to call the Doll's and found out that the property has not

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yet sold but that the price they are currently negotiating on for a two bedroom/two bath unit similar to hers is \$260,000.

Mr. John Sahnaw, Appraiser II argued that he didn't feel the market was unstable. The four sales he gave in the packet are the most recent sales of two bedroom/two bath condos in Spaulding Beach and they do support a valuation greater than the \$277,000. The mean value is \$283,000. He said he couldn't speak to the marketing of the subject property; \$255,000 was what the agreed contract price was, that isn't in dispute. That doesn't preclude that being a great deal, an excellent bargain so to speak. He said he still feels the value is higher. The use of the inferior (2 bedroom/1 bath, and 1 bedroom/1bath condos) tends to bring the entire adjusted range down. Comp #1 in the appraisal provided by the appellant is the only truly similar sale and there is \$20,000 in unsupported negative adjustments made to that which pulls it down to \$267,000. It still exceeds every other adjusted sale with \$20,000 of unexplained adjustment. He said in light of this, he felt the \$277,000 is more than reasonable and is a conservative assessment.

Additional discussion took place regarding the differences between the fee appraiser's adjustments for market value of a bathroom at \$4,500 while the assessor's adjustment was significantly different at \$10,000. Discussion also took place on the fee appraiser's compared to the assessor's square footage value calculations.

Mr. Kiehl said in looking at the prices for the units offered by the assessor's office as comparable sales over time, it does appear that the market values are declining. He also said that while the assessor's office was not that far out of range but in light of the information presented with the comparables, they do show a somewhat lower value based on market declines. He said he was willing to grant the appeal in part downward somewhat of the assessors recommended value.

MOTION by Mr. Kiehl to grant the appeal in part by setting the assessed value of the property as: the land value at \$5,000 and the value of the improvements at \$262,000 for a total of \$267,000 as the assessment. Ms.Lawfer seconded the motion.

The board voted on the motion with 2 in favor and 1 against. The motion carried and the assessment was set at \$267,000.

Appeal #2

Current Owner: Susan Ashton Appellant: Susan Ashton

Subject Property: 3524 Glacier Hwy.

Parcel 7B0901050092

2011 Preliminary Assessed Value:

Site: \$95,000	Improvements: \$377,200	Total: \$472,200
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Owner's Estimated Value:

Site: \$ -	Improvements: \$ -	Total: \$440,000
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Assessor's Recommendation:

Site: \$85,000	Improvements: \$365,000	Total: \$450,000
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Chairman Kalwara asked the status of this appellant (who is the appellant on this and the next two appeals). Assessor's staff explained that when the appellant was asked what address she wanted her packet delivered to she mentioned that she come into their office to pick it up. She never stopped by to pick up the packet and had not contacted their office since their earlier conversation about packet pick up. The appellant was not present at the hearing.

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Mr. Kalwara decided to proceed with the appeals based on what had been provided in the packet of materials.

Mr. John Sahnaw said he reviewed the appraisal that was provided by the appellant. It was prepared for a refinance as opposed to a purchase. He said he found the appraisal to be reasonable and he concurred with the opinion of value in the appraisal. That was the offer he made to the appellant at \$450,000 and that was rejected by the appellant.

Mr. Kalwara said the appellant proposed the assessment should be at \$440,000.

MOTION by Ms. Lawfer that we accept the value by the assessor's office based on the fact that it is in alignment with the very recent appraisal done by the homeowner and recommend a vote in the affirmative.

All members were in agreement with the assessors recommended value of \$450,000 and the motion carried.

Appeal #3

Current Owner: Susan Ashton Appellant: Susan Ashton

Subject Property: 6501/6503 North Douglas Hwy.

Parcel 6D0801050052

2011 Preliminary Assessed Value:

Site: \$115,000	Improvements: \$369,800	Total: \$484,800
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Owner's Estimated Value:

Site: \$ -	Improvements: \$ -	Total: \$440,000
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Assessor's Recommendation:

Site: \$95,000	Improvements: \$365,000	Total: \$460,000
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Mr. Sahnaw this is a very similar building in a different location. It is on a large lot on North Douglas. It is a flag lot with narrow access driveway that then widens out. The building is very similar to the previous appeal and he is sticking with the same valuation for the structure itself so the real difference of opinion comes down to the site value. He looked at all of the lots along that section of North Douglas Hwy, with particular attention to the ones that were very similar in shape, topography, and general utility of the site. He made an adjustment to the land valuation based on his findings that is presented in the comparable market analysis that he prepared that was in the packet. He offered a total of \$460,000 with \$95,000 of that being for the site. He said the change is based on somewhat of a perceived inequity. There is an adjacent lot that is somewhat similar size that is undeveloped so there has not been any site prep done to it. That lot is valued at \$87,500. That is consistent with the kind of allowance they make for undeveloped land as opposed to land that has had site pad and some clearing work done to it. There is another site that is somewhat smaller which is valued at \$105,000. Taking those into account, he went to \$95,000 on the subject lot. These are not cookie cutter rectangular lots, there is some consideration to be given to all those things he spoke of. That is the derivation of the \$460,000 number. He said the appellant felt that \$440,000 was reasonable.

Mr. Hurt stated that he thought the appellant was wishing to base the values for all three properties based on the appraisal done for the property under appeal #2 for the 3524 Glacier Hwy. property. Mr. Sahnaw said he didn't want to put words in the appellant's mouth but that the appraisal was provided with the first appeal and she did express the feeling that they should all be roughly the same.

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Discussion took place regarding the size and limitations of the site utility. Mr. Sahnaw said that the driveway comes up and there is a pad and that the access driveway is narrow with it being a flag lot which does slope upwards with a driveway and parking in front of the building and the rear of the remainder goes up at a moderate slope. It is wetlands but he said he couldn't speak to its official designation. He said that type of topography is typical of North Douglas properties. The fact that it is a flag lot does preclude subdivision due to the very limited frontage on the highway.

Mr. Kalwara pointed out for the record that in the appellant's documents submitted, she was stating that the lot is similar to 2-3 different lots on Glacier Hwy. that the property can't sell at \$484,000 and that when it was at \$440,000 there hadn't been any interest.

Ms. Lawfer said that for further clarification, she put the property under Appeal #4 on the market and not this particular one.

MOTION by Mr. Kiehl set the valuation at the assessor's recommended value at \$460,000. Ms. Lawfer asked about a potential typo on the Assessor's recommendation on page 1 of the packet. The assessor's recommendation in the last sentence on page 1 stated a recommended assessed value of \$480,000 and she thought that was a true typo with the correct recommendation of \$460,000. Mr. Sahnaw agreed that the \$480,000 was a typo and the recommended value should be \$460,000. With that clarification, Ms. Lawfer seconded the motion by Mr. Kiehl.

All members were in agreement with the assessors recommended value of \$460,000 and the motion carried.

Appeal #4

Current Owner: Susan Ashton Appellant: Susan Ashton

Subject Property: 6450 North Douglas Hwy.

Parcel 6D0801040020

2011 Preliminary Assessed Value:

Site: \$145,000	Improvements: \$364,700	Total: \$509,700
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Owner's Estimated Value:

Site: \$ -	Improvements: \$ -	Total: \$440,000
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Assessor's Recommendation:

Site: \$125,000	Improvements: \$347,600	Total: \$472,600
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Mr. Hurt gave an overview of the property. He said this is the property the appellant was attempting to sell that was referred to in the previous appeal documents.

Mr. Sahnaw said that this third property was different, not only in the location and the attributes to the site but that the design of the building is different than the other two. This building has two levels with the lower level being partly below grade. The site has frontage along N. Douglas Hwy and the building doesn't relate on the street side, there is one window in total on that side. It relates to the other direction because it has a water view, what he would designate as an average view. He looked again at the city's information, went and measured the building, looked at it, and reconsidered our cost estimate on it and made an adjustment. He went ahead and prepared a comparable market analysis for this property. His conclusion is that the comparable market analysis supports the value of \$472,600, with the round of the cost. He said he looked at the lots along there, paying particular attention to the ones that were the most similar. Same issues with the property on the uphill side of the street, it is a question of the utility of the lot, slope, how much can or cannot be used due to topography, zoning or whatever. This lot has considerably

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higher utility than either of the other two that were previously discussed. It does have the view amenity as well, hence the higher site value.

Mr. Kiehl said the appellant said she listed the property twice for six months each at \$440,000 and didn't sell. He asked how Mr. Sahnnow squares that market assessment test with the indicated value on the comparables.

Mr. Sahnnow said if he were able to ask the appellant in person, he would ask them who they listed it with and how hard did they try. There is a lot of property in this town that sits and it isn't necessarily because it is overpriced, it is just poorly marketed. Mr. Kalwara said he would also ask how long it was for sale. Mr. Sahnnow said the appellant had informed him that she had listed the property for sale two separate times for approximately six months each, once in 2009 and once in 2010.

Additional discussion took place regarding rental properties and the length of time before they take to sale.

MOTION by Ms. Lawfer that we accept the value by the assessor's office of \$472,600 and recommend a vote in the affirmative.

Mr. Kiehl expressed his concern about going higher than what the market has borne but said he doesn't have any findings showing this is in error so agreed with the assessment. All members agreed with the assessors recommended value of \$472,600 and the motion carried.

IV. ADJOURNMENT – The meeting adjourned at 6:52 p.m.

Submitted by Beth McEwen, Deputy Municipal Clerk