

THE CITY AND BOROUGH OF JUNEAU, ALASKA
BOARD OF EQUALIZATION MINUTES
July 12, 2012

- 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 5:00 p.m. by Chair Michael Boyer. The board agreed by consensus that Michael Boyer would act as chair for this panel of the Board of Equalization.

II. ROLL CALL

Members Present: Michael Boyer, Karen Lawfer, David Epstein

Members Absent: None.

Staff Present: Jane Sebens, Deputy City Attorney; Beth McEwen, Deputy Clerk; Robin Potter, Assessor; John Sahnaw, Appraiser; additional assessor staff consisted of Donna Walker, Ben Singleton, Dora Prince, and Mary Grant.

Others Present: Natasha Zahn Pristas, Appellant participating telephonically.

III. APPROVAL OF MINUTES

- A. April 26, 2012 Board of Equalization Training Meeting

MOTION by Karen Lawfer to approve the minutes of the April 26, 2012 Board of Equalization meeting. Mr. Epstein provided a second and the minutes were approved by unanimous consent.

IV. PROPERTY APPEALS

Appeal #1

Subject Property: Parcel # 3B4101010075, Location: 24801 Glacier Highway
Appellant Name: Dana F. and Cheryl A. Howard
2012 Preliminary Assessed Value:
Site: \$ 60,000 Improvements: \$ 169,300 Total: \$ 229,300
Owner's Estimated Value:
Site: \$ 25,000 Improvements: \$ 169,300 Total: \$ 194,300
Assessor's Recommendation: No change to 2012 Assessed Value

The appellants, Dana and Cheryl Howard, were not present. The grounds for petition as stated in the written appeal were, "Total parcel size (2.3 acres) about 65% was platted into a "no disturbance conservation area" (wetlands) – SEAL Trust appraised the land at \$25,000 / acre *1.34 was conserved."

John Sahnaw referred the BOE to page three in the packet titled "Appraiser's Analysis." He said the photo on page two of the packet of the subject property was taken from the property line, as he was not able to have direct access to the property due to the fenced access stating "No Trespass." He said it was typical for property in the area to have surface water, running water, anadromous streams and muskeg. This parcel is 2.31 acres. As mitigation for filling a small

portion of the site for driveway and building pad, the owner was required by the Corps of Engineers to set aside 1.34 acres as a “no disturbance” conservation area. The Howards retain ownership of the entire parcel but is prevented from development of any kind in the “no disturbance” area.

Mr. Sahnaw referred the BOE to page six in the packet titled “Subject Area Map” and displayed the subject parcel in comparison to neighborhood property value assessments. The parcels in the area range from less than \$70,000 to over \$120,000. The subject property is in the below \$70,000 range and there were only five sites in the area that are in that range.

Mr. Sahnaw said that in Mr. Howard’s petition, he stated that Southeast Alaska Land Trust valued the conservation area land portion of his lot at \$25,000 per acre, which was consistent with the other land that SEAL Trust had purchased in Juneau. Mr. Sahnaw said in that light, \$25,000 could be taken as a minimum market value for the entire site, even though part of it was filled and would likely have a higher value. If looked at in that way, Mr. Howard’s site was currently valued at \$25,975 per acre, including the filled, developed portion. Looking at just the filled portion, which was just under one acre, and looking at other comparable home sites in the area which are generally approximately one acre in size, they are assessed a site value of \$75,000. The property was under assessed in that way, and so Mr. Sahnaw said that the assessment of \$60,000 for the entire parcel was both fair and equitable.

Mr. Boyer asked if there were any comparable sites similar to this property with wetlands. He asked if the SEAL Trust value was a market value, and if there were other buyers in the market that might want to purchase property with wetland buffers. Mr. Sahnaw said he did not have any comparable sales data.

Ms. Lawfer asked about the lot on the map that had no monetary designation (appearing in “white” on the map) and Mr. Sahnaw said it had no value listed as it was CBJ land.

Mr. Epstein asked about the statement in the packet , “Mr. Howard’s property that is currently valued at 25,975 per acre...” and asked if that referred to the part of the parcel that is not the conservation area. Mr. Sahnaw said that was the entire parcel, but they do not typically value residential home sites on a per acre basis. The Assessor valued the land at \$60,000 as a per site value.

Ms. Lawfer asked for further explanation. Mr. Sahnaw said that if the Assessor were to break out the conservation area from the filled portion, they would have likely valued that lot, compared to other lots in the neighborhood, at \$75,000. However, as it was valued now, it was done because of a particular analysis when the larger parcel was split. This is a subdivision of a larger parcel and in the process of that, Mr. Howard got a Corps of Engineers permit to do fill, and that is how he ended up with a “no disturbance” conservation zone, but it is also how the Assessor determined a slightly lower value for his site, and it is lower than typical.

Mr. Epstein asked about the \$75,000 assessment of lots in the area. Mr. Sahnaw said that was for similar lots of approximately one acre. The filled portion was sized at just under one acre, so that would likely be the value of the land if looking at it with fresh eyes.

Mr. Boyer asked if the utility of the property was a large consideration of the determination of value, or was that an argument of the appellant. Mr. Sahnaw said yes, he took into account that most sites in the neighborhood were wetlands and had some fill that predated careful regulation.

Mr. Sahnaw said that the original site value was set prior to his analysis done for this appeal. He had no market values for sales within the area.

MOTION, by Lawfer, to grant the appeal (Petition #62) and asked for a “no” vote. Mr. Epstein seconded, and hearing no objection, the motion passed with unanimous consent.

Mr. Boyer noted for the record that the appellant was notified of the hearing date and effort had been made to contact the appellant. Mr. Sahnaw said that Mr. Howard came into the office on April 23 and brought his petition form and the other materials that were included in the packet. At that time, Mr. Sahnaw had a discussion with him and talked about the property. Mr. Sahnaw observed the property from the property line. On June 20, Mr. Sahnaw called Mr. Howard to provide him with his analysis. Mr. Sahnaw followed up with an email with his analysis and told Mr. Howard that a response was recommended regarding an appeal with the BOE. Mr. Sahnaw contacted Mr. Howard by email again on June 22 and requested his decision that day regarding maintenance of the appeal. The packets were distributed on July 10, and on that day, Mr. Sahnaw left another message, and on the BOE meeting day. Mr. Howard was notified that a courier attempted delivery of the meeting packet but was unsuccessful due to the posted gate, and that the packet was available for Mr. Howard in the Assessor’s office. The email address and phone numbers used were taken from the initial petition.

V. LATE FILED APPEALS

Ms. Potter said that only one of the appellants, Ms. Pristas, was present (via teleconference).

A. 5B2401550150 Thunder Mountain MHP SP 15 Appellant: Charles Vincent

On June 27, 2012, Mr. Charles Vincent wrote: “I was attending to a family matter out of state. I didn’t return to Juneau until after the filing period. I didn’t expect in the value of my 1973 mobile. The mobile has had a 11,500 value for the past 20 years, and there has been no improvements made. I don’t feel that a 39 year old mobile home should be worth more now than it was when new. I have one building that is falling down and needs to be removed.”

Mr. Boyer asked if there was any information submitted by Mr. Vincent other than what was provided to the BOE in the packet. Ms. Potter said no.

Mr. Boyer said that Mr. Vincent’s explanation of a lateness of the filed appeal was vague and referred more to a discussion of the merits of the case. He asked about the process for motions regarding late filed appeals. Ms. Sebens said that the discussion was to focus on the reasons for a late filed appeal and if accepted, the discussion of the merits would be set for a later date. A motion to hear the appeal was appropriate, and Ms. Sebens said a positive motion was recommended.

MOTION, by Epstein, to grant the request for acceptance of the late file and asked for a “no vote,” for the reason that the BOE had not been provided significant information to demonstrate that the appellant had not been able to file in a timely manner. Hearing no objection to the recommendation for a no vote, the request for a hearing was denied.

B. 5B2101530032 8502B Rainbow Row Appellants: David & Megan Wilfong

On June 12, 2012, Megan M and David L. Wilfong wrote, “ We just bought he house and took possession on June 4th 2012, therefore we were too late to submit a petition. We have an appraisal as of April 26, 2012 for the amount of 260,000.”

Ms. Potter said that in this situation, the current property owner was not the owner until June 4, which was after the appeal period and were not the owner of record to receive the notice. In circumstances such as this, the Assessor takes the information and sets an inspection for the following year. There was no recourse regarding the January 1, 2012 assessment date. The owner at the time could have appealed or informed potential buyers about the assessment. The Assessors had no knowledge of the property transaction until the new owners filed the appeal.

Mr. Epstein said the information provided in the packet indicated that the appeal period closed prior to the closing of the sale of the property. The appellants did not bear the tax liability of the owners on January 1, 2012. Ms. Potter said the title company sorted the taxation of the property. Mr. Epstein asked if it was reasonable for the current owners to be present to state their case. Ms. Potter said no. Ms. Sebens said that this issue occurred frequently throughout the state and the State Assessor had issued direction about this situation. As long as notice had been provided to the record owner, there was a period to appeal, which must be met. Once the appeal period ran, the authority to hear an appeal was gone, unless “unable,” and a recent purchase was not within the definition of “unable.”

Ms. Lawfer asked if there was a significant change in the assessment by the city that was public information on-line. Ms. Potter said that there was no change to the assessment of the property and the assessment was available at the time of purchase. The information was available when the title company did the settlement and they would have been aware of it before they did the transaction.

MOTION, by Lawfer, to grant the request for acceptance of the late file and asked for a “no vote,” for the reason that the BOE had not been provided significant information to demonstrate that the appellant had not been able to file in a timely manner. Hearing no objection to the recommendation for a no vote, the request for a hearing was denied.

C. 4B2301000110 10965 Glacier Hwy Appellants: Barbara & David Sandberg

Ms. Potter said that this appeal was delivered to the CBJ drop box at City Hall and delivered to the Assessor’s office. It was not received until May 22, which was more than a week from the final date of appeal.

Mr. Boyer asked if a copy of their appeal form was in the packet, as he had not found it. Ms. Potter said no, that the merits of the appeal were not included in the packet as the BOE was only to determine if a late filed appeal was merited. Ms. Ullmayer of the Assessor’s office requested a reason for the late file via email and the appellants did not produce the reason. Ms. Potter said the Assessors could verify that Ms. Ullmayer’s email was received, but the Assessor could not verify whether the email was read. Ms. Potter showed the BOE the appeal and the attached envelope in which it was delivered, and said it was dated May 10, 2012. Ms. Potter said the Assessor attempted contact with the appellant, but there was no response.

Mr. Epstein asked if personal contact was attempted in late file situations. Ms. Potter said no, the appellants were served notice and given opportunity for a hearing before the BOE to explain the nature of the reason for a late filed appeal, but the Assessor had heard nothing from the appellants. Mr. Epstein asked for any reason for a late file and Ms. Potter said the appellants had only referenced the merits of the actual appeal of the assessment, nothing regarding the timeliness.

MOTION, by Lawfer, to grant the request for acceptance of the late file and asked for a “no vote,” for the reason that the BOE had not been provided significant information to demonstrate that the appellant had not been able to file in a timely manner. Hearing no objection to the recommendation for a no vote, the request for a hearing was denied.

D. 1D050L180160 3090 Nowell Ave Appellant: Natasha Zahn Pristas

On May 24, 2012, Ms. Pristas wrote, “I was unable to submit a petition for appeal by the established 30 day deadline because I am an out of town owner who was unaware the City and Borough of Juneau had not resolved a neighborhood issue on Nowell Avenue. I found out from the neighbors after the deadline that problems still exist in the neighborhood. The City and Borough of Juneau condemned the house and property at 3101 Nowell Avenue and ordered the owner, Ron Hohman, to clean up the property. As an out of town owner, I was happy to hear that the City and Borough was proceeding with this process. My reason for appealing, and now my reason for requesting an approval of late file is not to protest the City and Borough assessing my home and property at a higher rate or escape paying taxes that support the City and Borough. My reason for appealing the assessment of my property is that, in this particular instance, my property value is affected by unresolved City and Borough business. At 3101 Nowell Avenue, there has been raw sewage in the street, natural streams have been filled with trash, and add-ons have been built that are not up to code. The property is a public health and safety issue, and poses a fire hazard. Until the City and Borough of Juneau resolves these problems at 3101 Nowell Avenue, I am protesting any increase in assessment value of my house and property at 3090 Nowell Avenue. I am requesting that the City and Borough of Juneau approve my late appeal. Because I am an out of town owner, I am unable to meet with the BOE in person, but I am happy to communicate via telephone, email and skype.”

Ms. Pristas was phoned in to the meeting at 5:44 p.m.

Chair Boyer explained the need to hear an explanation regarding the timeliness of filing the appeal and the inability to file a timely appeal.

Ms. Pristas said that she did not have a dramatic reason for not filing an appeal on time. She was under the impression that the CBJ had been involved with resolving neighborhood issues and it did not occur to her to not pay the taxes at the assessed rate. It was later when she found that other neighbors had appealed, based on the condition of the property at 3010 Nowell Avenue, that she filed the appeal of the increase in property value.

Mr. Boyer asked for the reason the deadline was not met. Ms. Pristas said she did not meet the deadline as she does not live in Juneau and was not aware that CBJ had not resolved the problems at 3101 Nowell Ave. She was under the impression that the neighborhood had been “cleaned up.”

Mr. Epstein asked if Ms. Pristas received notice of the appeal deadline. Ms. Pristas said yes, she had received the notice of the assessed value and the appeal date. Ms. Pristas said that she had no reason to appeal the assessed value except for the fact that the property at 3101 Nowell Avenue had not been cleaned up. There had been fecal matter in the street, garbage, and the neighbors had been notified that the property had been condemned and the city was cleaning it up.

Mr. Boyer said the timeliness issue was related to the condition of the property, and the need to appeal at a later date than provided. Ms. Pristas said that was correct. She said the assessment has been consistent since 2006, down in 2009, and increased in 2012. She found out after the appeal deadline that the conditions in the neighborhood had not changed and found this to have merit for a late file.

Mr. Boyer said that the BOE was restricted to the definition of “unable to apply.” He read from the CBJ Attorney memo that courts generally assume that a prudent property owner will have someone either watch or manage the property while the owner is away for an extended period of time. To the extent that the condition relates to the assessment, he asked if someone was watching or managing the property.

Ms. Pristas said that the person managing the property was away from town during the entire month when the appeals were due.

MOTION, by Lawfer, to grant the request for acceptance of the late file and asked for a “no vote,” for the reason that the BOE had not been provided significant information to demonstrate that the appellant had not been able to file in a timely manner. Hearing no objection to the recommendation for a no vote, the request for a hearing was denied.

Mr. Boyer clarified for Ms. Pristas that her late filing was not accepted based on the standards provided for the Board and Ms. Pristas thanked the board for its time.

IV. ADJOURNMENT – The meeting adjourned at 5:55 p.m.

Submitted by Beth McEwen, Deputy Clerk