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BOARD OF EQUALIZATION THE CITY AND BOROUGH OF JUNEAU, ALASKA

Monday, June 25, 2014 at 5:30 PM
Municipal Building, Conference Room 224
155 S Seward St (City Hall)

MINUTES

I. CALL TO ORDER: Presiding Officer Watt called the meeting to order at 5:48 p.m.

II. ROLL CALL

Board Present: Mike Boyer, Panelist; David Epstein, Panelist; Pat Watt, Panelist.
Barbara Sheinberg, Board Member, was present in the audience.

Staff Present: Laurie Sica, Municipal Clerk; Jane Sebens, Assistant Attorney III;
Robin Potter, City Assessor, John Sahnaw, Appraiser III; Mary Grant, Appraiser II;
Kim Campbell, Business Property Appraiser I.

III. APPROVAL OF MINUTES

Board of Equalization Meeting May 12, 2014

MOTION, by Watt, to approve the minutes of the May 12, 2014 Board of Equalization meeting. Hearing no objection, the minutes were approved.

IV. PROPERTY APPEALS

Appeal #131 – Withdrawn by appellant on June 25, 2014

Subject Property: Parcel # 5B2101510071, Location: 8737 Trinity Drive

Appellant Name: Lam

2014 Preliminary Assessed Value:

Site: \$105,700 Improvements: \$ 474,900 Total: \$580,600

Owner's Estimated Value:

Site: \$95,000 Improvements: \$430,000 Total: \$525,000

Assessor's Recommendation:

Site: \$105,700 Improvements: \$ 474,900 Total: \$580,600

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Appeal #132 – Withdrawn by appellant on June 25, 2014

Subject Property: Parcel # 5B2101510072, Location: 7691 Glacier Hwy

Appellant Name: Lam

2014 Preliminary Assessed Value:

Site: \$ 142,500 Improvements: \$ 216,800 Total: \$ 359,300

Owner's Estimated Value:

Site: \$ 120,000 Improvements: \$ 210,000 Total: \$330,000

Assessor's Recommendation:

Site: \$ 142,500 Improvements: \$ 216,800 Total: \$ 359,300

Appeal #133 – Withdrawn by appellant on June 25, 2014

Subject Property: Parcel # 5B1401020050 Location: 3461 Tongass Blvd

Appellant Name: Lam

2014 Preliminary Assessed Value:

Site: \$ 113,500 Improvements: \$ 314,900 Total: \$ 428,400

Owner's Estimated Value:

Site: \$110 000 Improvements: \$ 280,000 Total: \$ 390,000

Assessor's Recommendation:

Site: \$113 500 Improvements: \$ 302,500 Total: \$ 416,300

Appeal #161 – Withdrawn by appellant on June 25, 2014

Subject Property: Parcel # 4B27011000061 Location: 10998 Mendenhall Loop Rd

Appellant Name: Loney

2014 Preliminary Assessed Value:

Site: \$ 117,800 Improvements: \$ 296,400 Total: \$ 414,200

Owner's Estimated Value:

Site: \$ 102,400 Improvements: \$ 292,300 Total: \$ 394,700

Assessor's Recommendation:

Site: \$ 133,100 Improvements: \$ 294,900 Total: \$ 428,000

Appeal #149 -

Subject Property: Parcel # 1C040A380030 Location: 800 Basin Road

Appellant Name: Buchanan

2014 Preliminary Assessed Value:

Site: \$ 110,600 Improvements: \$ 227,400 Total: \$ 338,000

Owner's Estimated Value:

Site: N/A Improvements: N/A Total: N/A

Assessor's Recommendation:

Site: \$ 110,600 Improvements: \$ 227,400 Total: \$ 338,000

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Ms. Watt explained to Ms. Buchanan that she had the burden of proof, and to grant and appeal on the merits the Board needed to be presented with evidence and data that showed that the assessment was unequal, excessive, improper or undervalued.

Cheryl Buchanan said she was relying on information she presented last year regarding an engineer's structural report. She also provided photographs to show specific places in the engineer's report. On May 13, 2014 she learned that there was another electric transmission line above her property. She explained the photo of Mt. Maria and the location of the second transmission line in relation to her property. She hiked behind her property, took photos and said there was extensive clear cutting and the photographs showed that. The logs from the cut were left on the site and were held up on the hillside by only a few trees. She said there was extensive erosion in the clear cut area, a lack of vegetation at the top, and erosion from both transmission lines. She said the erosion impacted her property. She showed pictures of the damage to her residence documented by the engineer's report. One entire unit had no power for cooking or heating as the propane tanks had to be removed. The house was redone in 2010 and there had been extensive water damage since that time. In 2008 she hired a contractor and dug out from the back of the residence about four feet and installed a sump pump but the photo showed the hillside was continuing to move towards the residence. The pipes in the home were under tension and one was dislodged for a second time. She had to get out of the building and no longer rent as the landlord tenant act did not allow renting when there were known hazards. The engineer said that all of the weight was now in the front of the building and the stairway entries were free floating. The appraiser did go into the crawl space with the breaking pipes and took pictures but those were not in last year's or this year's report. She referred to the photos in the appraisal in the packet and pointed out the propane tanks were removed but the location of the tanks had sluffed. The propane company would not replace tanks now. She was told she had to move the tanks, and she still had a tenant in there, and the tanks were removed 2 days after the tenant left. She said the property was improperly valued, because of the effects of the transmission lines that were significantly effecting the property, more so than the neighbors, and because she could not rent the property.

Mary Grant did a site inspection last year, did go in the crawl space, took pictures but did not see any pipes moving. The building was currently boarded. There was little change since last year. The building was damaged by fire in 2009 and repairs were made. She consulted the building department this year and found no outstanding code issues on file. She reviewed the 2013 engineers report and it provided on page 3 of 4 that the issues could be remedied by five actions. The land was assessed in the same method as all land in the borough and adjustments were made within guidelines to account for the effects of the slope on the

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property. The subject building was valued by the same method as all buildings within the borough. Physical depreciation was applied and it was consistent with the age and condition of the building, and similar buildings. Additional appreciation was applied to account for deferred maintenance of the owner's unit. The overall value of the subject parcel was fair, equitable and fell within the range of values for similar multi-plex properties sold in the neighborhood.

Mr. Sahnaw, with all due respects to Ms. Buchanan's concerns, they did not find evidence of a health and safety issue other than deferred maintenance and those matters were accounted for in the assessment.

Mr. Epstein referred to the report from the assessor which said the appeals process provided additional information which warranted an adjustment and asked if an adjustment was made. Ms. Grant said that was a reference to last year's adjustment when an adjustment was made because of the slope of the hillside property. It was the percentage adjustment based on the portion of the property that was steeply sloped. The original value on the site was \$152,500 and with the adjustment it was reduced to \$110,600, what was the current land value.

Ms. Watt asked if the value of the improvements were the same as last year and Ms. Grant said that was correct.

Mr. Boyer asked Ms. Buchanan if she could provide a value of the property. She said if she was selling it she would want a return on what she put into the home, and \$385,000 was the purchase price, she lost out of pocket \$65,000 after the fire and had put over \$100,000 in improvements. So in order for her to feel it was a good investment, that would be fair, but she said that she would not get that.

Ms. Watt said that Ms. Buchanan said that the property had no value and asked the Assessor if there was any property in the Borough that had no value. Mr. Sahnaw said there wasn't.

Mr. Boyer said the engineer's report indicated the retaining wall may be more expensive to install than the property. Ms. Buchanan said yes.

Ms. Watt asked if she had monitored the movement of the property. Ms. Buchanan said she had done so with pictures, but she was not an engineer.

Ms. Watt asked if there were other properties in the community with a lot of motion. Mr. Sahnaw said the engineer stated that the steep slope was the cause of movement and there was no indication of imminent movement/danger – the property has been there almost 100 years, and he said maintenance was needed, but it was a similar situation for other properties in the area. He did not think there was imminent danger, and a property listing would rely on an appraisal and

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the engineer's report. He had not seen any statement that there was an imminent danger, and said the valuation was reasonable, and the value had been reduced.

Ms. Buchanan said the engineer said the hillside was moving due to surface water, underground water and the water weakening the hillside, so the slope was not mentioned.

Mr. Boyer said slope was a factor and there were things that could be done to mitigate the flow of water.

Ms. Buchanan said she thought it was too late and the building had already moved.

Mr. Boyer said that if the building were marketed with a willing seller and willing buyer with an as-is type sale, with disclosure, that could determine the worth of the property. He said it was possible that there could be someone in the trade familiar with the excavation work that would be a potential buyer. He could not say the value was zero, and asked Ms. Buchanan for a value.

Ms. Buchanan said damage had happened and the cost to cure the engineer's report items would be exorbitant. There was an ordinance that stated that if the repairs were more than half the cost of the value the city would not require the owner to make the repair. She said with a base value of \$385,000, it would probably cost in excess of \$150,000 to put in the retaining wall. The propane tanks would need to be replaced, the electrical repaired and new appliances.

Ms. Watt said the assessor states this is at the low end of the values for four-plexes. Ms. Buchanan says deterioration since last year and the assessor has made no consideration.

Mr. Sahnaw said that was correct. He said this was typical for downtown older properties. Over typical depreciation downtown, there was about \$75,000 additional depreciation in the current valuation. It was typical when there were required repairs it was normal to have negotiations and half would be borne by the seller and the other financed by the buyer, and this could be used as a metric.

Mr. Epstein said the burden was upon Ms. Buchanan to prove the valuation was unequal, excessive, improper or under-valued. Under-valued did not apply. Excessive would be grossly disproportionate and the assessor's figures cite that it is at the lower value of similar properties in the borough. If unequal, there must be other similar properties with differing values and he did not see any evidence to that case. Improper would be that the Assessors were fraudulent in their activities and he did not see that.

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Ms. Buchanan said that regarding the assessment process, the assessor said there were not safety issues or inspection issues from CBJ official, but she said that after the fire renovation, CBJ officials never came to the building and they deferred the inspection to the discretion of the contractors. As far as unequal value, this issue affects the entire upper Basin Road area. A neighbor had a tree hit her building and had her second floor damaged. The vacant lot immediately to the south of me is in the worst shape, and hers is in the second. No one else had been subject to that at this time.

Mr. Boyer said this looked like it would be a continual repair battle or require a more permanent solution. He suggested she could get a cost to cure from an engineer to take the guess work out of the ability of the board to provide reasonable relief.

Ms. Watt said there was no hard data to base an adjustment upon.

Mr. Boyer said it appeared the assessor has made some adjustment, but perhaps it was not enough. The Board needed more information of the cost to remediate.

Ms. Watt said if there was an effort to find a buyer, to find out what the market was, that could also provide additional information.

MOTION, by Epstein, to grant the appeal and he requested a no vote based on the reasons provided by the Assessor. All voted no.

Ms. Watt said they understood her predicament, but they were not in the position to make any changes based on the information provided.

V. LATE FILED APPEALS

Appealed Property	Parcel Number	Appellant (Last Name, First Name)
TAKU RIVER BL 3 L22	3R01011 10220	LEE-MANSFIELD, JAQULYN

No one was present to represent the appellant.

Mr. Boyer asked if there was any reason to think notice was not delivered. Mr. Sahnaw said no.

MOTION, by Boyer, to grant the request to file a late filed appeal, and asked for a no vote, based on the fact that the appellant had not indicated sufficiently that they could not meet deadline. All voted no.

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17725 PT LENA LOOP RD	8B35010 10261	SHANLEY, THERESA
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No one was present to represent the appellant.

MOTION, by Epstein, to grant the request to file a late filed appeal, and asked for a no vote, based on the fact that the appellant had not indicated sufficiently that they could not meet deadline. All voted no.

VI. ADJOURNMENT – 6:34 p.m.

Submitted by Laurie Sica, Municipal Clerk