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## **BOARD OF EQUALIZATION THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Wednesday, June 22, 2016 at 5:30 PM  
Municipal Building – Assembly Chambers

### Minutes

#### **I. Call to Order**

Chair Boyer called the meeting to order at 5:50 p.m.

#### **II. Roll Call**

Board of Equalization Panelists Present: Mike Boyer, David Epstein, Paul Nowlin.

Staff Present: Jane Sebens, Deputy Attorney; Laurie Sica, Municipal Clerk; Robin Potter, Assessor; Dora Prince, Appraiser II; Jack Albrecht, Appraiser I.

#### **III. Approval of Minutes**

Hearing no objection, the minutes of the June 15, 2016 Board of Equalization Meeting – Panel 2 were approved as presented.

#### **IV. CBJ Attorney Memos/Board Questions**

Chair Boyer reviewed the Board's procedures as outlined in the packet provided to the Board, staff and the appellants.

#### **V. Property Appeals**

In the following 2016 property appeals, the appellant and the Assessor were unable to reach a value agreement for the parcel values.

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CBJ Appeal Tracking #	<b>2016-0036</b>		
<i>Subject Property</i>			
CBJ Parcel #	1B0201000121		
Physical Location	5282 THANE RD		
Appellant Name	Else Living Trust (Laura Else as Trustee)		
<b>2016 Preliminary Assessed Value</b>			
Land	\$ 202,740	Improvements	\$ 242,307
Exemptions	\$ -		
<b>TOTAL TAXABLE</b>			<b>\$ 445,047</b>
<b>Owner's Estimated Value</b>			
Land	\$ 80,000	Improvements	\$ 242,000
Exemptions	\$ -		
<b>TOTAL TAXABLE</b>			<b>\$ 322,000</b>
<b>CBJ Assessors Office Recommendation</b>			
Land	\$ 202,700	Improvements	\$ 225,200
Exemptions	\$ -		
<b>TOTAL TAXABLE</b>			<b>\$ 427,900</b>

Laura Else spoke on behalf of the appellant. She asked to correct her application form to add the check box “unequal to similar properties” in addition to the “property was valued improperly.” She wanted to clarify that the specific reasons for her appeal are steep grade, no waterfront access, no city water or sewer or bus and they catch rainwater. There were a few small things that were not accurate about the home, but her focus was the property itself as valued too high. Of the comparables, their lot was the only one to have a landslide. After the landslide, we repaired, but what is there now is unstable and unbuildable on that portion of the property – even stairways to go down to the water, so there is zero waterfront access on the lot. She referred to photos she submitted. They have stabilized the area with landscape fabric, but it is moist and the problem could occur again. She doesn’t believe that any other properties have had that problem and therefore thought the \$202,700 value was too high.

The building is close to what we think it should be. We do not have an enclosed porch or three full bathrooms as noted, but those are the discrepancies. Our concern is the instability of the property and what we can do with it in the future. Other properties do have wells, but there is none on our property, and given the slope we can’t drill. Rainwater catchment is the method for water.

The adjusted sale price of the comparables were \$429,800, \$427,900 and \$427,900. Mr. Boyer asked questions about the property used on the comparable sales analysis and discussed that the other lots were non-waterfront – the subject lot is waterfront. She said that due to the slide there is zero beach access. She said the other unique thing about the property is that it had a former address. When they first bought the property they were advised that CBJ had classified it as unbuildable and had it at a lower tax rate in the 1990’s. The owner of the property had an engineer do a soil test and they purchased it knowing about the instability and built the house according to an engineered plan.

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Mr. Boyer said that many of the items cited in the appeal were common to Thane. She believed that the entire neighborhood should have an adjustment for lack of or limited city services, including lack of city water, sewer, bus service, sparse school bus service, no city fire hydrant near property, only state road maintenance.

Mr. Nowlin said that an adjustment to the property value was not the way to address the lack of services in the values that adjustment would be made on the taxation rate side through the Assembly.

Ms. Else said her main point was that she did not believe any of the comparables had the same lot instability issue and that a large portion of the lot was unbuildable.

Dora Prince represented the Assessor. She said that all lots in Thane were treated the same in that they all have no city services as noted. The subject is a single family home of 1,820 sf on a 30,708 sf waterfront site. She visited the site but there was limited access due to a gated driveway.

The structure was valued by the cost approach as are all other single family homes in the borough – what it would cost to build today minus the depreciation. The depreciation is the age and condition of the building. On the comparable sales analysis, on comps 2 & 3 they made a \$30,000 adjustment on each of those to address the non-waterfront and inferior view to the subject property. Ms. Prince addressed how the differences in gross living area (GLA) were valued between the comparables. Characteristics adjusted for include size, slope, view, water frontage, significant wetlands, and any hazardous materials on site.

Robin Potter said that the Assessors recently canvassed the Thane area. They recently received access to a GIS system that gives FEMA overlays for contour, slope, flood maps and wetlands. When developing a base rate for land values, they take an area and determine what is typical. Although Thane is near downtown, it is very rural due to a lack of city services and the property is all steep on both sides of the road. We make adjustments off what is typical for an area. She spoke about typical steepness in the area. All of the properties have a few unless they have trees that haven't been cut down. There is an additional adjustment for having beach front. She felt the adjustments were conservative. This particular lot has road access to the house, which is built at the top of the lot. The lots are typically steep down to the beach. Unless it was something distinctly negative she keeps her adjustments within a certain range. Wells do not impact a site value and properties have services or they don't in valuation. There are very few sales in the area so the area has seen minimal market changes. Thane did receive a market change this year because everywhere in the borough was increased.

Mr. Epstein asked Ms. Potter about the landslide and the inability to build on a large portion of a lot. Ms. Potter said that it is typical in Thane to be steep with erosion. Mr. Epstein asked if the land could be built on with piling. Ms. Potter said it would likely be very expensive, similar to any other properties. Mr. Epstein asked if there was any adjustment due to the landslide. Ms. Potter said only for steepness in excess of what would be typical.

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Mr. Nowlin said that if they were able to access the beach before and then there was a landslide, it seems the value would go down. Ms. Potter said that it appears repairs have been made. She could not say that no other properties have not had erosion, so she can't say that other properties were not similar.

Mr. Nowlin asked Ms. Else if the property was repaired. Ms. Else said yes, however the cement path is not weight bearing for vehicles and some of the dirt underneath the cement had eroded away and referred the board to the photos provided. She said they had not filed an appeal before because the values had remained stable. She was not aware of homes in the area on pilings. Most homes were on flat cement pads. Their home was built on cement footings. The vehicles were stored on the side of the road.

Mr. Boyer asked about any adjustments for the enclosed porch or bathrooms. Ms. Potter said there were no adjustments made for the porch, enclosed or not. The Assessor does not assess for driveways, they adjust for access – whether a lot has access or not.

Mr. Nowlin asked if there was any cause for adjustment regarding the bathrooms. Ms. Potter explained how bathrooms are calculated under the cost approach, and our final adjustment is market.

Ms. Potter said if the appellant has an engineer's report, they would take that into consideration for next year's value.

***MOTION**, by Epstein, to grant the appeal, and he asked for a no vote for the reasons provided by the Assessor.*

Mr. Epstein said the bar is set high for unequal, excessive and improper. He believed that the assessor had treated Thane values similarly, excessive must be grossly disproportionate, and improper means they have committed fraud and that was his rationale.

Mr. Boyer said that the property clearly has issues, but those seem similar in the area, and it also has positive values such as waterfront.

All members voted no, the appeal was denied. The value was established at \$427,900.

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CBJ Appeal Tracking #	2016-0422		
<i>Subject Property</i>			
CBJ Parcel #	3R0101150020		
Physical Location	TAKU RIVER		
Appellant Name	Martin Holmberg		
<b>2016 Preliminary Assessed Value</b>			
Land	\$ 35,000	Improvements	\$ 22,500
Exemptions	\$ -		
<b>TOTAL TAXABLE</b>			<b>\$ 57,500</b>
<b>Owner's Estimated Value</b>			
Land	\$ -	Improvements	\$ -
Exemptions	\$ -		
<b>TOTAL TAXABLE</b>			<b>\$ -</b>
<b>CBJ Assessors Office Recommendation</b>			
Land	\$ 35,000	Improvements	\$ 22,500
Exemptions	\$ -		
<b>TOTAL TAXABLE</b>			<b>\$ 57,500</b>

The appellant was not present or represented. In the appeal application, the appellant stated the “property value is excessive” and the “property was valued improperly.” Specific reasons given were “the assessed value is over similar sold properties” and “other similar properties have lower assessments.”

Jack Albrecht represented the Assessor and reviewed materials in the packet. The subject property is a remote cabin on the south west side of Canyon Island near the confluence of the Taku River and Fish Creek. Last year during an appeal it was discovered that there is a cabin on the subject parcel that had not been previously disclosed. The cabin was identified by Google maps. After the packet was mailed, the Assessor found, through the GIS mapping program, a second structure in existence on the property. Mr. Albrecht distributed photos of the property from that program and an email he sent to the appellant referring to the discovery of other structures on the property. The remote nature of the parcels focuses on a broad equity.

Mr. Boyer asked if it was possible to look at the other properties with the new mapping software. Ms. Potter said that they received guidance from the state assessor allowing them to work from aerials. CBJ GIS flew to the area in November 2014 and took photos. The CBJ cartographer platted the parcel overlay for the photos and this new information showed the second structure on the property. Ms. Potter said that last year the appellant was going to appeal because we had found the one structure, and he withdrew when he found we had a photograph. When we told him we had information on the second structure, he stopped communication with us.

Mr. Albrecht said he emailed back and forth with the appellant several times, I was told by the appellant that he was traveling, we set up a time to meet by phone. At that time we discussed the information at great length and he was interested in coming to the BOE hearing. I sent him the email about the schedule, the packet, and he was aware of scheduling for this meeting and received the 10 day notice. Mr. Holmberg was delivered a packet for this meeting by courier. On

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Friday, June 17, after the packet was distributed, Mr. Albrecht found the second structure and emailed Mr. Holmberg, at which point there was no further communication.

Ms. Sebens said that state law allows a Board of Equalization to raise an assessment if it is found to be too low. She said the appellant had received notice. The Board could act in the absence of an appellant. She said that the second house on the property was considered an “escaped” property and the procedure would require that the assessor send out a notice of the correction and the 30 day appeal period would begin. She recommended that the board not move to make an adjustment due to the requirement of notice.

Mr. Epstein said it is not clear what the status of the improvement is on the property and raising an assessment based on an assumption was not correct.

*MOTION, by Epstein, to grant the appeal, and asked for a no vote for the reasons provided by the assessor, establishing the value at \$57,500 for total assessment.*

Mr. Boyer noted the difficulty of assessing remote properties and said it would be prudent to allow the Assessor and the property owner additional time to determine the nature of the improvements on the property and include those in next year’s assessment.

All members voted no, the appeal was denied. The value was established at \$57,500.

**VI. Late Filed Appeals – None.**

**VII. Adjournment - 7:00 p.m.**

Submitted by Laurie Sica, MMC, Municipal Clerk