

AGENDA
BOARD OF EQUALIZATION
THE CITY AND BOROUGH OF JUNEAU, ALASKA
 Tuesday, September 14, 2021 at 5:30 PM
 Virtual Meeting Only via Zoom Webinar
<https://juneau.zoom.us/j/99741860260>
 or call: 1-253-215-8782 Webinar ID: 997 4186 0260

- I. Call to Order**
- II. Roll Call**
- III. Selection of Presiding Officer**
- IV. Approval of Agenda**

V. Property Appeals

Attached is a 2021 commercial property appeal being brought before the Board of Equalization for final value determination. The Appellant and the Assessor were unable to reach an agreement for the parcel values. You will find for each parcel the following –

- Appellant’s Appeal
- Appellant’s Documentation at the time of Appeal
- Board of Equalization Presentation

Appeal No. 2021-0316

Appellant: RH Rentals LLC

Parcel No.: 1C070K810010

Location: 225 Front St

Type: Commercial – Retail & Office

Appellant’s Estimate of Value

Site: \$850,000

Buildings: \$800,000

Total: \$1,450,000

Original Assessed Value

Site: \$1,423,800

Buildings: \$1,007,200

Total: \$2,431,000

Recommended Value

Site: \$1,423,800

Buildings: \$1,007,200

Total: \$2,431,000

VI. Adjournment

BOARD OF EQUALIZATION ORIENTATION

NOTE: Members are encourage to review, from your training material, the April 19, 2013 Memorandum prepared by former City Attorney John Hartle, for further helpful guidance.

A. Quasi-Judicial Role & Responsibilities - CBJ 15.05.185

1. Be a fair & impartial tribunal - no bias/preconceived ideas; no ex parte contact
 - a. Member may not deliberate or vote on any matter in which member has a personal or financial interest (defined in CBJ 01.45.360); conflict of interest check needed prior to hearing to allow substitution; may call legal advisor
 - b. **Avoid expressing opinions or including commentary in questions to the parties.**
 - c. **Opinions on the evidence/position of parties should await BOE deliberations.**

2. Afford both parties due process - fair notice and opportunity to be heard

Must allow both sides time to review new evidence presented at hearing

3. Decide appeals on *evidence presented* in packet and at hearing.

4. Make record of proceeding that clearly and accurately reflects:
 - a. Taxpayer/Appellant’s claim and factual evidence offered to support it
 - b. Assessor’s process/position and factual evidence offered to support both
 - c. That each side had adequate opportunity to present relevant evidence/review & rebut other party’s evidence
 - d. BOE’s thorough deliberations & consideration of the evidence
 - e. BOE’s findings of fact & conclusions of law re burden of proof & the evidence relied on as basis of decision
 - f. Rationale & evidentiary basis of BOE’s decision, to enable meaningful review by the Superior Court in the event of an appeal

B. Legal Standard for Granting Appeal on Merits for *Error in Valuation*

1. Starting point: under AK law, Assessor’s **assessments are presumed to be correct.**

2. **Burden of proof on Appellant to prove error - unequal, excessive, improper, or under valuation based on facts** that are stated in a valid written appeal or proven at the appeal hearing

3. If and only if Appellant meets burden does burden shift to Assessor to rebut Appellant’s evidence of error

4. Law does not bind Assessor to follow a particular formulas, rules or methods of valuation, but grants broad discretion in selecting valuation methods-as long as reasonable basis
5. Technical evidentiary rules don't apply
 Relevant evidence admissible if sort relied on by responsible persons
 May exclude irrelevant, repetitious evidence
6. **Only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts**

C. Alternative Actions for Appeals Heard on the Merits

- a. **Deny appeal** because Appellant failed to prove error in valuation with factual evidence.
- b. **Grant appeal & adjust assessment *as requested by Appellant***. (only if Appellant's valuation evidence supports proposed assessment value)
- c. **Grant appeal & *adjust (lower or raise) assessment differently***. (if and only if supported by sufficient evidence of value in record.)
- d. **Grant appeal & *remand to Assessor for reconsideration of value*** (remand is mandatory if error found, but insufficient evidence of value in record.)

D. LATE-FILED APPEALS – Legal Standard for Accepting

1. Potential *merit* of appeal is irrelevant.
2. Jurisdictional authority to hear only *timely-filed appeals*
3. Appeal must be filed w/in 30 days from date assessment notice is mailed
4. Only “accepted” late-filed appeals may proceed to a hearing on the merits.
5. If 30 day deadline missed, RIGHT to appeal CEASES and BOE **cannot accept or hear** appeal, **unless BOE finds that taxpayer was unable to comply due to situation beyond taxpayer's control** (See Hartle memo)
6. Burden to prove inability to comply is on Taxpayer.
7. BOE Action Alternatives: **Deny** Late-file or **Accept, so hearing can be scheduled.**

BOE HEARING GUIDELINE

- I. Call to Order
- II. Roll Call - Chairs asks clerk to call the roll
- III. Appeals will be heard first, followed by *Timeliness* Hearings on Late-filed Appeals
- IV. Introduce first Appeal case for hearing:

 We're on the record with respect to 'Petition for Review of Assessed Value' filed by _____ with respect to Parcel Id. No. _____
- IV. Review Hearing Rules/Procedure (For each appeal, unless all in attendance at beginning)
 - A. Time allocated to each side: approx. 15 min, including BOE questions
 - B. State name for record and speak clearly in to mic, use surnames/maintain decorum
 - C. Appellant taxpayer goes 1st
 Has **burden to prove an error—an unequal, excessive, improper or under valuation** based on presented factual evidence
 - D. Assessor - presents Assessor's evidence in response
 - E. Appellant rebuttal, if time reserved
 - F. Hearing closes after presentations
 - G. BOE action/deliberation
 - H. Any questions? Parties ready to proceed?
- V. Hearing - party presentations & all BOE questioning
- VI. Close Hearing, move to BOE action
 - A. BOE reviews/discusses evidence presented, or goes directly to B.
 - B. Member makes motion, Chair restates motion
 - C. Members speak to the motion/make findings
 - D. BOE votes/takes action on motion
 - E. Chair announces whether motion carries/fails
- VII. Call next appeal, repeat IV – VI
- VIII. Late-Filed Appeals, if any (SEE LATE-FILED APPEALS – PROCESS)
- IX. Adjourn

BOE Action Options:

- 1. **Deny appeal** because Appellant failed to prove error in valuation with factual evidence.
- 2. **Grant appeal & adjust assessment as requested by Appellant.** (if Appellant's evidence supports proposed assessment value)
- 3. **Grant appeal & adjust (lower or raise) assessment differently.** (if and only if supported by sufficient evidence of value in record.)
- 4. **Grant appeal & remand to Assessor for reconsideration of value** (remand is mandatory if error found, but insufficient evidence of value in record.)

SAMPLE MOTIONS

1. To DENY appeal

I MOVE that the Board GRANT the appeal and I ASK for a NO VOTE

Because . . .

Appellant didn't prove/provide evidence of error in assessment
and/or

For the evidence/reasons provided by the Assessor . . .

2. To GRANT appeal & ADJUST assessment AS REQUESTED

**I MOVE that the Board GRANT the appeal and ADJUST the assessment AS
REQUESTED BY APPELLANT to \$ _____ , and I ask for a YES VOTE**

Because . . .

Appellant proved there was error . . .

[specify . . . **unequal, excessive, improper, or under valuation**]
based on facts

AND

We find requested assessment is supported by sufficient evidence in the record

3. To GRANT appeal & ADJUST assessment OTHERWISE

**I MOVE that the Board GRANT the appeal and ADJUST the assessment to
\$ _____ , and I ASK FOR A YES VOTE**

Because . . .

Appellant proved there was error . . .

[specify . . . **unequal, excessive, improper, or under valuation**]
based on facts

AND

We find sufficient evidence of value in record to support this assessment

4. To GRANT appeal & REMAND for RECONSIDERATION of ASSESSMENT

**I MOVE that the Board GRANT the appeal and REMAND to the ASSESSOR for
RECONSIDERATION of the ASSESSMENT, and I ASK FOR A YES VOTE**

Because . . .

Appellant proved there was error . . .

[specify . . . **unequal, excessive, improper, or under valuation**]
based on facts

AND

We find insufficient evidence of value in the record



City and Borough of Juneau
 Finance Department, Assessor's Office
 155 S. Seward St, Juneau, AK 99801
 Phone 907-586-5215, Fax 907-586-4520
 Email Assessor.Office@juneau.org

How to File Petition for Review (Appeal) of Assessed Value

The Assessor's Office is available to answer questions about the assessed value of your real or business personal property. We can be reached by phone or email as listed above.

If you wish to file a Petition for Review you do not need to come into our office. A Petition for Review can be filed through email, fax, mail or the Borough drop boxes. We can answer questions you may have and assist you in filling out the form via phone or email.

The process for review of your assessed value is basically a two-step process. The first step is an Administrative Review where we look at your information and determine whether or not we feel a change is warranted. If so, and it meets with your agreement, we make the adjustment and close the review. If you do not agree with our conclusion, then you have the right to proceed to the second step which is the formal Appeal heard by the Board of Equalization.

We encourage you to contact us via phone or email with questions you may have.

We can provide assistance by:

- answering questions over the phone
- emailing you documentation or explanations
- pointing you to online resources

The Petition for Review form is a two page (one sheet, two sided) form. In filing the form all you need to fill out is the first page. If you have questions we can provide assistance or explain any part of the form via a phone call or email.

The **filing deadline** for a Review/Appeal for assessment year 2021 is **Monday, May 3.**

Thank you for your cooperation in limiting in-person or physical contact during this year's process.

Links:

- Assessor's Database- <https://property.juneau.org/>
- Parcel Map- <http://epv.juneau.org/>
- Assessor Forms- <https://beta.juneau.org/finance/assessor-forms>

Contact Us: CBJ Assessors Office			
Phone/Fax	Email	Website	Mailing Address
Phone: (907)586-5215 Fax: (907)586-4520	Assessor.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St. Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Assessment Year	2021
Parcel ID Number	

For Office Use:	Review #	Appeal #
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2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

ASSESSOR'S FILES ARE PUBLIC INFORMATION - DOCUMENTS FILED WITH AN APPEAL BECOME PUBLIC INFORMATION

Parcel ID Number	1C070K810010		
Owner Name	R.H. Rentals	Name of Applicant	Richard Harris
Primary Phone #	907-723-4791	Email Address	rhdevelopment@gci.net
Physical Address	2207 Dunn Street, Juneau Ak, 99801	Mailing Address	P.O. Box 32403 Juneau Ak, 99803

Why are you appealing your value? Check box and provide a detailed explanation below for your appeal to be valid.

<input checked="" type="radio"/> My property value is excessive/overvalued <input type="radio"/> My property value is unequal to similar properties <input type="radio"/> My property was valued improperly/incorrectly <input type="radio"/> My property has been undervalued <input type="radio"/> My exemption(s) was not applied	THE FOLLOWING ARE NOT GROUNDS FOR APPEAL <ul style="list-style-type: none"> Your taxes are too high Your value changed too much in one year. You can't afford the taxes
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Provide specific reasons and provide evidence supporting the item(s) checked above:

we have this property currently for sale, the Realtor estimate came in at much less than our assessed value. we currently have the Property for sale at \$1,800,000.00. The emporium MALL recently sold for \$1,650,000.00, This building was in better condition than ours.

Have you attached additional information or documentation? Yes No

Values on Assessment Notice:

Site	\$1,423,800	Building	\$1,007,200	Total	\$2,431,000
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Owner's Estimate of Value:

Site	\$850,000	Building	\$800,000	Total	\$1,450,000
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Purchase Price of Property:

Price	\$ N/A	Purchase Date	
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Has the property been listed for sale? Yes No (if yes complete next line)

Listing Price	\$1,800,000	Days on Market	80 days 95 DAYS
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Was the property appraised by a licensed appraiser within the last year? Yes No (if yes provide copy of appraisal)

Certification:

I hereby affirm that the foregoing information is true and correct, I understand that I bear the burden of proof and I must provide evidence supporting my appeal, and that I am the owner (or owner's authorized agent) of the property described above.

Signature		Date	9/12/2021
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Contact Us: CBJ Assessors Office

Phone/Fax	Email	Website	Mailing Address
Phone: (907)586-5215 Fax: (907)586-4520	Assessor.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St. Juneau AK 99801

Step 1 – Administrative Review

Appraiser to fill out			
Appraiser		Date of Review	
Comments:			
Post Review Assessment			
Site	\$	Building	\$
Exemptions		\$	
Total Taxable Value		\$	
APPELLANT RESPONSE TO ACTION BY ASSESSOR			
My acceptance or rejection of the assessment valuation in the amount of \$ _____ is indicated below.			
<input type="checkbox"/> Accept New Assessed Value <input type="checkbox"/> Close Review (Assessment Remains Unchanged) <input type="checkbox"/> Reject and Appeal			
If appealed, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.			
Appellant's Signature _____		Date: _____	

Appellant Accept Value	<input type="checkbox"/> Yes <input type="checkbox"/> No <i>(if no skip to Board of Equalization)</i>
Govern Updated	<input type="checkbox"/> Yes <input type="checkbox"/> No
Spreadsheet Updated	<input type="checkbox"/> Yes <input type="checkbox"/> No
Corrected Notice of Assessed Value Sent	<input type="checkbox"/> Yes <input type="checkbox"/> No

Step 2 – Appeal

Appeal # _____

BOARD OF EQUALIZATION			
Scheduled BOE Date	<input type="checkbox"/> Yes <input type="checkbox"/> No	10-Day Letter Sent	<input type="checkbox"/> Yes <input type="checkbox"/> No
The Board of Equalization certifies its decision, based on the Findings of Fact and Conclusion of Law contained within the recorded hearing and record on appeal, and concludes that the appellant <input type="checkbox"/> Met <input type="checkbox"/> Did not meet the burden of proof that the assessment was unequal, excessive, improper or under/overvalued.			
Notes:			
Site	\$	Building	\$
Exemptions		\$	
Total Taxable Value		\$	

Contact Us: CBJ Assessors Office			
Phone/Fax	Email	Website	Mailing Address
Phone: (907)586-5215 Fax: (907)586-4520	Assessor.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St. Juneau AK 99801

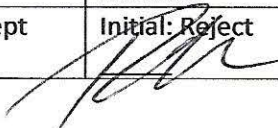
Results of Review

Parcel Number	Stated Reason from Petition	Results of Review
1C070K810010	<p>My property value is excessive/overvalued.</p> <p>We have this property currently for sale, the Realtor estimate came in at much less than our assessed value. We currently have the property for sale at \$1,800,000. The Emporium mall recently sold for \$1,650,000. This building was in better condition than ours.</p>	<p>Your assessed value has been reviewed and was found not to be excessive, unequal, or improper.</p> <p>Listing is not getting exposure (can't be found). It has been visibly listed for more in the past.</p> <p>Emporium Mall sale was below market value. We are familiar with the sale.</p>

Appellant Response for Assessment Year 2021 Petition for Review

My acceptance or rejection of the conclusion(s) of the Review is/are indicated below.

Initial your choice for each parcel below.

Parcel Number	Assessed Value on Notice	Assessed Value from Review	Full Market Value (May be recommended to the BOE.)	Accept the value from the Review.	Reject the Review and Appeal the assessment to the BOE.
1C070K810010	\$2,431,000	\$2,431,000 (No Change)		Initial: Accept _____	Initial: Reject 

Appellant's Signature  Date 8/4/2021

Please return to Assessor's Office via email, fax or mail.

- Email: Assessor.Office@juneau.org
- Fax: 907-586-4520
- Mail: 155 South Seward St. Juneau, AK 99801



CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Office Of The Assessor
155 South Seward Steet
Juneau, AK 99801

RH RENTALS LLC
PO BOX 32403
JUNEAU AK 99803-2403

Meeting of Board of Equalization (BOE) and Presentation of Real Property Appeal	
Date of BOE	Tuesday, September 14, 2021
Location of BOE	VIA Zoom Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	August 26, 2021
Parcel Identification	1C070K810010
Property Location	225 FRONT ST
Appeal No.	APL20210316
Sent to Email Address:	RHDevelopment@gci.net

ATTENTION OWNER

Under Alaska Statutes and CBJ Code, you, as the appellant, bear the burden of proof. The only grounds for adjustment of an assessment are proof of unequal, excessive, improper, or under valuation based on facts that are stated in your written appeal or proven at the appeal hearing.

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to city.clerk@juneau.org Attn.: Assessment Appeal} by **4:00 PM September 7, 2021** and will be included in the packets for the Board so the members have an opportunity to review the materials before the hearing.

Your Board of Equalization packet will be ready for you to pick up in the Clerk's office after **2:00 PM September 8, 2021** or it will be emailed and/or mailed to the above address(es) on this notice.

You or your representative may be present at the hearing {via Zoom Webinar, participation/log in information will be listed on the agenda packet you receive for the hearing your appeal is scheduled for}. If you choose not to be present or be represented, the Board of Equalization will proceed in the absence of the appellant.

It should be noted that, between the date of this letter and the Board hearing date, your appeal may be resolved between you and the Assessor. If your appeal is resolved, you will not need to appear before the Board.

If you have any questions please contact the Assessor's Office.

Attachment: CBJ Law Department Memorandum April 19, 2013.

CONTACT US: CBJ Assessor's Office

Phone	Email	Website	Physical Location
Phone (907) 586-5215 Fax (907) 586-4520	assessor.office@juneau.org	http://www.juneau.org/finance/	155 South Seward St Room 114

PROPERTY TAX BILLS MAILED JULY 1

PROPERTY TAXES DUE SEPTEMBER 30



APPEAL # 2021-0316

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION August 25, 2021

ASSESSOR OFFICE

Appellant: Richard Harris/RH Rentals

Location: 225 Front Street

Parcel No.: 1C070K810010

Property Type: Commercial – Retail & Office

Appellant’s basis for appeal: My property value is excessive/overvalued.

	Appellant’s Estimate of Value	Original Assessed Value	Recommended Value
Site:	\$850,000	\$1,423,800	\$1,423,800
Buildings:	\$800,000	\$1,007,200	\$1,007,200
Total:	\$1,450,000	\$2,431,000	\$2,431,000

Subject Photo



Table of Contents

OVERVIEW.....	3
SUBJECT PHOTOS.....	3
ASSESSED VALUES.....	14
LAND.....	14
BUILDING(S).....	16
COST REPORT.....	17
INCOME APPROACH.....	18
COMMERCIAL MARKET & ASSESSMENT ANALYSIS.....	18
SUBJECT PROPERTY ASSESSMENT HISTORY 2011-2021.....	18
SUMMARY.....	19
CONCLUSION.....	21
ADDENDUM A.....	22
ADDENDUM B.....	24

OVERVIEW

The subject is a 2 story commercial building with 16,740 square foot of office and restaurant space and a 3,104 sf basement. The building is located on a 11,300 sf lot at 225 Front Street in Downtown Juneau and is adjacent to the Sealaska Heritage building. The original structure was built in 1900 according to CBJ records and appears to have had significant maintenance and updates. The building has approximately 33 feet of frontage on Front Street and a rear entrance on Shattuck Way.

Subject Characteristics:

- Land
 - 11,300sf corner lot
 - Approx. 35 feet of frontage on Front St and 250 feet of frontage along Shattuck Way
 - Downtown Core / Tourism Transition Zone
 - Small parking lot in rear

- Building
 - Average Quality
 - Good Condition
 - Approx. 35 feet store front on Front St.
 - 16,740 SF GBA (Gross Building Area)

SUBJECT PHOTOS



Front St. Frontage

Shattuck Way Entrance



Shattuck Way Side



Building and parking as seen from Shattuck Way



Entrance on Front St



Entrance on Front St facing Shattuck Way



1st floor hall way along Shattuck Way



1st floor hall way along Shattuck Way



1st floor hall way along Shattuck Way



Rear Entrance



Rear stairway to 2nd floor





2nd story hall along Shattuck Way



2nd story hall along Shattuck Way

Office space on 2nd story



Office space on 2nd story



2nd story bathrooms



2nd story open to below

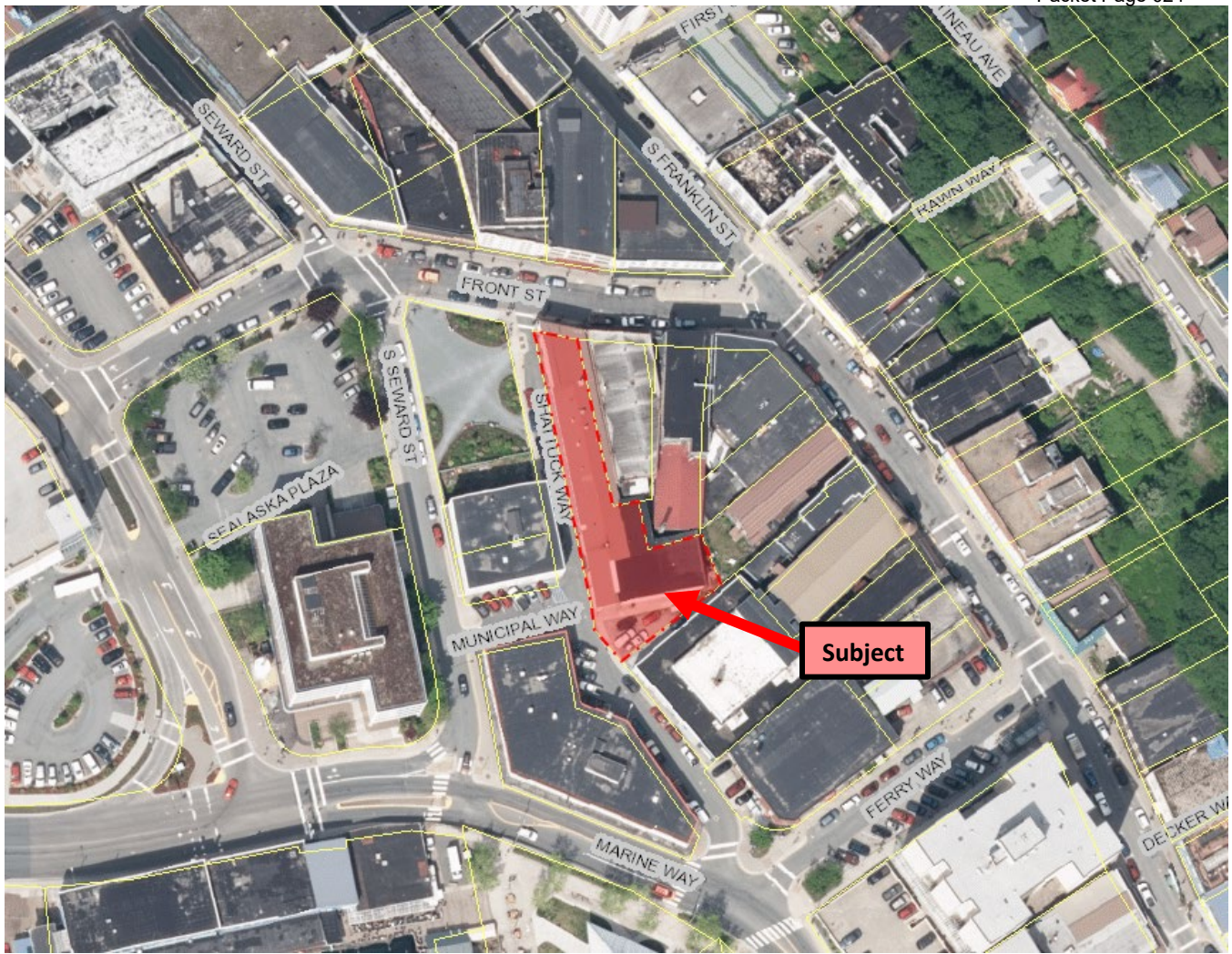


Elevator on 2nd floor



AREA MAP & AERIAL:





ASSESSED VALUES

Remember that the total assessed value is the primary test against market. The distribution of that value between the Land Component and the Building Component is secondary and can vary from one model to another. The total assessed value is tested against market indicators (sales, lease rates, etc.) and is adjusted to market value by application of market area and feature adjustments.

All three approaches to value (Cost, Sales Comparison and Income) are considered for commercial properties

LAND

Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation model. This model is tested and refined in consideration of sales of both vacant and developed parcels. The resulting model is then applied to all of the land in the market area to establish assessed site values.

The subject site's features are typical for the market area and the location is considered to be good. The subject parcel's land value is equitable.

Land Characteristics:

- 11,300sf corner lot
- Approx. 35 feet of frontage on Front St and 250 feet of frontage along Shattuck Way
- Downtown Core / Tourism Transition Zone
- Small parking lot in rear

Land Values



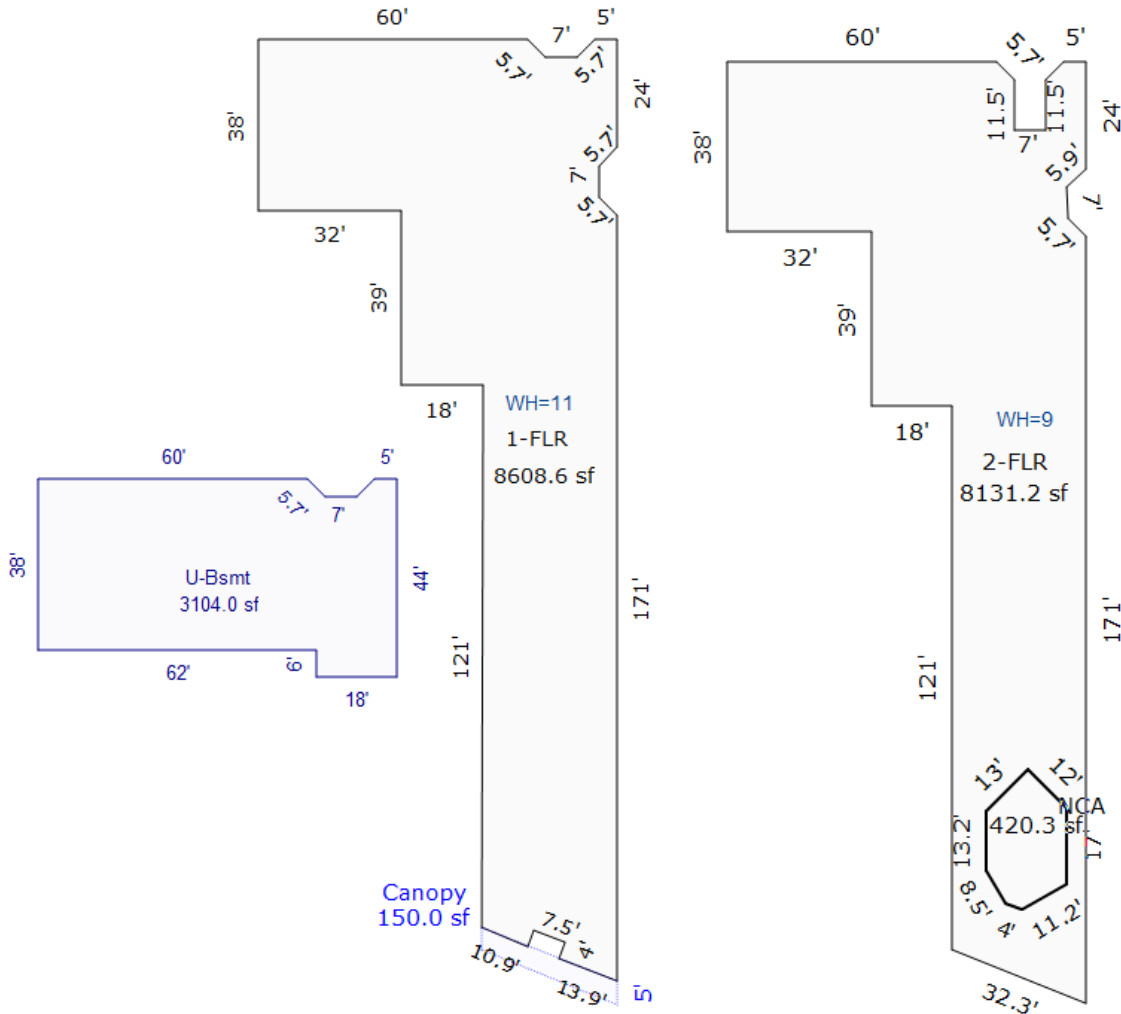
BUILDING(S)

The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value and/or other appropriate means.

Ratio studies are performed to determine market adjustments.

- Building Characteristics:
 - Average Quality
 - Good Condition
 - Approx. 35 feet store front on Front St.
 - 16,740 SF GBA (Gross Building Area)

Sketch of Improvements:



Struct/Area	Base	Actual	Effective	Living	Heated %	Heated	Perimeter
BSMT2 (Unfinished Basement)	3,104	3,104	3,104				
GBA1 (1-FLR)	8,609	8,609	8,609	8,609	100	8,609	585
GBA2 (2-FLR)	8,131	8,131	8,131	8,131	100	8,131	

COST REPORT

The cost report below was utilized in the review process in response to the filing of the Petition for Review by the appellant. The cost report indicates that the building component value is not excessive.

8/17/2021 11:52:37AM

Page 1

Cost Report - Commercial

1582		Record	1
Parcel Code Number	1C070K810010	Number of Stories (Building)	02
Owner Name	RH RENTALS LLC	Number of Sections	1
Parcel Address	225 FRONT ST	Perimeter	585
Effective Year Built	2006	Class	D
Year Built	1900	Height	12
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Office Units	Total Area	16,740.00

Section 1	Description	Units	Percent	Cost	+/-	Total
	Base Cost	16740		76.50		1,280,610
	Exterior Wall	16740		13.95		233,523
	Heating & Cooling	16740		611.00		611
	Heating & Cooling	16740		8.28		138,607
	Architect Fee	16740		6.60		110,484
	Sprinklers	19844		3.53		70,049
	Fire Alarm System	16740		1.46		24,440
	Basement	3104		33.75		104,760
	Sub Total					\$1,963,084.92
	Local Multiplier		1.43	[X]		\$2,807,211.00
	Current Multiplier		1.03	[X]		\$2,891,427.00
	Neighborhood Multiplier			[X]		\$2,891,427.00
	Depreciation - Physical		20.00	[-]		\$578,285.00
	Depreciation - Functional			[-]		\$0.00
	Depreciation - Economic			[-]		\$0.00
	Percent Complete		100.00	[-]		\$2,313,142.00
	Cost to Cure					
	Neighborhood Adjustment					
	Replacement Cost less Depreciation					\$2,313,142

Miscellaneous Improvements

Miscellaneous Improvement	Canopy mary_grant -		[+]		3,600
Miscellaneous Improvement	Elevator mary_grant		[+]		48,600
Total Improvement Value					
					\$2,365,300

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not provide profit and loss data to develop an income approach as requested for the review. We ran an income approach based on standard rents taking into account the subject property type and location. In an attempt to be conservative in our value we utilized rates below our market indicated averages or standard rates. The indicated value was above the assessed value.

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we would work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT PROPERTY ASSESSMENT HISTORY 2011-2021

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$1,423,800.00	\$51,600.00	\$955,600.00	\$2,431,000.00
2020	\$949,200.00	\$51,600.00	\$608,600.00	\$1,609,400.00
2019	\$904,000.00	\$51,600.00	\$608,600.00	\$1,564,200.00
2018	\$904,000.00	\$51,600.00	\$608,600.00	\$1,564,200.00
2017	\$904,000.00	\$65,600.00	\$535,300.00	\$1,504,900.00
2016	\$904,000.00	\$65,600.00	\$535,300.00	\$1,504,900.00
2015	\$904,000.00		\$594,700.00	\$1,498,700.00
2014	\$904,000.00		\$594,700.00	\$1,498,700.00
2013	\$904,000.00		\$594,700.00	\$1,498,700.00
2012	\$904,000.00	\$0.00	\$594,700.00	\$1,498,700.00
2011	\$904,000.00	\$0.00	\$594,700.00	\$1,498,700.00

SUMMARY

State statutes require the Assessor to value property at “full and true value” each year. According to appraisal standards and practices set by the Alaska Association of Assessing Officers, the State of Alaska Office of the State Assessor, and the International Association of Assessing Officers, correct procedures of assessment were followed for the subject. These standards and practices include consideration of any market value increase or decrease as determined by analysis of sales.

The assessed value was reviewed in response to the appellant’s Petition for Review. Our findings are as follows.

The land and buildings are valued using the same methods and standards as all other properties in the Borough.

Additional Details:

- The appellant states that their “value is excessive.”
 - We find that the assessed value is not excessive and is equitable.
- The appellant states that the property is currently listed for sale at \$1,850,000 and supplied the Assessor’s Office with the Commission Agreement between the appellant and The Carlton Smith Company.
 - This appears to be a “pocket listing” that is not getting exposure on the open market. It is not evident on the broker’s website nor is there any signage on the property. (See notes in Addendum A)
 - It is a Commission Agreement which indicates that Carlton Smith is representing a redacted interested party which may make an offer on the property. It is not a Listing Agreement, does not provide a list price and does not indicate that any marketing will occur. (Commission Agreement in Addendum B)
 - The agreement is now expired with no indicated extension and no indicated sale.
 - If a sale occurs it will probably not qualify as a market sale.
- The appellant states that “The emporium mall recently sold for \$1,650,000.00, this building was in better condition than ours.” In our estimation the subject is in better condition than the Emporium Mall. Our office is familiar with the emporium sale which sold below market value for property specific reasons. For confidentiality reasons we cannot disclose the specifics, however, we know this sale had reasons to not be at full market level. Note also that this is a multi-parcel sale and those are usually considered to be a non-market sale. We are trying to occasionally utilize such sales if they truly represent an economic unit even though they do involve multiple parcels. The Emporium Mall does not fit that criteria.
- Appellant submitted a letter from Carlton Smith (Letter in Addendum B)
 - Of note, why are listing prices suddenly being hidden? - It is interesting that The Carlton Smith Company website no longer lists prices. This is a change in the last few months. All of the listings now just say “Contact for price.” Even listings that previously showed a price now just say “Contact for price.”
 - Juneau Commercial Market - Mr. Smith describes the Juneau commercial market as being somewhat of a closed system, within which properties typically sell “without direct marketing efforts, and without “broad market Exposure”...”
 - These sales would not qualify as a market sale by definition and cannot be used for market value determination.
 - Pocket Listings – What Mr. Smith describes in his letter is commonly referred to as Pocket Listings. For more information on this please see Addendum A.
 - Mr. Smith indicates that he represented parties in the purchase of subject property.
 - Meaning that he is not a disinterested party.
 - The last sale we have indicated for this property was in 2015.
 - The purchase price was not disclosed to CBJ.
 - The building has been improved since the purchase.
 - Sale of 134 N Franklin St

- Purchaser was a tenant in the building. (Grantor: Southeastern Newspapers Corp from Augusta, GA to Grantee: Amalga Distillery LLC a tenant in the building)
- According to Mr. Smith “It sold on a single party listing basis.” Meaning the property was never exposed to the market. It appears to have sold through direct negotiation between the tenant and landlord.
- Tenant had invested considerable funds in the renovation of his space.
- This sale may not qualify as a market sale, it will be reviewed for next year.
- This sale was not included in this year’s ratio study as the sale date was 02/25/2021 and the cut off for our primary analysis and ratio study is 12/31/2020.
- Mr. Smith states that he has the Key Bank downtown branch building at 234 Seward St., with a \$2,600,000 assessed value, listed for \$1,295,000.
 - This is just a listing not a sale and it was listed after 01/01/2021. If it sells this year it will be considered in next year’s analysis. If every sale in 2021 is for half the assessed value, then we will adjust values accordingly as of 01/01/2022.
 - This property was recently published as for sale on his website. No price is listed on the website so this listing information cannot be verified and the Standards discourage the use of unverifiable data.
 - We have not had opportunity to investigate his claimed list price versus the assessed value but the valid sales information that we do have indicates that our assessed values are under market, not that assessed values are double market value.
- Mr. Smith cites “comparables” without applying appropriate adjustments.
- Mr. Smith states that \$1,800,000 reflects “current fair market value”
 - We see no evidence in the sales as of 01/01/2021 to support this statement.

A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellant will grab one or two low sales and claim that their property should be valued off of that one or two sales. In those one or two low sales referenced we see the same three, particular, low sales mentioned time after time. That is one of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does. We do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc.

Another common thread that we see is related to marketing time and price. If a property is sold under duress, which needing to sell quickly would fall under, it is to be considered not a market sale. Under the market sale guidelines a sale that occurs in less than usual market time is also suspect. One of the aspects that is to be inspected besides exposure is marketing time. It should be noted that the typical marketing time for commercial properties is substantially longer than for residential properties.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced adjustments in specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

For the subject property:

- The land portion increased by 50% consistent with other commercial properties.
- The building portion increased due to building permits and repairs which resulted in a lower effective age for the building.

We find that no change to the 2021 assessed value of \$2,431,000 is warranted. The analysis and ratio studies indicate that our 2021 values for improved commercial properties is at 91%. Based on that, the indicated market value for this property is around \$2,671,429.

ADDENDUM A

Information regarding Pocket Listings & Market Sales

Market Sales

As mandated by various standards, we are to only use market sales in typical annual ratio studies and analysis.

(Non-market sales should only be considered in specialized analysis. A special study may utilize secondary market or non-market sales for market comparative purposes but this is in limited circumstances and applications.)

Part of the definition or criteria for a sale being a market sale is that it has gotten exposure within the market and for a reasonable exposure or marketing time.

Pocket Listing sales do not get exposure therefore they are non-market sales.

Pocket Listing citations:

Here are some citations from other sources on pocket listings.

In The Appraisal Institutes Dictionary of Real Estate Appraisal part of the definition of the requirements for a sale to be considered a market sale is that there was “**reasonable exposure in a competitive market**, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. [Emphasis added]”

Housingwire.com - <https://www.housingwire.com/articles/nar-bans-pocket-listings/> - November 12, 2019, 4:43 pm By Kathleen Howley – “The National Association of Realtors board of directors voted 729-70 on Monday to ban the controversial practice of “pocket listings.””

Realtor.com - <https://www.realtor.com/advice/sell/what-is-a-pocket-listing/> - “While pocket listings have privacy going for them, this secrecy does come with some obvious drawbacks: ... A lower price: You’ll never know what price the market will bear if you never actually put your home on the market. Less interested home seekers means fewer, and possibly lower, bids.”

McKissock.com (note that this is a long standing appraisal education firm) – <https://www.mckissock.com/blog/real-estate/real-estate-career/6-pros-and-cons-of-pocket-listings/> -

The Cons to Selling a Pocket Listing

1. Less Exposure
2. Less Competition
3. Fair Housing Violations

From the Less Competition section – “less competition could conceivably damage a property’s selling price. If your client decides to bypass a MLS, it’s likely that you will find a buyer who will pay a good price for the property. However, because it’s a private transaction sellers miss out on the advantages of competition, which can improve the sale price and the terms of sale.”

Denverpost.com - <https://www.denverpost.com/2019/11/14/realtor-association-bans-pocket-listings/> -

Jim Smith, owner of Golden Real Estate – “Smith, expressing a widely-held view, argues that the best price for a home can only be found by exposing it to the widest possible audience of buyers. Limit the buyer pool, and the seller will get shortchanged.”

Stephen Brobeck - “Sellers may miss out on opportunities to sell for a higher price and buyers are limited in their selection of properties,” Stephen Brobeck, a senior fellow with the Consumer Federation of America, said in a statement.

ADDENDUM B

Items submitted by Appellant

COMMISSION AGREEMENT

The Carlton Smith Company, LLC (herein Smith) and RH Rentals LLC (herein Seller) agrees as follows.

Whereas, Seller owns the following described real property (herein the Property) whose address is 225 Front Street, located in the First Judicial District, State of Alaska:

TIDELANDS ADDITION BL 81 LT 1

Whereas, Seller desires to sell the Property;

Whereas, Smith is a licensed real estate broker who is the real estate broker for ~~_____~~, and ~~_____~~ the Interested Parties, who may be interested in making an offer on the Property;

Whereas, Seller seeks to secure an offer on the Property;

The parties agree as follows:

1. Seller intends to sell the Property. Upon execution of this Agreement, Seller shall provide Smith, Seller's asking price for purchase of the Property. Smith exclusively represents the Interested Parties. Smith does not represent Seller. Smith shall provide the asking price to such of the Interested Parties as may have an interest in purchasing the Property, with the understanding that the Property is being offered in as-is-where is condition. *Asking Price \$1,850,000.00 - T.H.*

2. In the event that Seller closes a sale of the Property to an Interested Party, Seller shall, at closing of the sale of the Property, pay to Smith a commission of _____ of the Property's sale price plus applicable sales tax.

3. This Agreement commences on the date the last party executes this Agreement and terminates either (i) at the end of six months, or (ii) upon the closing of the purchase of the Property; whichever is earlier. This Agreement may be renewed or the term extended by mutual consent of the parties.

4. Regardless of choice of law principles, Alaska law shall apply to the interpretation and enforcement of this agreement, and venue shall be in the trial courts for the State of Alaska at Juneau, Alaska.


5. This agreement is the entire agreement of the parties. It cannot be amended, changed or altered except with the written agreement of the parties hereto.

6. The contact information for the parties is as follows:

Seller: PO BOX 32403, Juneau, Alaska 99803

Smith: The Carlton Smith Company, LLC, P.O. Box 21601 Juneau, Ak 99802

RH Rentals, LLC


By Its: Operating Agent
Richard Harris

Date: 2/15/2021

Broker: The Carlton Smith Company


Carlton R. Smith, Broker

Date: 2-14-2021



An Alaska Limited Liability Company

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 www.thecarltonsmithcompany.com

COMMERCIAL REAL ESTATE SERVICES SINCE 1989

August 11, 2021

Mr. Greg Morris
 Assessors Office
 City and Borough of Juneau
 155 S. Seward Street
 Juneau, Alaska 99801

Dear Mr. Morris: REF: Appeal #2021-0316/ Parcel 1C070K810010

We have been asked to comment on this appeal. We represented the purchaser in the recent sale of this property, and believe that the appeal to reduce the assessment to \$1,800,000 is appropriate and reflects fair market value for the following reasons:

First, there is very little commercial sales data contained in the local MLS system. There is no requirement to enter commercial listings in the MLS. This reflects the fact that for decades, commercial properties in Juneau typically change hands without direct marketing efforts, and without "broad market exposure" using various methods of promotion and advertising.

Second, Commercial Brokers in Juneau use a common method of achieving sales that is called a "single party listing." This involves approaching an owner, and getting a written agreement signed by them that will compensate a Broker to a party that is identified in the agreement. What this does is it reduces the marketing costs for the Broker, and most times, translates to a lower commission rate that an owner will pay a Broker at closing. This was the method used in the sale of 225 Front. This method requires the broker to demonstrate to owners the market value before the listing is signed from the use of comparable sales and contained in a Brokers Opinion of Value. Properties listed in this way are often sold to identified parties at lower values, because they are priced right. Otherwise, they will not sell.

Sold comparable downtown. You should know of the sale of the Alaska Electric Light and Power Building at 134 North Franklin Street to Amalga Distillery in the last six months. It sold for \$1,800,000. That property was not listed or advertised. It sold on a single party listing basis. It is assessed for \$2,075,000.

New active comparable downtown. The Key Bank Branch building downtown at 234 Seward Street is assessed at \$2,600,000. We have it listed for sale at \$1,295,000

In our opinion, since the CBJ has insufficient comparables to support its assessment at \$2,400,000 that value of \$1,800,000 in an arms -length transaction reflects its current fair market value.

Sincerely,

Carlton Smith, Broker Lic # 10266