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Assessment Report- Commercial Overview

City and Borough of Juneau

For Assessment Year 2022

Assessment Date (Effective Valuation Date): January 1, 2022

2022 Report Date: March 29, 2022

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Introductory Message for 2022

We continue to work on the model specification and calibration for all Juneau commercial properties. We started this with the 2021 values and it will continue for a number of years as a special emphasis. Beyond the special emphasis, valuation model specification and calibration is an annual, ongoing, and perpetual activity.

Commercial property valuations are challenging in Juneau. We are a somewhat isolated market with a limited number of commercial properties available and a fairly low number of sales. The CBJ Assembly has been establishing sales disclosure regulations that hopefully will lead to increased sales data to work with by the end of 2022.

Overall, residential assessed property values increased 9.21% from 2021 to 2022.

Overall, commercial assessed property values increased 2.31% from 2021 to 2022.

Overall, vacant land assessed property value decreased by 0.62% from 2021 to 2022.

Business Personal Property Values increased less than 1% from 2021 to 2022.

Valuation Summary

Assessment Process Overview

Sales Data Procedures

Sales data was gathered and considered through a sales validation and verification process. A sales validation criteria and policy was implemented in 2021 and documented for commercial property for 2022.

For commercial properties the sales utilized for analysis are from the range of January 1, 2017 to December 31, 2021. There were a total of 59 market sales with confirmed sale prices for use in the studies. Counts for additional subsets are included in charts below.

Model Specification & Calibration Procedures

Mass appraisal models utilized in generating values have gone through the processes and Specification and Calibration.

Three Approaches to Value

Cost Approach – is calibrated through trends in costs.

Sales Comparison Approach – utilizes market sales.

Income Approach – utilizes standard rates and/or individual property data.

For many classes of properties our CAMA utilizes a model that is a hybrid of the Cost and Sales Comparison approaches; a Market Adjusted Cost Approach.

Analysis and Valuation Overview

Additional work was done this year on cleaning up the commercial property sales data. There is still more work to be done but good progress was made. After the sales validation process we had 59 qualified sales from the past 5 years with confirmed sale prices for the analysis set. The 59 sales include 8 boathouse sales which were broken out into a separate study and were not included in the main study.

Commercial and residential property levels of assessment are summarized in the table below. The table summarizes the ratios from comparing assessed values to sales. A ratio of 1.00 would be right at market, a ratio under 1.00 indicates that the assessed value is below market value.

<i>Property Class (After Adjustments)</i>	<i>Count</i>	<i>Mean</i>	<i>Median</i>
Commercial Properties Overall (without boathouses)	49	0.8507	0.8265
Residential Properties	1040	0.9752	0.9748

Summary of Performance Tests and Measures (Statistics)

Ratios, COD, & COV

The table below shows our starting and ending ratios for various classes of property. It is followed by two summary reports showing statistics for the starting and ending points for assessment year 2022.

Ratios	Count	Mean		Median		Notations
		Starting	Ending	Starting	Ending	
Commercial- Overall (No Boathouses)	50/49	0.8187	0.8507	0.8057	0.8265	
Commercial- Improved	40		0.8404		0.8529	This breakdown was not included in the starting set.
Commercial- Vacant (Land)	10		0.8426		0.8053	This breakdown was not included in the starting set.
Commercial- Downtown (No Boathouses or Rock Dump Area)	6/6	0.9864	0.9164	0.9662	0.9494	Change is partially due to change in captured sales and outlier designations.
Commercial- Rock Dump area	4/4	0.6364	0.8592	0.5939	0.8018	
Commercial- Boathouses	7/7	0.9822	0.9569	0.9891	0.9636	

COD & COV (Measurements of Assessment Uniformity)	Count	COD		COV		Notations
		Starting	Ending	Starting	Ending	
Commercial- Overall (No Boathouses)	50/49	19.9792	17.4590	24.1573	21.1151	Note the 2.5% improvement in COD. This is a good COD for a sample with varied property types.
Commercial- Improved	40		18.7109		23.7267	This breakdown was not included in the starting set.
Commercial- Vacant (Land)	10		14.4455		19.1771	This breakdown was not included in the starting set.
Commercial- Downtown (No Boathouses or Rock Dump Area)	6/6	10.5249	22.3959	13.3208	33.7287	Change is due to change in captured sales and outlier designations.
Commercial- Rock Dump area	4/4	12.3297	12.3285	15.4194	15.4199	
Commercial- Boathouses	7/7	9.3722	9.3722	11.1691	11.1691	

This summary report shows statistics from the starting point for assessment year 2022.

**AY2022- Com- Starting Point V3- at 20220223b- All No 19s 532 Trend
Summary Report Before Calibration**

Statistics

50 Count (Number of Records with Ratio)
 0.3594 Minimum Ratio
 1.1779 Maximum Ratio
 0.8185 Range

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

0.8187 Mean (This is the average ratio for your sample.)
0.8057 Median (This is the mid-point value for your sample. Preferred measure of central tendency.)
 0.6837 Weighted Mean
 1.9165 Sum of the Square of Deviations
 0.1610 AAD
 0.1978 Standard Deviation

Coefficients (0=Normal Distribution)

19.9792 COD (Good indicator of confidence level.)
24.1573 COV
1.1973 PRD- Price-Related or Factor Differential
 (PRD s/b between 0.98 & 1.03, IAAO)
 (PRD over 1=Regressive)

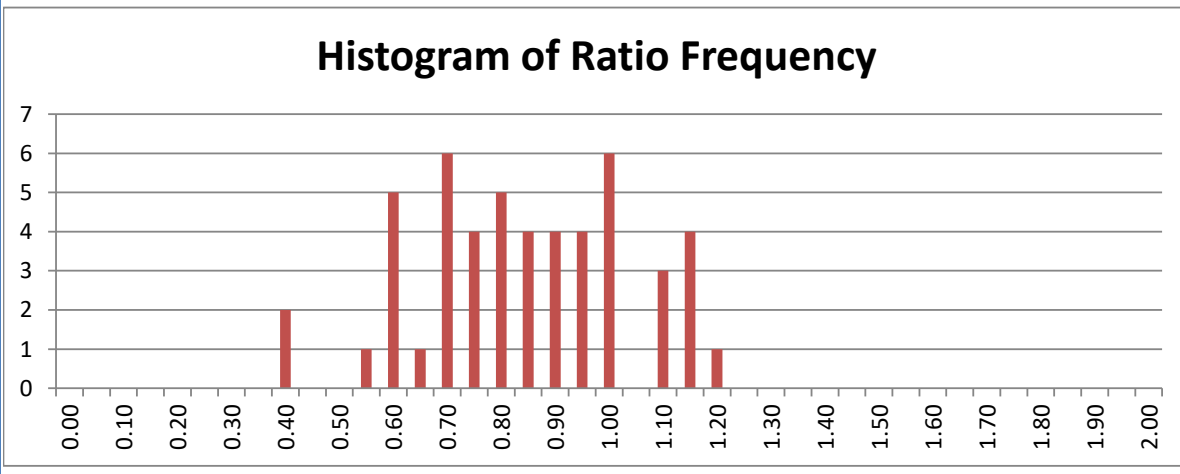
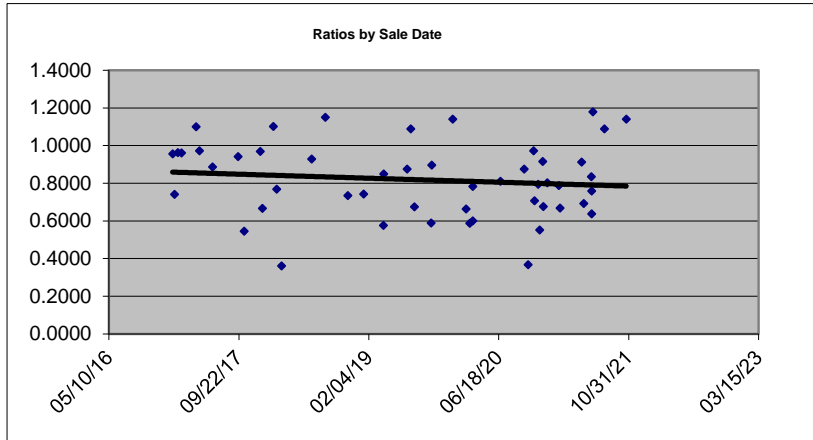
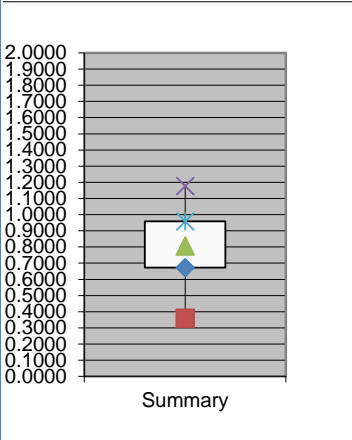
Kurtosis -0.3459
Skewness -0.1410
 Alt.Cyhelsky's Skew 0.0400
 Alt.Pearson's Skew 0.1964

Trending Factors

1.00 Target Level
 1.2215 Factor on Mean
1.2411 Factor on Median
 1.4625 Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

-0.0129 Differential Mean to Median
 26 Number of data points below the mean.
 24 Number of data points above the mean.
 *Note- # below/above works on data sets up to 5,000 pts.



This second summary report shows the statistics after calibrating the values for 2022.

**AY2022- Com- After Adj- V4- 20220307a- All No 19s Trended
Summary Report**

Statistics

49 Count (Number of Records with Ratio)
 0.3594 Minimum Ratio
 1.1616 Maximum Ratio
 0.8022 Range

IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

0.8507 Mean (This is the average ratio for your sample.)
0.8265 Median (This is the mid-point value for your sample. Preferred measure of central tendency.)
 0.8398 Weighted Mean
 1.5487 Sum of the Square of Deviations
 0.1443 AAD
 0.1796 Standard Deviation

Coefficients (0=Normal Distribution)

17.4590 COD (Good indicator of confidence level.)
21.1151 COV
1.0130 PRD- Price-Related or Factor Differential
 (PRD s/b between 0.98 & 1.03, IAAO)
 (PRD over 1=Regressive)

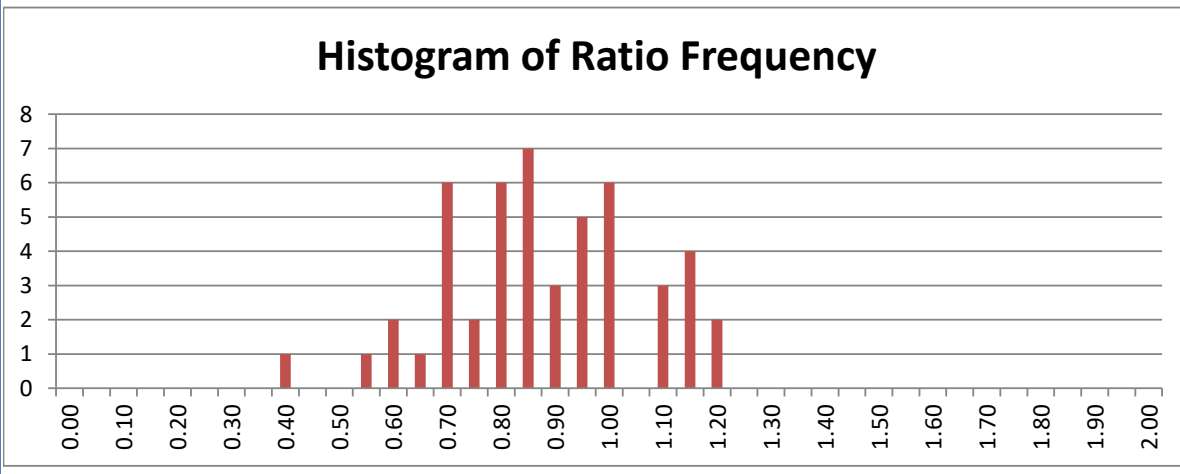
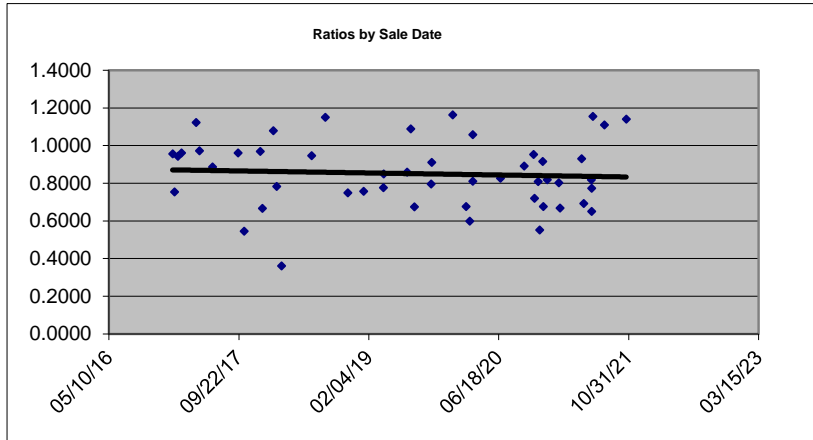
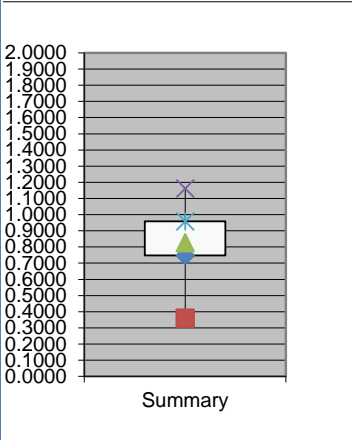
Kurtosis #DIV/0!
Skewness #DIV/0!
 Alt.Cyhelsky's Skew 0.0612
 Alt.Pearson's Skew 0.4033

Trending Factors

1.00 Target Level
 1.1755 Factor on Mean
1.2099 Factor on Median
 1.1908 Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

-0.0241 Differential Mean to Median
 26 Number of data points below the mean.
 23 Number of data points above the mean.
 *Note- # below/above works on data sets up to 5,000 pts.



Market Trend

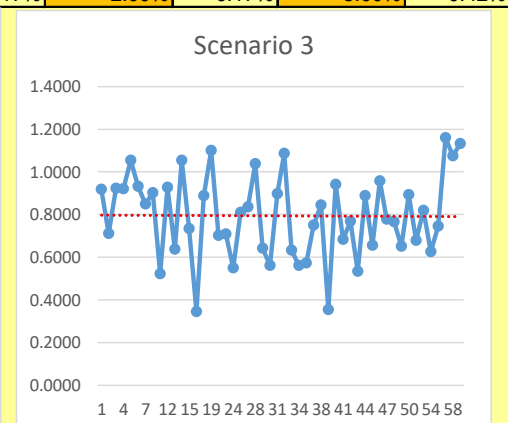
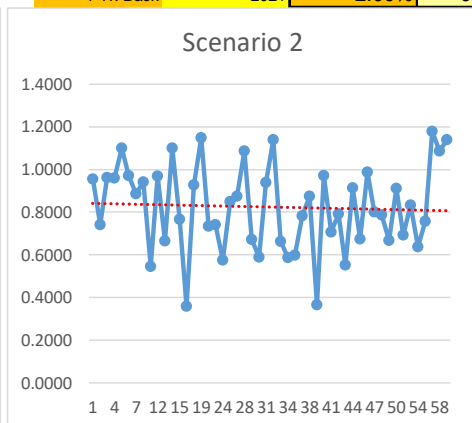
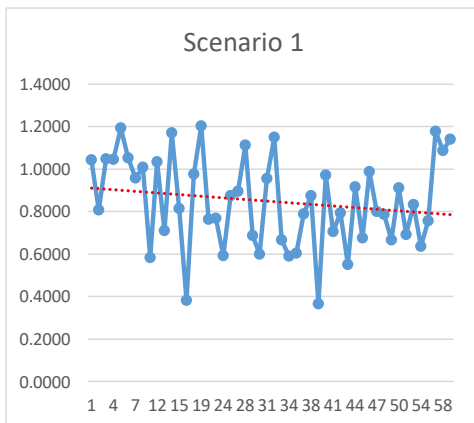
For Market Trend we reviewed the sales from the past 5 years and again tested various trend rates. We applied a trend of 5% for 2017, 2018 and 2019; a trend of 3% for 2020 and a trend of 2% for 2021. The middle “Scenario 2” in the chart below illustrates that trending. The trending that we applied was, once again, a conservative trending. The indicated actual market trend is 5% for each of the 5 years.

To maintain the same assessment level for commercial property we would have had to apply a 5% increase across the board. Applying an overall increase of 2% is more conservative and as a result we fell behind the market a little more and ended up with a lower level of assessment. However, while being more conservative increases the inequity between the residential and commercial classes of property, after partially closing that gap last year, our focus this year was to try to bring more equity into the commercial subclasses. We appear to have achieved that. (Refer to the chart in the “Overview Reconciliation & Conclusions” section.)

In the charts below, the three sales with high ratios in the last 6 months are high not because of a market change but because of other known issues with those sales. Also note that no trending was applied when we were analyzing the boathouse class of properties.

- Scenario 1 shows the results of a more minimal 2% per year with the downward trend line indicating that the market increase is higher than the 2%.
- Scenario 2 shows the results of the rates that we applied. The downward trend line indicates that while this trending is closer to market it is still less than market.
- Scenario 3 shows the results of the 5% per year. The trend line shows that the 5% is slightly less than but very close to market.

		Scenario 1	Scenario 2	Scenario 3
5 Yr. Back	2017	2.00%	0.17%	5.00%
4 Yr. Back	2018	2.00%	0.17%	5.00%
3 Yr. Back	2019	2.00%	0.17%	5.00%
2 Yr. Back	2020	2.00%	0.17%	3.00%
1 Yr. Back	2021	2.00%	0.17%	2.00%



Data Set Counts

The following chart shows the dataset counts by Class and/or Subgroup.

Dataset Counts

Note that most of these counts are after the removal of any sales that were indicated as an outlier by IAAO standards. The calculation for whether or not a sale is an outlier is done on a per dataset basis. So, a particular sale may be considered an outlier in one set and not an outlier in another. Therefore, the counts below may not mathematically add up even though they are correct for the particular set or subset.

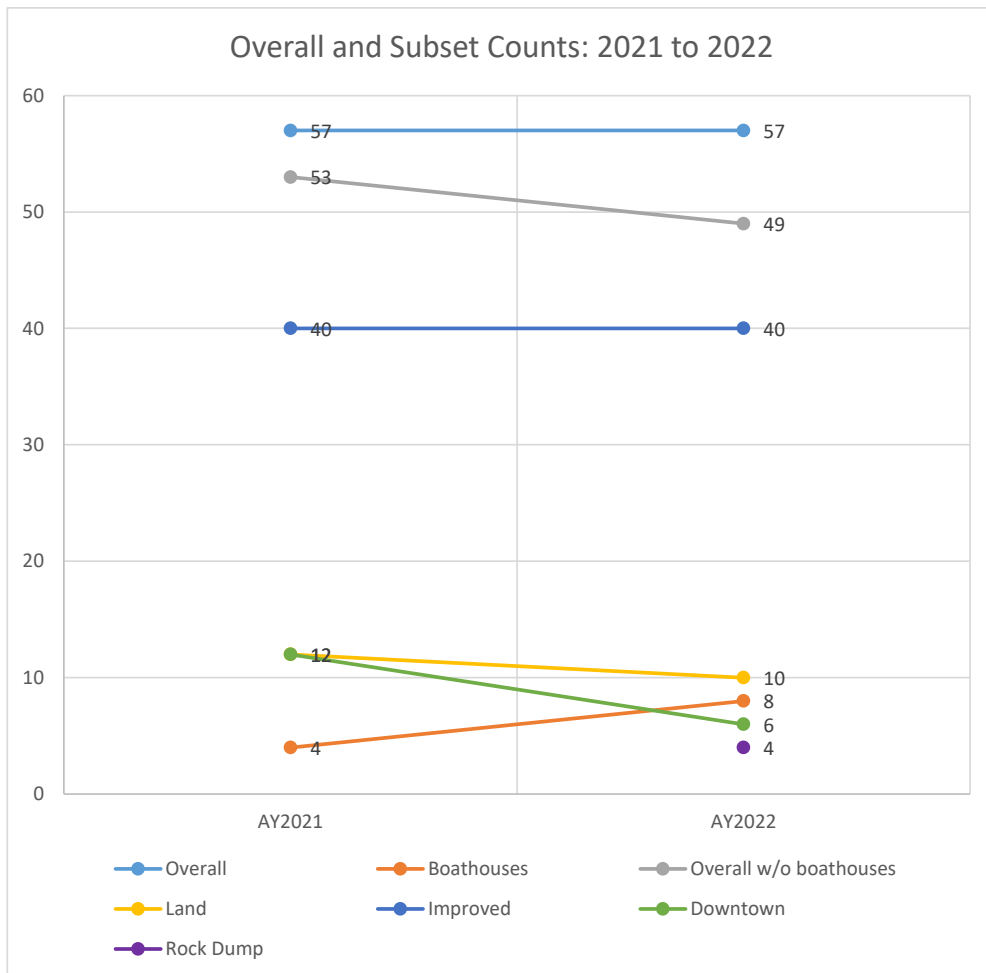
Also, the numbers can change from one version of a dataset to another and from the starting point to the ending point as refinements are made to the sales data.

Counts of Sales Used in Ratio Studies After Removal of Outliers

Commercial

Class / Subgroup

<u>Class / Subgroup</u>	<u>Starting Point</u>		<u>Ending Point</u>	
	<u>AY2021</u>	<u>AY2022</u>	<u>AY2021</u>	<u>AY2022</u>
Overall	57	57	57	57
Boathouses		7	4	8
Overall w/o boathouses	45	50	53	49
Land			12	10
Improved			40	40
Downtown		6	12	6
Rock Dump		4		4



See Addendum B for explanation of various count changes.

Outlier Explanation

Whether or not a sale is a market sale is dependent on the circumstances or conditions of the sale and applies across the different studies. Whether or not a sale is an outlier is dependent on the dataset being studied and can change from one dataset or study to another.

We use the following definition for determining if a sale is an outlier. Any sale that is more than 1.5 times outside the IQR (Interquartile Range), either above or below, is considered a "Standard Outlier" and any sale that is more than 3 times outside the IQR is considered an "Extreme Outlier." This is based off of the following definition of an outlier from Appendix B of the IAAO Standard on Ratio Studies: "The term outlier is often associated with ratios that fall outside 1.5 multiplied by the IQR. A factor of 3.0 X IQR often is chosen to identify extreme outliers."

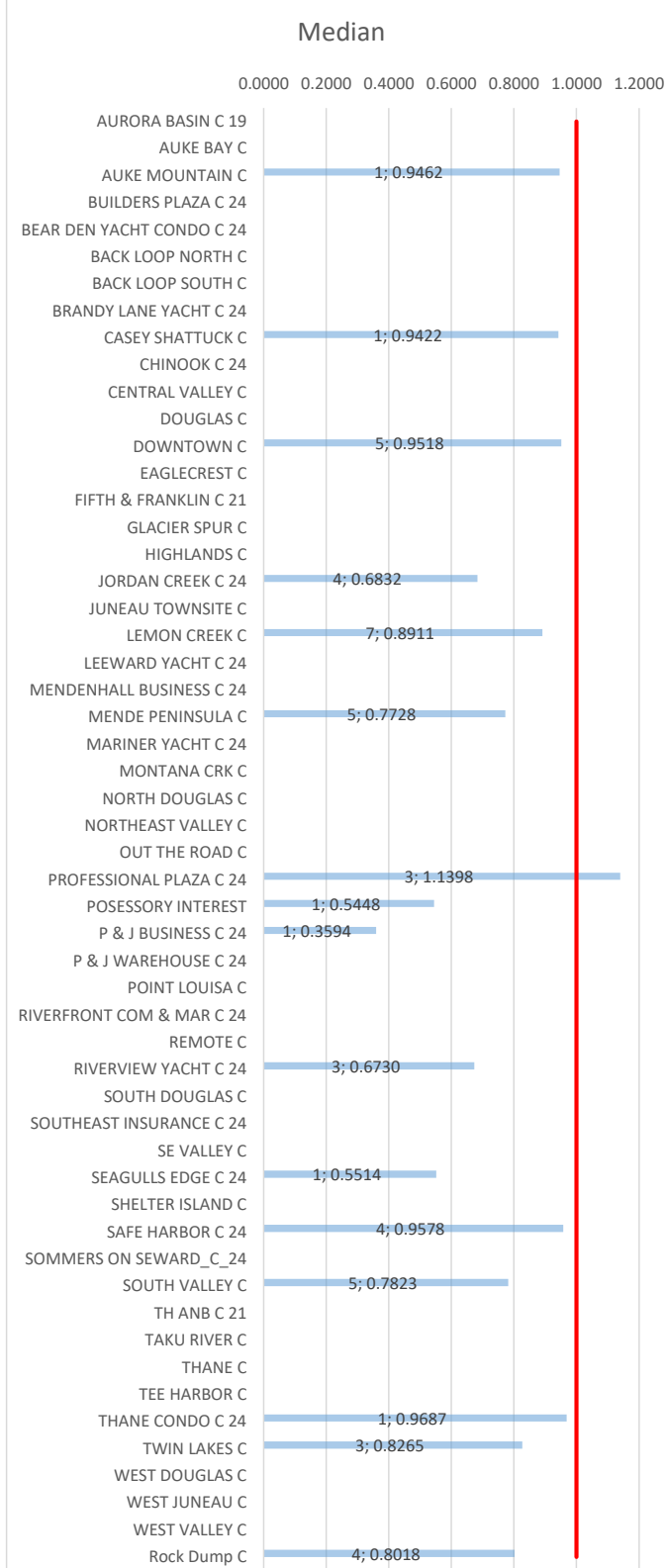
For each study a decision must be made whether or not to include outliers. As a general rule outliers are not included in normal studies but may be included in a special study such as where you are specifically looking at the impact of the outliers.

Neighborhood Statistics

The following tabular data and chart show the medians by neighborhood for the commercial properties.

Commercial Neighborhood Summary

<u>Neighborhood</u>	<u>Count</u>	<u>Median</u>
AURORA BASIN C 19		
AUKE BAY C		
AUKE MOUNTAIN C	1	0.9462
BUILDERS PLAZA C 24		
BEAR DEN YACHT CONDO C 24		
BACK LOOP NORTH C		
BACK LOOP SOUTH C		
BRANDY LANE YACHT C 24		
CASEY SHATTUCK C	1	0.9422
CHINOOK C 24		
CENTRAL VALLEY C		
DOUGLAS C		
DOWNTOWN C	5	0.9518
EAGLECREST C		
FIFTH & FRANKLIN C 21		
GLACIER SPUR C		
HIGHLANDS C		
JORDAN CREEK C 24	4	0.6832
JUNEAU TOWNSITE C		
LEMON CREEK C	7	0.8911
LEEWARD YACHT C 24		
MENDENHALL BUSINESS C 24		
MENDE PENINSULA C	5	0.7728
MARINER YACHT C 24		
MONTANA CRK C		
NORTH DOUGLAS C		
NORTHEAST VALLEY C		
OUT THE ROAD C		
PROFESSIONAL PLAZA C 24	3	1.1398
POSESSORY INTEREST	1	0.5448
P & J BUSINESS C 24	1	0.3594
P & J WAREHOUSE C 24		
POINT LOUISA C		
RIVERFRONT COM & MAR C 24		
REMOTE C		
RIVERVIEW YACHT C 24	3	0.6730
SOUTH DOUGLAS C		
SOUTHEAST INSURANCE C 24		
SE VALLEY C		
SEAGULLS EDGE C 24	1	0.5514
SHELTER ISLAND C		
SAFE HARBOR C 24	4	0.9578
SOMMERS ON SEWARD_C_24		
SOUTH VALLEY C	5	0.7823
TH ANB C 21		
TAKU RIVER C		
THANE C		
TEE HARBOR C		
THANE CONDO C 24	1	0.9687
TWIN LAKES C	3	0.8265
WEST DOUGLAS C		
WEST JUNEAU C		
WEST VALLEY C		
Rock Dump C	4	0.8018



Overview Reconciliation & Conclusions

Note that this is an overview of the reconciliation and conclusions. Much deliberation and review occurs within the analysis process that cannot be captured here.

If we were a larger jurisdiction with thousands of sales and hundreds of sales in particular subsets, then we could make more precise changes to correct the imbalance between residential and commercial properties.

Over the next few years we will continue to work to:

- Bring more uniformity between the commercial and residential property classes
- Bring more uniformity between the commercial subclasses
- Correct the imbalance in the distribution of the value between the land component and the building component(s).

We took a first step in this process with the Assessment Year 2021 values. In Assessment Year 2022 we are applying a smaller overall increase but are also making increases and decreases to bring more uniformity between commercial classes. The subsets receiving additional adjustment include the Rock Dump area, the Downtown area, warehouse condominiums and the boathouses. The work to bring all commercial properties closer to market, to bring more parity to residential and commercial properties and to bring more uniformity between commercial classes will continue.

The adjustments being applied to commercial properties this year will result in:

- a 2% increase overall
- a 2% decrease to downtown commercial properties
- a 2% decrease to boathouses
- no change to warehouse condominiums
- a 35% increase to Rock Dump area land and a 2% increase to Rock Dump building values.

Note that the decrease to downtown commercial properties was applied even though those properties were not overvalued. It was applied in our effort to improve the uniformity of commercial subgroup valuation levels.

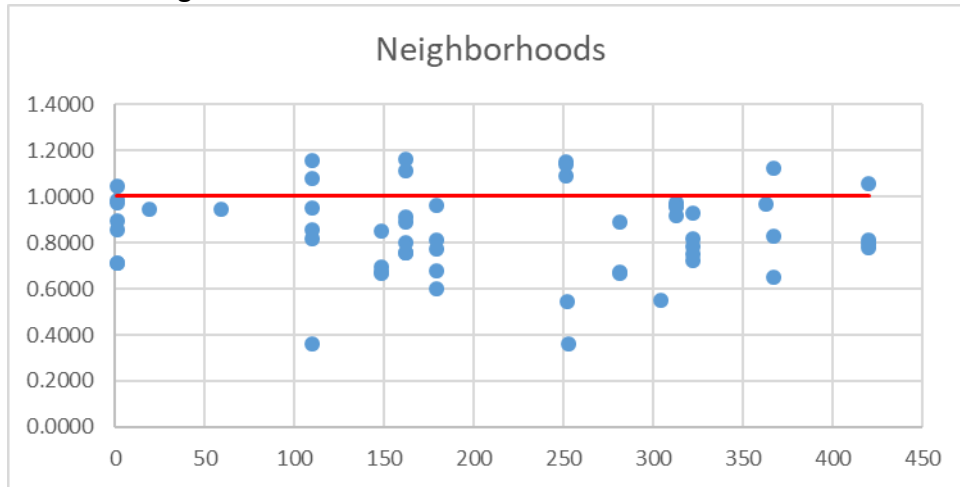
Submarkets, Stratifications and Characteristics Adjustments Commercial Properties

In doing the analysis we looked at subtypes or submarkets to determine if any type of property needed to be excluded from the general adjustment. Influences that we looked at included date ranges, price ranges, property types/use classifications and market areas (neighborhoods). We hope to add more categories back into the mix next year including service areas, zoning, land grade, acreage size, building size and other feature adjustment categories.

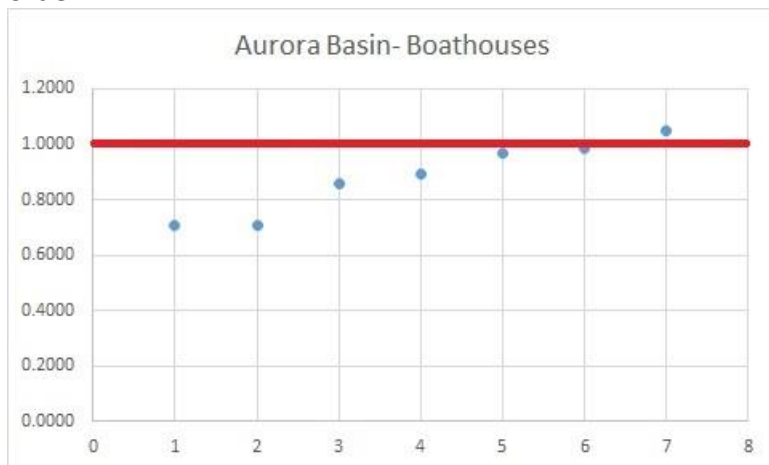
In looking at market areas, special attention was paid to the downtown area in 2020 and in 2021, as it would seem that they would be most impacted by the Covid restrictions. A graph of market areas (neighborhoods) was presented above. There were only 4 market areas for which we had 5 or more sales. There was only 1 neighborhood with a ratio over 1.00 and that was based on 3 sales. That neighborhood is a known challenge and is slated for a new valuation model as the properties in that neighborhood were originally valued on an allocation basis.

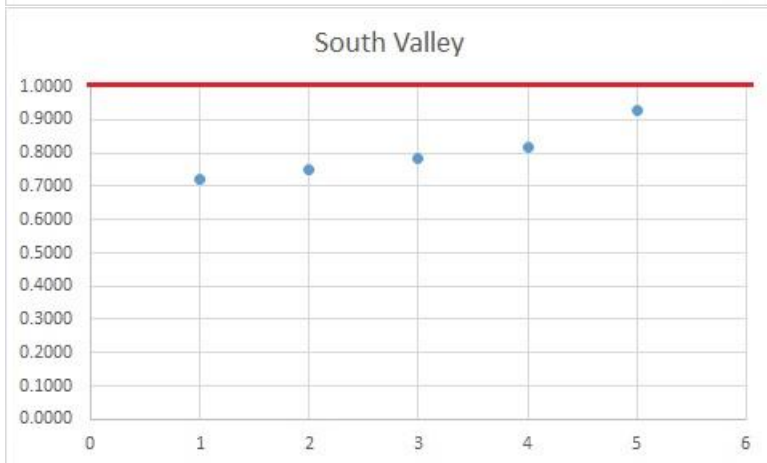
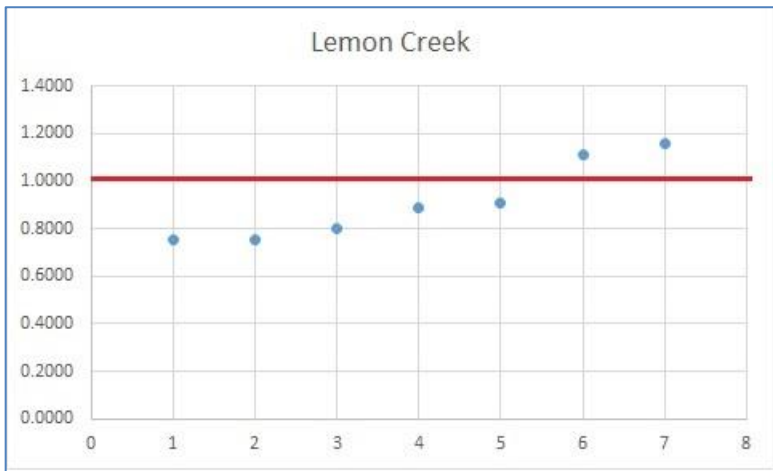
The following charts are from the audit analysis AFTER the calibration adjustments. They include scatter diagrams for market areas (neighborhoods) and/or other select subgroups that had 5 or more sales.

The scatter diagram below shows the distribution of ratios by neighborhood, with each column being a separate neighborhood. The numbers along the horizontal (x) axis are neighborhood code numbers. The red line is the target of market value.

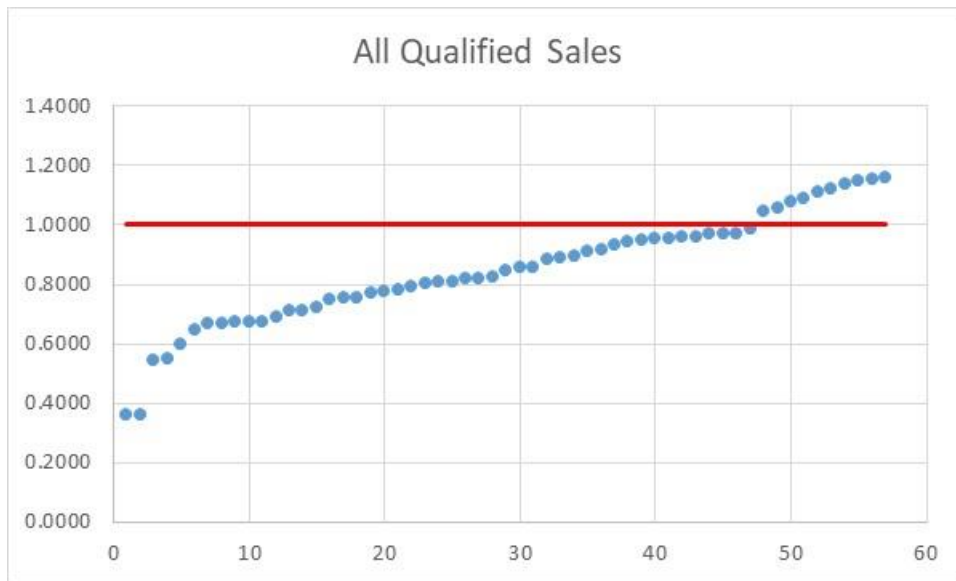


The following scatter diagrams show the distribution of the ratios within particular neighborhoods. The numbers in the horizontal (x) axis of these diagrams is simply a sale count number and they arrayed in ratio order.





The chart below shows the ratios for the entire data set after the adjustments. The red horizontal line indicates market.

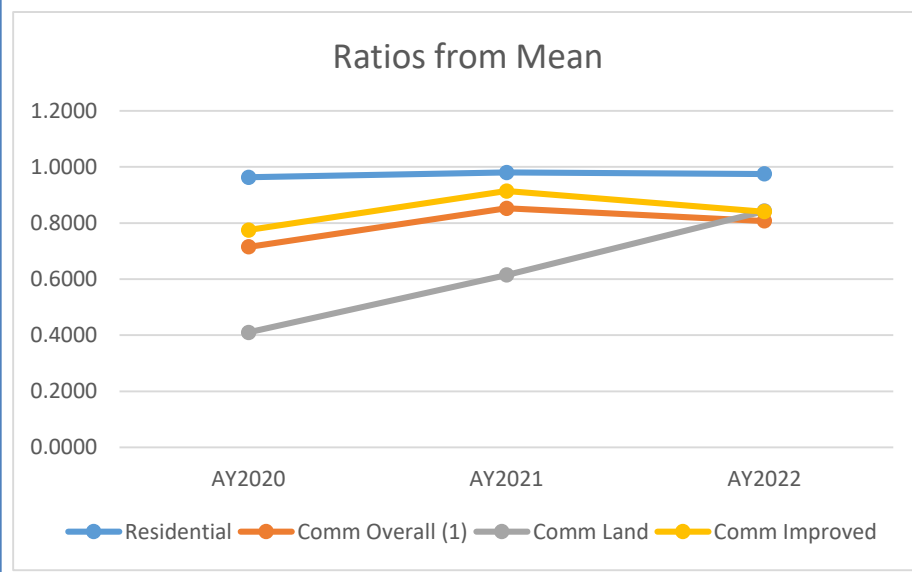


The chart below shows the change from 2020 to 2022.

Ratios from the Mean

	<u>AY2020</u>	<u>AY2021</u>	<u>AY2022</u>
Residential	0.9629	0.9800	0.9752
Comm Overall (1)	0.7149	0.8526	0.8070
Comm Land	0.4095	0.6143	0.8426
Comm Improved	0.7748	0.9142	0.8404

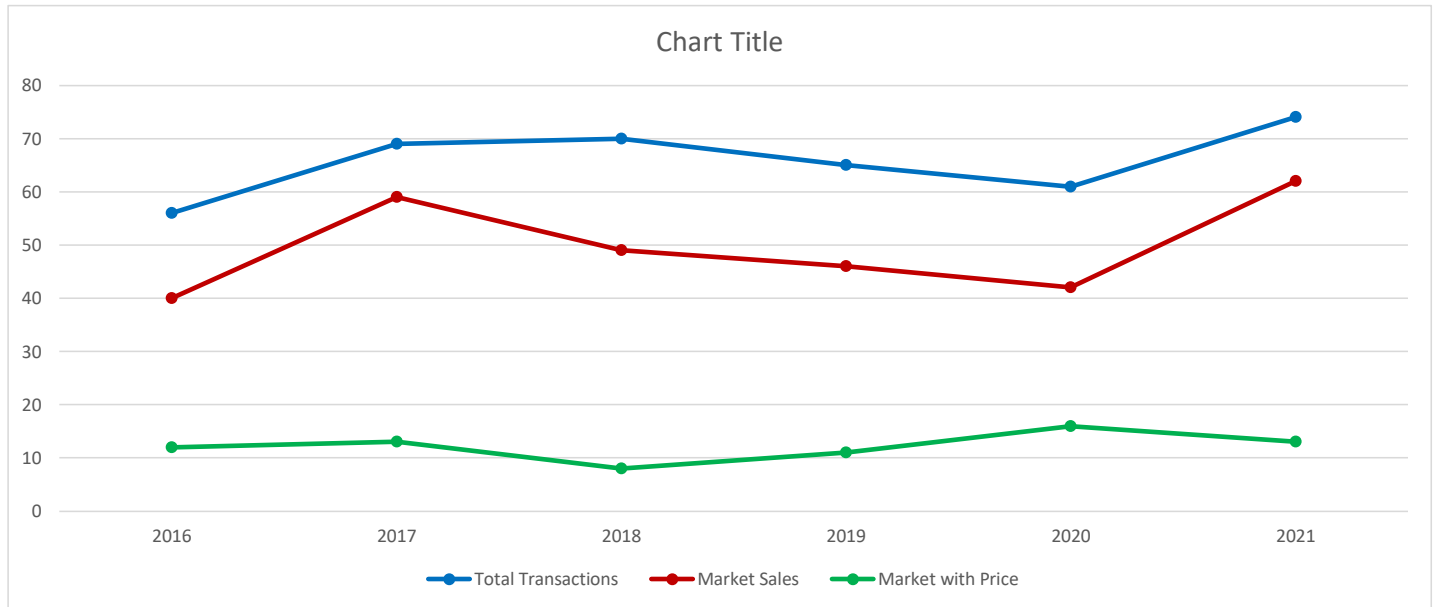
(1) Does not include boathouses.



Commercial Market Information

The following chart shows the number of sales per year in three groups- total transactions, market sales and market sales for which we know the sales price. You can see that in spite of the pandemic the sales volume held steady in 2020 and actually increased in 2021. You can also see that in spite of the ordinance requiring disclosure of sales prices, for commercial sales we actually received prices on a lower number and a lower percentage of sales in 2021 compared to 2020.

Year	2016	2017	2018	2019	2020	2021
Total Transactions	56	69	70	65	61	74
Market Sales	40	59	49	46	42	62
Market with Price	12	13	8	11	16	13



General Reconciliation & Conclusions Summary

After consideration of the data, the various models, and the performance measurements and tests, we have applied the changes to the assessed values for 2022 as indicated by market sales as outlined in the above sections and in further detail in the Annual Valuations Summary Report.

All three approaches were considered for all properties. Similar appraisal methodologies were applied to similarly classed properties in order to promote equity and uniformity. For some classes of properties one or more of the approaches were not given significant weight. Additional information in this regard can be found in the supporting documentation.

Addendum A – Commercial Sales List

This is a list of Qualified Market Sales. (Market Sales for which we have a confirmed price.) The total potential sales for use in studies for AY2022 was 59.

Parcel Num	Sale Date	Sale Price	Trended SP	AV Total	Number Street	Buyer	Use Type	Neighborhood
4B1701090228	01/10/17	150,000	180,250	172,300	10011 CRAZY HORSE		30	SAFE HARBOR C 24
5B1201060140	01/18/17	1,400,000	1,680,778	1,265,423	5720 CONCRETE WAY	ALCOR LANDS LLC	24	LMNC_C
1C030C280080	01/30/17	930,000	1,114,967	1,050,560	712 W TWELFTH ST	712 W 12TH ST LLC	21	CASH_C
4B1701090223	02/14/17	150,000	179,521	172,300	10011 CRAZY HORSE DR	BENTON AND MEIER M	30	SHRC_C_24
7B0901030071	04/11/17	1,540,000	1,831,103	2,054,226	3161 CHANNEL DR	FRONTIER PROPERTIES	21	TWLKS_C
4B1701090226	04/24/17	130,000	154,339	149,800	10011 CRAZY HORSE DR	PAUL J THOMAS & AM	30	SHRC_C_24
4B1601050030	06/13/17	104,000	122,749	108,800	2274 INDUSTRIAL		30	RIVERVIEW YACHT C
1C020K01E220	09/07/17	32,000	37,387	26,500	1435 HARBOR		19	AURORA BASIN C 19
1C020K01E230	09/07/17	32,000	37,387	26,500	1435 HARBOR WAY	BLAKE RIDER	19	ABBC_C_19
4B1601010040	09/19/17	750,000	875,000	839,562	2450 INDUSTRIAL BLVD	BAD DOG INVESTMENT	24	MNDP_C
3B1501020030	10/12/17	65,000	75,626	41,200	1669 CREST ST	CITY AND BOROUGH O	24	PINT_C
1C110K150900	12/13/17	160,000	184,778	179,000	125 MILL ST	ALASKA SUSTAINABLE I	30	THNC_C_24
5B15011109B0	12/22/17	300,000	346,083	230,384	2231 JORDAN AVE	TAMAR MARY BOYD	21	JDCC_C_24
1C070K820030	02/02/18	950,000	1,090,389	1,175,611	254 S FRANKLIN ST	TIMOS GIAMAKIDIS & J	20	DWNTN_C
5B1601000023	02/15/18	968,750	1,110,161	868,428	9151 GLACIER HWY	ST VINCENT DEPAUL SC	24	SVLY_C
4B1601080070	03/05/18	73,000	83,473	30,000	2278 INDUSTRIAL		30	P & J BUSINESS C 24
4B2901020010	06/29/18	1,000,000	1,127,361	1,066,665	10200 MENDENHALL LOO	GLACIER NALU LLC	31	AUKM_C
1C020K01G200	07/25/18	27,500	30,903	26,500	1435 HARBOR WAY	WILLIAM J GOERTZEN	19	ABBC_C_19
5B1601140070	08/21/18	240,100	268,912	308,850	9309 GLACIER HWY	RNL LLC	21	PFPC_C_24
5B1501040020	11/16/18	900,000	997,125	745,824	8855 MALLARD ST	GLACIER HOLDINGS LLC	24	SVLY_C
5B1201020041	01/15/19	1,780,000	1,957,258	1,481,142	5433 SHAUNE DR	AKBEV GROUP LLC	24	LMNC_C
1C020K01G290	02/28/19	25,000	27,337	26,500	1435 HARBOR		19	AURORA BASIN C 19
1C110K120150	04/01/19	597,938	651,171	505,400	0 MILL ST	M & M TOURS LIMITEC	17	RKDP_C
5B15011103A0	04/02/19	370,000	402,889	341,836	2207 JORDAN AVE	SOUTHEAST ALASKA CC	21	JDCC_C_24
1C020K01G280	06/28/19	25,000	26,920	26,500	1435 HARBOR		19	AURORA BASIN C 19
1C070B0N0011	07/01/19	2,300,000	2,475,694	2,122,380	259 S FRANKLIN ST	RBG HOLDINGS LLC	20	DWNTN_C
5B1601140043	07/16/19	145,000	155,774	169,350	9309 GLACIER		21	PROFESSIONAL PLAZ
4B1601050160	07/30/19	115,000	123,322	83,000	2276 INDUSTRIAL BLVD	JUNEAU INTERIORS ST/	30	RVYC_C_24
1C110K120120	10/02/19	378,818	402,862	320,200	0 MILL ST	GASTINEAU GUIDING P	17	RKDP_C
5B1201000060	10/04/19	2,205,832	2,345,228	2,135,104	5245 GLACIER HWY	PETRO 49 INC	24	LMNC_C
5B1201300110	12/24/19	225,000	236,688	274,941	1783 ANKA		17	LEMON CREEK C
4B1701080020	02/13/20	800,000	837,756	565,539	10012 CRAZY HORSE DR	RPA INVESTMENTS	24	MNDP_C
4B1701090056	02/28/20	1,567,000	1,638,995	980,577	10009 CRAZY HORSE DR	R & L LEASING INC	17	MNDP_C
1C110K120140	03/10/20	378,818	395,875	320,200	0 MILL ST	BONNELL DEVELOPMEI	17	RKDP_C
1C110K120051	03/10/20	612,788	640,380	676,800	0 EASTAUGH WAY	EASTAUGH WAY LLC	17	RKDP_C
1C020K01E300	06/23/20	17,500	18,135	26,500	1435 HARBOR WAY	RESOURCE INC & ROGE	19	ABBC_C_19
7B0901030031	06/25/20	9,744,050	10,095,918	8,344,671	3100 CHANNEL DR	SOUTHEAST ALASKA RE	24	TWLKS_C
5B1201300110	09/24/20	300,000	308,558	274,941	1783 ANKA ST	MICHAEL HULL & ANGI	17	LMNC_C
1C060K010031	10/09/20	20,000,000	20,545,556	7,373,814	0 EGAN DR	NCL (BAHAMAS) LTD	24	DWNTN_C
1C060K660110	10/30/20	1,400,000	1,435,739	1,366,511	711 W WILLOUGHBY A\	GOLD LODGE LLC	18	DWNTN_C
5B1401050010	11/03/20	2,009,000	2,059,616	1,482,111	7900 HONSINGER DR	49ER INVESTMENT GRC	17	SVLY_C
4B1701020020	11/17/20	650,000	665,618	538,254	10011 GLACIER HWY	ALASKA ON POINT PRO	24	MNDP_C
5B1201060260	11/23/20	486,000	497,435	274,300	5719 CONCRETE WAY	SETH M KOCH	21	SGEC_C_24
4B1701090218	12/04/20	155,000	158,505	145,000	10011 CRAZY HORSE DR	JEFF CARPENTER & GIN	30	SHRC_C_24
5B15011107E0	12/07/20	340,000	347,603	234,498	2221 JORDAN AVE	FAMILY PROMISE OF JL	21	JDCC_C_24
5B1401050100	12/22/20	479,138	489,253	399,789	0 HONSINGER DR	GSA LLC	17	SVLY_C
5B1201410060	02/05/21	371,000	377,802	302,940	0 COMMERCIAL BLVI	LINKUP ALASKA LLC	17	LMNC_C
4B1601050010	02/09/21	160,000	162,898	108,800	2274 INDUSTRIAL BLVD	SHEILA GOOD & JAMES	30	RVYC_C_24
5B1501050040	05/03/21	1,300,000	1,317,550	1,224,918	8717 MALLARD ST	PETE J THIBODEAU & R	30	SVLY_C
5B15011121E0	05/11/21	325,000	329,243	227,766	2211 JORDAN AVE	STEVEN M TORRENCE I	21	JDCC_C_24
1C020K01G280	05/14/21	25,000	25,322	26,500	1435 HARBOR WAY	JAMES L SPRAGUE	19	ABBC_C_19
1C060K700020	06/10/21	430,000	434,897	355,250	607 W SEVENTH ST	JUNEAU ECONOMIC DE	24	DWNTN_C
7B0901040110	06/11/21	3,100,000	3,135,133	2,034,222	3225 HOSPITAL DR	SOUTHEAST ALASKA RE	30	TWLKS_C
4B1701100200	06/11/21	240,000	242,720	187,578	10155 JENSINE ST	KURT S TVENTEN & RU	30	MNDP_C
1C060K700011	06/16/21	680,000	687,518	793,604	612 W WILLOUGHBY A\	JUNEAU ECONOMIC DE	21	DWNTN_C
5B1201260020	07/30/21	410,000	413,531	458,493	1995 LEMON CREEK RD	BRYSON REAL ESTATE I	18	LMNC_C
1C020K01E240	09/14/21	29,500	29,679	26,500	1435 HARBOR WAY	ZACH DECKER & ALISH/	19	ABBC_C_19
5B1601140092	10/22/21	499,900	501,872	572,050	9309 GLACIER HWY	BLANC DE BLANC PROF	21	PFPC_C_24
1C070A050060	11/24/21	1,250,000	1,252,639	2,547,520	234 SEWARD ST	GOLDSTEIN IMPROVEN	24	DWNTN_C

Addendum B – Count Variations

Dataset Count Variations

AY2022 Ending Point Studies

Class / Subgroup

	Potential	Used	Notations
Overall	59	57	2 Outliers (1C020K01E300 & 1C070A050060)
Boathouses	8	7	1 Outlier (1C020K01E300)
Overall w/o boathouses	51	49	2 Outliers (1C060K010031 & 1C070A050060)
Land	10	10	
Improved	41	40	1 Outlier (1C070A050060)
Downtown	7	6	1 Outlier (1C070A050060)
Rock Dump		4	

Addendum C – Sales Validation Policy



Assessment Procedures Sales Validation and Verification

Sales Validation

Sales Validation is the process of determining if a sale occurred and, if so, if it is a market sale.

The primary classifications for a “transaction” in the validation process are:

- Non-Sale: These are things like name corrections, deed corrections, transfers to a trust, foreclosures, etcetera. The current process in Govern is to not create a sales record for the non-sale transactions. If after a sales record is created it is discovered to be a non-sale it can be marked as “Rejected” in the Qualification field.
- Market Sale: These are sales that are, to the best of our knowledge, market sales.
- Non-market Sale: These are transactions that are sales but are not considered market sales. This would include sales that are:
 - Non-Arms-Length Transactions
 - Purchase of Contiguous Property (Plottage, Assemblage, etc.)
 - Family
 - Estate
 - Divorce
 - Bank Sales (Sales After Foreclosure)
 - Tax Sales and Auctions
 - Related Entity
 - Pre-foreclosure and Short Sales
 - Sales that were not listed on the open market or were listed for a shorter than normal period of time
 - Multi-Parcel Sales (Unless the parcels are clearly an economic unit that likely would never be sold separately and there is a mechanism to automatically pull the totals from the CAMA system or there is reasonable opportunity to manually adjust the data such as for a one-time special study.)
 - Any sale with known duress

While it is desirable to include as many sales as possible in your sales sample, this is not true if it comes at the expense of having clean data. It is well established that the above listed sales conditions often lead to sales that are not representative of the overall market. In rare circumstances the decision may be made to include one of these sales, however, it needs to be well substantiated and documented as to why an exception is being made.

An example of this might be a scenario such as this: a residential estate sale where the Assessor’s Office knows that there were no ongoing mortgage payments, the heirs were local so it was easy to watch after the property, they took their time sorting through the personal effects, held garage sales and then listed it with a realtor with no need for it to sell quickly. Rarely do we have the kind of knowledge sufficient to make an exception.

If adherence to the policy becomes lax it raises the potential for appraiser bias to taint the sales data.

Documentation in Govern

- Govern Qualification Field
 - **Unverified** – Continued research. This will be the default category for new sales records. Records in this category are sales that are to be researched and categorized.
 - **No Data** – Continued research. These are sales that have been researched and may be market but for which the validation is not complete or we are missing the sales price or other critical data. Typically sales in this category would see some continued effort to finalize the categorization.

- **Qualified** – These are market sales for which we have good data including the sales price.
- **Rejected** – These are sales identified as or suspected to be non-market.
- **Not Qualified** – Not being further researched. These are sales that have been researched but for which there is inadequate information to make a determination. Typically these sales would not be actively researched further but that, if we came across additional information, could be reclassified. An example would be a property that we know sold but we could not find any listing information for, we don't know if it was marketed, we have no sales price and there has been no response to the buyer/seller letters. If a number of months later it shows up as a comp in an appraisal and from that we figure out that it was marketed (under an alternate address or some other reason that caused us not to be able to find the listing) and we now have all of the information that we need to determine that it was a market sale and to verify the sale price then we could reclassify it to Qualified.
- **Notes**
 - As validation research is done it should be documented through notes in Govern.
 - If you have a possible but not verified sales price please do not put it in the sales price field but rather document it in the notes. The only prices listed in the sales price field should be verified sales prices.
- **Govern Condition Code (Used for State reporting.)**
 - For any "Rejected" sales a classification for the rejection needs to be selected.
 - Rejection classifications are:
 - Bank Sale
 - Divorce
 - Family Sale
 - Invalid – This classification is used as a last resort category to capture rejected sales that do not fit in one of the other categories.
 - Related Entity
 - Tax Sale
 - "Valid" – This classification does not need to be filled in for qualified sales. While it is not required it is preferable that it be filled in.
 - In addition, an "Adjustment Reason" needs to be selected in the Adjustment Reason field for each rejected sale.

Steps to Sales Validation

- Check document (type of instrument, who signed, considerations, unusual terms, personal property mentioned?)
- Review names for relationship potential (if sale involves LLC or other business look up principles)
- Review Notes in Sales Information (under Functions)
- Review Notes in Communication (Notes) Report
- Check for Buyer and Seller Sales Inquiry Letter responses
- Review I drive listings folder
- Review internet for exposure indications and property data
-

Sales Verification

Sales Verification is the process for verifying our records against what actually sold. This usually involves an inspection of the property as close to the time of sale as possible. Making sure that the condition is accurately reflected is a primary focus but attention is also paid to other aspects such as is the quality grade correct and does the GLA appear correct. Also of note would be if any major work is undertaken prior to or soon after the sale.

Currently, Sales Verification Inspections are not being conducted on a routine basis on all sales but rather only in select circumstances. These should be done for all sales.

Currently there is not a sales record where corrections are made to the data related to a sale. Rather the data for the current year is updated and the sales extracts pull property data from the CAMA's "current year." This means that in some cases corrections are necessary to data such as Property Type, SF, and/or even the AV.

Updates of data occur from review of listing data and from the property inspection.

Addendum D – CBJ Determination of Full and True Value

CBJ 15.05.100 Determination of full and true value:

Property shall be assessed at its full and true value in money, as of January 1 of the assessment year. In determining the full and true value of property in money, the person making the return, or the assessor, as the case may be, shall not adopt a lower or different standard of value because same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which the property would sell at auction, or at a forced sale, either separately or in the aggregate with all of the property in the taxing district, but the assessor shall value the property at a sum which the assessor believes it is fairly worth in money at the time of assessment.

(CBJ Code 1970, § 15.05.100; Serial No. 70-33, § 3, 1971)

State law reference(s)—Full and true value, AS 29.45.110.