

AGENDA
BOARD OF EQUALIZATION
THE CITY AND BOROUGH OF JUNEAU, ALASKA

Thursday, January 13, 2022 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. 2021-0214

Appellant: Alaska Seafood Co. Inc.

Parcel No.: 5B1201060220

Location: 5731 Concrete Way

Type: Commercial – Warehouse/Office

Appellant’s Estimate of Value

Site: \$167,800

Buildings: \$513,700

Total: \$681,500

Original Assessed Value

Site: \$251,700

Buildings: \$513,700

Total: \$765,400

Recommended Value

Site: \$251,700

Buildings: \$513,700

Total: \$765,400

- 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

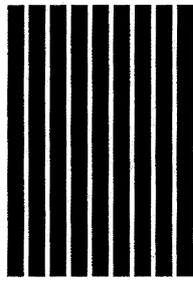
Because . . .

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



M *CBJ Law Department* MEMORANDUM

To: Board of Equalization
From: John W. Hartle, City Attorney 
Subject: Board of Equalization: Standards and Procedures
Date: April 19, 2013

SUMMARY

- (1) The Board of Equalization functions as a quasi-judicial body, which means that the Board has authority to hear and decide assessment appeals in a manner similar to a court, but less formal than a court.
- (2) The burden of proof is on the appellant property owner.
- (3) The Board should make specific findings in support of its decisions, and should base its decisions on the record.
- (4) To grant an appeal, Board members should make a motion to grant the appeal and vote in the affirmative; to deny an appeal (that is, uphold the assessor's decision), Board members should make a motion to grant the appeal and vote in the negative. The Board may also grant an appeal and make an adjustment to the assessment different from that requested by the appellant.
- (5) The assessment process, the Board's procedures and standards, and property taxation are all governed by Alaska Statute and CBJ Code. AS 29.45.190 - AS 29.45.210 provide the time for filing appeals, procedures before the Board, and the standards to be used by the Board in deciding appeals. The pertinent statutes and code sections are attached to this memorandum for your reference.

Board of Equalization

April 19, 2013

DEADLINE FOR FILING APPEAL

In order to appeal an assessment, a taxpayer must file an appeal within 30 days after the date of mailing of the assessment notice. AS 29.45.190(b); CBJ 15.05.160(a). After this time period, the right of appeal ceases, unless the Board finds that the taxpayer was “unable” to comply with the 30-day filing requirement. The word “unable” as used in this section does not include situations where the taxpayer forgot about or overlooked the assessment notice, was out of town during the period for filing an appeal, or similar situations. Rather, it covers situations that are beyond the control of the taxpayer and, as a practical matter, prevent the taxpayer from recognizing what is at stake and dealing with it. Such situations would include a physical or mental disability serious enough to prevent the person from dealing rationally with his or her private affairs.

There are few situations in which a taxpayer is “unable” to comply with the requirement that an appeal be filed within 30 days of the date of mailing of the notice of assessment. It is common knowledge that real property is subject to assessment and taxation and it is the duty of every property owner to take such steps as are necessary to protect his or her interests in the property. One of the steps that courts generally assume a prudent property owner takes is to have someone either watch or manage the property while the property owner is away from the property for an extended period of time.

It is the responsibility of the property owner to assure that the taxing authority has the correct address to which notices relating to assessments and taxes on the property may be sent in order that the property owner will receive timely notice of assessments and tax levies affecting the property. Failure to receive an assessment notice because it was sent to an old address that the property owner had not corrected, or because the notice was sent to the property owner at the correct address but while the property owner was out of town, are not reasons that make the property owner “unable” to file a timely appeal.

With respect to an appeal filed after expiration of the 30-day appeal period, the Board should consider the oral and written evidence presented by the property owner on the question of whether or not the owner was “unable” to file the appeal within the required 30-day appeal period. If the property owner fails to prove that he or she was “unable” to file the appeal in a timely manner, there is no basis for hearing the appeal, even if the Board believes the assessment should be adjusted.

Board of Equalization

April 19, 2013

ASSESSMENTS THE BOARD CAN CONSIDER

The Board has authority to alter an assessment only when an appeal has been timely filed regarding the particular parcel. AS 29.45.200(b). The Board has no authority to alter the assessment of a parcel that is not before the Board on an appeal. Under state law, an appeal may be filed only by a person whose name appears on the assessment roll or the agent of that person. AS 29.45.190(a); CBJ 15.05.150.

If an appellant fails to appear at the hearing, the Board may proceed with the hearing in the absence of the appellant. AS 29.45.210(a); CBJ 15.05.190(b). The appellant may appear through an agent or representative, and may present written and/or oral testimony or other materials to the Board in support of the appeal.

BASIS FOR ADJUSTMENT AND ASSESSMENT

AS 29.45.210(b) and CBJ 15.05.190 expressly place the burden of proof on the party appealing the assessment. *CH Kelly Trust v. Municipality of Anchorage, Bd. of Equalization*, 909 P.2d 1381 (Alaska 1996) (“the burden is properly placed on the property owners in an assessment challenge”). Before the property owner is entitled to an adjustment, the property owner must prove, based on facts stated in the written appeal or presented at the hearing, that the property is the subject of unequal, excessive, improper, or under valuation. AS 29.45.210(b); CBJ 15.05.180(c). The appellant may present written evidence, oral testimony, and witnesses at the hearing.

Alaska courts do not disturb valuations set by the assessor if the differences between the appellant and the assessor are merely differences of opinion. Our court applies a “deferential standard of review” when considering an assessor’s property valuations. *Cool Homes, Inc. v. Fairbanks N. Star Borough*, 860 P.2d 1248, 1262 (Alaska 1993); *Fairbanks N. Star Borough v. Golden Heart Utilities, Inc.*, 13 P.3d 263, 267 (Alaska 2000). “AS 29.45.210(b) requires that the taxpayer prove *facts* at the hearing. ... It is not enough merely to argue that the valuation was inadequate or demand a justification from the taxing authority.” *Cool Homes, Inc., at 1263* (emphasis in original).

In *Twentieth Century Investment Co. v. City of Juneau*, 359 P.2d 783, 787 (Alaska 1961), the court, addressing assessment standards under former, similar law (AS 29.53.140), stated:

The valuation and assessment of property for taxes does not contravene [constitutional principles] unless it is plainly demonstrated that there is

Board of Equalization

April 19, 2013

involved, not the exercise of the taxing power, but the exertion of a different and forbidden power, such as the confiscation of property. *Such a demonstration is not made simply by showing overvaluation; there must be something which, in legal effect, is equivalent to an intention or fraudulent purpose to place an excessive valuation on property, and thus violate fundamental principles that safeguard the taxpayer's property rights.*

(Emphasis added.) The court went on to state, at 788:

The City was not bound by any particular formula, rule or method, either by statute or otherwise. Its choice of one recognized method of valuation over another was simply the exercise of a discretion committed to it by law. Whether or not it exercised a wise judgment is not our concern. This court has nothing to do with complaints of that nature. It will not substitute its judgment for the judgment of those upon whom the law confers the authority and duty to assess and levy taxes. *This court is concerned with nothing less than fraud or the clear adoption of a fundamentally wrong principle of valuation.* Neither has been shown here. The actions of the assessor and the Board of Equalization are entirely compatible with a sincere effort to adopt valuations not relatively unjust or unequal; their determinations have not transgressed the bounds of honest judgment.

(Emphasis added.) This principle, that “taxing authorities are to be given broad discretion in selecting valuation methods,” was reaffirmed in *CH Kelly Trust*, 909 P.2d at 1382, and *Golden Heart Utilities, Inc.*, 13 P.3d at 267 (“Provided the assessor has a reasonable basis for a valuation method, that method will be allowed ‘so long as there was no fraud or clear adoption of a fundamentally wrong principle of valuation.’”). Similarly, in *Cool Homes, Inc.*, 860 P.2d at 1262, the court held:

Taxing authorities are to be accorded broad discretion in deciding among recognized valuation methods. If a reasonable basis for the taxing agency's method exists, the taxpayer must show fraud or the ‘clear adoption of a fundamentally wrong principle of valuation.’

Thus, the assessor's valuations should be given substantial weight by the Board, particularly where the appellant offers little more than unsupported opinion that the assessor's value is too high. In order to be considered an unequal, excessive, improper, or under valuation, the valuation must be unequivocally excessive, or fundamentally wrong.

Board of Equalization

April 19, 2013

This assumes that the assessor has reviewed the critical facts. Our court requires the assessor to review all “directly relevant” evidence of the property value and “prevailing market conditions.” *Faulk v. Bd. of Equalization, Kenai Peninsula Borough*, 934 P.2d 750, 752 (Alaska 1997). Thus, it is important that the assessor, and the Board, make sure that all relevant evidence is considered.

FINDINGS – BASIS FOR THE BOARD’S DECISIONS

Board of Equalization decisions are subject to judicial review, if an appeal to superior court is filed within 30 days. Consequently, it is important for the Board to either make specific findings (statement of reasons) for its decisions, or otherwise set out sufficient information to enable a reviewing court to ascertain the reasons for the Board’s action. An appeal to superior court of a determination of the Board is heard on the record established at the Board hearing. AS 29.45.210(d). It is important that the record be as clear and complete as possible.

The Alaska Supreme Court outlined the requirements for board of equalization decisions in *Faulk*, 934 P.2d at 751, as follows:

We have previously concluded that “[t]he threshold question in an administrative appeal is whether the record sufficiently reflects the basis for the [agency’s] decision so as to enable meaningful judicial review.” *Fields v. Kodiak City Council*, 628 P.2d 927, 932 (Alaska 1981). In answering that question, “[t]he test of sufficiency is ... a functional one: do the [agency’s] findings facilitate this court’s review, assist the parties and restrain the agency within proper bounds?” *South Anchorage Concerned Coalition, Inc. v. Coffey*, 862 P.2d 168, 175 (Alaska 1993).

The court remanded the case to the borough board of equalization because the board had not provided an adequate basis for the court to determine whether it had reasonably denied the property tax appeal. The court directed: “On remand, the superior court should instruct the Board to state its reasons for rejecting the Faulks’ appeal.” *Id.* at 753.

Accordingly, the Board should take care to state its reasons for granting or denying an appeal, or making an adjustment to the assessment different from that requested by the appellant.

Board of Equalization

April 19, 2013

ACTION BY THE BOARD OF EQUALIZATION

In taking action on appeals, a Board member should move and vote in the affirmative to grant the appeal by the taxpayer. A Board member should vote in the negative to deny the appeal and thereby affirm the assessor's determination.

Sample motions: "I move that the Board grant the appeal and I ask for a 'yes' vote for the reasons provided by the appellant;" OR "I move the Board grant the appeal, and I ask for a 'no' vote for the reasons provided by the Assessor;" OR "I move the Board grant the appeal and I ask for a 'yes' vote to adjust the assessment to \$X for the following reasons [statement of reasons]."

For appeals that are not timely filed, the Board should first vote on whether or not to hear the appeal; if the Board decides to hear the appeal, it should then be heard on its merits.

The Board is required to certify its actions to the assessor within seven days, and, except as to supplementary assessments, the assessor must enter the changes and certify the final roll by June 1. AS 29.45.210(c). The rate of levy must be determined by the Assembly by ordinance before June 15. AS 29.45.240. The CBJ budget must be adopted by May 31. If for any reason the Board hearing is continued to a later date, the date for completing the hearing must be in the near future in order for the final assessment roll to be certified and the rate of levy fixed in accordance with the required statutory time frames.

Attachments

15.05.180 - Notice of hearing of appeal.

The assessor shall notify each appellant by mail of the date, time, and place of the hearing of the appeal by the board of equalization. Such notice shall be addressed to the appellant at the appellant's last known address as shown on the assessor's records, and shall be complete upon mailing. Such notices shall be mailed not later than ten days prior to the date of hearing of the appeals. All such notices shall include the following information:

- (a) The date and time of day of the hearing;
- (b) The location of the hearing room;
- (c) Notification that the appellant bears the burden of proof;
- (d) Notification that the only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts that are stated in a valid written appeal timely filed or proven at the appeal hearing; and
- (e) Notification that the appellant may be present at the hearing, and that if the appellant fails to appear, the board of equalization may proceed with the hearing in the absence of the appellant.

(CBJ Code 1970, § 15.05.180; Serial No. 70-33, § 3, 1971; Serial No. 87-36, § 2, 1987)

State law reference— Appeal, AS 29.45.190; appellant fails to appear, AS 29.45.210(a); grounds for adjustment, AS 29.45.210(b).

15.05.185 - Board of equalization.

(a) *Membership; duties; term of office; term limits.*

- (1) *Membership.* The board of equalization shall comprise a pool of no less than six, and up to nine, members, not assembly members, appointed by the assembly. There shall be up to three panels established each year. Each panel hearing appeals shall consist of three members. The board chair shall assign members to a specific panel and schedule the panels for a calendar of hearing dates. The assignment of members to panels and the establishment of a hearing calendar shall be done in consultation with the individual members. Additionally, members may be asked to take the place of regular assigned panel members in the event an assigned panel member is unable to attend a scheduled meeting.
- (2) *Qualifications of members.* Members shall be appointed on the basis of their general business expertise and their knowledge or experience with quasi-judicial proceedings. General business expertise may include, but is not limited to, real and personal property appraisal, the real estate market, the personal property market, and other similar fields.
- (3) *Duties.* The board, acting in panels, shall only hear appeals for relief from an alleged error in valuation on properties brought before the board by an appellant. A panel hearing a case must first make a determination that an error in valuation has occurred. Following the determination of an error in valuation the panel may alter an assessment of property only if there is sufficient evidence of value in the record. Lacking sufficient evidence on the record the case shall be remanded to the assessor for reconsideration. A hearing by the board may be conducted only pursuant to an appeal filed by the owner of the property as to the particular property.
- (4) *Term of office.* Terms of office shall be for three years and shall be staggered so that approximately one-third of the terms shall expire each year.
- (5) *Term limits.* No member of the board of equalization who has served for three consecutive terms or nine years shall again be eligible for appointment until one full year has intervened,

provided, however, that this restriction shall not apply if there are no other qualified applicants at the time reappointment is considered by the assembly human resources committee.

- (b) *Chair.* The board annually shall elect a member to serve as its chair. The chair shall coordinate all board activities with the assessor including assignment of panel members, scheduling of meetings, and other such board activities.
- (c) *Presiding officer.* Each panel shall elect its own presiding officer to act as the chair for the panel and shall exercise such control over meetings as to ensure the fair and orderly resolution of appeals. In the absence of the elected presiding officer the panel shall appoint a temporary presiding officer at the beginning of a regular meeting. The presiding officer shall make rulings on the admissibility of evidence and shall conduct the proceedings of the panel in conformity with this chapter and with other applicable federal, state and municipal law.
- (d) *Report to the assembly.* The board, through its chair, shall submit an independent report to the assembly each year by September 15 identifying, at a minimum, the number of cases appealed, the number of cases scheduled to be heard by the board, the number of cases actually heard, the percentage of cases where an error of valuation was determined to exist, the number of cases remanded to the assessor for reconsideration, the number of cases resulting in the board altering a property assessment, and the net change to taxable property caused by board action. The report shall also include any comments and recommendations the board wishes to offer concerning changes to property assessment and appeals processes.

(Serial No. 2005-51(c)(am), § 4, 1-30-2006)

15.05.190 - Hearing of appeal.

- (a) At the hearing of the appeal, the board of equalization shall hear the appellant, the assessor, other parties to the appeal, and witnesses, and consider the testimony and evidence, and shall determine the matters in question on the merits.
- (b) If a party to whom notice was mailed as provided in this title fails to appear, the board of equalization may proceed with the hearing in the party's absence.
- (c) The burden of proof in all cases is upon the party appealing.
- (d) The board of equalization shall maintain a record of appeals brought before it, enter its decisions therein and certify to them. The minutes of the board of equalization shall be the record of appeals unless the board of equalization shall provide for a separate record.

(CBJ Code 1970, § 15.05.190; Serial No. 70-33, § 3, 1971)

State law reference— Hearing, AS 29.45.210.

15.05.200 - Judicial review.

A person aggrieved by an order of the board of equalization may appeal to the superior court for review de novo after exhausting administrative remedy under this title.

(CBJ Code 1970, § 15.05.200; Serial No. 70-33, § 3, 1971)

State law reference— Appeal to superior court, AS 29.45.210(d).

Westlaw

AS § 29. 45. 190

Page 1

C

West's Alaska Statutes Annotated Currentness

Title 29. Municipal Government

▣ Chapter 45. Municipal Taxation

▣ Article 1. Municipal Property Tax

→→ § 29. 45. 190. Appeal

(a) A person whose name appears on the assessment roll or the agent or assigns of that person may appeal to the board of equalization for relief from an alleged error in valuation not adjusted by the assessor to the taxpayer's satisfaction.

(b) The appellant shall, within 30 days after the date of mailing of notice of assessment, submit to the assessor a written appeal specifying grounds in the form that the board of equalization may require. Otherwise, the right of appeal ceases unless the board of equalization finds that the taxpayer was unable to comply.

(c) The assessor shall notify an appellant by mail of the time and place of hearing.

(d) The assessor shall prepare for use by the board of equalization a summary of assessment data relating to each assessment that is appealed.

(e) A city in a borough may appeal an assessment to the borough board of equalization in the same manner as a taxpayer. Within five days after receipt of the appeal, the assessor shall notify the person whose property assessment is being appealed by the city.

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation ↪ 2648.

Westlaw Key Number Search: 371k2648.

NOTES OF DECISIONS

Decisions reviewable and right of review 1

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Westlaw

AS § 29. 45. 200

Page 1

C

West's Alaska Statutes Annotated Currentness
Title 29. Municipal Government
 ▣ Chapter 45. Municipal Taxation
 ▣ Article 1. Municipal Property Tax
 →→ § 29. 45. 200. Board of equalization

(a) The governing body sits as a board of equalization for the purpose of hearing an appeal from a determination of the assessor, or it may delegate this authority to one or more boards appointed by it. An appointed board may be composed of not less than three persons, who shall be members of the governing body, municipal residents, or a combination of members of the governing body and residents. The governing body shall by ordinance establish the qualifications for membership.

(b) The board of equalization is governed in its proceedings by rules adopted by ordinance that are consistent with general rules of administrative procedure. The board may alter an assessment of a lot only pursuant to an appeal filed as to the particular lot.

(c) Notwithstanding other provisions in this section, a determination of the assessor as to whether property is taxable under law may be appealed directly to the superior court.

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation ↪ 2624.
Westlaw Key Number Search: 371k2624.

NOTES OF DECISIONS

Appeals from board determination 5
Judicial notice 4
Judicial powers 3
Payment under protest 1
Penalties for nonpayment of tax 2

1. Payment under protest

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Westlaw

AS § 29. 45. 210

Page 1

C

West's Alaska Statutes Annotated Currentness

Title 29. Municipal Government

▣ Chapter 45. Municipal Taxation

▣ Article 1. Municipal Property Tax

→→ § 29. 45. 210. Hearing

(a) If an appellant fails to appear, the board of equalization may proceed with the hearing in the absence of the appellant.

(b) The appellant bears the burden of proof. The only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts that are stated in a valid written appeal or proven at the appeal hearing. If a valuation is found to be too low, the board of equalization may raise the assessment.

(c) The board of equalization shall certify its actions to the assessor within seven days. Except as to supplementary assessments, the assessor shall enter the changes and certify the final assessment roll by June 1.

(d) An appellant or the assessor may appeal a determination of the board of equalization to the superior court as provided by rules of court applicable to appeals from the decisions of administrative agencies. Appeals are heard on the record established at the hearing before the board of equalization.

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation ☞ 2676, 2691.

Westlaw Key Number Searches: 371k2676; 371k2691.

NOTES OF DECISIONS

Burden of proof 1

Judicial review 3

Record of hearing 2

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Petition for Review / Correction of Assessed Value
Real Property

Assessment Year	2021
Parcel ID Number	5B1201060220

JRM LT4

For Office Use:	Review #	Appeal #
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Office of the Assessor
155 S Seward Street
Juneau AK 99801

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	5B1201060220 / JRM LT4		
Owner Name	Alaska Seafood Company	Name of Applicant	Dick Hand
Primary Phone #	907-780-5111	Email Address	info@alaska-seafood.com
Physical Address	5731 Concrete Way Juneau, AK 99801	Mailing Address	Company.com SAME

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

- My property value is excessive/overvalued
- My property value is unequal to similar properties
- My property was valued improperly/incorrectly
- My property has been undervalued
- My exemption(s) was not applied

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

- Your taxes are too high
- Your value changed too much in one year.
- You can't afford the taxes

Provide specific reasons and provide evidence supporting the item(s) checked above:

A 33% increase is excessive in light of a 40% reduction of income due to virus pandemic. No other properties have sold in our area indicating a rise in prices.

Have you attached additional information or documentation? Yes No

Values on Assessment Notice:

Site	\$251,700	Building	\$513,700	Total	\$765,400
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Owner's Estimate of Value:

Site	\$167,800	Building	\$513,700	Total	\$681,500
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Purchase Price of Property:

Price	\$160,000?	Purchase Date	2010
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Has the property been listed for sale? Yes No (if yes complete next line)

Listing Price	\$2.2 million	Days on Market	2190
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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.

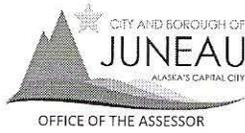
Signature		Date	19 April 21
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Contact Us: CBJ Assessors Office

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

Alaska Seafood Company, LLC
Comparative Income Statement with Percentages
1 Month Period Ended
December 31, 2020 and Year to Date
Facts

	Current Year				Prior Year			
	Current Period Amount	%	Year To Date Amount	%	Current Period Amount	%	Year To Date Amount	%
Build Mort. Interest	2,680.51	2.59	35,397.29	3.56	2,941.33	3.14	37,147.61	2.60
Legal & Accounting	0.00	0.00	598.50	0.06	0.00	0.00	582.75	0.04
Licenses, Permits & Fees	10.00	0.01	4,015.93	0.40	1,120.00	1.20	1,737.50	0.12
Maintenance & Repairs	79.45	0.08	5,091.40	0.51	116.98	0.13	7,320.74	0.51
Office Expense	0.00	0.00	2,500.00	0.25	20.63	0.02	2,404.48	0.17
Processing Apparel	0.00	0.00	929.55	0.09	59.97	0.06	2,633.89	0.19
Promotional Expense	1,898.39	1.83	6,201.34	0.62	6,503.35	6.95	4,632.25	3.31
Show Expenses	-1,100.00	-1.05	449.55	0.05	164.50	0.18	2,640.75	0.19
Sewer & Water	0.00	0.00	12,918.72	1.30	0.00	0.00	25,869.57	1.81
Sure Payroll Fees	78.27	0.08	985.64	0.10	274.99	0.29	1,319.88	0.09
TAX - CBJ - Property	0.00	0.00	7,621.09	0.77	0.00	0.00	7,264.60	0.51
TAX - SALES / GL# 2200	0.00	0.00	537.26	0.05	0.00	0.00	1,627.96	0.11
TAX - ESC (St Unemp) GL 2225	145.42	0.14	2,310.99	0.23	194.02	0.21	3,503.97	0.25
TAX - FICA / COMPANY GL 2210	1,342.71	1.30	16,283.18	1.64	1,555.98	1.66	23,242.26	1.63
TAX - FUTA (Fed Unem GL 2230	12.09	0.01	662.83	0.07	38.51	0.04	1,261.40	0.09
TAX - MEDICARE	314.04	0.30	3,808.15	0.38	363.90	0.39	5,435.70	0.38
RENT - ASC	0.00	0.00	-120.00	-0.01	0.00	0.00	0.00	0.00
Rent - Off site	0.00	0.00	0.00	0.00	0.00	0.00	880.00	0.06
Telephone	0.00	0.00	3,515.49	0.35	0.00	0.00	3,852.48	0.27
Travel - Transportation	0.00	0.00	0.00	0.00	0.00	0.00	920.20	0.06
Travel - Food	0.00	0.00	0.00	0.00	0.00	0.00	417.82	0.03
Vehicle Expense / Repairs	242.59	0.23	5,823.98	0.59	146.50	0.16	6,077.72	0.43
WAGES - Clerical (8810)	3,995.00	3.86	46,550.87	4.68	4,624.00	4.94	60,809.99	4.26
WAGES - CEO	2,403.85	2.32	24,278.50	2.44	1,923.08	2.06	17,307.72	1.21
WAGES - Retail/Pkg (8017)	2,465.50	2.38	35,734.67	3.60	3,640.88	3.89	66,924.31	4.68
Total Operating Expenses	46,474.29	44.86	414,716.52	41.72	48,936.83	52.30	524,165.14	36.69
Net Profit (Loss) Before Tax	-18,921.44	-18.26	2,694.76	0.27	-101,958.90	-103.96	15,848.45	1.11



City and Borough of Juneau
Office of the Assessor
155 South Seward Street
Juneau, Alaska 99801
(907) 586-5215

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
PERMIT NO. 61
JUNEAU, ALASKA

IDENTIFICATION #	5B1201060220	167,800 REAL PROPERTY VALUE	513,700
JRM LT 4		SITE: \$251,700	BLDG: \$513,700
PROPERTY TAX YEAR	2021	TOTAL REAL PROPERTY VALUE	\$765,400
MAILING DATE	4/2/2021	TOTAL EXEMPT	\$0
APPEAL FILING DEADLINE	5/3/2021	TOTAL TAXABLE	\$765,400
B.O.E. MEETING DATE	5/20/2021	To: <i>+33%</i> <i>Land</i>	<i>+12 2/10</i> <i>681,500</i>
*** IMPORTANT ***		ALASKA SEAFOOD CO INC	
Please review the back of this notice for information regarding your valuation and the appeal procedure. Make sure you keep this notice for your records. Please contact us if your mailing address is incorrect.		5731 CONCRETE WAY JUNEAU, AK 99801	
*** THIS IS NOT A TAX BILL ***			





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

ALASKA SEAFOOD CO INC
5731 CONCRETE WAY
JUNEAU AK 99801

**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Thursday, January 13, 2022
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	December 29, 2021
Parcel Identification	5B1201060220
Property Location	5731 CONCRETE WAY
Appeal No.	APL20210214
Sent to Email Address:	info@alaskaseafoodcompany.com

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 Thursday, January 6, 2022** 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 Friday, January 7, 2022** 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

Alaska Seafood Company

5731 Concrete Way ~ Juneau, AK 99801
www.alaskaseafoodcompany.com

907-780-5111
fax-780-5140

To: City clerk, Assessor's office and Board of Equalization
Fm: Dick Hand

6 JAN 22

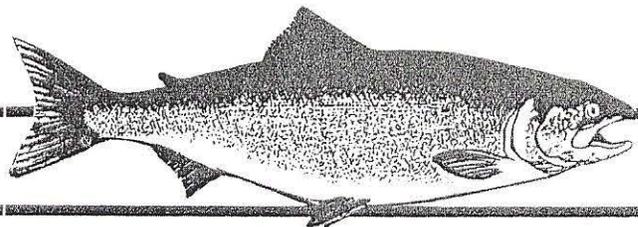
Thank you for allowing me to respond for an appeal. I have attempted this appeal since April of 2021 to the Assessor's office. I had a couple of responses about needing more information. I sent a copy of our company Balance sheet (Profit and Loss statement). When I last spoke with someone there they seemed confused as to what they were seeing. I was trying to show where we are being billed for an increase in our property tax. The amount proposed (that we have paid under protest) is excessive and certainly exceeds justification according to the results of 2020 sales compared to 2019.

We have suffered a 30% decline in income for this time period. I don't see where it is justified to increase our property tax 33% because we live in Juneau. It is already difficult running a business in Juneau as it is because of lack of people to employee, excessive cost of shipping goods in or out and location in which we live. About 3% of our income is local. If we had our operation else where it would probably be more equitable.

Please find attached the balance sheet I previously sent. Perhaps when someone looks at it this time they will know how to read a balance sheet so it will mean something to them. I don't expect we will any results from this but thought I would give it another try. If my business had the power of taxation I am sure we too would not be suffering a loss.

Regards

Dick Hand
Alaska Seafood Company
907-780-511



Alaska Seafood Company, Inc.
 Comparative Balance Sheet

December 31, 2020

Page 1

Current Year

2019

ASSETS

Current Assets:

Cash On Hand	256.36	287.56
Cash / Bank WF / Payroll	3,966.86	5,524.52
Cash / Bank WF / Can/Smkhs	20,204.15	11,618.21
Cash / Bank-FB / Business	21,983.87	39,151.09
Accounts Receivable - Trade	56,569.11	112,434.96
INVENTORY - ASC PRODUCT	119,433.18	52,599.34
INVENTORY - RAW FISH	145,985.81	179,205.68
INVENTORY - PRODUCTION SUP.	2,457.27	2,121.67
INVENTORY - PACKAGING	109,107.20	107,675.12
Total Current Assets	479,963.81	510,618.15

Fixed Assets:

New Building	867,226.41	867,192.65
Processing Equipment	273,241.33	273,241.33
Artwork-Printing	20,220.21	19,360.21
Office Equipment	9,548.19	9,392.21
Web Site	3,037.88	2,883.53
Vehicles	13,850.00	13,850.00
Outlet Fixtures	4,551.08	4,551.08
Furniture & Fixtures	7,122.09	7,122.09
Tools	5,980.68	5,980.68
Accumulated Depreciation	-551,187.49	-532,619.49
Total Fixed Assets	653,590.38	670,954.29
Fixed Assets (Less Depr.)	653,590.38	670,954.29

Other Assets:

Total Assets	1,133,554.19	1,181,572.44
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Alaska Seafood Company, Inc.
Comparative Balance Sheet
December 31, 2018
Page 2

Current Year 2017

LIABILITIES & EQUITY

Current Liabilities:		
Sales Taxes Payable	73.16	643.43
Total Current Liabilities	73.16	643.43
Long-Term Liabilities:		
Notes Payable - Ruth 87	56,200.00	56,200.00
Note Pay - Hand R. 07/1/94	14,075.00	14,075.00
Note Pay - Hand R. 08/1/94	5,000.00	5,000.00
Note Pay - Leighton 11/1/94	21,000.00	30,000.00
Note Pay - Hand, 03/25/08	4,189.12	4,189.12
WF - Line of Credit	0.00	24,498.22
Hand - loan 3/12/09	18,325.83	18,325.83
FB - Building Loan	416,691.47	457,845.30
FB - Line of Credit	0.00	48,383.40
Note Pay - Hand C. 3/8/12	5,000.00	5,000.00
note pay - Hand 2013 / 14	29,960.00	29,960.00
Hand 2017	20,000.00	20,000.00
Hand 2/28/18	7,000.00	7,000.00
Total Long-Term Liabilities	597,441.42	720,476.87
Total Liabilities	597,514.58	721,120.30
Stockholders Equity:		
Common Stock	128,370.00	128,370.00
Treasury Stock	134,844.25	160,222.00
Beginning Retained Earnings	235,130.60	156,011.69
Current Period Profit (Loss)	37,694.76	15,848.45
Total Stockholders Equity	536,039.61	460,452.14
Total Liabilities & Equity	1,133,554.19	1,181,572.44

Alaska Seafood Company, Inc.
Comparative Income Statement with Percentages
1 Month Period Ending
December 31, 2020 and Year to Date
Page 3

	Current Year				Prior Year			
	Current Period		Year To Date		Current Period		Year To Date	
	Amount	%	Amount	%	Amount	%	Amount	%
			<u>2020</u>				<u>2019</u>	
Revenues:								
Retort	13,786.99	13.31	169,407.69	17.04	14,470.60	15.46	468,286.89	32.78
Salmon Dip - Original	105.84	0.10	9,583.76	0.96	531.06	0.57	34,899.95	2.44
Salmon Dip-Mango/Chip	0.00	0.00	3,952.32	0.40	433.06	0.46	10,823.33	0.76
Cans	4,479.25	4.32	35,962.92	3.62	1,977.96	2.11	96,851.19	6.78
Jars-King	686.16	0.66	686.16	0.07	0.00	0.00	0.00	0.00
Jars (Sockeye)	17,577.26	16.97	119,482.95	12.02	5,105.83	5.46	128,075.76	8.97
Jars (jalapeno silver)	510.60	0.49	17,366.43	1.75	1,162.66	1.24	25,604.11	1.80
Hanzuk jars	74.50	0.07	1,135.38	0.11	0.00	0.00	8,586.41	0.60
Shoreline jars	0.00	0.00	17,076.96	1.72	0.00	0.00	10,126.38	0.71
Copper River	4,531.95	4.37	37,748.22	3.80	14,638.46	15.70	32,732.85	2.29
Hot Smoked	1,602.52	1.55	9,137.08	0.92	1,055.10	1.13	13,128.11	0.92
Sitka Wild jars	0.00	0.00	0.00	0.00	0.00	0.00	6,724.14	0.47
Yakobi Jars	6,164.40	5.95	29,263.32	2.94	2,701.44	2.89	7,252.08	0.51
Jerky	1,096.99	1.06	11,100.34	1.12	2,516.37	2.69	51,707.24	3.62
Lox	308.40	0.30	2,232.68	0.22	1,268.20	1.36	3,146.01	0.22
AKbits	0.00	0.00	463.83	0.05	77.16	0.08	5,185.92	0.36
Salmon	6,162.69	5.95	61,912.62	6.23	2,850.39	3.05	25,647.96	1.80
FCOD	0.00	0.00	57.67	0.01	0.00	0.00	0.00	0.00
Halibut	5,924.06	5.72	40,908.46	4.12	3,558.75	3.80	17,431.42	1.22
Caviar-W	783.52	0.76	10,643.03	1.07	1,758.90	1.88	31,349.71	2.19
Caviar-S	1,211.55	1.17	42,109.28	4.24	3,203.90	3.42	24,512.78	1.72
Pet Treat	790.62	0.76	13,713.33	1.38	1,021.41	1.09	27,535.21	1.93
ASC - Retail Sales	83.79	0.08	83.79	0.01	0.00	0.00	0.00	0.00
Public Market	0.00	0.00	0.00	0.00	772.55	0.83	772.55	0.05
Packing	1,887.50	1.82	10,174.50	1.02	559.00	0.60	8,523.75	0.60
FREIGHT - Income	18,651.30	18.00	83,580.13	8.41	6,193.00	6.62	116,447.18	8.15
ASC product - MAILNET	6,337.98	6.12	32,740.09	3.29	0.00	0.00	23,604.03	1.66
ASC - SPORT / Local	972.30	0.94	41,816.48	4.21	1,466.96	1.57	51,551.64	3.61
ASC - Sport / OOT	567.00	0.55	3,240.81	0.33	0.00	0.00	0.00	0.00
ASC Custom Process - CHARTER	0.00	0.00	293.40	0.03	334.80	0.36	22,638.69	1.58
ASC Cust.Proc.- Lodges/OOT	0.00	0.00	0.00	0.00	0.00	0.00	1,348.05	0.09
ASC Custom Process-WHOLESALE	7,930.69	7.65	105,274.22	10.59	25,360.60	27.10	177,933.26	12.46
Storage	0.00	0.00	480.00	0.05	240.00	0.26	2,880.00	0.20
Freight Claim Income	611.00	0.59	611.00	0.06	0.00	0.00	35.06	0.00
Product Claim Income	0.00	0.00	0.00	0.00	99.00	0.11	647.72	0.05
Returns and Allowances	0.00	0.00	0.00	0.00	0.00	0.00	-8,327.34	-0.58
Other Income	766.66	0.74	1,717.90	0.17	167.05	0.18	592.44	0.04
Grant - SBA Virus	0.00	0.00	80,000.00	8.05	0.00	0.00	0.00	0.00
Total Revenues	103,607.52	100.00	993,957.75	100.00	93,574.17	100.00	1,428,484.50	100.00

Cost of Goods Sold:

Alaska Seafood Company, Inc.
Comparative Income Statement with Percentages
1 Month Period Ending
December 31, 2020 and Year to Date
Page 4

	Current Year				Prior Year			
	Current Period		Year To Date		Current Period		Year To Date	
	Amount	%	Amount	%	Amount	%	Amount	%
ASC Product	53,556.79	51.69	354,279.29	35.64	126,404.63	135.08	619,031.20	43.33
Quality Control	7,390.21	7.13	25,757.71	2.59	4,569.18	4.88	27,547.27	-1.93
Product Packaging	935.94	0.90	12,931.75	1.30	1,462.96	1.56	16,095.16	1.13
Production Supplies	1,221.56	1.18	2,355.81	0.30	-680.34	-0.64	-4,619.19	-0.32
Salt (Table & Coarse)	160.15	0.15	549.20	0.06	0.00	0.00	452.05	0.03
Discounts Taken	0.00	0.00	-10.00	0.00	-2.00	0.00	-4.00	0.00
WAGES - Fish Curing (2101)	6,253.60	6.04	101,744.58	10.24	7,853.38	8.39	119,604.91	8.37
WAGES - Canning (2111)	4,711.55	4.55	54,785.12	5.51	5,501.49	5.88	73,700.30	5.16
WAGES - Outside Sales (3742)	1,824.87	1.76	22,624.87	2.28	1,553.53	1.66	36,404.06	2.59
LABOR - Jars	0.00	0.00	0.00	0.00	0.00	0.00	-2,108.07	-0.15
LABOR - Retorts	0.00	0.00	-1,150.00	-0.12	-185.60	-0.20	-3,154.30	-0.22
Product Loss	0.00	0.00	0.00	0.00	0.00	0.00	-172.80	-0.01
Shipping & Handling - IN	0.00	0.00	2,086.14	0.21	39.04	0.04	5,325.77	0.37
Other Direct Expenses	0.00	0.00	0.00	0.00	0.00	0.00	368.55	0.03
Total Cost of Goods Sold	76,954.67	73.41	576,546.47	58.81	146,596.24	156.66	888,470.91	62.20
Gross Profit	27,552.85	26.59	417,411.28	41.99	-53,022.07	-56.66	540,013.59	37.80

Operating Expenses:

Advertising	367.50	0.35	1,530.50	0.15	399.00	0.43	4,495.05	0.31
Bad Debts	912.41	0.88	8,973.80	0.90	7,964.92	8.51	9,867.71	0.69
Bank Charges	0.00	0.00	432.27	0.04	24.44	0.03	553.61	0.04
BankCard Fee - EDC	149.55	0.14	3,018.43	0.30	0.00	0.00	7,144.59	0.50
Cleaning Supplies	0.00	0.00	1,756.94	0.18	76.15	0.08	2,493.08	0.17
Disposal - Trash	121.20	0.12	888.80	0.09	40.40	0.04	1,379.90	0.10
Commissions	0.00	0.00	0.00	0.00	0.00	0.00	840.95	0.06
Commissions/Alaska Souvenir	0.00	0.00	2,571.88	0.26	0.00	0.00	16,018.76	1.12
Depreciation	0.00	0.00	18,568.00	1.87	0.00	0.00	18,663.35	1.31
Dividends paid to Stockholders	7,540.00	7.28	17,214.40	1.73	0.00	0.00	1,096.00	0.08
Donations	192.99	0.19	2,186.97	0.22	5,322.33	5.69	7,157.89	0.50
Dues & Subscriptions	0.00	0.00	801.07	0.08	0.00	0.00	1,048.59	0.07
Electricity	2,748.36	2.65	30,841.76	3.10	3,134.87	3.32	34,071.62	2.39
Entertainment	332.70	0.32	752.70	0.08	261.38	0.28	996.94	0.07
Freight Out - MAIL	3,151.33	3.04	19,150.86	1.93	2,598.01	2.76	14,124.05	0.99
Freight Out - FED EX	0.00	0.00	0.00	0.00	0.00	0.00	111.40	0.01
Freight Out - Periship	10,263.17	9.91	52,556.25	5.29	2,595.32	2.77	64,211.65	4.50
Freight Out - AK Air/Charge	0.00	0.00	4,261.19	0.43	1,509.14	1.61	21,016.27	1.47
MEDICAL	0.00	0.00	8.49	0.00	0.00	0.00	305.08	0.02
Heat-Boiler Fuel	0.00	0.00	5,113.71	0.51	636.00	0.68	9,999.25	0.70
Harbor fees	0.00	0.00	10.50	0.00	0.00	0.00	288.75	0.02
INS. - Medical	381.26	0.37	6,629.20	0.67	296.00	0.32	2,843.16	0.20
INS. - Product Liab.	2,745.00	2.65	12,160.00	1.22	0.00	0.00	2,745.00	0.19
INS. - Property	0.00	0.00	1,913.00	0.19	0.00	0.00	1,874.00	0.13
INS. - Vehicle	0.00	0.00	702.23	0.07	0.00	0.00	542.39	0.04
INS. - Work Comp.	0.00	0.00	491.00	0.05	0.00	0.00	6,086.00	0.43
Interest	3,000.00	2.90	6,087.64	0.61	420.05	0.45	8,353.64	0.58



APPEAL #2021-0214

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION January 13, 2022

ASSESSOR OFFICE

Appellant: Alaska Seafood Company Inc

Location: 5731 Concrete Way

Parcel No.: 5B1201060220

Property Type: Commercial – Warehouse/Office

Appellant's basis for appeal: My property value is excessive

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	\$ 167,800	\$ 251,700	\$ 251,700
Buildings:	\$ 513,700	\$ 513,700	\$ 513,700
Total:	\$ 681,500	\$ 765,400	\$ 765,400

Subject Photo - 2016



Table of Contents

OVERVIEW	3
SUBJECT PHOTOS	3
AREA MAP & AERIAL	4
ASSESSED VALUES	5
LAND	5
BUILDING(S)	7
COST REPORT	8
INCOME APPROACH.....	8
COMMERCIAL MARKET & ASSESSMENT ANALYSIS.....	9
SUBJECT ASSESSMENT HISTORY	9
SUMMARY	10
CONCLUSION.....	10
ADDENDUM A - Listing.....	11
ADDENDUM B - Communications	12

OVERVIEW

The subject is a two-story warehouse with office space

Subject Characteristics:

- Land
 - 15,356 sf lot
 - Level, developed lot
- Building
 - 9,640 SF with 5,000 SF on first floor and 4,640 SF on second floor

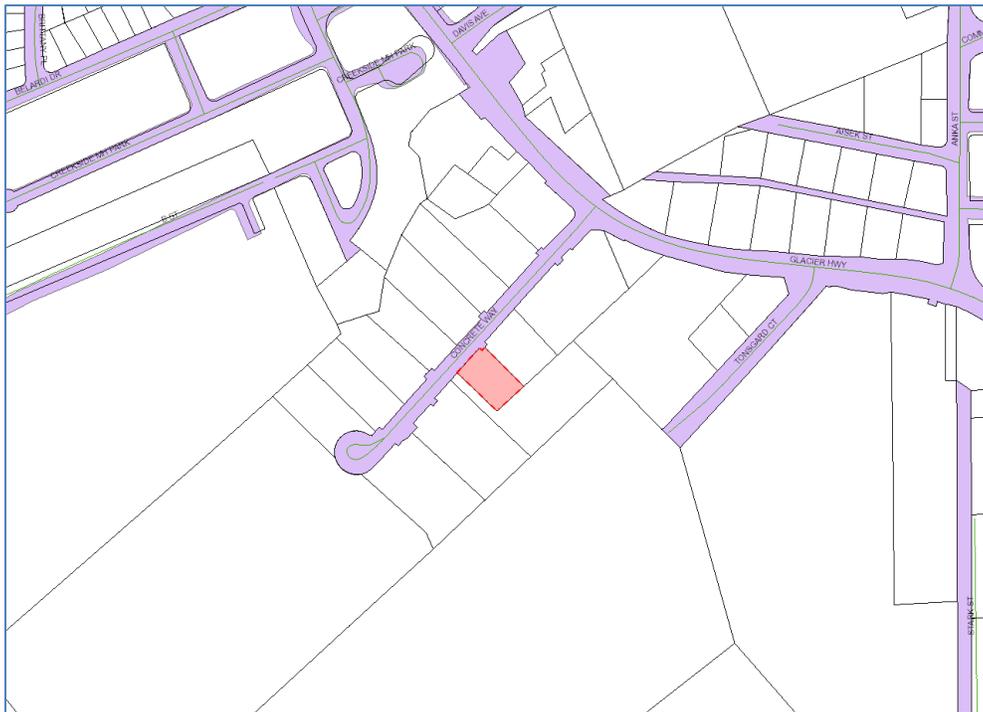
SUBJECT PHOTOS



Front Corner - 2012



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 is a level developed lot with a building. The subject parcel's land value is equitable and is not excessive.

Land Characteristics:

- 15,356 sf lot
- Level, developed lot

Land Values



BUILDING(S)

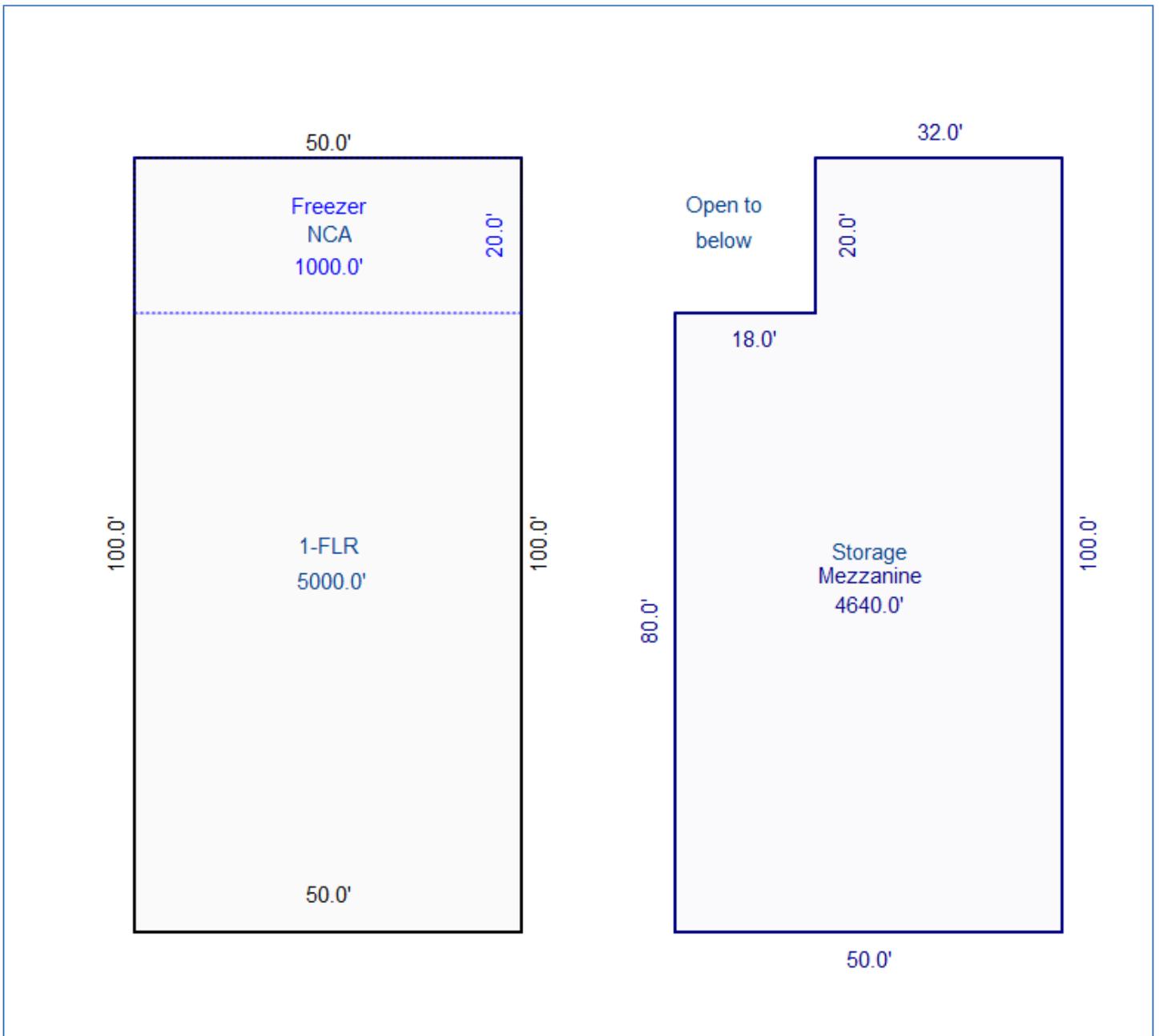
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 9,640 SF with 5,000 SF on first floor and 4,640 SF on second floor

Sketch of Improvements:



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 is not overvalued.

Cost Report - Commercial

6745		Record		1	
Parcel Code Number	5B1201060220	Number of Stories (Building)		01	
Owner Name	ALASKA SEAFOOD CO INC	Number of Sections		1	
Parcel Address	5731 CONCRETE WAY	Perimeter		300	
Effective Year Built	2012	Class		S	
Year Built	2005	Height		22	
Building Model	C- 14 Garages, Industrials, Lofts, Warehouses	Rank		Average	
Building Type	Storage Warehouse	Total Area		5,000.00	
Section 1	Description	Units	Percent	Cost	+/-
					Total
Base Cost		5000		38.00	180,000
Exterior Wall	Stud -Metal Siding	5000	100%	11.27	56,334
Heating & Cooling	Heating & Cooling	5000		806.00	606
Heating & Cooling	Ventilation	5000		1.50	7,500
Architect Fee		5000		6.30	31,500
Mezzanine	Office	4640		40.50	187,920
Sub Total					\$463,859.70
Local Multiplier				1.43	[X] \$683,319.00
Current Multiplier				1.03	[X] \$683,219.00
Neighborhood Multiplier					[X] \$683,219.00
Depreciation - Physical				10.00	[-] \$68,322.00
Depreciation - Functional					[-] \$0.00
Depreciation - Economic					[-] \$0.00
Percent Complete				100.00	[-] \$614,897.00
Cost to Cure					
Neighborhood Adjustment					
Replacement Cost less Depreciation					\$614,897
Miscellaneous Improvements					
Extra	Cold Storage walls				[+] 16,400
Extra	C.S. ceiling				[+] 14,400
Extra	C.S. floor				[+] 7,200
Extra	C.S. Door				[+] 5,800
Extra	Refrigeration Cu. Ft				[+] 18,000
Extra	Opener				[+] 5,200
Total Improvement Value					\$681,900

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant submitted 2 years of P&L information for the Review process. (The 3rd year back was missing expense data.) An income approach was done using the two years of profit and loss information. This was done for the review process as a reference or check against the assessed value. Because the P&L information is for a business operated out of the property we subtracted an Enterprise Value in arriving at the indicated value for the real property in performing an Income Approach. The results indicated that the assessed value is not excessive.

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 (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we 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 ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report

5B1201060220
ALASKA SEAFOOD CO INC
5731 CONCRETE WAY
JRM LT 4

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$251,700.00		\$513,700.00	\$765,400.00
2020	\$167,800.00		\$513,700.00	\$681,500.00
2019	\$167,800.00		\$513,700.00	\$681,500.00
2018	\$167,800.00		\$513,700.00	\$681,500.00
2017	\$167,800.00		\$513,700.00	\$681,500.00
2016	\$167,800.00		\$513,700.00	\$681,500.00
2015	\$168,900.00		\$513,700.00	\$682,600.00
2014	\$168,900.00		\$513,700.00	\$682,600.00
2013	\$168,900.00		\$513,700.00	\$682,600.00
2012	\$168,900.00	\$0.00	\$877,600.00	\$1,046,500.00
2011	\$168,900.00	\$0.00	\$877,600.00	\$1,046,500.00
2010	\$168,900.00	\$0.00	\$877,600.00	\$1,046,500.00

SUMMARY

State statute requires the Assessor to value property at “full and true value”. 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 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 assessed value is excessive/overvalued.
 - We find that the value is equitable and that, based on analysis of market sales, it is not excessive. This is addressed in the land, building, cost report, income, commercial market and assessment analysis, summary and conclusion sections of our response in your packet. There is additional information in the “Property Assessment Guide.”
 - In reviewing locational subgroups, property type subgroups and property characteristic subgroups in the analysis we did not see evidence that any location or other subgroup should be treated differently from the rest with the exception of the boathouses.
- The appellant states that a 33% increase is excessive in light of a 40% reduction in income due to virus pandemic and that no other properties in our area have sold indicating a rise in prices.
 - The percentage change from 2020 to 2021 was 12.31%. We find the property is not overvalued.
 - Sales on Concrete Way support our assessed values.

For additional information on the assessment process, assessed values, analysis process, ratio studies and other related areas please see the “Property Assessment Guide” included in the packet.

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 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 percentage change from 2020 to 2021 was an increase of 12.31%.

We find that no change to the 2021 assessed value of \$765,400 is warranted and ask that the BOE uphold the assessed value.

ADDENDUM A - Listing

Current Listing for Business and Real Estate

11/9/21, 2:26 PM

5731 Concrete Way Juneau, AK. | MLS# 19675 | Juneau Homes for Sale, Property Search in Juneau



\$2,200,000

5731 Concrete Way
Juneau, AK 99801

MLS #: 19675



Commercial

Founded in 1987, Alaska Seafood Company is an established and trusted Alaska based manufacturer of high quality seafood products for over 30 years. Locally caught salmon, halibut and cod are purchased and shipped to the Juneau based processing facility where they are turned into high-value consumable products for both retail and wholesale distribution. Alaska Seafood Company has the unique designation of being a "Full Realm Processor". It is the only commercial seafood smokehouse in Alaska manufacturing products in shelf-stable retort pouches, traditional cans and glass jars. Currently it has 33 products to choose from including it's award winning salmon roe, salmon jerky, lox, salmon spread and it's newest product - pet treats. Additionally Alaska Seafood Company has contracts to produce smoked salmon products under customized business labels for numerous Alaska based companies. Purchase price includes the following; 10,000 sq.ft., 2 story metal warehouse style building with innovative heat recovery system on a 15,356 sq.ft. lot. All manufacturing equipment including an on-site 40ft. freezer van & 2 forklifts. All permits, licenses and certificates including international export certificates. All trade secret recipes & formulas, professional contacts and business to business partnerships. An established list of seasoned sales contacts. At Purchaser's option, they may retain the services of the Seller (Dick Hand) for a period of 2 years to train staff, manage operations and help maintain product consistency. Mr. Hand has over 40 years of experience in the seafood industry, his institutional knowledge is both extensive and valuable.

ADDENDUM B - Communications



Thu 6/3/2021 2:19 PM

Dick Hand <info@alaskaseafoodcompany.com>

balance sheets for 2019 - 2020

To Greg Morris

You replied to this message on 6/3/2021 2:28 PM.



EXTERNAL E-MAIL: BE CAUTIOUS WHEN OPENING FILES OR FOLLOWING LINKS

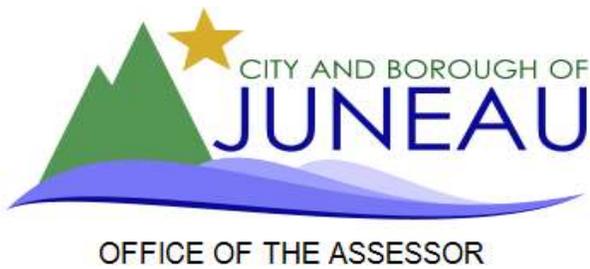
Hi Greg

These are the other balance sheets accordingly. The 3rd sheet in both shows the actual gross income and how in 2020 it really set in. Accordingly we had to reduce our staff from 20 full time people to a year round employment to 10 (50% reduction) in staff. At that we still are carrying more than we should be. Our unemployment with the State went up from 1.50% to 2.30%. This definitely put us into a loss column for the year.

I'm not sure what else I can show you for proof. I don't have all the data you have from the rest of the city structure but from our standing we were hurt by the loss of business. We have been depending on the cruise ship industry for a livelihood. Without that we were damaged badly. We haven't asked anything of the city for assistance except early on to have relief of our sewer and water bill of which we were denied. We have all suffered losses. We don't need to be handed an additional loss to cover someone else's financial management woes.

If there is anything else I can forward to assist in discovering where the values are please let me know.

Dick Hand
780-5111



11/30/21

Alaska Seafood Company/ Dick Hand
5731 Concrete Way
Juneau AK 99801

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 5B1201060220
RESPONSE DEADLINE: 12/07/21

PARCEL: 5B1201060220
PHYSICAL LOCATION: 5731 Concrete Way

Alaska Seafood Company/ Dick Hand,

This letter is in response to the 2021 Petition for Review that you filed regarding the above indicated parcel. The basis for appealing as indicated on the Petition for Review form is: **My property value is excessive**

- Excessive – grossly disproportionate when compared to other assessments
- Unequal – treated differently than other properties in the same property class
- Improper – valuation methodology was improper
- Undervalued – valued less than market or disproportionately lower than other assessments

State statute requires that the burden of proof is upon the appellant to provide evidence that one of the above conditions has been met (AS 29.45.210).

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **5B1201060220**:

VALUE DETERMINATION

Recommended Action: **No Change**

2021 Initial valuation:	\$765,400
2021 Owner estimate of value:	\$681,500
2021 Final determination:	\$765,400

We have reviewed your property and did not find your assessed value to be excessive.

We reviewed your land value for equity with your neighbors and reviewed financial information for the income approach to value.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

Please indicate if you accept the recommended value or wish to have your Petition for Review heard by the Board of Equalization. (*INITIAL ONE*)

_____ **YES**, I accept the recommended value determination provided by the Assessor

_____ **NO**, I do not accept the recommended valuation provided by the Assessor.
Please schedule my Petition for Review for the Board of Equalization.

I understand that I will be expected to provide specific evidence to the Board which clearly illustrates that my parcel valuation is: excessive, unequal, valued with improper methodology or is less than market value.

Be advised that if you choose to proceed to the Board of Equalization, they may, in accordance with law, apply an increase of the assessed value to full market value.

Appellant signature

Date

If we do not receive a response from you by **12/07/21**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



AY2021 Property Assessment Guide

Updated: 2021-11-10

Contents

Assessment Overview.....	2
Property Taxes.....	2
Property Assessments	2
Assessed Values versus Taxes	2
Sales Validation (Also see the “Market Sales” topic for more specifics on Market Sales).....	3
Market Sales (this topic is closely tied to the “Sales Validation” topic).....	5
Analysis Process.....	6
Model Specification.....	7
Model Calibration.....	7
Approaches and Methodologies	7
Review & Appeal Processes.....	7
AY2021 Commercial Property Assessment Particulars	9
AY 2021 Commercial Property Analysis & Appraisal Summary.....	11
AY2021 Notes Regarding Spitzfaden, Wold & Geiger Submissions and Testimony.....	20
Questions & Answers	22
An Example.....	23

Assessment Overview

Property Taxes

- Property taxes represent about half of the locally generated CBJ revenue.
- Property taxes fund general government services, police, fire, schools, parks, streets and other services.
- If we did not have property taxes there would have to be some other form of taxes.

Property Assessments

- The Assessor's Office strives to keep the taxes fair and equitable by ensuring that the assessed values are uniform.
- There is no one, absolute, precise market value for any given property. Appraisal Judgement is a necessary part of setting assessed values.
- While the concept of setting assessed values for every parcel in Juneau may sound simple there are many complexities to actually making it happen.

Assessed Values versus Taxes

- Most tax increases are due to a budget increase, passed either by the assembly or by the taxpayers.
- An increase in assessed value does not mean an increase in taxes.
- The budget determines the amount of taxes to be collected. The budget is set by the Borough Assembly. The assessed values determine how that tax burden is distributed.
- The Assessor's Office does not have an active role in budgeting or the taxes. We are focused on the assessed values.

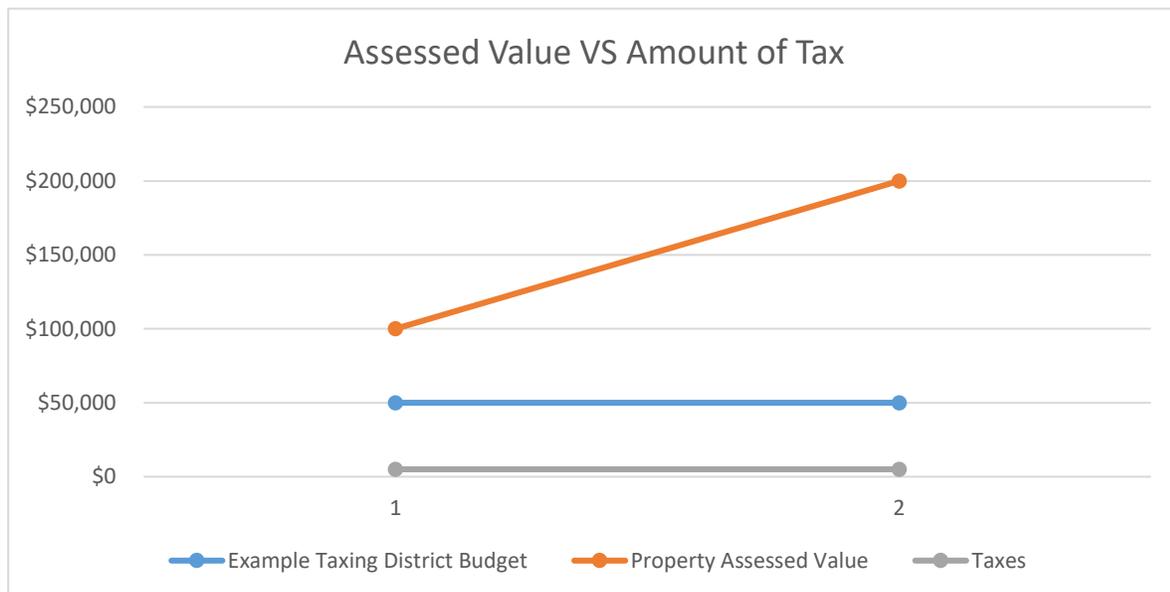
Examples:

- If everyone's assessed values doubled but the budget stayed the same your taxes would not change.
- If everyone's assessed values doubled and the budget increased by 10% your taxes would go up by 10%.
- If the budget stayed the same and one type of property was going up while all the others were not, owners of that type of property would see a higher tax bill and everyone else would see a lower tax bill.
- If your assessed value went up and everyone else's stayed the same, you would see an increase in your taxes even if the budget stayed the same.

In the following example you can see that with the assessed values doubling and the budget staying the same the actual taxes did not change.

Assessed Value -vs- Amount of Tax

\$50,000	\$50,000	Example Taxing District Budget
\$1,000,000	\$2,000,000	Total Assessed Values
0.050	0.025	Rate
\$100,000	\$200,000	Property Assessed Value
\$5,000	\$5,000	Taxes



Sales Validation (Also see the “Market Sales” topic for more specifics on Market Sales)

- Sales validation is critical. Sales data is foundational to everything that we do.
- All sales are considered.
- Only some sales are deemed to be a market sale.
- Of those that are market sales we only have prices on some of them. While a mandatory disclosure ordinance took effect in November 2020, we have, so far, not seen much of an increase in the disclosure rate.
- Generally we get sales prices on about 35 to 40% of the commercial sales.
- The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale.

- The guidelines for sales validation and the validation processes are critical. Maintaining standards in the sales validation process is critical.
- All of what we do in the area of valuations is dependent on the quality and accuracy of the sales data. Having good, clean, accurate sales data is critical.
- The sales validation and verification processes are continual and ongoing.

Market Sales (this topic is closely tied to the “Sales Validation” topic)

- To be a Market sale, a sale must meet these criteria at a minimum
 - Arms length transaction
 - No Duress
 - Marketed (see below)
 - Reasonable exposure time (see below)
- Invalid Sales- With rare exceptions, the following conditions make a sale an invalid (non-market) sale:
 - Multi-Parcel sales are invalid – an exception would be if they clearly are an economic unit that will always sell together
 - Family sale
 - Related party sale/transfer- one corporation sells to a parent corporation
 - Sale between parties that have pre-existing relationship (is non-arms-length)
 - Estate sale
 - Bankruptcy sale
 - Sheriff sale / tax auction
 - Tax Deed
 - Gifts
 - Transfer of interest
 - Trade / Exchange
 - Partial interests
 - Forced sales- Transfers in lieu of foreclosure, condemnation or liquidation
 - Easement or Right of Way (although these can be used for special studies on easements or Right of Ways)
 - Fulfillment of Contract
 - Plottage/Assemblage/Adjacent (This is referring to situations where a land owner purchases property next door or adjacent to the property he already owns. Or where a number of separate parcels are bought for the purpose of consolidating them into one larger parcel. An alternate use of the word plottage refers to the increase in value due to bringing the properties under the same ownership.)
 - Lease assignment or option
- Sales are not thrown out because of their ratio.
- To be a market sale the property has to have had exposure to a broad market and to have been actively marketed for a reasonable period of time
- 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] 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.

Analysis Process

- The work that we do is not a controlled laboratory environment
- We will likely never have thousands of data points for commercial properties in Juneau.
- We work with the best data that we have available at the time.
- It is normal that subsequent to an analysis being done additional information comes to light that changes the validation or verification conclusions of a few sales. This does not invalidate the analysis and ratio studies. This reality is mitigated by the testing for outliers, the focus in the analysis on central tendencies rather than the fringes, and the review of different data groupings and subsets. The mitigation of any potential effect is one of the advantages of mass appraisal. For an example of the limited effect of removing a few sales please see the “AY 2021 Commercial Property Analysis & Appraisal Summary” section below.
- There are multiple facets to the analysis process. It usually includes the review of many ratio studies, starting from before any changes are made to the results after the final changes, but it also involves much more than that. Here is a partial list:
 - The sales validation and verification process is highly integrated with the analysis.
 - With each ratio study the decision of whether to include standard and/or extreme outliers
 - A study of the outliers
 - The relativeness of the sample
 - The uniformity and/or variance within the total set and all of the various subsets
 - The uniformity and/or variance between the total set and all of the various subsets
 - Market area uniformity and/or variance evaluated at Region, District and Neighborhood levels
 - The confidence level – this is a factor on all the decisions made and all aspects of the analysis and can vary greatly from one part of the analysis to another
 - The adjustments that need to be made and the best mechanism for applying them
- Data Sets- typical analysis structures will have a primary data set and then major type division data sets
 - For assessment work the primary data set is all of the property sales within the Borough.
 - A typical first level or major type division of the data set would be land, residential and commercial properties. All properties are placed into one of those three subsets based on appraisal judgement.
- Subsets- from the primary and the major type sets you typically have many subsets that are analyzed corresponding to things such as location, zoning, property type, and property characteristics
- The analysis should have an established structure. This often encompasses looking at the total primary set first, then doing land value analysis and adjustment, next incorporating the new land values into your analysis of building values, followed by a neighborhood factor analysis off of the new values which then leads to your final values.
- The data quality is critical to the analysis process.
- The analysis process is critical to the uniformity of your values.
- Analysis options / Mass Appraisal Techniques
 - Adaptive Estimation Procedure (AEP or Feedback)- most frequent method used by smaller jurisdictions
 - Multiple Regression Analysis (MRA)- requires a larger set of sales data
 - Nonlinear Regression Analysis- requires a larger set of sales data
 - Spatial Model Analysis (uses GIS)
- **Regardless of the number of sales, we are required to set assessed values each year. In setting assessed values we must do so for all taxable properties in the Borough.**

Model Specification

- Model specification is the process whereby you choose which property characteristics you feel effect value.
- Model Types- Additive, multiplicative, hybrid

Model Calibration

- Model calibration is the process whereby you determine by how much each characteristic effects value.

Approaches and Methodologies

- All three approaches- the sales comparison, cost and income approaches- are considered.
- New calculations versus trending
 - There are advantages to both and which is best to use is situational.
- In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making a correction to assessed values through trending.
- Your CAMA (Computer Assisted Mass Appraisal) system will play a role in which options are available for setting and adjusting values.

Review & Appeal Processes

- Valid Reasons for Appeal
 - Value is excessive/overvalued – To show that an assessment is excessive, an appellant must show that the assessment is more than just overvalued. It must be shown that the assessment is grossly disproportionate when compared to other assessments (or, it can be shown that there is an intentional or fraudulent purpose to place an excessive valuation on the property.)
 - Value is unequal – To show that an assessment is unequal, the appellant must show that there are other properties in the same class as the property being appealed and that there is no basis that would justify different valuations of the property.
 - Valued improperly – To show that an assessment is improper, it must be shown that the assessor used an improper method of valuation, which amounts to fraud or a clear adoption of a wrong principle of valuation.
 - Undervalued – To show that an assessment is undervalued, an appellant must show that the assessment is more than just undervalued. It must be shown that the assessment is grossly disproportionate when compared to other assessments (or, it can be shown that there is an intentional or fraudulent purpose to place an undervaluation on the property.)
- Reasons that are NOT Valid
 - Taxes are too high
 - Value changed too much in one year
 - Can't afford the taxes
- In response to a Petition for Review, we review the assessed values for each appeal and if there is an error or an indication of the property's assessed value being excessive, inequitable, and improper we make the appropriate corrections.

- The appellant has the opportunity to submit information to the Assessor and once we have reached a conclusion, to accept our findings or to continue to a BOE hearing.

AY2021 Commercial Property Assessment Particulars

- We strive to treat all properties equitably.
- We have done our work with the highest of ethical standards.
- We have followed the applicable assessment standards.
- The basis for the 2021 commercial property assessed values is a market analysis based upon available actual sales data of commercial property sales. The analysis adhered to assessment standards.
- Trending was the best option for our circumstances.
- There have been questions about the historic valuation model. Actually, more correctly it is models, as in a plural. For instance there is a model specific to S Franklin St properties while there is a separate model specific to Concrete Way, another one for land in the Vintage area and at least one applicable to the core downtown business district. Some of these models we have had opportunity to inspect and, while in some cases our appraisal judgement would suggest a slightly different approach to the adjustments, the models certainly appear reasonable. The basis and time frame for the various models of course differs. As an example, the S Franklin St model was done in 2010 and adjusted slightly in 2011 and appears to be based on a study of sales in the area. The Concrete Way model was updated in 2013. Another test of those models is what happens when we apply trending. The fact that the trending tended to improve the COD and COV would suggest that the models are reasonable and still are representative of the market.
- The correction to commercial properties was applied mainly, but not exclusively, through the land segment does not make this a land study. The land segment adjustment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.
- One of the advantages of mass appraisal and of the analysis work that the Assessor's Office does is that 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. (Please see the AY 2021 Commercial Property Analysis & Appraisal Summary section for additional review of these sales.)
- Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see the AY 2021 Commercial Property Analysis & Appraisal Summary section for additional review.)
- While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not significantly change the ratios and would not have resulted in any different action in setting the assessed values. (see the AY 2021 Commercial Property Analysis & Appraisal Summary section.)

- The values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied. It should be noted that in reviewing locational subgroups, property type subgroups and property characteristic subgroups in the analysis we did not see compelling evidence that any location or other subgroup should be treated differently from the rest with the exception of the boathouses.
- This adjustment does not represent one year of market change but change over many years.
- Each of the appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
- Our review of assessed values has consistently indicated that in spite of the corrections applied this year the fact remains that we are still undervalued for commercial properties. This is born out through the sales analysis, the cost approach and the income approach. Normally, at the BOE level we would be proposing increases to value when appropriate, however, in an effort to maintain uniformity, this year we have only been doing so when errors cause a property to be further undervalued.
- Two primary reasons cited for the appeals are that our assessed values are excessive and that our trending was not proper.

○

For perspective on those issues I would like to note some information from a source outside of the Assessor's Office. We have had the opportunity to read two commercial appraisals, both for one particular property on Salmon Creek Ln near the hospital. One has a valuation date of April 05, 2013 and the other a valuation date of August 11, 2021. Both appraisals are done by Mr. Wold who has been presented as an expert witness in many of the hearings.

Mr. Wold indicates that the land value in 2013 was \$330,000. Our land value for that year was just \$229,800.

Mr. Wold indicates that the land value in 2021 is \$570,000. Our land value for this year is just \$392,100 which happens to be less than 69% of his stated value which puts the ratio close to our median ratio.

The land value indicated in the appraisals increases by 73% over an 8 year period. Our increase this year was 50% over an 11 year period. In percentages Mr. Wold's increase of 9.1% per year is double ours which is 4.5% per year.

AY 2021 Commercial Property Analysis & Appraisal Summary

The population or universe of properties to be assessed is all taxable properties in the Borough of Juneau. Those properties are divided into two primary classifications: residential and commercial. The focus here is on the commercial properties. So, our universe of properties for this part of the analysis is all commercial properties within the Borough. Correspondingly, the sales population is all sales that occurred for commercial properties within the Borough. Those sales then go through both validation and verification processes. In the validation process sales are classified by other transactions vs sales, then market sales vs non-market sales, then market sales for which we have a sales price. The market sales with sales price are the sales utilized in the ratio studies and analysis.

The following page includes a summary report for the 2021 Assessed Values based on the sales information at the time of the analysis. Because this is a dataset that includes all commercial types (vacant and improved) other than boathouses a COD of 21.5490 is a good COD that indicates good uniformity in the assessed values across the varied types and locations of the properties. The scatter diagram indicates that a more aggressive trending of sales prices would have been appropriate. If that had been applied it would result in an indication of the assessed value ratios being even lower than stated. These ratios and statistics are based on AY2021 values after the adjustments to values were made.

**AY2021- Comm- Set 2 Updated AVs Live1- 20210316- No 19- All, 5 Yr, 5% Trend
Summary Report**

Statistics

Current Proposed

53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	

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

21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	(PRD s/b between 0.98 & 1.03, IAAO) (PRD over 1=Regressive)

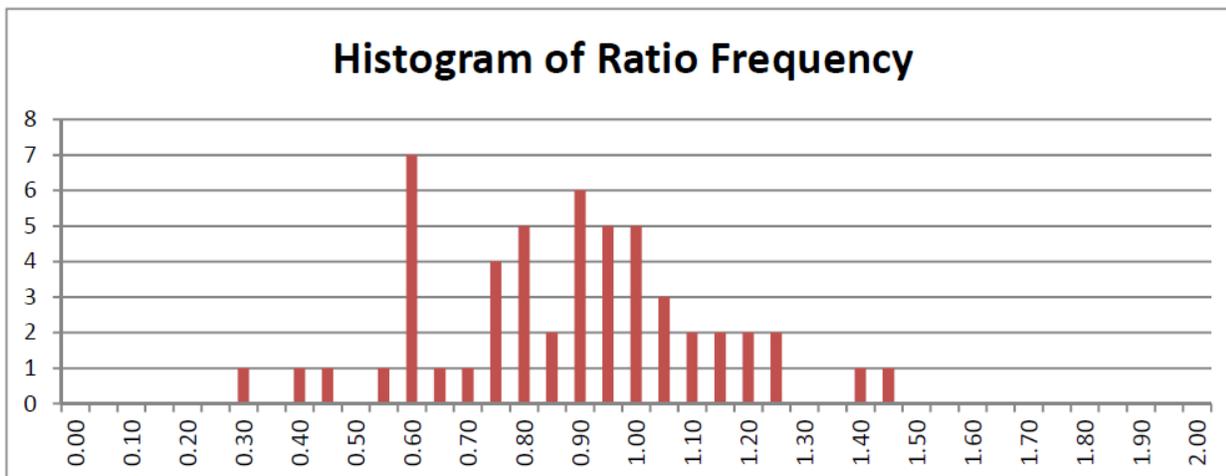
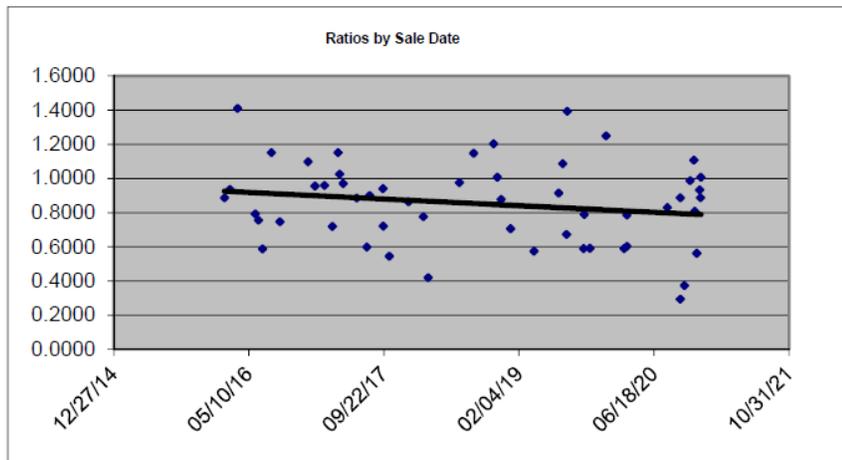
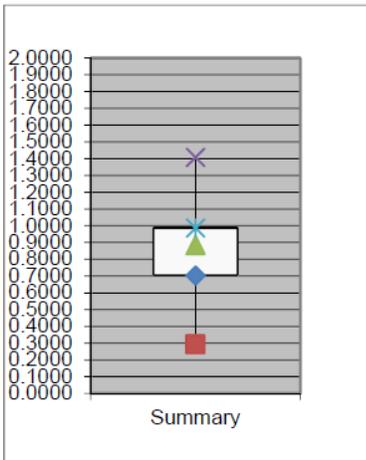
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

Trending Factors

- 0.85 Target Level
- 0.9969 Factor on Mean
- 0.9601 Factor on Median**
- 1.2176 Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

- 0.0327 Differential Mean to Median
- 24 Number of data points below the mean.
- 29 Number of data points above the mean.
- *Note- # below/above works on data sets up to 5,000 pts.



Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of time/market trending of sales prices was in order for the ratio studies. If that higher rate were applied it would show that we are even more undervalued than these statistics indicate.
- Regarding the histogram, it is normal to have ratios above 1.00. In fact, if your level of assessment were set based on the median and right at market (1.00) half of your data points would be below 1.00 and half would be above 1.00.
- If you reviewed many histograms from many different jurisdictions you would typically find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that subsequent to an analysis being done additional information comes to light that changes the validation or verification conclusions of a few sales. This does not invalidate the analysis and ratio studies. This reality is mitigated by the testing for outliers, the focus in the analysis on central tendencies rather than the fringes, and the review of different data groupings and subsets. The mitigation of any potential effect is one of the advantages of mass appraisal.
- Regarding the COD and COV: the numbers listed in the box at the top of the ratio study summary report are guidelines. The COD and COV and associated guidelines help guide your analysis of the market, the valuation models, confidence levels in adjusting values, effects of adjustments and other considerations. They are an indicator of central tendency and not an absolute criteria or test that a study has to meet to be valid. The image below is of the actual table from the IAAO Standard on Ratio Studies-2013.

Table 1-3. Ratio Study Uniformity Standards indicating acceptable general quality*

Type of property—General	Type of property—Specific	COD Range**
Single-family residential (including residential condominiums)	Newer or more homogeneous areas	5.0 to 10.0
Single-family residential	Older or more heterogeneous areas	5.0 to 15.0
Other residential	Rural, seasonal, recreational, manufactured housing, 2–4 unit family housing	5.0 to 20.0
Income-producing properties	Larger areas represented by large samples	5.0 to 15.0
Income-producing properties	Smaller areas represented by smaller samples	5.0 to 20.0
Vacant land		5.0 to 25.0
Other real and personal property		Varies with local conditions

- If your ratio study involves a mix of property types it is typical that your CODs and COVs will be higher.

Sales List

This is a list of the market sales that we had available for our analysis data set.

AY2021 Analysis Sales List									
Sale Date	Sale Price	Trended SP	AVTotal	Main Parcel	Count	Number	Street	Condo	Neighborhood
07/25/18	27,500	30,930	27,200	1C020K01G200	1	1435	HARBOR WAY	NO	AURORA BASIN C 19
06/28/19	25,000	26,936	27,200	1C020K01G280	1	1435	HARBOR WAY	NO	AURORA BASIN C 19
02/28/19	25,000	27,356	27,200	1C020K01G290	1	1435	HARBOR WAY	NO	AURORA BASIN C 19
10/09/20	20,000,000	20,235,200	7,524,300	1C060K010031	1	0	EGAN DR	NO	DOWNTOWN C
10/30/20	1,400,000	1,412,348	1,394,150	1C060K660110	1	711	W WILLOUGHBY AV	NO	DOWNTOWN C
12/15/16	1,100,000	1,327,612	1,457,000	1C060U040040	1	800	GLACIER AVE	NO	DOWNTOWN C
03/30/16	550,000	683,826	963,600	1C070A030040	1	100	N FRANKLIN ST	NO	DOWNTOWN C
12/09/20	confidential	confidential	190,200	1C070A050001	1	230	SEWARD ST	5K	SOMMERS ON SEWARD_C_24
11/02/18	510,600	567,144	682,450	1C070B0J0020	1	195	S FRANKLIN ST	NO	DOWNTOWN C
07/01/19	2,200,000	2,369,400	2,164,900	1C070B0N0011	1	259	S FRANKLIN ST	NO	DOWNTOWN C
03/10/20	612,788	638,268	501,300	1C110K120051	1	0	Eastough Way	NO	DOWNTOWN C
03/16/17	716,000	855,033	613,650	1C110K120101	1	170	MILL ST	NO	DOWNTOWN C
10/02/19	378,818	403,055	237,150	1C110K120120	1	0	MILL ST	NO	DOWNTOWN C
10/25/19	378,818	401,835	237,150	1C110K120130	1	190	MILL ST	NO	DOWNTOWN C
03/10/20	378,818	394,569	237,150	1C110K120140	1	0	MILL ST	NO	DOWNTOWN C
04/01/19	597,938	651,597	374,400	1C110K120150	1	0	MILL ST	NO	DOWNTOWN C
11/13/20	400,000	402,744	445,400	1D060L030011	2	201	CORDOVA ST	NO	WEST JUNEAU C
10/12/17	65,000	75,711	41,200	3B1501020030	1	1669	CREST ST	NO	SOUTH VALLEY C
11/30/18	168,750	186,776	164,000	3B1501040120	1	1544	CREST ST	NO	SOUTH VALLEY C
09/19/17	750,000	876,000	823,100	4B1601010040	1	2450	INDUSTRIAL BLVD	NO	MENDE PENINSULA C
06/13/17	104,000	122,899	108,800	4B1601050030	1	2274	INDUSTRIAL BLVD	5K	RIVERVIEW YACHT C 24
07/30/19	115,000	123,388	83,000	4B1601050160	1	2276	INDUSTRIAL BLVD	5K	RIVERVIEW YACHT C 24
03/05/18	73,000	83,557	35,000	4B1601080070	1	2278	INDUSTRIAL BLVD	5K	P & J BUSINESS C 24
07/31/17	112,500	132,188	119,000	4B1601120130	1	2270	BRANDY LN	5K	BRANDY LANE YACHT C 24
11/17/20	650,000	654,095	527,700	4B1701020020	1	10011	GLACIER HWY	NO	MENDE PENINSULA C
02/28/20	1,567,000	1,634,569	961,350	4B1701090056	1	10009	CRAZY HORSE DR	NO	MENDE PENINSULA C
12/04/20	confidential	confidential	145,000	4B1701090218	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
02/14/17	150,000	179,757	172,300	4B1701090223	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
04/24/17	130,000	154,534	149,800	4B1701090226	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
01/10/17	150,000	180,492	172,300	4B1701090228	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
06/30/16	501,624	617,218	361,800	4B1701100146	1	2789	SHERWOOD LN	NO	MENDE PENINSULA C
03/01/16	697,000	869,424	813,000	4B1701100170	1	10221	GLACIER HWY	NO	MENDE PENINSULA C
09/20/17	400,000	467,144	336,200	4B1701103003	1	2769	SHERWOOD LN	5K	BEAR DEN YACHT CONDO C 24
06/29/18	950,000	1,071,961	1,045,750	4B2901020010	1	10200	MENDENHALL LOOP	NO	AUKE MOUNTAIN C
10/04/19	2,205,832	2,346,343	1,849,500	5B1201000060	1	5245	GLACIER HWY	NO	LEMON CREEK C
08/02/19	500,000	536,260	746,600	5B1201020100	1	5452	SHAUNE DR	NO	LEMON CREEK C
04/05/17	4,140,000	4,932,313	5,106,550	5B1201040052	2	1721	ANKA ST	NO	LEMON CREEK C
08/02/16	500,000	612,910	704,850	5B1201060061	2	5631	GLACIER HWY	NO	LEMON CREEK C
09/24/20	2,450,000	2,483,957	1,554,550	5B1201060160	2	5740	CONCRETE WAY	NO	LEMON CREEK C
11/23/20	486,000	488,654	274,300	5B1201060260	1	5719	CONCRETE WAY	APN	SEAGULLS EDGE C 24
09/24/20	300,000	304,158	269,550	5B1201300110	1	1783	Anka St	NO	LEMON CREEK C
12/24/19	205,000	215,734	269,550	5B1201300110	1	1783	Anka St	NO	LEMON CREEK C
07/21/17	900,000	1,058,760	632,250	5B1201330160	3	2005	ANKA ST	NO	LEMON CREEK C
06/03/16	1,060,000	1,308,273	1,036,450	5B1201450110	1	1731	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C

(1) These were the sales available to us for our market analysis for assessment year 2021.
(2) Some sales prices are confidential, specifically when the only sale source is the buyer.
(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021 only sales prior to 11/26/2020 confidential.
(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071
(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.
(6) Note - multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.
(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios
(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.
(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.

In the sales list you will notice that there is a column that indicates whether or not the parcel is a condo. The properties that are labeled condo are not residential condos but commercial condos which could include retail spaces, offices and mini-warehouses. The reason that they are noted on the list is because the mechanism for increasing their values was different from other commercial property types. In the analysis they were treated as a separate subset.

Review of Particular Sales

In response to questions raised by appellants we did additional review regarding four sales and their inclusion in or exclusion from the ratio study. We found that the original inclusion or exclusions were appropriate. We then went one step further and analyzed the hypothetical assumptions regarding the inclusion and exclusion of these sales.

The sales were:

1. The Emporium Mall, 1C070K810090 & 0140 – This sale is a multi-parcel that does not qualify as a market sale.
2. The Assembly Building, 1C070A090060 – We did not and still do not have a verified sale price for this sale.
3. The Pacific Pier, 1C070K830040 – This may be a market sale, however, we did not have the sale price at the time of the analysis.
4. The AMHT/NCL land sale, 1C060K010031 – This is a market sale and was included in the analysis.

In regards to the NCL sale, two items of note. First, it does not meet the criteria to be considered to be an outlier. Second, it's inclusion in the analysis did not cause it to have undue influence on the results.

We have reviewed the assertions and find them to be without merit and find that the sales qualification designations are consistent with standards. The distinctions of what is and is not a market sale are important in keeping your data clean which leads to more accurate findings. In spite of there being no merit to the argument for changing which sales were included and which were excluded, just for review purposes, we looked during the review process at whether inclusion and exclusion of these sales would have made any substantial difference. The finding was that the changes in mean and median ratios was minimal and would not have led to any difference in our decisions in the setting of the assessed values and the bringing of the commercial values closer to market.

Again, I need to stress that the exclusion and inclusion, as done in the analysis, was proper and this was just done for comparative and informational purposes during the review process. The statistics below are for 3 sequential steps applying the hypothetical assumptions. The first step added the 2 sales, the next step then corrected an included sale and the third step then removed the NCL sale from consideration. You will see from the results below that even after applying these hypotheticals that after our changes to the assessed values that commercial properties remain undervalued. After applying the hypothetical assumptions the median changed by one thousandth of a percent and the mean increased by 3.2% but remained lower than the median.

<i>Review of Impact of Including and Excluding Particular Sales</i>				
	Original	2 Sales Added	Sale Correction	Remove NCL
Count	53	55	55	54
Minimum Ratio	0.2932	0.2932	0.3718	0.4189
Maximum Ratio	1.4091	1.4091	1.4091	1.4091
Range	1.1159	1.1159	1.0373	0.9903
Mean	0.8526	0.8692	0.8753	0.8846
Median	0.8853	0.8862	0.8862	0.8863
COD	21.5490	22.4051	21.6607	20.9181
COV	28.3180	29.0248	27.6491	26.4636
PRD- Price-Related or Factor Differential	1.2214	1.1463	1.1359	0.9396

In general, the mean is the preferred measure if your sample is symmetrical and the median is preferred if your sample is skewed or includes outliers. The COD is based on the median and the COV is based on the mean.

Beyond the above sales there were a number of sales that were included in early sales reports and counts of possible qualified market sales that were not included in the analysis set due to legitimate questions not being able to be resolved by the time that the study was done. This would include things such as unresolved questions as to whether a sale was a market sale or not, questions as to the accuracy of the sales price, lack of information as to the value of personal property included in the sale and other questions. It is normal for the sales validation information to be refined during the analysis process. A ratio study done on these excluded sales shows a mean and median ratio virtually identical to the analysis set. A list of sales (provided by appellant Ken Williamson) and their status as to inclusion in the analysis follows.

For Audit/Review Purposes Only

This is a summary of a review of a list of sales provided by appellant Ken Williamson.

This summary reviews whether or not these sales were included as a qualified market sale in the AY2021 Analysis.

In cases where the sale was excluded the reason is indicated.

<u>sale date</u>	<u>parcel number</u>	<u>address</u>	<u>Inclusion/Exclusion</u>	<u>Reason</u>
9/7/2017	1C020K01E220	Aurora Harbor	not included	boat house- Question on price & what sold
9/7/2017	1C020K01E230	Aurora Harbor	not included	boat house- Question on price & what sold
6/23/2020	1C020K01E300	1435 Harbor Way	not included	boat house; excluded as an outlier
7/25/2018	1C020K01G200	1435 HARBOR WAY	Included In Separate Study	boat house
6/28/2019	1C020K01G280	1435 HARBOR WAY	Included In Separate Study	boat house
2/28/2019	1C020K01G290	1435 HARBOR WAY	Included In Separate Study	boat house
1/30/2017	1c030c280080	712 W 12th	not included	questionable data source sp and mtg same
9/23/2016	1C060C000080	3610 Diston	not included	questionable data source reonomy?
10/9/2020	1C060K010031	0 EGAN DR	Included	
10/30/2020	1C060K660110	711 W WILLOUGHBY AVE	Included	
12/15/2016	1C060U040040	800 GLACIER AVE	Included	
7/20/2018	1C060U050022	1108 F ST	not included	multi parcel sale/ not contiguous/ multiple sale price references
3/30/2016	1C070A030040	100 N FRANKLIN ST	Included	
12/9/2020	1C070A050001	230 SEWARD ST	Included	
11/2/2018	1C070B0J0020	195 S FRANKLIN ST	Included	
7/1/2019	1C070B0N0011	259 S FRANKLIN ST	Included	
12/31/2019	1c070k810090	170 S Franklin	not included	multi parcel sale outside of standards for inclusion
1/9/2018	1C100I070050	549 S Franklin	not included	multi parcel sale/ not enough data/ easement questions
3/10/2020	1C110K120051	0 Eastaugh W ay	Included	
3/16/2017	1C110K120101	170 MILL ST	Included	
10/2/2019	1C110K120120	0 MILL ST	Included	
10/25/2019	1C110K120130	190 MILL ST	Included	
3/10/2020	1C110K120140	0 MILL ST	Included	
4/1/2019	1C110K120150	0 MILL ST	Included	
11/13/2020	1D060L030011	201 CORDOVA ST	Included	
10/12/2017	3B1501020030	1669 CREST ST	Included	
11/30/2018	3B1501040120	1544 CREST ST	Included	
9/19/2017	4B1601010040	2450 INDUSTRIAL BLVD	Included	
6/13/2017	4B1601050030	2274 INDUSTRIAL BLVD	Included	
7/30/2019	4B1601050160	2276 INDUSTRIAL BLVD	Included	

3/5/2018	4B1601080070	2278 INDUSTRIAL BLVD	Included	
10/29/2018	4B1601090040	Crazy Horse	not included	multi parcel sale/ condo units and land portions
7/31/2017	4B1601120130	2270 BRANDY LN	Included	
11/17/2020	4B1701020020	10011 GLACIER HWY	Included	
2/23/2020	4B1701080020	10012 Crazy Horse	not included	personal property included in sale price; adjustment not determined
2/28/2020	4B1701090056	10009 CRAZY HORSE DR	Included	
12/4/2020	4B1701090218	10011 CRAZY HORSE DR	Included	
2/14/2017	4B1701090223	10011 CRAZY HORSE DR	Included	
4/24/2017	4B1701090226	10011 CRAZY HORSE DR	Included	
1/10/2017	4B1701090228	10011 CRAZY HORSE DR	Included	
6/30/2016	4B1701100146	2789 SHERWOOD LN	Included	
3/1/2016	4B1701100170	10221 GLACIER HWY	Included	
9/20/2017	4B1701103003	2769 SHERWOOD LN	Included	
12/31/2019	4b1701104000	2771 Sherwood ln	not included	personal property included in sale price; adjustment not determined
3/26/2019	4b2801050030	3845 Lee Court	not included	vacant land sale in a residential neighborhood, considered to not be commerical land.
6/29/2018	4B2901020010	10200 MENDENHALL RD	Included	
10/4/2019	5B1201000060	5245 GLACIER HWY	Included	
9/3/2019	5b1201010010	1610 Anka	not included	multi parcel sale, not enough info
8/2/2019	5B1201020100	5452 SHAUNE DR	Included	
4/5/2017	5B1201040052	1721 ANKA ST	Included	
8/2/2016	5B1201060061	5631 GLACIER HWY	Included	
1/18/2017	5b1201060140	5720 Concrete Way	not included	Sale price was in question. Further review identified the correct sales price. The sale will be included in the 2022 analysis with the corrected sale price.
9/24/2020	5B1201060160	5740 CONCRETE WAY	Included	
11/23/2020	5B1201060260	5719 CONCRETE WAY	Included	
9/24/2020	5B1201300110	1783 Anka St	Included	
12/24/2019	5B1201300110	1783 Anka St	Included	
7/21/2017	5B1201330160	2005 ANKA ST	Included	
1/29/2018	5B1201450050	5410 Bent Ct	not included	personal property included in sale price; adjustment not determined; questionable data source
6/3/2016	5B1201450110	1731 RALPH'S W AY	Included	
6/15/2016	5B1501000002	8251 GLACIER HWY	Included	
8/7/2020	5B1501010001	1880 CREST ST	Included	

9/2/2016	5B1501020170	8401 AIRPORT BLVD	Included	
11/16/2018	5B1501040030	8825 MALLARD ST	Included	
12/7/2020	5B15011107E0	2221 JORDAN AVE	Included	
2/10/2016	5B15011107EO	2221 Jordan	Included	
12/22/2017	5B15011109B0	2231 JORDAN AVE	Included	
2/15/2018	5B1601000023	9151 GLACIER HWY	Included	
7/16/2019	5B1601140043	9309 GLACIER HWY	Included	
8/21/2018	5B1601140070	9309 GLACIER HWY	Included	
8/10/2016	5b160144000	3039 Clinton	not included	questionable data source/ reonomy/ Low income senior housing
1/4/2019	5B2401610150	4045 DELTA DR	Included	
1/27/2017	6D0701000020	4755 N Douglas Hiway	not included	not enough info
4/11/2017	7B0901030071	3161 CHANNEL DR	Included	
12/30/2016	7B0901040070	1050 Salmon Creek ln	not included	questionable data source/ "allocated sale price" noted but meaning of the note was unknown/ low income housing

The claim has also been made that our methodology was improper because we did not include sales that we had prices for and should have included, the insinuation being that we were cherry picking sales. See the table below regarding these claims and why they were not included.

Pacific Pier	We received sales data on this sale after the analysis. It will be considered for next year, however, indications are that it was purchased by a tenant which would make it a non-arms-length transaction and likely will not qualify as a market sale.
Emporium (this was already addressed above)	This sale was considered. It was excluded because it was a multi-parcel sale. It is clear that it does not qualify as an economic unit as part of it was sold one year later.
Assembly Building (this was already addressed above)	We did not and still do not have a confirmed sale price for this building. We have heard "street talk" about what it may have been but that does not qualify as a confirmed price.
Miner's Merchantile	This sale is from 09/17/2021 which is well after the 01/01/2021 cut off. It will be considered for next year, however, indications are that it was a non-arms-length transaction and likely will not qualify as a market sale.
Bill Ray Center (this was already addressed above)	We considered this sale. This is a multi-parcel sale with one of the parcels across the street. It does not clearly fit the economic unit definition. There also was questions as to the purchase and sale motivations of the short term property owner.

AY2021 Notes Regarding Spitzfaden, Wold & Geiger Submissions and Testimony

Notes Regarding Spitzfaden Submission and Wold Testimony

Notes Regarding Particular Sales

The Kim Wold letter indicated that some of the sales used in the analysis were not appropriate. We have identified and addressed those sales below.

- 5B1201300110
 - The letter includes a note indicating this sale was a duplicate.
 - Please note that this is not a duplicate.
 - It is a property that sold twice in the 5 year period, often referred to as a paired sale.
- 1C110K150041
 - The letter includes a note indicating this was a related party sale.
 - This is not in our list of sales.
 - The last sale we show in the CAMA system for this parcel is 12/07/2009. This was a related party sale and was not included in our analysis.
 - If he means 1C110K120140 (He has applied sale “numbers” to the list and refers to that number) – to our knowledge JMIS LLC and Bonnell Development LLC are not related but we could research this further. To our knowledge JMIS sold at least 6 parcels in that area to 5 different buyers. That said, removing one sale is not going to change the results of the ratio study and we do the analysis and ratio studies with the best information that we have at the time. It is normal that the sales data continually gets refined. For instance, next year there may be sales from 2020 that we could not use because we did not have sales prices at the time that we got sales prices for subsequent to the AY2021 analysis that will be used in AY2022.
- 5B1201020100
 - The letter includes a note indicating this was a related party sale.
 - The 08/02/2019 sale was included in the market sales. It was subsequently discovered that the seller (Odom Real Estate Partners) and the buyer (Odex Juneau LLC) had similar or overlapping principles. It was marked as a non-market transaction and will not be used for future market analysis.
 - Being that the ratio for this sale was above 1.00 (1.3922, the second highest ratio) removing it will potentially lower the mean and median ratios thus indicating that we are further undervalued.
 - Note that new information or refinements to the sales data does not invalidate a study which was done with the best information available at the time. It is normal that the sales data continually gets refined.
- 1D060L030011
 - The letter includes a note indicating this was a residential sale.
 - This property was marketed as available for commercial purposes.
 - It was purchased for commercial purposes.
 - Being that the ratio for this sale was above 1.00 (1.1059) removing it will potentially lower the mean and median ratios thus indicating that we are further undervalued.

- 1C070B0J0020
 - The letter includes a note indicating this was a related party sale.
 - There were 2 sales for this property.
 - The 09/01/2020 “sale” was recognized as being a transfer to a trust and was not included in the list of market sales.
 - The 11/02/2018 sale was included in the market sales. It was subsequently discovered that the purchaser was a long time tenant of the building. It was removed from the market sales list and will not be used for future market analysis.
 - Being that the ratio for this sale was above 1.00 (1.2033, the fourth highest ratio) removing it will potentially lower the mean and median ratios thus indicating that we are further undervalued.
- 4B1701100146
 - The letter includes a note indicating this was a related party sale. He does not indicate which of the two sales is purportedly a related party sale.
 - There were 2 sales for this property.
 - The sale from 05/25/2016 from Andosh Associates LLC to Cuttingedge Development Inc was not used as we do not have a sales price for this sale.
 - The second sale from 06/30/2016 from Cuttingedge Development Inc to SRA&G LLC was used. We do not have an indication that these parties are related but we can research this further.
 - Again, data refinement is normal and as documented in Addendum B, removing one sale is not usually going to alter the ratios in any significant way.
- 5B2401610150
 - The letter includes a note indicating this property is a residential property
 - It is a 6 Plex, a property type which we generally value with the commercial properties
 - It is an income producing property
- 4B2901020010
 - The letter includes a note indicating that this property is a Residential property
 - It is a RV Park
 - This property is an income producing property
- “3 additional pending sales”- These are only pending and are all after 01/01/2021.
- “Downtown sales closed 03/23/2021”- This sale is after 01/01/2021.

Questions & Answers

- Grandfathered Uses – Do they end with the sale of a property?
 - Not necessarily. The rights to a non-conforming use usually transfer with the sale. If a continued use is not permitted it is often considered a “taking” and the property owner must be compensated.
- Highest & Best Use
 - This is a key principle
 - The four “tests” are physical, legal, financial and maximal
 - While some aspects involve legal definitions or financial comparison the interpretation of all of the factors is often very subjective.
- Is there a set format and cap rate for an income approach?
 - There is no one set format when it comes to income approaches. It is common, when used for property tax assessment purposes, that the following expenses are excluded: property taxes, depreciation, debt service, income taxes, capital improvements, owner business expenses and replacement reserves. Those factors can vary considerably from one investor or property owner to another. Excluding them produces a more consistent model that reflects the market overall. Note that items such as the cap rate need to be developed or calibrated for each specific model structure. Different models may arrive at different NOI amounts, different cap rates, different standard expense percentages, etc. due to what income or expenses are included or excluded.
 - For the income approach our model uses a cap rate of 6% for AY2021. Our research indicated that an appropriate cap rate would have been 5%. Testing that against local sales and market information that we had available, we found that the 5% would bring us to market and that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending.
 - Remember that the cap rate is an inverse number to the value so a higher cap rate results in a lower indicated property value.
- Can a comparable sale be from a different location?
 - Some questions have been asked about Comparables in appraisal and assessed valuation work. First, in utilizing mass appraisal you do not have specifically identified comparables as you would in a classic sales comparison methodology, rather you are looking at all of the sales. That said, there is far more latitude in comparables than is being recognized. Comparable selection is highly subjective and each appraiser will have their own opinion as to which sales are the best comparables. Adjustments are then made to those comparables to “bring them” to the subject’s characteristics. While a residential appraisal for financing, which is the appraisal application that you are probably most familiar with, usually has fairly tight parameters, there actually can be great latitude in the comparable selection. There are many cases where, due to lack of sales, appraisers utilize different types of properties and properties from different neighborhoods, different cities and even different states. The adjustments become even more critical in these cases. Can a property from the valley be utilized in an appraisal for a downtown property? Absolutely, if the appraiser feels that that is the best comparable available. In such a case the locational adjustment would be more critical than if you have a comparable that is only a block away.

An Example

- Consider a scenario- State law and assessment standards indicate that you should assess all classes of property at similar levels. You are setting assessed values for all commercial property types including retail, offices, and warehouses. All non-commercial property types are at market (100%). You have 50+ sales from all commercial types, clustered fairly tightly, showing an overall ratio for all commercial type properties as being 70%. You have 12 sales of retail properties that are not a real tight cluster but showing that you are 70% of market. You have 6 sales of warehouses that are tightly clustered. They also show that you are at 70% of market. You have no office building sales. All of the subgroups that you have sales for have ratios close to the 70%. State law says that you must place a value on all of these properties. What are you going to do with assessed values for retail properties? What are you going to do with warehouse values? What are you going to do with office building values? Are you going to ignore the evidence and leave the values the same or are you going to apply the best correction that you can? Are you going to change some and not others just because there are fewer sales or no sales for that particular type? If so, what is your justification for treating them differently?