

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

February 9, 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**

**A. BOE Orientation Documents**

**B. Appeal No. 2021-0513 Duran Construction Company LLC**

**Appellant: Duran Construction Company LLC**

**Parcel No: 5B1301070036**

Location: 6625 Alaway Ave

Type: Commercial - Vacant

<b>Appellant's Estimated Value</b>	<b>Original Assessed Value</b>	<b>Recommended Value</b>
Site: TBD	Site: \$430,500	Site: \$430,500
Buildings: \$0	Buildings: \$0	Buildings: \$0
Total: TBD	Site: \$430,500	Site: \$430,500

**C. Appeal No. 2021-0283 Akiyama Family Rentals LLC**

**Appellant: Akiyama Family Rentals LLC**

Parcel No: 5B1601430016

Location: NBN Riverside

Dr

Type: Commercial - Vacant

<b>Appellant's Estimated Value</b>	<b>Original Assessed Value</b>	<b>Recommended Value</b>
Site: \$600,000	Site: \$1,135,800	Site: \$736,810
Buildings: \$0	Buildings: \$0	Buildings: \$0
Total: \$600,000	Site: \$1,135,800	Site: \$714,255*

**D. Appeal No. 2021-025 Pacific Investment Group LLC**

**Appellant: Pacific Investment Group LLC**

**Parcel No: 5B1601420020**

Location: NBN Vintage Blvd

Type: Commercial - Vacant

<b>Appellant's Estimated Value</b>	<b>Original Assessed Value</b>	<b>Recommended Value</b>
Site: \$426,394	Site: \$679,350	Site: \$661,961
Buildings: \$0	Buildings: \$0	Buildings: \$0
Total: \$426,394	Site: \$679,350	Site: \$643,573*

**E. Appeal No. 2021-0255 Pacific Investment Group LLC**

**Appellant: Pacific Investment Group LLC**

Parcel No: 5B1601420040

Location: NBN Vintage Blvd

Type: Commercial - Vacant

<b>Appellant's Estimated Value</b>	<b>Original Assessed Value</b>	<b>Recommended Value</b>
Site: \$332,000	Site: \$498,000	Site: \$377,436
Buildings: \$0	Buildings: \$0	Buildings: \$0
Total: \$332,000	Site: \$498,000	Site: \$363,956*

**F. Supplemental Material - AY2021 Property Assessment Guide (Updated 01-07-2022)**

**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 1<sup>st</sup>  
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

**BOARD OF EQUALIZATION AGENDA/MANAGER'S REPORT  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Appeal No. 2021-0513 Duran Construction Company LLC

**MANAGER'S REPORT:**

**Appellant: Duran Construction Company LLC**

**Parcel No: 5B1301070036**

Location: 6625 Alaway Ave

Type: Commercial - Vacant

<b>Appellant's Estimated Value</b>	<b>Original Assessed Value</b>	<b>Recommended Value</b>
Site: TBD	Site: \$430,500	Site: \$430,500
Buildings: \$0	Buildings: \$0	Buildings: \$0
Total: TBD	Site: \$430,500	Site: \$430,500

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>
<input type="checkbox"/> BOE Notice-Duran Construction	2/2/2022	Appeal
<input type="checkbox"/> Petition for Review Duran Construction	2/2/2022	Appeal
<input type="checkbox"/> Determination Letter Duran Construction	2/2/2022	Appeal
<input type="checkbox"/> BOE Assessor Packet-Duran Construction	2/2/2022	Appeal



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

DURAN CONSTRUCTION COMPANY LLC  
PO BOX 32634  
JUNEAU AK 99803-2634

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

Date of BOE	February 9, 2022, Wednesday
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	January 27, 2022
Parcel Identification	5B1301070036
Property Location	6225 ALAWAY AVE
Appeal No.	APL20210513
Sent to Email Address:	Duran@acsalaska.net

ATTENTION OWNER

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

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to [city.clerk@juneau.org](mailto:city.clerk@juneau.org) Attn.: Assessment Appeal} by **4:00 PM Wednesday, February 02, 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 Thursday, February 03, 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	<a href="mailto:assessor.office@juneau.org">assessor.office@juneau.org</a>	<a href="http://www.juneau.org/finance/">http://www.juneau.org/finance/</a>	155 South Seward St Room 114

PROPERTY TAX BILLS MAILED JULY 1

PROPERTY TAXES DUE SEPTEMBER 30



Office of the Assessor  
155 S Seward Street  
Juneau AK 99801

### Petition for Review / Correction of Assessed Value Real Property

Assessment Year	2021
Parcel ID Number	5B1301070036

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

### Please attach all supporting documentation

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

Parcel ID Number	5B1301070036		
Owner Name	DURAN CONSTRUCTION CO, LLC	Name of Applicant	DURAN CONSTRUCTION CO, LLC
Primary Phone #	907-321-4663	Email Address	DURAN@ACSALASKA.NET
Physical Address	8279 GARNET STREET JUNEAU, AK 99801	Mailing Address	PO BOX 32634 JUNEAU, AK 99803

**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:**

It appears the property has been incorrectly valued as General Commercial. The property is Rural Reserve, with the exception of the access road that is not developable or buildable except for an access.

Have you attached additional information or documentation? ☒ Yes ☐ No

#### Values on Assessment Notice:

Site	\$430500	Building	\$0	Total	\$430500
------	----------	----------	-----	-------	----------

#### Owner's Estimate of Value:

Site	\$TBD	Building	\$0	Total	\$TBD
------	-------	----------	-----	-------	-------

#### Purchase Price of Property:

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

Listing Price	\$	Days on Market	
---------------	----	----------------	--

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 *Joseette Duran* Date *5/3/21*

#### Contact Us: CBJ Assessors Office

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





## Assessor's Database

### Current Owner

DURAN CONSTRUCTION COMPANY LLC

PO BOX 32634, JUNEAU AK 99803

**Parcel #:** 5B1301070036 ([Map](#))

**Prev. Owner:** C J SCHNEIDER

**Use Code:** Commercial Misc

**No. of Units:** 000

**Garage:** No

**City Water:** Yes

**Exempt Land:** 0

**Address:** 6225 ALAWAY AVE

**Site Value:** \$430500.00

**Exempt:** No Data

**Year Built:** 0

**Garage Area:** 000000

**City Sewer:** Yes

**Exempt Building:** 0

**Legal Desc. 1:** JPD II TR S2

**Building PV:** \$0.00

**Zoning:** 0NA

**Lot Size:** 28.70

**Exempt Total:** 0

**Legal Desc. 2:**

**Total PV:** \$430500.00

**Tax Year:** 2021

**Gross Liv. Area:** 000000 sqft

**Last Trans:** 20090615

**Road/No Road:** Roaded

## Search the Database

Search the database using the search box below. The field accepts any search parameter (owner's name, address, parcel number, year built, etc.).



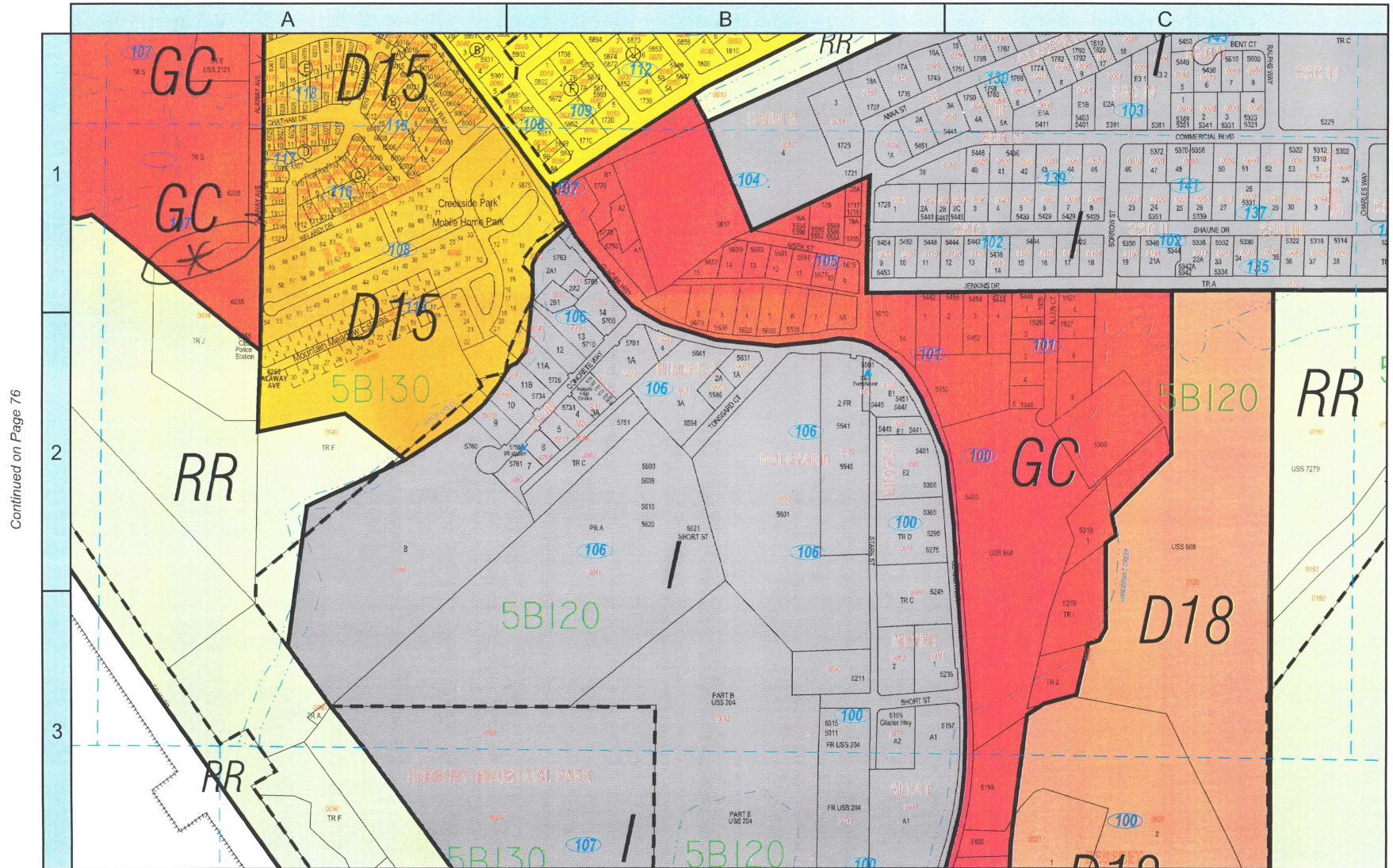


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\* Access Road is only GC



Assessor Tax Number Code







400 0 400 800 Feet



155 S. Seward St. Rm. 114  
Juneau, AK 99801  
Phone: (907)586-5215  
Fax: (907)586-4520  
Assessor.Office@juneau.org

12/28/21

Duran Construction Co, LLC  
PO Box 32634  
Juneau AK 99803

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 5B1301070036  
**RESPONSE DEADLINE: 01/04/22**

PARCEL: 5B1301070036  
PHYSICAL LOCATION: 6225 Alaway Ave

Duran Construction Co, LLC,

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 was valued improperly**

- 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 **5B1301070036**:

#### VALUE DETERMINATION

Recommended Action:	<b>No Change</b>
2021 Initial valuation:	<b>\$430,500</b>
2021 Owner estimate of value:	
2021 Final determination:	<b>\$430,500</b>

**We have reviewed your assessed value and did not find that the value is excessive, unequal, or improper.**

Parcel is currently under commercial use. Zoning was considered in valuation.

## 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 **01/04/22**, 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

# APPEAL #2021-0513

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION February 9, 2022



## ASSESSOR OFFICE

Appellant: Duran Construction Company LLC Location: 6225 Alaway Ave

Parcel No.: 5B1301070036 Property Type: Commercial/ Vacant

Appellant's basis for appeal: My property was valued improperly/incorrectly

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	TBD	\$430,500	\$430,500
Buildings:	\$ 0	\$0	\$0
<b>Total:</b>	<b>TBD</b>	<b>\$430,500</b>	<b>\$430,500</b>

*Subject Photo*





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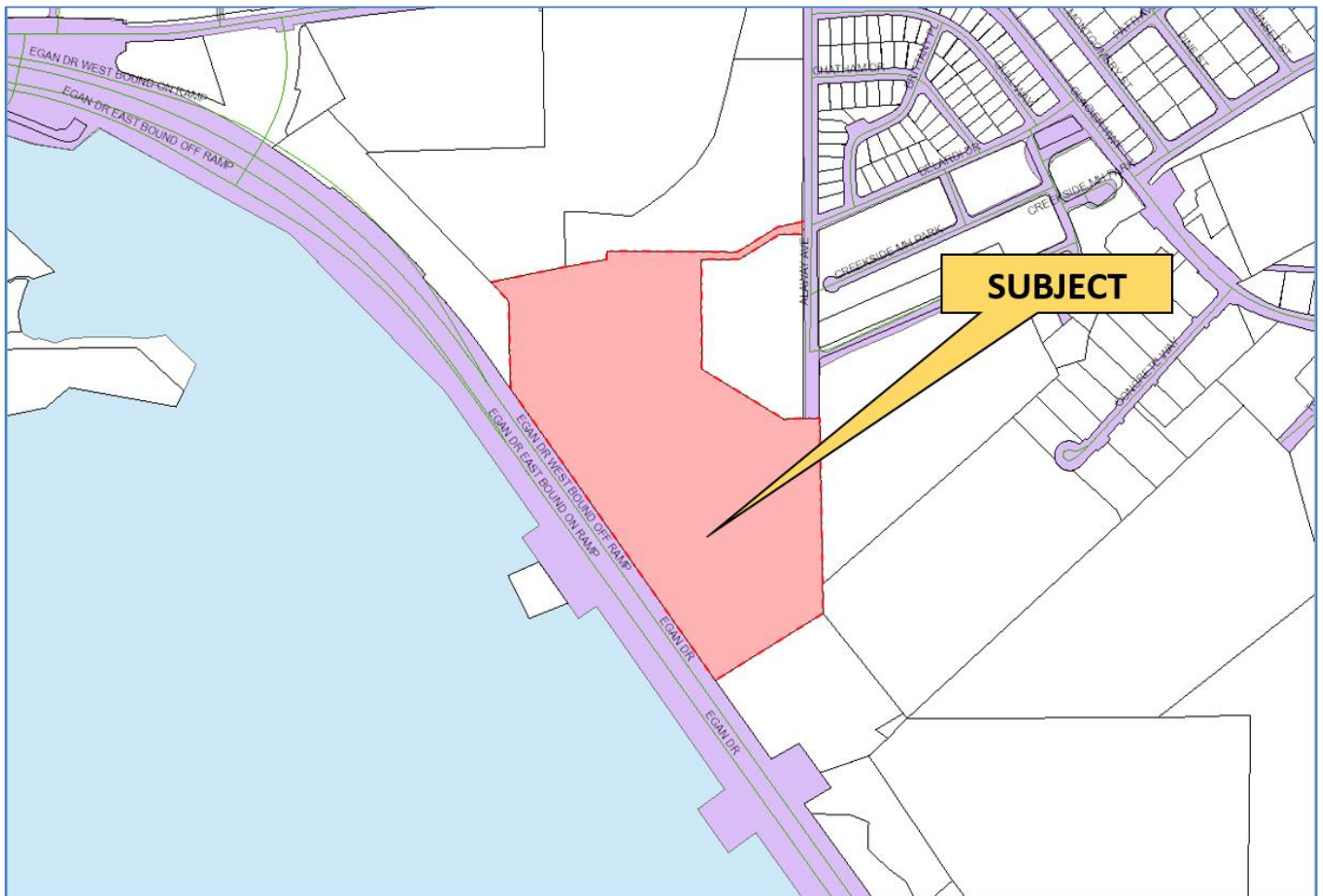
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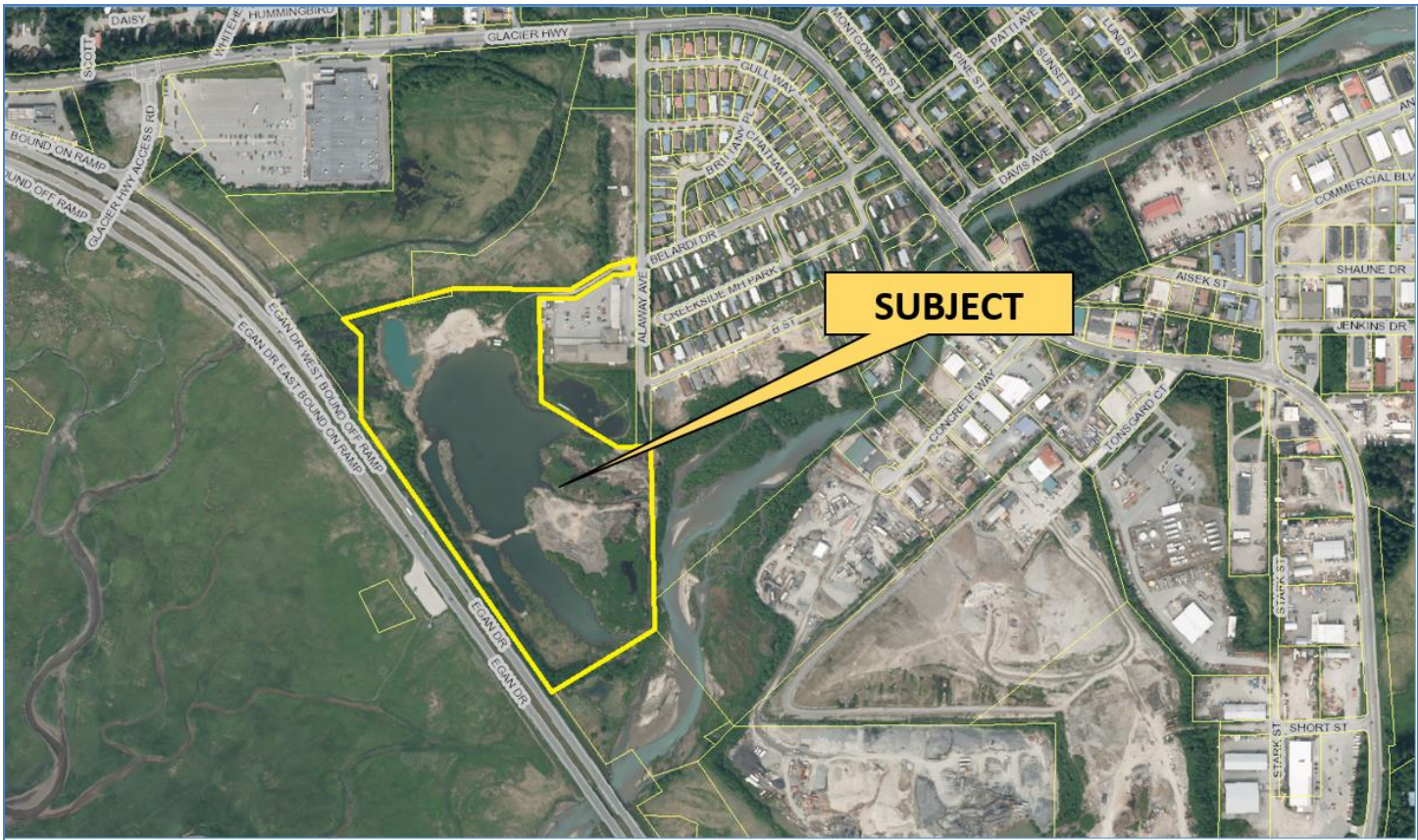
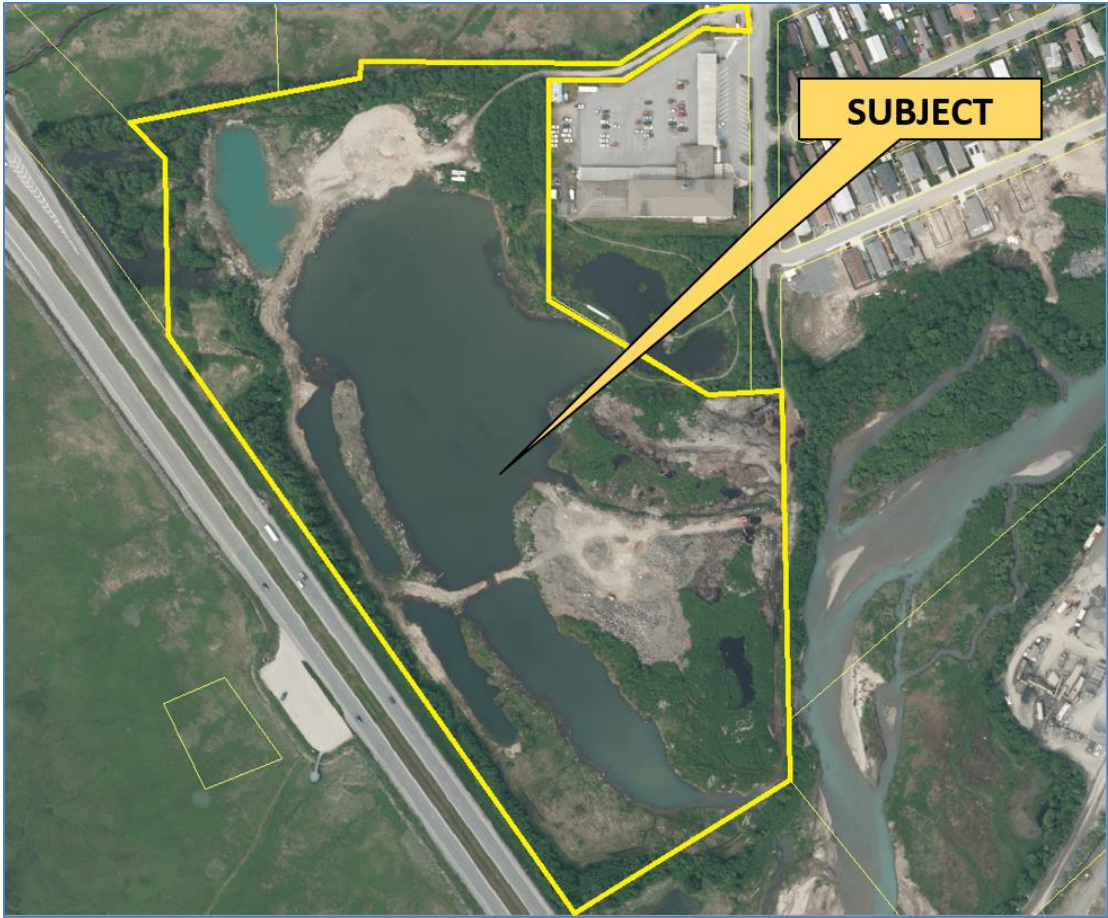
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### Subject Characteristics:

- ## AREA MAP & AERIAL









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

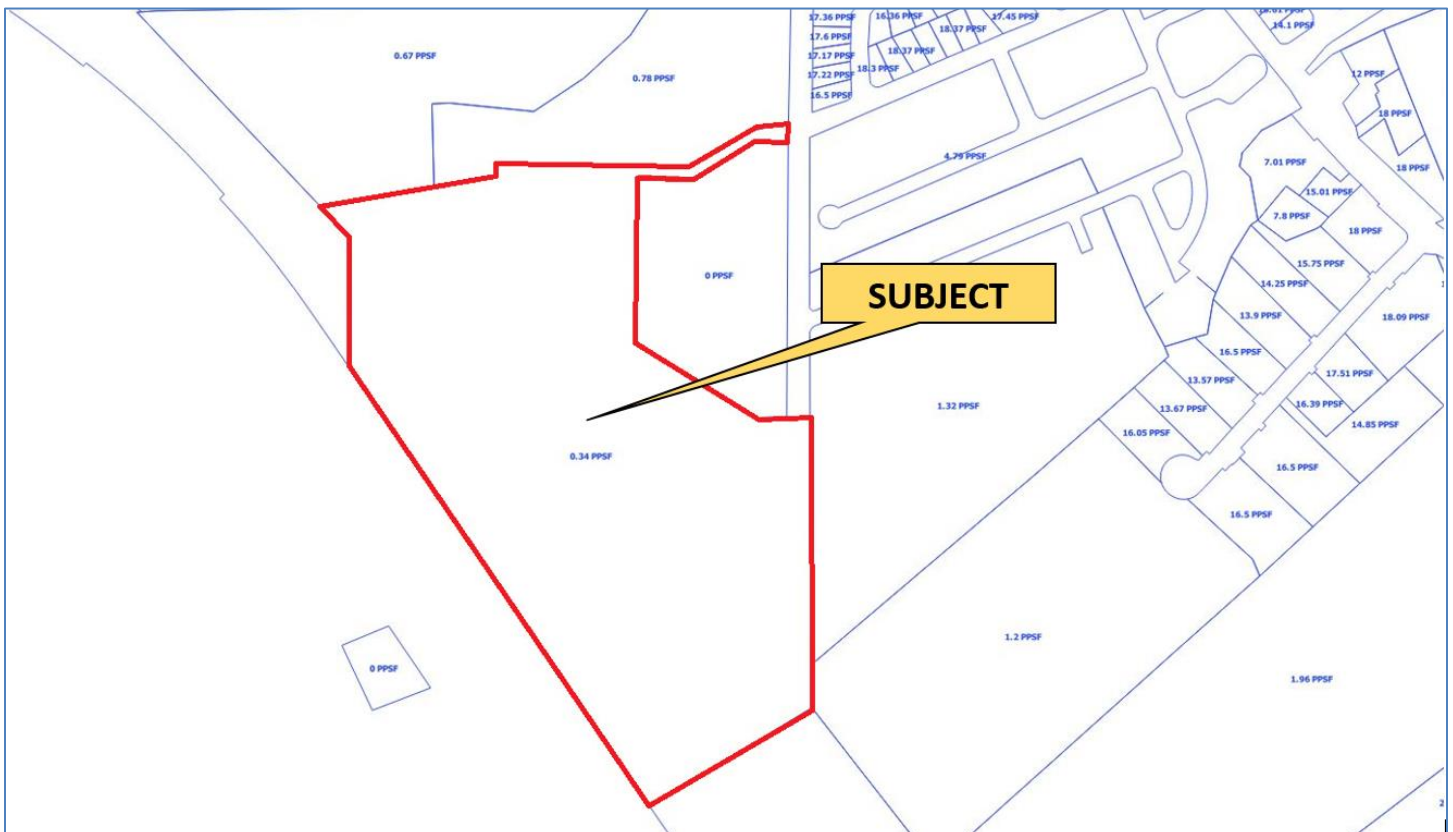
## LAND

The subject site features are a cleared lot with extensive ponds, formerly used as a borrow pit. The subject parcel's land value is equitable and is not excessive.

### Land Characteristics:

- 28.7 AC
- Mostly pond

## 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:**

- None

## **COST REPORT**

The cost report was not developed for this appeal because the parcel is vacant.

## **INCOME APPROACH**

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process

## **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**

5B1301070036  
DURAN CONSTRUCTION COMPANY LLC  
6225 ALAWAY AVE  
JPD II TR S2

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$430,500.00			\$430,500.00
2020	\$287,000.00			\$287,000.00
2019	\$287,000.00			\$287,000.00
2018	\$287,000.00			\$287,000.00
2017	\$287,000.00			\$287,000.00
2016	\$287,000.00			\$287,000.00
2015	\$287,000.00			\$287,000.00
2014	\$287,000.00			\$287,000.00
2013	\$574,000.00			\$574,000.00
2012	\$574,000.00	\$0.00	\$0.00	\$574,000.00
2011	\$574,000.00	\$0.00	\$0.00	\$574,000.00
2010	\$574,000.00	\$0.00	\$0.00	\$574,000.00

## 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 property was valued improperly/ incorrectly.
  - 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, 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 the property is Rural Reserve, with the exception of the access road that is not developable or buildable except for an access.
  - We find that the zoning and development limitations were considered in the value of this parcel.

## 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 50%.

We find that no change to the 2021 assessed value of \$430,500 is warranted and ask that the BOE uphold the assessed value.

**BOARD OF EQUALIZATION AGENDA/MANAGER'S REPORT  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Appeal No. 2021-0283 Akiyama Family Rentals LLC

**MANAGER'S REPORT:**

**Appellant: Akiyama Family Rentals LLC**

Parcel No: 5B1601430016

Location: NBN Riverside Dr

Type: Commercial - Vacant

<b>Appellant's Estimated Value</b>	<b>Original Assessed Value</b>	<b>Recommended Value</b>
Site: \$600,000	Site: \$1,135,800	Site: \$736,810
Buildings: \$0	Buildings: \$0	Buildings: \$0
Total: \$600,000	Site: \$1,135,800	Site: \$714,255*

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>
<input type="checkbox"/> 2022-01-30 email from Appellant Akiyama to BOE	2/3/2022	Cover Memo
<input type="checkbox"/> BOE Notice-Akiyama Family Rentals LLC	2/3/2022	Appeal
<input type="checkbox"/> Petition for Review-Akiyama Family Rentals	2/3/2022	Appeal
<input type="checkbox"/> Determination Letter-Akiyama Family Rentals	2/3/2022	Appeal
<input type="checkbox"/> BOE Assessors Packet-Akiyama Family Rentals	2/3/2022	Appeal

**From:** [Alan Akiyama](#)  
**To:** [City Clerk](#)  
**Cc:** [Alan Akiyama](#); [Mike Schmitz](#); [Carlton Smith](#)  
**Subject:** Attn: Assessment Appeal  
**Date:** Sunday, January 30, 2022 7:31:27 PM

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

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To: City & Borough of Juneau, Office of the Assessor

Re. CBJ Real Property Appeal to CBJ Board of Equalization Hearing

Appeal # APL20210283

Parcel ID # 5B1601430016

Property Location: Riverside Drive

Dear Assessor's Office,

I would like to present the following evidence for my CBJ Real Property Appeal to the CBJ Board of Equalization Hearing.

1. The 2021 Final Determination of the assessed value of the Vintage Park property by the CBJ Assessor's office is \$736,810. The lot size as listed by the Assessor's office is 32,689.00 square feet. Therefor the assessment valuation is \$22.54 / square foot. My estimate of value is \$600,000, which is what I purchased the property for from William Bauer. My assessment valuation is \$18.35 / square foot.
2. I talked to Larry Bauer, the listing agent for the Vintage Park properties before I filed my original appeal. He said that the property that was sold to build the storage/apartment buildings along the highway were sold for \$16.00 - \$17.00 / square foot. He also said that the property that was sold to build the senior housing along the river (Riverview?) was also sold for \$16.00 - \$17.00 / square foot. Finally, he said that the asking price for the two properties across from the Safeway store is \$17.00 / square foot.
3. When I decided to sell the property in August 2020, I listed it with Carlton Smith, a commercial real estate agent. We decided to start out asking \$660,000. After a few months we dropped the asking price to \$625,000. After a few more months, we dropped the price to \$599,000. But, since putting the property up for sale, we have not received a SINGLE offer. Realistically when I sell the property I am going to have to accept less than the current asking price of \$600,000.

It is my understanding that assessment values are based on comparable sales. If so, the two sales of the other Vintage park properties tells me that even an assessment of \$600,000 for my property is too high. However, I am willing to accept an assessment of \$600,000, because

that is what I purchased the property for.

I am planning on attending the Board of Equalization's Hearing via Zoom on Wednesday, February 9<sup>th</sup> at 5:30pm. Please send me the Zoom invitation so I can join the meeting. And please email and snail mail me the meeting packet so I can review it before the meeting.

Please contact me if you have any questions / or desire more information. Thank You for your time and consideration with this important CBJ property assessment matter.

Alan K. Akiyama  
Member, Akiyama Family Rentals, LLC  
1705 Evergreen Avenue, Juneau, Alaska 99801  
Email: alanakiyama@hotmail.com  
Phone: (907) 586-1705(H), (907) 209-8225(M)



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

AKIYAMA FAMILY RENTALS LLC  
1705 EVERGREEN AVE JUNEAU  
AK 99801

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

Date of BOE	February 9, 2022, Wednesday
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	January 27, 2022
Parcel Identification	5B1601430016
Property Location	RIVERSIDE DR
Appeal No.	APL20210283
Sent to Email Address:	alanakiyama@hotmail.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](mailto:city.clerk@juneau.org) Attn.: Assessment Appeal} by **4:00 PM Wednesday, February 02, 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 Thursday, February 03, 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	<a href="mailto:assessor.office@juneau.org">assessor.office@juneau.org</a>	<a href="http://www.juneau.org/finance/">http://www.juneau.org/finance/</a>	155 South Seward St Room 114

PROPERTY TAX BILLS MAILED JULY 1

PROPERTY TAXES DUE SEPTEMBER 30



Office of the Assessor  
155 S Seward Street  
Juneau AK 99801

Parcel Page 26 of 94 Correction of Assessed Value Real Property	
Assessment Year	2021
Parcel ID Number	5B1601430016

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

CBJ-Assessor's

APR 28 2021

Please attach all supporting documentation

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

Parcel ID Number	5B1601430016		
Owner Name	Akiyama Family Rentals	Name of Applicant	ALAN K. AKIYAMA
Primary Phone #	(907) 209-8225 (M)	Email Address	alanakiyama@hotmail.com
Physical Address	1705 Evergreen Avenue Juneau, Alaska 99801	Mailing Address	1705 Evergreen Avenue Juneau, Alaska 99801

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:

I bought the property about 10 years ago for \$600,000.00, or \$183.6 per square foot. It was listed for sale at \$659,000.00, and has been reduced to \$625,000.00, or \$19.12 per foot. I have NOT received a SINGLE offer! The last two Vintage Park lots have sold for \$15.00/foot

Have you attached additional information or documentation? ☐ Yes ☐ No

Values on Assessment Notice:

Site	\$1,135,800.00	Building	\$000000.00	Total	\$1,135,800.00
------	----------------	----------	-------------	-------	----------------

Owner's Estimate of Value:

Site	\$600,000.00	Building	\$000000.00	Total	\$600,000.00
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Purchase Price of Property:

Price	\$600,000.00	Purchase Date	July 02, 2012
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Has the property been listed for sale? ☒ Yes ☐ No (if yes complete next line)

Listing Price	\$625,000.00 Now	Days on Market	Listed Since August 17, 2020
---------------	------------------	----------------	------------------------------

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	Alan K. Akiyama	Date	April 27, 2021
-----------	-----------------	------	----------------

Contact Us: CBJ Assessors Office

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



## Step 1 – Administrative Review

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

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

## Step 2 – Appeal

Appeal # \_\_\_\_\_

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

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



OFFICE OF THE ASSESSOR

155 S. Seward St. Rm. 114  
Juneau, AK 99801  
Phone: (907)586-5215  
Fax: (907)586-4520  
Assessor.Office@juneau.org

12/10/21

Akiyama Family Rentals  
1705 Evergreen Ave  
Juneau AK 99801

Received

DEC 17 2021

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 5B1601430016  
**RESPONSE DEADLINE: 12/17/21**

PARCEL: 5B1601430016  
PHYSICAL LOCATION: Riverside Dr

Akiyama Family Rentals,

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 & My property was valued improperly**

- 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 **5B1601430016**:

**VALUE DETERMINATION**

Recommended Action:	<b>Change</b>
2021 Initial valuation:	<b>\$1,135,800</b>
2021 Owner estimate of value:	<b>\$600,000</b>
2021 Final determination:	<b>\$736,810</b>

**We have reviewed your assessed value and found that a change in the 2021 assessed value is necessary.**

In reviewing the Vintage area commercial properties we determined that application of a new land model was appropriate. The proposed value is based on the new Vintage area land model which is being applied to the 5 appeals in the area. The remaining parcels will be adjusted in 2022.

## 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.

Alan K. Okuyama Dec 17, 21  
Appellant signature Date

If we do not receive a response from you by 12/17/21, 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

# APPEAL #2021-0238

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION February 9, 2022



## ASSESSOR OFFICE

Appellant: Akiyama Family Rentals

Location: NBN Riverside Dr

Parcel No.: 5B1601430016

Property Type: Commercial - Vacant

Appellant's basis for appeal: My property value is excessive/overvalue & my property was valued improperly/incorrectly

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	\$ 600,000	\$ 1,135,800	\$ 736,810
Buildings:	\$ 0	\$ 0	\$ 0
<b>Total:</b>	<b>\$ 600,000</b>	<b>\$ 1,135,800</b>	<b>\$ 714,255 *</b>

*Subject Photo*



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OVERVIEW

The subject is a 32,689 SF vacant parcel located within the Vintage business park area.

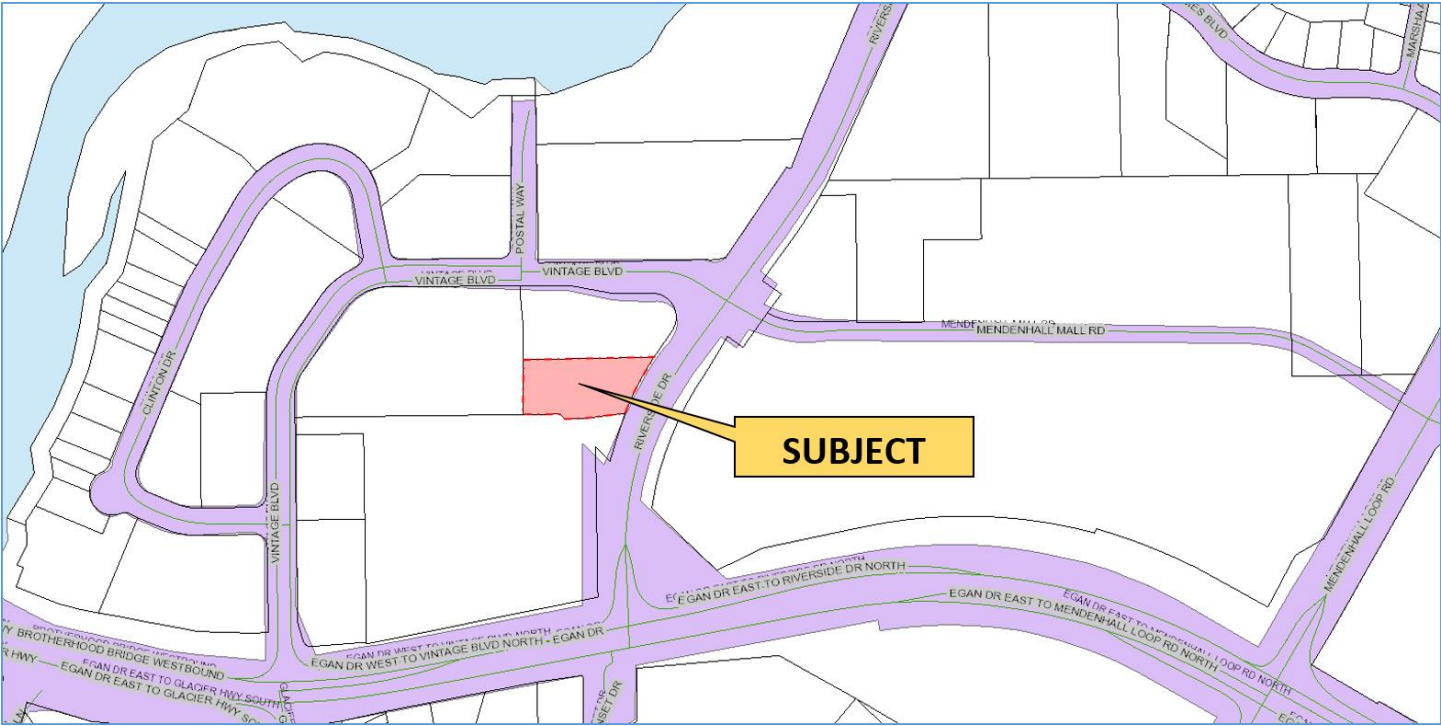
Subject Characteristics:

- Land
  - 32,689 SF lot = 0.7504 AC
  - Level, developable lot
  - Located within the Vintage business park area
- Building
  - None

SUBJECT PHOTOS

	<p>Vacant Land</p>
--	--------------------

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.

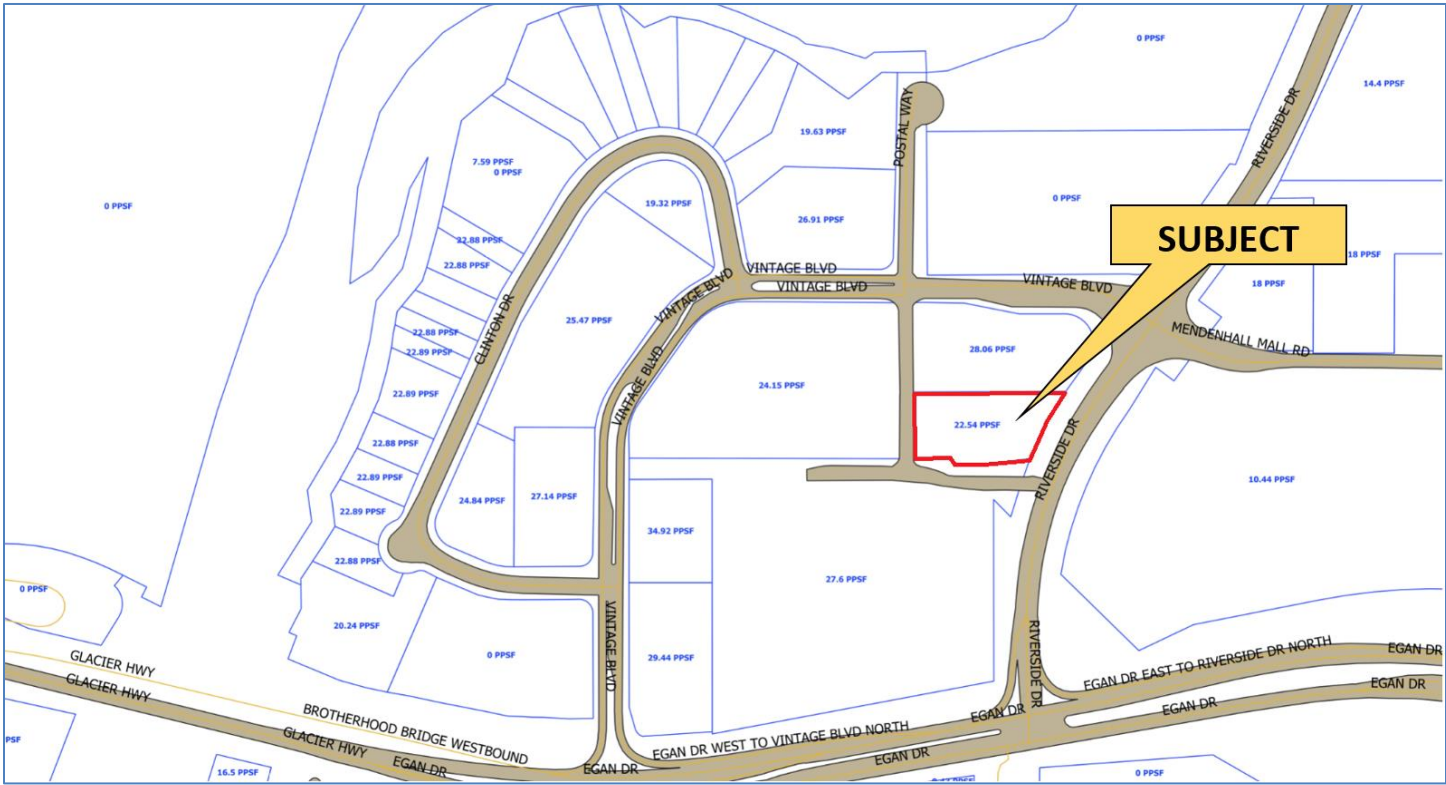
The subject site features are level and developable with access from Vintage Blvd/Postal Way and frontage on / visibility from Riverside Drive. The subject parcel's recommended land value is equitable and is not excessive.

### Land Characteristics:

- 32,689 SF lot = 0.7504 AC
- Level, developable lot
- Located within the Vintage business park area



Land Values



New Vintage Neighborhood Valuation Model For Appealed Properties

ParcelNumber	5B1601420020	5B1601420040	5B1601430016	5B1601430017	5B1601440082
Owner	Bauer	Bauer	Akiyama	Bauer	R&S Construction
Z	Light Commercial	Light Commercial	Light Commercial	Light Commercial	Light Commercial
LAND	26,649	19,536	32,689	127,336	40,273
UNIT	SQ Feet	SQ Feet	SQ Feet	SQ Feet	SQ Feet
TYPE	17-Vacant	17-Vacant	17-Vacant	17-Vacant	17-Vacant
2020	452,900	332,000	757,200	1,680,900	598,100
Original2021	679,350	498,000	1,135,800	2,521,350	897,150
Updated2021	643,573	363,956	714,255	2,987,303	787,337
Data-SiteQuality	3.00	3.00	2.00	2.00	2.00
Data-Subdividability					
Data-Zoning					
Data-Location	10%	0%	10%	20%	0%
Data-Size	26,649	19,536	32,689	127,336	40,273
Data-Topography	Level	Level	Level	Level	Level
Data-Access	3.00	3.00	3.00	3.00	3.00
Data-Wet	0%	0%	0%	0%	0%
Data-View	2.00	2.00	2.00	2.00	2.00
Data-Waterfront	Upland	Upland	Upland	Upland	Upland
Data-Shape	Rectangular	Triangular	Rectangular	Rectangular	Rectangular
Data-Services	100%	100%	100%	100%	100%
Data-PossessoryInterest					
Data-Vacant	Vacant	Vacant	Vacant	Vacant	Vacant
Data-FloodZone	100 Year	100 Year	100 Year	100 Year	100 Year
AVDetail					
Adj-Base	612,927	449,328	751,847	2,928,728	926,279
Adj-SiteQuality	-	-	(75,185)	(292,873)	(92,628)
Adj-Subdividability					
Adj-Zoning					
Adj-Location	61,293	-	75,185	585,746	-
Adj-Size	(12,258.54)	(4,493.28)	(15,036.94)	(146,436.40)	(18,525.58)
Adj-Topography	-	-	-	-	-
Adj-Access	-	-	-	-	-
Adj-Wet	-	-	-	-	-
Adj-View	-	-	-	-	-
Adj-Waterfront	-	-	-	-	-
Adj-Shape	-	(67,399)	-	-	-
Adj-Services	-	-	-	-	-
Adj-PossessoryInterest					
Adj-Vacant	-	-	-	-	-
Adj-FloodZone	(18,388)	(13,480)	(22,555)	(87,862)	(27,788)
Adj as a %					
Adj-SiteQuality	-	-	(0.10)	(0.10)	(0.10)
Adj-Subdividability	-	-	-	-	-
Adj-Zoning	-	-	-	-	-
Adj-Location	0.10	-	0.10	0.20	-
Adj-Size	(0.02)	(0.01)	(0.02)	(0.05)	(0.02)
Adj-Topography	-	-	-	-	-
Adj-Access	-	-	-	-	-
Adj-Wet	-	-	-	-	-
Adj-View	-	-	-	-	-
Adj-Waterfront	-	-	-	-	-
Adj-Shape	-	(0.15)	-	-	-
Adj-Services	-	-	-	-	-
Adj-PossessoryInterest	-	-	-	-	-
Adj-Vacant	-	-	-	-	-
Adj-FloodZone	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)

## **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:**

- None

## **COST REPORT**

The cost report was not developed for this appeal because the parcel is vacant.

## **INCOME APPROACH**

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process.

## **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**

5B1601430016  
AKIYAMA FAMILY RENTALS LLC  
RIVERSIDE DR  
VINTAGE III LT B1

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$1,135,800.00			\$1,135,800.00
2020	\$757,200.00			\$757,200.00
2019	\$757,200.00			\$757,200.00
2018	\$784,500.00			\$784,500.00
2017	\$784,500.00			\$784,500.00
2016	\$784,500.00			\$784,500.00
2015	\$784,500.00			\$784,500.00
2014	\$784,500.00			\$784,500.00
2013	\$784,500.00			\$784,500.00
2012	\$784,500.00	\$0.00	\$0.00	\$784,500.00
2011	\$784,500.00	\$0.00	\$0.00	\$784,500.00
2010	\$784,500.00	\$0.00	\$0.00	\$784,500.00

## 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 recommended value is equitable and that, based on analysis of market sales, it is not excessive. This is addressed in the land, commercial market and assessment analysis, summary and conclusion sections of our response in your packet. 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.
  - 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 he bought the property about 10 years for \$600,000 (\$18.36/sf). The property was listed for sale at \$659,000 and has been reduced to \$625,000 (\$19.12/sf). He has not received a single offer. The last two Vintage Park lots have sold for \$15.00/sf.

We had 5 vacant parcels in the Vintage neighborhood appeal this year. As we did our review we found that a few years ago about half of the vacant parcels remaining at that time had been adjusted and about half had not received an adjustment. For various reasons, in order to bring uniformity to the area, we needed to do a new land model for the Vintage area. This land model lowered most of the values. The new values will be applied to the appealed parcels in 2021 and to the remaining parcels in 2022.

In establishing the new land model we reviewed sales in the area.

A new base rate of \$23.00 was set for the Vintage area. A precise base rate was difficult to establish. While there were about 9 sales in this neighborhood over the past 5 years few of them were qualified market sales and most had extra factors to consider. We only had sales prices on some of the sales. Several were multi-parcel sales. One had construction restrictions attached to it.

We also had 3 independent appraisals of a nearby parcel and a Review Appraisal of the 3 independent appraisals to review. The 3 independent appraisals arrived at values of \$16/sf, \$20.50/sf and \$22.50/sf. Our assessed value for that parcel is at \$18/sf, which is towards the lower end of the range. Independent appraisers, addressing several of the sales in the Vintage area, commented that the seller “wanted to be rid of the management liability” and “just wanted the property gone,” that the sale “sold low,” that in some cases the prices had actually been set several years prior and that historically the prices in the neighborhood were over \$20/sf. Also, “The seller discounted the land’s sale price to assist the financial feasibility of the proposed developments. These are not considered market sales...”

Sales prices from one set of sales trended to 01/01/2021 ranged from \$19.91/sf to \$29.79/sf. Because most of this neighborhood is built out, future analysis to further refine the base rate and the adjustment amounts will likely need to involve both improved and vacant sales.

In regards to this neighborhood, one of the appraisers stated that “Since 2012 (to 2020, the date of the appraisal) I have seen values increase for commercial and industrial properties.”

In addition, we also looked at the mall and surrounding area across Riverside, which has a base rate of \$12.00 (\$18 when the 2021 factor of 1.5 is applied). We found that given the difference in the nature of the neighborhoods, the models, and the sales the base rates seem appropriate.

<u>Vintage Neighborhood Sales List for BOE</u>										
<u>Vintage Neighborhood Land Sales: 2016-2020 (Note: Not all of this information was available at the time that assessed values were set. These sales were considered in setting the new land model.)</u>										
PIN	Seller	Buyer	# Parcels	Sale Date	Sale Price	Price @ 01/01/21	Parcel SF	Price/SF	Validation	Note
5B1601440261	William Bauer Trust, Trustee	Juneau Senior Housing Partne	1	08/10/16	1,045,440	1,295,980	43,560	29.75	Market	Retired parcel; Sale not in Govern
5B1601440311	Pacific Investment Group	CBJ	8	08/23/19	1,519,000	1,623,790	102,367	15.86	Non-Market	Assemblage; Multi-Parcel
5B1601440311	CBJ	TPD Riverview LLC	8	08/07/20	1,891,080	1,929,161	102,367	18.85	Non-Market	Dev.Restrict.; 0 down, 0 int, postponed pmnts
5B160144????	William Bauer Trust, Trustee	R&S Construction	8	Apr-2018	1,023,613	1,171,201	70,591	16.59	Non-Market	Estate Sale?; Multi-Parcel Sale
5B1601440082	Pacific Investment Group LLC	R&S Construction	1	03/27/20	493,344	512,267	40,273	12.72	Non-Market	Estate?; Extra Site Prep, Shape & Access Issues
<u>These sales occurred after the 01/01/2021 assessment date.</u>										
5B1601430017	Pacific Investment Group LLC	SEARHC	1	09/01/21	2,037,376	Trending not yet	determined.		Non-Market	Estate Sale
<u>The following are not in Vintage but were used as comps in independent appraisals.</u>										
1C110K120150				Apr-2019	597,938	651,572	27,179	23.97		Comp- Downtown
5B1501060041				May-2019	1,100,000	1,193,922	52,246	22.85		Comp- By Airport
5B1201000060	This sale should have an upward adj for cost of demo.			Oct-2019	2,100,000	2,232,185	82,215	27.15		Comp- Lemon Creek
* These sales prices are not subject to the confidentiality clause. CBJ 15.05.105 ( c )										

## 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 would be a **decrease** of -6%.

We recommend that the 2021 assessed value be reduced to \$714,255.

\* Note that the recommended amount is lower than what was cited in the Determination Letter. As we were reviewing the amounts for the BOE packet we found that an Excel formula was not calculating correctly. Replacing the formula with the exact same formula produced an updated amount. Please see the table below for additional information.



	Original Formula	Result	New Check Formula On Same Sheet	Result	From the Column Oriented Version
5B1601430016	=SUM(AG7:AV7)	736,810	=SUM(AG7:AV7)	714,255	714,255
5B1601420020	=SUM(AG3:AV3)	661,961	=SUM(AG3:AV3)	643,573	643,573
5B1601420040	=SUM(AG5:AV5)	377,436	=SUM(AG5:AV5)	363,956	363,956

**BOARD OF EQUALIZATION AGENDA/MANAGER'S REPORT  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Appeal No. 2021-0254 Pacific Investment Group LLC

**MANAGER'S REPORT:**

**Appellant: Pacific Investment Group LLC**

**Parcel No: 5B1601420020**

Location: NBN Vintage Blvd

Type: Commercial - Vacant

<b>Appellant's Estimated Value</b>	<b>Original Assessed Value</b>	<b>Recommended Value</b>
Site: \$426,394	Site: \$679,350	Site: \$661,961
Buildings: \$0	Buildings: \$0	Buildings: \$0
Total: \$426,394	Site: \$679,350	Site: \$643,573*

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>
<input type="checkbox"/> BOE Notice-Pacific Investment Group	2/3/2022	Appeal
<input type="checkbox"/> Petition for Review-Pacific Investment Group	2/3/2022	Appeal
<input type="checkbox"/> Determination Letter-Pacific Investment Group	2/3/2022	Appeal
<input type="checkbox"/> BOE Assessor Packet-Pacific Investment Group Parcel No. 5B1601420020	2/3/2022	Appeal



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

PACIFIC INVESTMENT GROUP LLC  
9166 PARKWOOD DR  
JUNEAU AK 99801

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

Date of BOE	February 9, 2022, Wednesday
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	January 27, 2022
Parcel Identification	5B1601420020
Property Location	VINTAGE BLVD
Appeal No.	APL20210254
Sent to Email Address:	LJBauerCCIM@gmail.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](mailto:city.clerk@juneau.org) Attn.: Assessment Appeal} by **4:00 PM Wednesday, February 02, 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 Thursday, February 03, 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	<a href="mailto:assessor.office@juneau.org">assessor.office@juneau.org</a>	<a href="http://www.juneau.org/finance/">http://www.juneau.org/finance/</a>	155 South Seward St Room 114

PROPERTY TAX BILLS MAILED JULY 1

PROPERTY TAXES DUE SEPTEMBER 30



Office of the Assessor  
155 S Seward Street  
Juneau AK 99801

# Petition for Review / Correction of Assessed Value Real Property

Assessment Year	2021
Parcel ID Number	5B1601420020

For Office Use:	Review #	Received #
-----------------	----------	------------

## 2021 Filing Deadline: MONDAY, MAY 3

APR 26 2021

Please attach all supporting documentation

CBJ-Assessors Office

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

Parcel ID Number	5B1601420020		
Owner Name	Pacific Investment	Name of Applicant	LARRY BAUER
Primary Phone #	321-6660	Email Address	LJBAUERCCIM@GMAIL.COM
Physical Address	9166 PARKWOOD DR JUNEAU AK 99801	Mailing Address	PACIFIC INVESTMENT GROUP 9166 PARKWOOD DR JUNEAU AK 99801
<b>Why are you appealing your value?</b> Check box and provide a detailed explanation below for your appeal to be valid.			
<input checked="" type="radio"/> My property value is excessive/overvalued <input type="radio"/> My property value is unequal to similar properties <input type="radio"/> My property was valued improperly/incorrectly <input type="radio"/> My property has been undervalued <input type="radio"/> My exemption(s) was not applied		<b>THE FOLLOWING ARE NOT GROUNDS FOR APPEAL</b> <ul style="list-style-type: none"> <li>Your taxes are too high</li> <li>Your value changed too much in one year.</li> <li>You can't afford the taxes</li> </ul>	
Provide specific reasons and provide evidence supporting the item(s) checked above: The city purchased property from Pacific Invest Group for 15.00 per sq.ft. the city's appraisal came in at 18.00 per sq.ft. You are charging me 25.49 per sq.ft., the property the city purchased was on the river, the assessed property is not and inferior to the city's property			
Have you attached additional information or documentation? <input type="radio"/> Yes <input type="radio"/> No			
Values on Assessment Notice:			
Site	\$679,350.00	Building	\$ NONE
Total	\$679,350.00		
Owner's Estimate of Value:			
Site	\$426,394.00	Building	\$ NONE
Total	\$426,394.00		
Purchase Price of Property:			
Price	\$	Purchase Date	
Has the property been listed for sale? <input type="radio"/> Yes <input type="radio"/> No (if yes complete next line)			
Listing Price	\$ 16.00 per sq ft	Days on Market	3 years
Was the property appraised by a licensed appraiser within the last year? <input type="radio"/> Yes <input checked="" type="radio"/> No (if yes provide copy of appraisal)			
<b>Certification:</b> 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	L. Bauer		Date 4-14-21

### Contact Us: CBJ Assessors Office

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





OFFICE OF THE ASSESSOR

155 S. Seward St. Rm. 114  
Juneau, AK 99801  
Phone: (907)586-5215  
Fax: (907)586-4520  
Assessor.Office@juneau.org

12/10/21

Pacific Investment / Larry Bauer  
9166 Parkwood Dr  
Juneau AK 99801

Received  
DEC 13 2021  
CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 5B1601420020  
**RESPONSE DEADLINE: 12/17/21**

PARCEL: 5B1601420020  
PHYSICAL LOCATION: Vintage Blvd

Pacific Investment / Larry Bauer,

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 & My property value is unequal to similar properties & My property was valued improperly**

- 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 **5B1601420020**:

**VALUE DETERMINATION**

Recommended Action:	Change
2021 Initial valuation:	<b>\$679,350</b>
2021 Owner estimate of value:	<b>\$426,394</b>
2021 Final determination:	<b>\$661,961</b>


**We have reviewed your assessed value and found that a change in the 2021 assessed value is necessary.**

In reviewing the Vintage area commercial properties we determined that application of a new land model was appropriate. The proposed value is based on the new Vintage area land model which is being applied to the 5 appeals in the area. The remaining parcels will be adjusted in 2022.



## 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

12-13-21  
Date

If we do not receive a response from you by **12/17/21**, 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

# APPEAL #2021-0254

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION February 9, 2022



## ASSESSOR OFFICE

Appellant: Pacific Investment Group LLC

Location: NBN Vintage Blvd

Parcel No.: 5B1601420020

Property Type: Commercial - Vacant

Appellant's basis for appeal: My property value is excessive/overvalued & my property is unequal to similar properties & my property was valued improperly/incorrectly.

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	\$ 426,394	\$ 679,350	\$ 661,961
Buildings:	\$ 0	\$ 0	\$ 0
<b>Total:</b>	<b>\$ 426,394</b>	<b>\$ 679,350</b>	<b>\$ 643,573 *</b>

*Subject Photo*



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## OVERVIEW

The subject is a 26,649 SF vacant parcel with a paved strip along one edge that provides parking for an adjacent parcel and potentially for the subject. The parcel is located within the Vintage business park area.

### Subject Characteristics:

- Land
  - 26,649 SF lot = 0.6118 AC
  - Level, partially developed lot
  - Located within the Vintage business park area
- Building
  - None

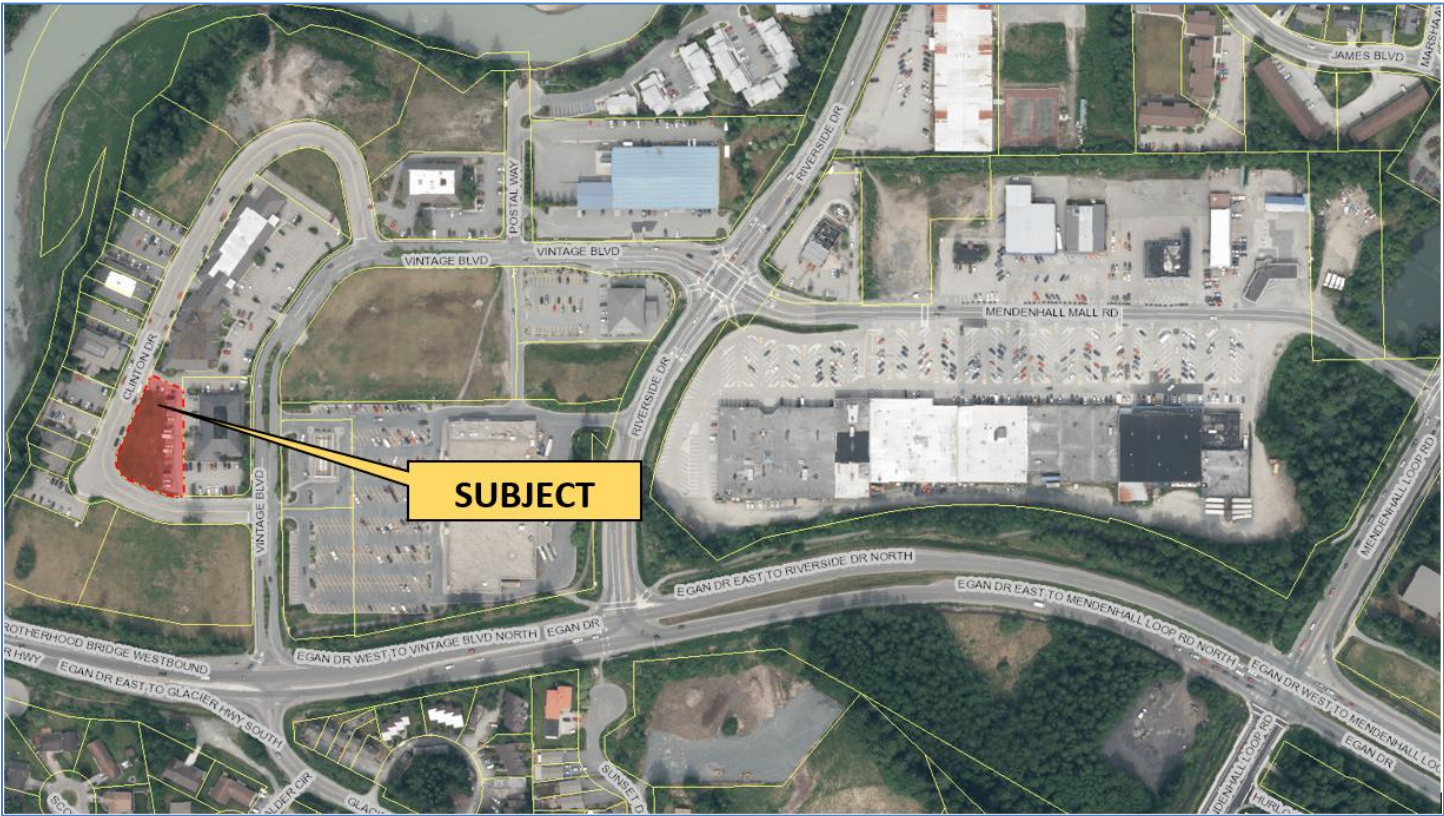
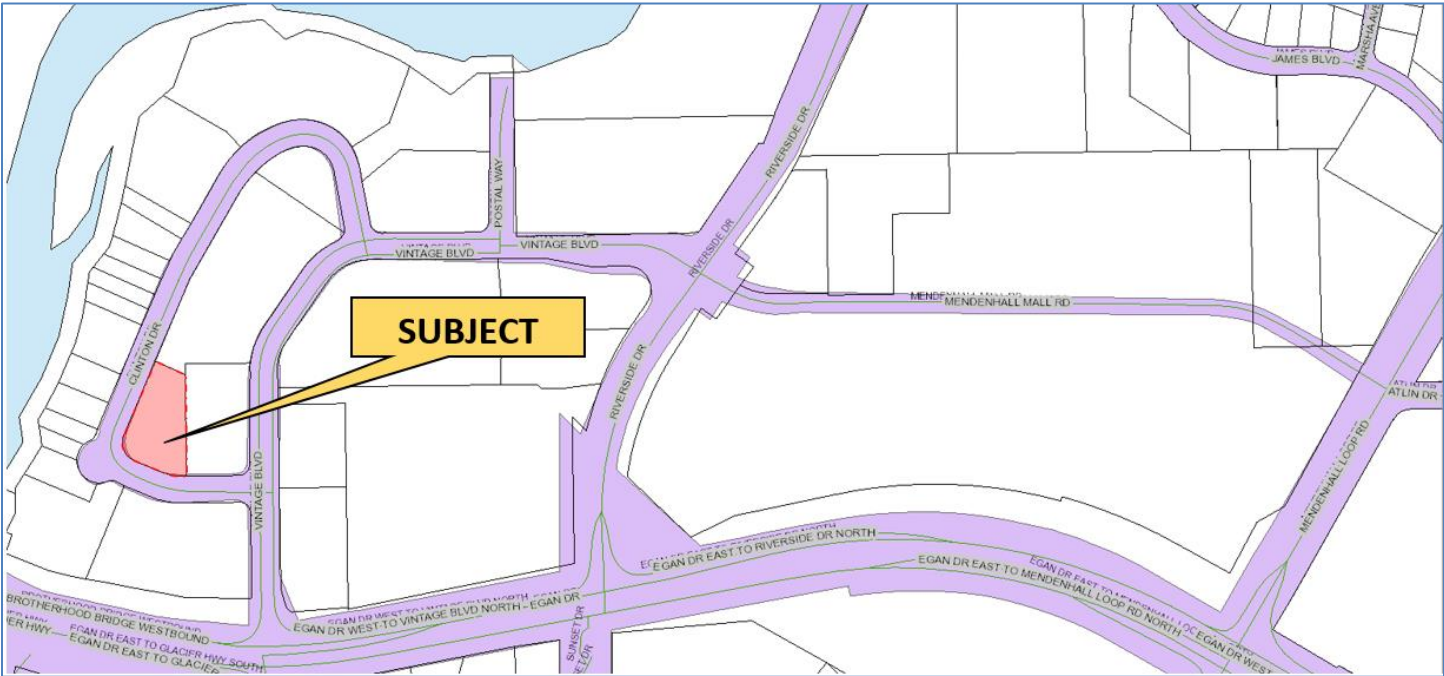
## SUBJECT PHOTOS



Vacant – Listed



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

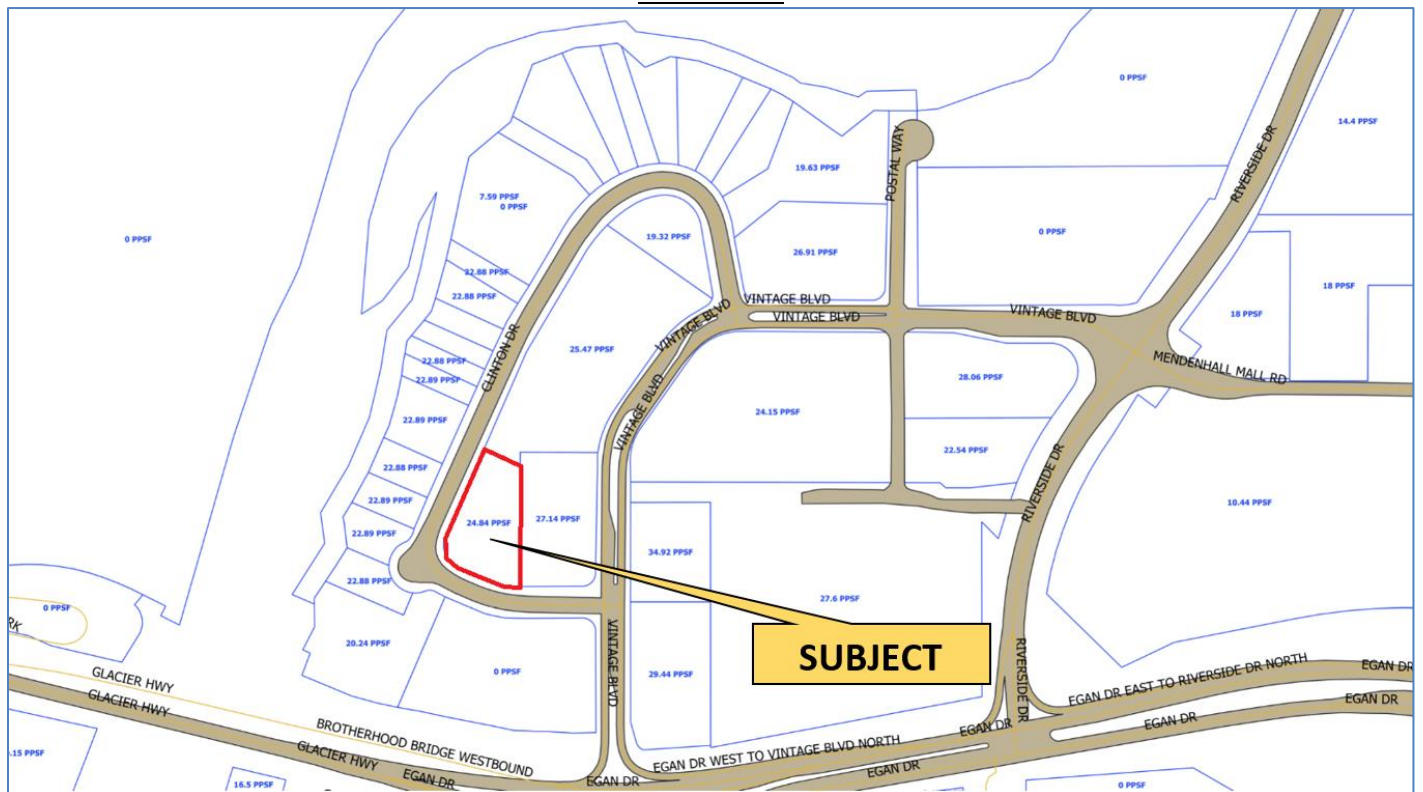
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation 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 features are **partially paved**, level and developable. Provides parking for an adjacent lot. The subject parcel's land value is equitable and is not excessive.

### Land Characteristics:

- 26,649 SF lot = 0.6118 AC
- Level, developable lot
- Located within the Vintage Business Park

### Land Values





## New Vintage Neighborhood Valuation Model For Appealed Properties

ParcelNumber	5B1601420020	5B1601420040	5B1601430016	5B1601430017	5B1601440082
Owner	Bauer	Bauer	Akiyama	Bauer	R&S Construction
Z	Light Commercial	Light Commercial	Light Commercial	Light Commercial	Light Commercial
LAND	26,649	19,536	32,689	127,336	40,273
UNIT	SQ Feet	SQ Feet	SQ Feet	SQ Feet	SQ Feet
TYPE	17-Vacant	17-Vacant	17-Vacant	17-Vacant	17-Vacant
2020	452,900	332,000	757,200	1,680,900	598,100
Original2021	679,350	498,000	1,135,800	2,521,350	897,150
Updated2021	<b>643,573</b>	<b>363,956</b>	<b>714,255</b>	<b>2,987,303</b>	<b>787,337</b>
Data-SiteQuality	3.00	3.00	2.00	2.00	2.00
Data-Subdividability					
Data-Zoning					
Data-Location	10%	0%	10%	20%	0%
Data-Size	26,649	19,536	32,689	127,336	40,273
Data-Topography	Level	Level	Level	Level	Level
Data-Access	3.00	3.00	3.00	3.00	3.00
Data-Wet	0%	0%	0%	0%	0%
Data-View	2.00	2.00	2.00	2.00	2.00
Data-Waterfront	Upland	Upland	Upland	Upland	Upland
Data-Shape	Rectangular	Triangular	Rectangular	Rectangular	Rectangular
Data-Services	100%	100%	100%	100%	100%
Data-PossessoryInterest					
Data-Vacant	Vacant	Vacant	Vacant	Vacant	Vacant
Data-FloodZone	100 Year	100 Year	100 Year	100 Year	100 Year
AVDetail					
Adj-Base	612,927	449,328	751,847	2,928,728	926,279
Adj-SiteQuality	-	-	(75,185)	(292,873)	(92,628)
Adj-Subdividability					
Adj-Zoning					
Adj-Location	61,293	-	75,185	585,746	-
Adj-Size	(12,258.54)	(4,493.28)	(15,036.94)	(146,436.40)	(18,525.58)
Adj-Topography	-	-	-	-	-
Adj-Access	-	-	-	-	-
Adj-Wet	-	-	-	-	-
Adj-View	-	-	-	-	-
Adj-Waterfront	-	-	-	-	-
Adj-Shape	-	(67,399)	-	-	-
Adj-Services	-	-	-	-	-
Adj-PossessoryInterest					
Adj-Vacant	-	-	-	-	-
Adj-FloodZone	(18,388)	(13,480)	(22,555)	(87,862)	(27,788)
Adj as a %					
Adj-SiteQuality	-	-	(0.10)	(0.10)	(0.10)
Adj-Subdividability	-	-	-	-	-
Adj-Zoning	-	-	-	-	-
Adj-Location	0.10	-	0.10	0.20	-
Adj-Size	(0.02)	(0.01)	(0.02)	(0.05)	(0.02)
Adj-Topography	-	-	-	-	-
Adj-Access	-	-	-	-	-
Adj-Wet	-	-	-	-	-
Adj-View	-	-	-	-	-
Adj-Waterfront	-	-	-	-	-
Adj-Shape	-	(0.15)	-	-	-
Adj-Services	-	-	-	-	-
Adj-PossessoryInterest	-	-	-	-	-
Adj-Vacant	-	-	-	-	-
Adj-FloodZone	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)

## **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:**

- None

## **COST REPORT**

The cost report was not developed for this appeal because the parcel is vacant.

## **INCOME APPROACH**

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process.

## **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**

5B1601420020  
PACIFIC INVESTMENT GROUP LLC  
VINTAGE BLVD  
VINTAGE II BL A LT R2

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$679,350.00			\$679,350.00
2020	\$452,900.00			\$452,900.00
2019	\$452,900.00			\$452,900.00
2018	\$439,700.00			\$439,700.00
2017	\$639,600.00			\$639,600.00
2016	\$639,600.00			\$639,600.00
2015	\$639,600.00			\$639,600.00
2014	\$639,600.00			\$639,600.00
2013	\$639,600.00			\$639,600.00
2012	\$639,600.00	\$0.00	\$0.00	\$639,600.00
2011	\$639,600.00	\$0.00	\$0.00	\$639,600.00
2010	\$639,600.00	\$0.00	\$0.00	\$639,600.00

## 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, unequal, and improper.
  - We find that the recommended value is not excessive.
  - We find that the recommended value is equitable.
  - We find that the recommended value is not improper.
  - These conclusions are addressed in the land, commercial market and assessment analysis, summary and conclusion sections of our response in your packet. 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.
  - 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 the city purchased property from Pacific Invest Group LL for 15.00/sf. The city’s appraisal came in at 18.00/sf. You are charging me 25.49/sf, the property the city purchased was on the river, the assessed property is not and is inferior to the city’s property.

We had 5 vacant parcels in the Vintage neighborhood appeal this year. As we did our review we found that a few years ago about half of the vacant parcels remaining at that time had been adjusted and about half had not received an adjustment. For various reasons, in order to bring uniformity to the area, we needed to do a new land model for the Vintage area. This land model lowered most of the values. The new values will be applied to the appealed parcels in 2021 and to the remaining parcels in 2022.

In establishing the new land model we reviewed sales in the area.

A new base rate of \$23.00 was set for the Vintage area. A precise base rate was difficult to establish. While there were about 9 sales in this neighborhood over the past 5 years few of them were qualified market sales and most had extra factors to consider. We only had sales prices on some of the sales. Several were multi-parcel sales. One had construction restrictions attached to it.

We also had 3 independent appraisals of a nearby parcel and a Review Appraisal of the 3 independent appraisals to review. The 3 independent appraisals arrived at values of \$16/sf, \$20.50/sf and \$22.50/sf. Our assessed value for that parcel is at \$18/sf, which is towards the lower end of the range. Independent appraisers, addressing several of the sales in the Vintage area, commented that the seller “wanted to be rid of the management liability” and “just wanted the property gone,” that the sale “sold low,” that in some cases the prices had actually been set several years prior and that historically the prices in the neighborhood were over \$20/sf. Also, “The seller discounted the land’s sale price to assist the financial feasibility of the proposed developments. These are not considered market sales...”



Sales prices from one set of sales trended to 01/01/2021 ranged from \$19.91/sf to \$29.79/sf. Because most of this neighborhood is built out, future analysis to further refine the base rate and the adjustment amounts will likely need to involve both improved and vacant sales.

In regards to this neighborhood, one of the appraisers stated that "Since 2012 (to 2020, the date of the appraisal) I have seen values increase for commercial and industrial properties."

In addition, we also looked at the mall and surrounding area across Riverside, which has a base rate of \$12.00 (\$18 when the 2021 factor of 1.5 is applied). We found that given the difference in the nature of the neighborhoods, the models, and the sales the base rates seem appropriate.

<u>Vintage Neighborhood Sales List for BOE</u>										
<u>Vintage Neighborhood Land Sales: 2016-2020 (Note: Not all of this information was available at the time that assessed values were set. These sales were considered in setting the new land model.)</u>										
PIN	Seller	Buyer	# Parcels	Sale Date	Sale Price	Price @ 01/01/21	Parcel SF	Price/SF	Validation	Note
5B1601440261	William Bauer Trust, Trustee	Juneau Senior Housing Partne	1	08/10/16	1,045,440	1,295,980	43,560	29.75	Market	Retired parcel; Sale not in Govern
5B1601440311	Pacific Investment Group	CBJ	8	08/23/19	1,519,000	1,623,790	102,367	15.86	Non-Market	Assemblage; Multi-Parcel
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* These sales prices are not subject to the confidentiality clause. CBJ 15.05.105 ( c )										

## 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 would be an increase of 42%.

We recommend that the 2021 assessed value be reduced to \$643,573.

\* Note that the recommended amount is lower than what was cited in the Determination Letter. As we were reviewing the amounts for the BOE packet we found that an Excel formula was not calculating correctly. Replacing the formula with the exact same formula produced an updated amount. Please see the table below for additional information.

	Original Formula	Result	New Check Formula On Same Sheet	Result	From the Column Oriented Version
5B1601430016	=SUM(AG7:AV7)	736,810	=SUM(AG7:AV7)	714,255	714,255
5B1601420020	=SUM(AG3:AV3)	661,961	=SUM(AG3:AV3)	643,573	643,573
5B1601420040	=SUM(AG5:AV5)	377,436	=SUM(AG5:AV5)	363,956	363,956

**BOARD OF EQUALIZATION AGENDA/MANAGER'S REPORT  
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Appeal No. 2021-0255 Pacific Investment Group LLC

**MANAGER'S REPORT:**

**Appellant: Pacific Investment Group LLC**

Parcel No: 5B1601420040

Location: NBN Vintage Blvd

Type: Commercial - Vacant

<b>Appellant's Estimated Value</b>	<b>Original Assessed Value</b>	<b>Recommended Value</b>
Site: \$332,000	Site: \$498,000	Site: \$377,436
Buildings: \$0	Buildings: \$0	Buildings: \$0
Total: \$332,000	Site: \$498,000	Site: \$363,956*

**ATTACHMENTS:**

	<b>Description</b>	<b>Upload Date</b>	<b>Type</b>
☐	BOE Notice-Pacific Investment Group Appeal 2021-0255	2/3/2022	Appeal
☐	Petition for Review-Pacific Investment Group Appeal 2021-0255	2/3/2022	Appeal
☐	Determination Letter-Pacific Investment Group Appeal 2021-0255	2/3/2022	Appeal
☐	BOE Assessor Packet-Pacific Investment Group Parcel No. 5B1601420040	2/3/2022	Appeal



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

PACIFIC INVESTMENT GROUP LLC  
9166 PARKWOOD DR  
JUNEAU AK 99801

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

Date of BOE	February 9, 2022, Wednesday
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	January 27, 2022
Parcel Identification	5B1601420040
Property Location	CLINTON DR
Appeal No.	APL20210255
Sent to Email Address:	LJBauerCCIM@gmail.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](mailto:city.clerk@juneau.org) Attn.: Assessment Appeal} by **4:00 PM Wednesday, February 02, 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 Thursday, February 03, 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	<a href="mailto:assessor.office@juneau.org">assessor.office@juneau.org</a>	<a href="http://www.juneau.org/finance/">http://www.juneau.org/finance/</a>	155 South Seward St Room 114

PROPERTY TAX BILLS MAILED JULY 1

PROPERTY TAXES DUE SEPTEMBER 30





Office of the Assessor  
155 S Seward Street  
Juneau AK 99801

# Petition for Review / Correction of Assessed Value Real Property

Assessment Year 2021

Parcel ID Number

For Office Use: Review #

Appeal #

## 2021 Filing Deadline: MONDAY, MAY 3

APR 26 2021

CBJ-Assessors Office

Please attach all supporting documentation

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

Parcel ID Number	5B1601420040		
Owner Name	Pacific Invest Group LLC	Name of Applicant	LARRY BAUER
Primary Phone #	321-6066	Email Address	LJBAUERCEM@GMAIL.COM
Physical Address	9166 PARKWOOD DR JUNEAU AK 99801	Mailing Address	← 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:

The city purchased property from Pacific Invest Group for 16.00 per sq.ft. the city's appraisal on land they purchased came in at 18.00 per sq.ft. You are charging me 24.57 per sq.ft., the property the city purchased was on the river, the assessed property was not and inferior to the city's property. We have been trying to sell the property at 16.00 a foot.

Site	\$ 498,000.00	Building	\$ NONE	Total	\$ 498,000.00
Owner's Estimate of Value:					
Site	\$ 332,000.00	Building	\$ NONE	Total	\$ 332,000.00
Purchase Price of Property:					
Price	\$	Purchase Date			
Has the property been listed for sale? <input type="radio"/> Yes <input checked="" type="radio"/> No (if yes complete next line)					
Listing Price	\$ 16.00 per ft	Days on Market	3 years		
Was the property appraised by a licensed appraiser within the last year? <input type="radio"/> Yes <input checked="" type="radio"/> 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	L Bauer			Date	4-14-21

### Contact Us: CBJ Assessors Office

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



OFFICE OF THE ASSESSOR

155 S. Seward St. Rm. 114  
Juneau, AK 99801  
Phone: (907)586-5215  
Fax: (907)586-4520  
Assessor.Office@juneau.org

12/10/21

Pacific Investment / Larry Bauer  
9166 Parkwood Dr  
Juneau AK 99801

Received  
DEC 13 2021  
CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 5B1601420040  
**RESPONSE DEADLINE: 12/17/21**

PARCEL: 5B1601420040  
PHYSICAL LOCATION: Clinton Dr

Pacific Investment / Larry Bauer,

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 & My property value is unequal to similar properties & My property was valued improperly**

- 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 **5B1601420040**:

**VALUE DETERMINATION**

Recommended Action:	Change
2021 Initial valuation:	<b>\$498,000</b>
2021 Owner estimate of value:	<b>\$332,000</b>
2021 Final determination:	<b>\$377,436</b>


**We have reviewed your assessed value and found that a change in the 2021 assessed value is necessary.**

In reviewing the Vintage area commercial properties we determined that application of a new land model was appropriate. The proposed value is based on the new Vintage area land model which is being applied to the 5 appeals in the area. The remaining parcels will be adjusted in 2022.



## 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

12-13-21  
Date

If we do not receive a response from you by **12/17/21**, 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

# APPEAL #2021-0255

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION February 9, 2022



## ASSESSOR OFFICE

Appellant: Pacific Investment Group LLC

Location: NBN Vintage Blvd

Parcel No.: 5B1601420040

Property Type: Commercial - Vacant

Appellant's basis for appeal: My property value is excessive/overvalued & my property is unequal to similar properties & my property was valued improperly/incorrectly.

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	\$ 332,000	\$ 498,000	\$ 377,436
Buildings:	\$ 0	\$ 0	\$ 0
<b>Total:</b>	<b>\$ 332,000</b>	<b>\$ 498,000</b>	<b>\$ 363,956 *</b>

*Subject Photo*





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COMMERCIAL MARKET & ASSESSMENT ANALYSIS.....7

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CONCLUSION .....10

OVERVIEW

The subject is a 19,536 SF vacant parcel with a paved strip along one edge that provides parking for an adjacent parcel and potentially for the subject. The parcel is located within the Vintage business park area.

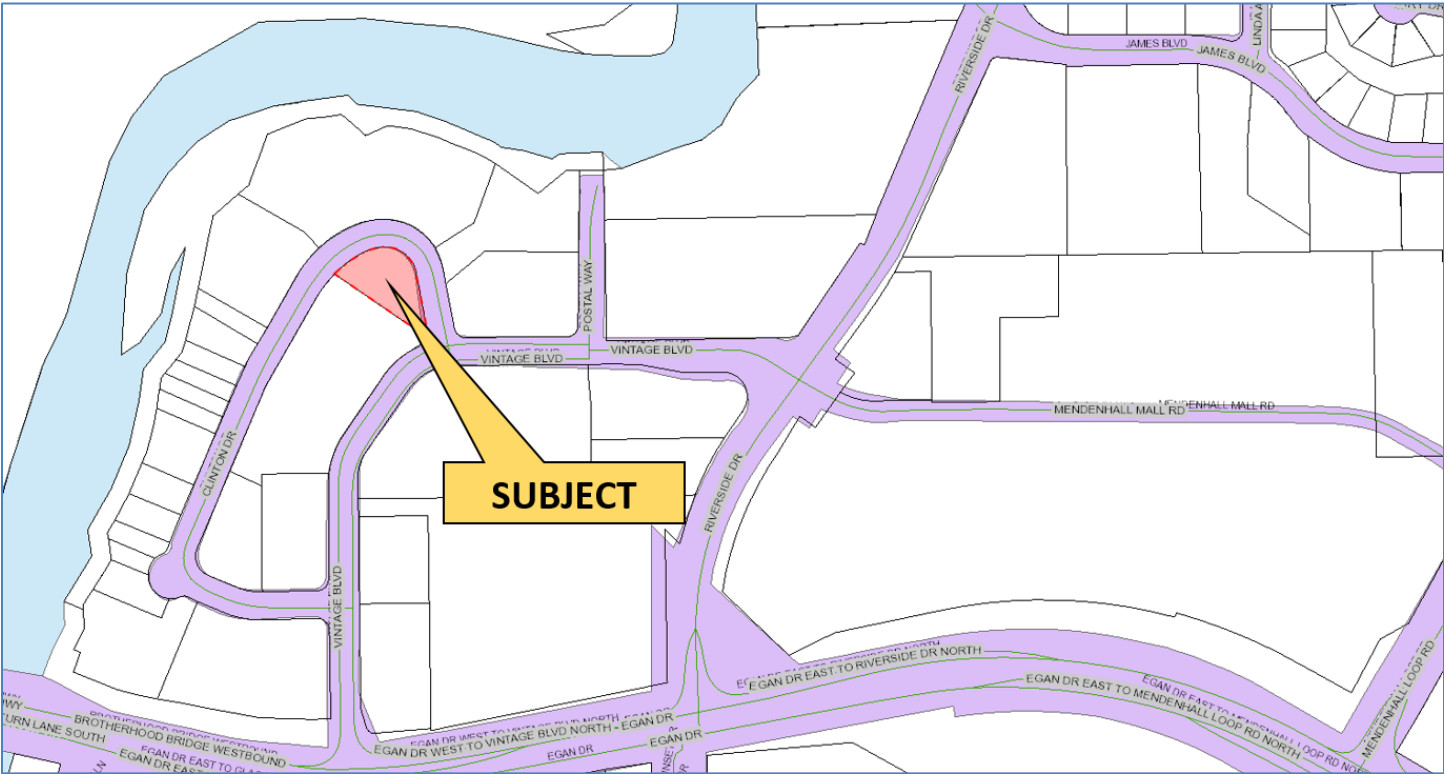
Subject Characteristics:

- Land
  - 19,536 SF lot = 0.4485 AC
  - Level, partially developed lot
  - Located within the Vintage business park area
- Building
  - None

SUBJECT PHOTOS

	<p>Vacant – Listed</p>
--	------------------------

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

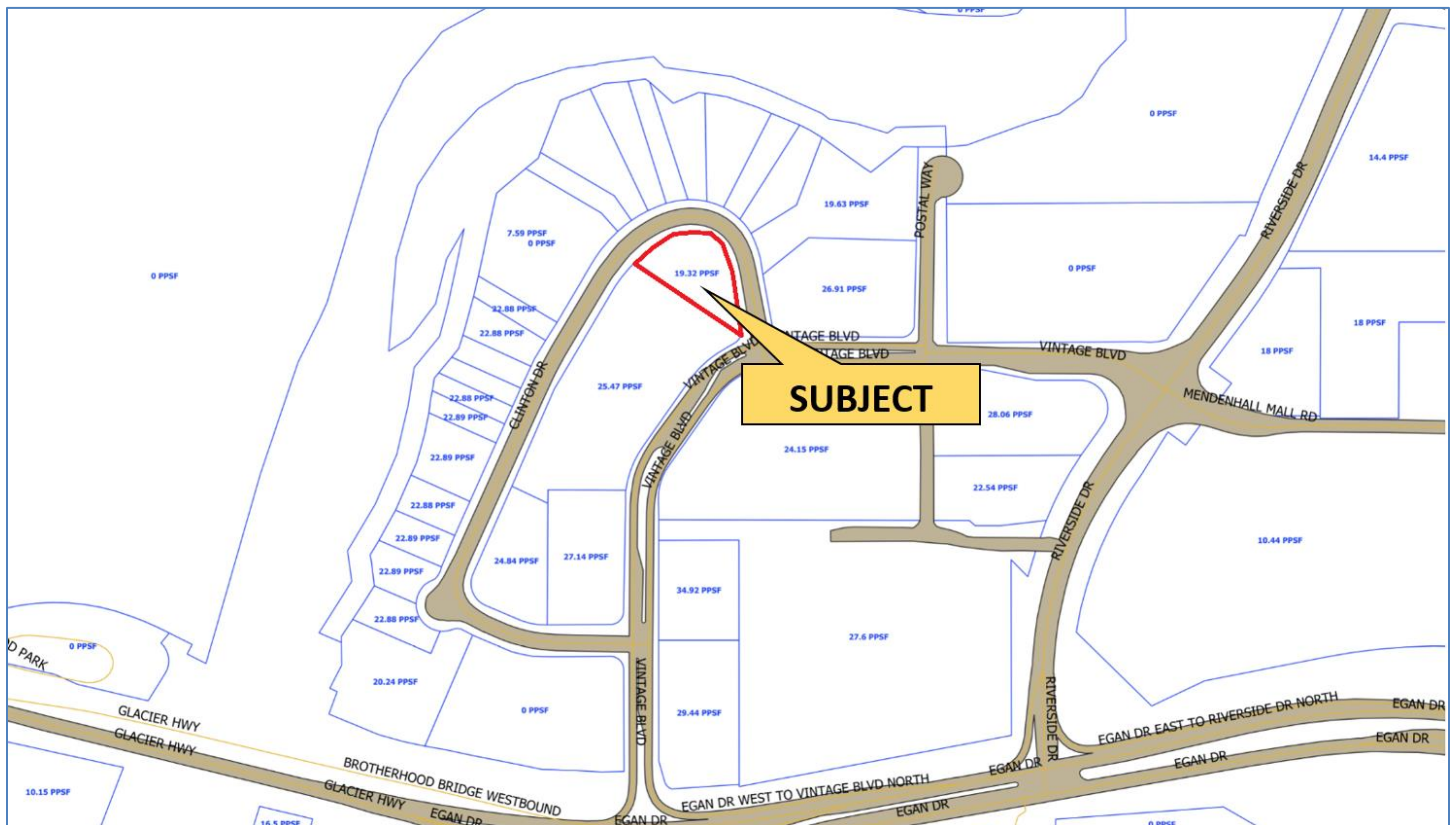
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation 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 **partially paved**, level and developable. The subject parcel's recommended land value is equitable and is not excessive.

### Land Characteristics:

- 19,536 SF lot = 0.4485 AC
- Level, developable lot
- Located within the Vintage business park area

### Land Values







## New Vintage Neighborhood Valuation Model For Appealed Properties

ParcelNumber	5B1601420020	5B1601420040	5B1601430016	5B1601430017	5B1601440082
Owner	Bauer	Bauer	Akiyama	Bauer	R&S Construction
Z	Light Commercial	Light Commercial	Light Commercial	Light Commercial	Light Commercial
LAND	26,649	19,536	32,689	127,336	40,273
UNIT	SQ Feet	SQ Feet	SQ Feet	SQ Feet	SQ Feet
TYPE	17-Vacant	17-Vacant	17-Vacant	17-Vacant	17-Vacant
2020	452,900	332,000	757,200	1,680,900	598,100
Original2021	679,350	498,000	1,135,800	2,521,350	897,150
Updated2021	<b>643,573</b>	<b>363,956</b>	<b>714,255</b>	<b>2,987,303</b>	<b>787,337</b>
Data-SiteQuality	3.00	3.00	2.00	2.00	2.00
Data-Subdividability					
Data-Zoning					
Data-Location	10%	0%	10%	20%	0%
Data-Size	26,649	19,536	32,689	127,336	40,273
Data-Topography	Level	Level	Level	Level	Level
Data-Access	3.00	3.00	3.00	3.00	3.00
Data-Wet	0%	0%	0%	0%	0%
Data-View	2.00	2.00	2.00	2.00	2.00
Data-Waterfront	Upland	Upland	Upland	Upland	Upland
Data-Shape	Rectangular	Triangular	Rectangular	Rectangular	Rectangular
Data-Services	100%	100%	100%	100%	100%
Data-PossessoryInterest					
Data-Vacant	Vacant	Vacant	Vacant	Vacant	Vacant
Data-FloodZone	100 Year	100 Year	100 Year	100 Year	100 Year
AVDetail					
Adj-Base	612,927	449,328	751,847	2,928,728	926,279
Adj-SiteQuality	-	-	(75,185)	(292,873)	(92,628)
Adj-Subdividability					
Adj-Zoning					
Adj-Location	61,293	-	75,185	585,746	-
Adj-Size	(12,258.54)	(4,493.28)	(15,036.94)	(146,436.40)	(18,525.58)
Adj-Topography	-	-	-	-	-
Adj-Access	-	-	-	-	-
Adj-Wet	-	-	-	-	-
Adj-View	-	-	-	-	-
Adj-Waterfront	-	-	-	-	-
Adj-Shape	-	(67,399)	-	-	-
Adj-Services	-	-	-	-	-
Adj-PossessoryInterest					
Adj-Vacant	-	-	-	-	-
Adj-FloodZone	(18,388)	(13,480)	(22,555)	(87,862)	(27,788)
Adj as a %					
Adj-SiteQuality	-	-	(0.10)	(0.10)	(0.10)
Adj-Subdividability	-	-	-	-	-
Adj-Zoning	-	-	-	-	-
Adj-Location	0.10	-	0.10	0.20	-
Adj-Size	(0.02)	(0.01)	(0.02)	(0.05)	(0.02)
Adj-Topography	-	-	-	-	-
Adj-Access	-	-	-	-	-
Adj-Wet	-	-	-	-	-
Adj-View	-	-	-	-	-
Adj-Waterfront	-	-	-	-	-
Adj-Shape	-	(0.15)	-	-	-
Adj-Services	-	-	-	-	-
Adj-PossessoryInterest	-	-	-	-	-
Adj-Vacant	-	-	-	-	-
Adj-FloodZone	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)

## **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:**

- None

## **COST REPORT**

The cost report was not developed for this appeal because the parcel is vacant.

## **INCOME APPROACH**

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process.

## **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**

5B1601420040  
PACIFIC INVESTMENT GROUP LLC  
CLINTON DR  
VINTAGE II BL A LT R5

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$498,000.00			\$498,000.00
2020	\$332,000.00			\$332,000.00
2019	\$332,000.00			\$332,000.00
2018	\$322,300.00			\$322,300.00
2017	\$468,900.00			\$468,900.00
2016	\$468,900.00			\$468,900.00
2015	\$468,900.00			\$468,900.00
2014	\$468,900.00			\$468,900.00
2013	\$468,900.00			\$468,900.00
2012	\$468,900.00	\$0.00	\$0.00	\$468,900.00
2011	\$468,900.00	\$0.00	\$0.00	\$468,900.00
2010	\$468,900.00	\$0.00	\$0.00	\$468,900.00

## 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, unequal, and improper.
  - We find that the recommended value is not excessive.
  - We find that the recommended value is equitable.
  - We find that the recommended value is not improper.
  - These conclusions are addressed in the land, commercial market and assessment analysis, summary and conclusion sections of our response in your packet. 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.
  - 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 the city purchased property from Pacific Invest Group LL for 15.00/sf. The city’s appraisal came in at 18.00/sf. You are charging me 24.57/sf, the property the city purchased was on the river, the assessed property is not and is inferior to the city’s property.

We had 5 vacant parcels in the Vintage neighborhood appeal this year. As we did our review we found that a few years ago about half of the vacant parcels remaining at that time had been adjusted and about half had not received an adjustment. For various reasons, in order to bring uniformity to the area, we needed to do a new land model for the Vintage area. This land model lowered most of the values. The new values will be applied to the appealed parcels in 2021 and to the remaining parcels in 2022.

In establishing the new land model we reviewed sales in the area.

A new base rate of \$23.00 was set for the Vintage area. A precise base rate was difficult to establish. While there were about 9 sales in this neighborhood over the past 5 years few of them were qualified market sales and most had extra factors to consider. We only had sales prices on some of the sales. Several were multi-parcel sales. One had construction restrictions attached to it.

We also had 3 independent appraisals of a nearby parcel and a Review Appraisal of the 3 independent appraisals to review. The 3 independent appraisals arrived at values of \$16/sf, \$20.50/sf and \$22.50/sf. Our assessed value for that parcel is at \$18/sf, which is towards the lower end of the range. Independent appraisers, addressing several of the sales in the Vintage area, commented that the seller “wanted to be rid of the management liability” and “just wanted the property gone,” that the sale “sold low,” that in some cases the prices had actually been set several years prior and that historically the prices in the neighborhood were over \$20/sf. Also, “The seller discounted the land’s sale price to assist the financial feasibility of the proposed developments. These are not considered market sales...”



Sales prices from one set of sales trended to 01/01/2021 ranged from \$19.91/sf to \$29.79/sf. Because most of this neighborhood is built out, future analysis to further refine the base rate and the adjustment amounts will likely need to involve both improved and vacant sales.

In regards to this neighborhood, one of the appraisers stated that “Since 2012 (to 2020, the date of the appraisal) I have seen values increase for commercial and industrial properties.”

In addition, we also looked at the mall and surrounding area across Riverside, which has a base rate of \$12.00 (\$18 when the 2021 factor of 1.5 is applied). We found that given the difference in the nature of the neighborhoods, the models, and the sales the base rates seem appropriate.

Vintage Neighborhood Sales List for BOE										
Vintage Neighborhood Land Sales: 2016-2020 (Note: Not all of this information was available at the time that assessed values were set. These sales were considered in setting the new land model.)										
PIN	Seller	Buyer	# Parcels	Sale Date	Sale Price	Price @ 01/01/21	Parcel SF	Price/SF	Validation	Note
5B1601440261	William Bauer Trust, Trustee	Juneau Senior Housing Partne	1	08/10/16	1,045,440	1,295,980	43,560	29.75	Market	Retired parcel; Sale not in Govern
5B1601440311	Pacific Investment Group	CBJ	8	08/23/19	1,519,000	1,623,790	102,367	15.86	Non-Market	Assemblage; Multi-Parcel
5B1601440311	CBJ	TPD Riverview LLC	8	08/07/20	1,891,080	1,929,161	102,367	18.85	Non-Market	Dev.Restrict.; 0 down, 0 int, postponed pmnts
5B1601447???	William Bauer Trust, Trustee	R&S Construction	8	Apr-2018	1,023,613	1,171,201	70,591	16.59	Non-Market	Estate Sale?; Multi-Parcel Sale
5B1601440082	Pacific Investment Group LLC	R&S Construction	1	03/27/20	493,344	512,267	40,273	12.72	Non-Market	Estate?; Extra Site Prep, Shape & Access Issues
These sales occurred after the 01/01/2021 assessment date.										
5B1601430017	Pacific Investment Group LLC	SEARHC	1	09/01/21	2,037,376	Trending not yet	determined.		Non-Market	Estate Sale
The following are not in Vintage but were used as comps in independent appraisals.										
1C110K120150				Apr-2019	597,938	651,572	27,179	23.97		Comp- Downtown
5B1501060041				May-2019	1,100,000	1,193,922	52,246	22.85		Comp- By Airport
5B1201000060	This sale should have an upward adj for cost of demo.			Oct-2019	2,100,000	2,232,185	82,215	27.15		Comp- Lemon Creek
* These sales prices are not subject to the confidentiality clause. CBJ 15.05.105 ( c )										

## 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 would be an increase of 9%.

We recommend that the 2021 assessed value be reduced to \$363,956.

\* Note that the recommended amount is lower than what was cited in the Determination Letter. As we were reviewing the amounts for the BOE packet we found that an Excel formula was not calculating correctly. Replacing the formula with the exact same formula produced an updated amount. Please see the table below for additional information.

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5B1601420040	=SUM(AG5:AV5)	377,436	=SUM(AG5:AV5)	363,956	363,956



**AY2021 Property Assessment Guide**

*Updated: 2022-01-07*

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    Assessed Values versus Taxes .....2

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    Model Specification.....7

    Model Calibration.....7

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## 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:

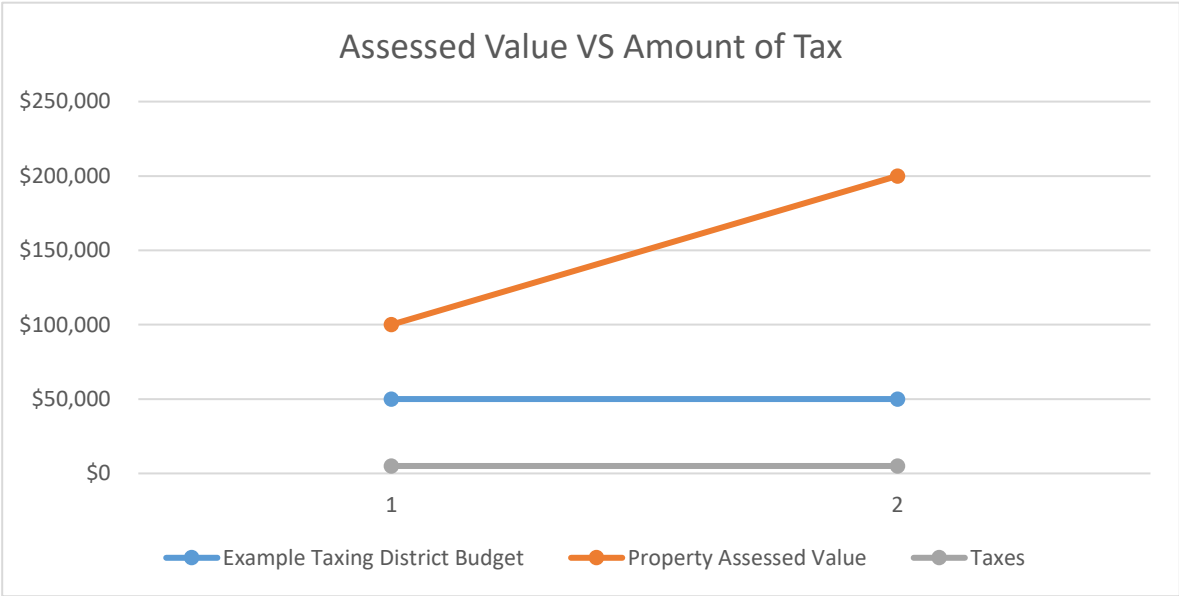
- If everyone's assessed values doubled but the budget stayed the same your taxes would not change.
- If everyone's assessed values doubled and the budget increased by 10% your taxes would go up by 10%.
- If the budget stayed the same and one type of property was going up while all the others were not, 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

**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)

**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

**Coefficients (0=Normal Distribution)**

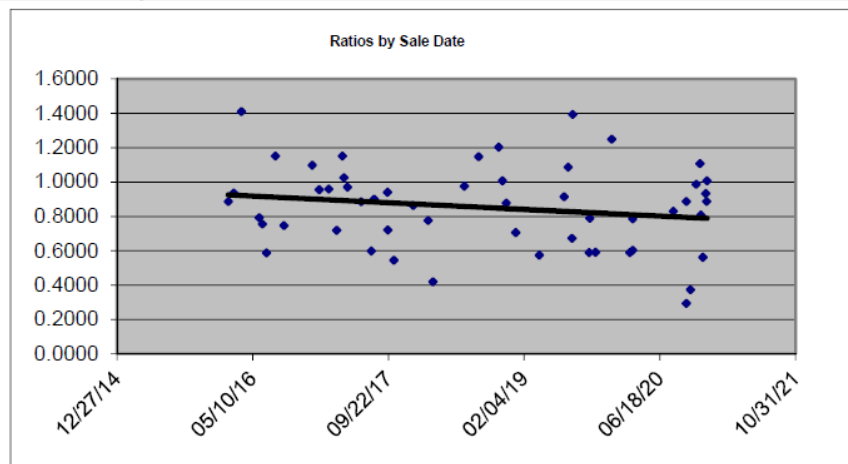
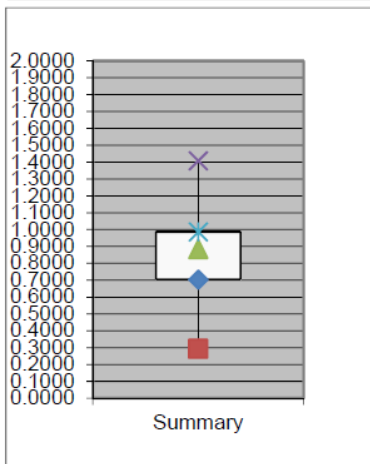
<b>Kurtosis</b>	-0.0245
<b>Skewness</b>	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

**Trending Factors**

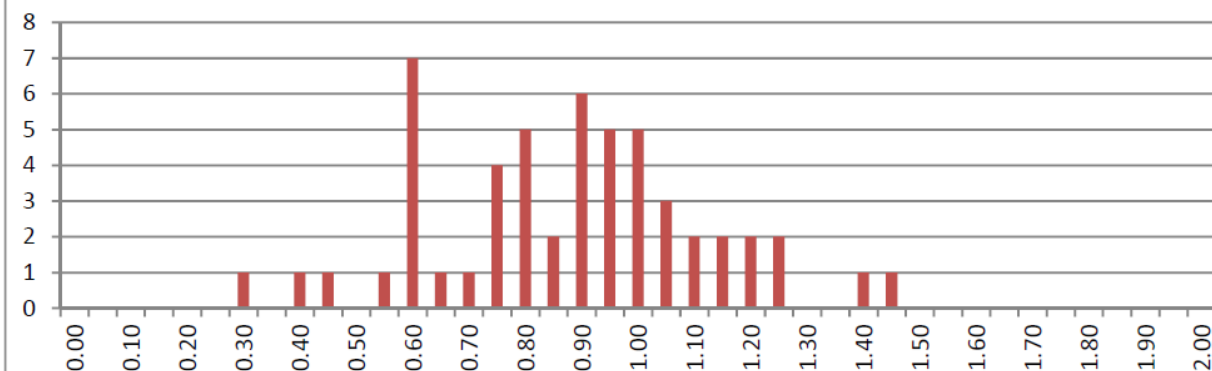
0.85	Target Level
0.9969	Factor on Mean
<b>0.9601</b>	<b>Factor on Median</b>
1.2176	Factor on Weighted Mean

**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.	



**Histogram of Ratio Frequency**



## 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	Eastaugh 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	RALPH'S 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.



<b><u>Review of Impact of Including and Excluding Particular Sales</u></b>				
	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
<b>Mean</b>	<b>0.8526</b>	<b>0.8692</b>	<b>0.8753</b>	<b>0.8846</b>
<b>Median</b>	<b>0.8853</b>	<b>0.8862</b>	<b>0.8862</b>	<b>0.8863</b>
<b>COD</b>	<b>21.5490</b>	<b>22.4051</b>	<b>21.6607</b>	<b>20.9181</b>
<b>COV</b>	<b>28.3180</b>	<b>29.0248</b>	<b>27.6491</b>	<b>26.4636</b>
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.

sale date	parcel number	address	Inclusion/Exclusion	Reason
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?