



BOARD OF EQUALIZATION AGENDA

September 20, 2022 at 5:30 PM

Zoom Webinar

<https://juneau.zoom.us/j/99741860260> or 1-253-215-8782 Webinar ID: 997 4186 0260

A. CALL TO ORDER

B. ROLL CALL

C. SELECTION OF PRESIDING OFFICER

D. APPROVAL OF AGENDA

E. BOE STANDARDS OF PROCEDURE

- [1.](#) BOE Orientation Pages
- [2.](#) 2013-04-19 CBJ Law Memo regarding BOE Standards of Procedure

F. PROPERTY APPEALS

[1.](#) **Appeal No. 2022-0236 Senate Properties LLC**

Appellant: Senate Properties LLC

Parcel No. 1C070B0J0010

Location: 175 S. Franklin St., Juneau

Type: Commercial – Retail/Office Space

Appellant's Estimated Value	Original Assessed Value	Recommended Value
Site: \$1,180,610	Site: \$1,749,300	Site: \$1,749,300
Buildings: \$1,619,390	Buildings: \$1,619,390	Buildings: \$1,619,390
Total: \$2,800,000	Total: \$3,368,690	Total: \$3,368,690

G. OTHER BUSINESS

- [1.](#) Review of **Ordinance 2022-21 vCOW** An Ordinance Related to Property Tax Appeal and Codifying the Board of Equalization Rules of Procedure.
- [2.](#) Review of 2022 Board of Equalization Draft Annual Report to the Assembly

H. ADJOURNMENT

BOARD OF EQUALIZATION ORIENTATION

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

A. Quasi-Judicial Role & Responsibilities - CBJ 15.05.185

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

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

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

1. Starting point: under AK law, Assessor's **assessments are presumed to be correct.**
2. **Burden of proof on Appellant to prove error - unequal, excessive, improper, or under valuation based on facts** that are stated in a valid written appeal or proven at the appeal hearing
3. If and only if Appellant meets burden does burden shift to Assessor to rebut Appellant's evidence of error

4. Law does not bind Assessor to follow a particular formulas, rules or methods of valuation, but grants broad discretion in selecting valuation methods-as long as reasonable basis

5. Technical evidentiary rules don't apply

Relevant evidence admissible if sort relied on by responsible persons

May exclude irrelevant, repetitious evidence

6. Only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts

C. Alternative Actions for Appeals Heard on the Merits

a. **Deny appeal** because Appellant failed to prove error in valuation with factual evidence.

b. **Grant appeal & adjust assessment *as requested by Appellant***. (only if Appellant's valuation evidence supports proposed assessment value)

c. **Grant appeal & *adjust (lower or raise) assessment differently***. (if and only if supported by sufficient evidence of value in record.)

d. **Grant appeal & *remand* to Assessor for reconsideration of value** (remand is mandatory if error found, but insufficient evidence of value in record.)

D. LATE-FILED APPEALS – Legal Standard for Accepting

1. Potential *merit* of appeal is irrelevant.

2. Jurisdictional authority to hear only *timely-filed appeals*

3. Appeal must be filed w/in 30 days from date assessment notice is mailed

4. Only “accepted” late-filed appeals may proceed to a hearing on the merits.

5. If 30 day deadline missed, RIGHT to appeal CEASES and BOE **cannot accept or hear** appeal, **unless BOE finds that taxpayer was unable to comply due to situation beyond taxpayer's control** (See Hartle memo)

6. Burden to prove inability to comply is on Taxpayer.

7. BOE Action Alternatives: **Deny** Late-file or **Accept, so hearing can be scheduled.**

BOE HEARING GUIDELINE

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

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

BOE Action Options:

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

SAMPLE MOTIONS

1. To DENY appeal

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

Because . . .

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

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

2. To GRANT appeal & ADJUST assessment AS REQUESTED

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

Because . . .

Appellant proved there was error . . .

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

AND

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

3. To GRANT appeal & ADJUST assessment OTHERWISE

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

Because . . .

Appellant proved there was error . . .

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

AND

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

4. To GRANT appeal & REMAND for RECONSIDERATION of ASSESSMENT

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

Because . . .

Appellant proved there was error . . .


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

AND

We find insufficient evidence of value in the record



M CBJ Law Department MEMORANDUM

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

SUMMARY

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

DEADLINE FOR FILING APPEAL

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

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

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

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

ASSESSMENTS THE BOARD CAN CONSIDER

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

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

BASIS FOR ADJUSTMENT AND ASSESSMENT

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

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

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

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

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

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

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

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

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

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

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

FINDINGS – BASIS FOR THE BOARD’S DECISIONS

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

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

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

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

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

ACTION BY THE BOARD OF EQUALIZATION

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

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

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

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

Attachments

15.05.180 - Notice of hearing of appeal.

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

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

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

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

15.05.185 - Board of equalization.**(a) Membership; duties; term of office; term limits.**

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

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

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

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

15.05.190 - Hearing of appeal.

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

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

State law reference— Hearing, AS 29.45.210.

15.05.200 - Judicial review.

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

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

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

Westlaw.

AS § 29. 45. 190

Page 1

C

West's Alaska Statutes Annotated Currentness

Title 29. Municipal Government

▣ Chapter 45. Municipal Taxation

▣ Article 1. Municipal Property Tax

→→ § 29. 45. 190. Appeal

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

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

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

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

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

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation 🔑 2648.

Westlaw Key Number Search: 371k2648.

NOTES OF DECISIONS

Decisions reviewable and right of review 1

© 2013 Thomson Reuters. No Claim to Orig. US Gov. Works.

Westlaw

AS § 29. 45. 200

Page 1

C

West's Alaska Statutes Annotated Currentness

Title 29. Municipal Government

▣ Chapter 45. Municipal Taxation

▣ Article 1. Municipal Property Tax

→→ § 29. 45. 200. Board of equalization

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

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

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

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation ⚙ 2624.

Westlaw Key Number Search: 371k2624.

NOTES OF DECISIONS

Appeals from board determination 5

Judicial notice 4

Judicial powers 3

Payment under protest 1

Penalties for nonpayment of tax 2

1. Payment under protest

© 2013 Thomson Reuters. No Claim to Orig. US Gov. Works.

Westlaw.

AS § 29. 45. 210

Page 1

C

West's Alaska Statutes Annotated Currentness

Title 29. Municipal Government

▣ Chapter 45. Municipal Taxation

▣ Article 1. Municipal Property Tax

→→ § 29. 45. 210. Hearing

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

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

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

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

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation ⚙ 2676, 2691.

Westlaw Key Number Searches: 371k2676; 371k2691.

NOTES OF DECISIONS

Burden of proof 1

Judicial review 3

Record of hearing 2

© 2013 Thomson Reuters. No Claim to Orig. US Gov. Works.



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

SENATE PROPERTIES LLC
175 S FRANKLIN ST STE 306
JUNEAU AK 99801

**Meeting of Board of Equalization
Presentation of Real Property**

Section F, Item 1.

Date of BOE	September 20, 2022, Tuesday
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	September 7, 2022
Parcel Identification	1C070B0J0010
Property Location	175 S FRANKLIN ST
Appeal No.	APL20220236
Sent to Email Address:	brucedenton@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 **September 13, 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 before 12:00 PM, **September 14, 2022** or it will be mailed via U.S. Postal Service on **September 14, 2022** or it will be emailed and/or mailed to the above address(es) on this notice.

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

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

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

Attachment: CBJ Law Department Memorandum April 19, 2013.

CONTACT US: CBJ Assessor's Office

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

PROPERTY TAX BILLS MAILED JULY 1

PROPERTY TAXES DUE SEPTEMBER 30



Office of the Assessor
155 South Seward Street
Juneau, Alaska 99801

Received
APR 07 2022
CBJ-Assessors Office

Petition for Review / Correction of Assessment
Real Property

Section F, Item 1.

Assessment Year	2022
Parcel ID Number	
Name of Applicant	
Email Address	

2022 Filing Deadline: Thursday April 7, 2022

Please attach all supporting documentation

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

Parcel ID Number	1C07080J0010		
Owner Name	SENATE PROPERTIES, LLC		
Primary Phone #	(907) 723-2259	Email Address	bruce.C.denton@gmail.com
Physical Address	175 S. FRANKLIN ST. JUNEAU, AK. 99801	Mailing Address	PO Box 32325 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:

BUILDING HAS MAJOR DEFERRED MAINT. ISSUES. PLEASE SCHEDULE A TIME TO INSPECT.

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

Values on Assessment Notice:

Site	\$ 1,749,300.00	Building	\$ 1,619,390.00	Total	\$ 3,368,690.00
------	-----------------	----------	-----------------	-------	-----------------

Owner's Estimate of Value:

Site	\$ 1,180,610.00	Building	\$ 1,619,390.00	Total	\$ 2,800,000.00
------	-----------------	----------	-----------------	-------	-----------------

Purchase Price of Property:

Price	\$ NOT RELEVANT	Purchase Date	1982
-------	-----------------	---------------	------

Has the property been listed for sale? ☐ Yes ☒ No (if yes complete next line)

Listing Price	\$ N/A	Days on Market	N/A
---------------	--------	----------------	-----

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

Bruce C. Denton

Date

4/7/22

Contact Us: CBJ Assessors Office

Phone/Fax	Email	Website	Address
Phone: (907)586-5215 Fax: (907)586-4520	Assessor.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St. Rm. 114 Juneau AK 99801

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10

10/10/10
10/10/10
10/10/10
10/10/10
10/10/10
10/10/10

10/10/10
10/10/10
10/10/10
10/10/10



APPEAL #2022-0236

Section F, Item 1.

2022 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION September 20, 2022

ASSESSOR OFFICE

Appellant: Senate Properties LLC

Location: 175 S Franklin St

Parcel No.: 1C070B0J0010

Property Type: Commercial – Retail/Office space

Appellant's basis for appeal: Excessive, building has major deferred maintenance issues.

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	\$1,180,610	\$1,749,300	\$1,749,300
Buildings:	\$1,619,390	\$1,619,390	\$1,619,390
Total:	\$2,800,000	\$3,368,690	\$3,368,690

Subject Photo



Table of Contents

OVERVIEW 3

SUBJECT PHOTOS 3

AREA MAP & AERIAL 5

ASSESSED VALUES 6

LAND 6

BUILDING(S) 10

COST REPORT 11

INCOME APPROACH..... 12

COMMERCIAL MARKET & ASSESSMENT ANALYSIS..... 13

SUBJECT ASSESSMENT HISTORY 13

SUMMARY 14

CONCLUSION 14

Addendum A - Communications 15

OVERVIEW

The subject is a four story multi-tenant, mixed-use retail/office space building located in the tourism district.

Subject Characteristics:

- Land
 - 10,000 SF lot
 - Located within the S Franklin core tourist district
 - Approximately 97.45’ of frontage on S Franklin St.
 - Front portion of parcel is a largely level, developed lot while the remaining 40%, located at the rear, can be described as steep. This is typical for parcels located along this side of Franklin St.
- Building
 - 4 Story
 - 24,255 SF GBA

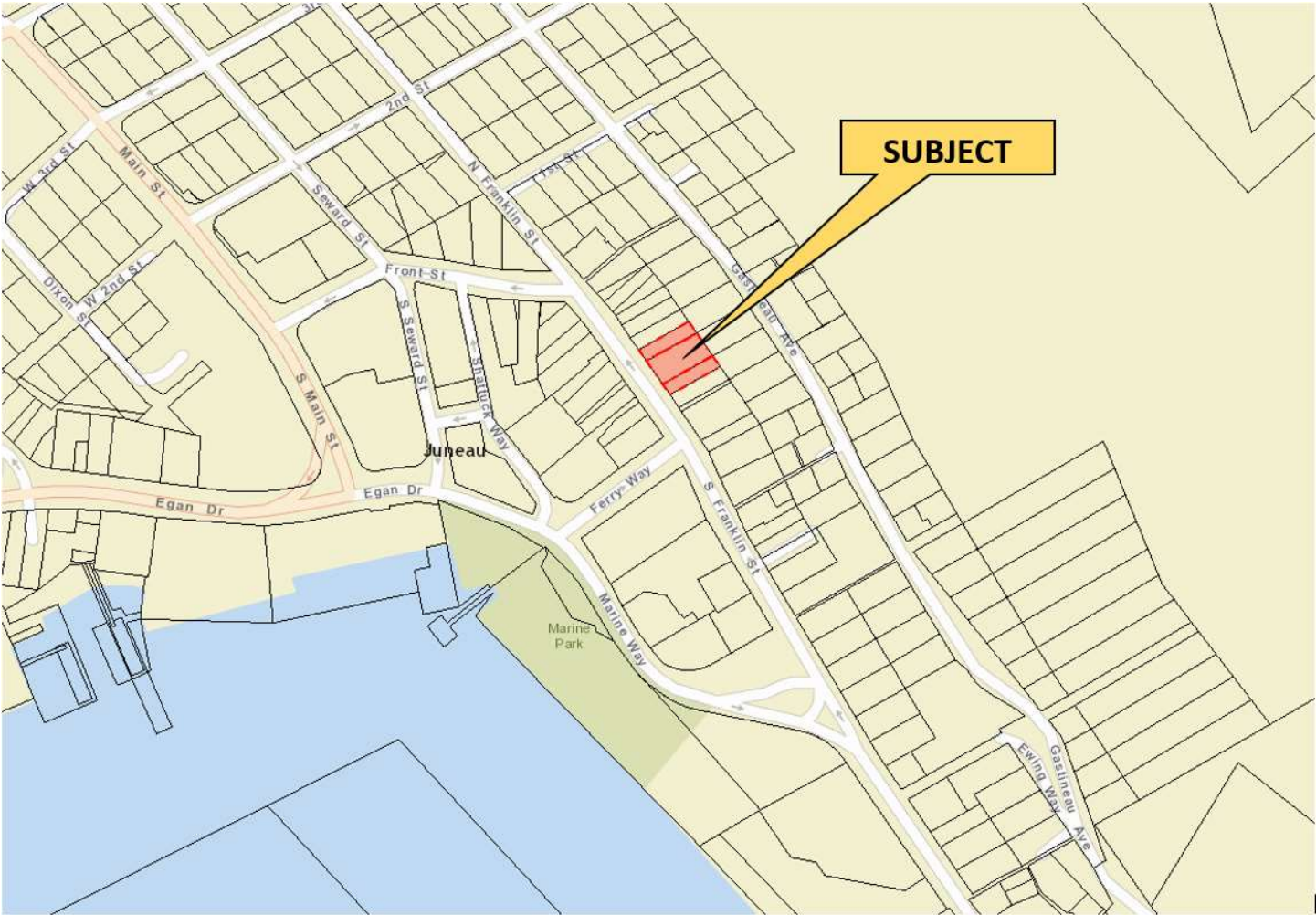
SUBJECT PHOTOS



Front left from S Frankli



AREA MAP & AERIAL



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.

LAND

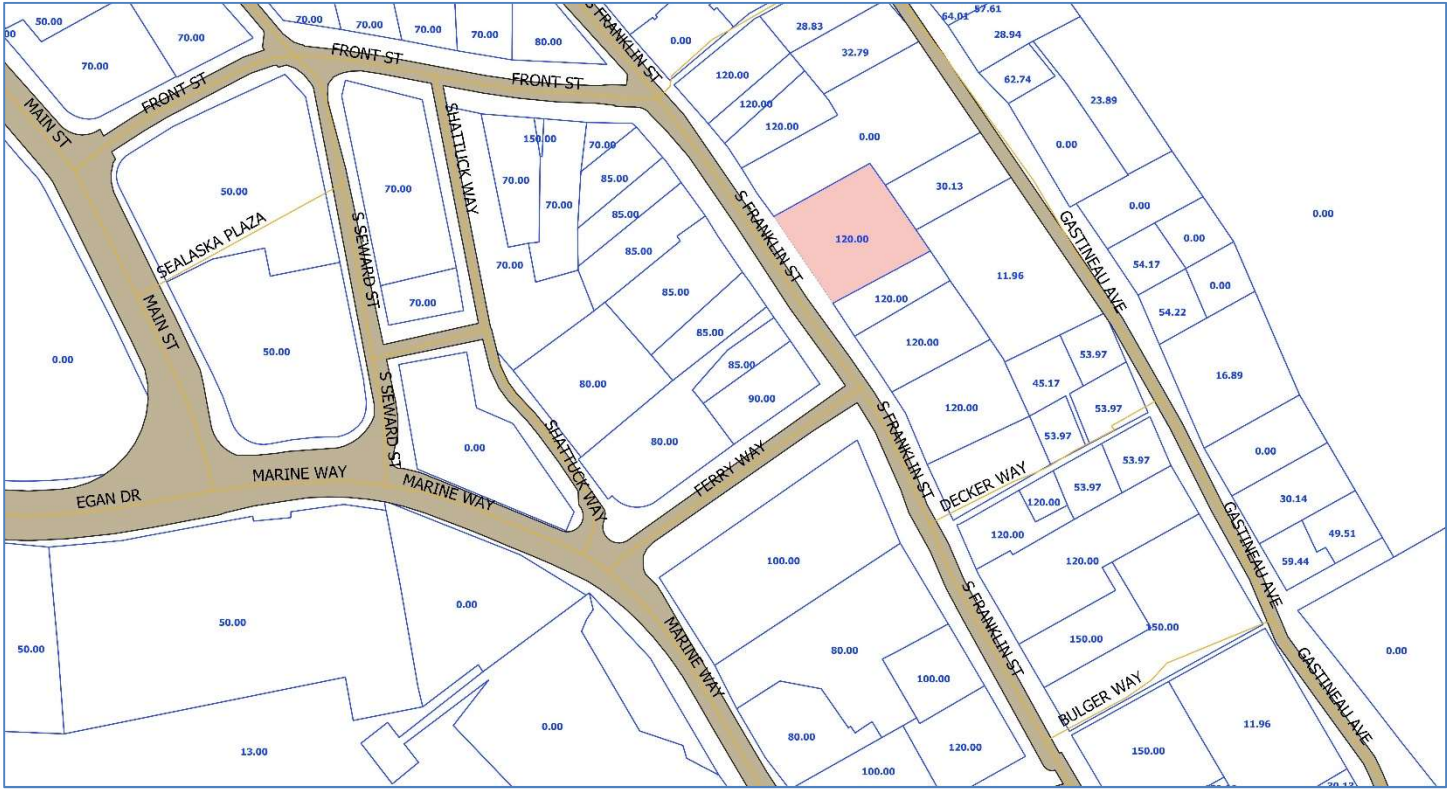
Page 6

The subject parcel's land value is equitable and is not excessive.

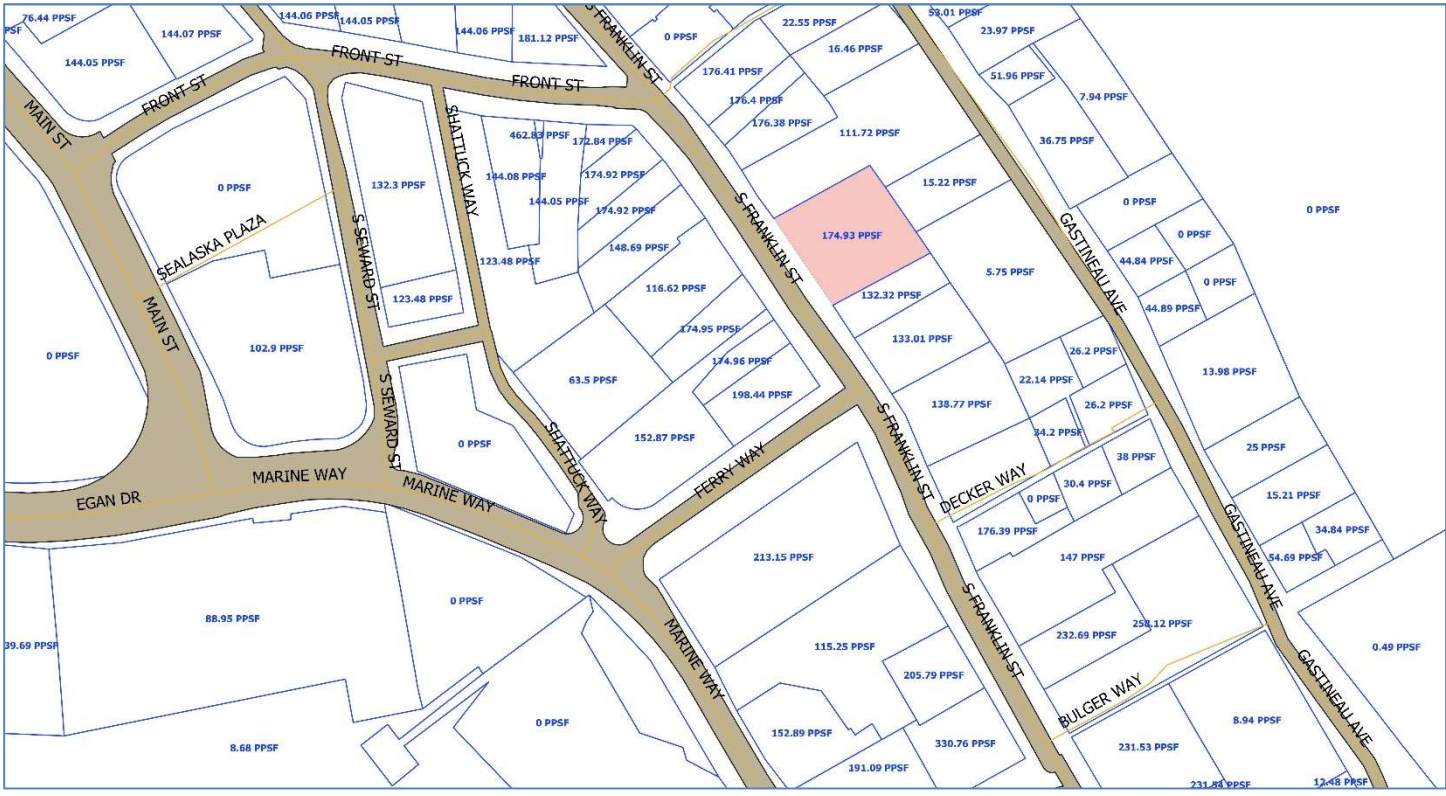
Land Characteristics:

- 10,000 SF lot
- Located within the S Franklin tourist district
- Approximately 97.45' of frontage on S Franklin St.
- Front portion of parcel is a largely level, developed lot while the remaining 40%, located at the rear, can be described as steep. This is typical for parcels located along this side of Franklin St.

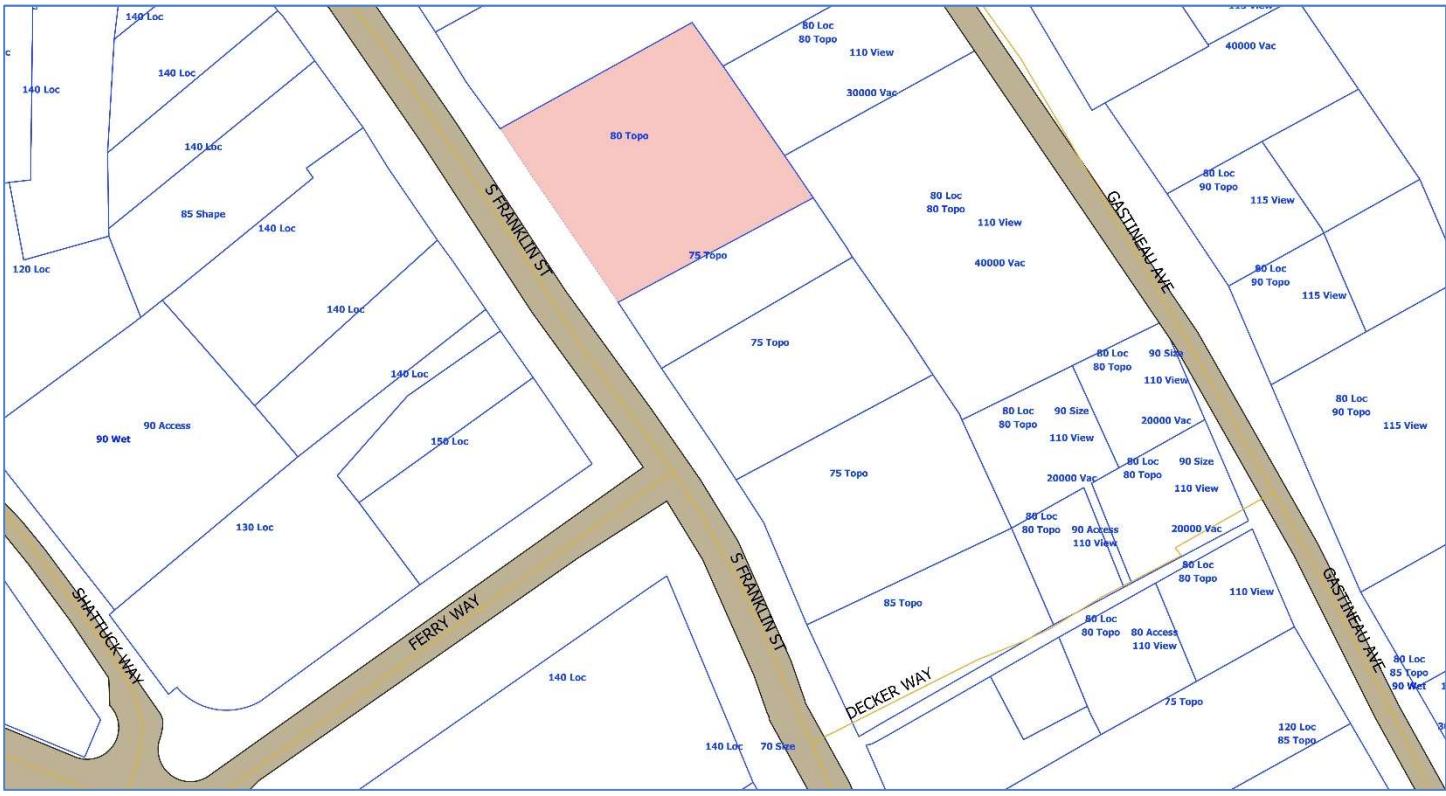
Land Values
Base Rate

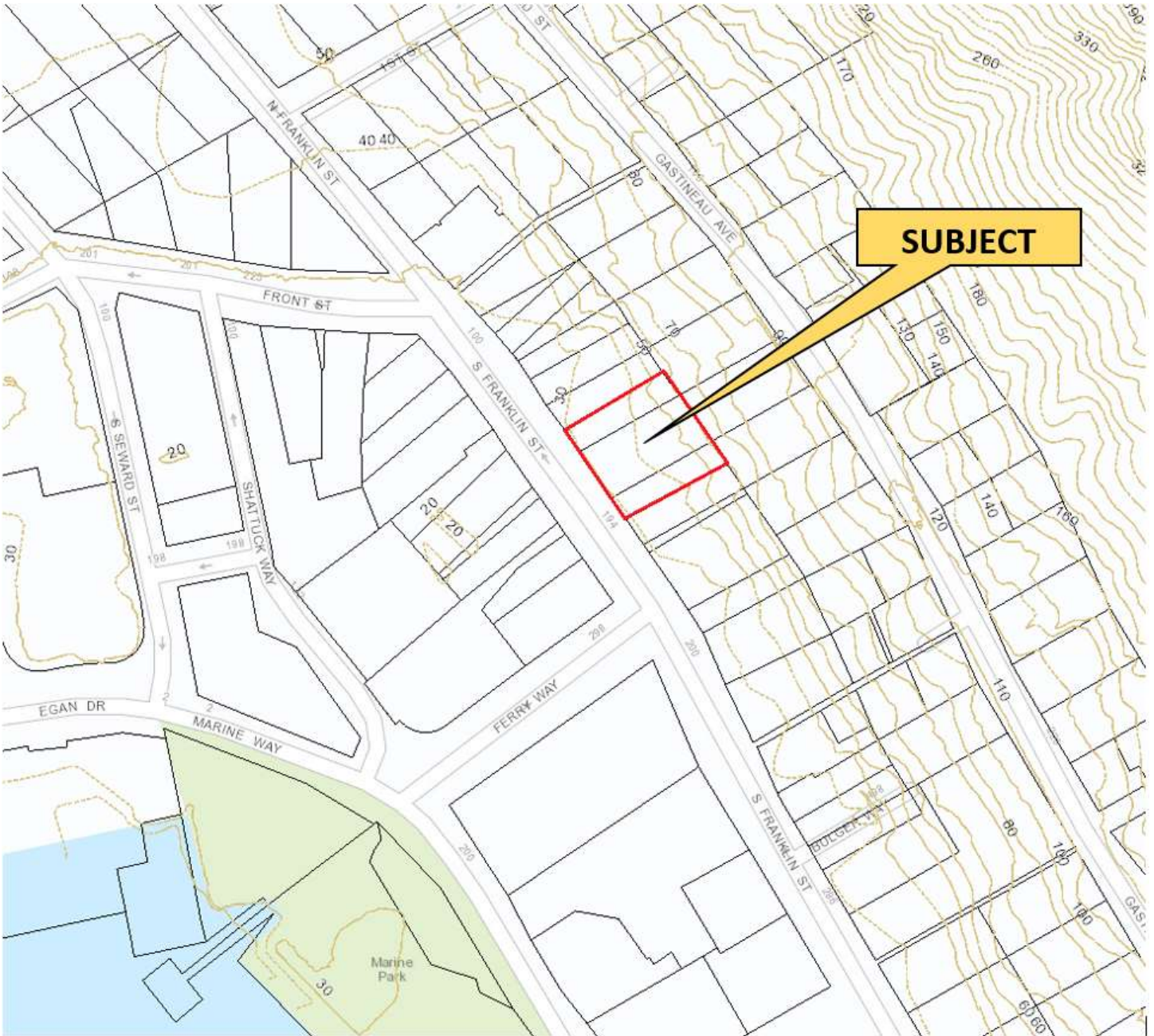


Price per SF



Feature Adjustments





BUILDING(S)

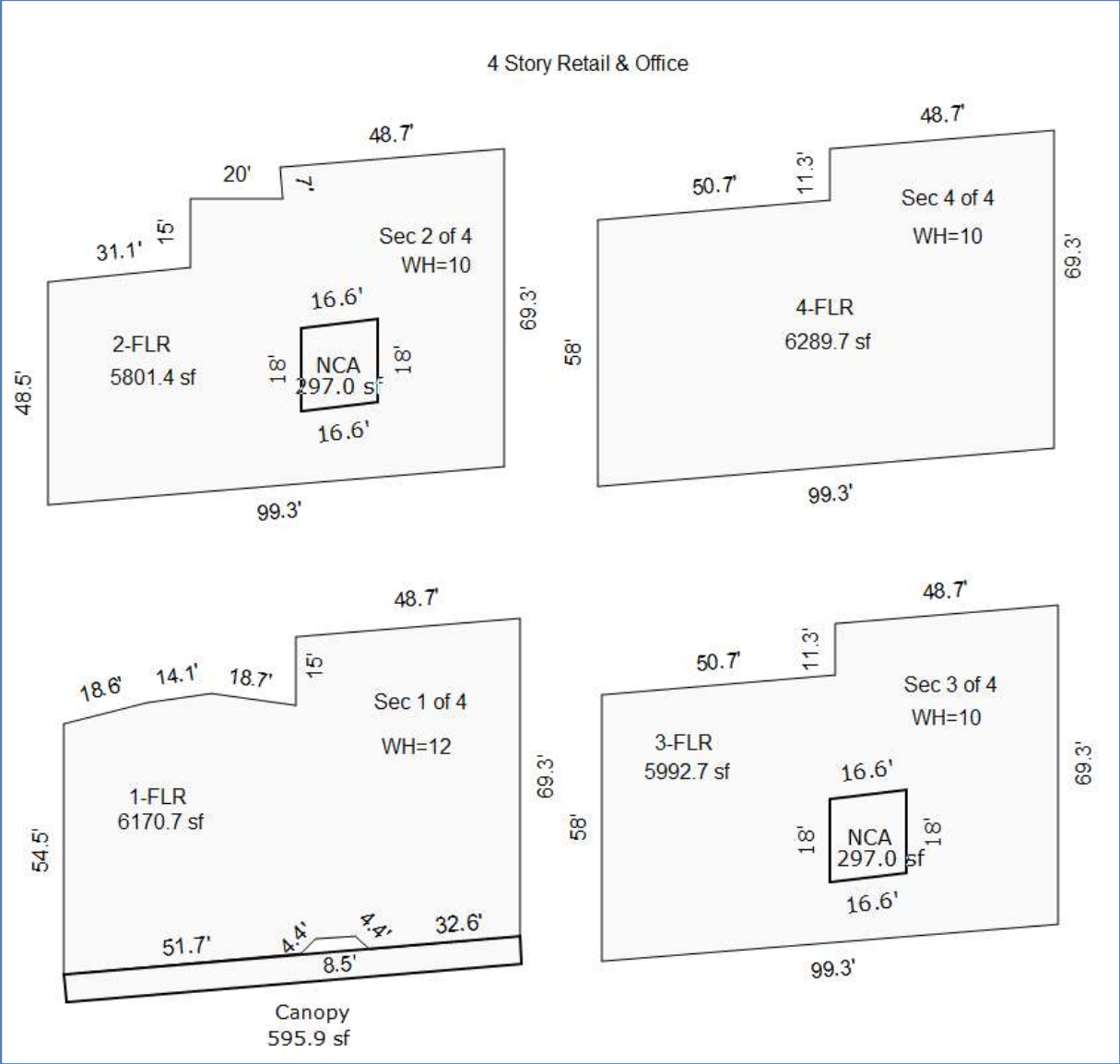
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 4 Story
- 24,255 SF GBA

Sketch of Improvements:



COST REPORT

Section F, Item 1.

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

There are two costs reports included here. The first is a recreation of the 2018 report that the building value is based off of. The second report shows the current cost report indicative of today's market.

As of 2018

Cost Report - Commercial

1470		Record		2			
Parcel Code Number	1C070B0J0010	Number of Stories (Building)		04			
Owner Name	SENATE PROPERTIES LLC	Number of Sections		1			
Parcel Address	175 S FRANKLIN ST	Perimeter		340			
Effective Year Built	1992	Class		D			
Year Built	1900	Height		10			
Building Model	C- 13 Stores, Commercials	Rank		Average			
Building Type	Mixed Retail w/ Office Units	Total Area		24,255.00			
Section 2	Description	Units	Percent	Cost	+/-	Total	
	Base Cost	24255		70.62		1,712,920	
	Exterior Wall	24255		12.25		297,071	
	Heating & Cooling	24255		611.00		611	
	Heating & Cooling	24255		7.57		183,610	
	Architect Fee	24255		6.60		160,083	
	Sprinklers	24255		3.01		73,008	
	Fire Alarm System	24255		1.46		35,412	
Sub Total						\$2,462,714.95	
	Local Multiplier		1.43	[X]		\$3,521,682.00	
	Current Multiplier		1.02	[X]		\$3,592,116.00	
	Neighborhood Multiplier			[X]		\$3,592,116.00	
	Depreciation - Physical		46.00	[-]		\$1,652,373.00	
	Depreciation - Functional		10.00	[-]		\$359,212.00	
	Depreciation - Economic			[-]		\$0.00	
	Percent Complete		100.00	[-]		\$1,580,531.00	
	Cost to Cure						
	Neighborhood Adjustment						
Replacement Cost less Depreciation						\$1,580,531	
Miscellaneous Improvements							
Miscellaneous Improvement	Elevator			[+]		57,100	
	John_Sahno						
Miscellaneous Improvement	1.18.2018 PER CANVAS			[+]		13,400	
Total Improvement Value							\$1,651,000

Cost Report - Commercial

1470		Record	2
Parcel Code Number	1C070B0J0010	Number of Stories (Building)	04
Owner Name	SENATE PROPERTIES LLC	Number of Sections	1
Parcel Address	175 S FRANKLIN ST	Perimeter	340
Effective Year Built	2001	Class	D
Year Built	1900	Height	10
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Office Units	Total Area	24,255.00

Section 2	Description	Units	Percent	Cost	+/-	Total
	Base Cost	24255		76.88		1,864,785
	Exterior Wall Stud Walls-Wood Siding	24255		13.35		323,808
	Heating & Cooling Heating & Cooling	24255		611.00		611
	Heating & Cooling Hot Water	24255		8.28		200,831
	Architect Fee	24255		6.60		160,083
	Sprinklers Sprinklers	24255		3.30		80,042
	Fire Alarm System	24255		1.46		35,412
	Sub Total					\$2,665,572.13
	Local Multiplier		1.43	[X]		\$3,811,768.00
	Current Multiplier		1.16	[X]		\$4,421,651.00
	Neighborhood Multiplier			[X]		\$4,421,651.00
	Depreciation - Physical		30.00	[-]		\$1,326,495.00
	Depreciation - Functional		10.00	[-]		\$442,165.00
	Depreciation - Economic			[-]		\$0.00
	Percent Complete		100.00	[-]		\$2,652,991.00
	Cost to Cure					
	Neighborhood Adjustment					
	Replacement Cost less Depreciation					\$2,652,991

Miscellaneous Improvements

Canopy		[+]	13,400
Elevator	M&S Sec 13 Pg 39 avg	[+]	67,700
Total Improvement Value			\$2,734,100

Cost Report Summary

2018 Cost	1,651,000
2022 Cost	2,734,100
2022 Building AV	1,619,390

INCOME APPROACH

The income approach was not the basis for setting most of the assessed value for 2022. The appellant did not provide income information for 2021 as requested, however, we did review income data from 2020 with a cap rate of 7.7% based on local appraisal data and national surveys. The income approach suggests we are not overvalued.

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2022 sales analysis for commercial properties included 59 qualified sales from 5 years of sales covering January 1, 2017 through December 31, 2021. The sales volume for the commercial market increased in 2021 and indicate continued appreciation.

- Assessment Year 2022 Summary for Commercial Properties
 - Level of Assessment – 80.57% overall, 80.53% for vacant land, and 85.29% for improved properties
 - Coefficient of Dispersion (COD) – 17.46% for the combined group, 14.45% for vacant land, and 18.71% 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 for 2017, 2018 and 2019; 3% for 2020 and 2% for 2021 (actual market movement remained more than 5% movement each year over the 5 year period so in applying a lesser trend we fell further behind the market.

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report

1C070B0J0010
SENATE PROPERTIES LLC
175 S FRANKLIN ST
JUNEAU TOWNSITE BL I LT 1 FR (SE 1/2) & BL J LT 2 & 1 FR (NW 1/2)

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2022	\$1,749,300.00	\$70,500.00	\$1,548,890.00	\$3,368,690.00
2021	\$1,785,000.00	\$70,500.00	\$1,580,500.00	\$3,436,000.00
2020	\$1,190,000.00	\$70,500.00	\$1,580,500.00	\$2,841,000.00
2019	\$1,190,000.00	\$70,500.00	\$1,580,500.00	\$2,841,000.00
2018	\$1,190,000.00	\$70,500.00	\$1,580,500.00	\$2,841,000.00
2017	\$1,190,000.00	\$71,800.00	\$1,547,000.00	\$2,808,800.00
2016	\$1,190,000.00	\$71,800.00	\$1,547,000.00	\$2,808,800.00
2015	\$1,190,000.00	\$60,600.00	\$1,547,000.00	\$2,797,600.00
2014	\$1,190,000.00		\$2,000,700.00	\$3,190,700.00
2013	\$1,190,000.00		\$2,000,700.00	\$3,190,700.00
2012	\$1,190,000.00	\$0.00	\$2,000,700.00	\$3,190,700.00
2011	\$1,190,000.00	\$0.00	\$2,000,700.00	\$3,190,700.00
2010	\$1,000,000.00	\$0.00	\$2,344,400.00	\$3,344,400.00

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.
 - We find that, based on analysis of market sales and 2020 income information, the value it is not excessive.
- These are further addressed in the land, building, cost report, income, 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.
- The appellant states that value should be lowered due to deferred maintenance
 - We did an inspection of the property where the owner walked us through the deferred maintenance. Items noted included the roof, the siding on the back and sides of the building, and the access walkways and stairs in the back.
 - The assessed value is based on the application of 56% depreciation within the cost report. This is a high percentage of depreciation within life cycles of a building. The result is a reduction in the value that amounts to just over 2 million dollars for repairs. Therefore, no additional reduction is warranted.

CONCLUSION

The 2022 Assessed values were based on analysis of sales through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the prior approach decisions and the locational and property feature models and adjustments 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 80.57% overall, 80.53% for vacant land, and 85.29% for improved properties.


For the subject property:


- The percentage change for this property from 2021 to 2022 was a reduction of -2%.


We find that no change to the 2022 assessed value of \$3,368,690 is warranted and ask that the BOE uphold the assessed value.


Addendum A - Communications

Section F, Item 1.

 Reply

 Reply All

 Forward



Greg Morris

BOE

Bruce Denton

Retention Policy

CBI Sent Items 90 day retention (90 days)

Expires 11/30/2022

▼


9/1/2022

Hello Mr. Denton,

The Clerk's Office is planning on scheduling a BOE meeting for your property on 9/20. Please let us know if you would like to proceed or withdraw your appeal. Preparation for a BOE takes significant staffing hours and the BOE packets will be due by 9/14, so please do let us know how you would like to proceed as soon as possible.

Thank you,

Greg Morris
Appraiser II
Assessor's Office
City & Borough of Juneau, Alaska
On the Traditional Land of the Tlingit People
(907) 586-5215 x4036



Mary Hammond

From: Bruce Denton <brucecdenton@gmail.com>
Sent: Saturday, June 4, 2022 9:28 AM
To: Michael Dahle
Subject: Re: Petition for Review for 1C070B0J0010

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

Hello Michael,
I am out of the country with spotty internet until the 21st

Sent from my iPhone

On Jun 4, 2022, at 3:09 AM, Michael Dahle <Michael.Dahle@juneau.org> wrote:

Bruce,

I am starting the review for your property. You mentioned in the petition that you would like to schedule an inspection. Could we do the inspection on Thursday, June 9 at 10:00 am?

Also, the office will be sending out a "no change" response letter on Monday. We can still proceed with additional review, do the inspection, have conversation and even ultimately decide to apply a change but getting the letter to you gets timelines rolling for any potential BOE scheduling if it goes that route.

Michael Dahle

Deputy Assessor
City & Borough of Juneau
907-586-5215 ext. 4036
907-586-4520 (Fax)
Michael.Dahle@juneau.org

<image001.png>

Mary Hammond

From: Bruce Denton <brucecdenton@gmail.com>
Sent: Monday, June 20, 2022 7:50 PM
To: Mary Hammond
Subject: Re: Appeal/ Senate Properties

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

Hi Mary,
I am on my way back to Juneau from Croatia. I can call you Wed morning to set up a time to do a walk through.
Thank you
Bruce

Sent from my iPhone

On Jun 20, 2022, at 5:19 PM, Mary Hammond <mary.hammond@juneau.org> wrote:

Hi Bruce,

I left you a voicemail but I'm not sure how closely you monitor that. I'd like to schedule an inspection of the Senate Building as soon as possible.

Mary Hammond she/ her
Assessor
City & Borough of Juneau
(907) 586-5215 ext. 4033



AY2022 Property Assessment Guide

Updated: 2022-06-14

Contents

Assessment Overview 2

 Property Taxes 2

 Property Assessments..... 2

 Assessed Values versus Taxes 2

 Sales Validation (Also see the “Market Sales” topic for more specifics on Market Sales) 4

 Market Sales (this topic is closely tied to the “Sales Validation” topic) 5

 Analysis Process 6

 Model Specification 7

 Model Calibration 7

 Approaches and Methodologies..... 7

 Review & Appeal Processes 7

AY2022 Commercial Property Assessment Particulars..... 8

AY 2022 Commercial Property Analysis & Appraisal Summary 10

Questions & Answers..... 15

An Example 16

Attachment A: 2022 Assessment Report 17

Attachment B: BOE Training 47

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.

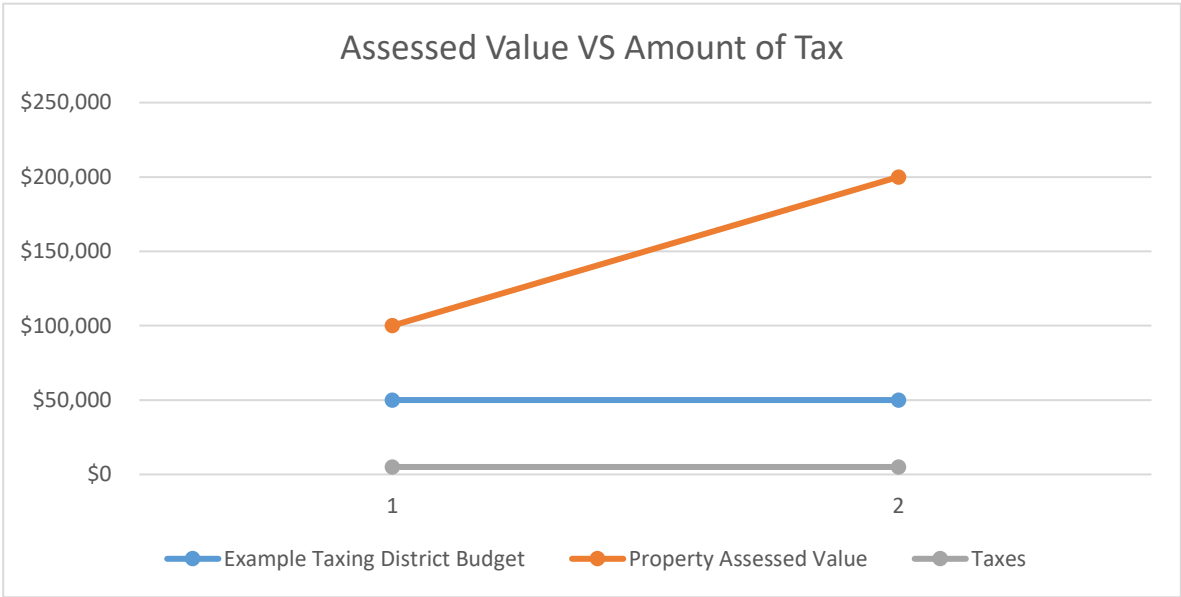
Examples:

- 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, 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.
- 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.

AY2022 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 2022 commercial property assessed values is a market analysis based upon available sales data of commercial property sales. The analysis adhered to assessment standards.
- Trending was the best option for most commercial properties 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 trending adjustment to commercial properties was applied as follows:
 - Overall- 2% to land and 2% to buildings
 - Downtown- -2% to land and -2% to buildings
 - Rock Dump- 2% to land and 35% to buildings
 - Warehouse Condos- No change
 - Boathouses- -2%
 - Sommers on Seward- Back out 2021 trending (put at 2020 AV as that was new and full market)
- 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.
- 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. Whether or not it qualifies as an outlier under IAAO standards varies depending on the ratio study. As a general rule, it is not an outlier except for when you have a small subset of data.
- A proper sales validation process was applied to the sales prior to the analysis. We have analyzed numerous times whether or not changing the inclusion or exclusion of a few sales would have had any impact on the valuations. In most cases it does not significantly change the ratios and would not have resulted in any different action in setting the assessed values. Generally the only cases where it would significantly change the ratios would be very small subsets in which case, due to the low number of sales you are relying less on the ratio and more on appraisal judgment and analysis of additional factors.

- The values for 2022 were set based on market analysis. As a result of the analysis a trending was 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 a correction to any undervaluation through trending until new valuation models can be developed and applied. Because there is not a wealth of sales data, often an overall trending is applied for various subgroups.
- In the Petition for Review and the review process appellants are encouraged to submit specific evidence of an incorrect value. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
- Our review of commercial assessed values has consistently indicated 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 will propose increases to value when appropriate. The assessment level for the vast majority of properties in the borough is very close to market, therefore, when through the review and appeal process we have opportunity to correct an error and bring a property closer to market value that should be done.
- 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 BOE 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 that year was just \$392,100 which happens to be less than 69% of his stated value which puts the ratio close to our median ratio for that year.

The land value indicated in the appraisals increases by 73% over an 8 year period. Our increase to commercial land values in 2021 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 2022 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 2022 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 17.6308 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 lower than stated. These ratios and statistics are based on AY2022 values after the adjustments to values were made.

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

Section F, Item 1.

Statistics

Current Proposed

48 48 Count (Number of Records with Ratio)
0.3594 0.3594 Minimum Ratio
1.1616 1.1616 Maximum Ratio
0.8022 0.8022 Range

0.8512 0.8512 Mean (This is the average ratio for your sample.)

0.8328 0.8328 Median (This is the mid-point value for your sample. Preferred measure of central tendency.)

0.8433 0.8433 Weighted Mean

1.5481 1.5481 Sum of the Square of Deviations

0.1468 0.1468 AAD

0.1815 0.1815 Standard Deviation

17.6308 17.6308 COD (Good indicator of confidence level.)

21.3218 21.3218 COV

1.0093 1.0093 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)

Kurtosis -0.1117

Skewness -0.1857

Alt.Cyhelsky's Skew 0.0417

Alt.Pearson's Skew 0.3040

Trending Factors

0.85 Target Level
0.9986 Factor on Mean
1.0207 Factor on Median
1.0079 Factor on Weighted Mean

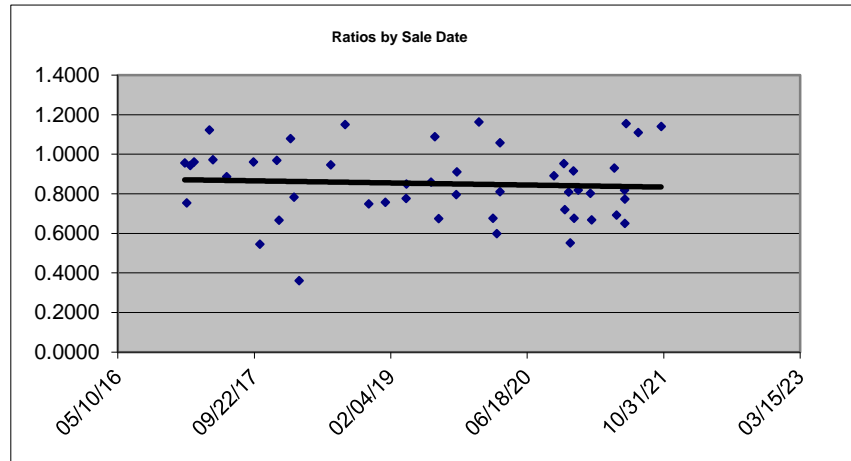
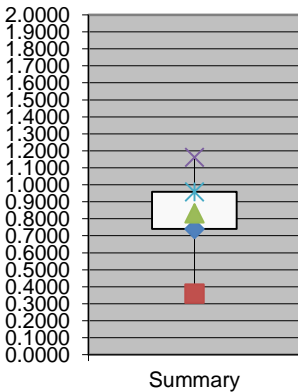
Normal / Skewed Distribution Evaluation

-0.0184 Differential Mean to Median

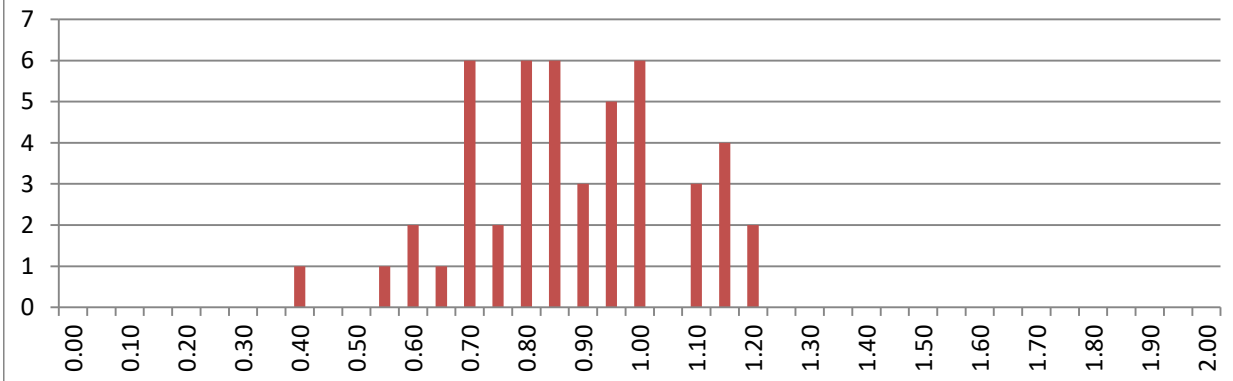
25 Number of data points below the mean.

23 Number of data points above the mean.

*Note- # below/above works on data sets up to 5,000 pts.



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 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

Section F, Item 1.

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

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

Review of Particular Sales

Again, the exclusion and inclusion, as done in the analysis, was proper.

- 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 used 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. A cap rate has not been adopted for AY2022 as of the writing of this document.
 - 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.
- Full Market Value Recommendation to the BOE
 - Normally the Assessor’s Office should recommend full market value to the BOE, however, because we are still working on replacing and/or correcting outdated models we are, for the 2022 appeal process, placing a higher priority on uniformity within existing models rather than uniformity with the whole which is being addressed through separate processes. Therefore, in most cases full market value will be listed but not as our recommended value.

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?

The following pages are a copy of the 2022 Assessment Valuations Summary Report (appraisal report).

There is some duplication of information between the Guide and Attachments A and B, however, we felt it was best to present the documents in their entirety. They do both present additional information from the Guide.



Finance
Department
Assessor Division
155 S Seward St.
Juneau AK 99801
(907)586-5215

Assessment Valuations Summary Report

City and Borough of Juneau

For Assessment Year 2022

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

2022 Report Date: March 29, 2022

Table of Contents

Introductory Message for 2022.....	3
Scope	3
Scope of Work	3
Client & Intended Users	3
Intended Use	3
Effective Date	3
Identification of Property	3
Valuation Summary	4
Assessment Process Overview	4
Sales Data Procedures	4
Model Specification & Calibration Procedures	4
Analysis and Valuation Overview	4
Summary of Performance Tests and Measures (Statistics).....	5
Summary of Performance Tests and Measures (Statistics) Commercial	5
Ratios, COD, & COV	5
Market Trend	9
Data Set Counts	10
Neighborhood Statistics	12
Summary of Performance Tests and Measures (Statistics) Residential	13
Overview Reconciliation & Conclusions	15
Submarkets, Stratifications and Characteristics Adjustments	15
Commercial Properties.....	15
Commercial Market Information	20
Residential.....	21
General Reconciliation & Conclusions Summary	23
Statements & Definitions	24
Certification Statement	24
Addendum A – Commercial Sales List	25
Addendum B – Count Variations	26
Addendum C – Sales Validation Policy	27
Addendum D – CBJ Determination of Full and True Value	29

Introductory Message for 2022

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

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

Overall, residential assessed property values increased 9.21% from 2021 to 2022.
 Overall, commercial assessed property values increased 2.31% from 2021 to 2022.
 Overall, vacant land assessed property value decreased by 0.62% from 2021 to 2022.
 Business Personal Property Values increased less than 1% from 2021 to 2022.

Scope

Scope of Work

The valuation of all taxable property within the City and Borough of Juneau (CBJ).

Client & Intended Users

The intended user(s) of this report is the Borough Assessor's Office.

Intended Use

This report is intended for use by the Assessor's Office in the administration of ad valorem property taxation.

It is not intended to serve as an all-encompassing report but as a summary report of the relevant valuations.

Effective Date

The effective date of this report and the associated values is January 1, 2022 for all property types.

For ad valorem tax purposes the Assessor is required by law to annually value all property as of January 1st of each year, at one hundred percent of the true and fair market value.

Identification of Property

The subject properties of this report are all taxable real and personal properties within the City and Borough of Juneau.

Valuation Summary

Assessment Process Overview

Sales Data Procedures

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

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

For residential properties the sales utilized for analysis are from the range of January 1, 2019 to December 31, 2021. There were a total of 1,040 qualified sales of residential properties with confirmed sale prices for the main analysis set.

Model Specification & Calibration Procedures

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

Three Approaches to Value

Cost Approach – is calibrated through trends in costs.

Sales Comparison Approach – utilizes market sales.

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

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

Analysis and Valuation Overview

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

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

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

Residential

The residential market increased in value throughout 2021 with increased prices for single family homes, attached homes, and residential condos. A table summarizing residential values is below.

Property Type	2019 Median Sale Price	2020 Median Sale Price	2021 Median Sale Price
Single Family Homes	\$415,000	\$442,000	\$481,400
Attached Homes	\$310,000	\$332,700	\$362,500
Residential Condos	\$232,500	\$228,900	\$240,000

Summary of Performance Tests and Measures (Statistics)

Summary of Performance Tests and Measures (Statistics) Commercial

Ratios, COD, & COV

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

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

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

5

Commercial

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

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

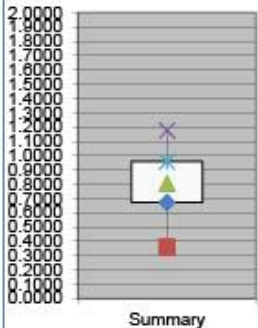
Statistics	
50	Count (Number of Records with Ratio)
0.3594	Minimum Ratio
1.1779	Maximum Ratio
0.8185	Range
0.8187	Mean (This is the average ratio for your sample.)
0.8057	Median (This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6837	Weighted Mean
1.9165	Sum of the Square of Deviations
0.1610	AAD
0.1978	Standard Deviation
19.9792	COD (Good indicator of confidence level.)
24.1573	COV
1.1973	PRD- Price-Related or Factor Differential (PRD s/b between 0.98 & 1.03, IAAO) (PRD over 1=Regressive)

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

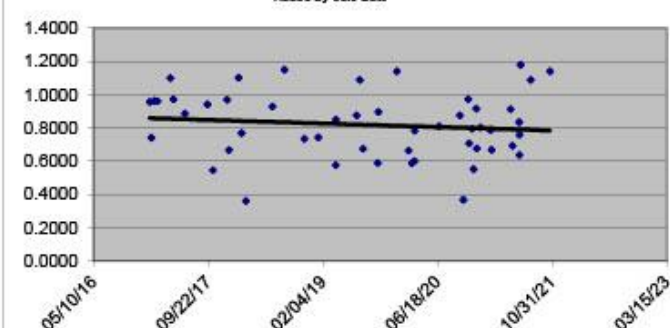
Coefficients (0=Normal Distribution)	
Kurtosis	-0.3459
Skewness	-0.1410
Alt.Cyhelsky's Skew	0.0400
Alt.Pearson's Skew	0.1964

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

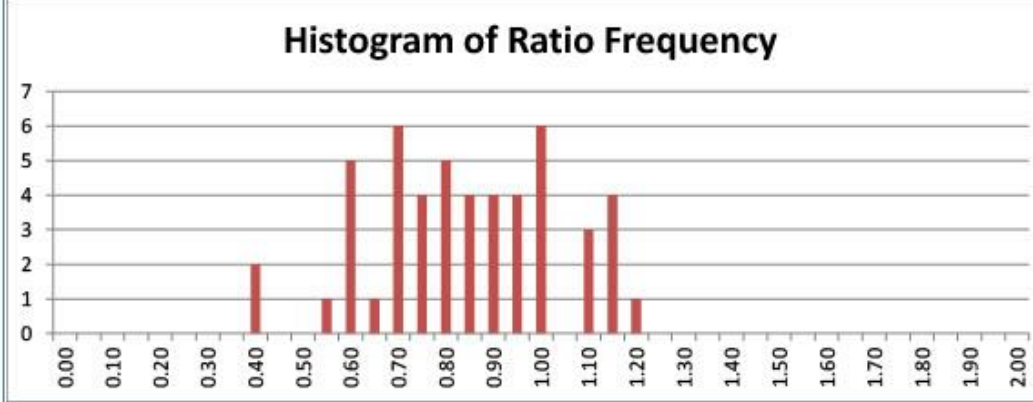
Normal / Skewed Distribution Evaluation
-0.0129 Differential Mean to Median
26 Number of data points below the mean.
24 Number of data points above the mean.
*Note- # below/above works on data sets up to 5,000 pts.



Summary



Ratios by Sale Date



Histogram of Ratio Frequency

Commercial

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

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

Statistics

49	Count	(Number of Records with Ratio)
0.3594	Minimum Ratio	
1.1616	Maximum Ratio	
0.8022	Range	
0.8507	Mean	(This is the average ratio for your sample.)
0.8265	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.8398	Weighted Mean	
1.5487	Sum of the Square of Deviations	
0.1443	AAD	
0.1796	Standard Deviation	
17.4590	COD	(Good indicator of confidence level.)
21.1151	COV	
1.0130	PRD- Price-Related or Factor Differential	(PRD s/b between 0.98 & 1.03, IAAO) (PRD over 1=Regressive)

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)

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

Trending Factors

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

Normal / Skewed Distribution Evaluation

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

Summary

Ratios by Sale Date

Histogram of Ratio Frequency

7

6/14/2022 3:11 PM

AY2022 Property Assessment Guide 20220608b.docx

Page 24 of 65

60

Please note one correction. After the close of the analysis and the sending of assessment notices but before the printing of this report it was discovered that one of the Qualified Market Sales was actually not an arms-length transaction. We reviewed the analysis to gauge the impact and found that removal of the sale only affected the statistical measures by a few thousandths of a percent and would not have led to any different conclusions on the changes to value for AY2022. The chart below illustrates the impact based on one of the analysis subsets, the overall commercial class without boathouses.

	Number of Sales	Mean	Median	COD	COV	PRD
Initial Study	49	0.85 (0.8507)	0.83 (0.8265)	17.4590	21.1151	1.0130
Without 7B0901030031	48	0.85 (0.8512)	0.83 (0.8328)	17.6308	21.3218	1.0093

Commercial

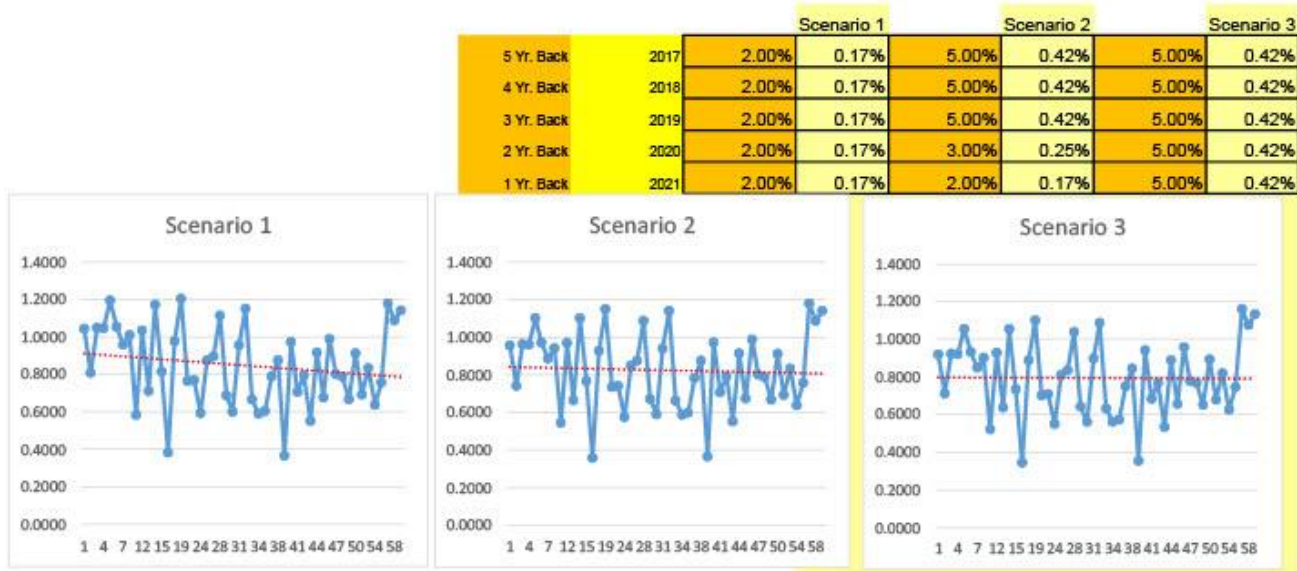
Market Trend

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

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

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

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



Commercial

Data Set Counts

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

Dataset Counts

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

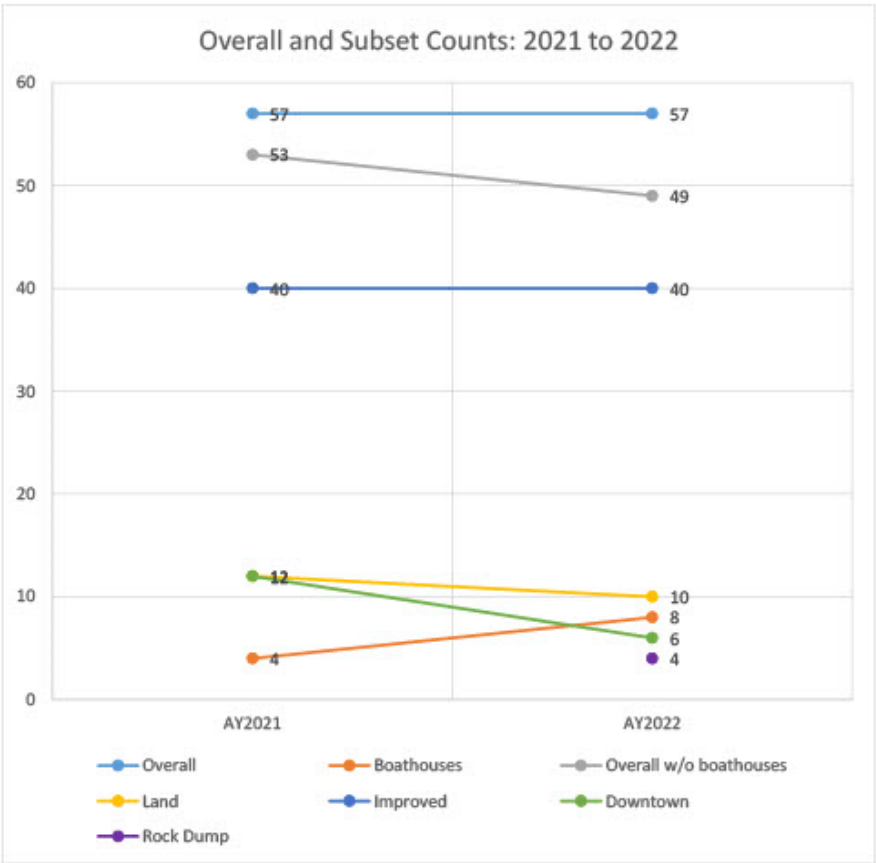
Counts of Sales Used in Ratio Studies After Removal of Outliers

Commercial

Class / Subgroup

Overall
Boathouses
Overall w/o boathouses
Land
Improved
Downtown
Rock Dump

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



See Addendum B for explanation of various count changes.

Outlier Explanation

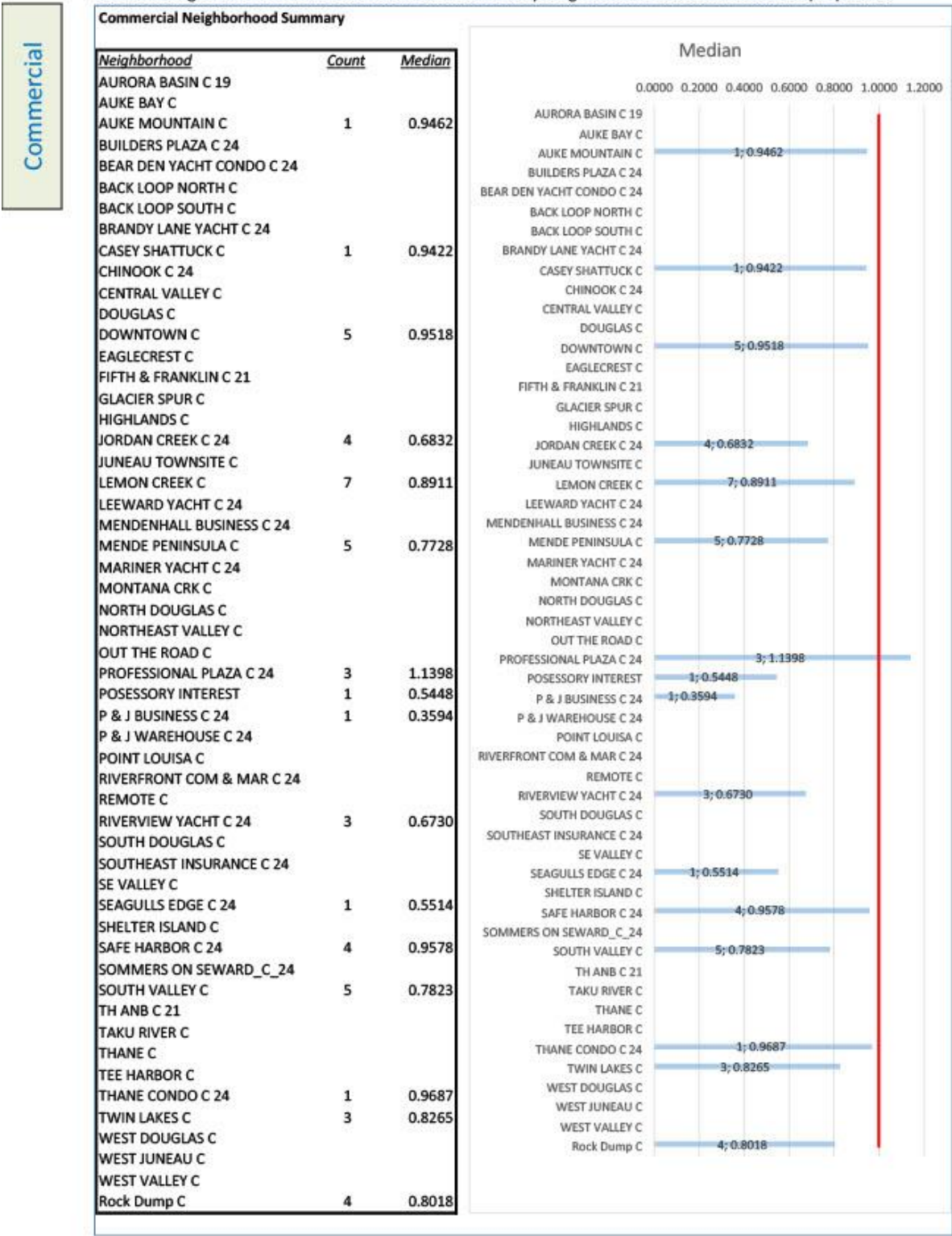
Whether or not a sale is a market sale is dependent on the circumstances or conditions of the sale and applies across the different studies. Whether or not a sale is an outlier is dependent on the dataset being studied and can change from one dataset or study to another.

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

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

Neighborhood Statistics

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



Summary of Performance Tests and Measures (Statistics) Residential

This summary report shows statistics for residential properties from the starting point for assessment year 2022 showing a mean of 0.9570 and a median of 0.9565.

AY2022- Residential Starting Point, Trended Summary Report

Statistics

Current

1007

0.7360

1.1930

0.4570

0.9570

0.9565

0.9616

7.2748

0.0671

0.0850

7.0134

8.8855

0.9953

Count (Number of Records with Ratio)

Minimum Ratio

Maximum Ratio

Range

Mean (This is the average ratio for your sample.)

Median (This is the mid-point value for your sample. Preferred measure of central tendency.)

Weighted Mean

Sum of the Square of Deviations

AAD

Standard Deviation

COD (Good indicator of confidence level.)

COV

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)

Kurtosis #DIV/0!

Skewness #DIV/0!

Alt.Cyhelsky's Skew 0.0050

Alt.Pearson's Skew 0.0177

Trending Factors

0.85 Target Level

0.8882 Factor on Mean

0.8886 Factor on Median

0.8839 Factor on Weighted Mean

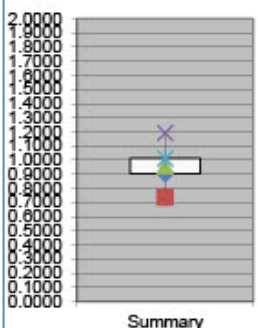
Normal / Skewed Distribution Evaluation

-0.0005 Differential Mean to Median

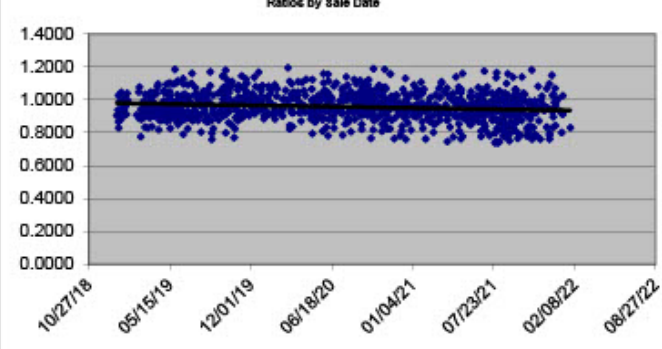
506 Number of data points below the mean.

501 Number of data points above the mean.

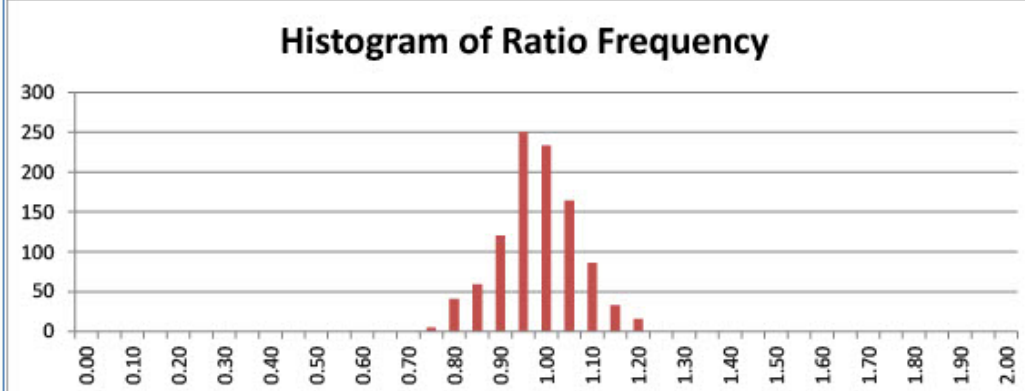
*Note- # below/above works on data sets up to 5,000 pts.



Summary



Ratios by Sale Date



Histogram of Ratio Frequency

6/14/2022 3:11 PM

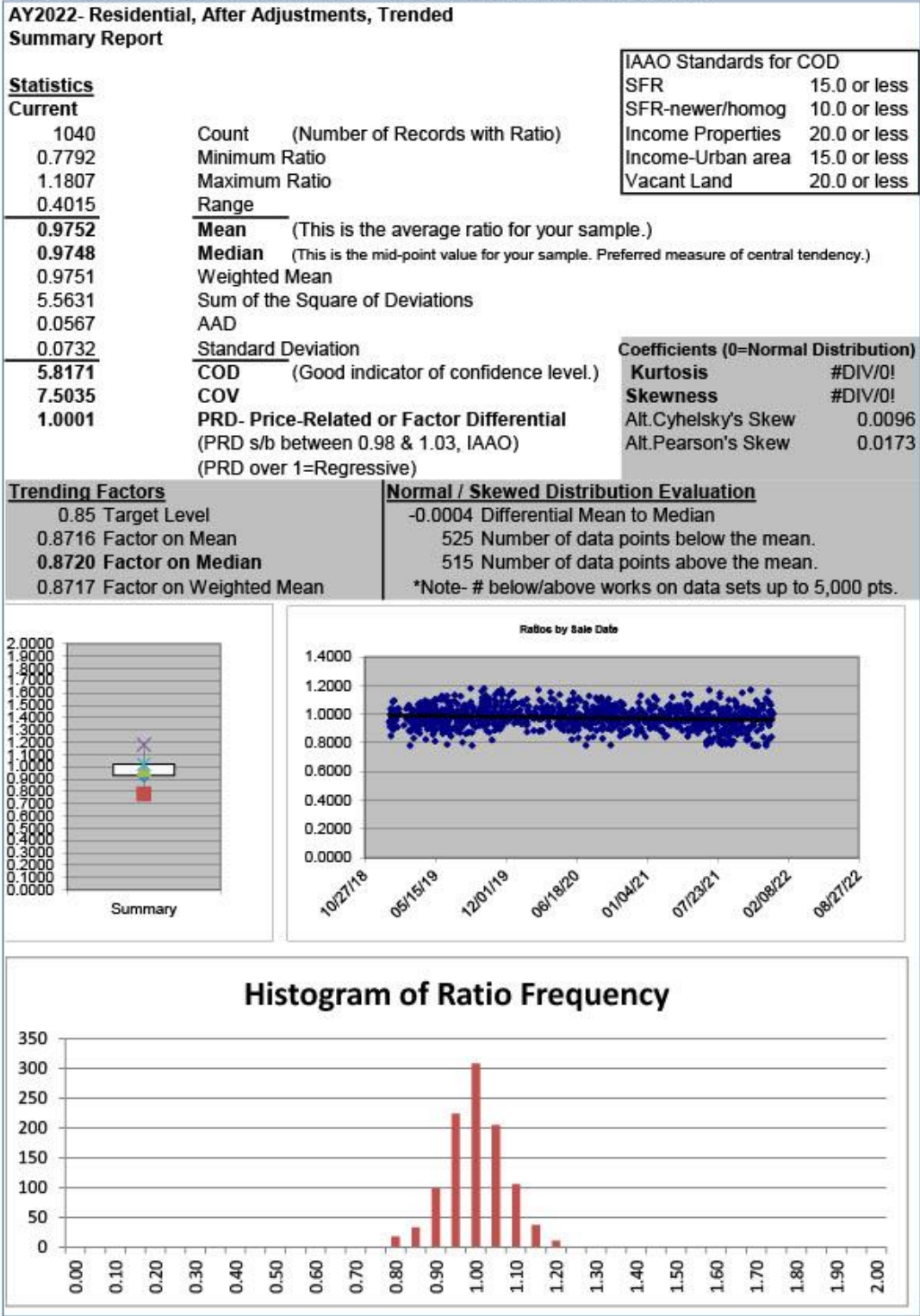
AY2022 Property Assessment Guide 20220608b.docx

Page 30 of 65

66

Residential

This second summary report shows the statistics for residential properties after calibrating the values for assessment year 2022 showing a mean of 0.9752 and median of 0.9748.



Overview Reconciliation & Conclusions

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

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

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

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

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

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

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

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

Submarkets, Stratifications and Characteristics Adjustments Commercial Properties

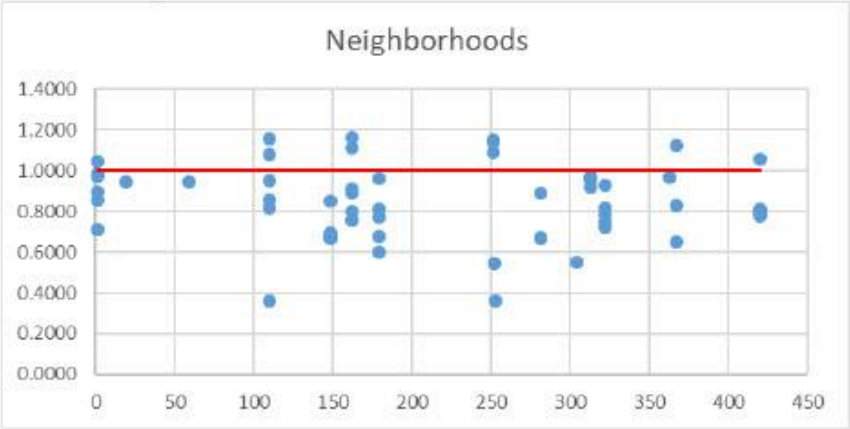
In doing the analysis we looked at subtypes or submarkets to determine if any type of property needed to be excluded from the general adjustment. Influences that we looked at included date ranges, price ranges, property types/use classifications and market areas (neighborhoods). We hope to add more categories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

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

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

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

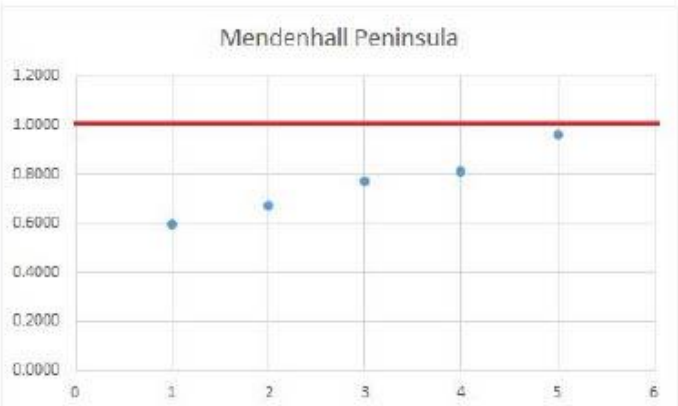
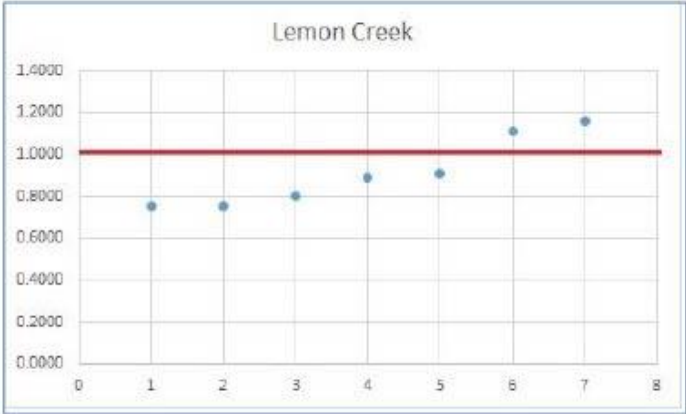
Commercial



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



Commercial

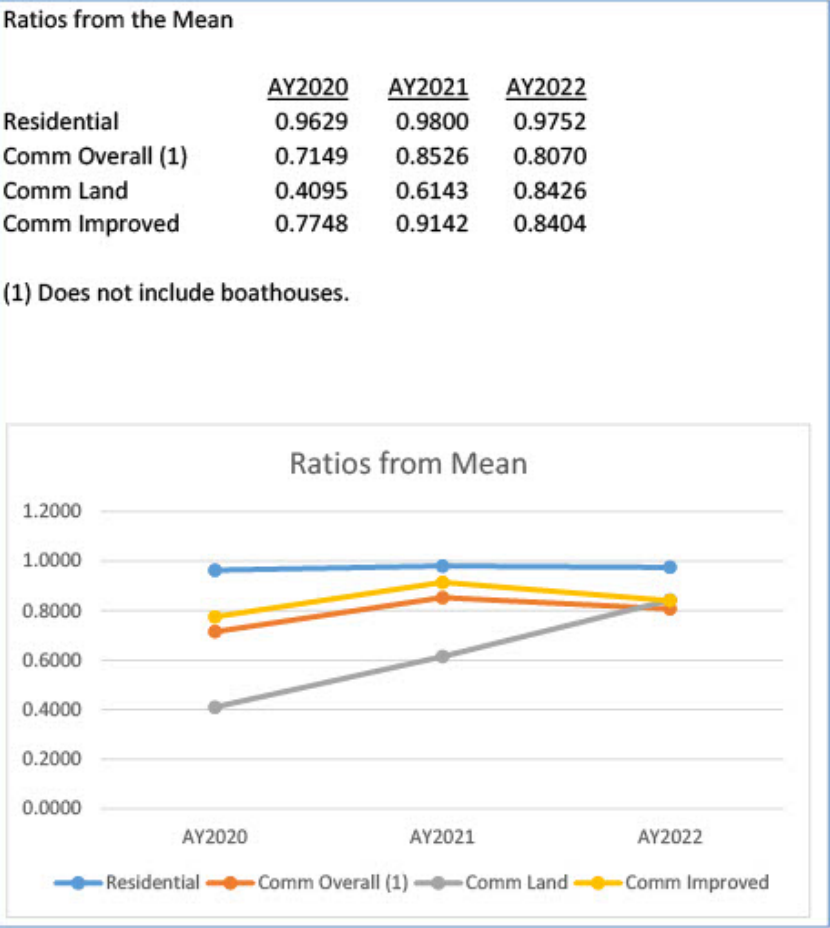


The chart below shows the ratios for the entire data set after the adjustments. The red horizontal line indicates market.

Commercial



The chart below shows the change from 2020 to 2022.

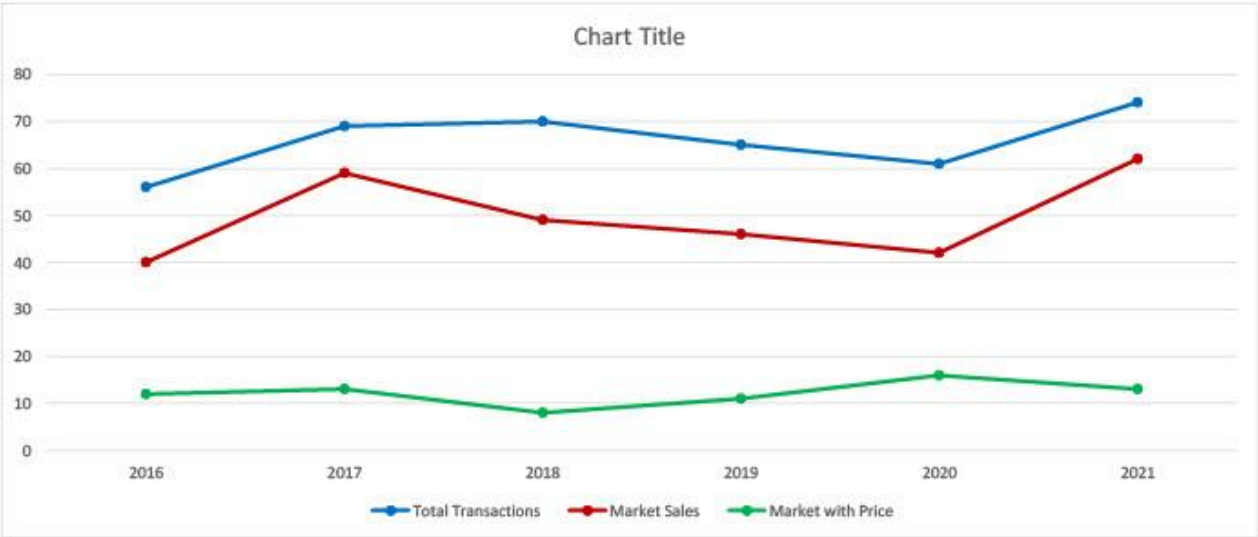


Commercial Market Information

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

Commercial

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

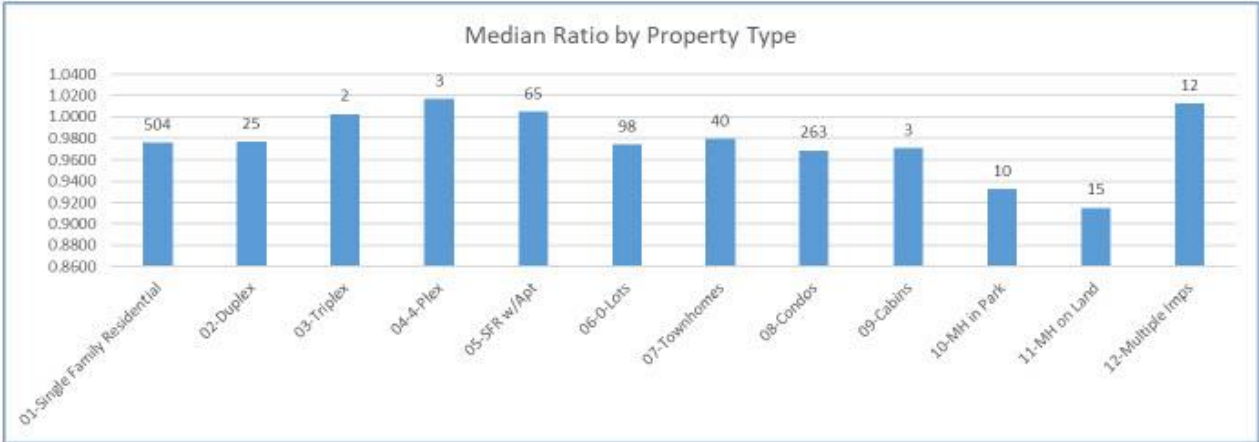


Residential

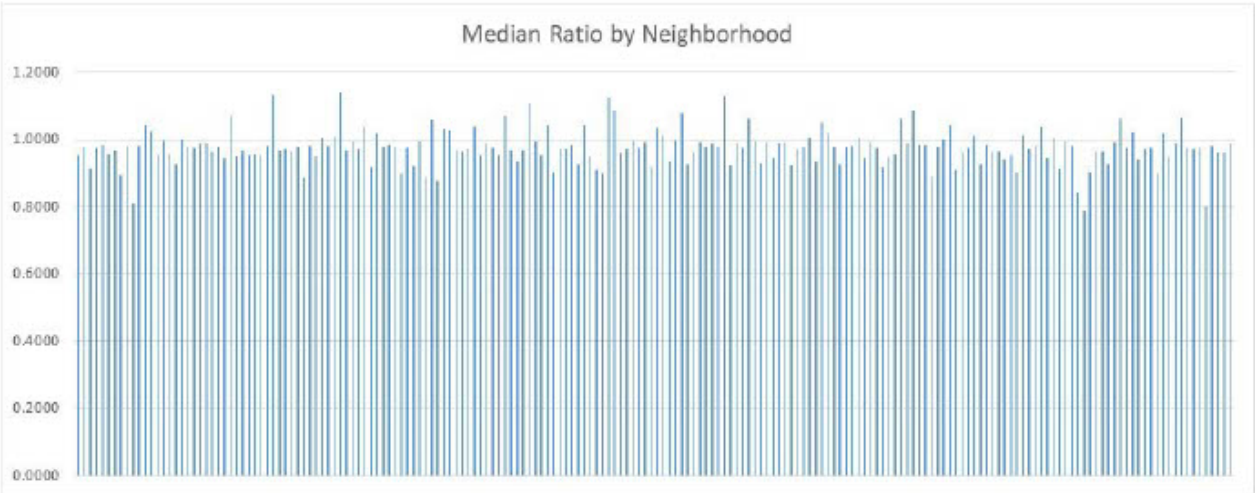
Residential

The following charts are from the audit analysis AFTER the calibration adjustments.

These charts show median assessed value to sales (a/s) ratios and median sales prices. On the median ratio chart the number above the column is the number of qualified market sales in that group.

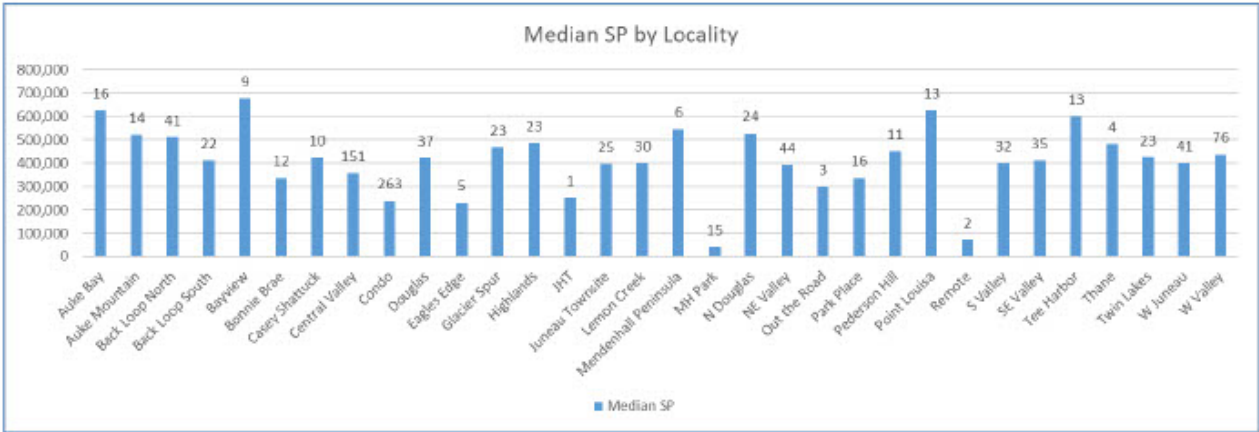
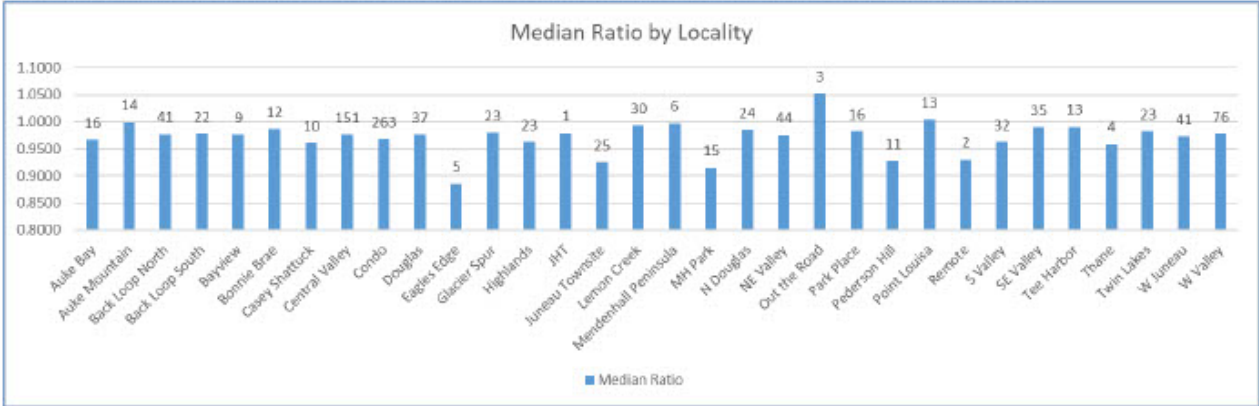


Residential



Neighborhoods with a ratio over one did not have enough qualified market sales to provide a basis for additional adjustment.

Again, the number above the column is the number of qualified market sales in that group.



Residential

The chart below shows the percent change of assessed values per building type from 2021 to 2022.

Description	2021 AV *	2022 AV *	% Change *	Count
01-Single Family Residence	\$ 408,850	\$ 446,850	8.4%	4986
02-Duplex	\$ 444,300	\$ 484,500	8.7%	299
03-Triplex	\$ 465,500	\$ 518,800	10.9%	43
04-4-Plex	\$ 553,800	\$ 596,300	8.3%	107
05-SFR w/ Apt	\$ 521,200	\$ 577,700	9.4%	789
06-Zero-lot	\$ 305,400	\$ 329,900	7.9%	885
07-Townhouse	\$ 318,550	\$ 349,750	8.9%	192
08-Condo	\$ 221,700	\$ 232,100	6.7%	1284
09-Cabin	\$ 91,800	\$ 91,800	0.0%	187
10-MH on Land	\$ 191,500	\$ 204,550	1.2%	224
11-MH in Park	\$ 35,200	\$ 36,950	4.3%	958
12-Multiple Improvement	\$ 571,700	\$ 627,000	8.6%	193
17-Vacant Land	\$ 121,500	\$ 121,000	0.0%	1248
AV = Assessed value				
* indicates median value				

Residential Comments

- Building cost increases were applied to the residential building components.
- After the building cost increases were applied the values were re-analyzed against sales on a neighborhood basis.
- Residential property values increased across the board due to a strong residential market in Juneau.

General Reconciliation & Conclusions Summary

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

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

Statements & Definitions

Type and Definition of Value (Interest Being Appraised)

The value being assessed is fee simple ownership interest at 100% of market value as of the effective date. Market value is the amount of money a willing buyer, not obligated to purchase, would pay and a willing seller, not obligated to sell, would accept for a property.

Highest and Best use Definition

A property's use may or may not represent its highest and best use. The highest and best use is the most profitable use given the probable legal, physical, and financial constraints.

Statement of Assumptions and Limiting Conditions

1. This report and the associated assessed values are intended for ad valorem taxation purposes and may not be applicable for any other use.
2. The following are general statements. Records pertaining to individual properties may list specific exceptions.
3. It is assumed that:
 - Title is free and clear.
 - There are no encroachments.
 - There are no hidden defects or conformity issues.
 - There is no contamination or hazardous materials present.
4. Property attributes observed upon exterior inspection are assumed to be representative of interior attributes when interior inspections were not feasible.

Certification Statement

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are the personal, impartial, and unbiased professional analyses, opinions and conclusions of the Assessor's Office.
- I and the Assessor's Office staff have no present or prospective interest in the property that is the subject of this report except any personal real estate holdings we may have within the borough. No individual inspected their own property.
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions and conclusions were developed, and the report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- We have made a personal inspection of the properties that are the subject of this report as outlined in our revaluation plan.
- The Assessor's Office staff provided significant mass appraisal assistance to the person (the Assessor) signing this certification.



Mary Hammond, City and Borough of Juneau Assessor

Addendum A – Commercial Sales List

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

Parcel Num	Sale Date	Sale Price	Trended SP	AV Total	Number	Street	Buyer	Use Type	Neighborhood
4B1701090228	01/10/17	150,000	180,250	172,300	10011	CRAZY HORSE		30	SAFE HARBOR C 24
5B1201060140	01/18/17	1,400,000	1,680,778	1,265,423	5720	CONCRETE WAY	ALCOR LANDS LLC	24	LMNC_C
1C030C280080	01/30/17	930,000	1,114,967	1,050,560	712	W TWELFTH ST	712 W 12TH ST LLC	21	CASH_C
4B1701090223	02/14/17	150,000	179,521	172,300	10011	CRAZY HORSE DR	BENTON AND MEIER M	30	SHRC_C_24
7B0901030071	04/11/17	1,540,000	1,831,103	2,054,226	3161	CHANNEL DR	FRONTIER PROPERTIES	21	TWLKS_C
4B1701090226	04/24/17	130,000	154,339	149,800	10011	CRAZY HORSE DR	PAUL J THOMAS & AM.	30	SHRC_C_24
4B1601050030	06/13/17	104,000	122,749	108,800	2274	INDUSTRIAL		30	RIVERVIEW YACHT C
1C020K01E220	09/07/17	32,000	37,387	26,500	1435	HARBOR		19	AURORA BASIN C 19
1C020K01E230	09/07/17	32,000	37,387	26,500	1435	HARBOR WAY	BLAKE RIDER	19	ABBC_C_19
4B1601010040	09/19/17	750,000	875,000	839,562	2450	INDUSTRIAL BLVD	BAD DOG INVESTMENT	24	MNDP_C
3B1501020030	10/12/17	65,000	75,626	41,200	1669	CREST ST	CITY AND BOROUGH O	24	PINT_C
1C110K150900	12/13/17	160,000	184,778	179,000	125	MILL ST	ALASKA SUSTAINABLE	30	THNC_C_24
5B1501110980	12/22/17	300,000	346,083	230,384	2231	JORDAN AVE	TAMAR MARY BOYD	21	JDCC_C_24
1C070K820030	02/02/18	950,000	1,090,389	1,175,611	254	S FRANKLIN ST	TIMOS GIAMAKIDIS & J	20	DWNTN_C
5B1601000023	02/15/18	968,750	1,110,161	868,428	9151	GLACIER HWY	ST VINCENT DEPAUL SC	24	SVLY_C
4B1601080070	03/05/18	73,000	83,473	30,000	2278	INDUSTRIAL		30	P & J BUSINESS C 24
4B2901020010	06/29/18	1,000,000	1,127,361	1,066,665	10200	MENDENHALL LOO	GLACIER NALU LLC	31	AUKM_C
1C020K01G200	07/25/18	27,500	30,903	26,500	1435	HARBOR WAY	WILLIAM J GOERTZEN	19	ABBC_C_19
5B1601140070	08/21/18	240,100	268,912	308,850	9309	GLACIER HWY	RNL LLC	21	PFPC_C_24
5B1501040020	11/16/18	900,000	997,125	745,824	8855	MALLARD ST	GLACIER HOLDINGS LL	24	SVLY_C
5B1201020041	01/15/19	1,780,000	1,957,258	1,481,142	5433	SHAUNE DR	AKBEV GROUP LLC	24	LMNC_C
1C020K01G290	02/28/19	25,000	27,337	26,500	1435	HARBOR		19	AURORA BASIN C 19
1C110K120150	04/01/19	597,938	651,171	505,400	0	MILL ST	M & M TOURS LIMITE	17	RKDP_C
5B15011103A0	04/02/19	370,000	402,889	341,836	2207	JORDAN AVE	SOUTHEAST ALASKA CI	21	JDCC_C_24
1C020K01G280	06/28/19	25,000	26,920	26,500	1435	HARBOR		19	AURORA BASIN C 19
1C070B0M0011	07/01/19	2,300,000	2,475,694	2,122,380	259	S FRANKLIN ST	RBG HOLDINGS LLC	20	DWNTN_C
5B1601140043	07/16/19	145,000	155,774	169,350	9309	GLACIER		21	PROFESSIONAL PLAZ
4B1601050160	07/30/19	115,000	123,322	83,000	2276	INDUSTRIAL BLVD	JUNEAU INTERIORS ST/	30	RVYC_C_24
1C110K120120	10/02/19	378,818	402,862	320,200	0	MILL ST	GASTINEAU GUIDING P	17	RKDP_C
5B1201000060	10/04/19	2,205,832	2,345,228	2,135,104	5245	GLACIER HWY	PETRO 49 INC	24	LMNC_C
5B12013000110	12/24/19	225,000	236,688	274,941	1783	ANKA		17	LEMON CREEK C
4B1701080020	02/13/20	800,000	837,756	565,539	10012	CRAZY HORSE DR	RPA INVESTMENTS	24	MNDP_C
4B1701090056	02/28/20	1,567,000	1,638,995	980,577	10009	CRAZY HORSE DR	R & L LEASING INC	17	MNDP_C
1C110K120140	03/10/20	378,818	395,875	320,200	0	MILL ST	BONNELL DEVELOPME	17	RKDP_C
1C110K120051	03/10/20	612,788	640,380	676,800	0	EASTAUGH WAY	EASTAUGH WAY LLC	17	RKDP_C
1C020K01E300	06/23/20	17,500	18,135	26,500	1435	HARBOR WAY	RESOURCE INC & ROGE	19	ABBC_C_19
7B0901030031	06/25/20	9,744,050	10,095,918	8,344,671	3100	CHANNEL DR	SOUTHEAST ALASKA RE	24	TWLKS_C
5B1201300110	09/24/20	300,000	308,558	274,941	1783	ANKA ST	MICHAEL HULL & ANGI	17	LMNC_C
1C060K010031	10/09/20	20,000,000	20,545,556	7,373,814	0	EGAN DR	NCL (BAHAMAS) LTD	24	DWNTN_C
1C060K660110	10/30/20	1,400,000	1,435,739	1,366,511	711	W WILLOUGHBY A'	GOLD LODGE LLC	18	DWNTN_C
5B1401050010	11/03/20	2,009,000	2,059,616	1,482,111	7900	HONSINGER DR	49ER INVESTMENT GRI	17	SVLY_C
4B1701020020	11/17/20	650,000	665,618	538,254	10011	GLACIER HWY	ALASKA ON POINT PRC	24	MNDP_C
5B1201060260	11/23/20	486,000	497,435	274,300	5719	CONCRETE WAY	SETH M KOCH	21	SGEC_C_24
4B1701090218	12/04/20	155,000	158,505	145,000	10011	CRAZY HORSE DR	JEFF CARPENTER & GIN	30	SHRC_C_24
5B15011107E0	12/07/20	340,000	347,603	234,498	2221	JORDAN AVE	FAMILY PROMISE OF JI	21	JDCC_C_24
5B1401050100	12/22/20	479,138	489,253	399,789	0	HONSINGER DR	GSA LLC	17	SVLY_C
5B1201410060	02/05/21	371,000	377,802	302,940	0	COMMERCIAL BLVD	LINKUP ALASKA LLC	17	LMNC_C
4B1601050010	02/09/21	160,000	162,898	108,800	2274	INDUSTRIAL BLVD	SHEILA GOOD & JAME	30	RVYC_C_24
5B1501050040	05/03/21	1,300,000	1,317,550	1,224,918	8717	MALLARD ST	PETE J THIBODEAU & R	30	SVLY_C
5B15011121E0	05/11/21	325,000	329,243	227,766	2211	JORDAN AVE	STEVEN M TORRENCE I	21	JDCC_C_24
1C020K01G280	05/14/21	25,000	25,322	26,500	1435	HARBOR WAY	JAMES L SPRAGUE	19	ABBC_C_19
1C060K700020	06/10/21	430,000	434,897	355,250	607	W SEVENTH ST	JUNEAU ECONOMIC DE	24	DWNTN_C
7B0901040110	06/11/21	3,100,000	3,135,133	2,034,222	3225	HOSPITAL DR	SOUTHEAST ALASKA RE	30	TWLKS_C
4B1701100200	06/11/21	240,000	242,720	187,578	10155	JENSINE ST	KURT S TVENTEN & RU	30	MNDP_C
1C060K700011	06/16/21	680,000	687,518	793,604	612	W WILLOUGHBY A'	JUNEAU ECONOMIC DE	21	DWNTN_C
5B1201260020	07/30/21	410,000	413,531	458,493	1995	LEMON CREEK RD	BRYSON REAL ESTATE I	18	LMNC_C
1C020K01E240	09/14/21	29,500	29,679	26,500	1435	HARBOR WAY	ZACH DECKER & ALISH	19	ABBC_C_19
5B1601140092	10/22/21	499,900	501,872	572,050	9309	GLACIER HWY	BLANC DE BLANC PROF	21	PFPC_C_24
1C070A050060	11/24/21	1,250,000	1,252,639	2,547,520	234	SEWARD ST	GOLDSTEIN IMPROVEN	24	DWNTN_C

Addendum B – Count Variations

Commercial

Dataset Count Variations			
<u>AY2022 Ending Point Studies</u>	Potential	Used	Notations
<u>Class / Subgroup</u>			
Overall	59	57	2 Outliers (1C020K01E300 & 1C070A050060)
Boathouses	8	7	1 Outlier (1C020K01E300)
Overall w/o boathouses	51	49	2 Outliers (1C060K010031 & 1C070A050060)
Land	10	10	
Improved	41	40	1 Outlier (1C070A050060)
Downtown	7	6	1 Outlier (1C070A050060)
Rock Dump		4	

Addendum C – Sales Validation Policy



Assessment Procedures Sales Validation and Verification

Sales Validation

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

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

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

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

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

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

Documentation in Govern

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

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

Steps to Sales Validation

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

Sales Verification

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

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

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

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

Addendum D – CBJ Determination of Full and True Value

CBJ 15.05.100 Determination of full and true value:

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

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

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

There is some duplication of information between the Guide and Attachments A and B, however, we felt it was best to present the documents in their entirety. They do both present additional information from the Guide.

Property Assessments

An overview for the Board of Equalization
To Be Presented June 2, 2022



Assessment Basics

- Assessor is required by AS 29.45.110 to determine the fair market value of all taxable properties
- Assessed Values are critical to the equitable distribution of the tax burden
- Value is determined as of January 1st each year
- Three approaches to value are considered: Cost, Sales Comparison, and Income
- CBJ Assessor generally uses a Market Adjusted Cost Approach
- Preferred approaches are usually applied across a property class



Assessment Basics

- Computer Assisted Mass Appraisal (CAMA)
 - The CAMA system is the software within which most of the assessment administration and property valuation is managed
 - Most of our current land models determine values from a base rate (price per square foot or acre for example) adjusted for various factors of desirability or usability which is then adjusted to market based on market sales
 - We may move to a site value adjusted by size and features in the future.
 - Improvement value considers size, age, construction method, quality, condition and enhancing features
 - Land and improvements are reviewed for adjustment to market annually based on comparison to sales through the Ratio Study process



Property Value Models

- Property values, regardless of what system they come out of or what purpose they are done for, utilize a model, either a formal one put “to paper” or an informal one in someone’s head.
 - You
 - Your neighbor
 - A realtor
 - An appraiser
 - An insurance agent
- It may be a simple general ballpark value, based on price per SF, adjusted for quality, condition or style, or more



Property Value Models

- The modeling process involves
 - Model Specification – Model specification is the process of determining what attributes effect value in your market and therefore should be in your model. This is primarily done once and then reviewed each year for changes in the market.
 - Model Calibration – Model calibration is the process of determining how much each attribute in your model effects value. This is done annually.



Mass Appraisal

- We primarily use mass appraisal techniques
 - That is standard for assessment valuations
- Mass appraisal vs single (fee) appraisal
 - Vertical process vs horizontal process
 - Go through every step for one property, arrive at value, move to next property.
 - Go through one step for all of the properties, move to next step, arrive at all values at end of steps.
 - Potentially more uniformity from a mass appraisal process



Mass Appraisal

- Mass appraisal can be carried out through a database, spreadsheets or a Computer Assisted Mass Appraisal (CAMA) system
- Currently most of our residential properties are valued within the CAMA system.
- Commercial properties have been a mix of spreadsheets and CAMA functionality. Our goal is to get the commercial valuation process migrated fully into the CAMA system with the upcoming CAMA conversion.



Property Characteristics

- There are many factors that effect a properties value.
- Some key factors
 - Property Class
 - Property Attributes
 - Location



Property Characteristics

- Property Classes
 - Major Classification: Residential & Commercial
 - Within Residential
 - SFR
 - Rapt
 - Mimp
 - Zero-Lot
 - Condos & Townhouses
 - Plexes
 - Manufactured Homes
 - Within Commercial
 - Retail
 - Office
 - Medical
 - Hotel
 - Industrial
 - Others



Property Characteristics

- Property Attributes
 - Topography
 - Shape
 - View
 - Waterfront
 - Access
 - Wetlands
 - Flood Zones
 - Others



Property Characteristics

- Location
 - We currently have defined neighborhoods for residential and commercial properties.
 - We are looking at further refinements utilizing a market area model that incorporates Regions, Districts and Neighborhoods.



Property Characteristics

Now that we have looked at the types of characteristics that effect value, let's look at how they get applied within a model or system.



Property Valuation Process

In General, there are three processes utilized in establishing a property's value

- Generation within the CAMA
 - Primarily utilizing a table structure, percentage adjustments (factors) and dollar adjustments. This is the preferred method for most properties.
- Mass appraisal outside of the CAMA such as with a spreadsheet
 - Sometimes, due to CAMA system limitations or other factors, generation of values outside of the CAMA system becomes necessary or preferred.
 - Usually either hand entered or entered through a query into the CAMA after being generated in the spreadsheet.
- Unique, individually valued, properties
 - Usually generated utilizing a spreadsheet and then hand entered into the CAMA.



Property Valuation Process

Let's look at how application of these principles looks within our CAMA system.



Property Valuation Process

CAMA Land Screen

The screenshot displays the 'CAMA Land Screen' software interface. The title bar reads '(1) Assessor's Office Land Appraisal Information Land ID: 185327'. The interface is divided into several sections:

- Land Section:** Includes fields for Site Number (28361), Land Use Code (Land Type) (Salmon), Rate Schedule, Site Value (\$199,025), and Adjustments (Land, Site, Neighborhood) with values of \$10,645.
- Adjustments Section:** Includes Lot Size (28361), Unit Type (Square Feet), Total Units (28361), Unit Price (\$96), Unit Price AG, Total AG, Land Value, Final Adjustment, and Total AG Value (\$385,600).
- Notes Section:** Contains the text 'LOC VIEW WTRFRNT'.
- Processing Interest Section:** Includes fields for Beginning Lease Year and Lease Term.

At the bottom, there is a status bar indicating 'Editing Existing Record (1/1)' and buttons for 'Item', 'Save', 'Delete', 'Browse', and 'Exit'.



CAMA Land Features



CAMA Building Components



CITY AND BOROUGH OF
JUNEAU
KADIAK CAPITAL.COM

CAMA Cost Report



Property Valuation Process

02/25/2022 10:40:45AM

Page 8

Miscellaneous Improvements

Cost Fuel Heater

2,000

+

Soft Fuel Heater

7,000

+

Extra Kitchen

15,700

+

Pantries

30,000

+

HOTV

2,000

+

Total Miscellaneous Improvements

53,700

Total Improvement Value

(Rounded)

\$1,941,180

02/25/2022 10:40:45AM

Page 8

Miscellaneous Improvements

Cost Fuel Heater

2,000

+

Soft Fuel Heater

7,000

+

Extra Kitchen

15,700

+

Pantries

30,000

+

HOTV

2,000

+

Total Miscellaneous Improvements

53,700

Total Improvement Value

(Rounded)

\$1,941,180

Analysis

- The basis or foundation for model specification and model calibration, for our values reflecting the market is the analysis.

Analysis

- Our analysis process is multifaceted
 - General Market Conditions and Trends
 - Ratio Studies – our assessed values vs the market
 - Special Studies
- Information that we look at includes
 - Sales prices
 - Construction costs
 - Income and expenses
 - Lease rates
 - Capitalization rates
 - Financing and the financial markets

Analysis

- For sales, the primary year we look at is the last year.
- For property types with fewer sales, which include all commercial property types, we expand the sales data up to 5 years back until we have a large enough sample.
- For special studies, such as a paired sale study, we occasionally go back 10 or more years.



Analysis

- The Juneau challenges
 - We are a somewhat isolated market with a limited number of commercial properties available and a fairly low number of sales.
 - Up until November 2020 there was no requirement that the sales price be disclosed in real estate transactions. So, besides starting with a low number of sales we only have data on a portion of those.
 - With the addition of the penalty we are now seeing an increase in the percentage of disclosed sales prices which will be utilized in next year's analysis.
- Regardless of the challenges and what data we do or don't have assessed values have to be set every year.



Market Factors

- There are other market factors that can effect values. We try to track and consider these factors. A few examples would be:
 - Economic conditions
 - Changes in financing
 - Listing Inventory
 - Average Days on Market
 - Rental rate changes
 - Cap rate changes due to changes in investor expectations
 - Others



The Juneau Market

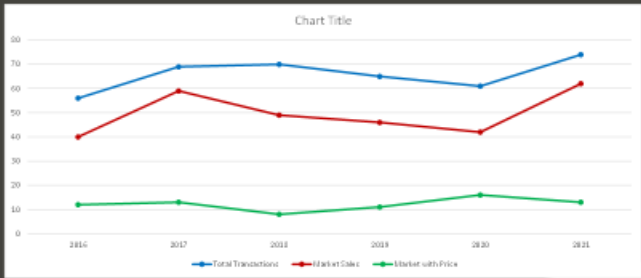
- Sales volume – increased in 2021 for commercial properties and remained strong for residential properties
- Sales prices – we specifically studied the market activity for 2021, leading up to the January 1, 2022 valuation date
 - Residential prices continued to increase
 - Commercial prices also continued to increase
- Limited supply – the Juneau market continues to be effected by a limited supply of both land and improved properties compared to the demand in both the residential and commercial classes



The Juneau Market

- This chart shows the number of commercial property sales per year. You can see that the sales volume increased in 2021 in spite of the pandemic. Also note that in spite of the mandatory disclosure we saw fewer disclosed commercial sales both in number and percentage.

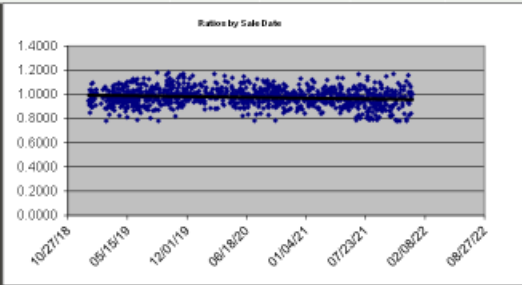
Year	2016	2017	2018	2019	2020	2021
Total Transactions	56	69	70	65	61	74
Market Sales	40	59	49	46	42	62
Market with Price	12	13	8	11	16	13



Residential Ratio Study 2022

Assessed Values as % of Sales Prices

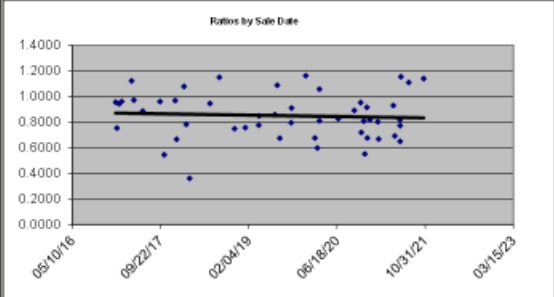
Prior/After	Lowest	Mean	Median	Highest	COD
Prior to 2022 adjustments	73.60%	95.70%	95.65%	119.30%	7.013%
After 2022 adjustments	77.92%	97.52%	97.48%	118.07%	5.817%



Commercial Ratio Study 2022

Assessed Values as % of Sales Prices

Prior/After	Lowest	Mean	Median	Highest	COD
Prior to 2022 adjustments	35.94%	81.87%	80.57%	117.78%	19.97%
After 2022 adjustments	35.94%	85.07%	82.65%	116.16%	17.45%



Correcting Commercial Assessments

- Prior to 2022 adjustments
 - Commercial property was assessed at a median of 80.57% of sales price (81.87% mean)
- Commercial adjustments made in 2021
 - 2% increase to land value
 - 2% increase to building value
 - 2% decrease to downtown values
 - 35% increase to Rock Dump area land values
- Result: Commercial assessment ratio moved from 80.57% to 82.65%. This is down from 88.53% in 2021.
 - CBJ Assessor target for median assessment ratio is 98%
 - Commercial properties in Juneau remain under-assessed by ~20% overall
 - CBJ Assessor will continue refining the commercial property values to reflect the market.



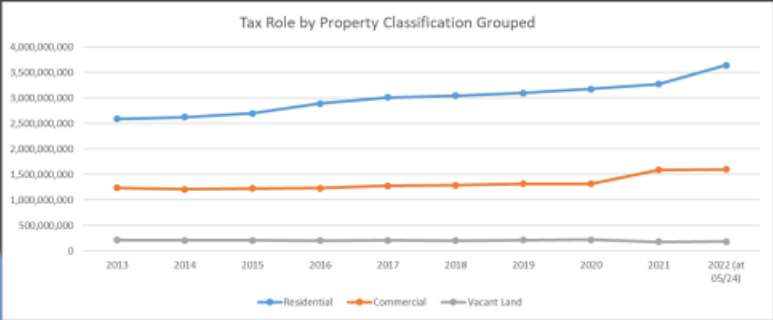
Values for Assessment Year 2022

- What the statistics indicate is that we did not keep up with the commercial market this year and fell further behind.
- What we were able to do is tighten up the uniformity of commercial values. The ending COD for 2021 for all commercial types combined was 21.55. The beginning COD for 2022 was 19.9792 and the ending COD was 17.4590.



Values for Assessment Year 2022

- This chart shows the change in total assessed values by classification over the past 8 years.



Values for Assessment Year 2022

- We continued our focus on cleaning up the commercial property sales data.
- We had 49 market sales from the past 5 years for which we had sales prices to utilize in our analysis.



Values for Assessment Year 2022

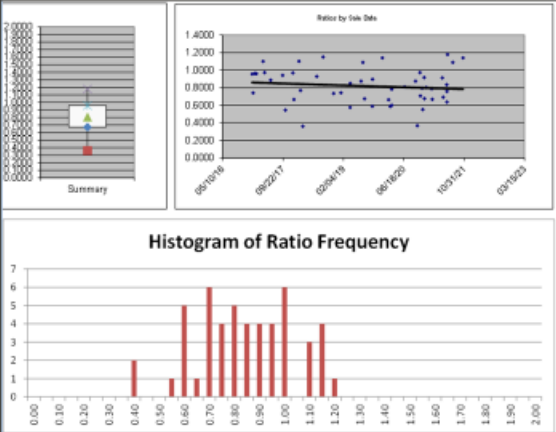
Starting Point

AY2022- Com - Starting Point V3- at 20220223b- All No 19s 532 Trend Summary Report Before Calibration		
Statistics		
50	Count	(Number of Records with Ratio)
0.3594	Minimum Ratio	
1.1779	Maximum Ratio	
0.8185	Range	
0.8187	Mean	(This is the average ratio for your sample.)
0.8057	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6837	Weighted Mean	
1.9165	Sum of the Square of Deviations	
0.1610	AAD	
0.1978	Standard Deviation	
19.9792	COD	(Good indicator of confidence level.)
24.1573	COV	
1.1973	PRD- Price-Related or Factor Differential	
	(PRD s/b between 0.98 & 1.03, IAAO)	
	(PRD over 1=Regressive)	
Trending Factors		
1.00	Target Level	
1.2215	Factor on Mean	
1.2411	Factor on Median	
1.4625	Factor on Weighted Mean	
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)		
Kurtosis	-0.3459	
Skewness	-0.1410	
Alt. Cyhelsky's Skew	0.0400	
Alt. Pearson's Skew	0.1964	
Normal / Skewed Distribution Evaluation		
-0.0129	Differential Mean to Median	
28	Number of data points below the mean.	
24	Number of data points above the mean.	
*Note - # below/above works on data sets up to 5,000 pts.		



Values for Assessment Year 2022

Starting Point



Values for Assessment Year 2022

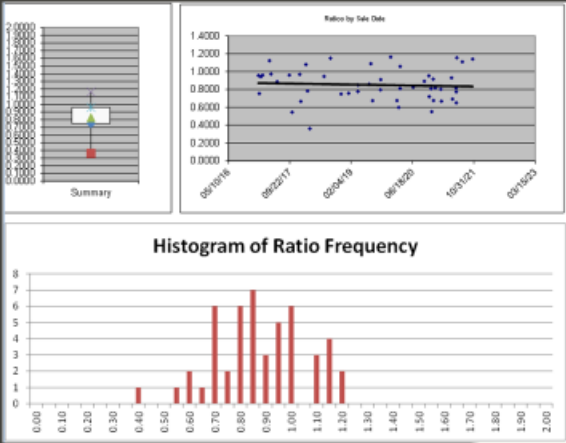
Ending Point

AY2022- Com- After Adj- V4- 20220307a- All No 19s Trended Summary Report			IAAO Standards for COD	
Statistics			SFR	15.0 or less
49	Count	(Number of Records with Ratio)	SFR-newer/homog	10.0 or less
0.3594	Minimum Ratio		Income Properties	20.0 or less
1.1616	Maximum Ratio		Income-Urban area	15.0 or less
0.8022	Range		Vacant Land	20.0 or less
0.8507	Mean	(This is the average ratio for your sample.)	Coefficients (0=Normal Distribution)	
0.8265	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)	Kurtosis	#DIV/0!
0.8398	Weighted Mean		Skewness	#DIV/0!
1.5487	Sum of the Square of Deviations		Alt Cyhelsky's Skew	0.0612
0.1443	AAD		Alt Pearson's Skew	0.4033
0.1796	Standard Deviation		Normal / Skewed Distribution Evaluation	
17.4590	COD	(Good indicator of confidence level.)	-0.0241 Differential Mean to Median	
21.1151	COV		26 Number of data points below the mean	
1.0130	PRD- Price-Related or Factor Differential	(PRD s/b between 0.98 & 1.03, IAAO)	23 Number of data points above the mean	
Trending Factors			*Note: # below/above works on data sets up to 5,000 pts.	
1.00	Target Level			
1.1755	Factor on Mean			
1.2099	Factor on Median			
1.1908	Factor on Weighted Mean			



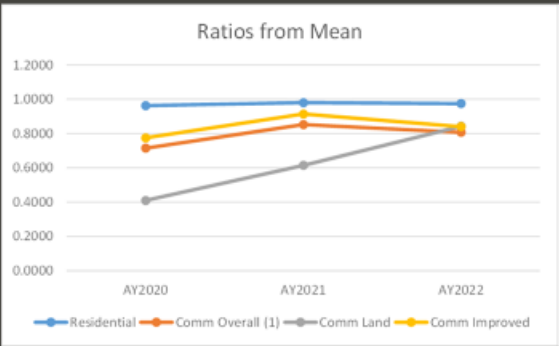
Values for Assessment Year 2022

Ending Point



Values for Assessment Year 2022

▪ This chart shows the ending ratios for Assessment Years 2020 - 2022.



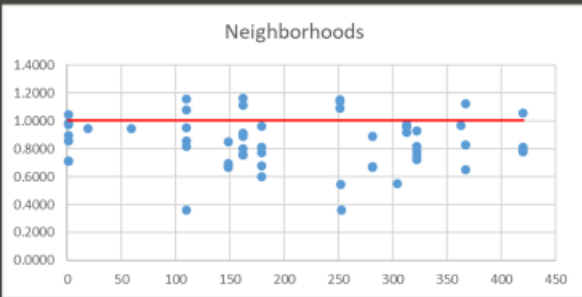
Values for Assessment Year 2022

- This chart shows the ratios for the commercial market sales.



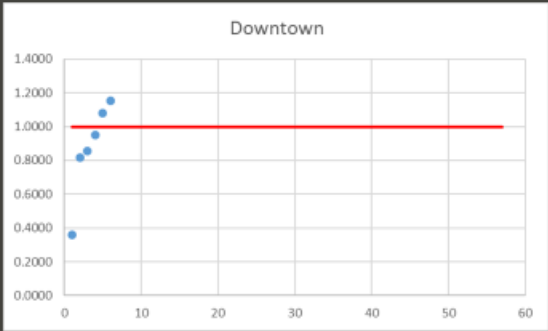
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales organized by neighborhood.



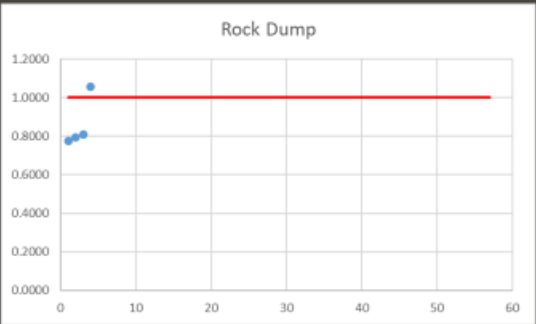
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the downtown neighborhoods.



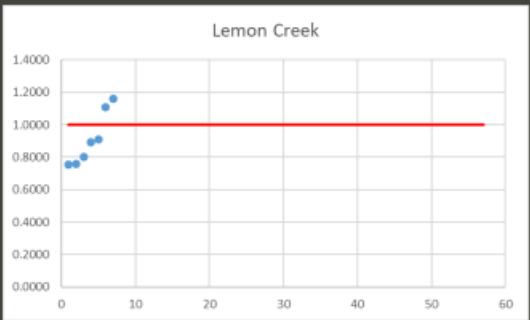
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the Rock Dump neighborhood.



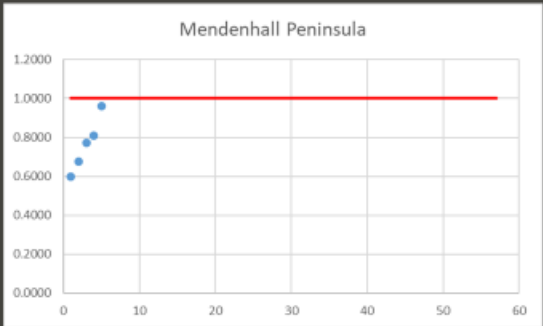
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the Lemon Creek neighborhood.



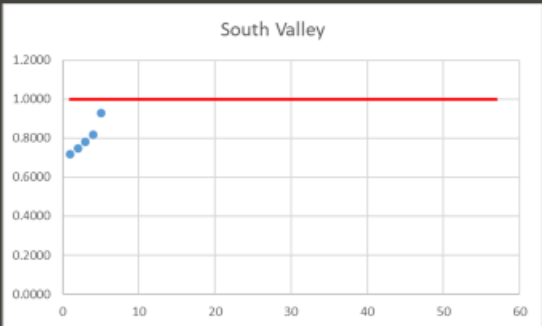
Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the Mendenhall Peninsula neighborhood.



Values for Assessment Year 2022

- This chart shows the ratios for commercial market sales from the Mendenhall Peninsula neighborhood.



Our Staff

- We have
 - An assessment clerk who provides tax payer services and handles administrative tasks
 - A BPP Appraiser who specializes in the Business Personal Property valuations and manufactured home valuations.
 - Three certified staff appraisers who primarily work on residential valuations but may assist with commercial valuations.
 - A Deputy Assessor who is the primary commercial appraiser.
 - The Assessor who oversees the office and the valuation process.



External Appraisals

- How external appraisals relate to our work is often misunderstood.
 - We welcome their submission for review.
 - Sometimes they contain information regarding a property that changes our valuation.
- However...
 - They are not directly applicable to assessed values.
 - They usually were performed for other purposes.
 - The aspect of uniformity of assessed values is paramount as they are used to calculate an individuals tax burden.



External Appraisals

- External appraisals are a separate individuals opinion of value. For example for a lot, which had good comparable sales, the owner recently had appraisals done by three appraisers and their conclusions on value varied by 40%.

An Illustration of Differences in Appraiser Opinion of Value

Parcel Number: 5B1601380035

Appraiser	Eff Date	Opinion of Value
Roger Ramsey	1/9/2020	1,450,000
Charles Horan	5/1/2020	1,050,000
Kim Wold	6/5/2020	1,330,000
Range Between Low & High		400,000
Variance as a Percentage		38%
Mean		1,276,667
Median		1,330,000



Covid-19

Assessed Values In The Midst Of A Pandemic

- We recognize and are sympathetic to the fact that the past years have been difficult for some businesses in Juneau. Some businesses have seen drastic reductions in revenue. At the same time, other businesses have had good years.
- In the midst of that, what State statutes require of us is to determine the market value of the real estate. While a particular business may go out of business the underlying real estate value may decrease, may stay the same, or may even increase.



Upcoming Appeal Hearings

- In our review we readily correct any errors
- Only a portion of the Petitions for Review become actual appeals before the BOE
- As you here appeals remember that uniformity is paramount



Property Assessments – BOE Presentation

Overview of 2022 Assessment Valuations
Summary Report



Property Assessments – BOE Presentation

Questions and Answers!



Property Assessments – BOE Presentation

Thank you!



Presented by: The Manager
Presented:
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-21 vCOW

An Ordinance Related to Property Tax Appeals and Codifying the Board of Equalization Rules of Procedure.

WHEREAS, Alaska law articulates standards for property taxation, including appeals to the board of equalization and to the superior court (A.S. 29.45.190-210), which were codified in 1985;

WHEREAS, A.S. 29.45.200(b) provides the board of equalization is governed in its proceedings by rules adopted by ordinance that are consistent with general rules of administrative procedures;

WHEREAS, A.S. 29.45.210(d) provides a property owner may appeal a board of equalization determination to the superior court, and that appeal is heard on the record established at the hearing before the board of equalization;

WHEREAS, many of the property tax appeal provisions in CBJ code predate the 1985 amendments to Alaska law, and this ordinance is intended to make the CBJ provisions consistent with state law and provide clarity for board of equalization proceedings.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Section. CBJC 15.05.041 is amended to read:

15.05.041 Challenges of tax status.

The owner of a property placed on the assessment roll may request the assessor remove such property from the roll if the owner believes the property is exempt. The assessor may require the owner to provide affidavits relating to the use of the property and other information relevant to the determination of tax status of the property. The procedure and period for challenging the tax status of a property shall be the same as for challenging the assessed value except that the appeal from the assessor's final decision shall be directly to superior court. ~~shall be to the assembly which shall hear such appeals immediately prior to sitting as a board of equalization.~~

(Serial No. 79-48, § 6, 1979)

State law reference(s)—Corrections, AS 29.45.180; appeal, AS 29.45.200190.

Section 3. Amendment of Section. CBJC 15.05.140 is repealed and reserved:

15.05.140 Reserved. Board of equalization to send additional notices.

~~If it appears to the board of equalization that there are overcharges or errors or invalidities in the assessment roll, or in any of the proceedings leading up to or after the preparation of the roll, and there is no appeal before the board of equalization, or if the name of a person is ordered by the board of equalization to be entered on the assessment roll, by way of addition or substitution, for the purpose of assessment, the board of equalization shall require the assessor to mail notice of assessment to that person or that person's agent giving him or her at least 30 days from the date of mailing within which to appeal to the board of equalization against the assessment.~~

(CBJ Code 1970, § 15.05.140; Serial No. 70-33, § 3, 1971)

Section 4. Amendment of Section. CBJC 15.05.150 is repealed and replaced as follows:

15.05.150 Appeal to Board of Equalization ~~Appeal by person assessed.~~

(a) *Appellant.* A person whose name appears on the assessment roll or the agent or assigns of that person may appeal to the board of equalization for relief from an alleged error in valuation not adjusted by the assessor to the taxpayer's satisfaction. ~~A person who receives notice or whose name appears on the assessment roll, or agent or assigns of that person, may appeal to the board of equalization for relief from any alleged error in the valuation, overcharge, or omission or neglect of the assessor not adjusted to the taxpayer's satisfaction.~~

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

(c) *Late-filed appeal.* A taxpayer who seeks to appeal the assessor's valuation after the 30-day appeal period has closed shall file a letter and supporting documents, if any, with the assessor stating the reasons why the taxpayer was unable to comply within the 30-day appeal period. A panel of the board shall consider each letter but shall not consider evidence regarding property valuation. The board shall only consider reasons the taxpayer was unable to comply within the 30-day appeal period. The board's determination shall be based on the letter and supporting

documents. A taxpayer may not make an oral presentation at this hearing. If the request is granted, the taxpayer shall have 30 days from the board's decision to file a valuation appeal and submit all evidence required by this title. The assessor shall send notice of the of the board's decision to the taxpayer.

(i) *Unable to comply.* The board shall interpret the term "unable to comply" as meaning that a taxpayer must demonstrate compelling reasons or circumstances that would have prevented a reasonable person under the circumstances from filing an appeal. The term "unable to comply" does not include situations in which the taxpayer forgot about or overlooked the assessment notice, was out of town during the 30-day appeal period for filing an appeal, or similar situations. Rather, it covers situations that are beyond the control of the taxpayer and, as a practical matter, prevent the taxpayer from recognizing what is at stake and dealing with it. Such situations would include a physical or mental disability serious enough to prevent the taxpayer from dealing rationally with the taxpayer's financial affairs.

(CBJ Code 1970, § 15.05.150; Serial No. 70-33, § 3, 1971)

State law reference(s)—Appeal, AS 29.45.190.

Section 5. Amendment of Section. CBJC 15.05.160 is repealed and reserved:

15.05.160 Reserved. ~~Time for appeal and service of notice.~~

(a) ~~Notice of appeal, in writing, specifying the grounds for the appeal, shall be filed with the board of equalization within 30 days after notice of assessment is mailed to the person appealing. If notice of appeal is not mailed within 30 days, the right of appeal ceases as to any matter within the jurisdiction of the board, unless it is shown to the satisfaction of the board of equalization that the taxpayer was unable to appeal within that time.~~

~~(b) A copy of the notice of appeal shall be sent to the assessor, by the person appealing, and the notice filed shall include a certificate that a copy was mailed or delivered to him or her.~~
(CBJ Code 1970, § 15.05.160; Serial No. 70-33, § 3, 1971)

Section 6. Amendment of Section. CBJC 15.05.170 is repealed and reserved:

15.05.170 Reserved ~~Appeal record.~~

~~Upon receipt of a copy of the notice of appeal, the assessor shall make a record of the appeal in such form as the board of equalization may direct. The record shall contain all the information shown on the assessment roll in respect to the subject matter of the appeal, and the assessor shall place the record before the board of equalization prior to the time for hearing the appeal.~~
(CBJ Code 1970, § 15.05.170; Serial No. 70-33, § 3, 1971)

Section 7. Amendment of Section. CBJC 15.05.185 is amended to read:

15.05.185 Board of equalization.

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

- (1) *Membership.* The board of equalization shall comprise a pool of no fewer less than six, and up to nine, members, not assembly members, appointed by the assembly. ~~There shall be up to three panels established each year. Each panel hearing appeals shall consist of three members. The board chair shall assign members to a specific panel and schedule the panels for a calendar of hearing dates. The board shall hear appeals in panels consisting of three members.~~ The assignment of members to panels and the establishment of a hearing calendar shall be done in consultation with the individual members. ~~Additionally, members may be asked to take the place of regular assigned~~

~~panel members in the event an assigned panel member is unable to attend a scheduled meeting.~~

- (2) *Qualifications of members.* Members shall be appointed on the basis of their general business expertise and their knowledge or experience with quasi-judicial proceedings. General business expertise may include, but is not limited to, real and personal property appraisal, the real estate market, the personal property market, and other similar fields.
- (3) *Duties.* The board, acting in panels, shall only hear appeals for relief from an alleged error in valuation on properties brought before the board by an appeal filed by the owner of the property. A panel hearing a case must first make a determination that an error in valuation has occurred. Following the determination of an error in valuation, the panel may alter an assessment of property only if there is sufficient evidence of value in the record. Lacking sufficient evidence on the record, the case shall be remanded to the assessor for reconsideration. ~~A hearing by the board may be conducted only pursuant to an appeal filed by the owner of the property as to the particular property.~~
- (4) *Term of office.* Terms of office shall be for three years and shall be staggered so that approximately one-third of the terms shall expire each year.
- (5) *Term limits.* No member of the board of equalization who has served for three consecutive terms or nine years shall again be eligible for appointment until one full year has intervened, provided, however, that this restriction shall not apply if there are no other qualified applicants at the time reappointment is considered by the assembly human resources committee.
- (6) *Compensation of members.* Compensation for members shall be \$100.00 per meeting.

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

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

State law reference(s)—Appeal, AS 29.45.200.

Section 8. Amendment of Section. CBJC 15.05.190 is repealed and replaced as follows:

15.05.190 Board of Equalization hearing ~~Hearing~~ of appeal.

(a) Preparation of appeal packet.

The taxpayer must submit to the assessor's office all documentary evidence and briefing in their possession that the taxpayer believes is relevant and wishes the board to consider within 15 days following the close of the 30-day appeal period. Upon receipt of the notice of appeal and the taxpayer's documentary evidence, the assessor shall make a record of the appeal for presentation to the board of equalization. The record shall contain the notice of appeal, the taxpayer's timely filed documentary evidence and briefing, all the information shown on the assessment roll in respect to the subject matter of the appeal, and the assessor's briefing. The parties may supplement the record by a witness list and additional documents in accordance with subsection (c)(7) of this section up to ten days prior to the appeal hearing. The assessor shall place the complete record before the board of equalization at least seven days prior to the appeal hearing.

(b) Quorum and voting.

(1) Quorum. A quorum for hearing appeals shall consist of three board members.

(2) Voting. To alter an assessment or to grant an appeal in part or in whole for the taxpayer, at least two members of the board must vote in the affirmative to either (i) reverse and remand to the Assessor for further consideration or (ii) alter the assessment. Any appeal or part thereof that is not granted by the board shall be considered denied, and the Assessor's original assessment giving rise to the appeal remains the final valuation determination unless the Assessor altered the assessment during the hearing, which becomes the final valuation determination.

(c) Conduct of hearings; decisions. Except as otherwise provided in this chapter, hearings shall be conducted by each panel of the board of equalization in accordance with the following rules:

(1) Application of CB-JC 01.50. The appeal procedures of chapter 01.50 do not apply to hearings conducted under this chapter except as specifically provided.

(2) Record. The municipal clerk of the assembly is ex officio clerk of the board of equalization. The municipal clerk shall keep electronic recordings of the board's proceedings. The municipal clerk shall record in the minutes of each meeting or record of appeals all proceedings before the board of equalization, the names of persons protesting assessments, and all changes, revisions, corrections, and orders relating to claims or adjustments.

(3) Counsel. All parties may be represented by counsel during hearings before the board.

(4) Commencement of hearing. Every appeal shall be assigned an appeal case number, which should be read into the record along with the name of the taxpayer (appellant) and the tax identification number at the commencement of the hearing. If a taxpayer fails to appear, the board of equalization may proceed with the hearing in the taxpayer's absence.

(5) Burden of proof. The taxpayer bears 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 a valid written appeal or proven at the appeal hearing. If the valuation is found to be too low, the board may raise the assessment. The board should sustain the original assessed value if the relevant documentary evidence or briefing is

1
2 not timely submitted to the assessor's office within 15 days from the close of the 30-day
3 appeal period absent a good faith attempt at compliance.

4 (6) Rules of evidence. Evidence shall only be presented by the taxpayer and the assessor or
5 their authorized representatives. The board shall not be restricted by the formal rules of
6 evidence; however, the presiding officer may exclude evidence irrelevant to the issue(s)
7 appealed. Relevant evidence includes but is not limited to purchase and closing
8 documents, appraisal reports, broker opinions of value, engineer reports, estimates to
9 repair, rent rolls, leases, and income and expense information. Hearsay evidence may be
10 considered provided there are adequate guarantees of its trustworthiness and it is more
11 probative on the point for which it is offered than any other evidence that the proponent
12 can procure by reasonable efforts.

14 (7) Order of presentation. Each party shall be allowed a total of fifteen minutes to present
15 evidence including personal presentations and direct =-or cross-examinations) The
16 taxpayer shall present evidence and argument first. Following the taxpayer, the assessor
17 shall present evidence and argument. The taxpayer may reserve up to ten minutes for
18 rebuttal directed solely to issues raised by the assessor. Board members may ask
19 questions, through the presiding officer, of either the taxpayer or the assessor at any
20 time during the hearing. The presiding officer may end the questioning and call for a
21 motion from the other board members.

23 (8) Witnesses, exhibits and other evidence.

24 (i) The taxpayer and the assessor may offer oral testimony of witnesses and documentary
25 evidence during the hearing.

1
2 (ii) The taxpayer and assessor may agree to waive deadlines to supplement the record
3 more than ten days prior to the appeal hearing. However, only the presiding officer of the
4 upcoming panel can authorize requests to supplement the record—upon motion to the
5 municipal clerk by a party if the evidence being offered satisfies the criteria in CBJC
6 01.50.110(e)—filed within ten days preceding the appeal hearing.

7
8 (iii) The assessor shall make available to the taxpayer all reasonably relevant assessor
9 records requested within 15 days following the close of the 30-day appeal period.

10 (iv) If a taxpayer has refused or failed to provide the assessor or assessor's agent full access
11 to property or records, the taxpayer shall be precluded from offering evidence on the issue
12 or issues affected by that access and those issues shall be decided in favor of the assessor.

13 (v) At the request of the taxpayer, evidence submitted pursuant to subsection (c)(5) or (c)(7)
14 of this section relating to the assessed valuation of property used in an income-producing
15 commercial enterprise shall be confidential. The assessor and the taxpayer may stipulate
16 to facts to be presented to the board provided the assessor has received credible and
17 reliable evidence to establish the facts.

18
19 (9) Decisions. At the conclusion of the hearing the board shall determine, based solely on the
20 evidence submitted, whether the assessment is unequal, excessive, improper, or an
21 under valuation. The board should issue findings of fact and conclusions of law clearly
22 stating the grounds upon which the board relied to reach its decision and advising all
23 parties of their right to appeal the decision to superior court.

24 (10) Certification. The presiding officer shall review and give final board certification to all
25 appeal decisions.

(11) Termination of appeal upon agreement between taxpayer and assessor. After an appeal to the board of equalization has been filed, any value which has been agreed to by the assessor and the taxpayer shall constitute a withdrawal and termination of the appeal by the taxpayer and the agreed upon valuation shall become the assessed value.

~~(a) At the hearing of the appeal, the board of equalization shall hear the appellant, the assessor, other parties to the appeal, and witnesses, and consider the testimony and evidence, and shall determine the matters in question on the merits.~~

~~(b) If a party to whom notice was mailed as provided in this title fails to appear, the board of equalization may proceed with the hearing in the party's absence.~~

~~(c) The burden of proof in all cases is upon the party appealing.~~

~~(d) The board of equalization shall maintain a record of appeals brought before it, enter its decisions therein and certify to them. The minutes of the board of equalization shall be the record of appeals unless the board of equalization shall provide for a separate record.~~

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

State law reference(s)— Board of Equalization, AS 29.45.210; Hearing, AS 29.45.210.

Section 9. Amendment of Section. CBJC 15.05.200 is amended to read as follows:

15.05.200 Judicial review.

A taxpayer or the assessor may appeal a determination of the board of equalization to the superior court within 30 days as provided by rules of court applicable to appeals from the

decisions of administrative agencies. Appeals are heard on the record established at the hearing before the board of equalization.

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

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

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

Section 10. Amendment of Section. CBJC 15.05.210 is amended to read as follows:

15.05.210 Municipal clerk record keeping certification of changes.

~~The municipal clerk of the assembly is ex officio clerk of the board of equalization. The municipal clerk shall record in the minutes of each meeting or record of appeals all proceedings before the board of equalization, the names of persons protesting assessments, and all changes, revisions, corrections, and order relating to claims or adjustments.~~ Within three days following the final hearings of the board of equalization the municipal clerk shall certify to the assessor corrections, revisions, and changes authorized and approved by the board of equalization.

Section 11. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2022.

Beth A. Weldon, Mayor

Attest:

1
2
3 Elizabeth J. McEwen, Municipal Clerk
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

**2022 Annual Report
Board of Equalization
City & Borough of Juneau, Alaska
DRAFT**

The Board of Equalization (BOE), a nine member quasi-judicial board, sitting in panels of four, hear appeals brought before the BOE by an appellant for relief from an alleged error in valuation on properties. A panel hearing a case must first make a determination that an error in valuation has occurred. Following the determination of an error in valuation, the panel may alter an assessment of property only if there is sufficient evidence of value in the record. Lacking sufficient evidence on the record, an appeal shall be remanded to the assessor for reconsideration. The BOE conducts a hearing pursuant to an appeal filed by the owner of the property as to the particular property.

In 2022, BOE Members were (with terms):

David Epstein (2012-2023)

Emily Haynes (2022-2025)

Gary Sonnenberg (2021-2023)

Kenny Solomon-Gross (2018-2022)

Raymond 'Thor' Williams (2021-2023)

The Clerk's Office actively advertised for the four vacant seats to help alleviate the strain on other board members to fill the panels for 2022 hearing appeals however no applicants applied. The Clerk's Office will continue to advertise for those seats as well as seats of board members with terms coming due.

The BOE began hearing appeals on June 6, 2022. The BOE finished hearing the last remanded appeal on September 20, 2022 completing 8 appeal hearings between the months of June through September 2022. Many of the hearing packets were quite large (600-2000 page packets/ over 50MB). In accordance with the CBJ records retention schedule full BOE packets, transcripts (utilizing zoom transcript feature & Glacier Stenographic Reporters Inc.) and audio/video recordings of the hearings are available through the Municipal Clerk's Office.

Following is a breakdown of each hearing noting the presiding officer, panelists and alternate. Noted in parentheses are withdrawn appeals and remanded back to the Assessor's Office appeals.

Wednesday, June 8, 2022

BOE Panelists: David Epstein (presiding officer), Kenny Solomon-Gross, Emily Haynes and Gary Sonnenberg (alternate)

One (1) residential appeal: Bavard-Soulier Living Trust APL 2022-0300

Tuesday, June 21, 2022

BOE Panelists: David Epstein (presiding officer), Emily Haynes, Thor Williams and Gary Sonnenberg (alternate)

Two (2) commercial appeals: Gold Creek Properties LLC APL 2022-0268 & Bobcat of Juneau LLC APL 2022-0169

Wednesday, June 29, 2022

BOE Panelists: David Epstein (presiding officer), Thor Williams, Gary Sonnenberg and Kenny Solomon-Gross (alternate)

Six (6) commercial appeals: Goldstein Improvement Company/Greg Adler APL 2022-0154, -0156, -0158, -0157, -0155, -0131; only the first two appeals were heard that night, the other four moved to a later date.

Thursday, June 30, 2022

BOE Panelists: David Epstein (Presiding Officer), Emily Haynes and Gary Sonnenberg

Three (3) commercial appeals: Sherwood LLC APL 2022-0162, Coogan Alaska LLC APL 2022-0265 (withdrew prior to the hearing), Senate Properties APL 2022-0236

Tuesday, July 12, 2022

BOE Panelists: David Epstein (Presiding Officer), Emily Haynes, and Gary Sonnenberg

Two (2) commercial appeals: S&S Development /Duran APL 2022-0279 (withdrew appeal prior to hearing) & JLC Properties Inc. /Hanna APL 2022-0244

Tuesday, July 19, 2022

BOE Panelists: Emily Haynes (presiding officer), Gary Sonnenberg and Thor Williams

One (1) residential appeal: Latitude 55 North LLC/Mark Halsted

Thursday, July 21, 2022

BOE Panelists: Emily Haynes (presiding officer), Gary Sonnenberg and Thor Williams

Four (4) commercial appeals: Goldstein Improvement Company/Greg Adler APL 2022--0158, -0157, -0155, -0131

Tuesday, September 20, 2022

BOE Panelists: David Epstein, Emily Haynes, Thor Williams, Kenny Solomon-Gross and Gary Sonnenberg

One (1) remanded appeal: Senate Properties/Bruce Denton APL 2022-0236

Per CBJC 15.05.185(d) below is a summary breakdown of the 2022 assessment year.

- Number of cases appealed: 225
- Number of cases scheduled to be heard by the board: 15
- Number of cases actually heard: 13 (2 withdrew prior to hearing)
- Percentage of cases where an error of valuation was determined to exist: ~2% (2 of 13)
- Number of cases remanded to the assessor for reconsideration: 2
- The number of cases resulting in the board altering a property assessment: 2
- Net change to taxable property caused by board action: - \$23,000

Staff to the Board of Equalization for 2022 Appeal Hearings: Assistant City Attorney Adam Gottschalk, Deputy Municipal Clerk Di Cathcart and Municipal Clerk Beth McEwen.

Respectfully Submitted by David Epstein, Board of Equalization Chair, September 20, 2022