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

July 21, 2022 at 5:30 PM
Virtual Meeting Only via Zoom Webinar
https://juneau.zoom.us/j/99741860260
or call: 1-253-215-8782 Webinar ID: 997 4186 0260

I. Call to Order

II. Roll Call

III. Selection of Presiding Officer

IV. Approval of Agenda

V. Property Appeals

A. For Reference: BOE Orientation Documents & Law Memo

B. Appeals of Goldstein/Greg Adler Moved from June 29, 2022 BOE Hearing

APPEAL NO. 2022-0158
Appellant: Goldstein/Greg Adler
Parcel No. 1C070A020043
Location: 119 Second St. & 120/124/126/128/130/140 Seward St., Juneau
Type: Commercial – Mixed Use

Appellant's Estimated Value	Original Assessed Value	Recommended Value
Site: not provided	Site: $1,216,278	Site: $1,216,278
Buildings: not provided	Buildings: $5,376,631	Buildings: $5,376,631
Total: $4,750,000	**Total: $6,592,909**	**Total: $6,592,909**

APPEAL NO. 2022-0157
Appellant: Goldstein/Greg Adler
Parcel No. 1C070A040010
Location: 214/216 Second St. & 201/205/209/217 Seward St., Juneau
Type: Commercial – Retail, Restaurant & Apartments

Appellant's Estimated Value	Original Assessed Value	Recommended Value
Site: not provided	Site: $866,565	Site: $866,565

Buildings: not provided	Buildings: $627,564	Buildings: $627,564
Total: $875,000	**Total: $1,494,129**	**Total: $1,494,129**

APPEAL NO. 2022-0155
Appellant: Goldstein/Greg Adler
Parcel No. 1C070A040020
Location: 224 Second St, Juneau
Type: Commercial – Parking Lot

Appellant's Estimated Value	Original Assessed Value	Recommended Value
Site: $295,000	Site: $397,214	Site: $397,214
Buildings: $0	Buildings: $0	Buildings: $0
Total: $295,000	**Total: $397,214**	**Total: $397,214**

APPEAL NO. 2022-0131
Appellant: Goldstein/Greg Adler
Parcel No. 1C070A050060
Location: 234 Seward St, Juneau
Type: Commercial

Appellant's Estimated Value	Original Assessed Value	Recommended Value
Site: $587,800	Site: $864,064	Site: $864,064
Buildings: $417,477	Buildings: $1,683,454	Buildings: $1,683,454
Total: $1,005,277	**Total: $2,547,520**	**Total: $2,547,520**

C. Common Documents and Correspondence Between Appellant and Assessor

Some documents may be duplicated from earlier in the packet.

- AY2022 Property Assessment Guide 20220608b
- BOE Packet Goldstein Addendum A1-11 Correspondence
- BOE Packet Goldstein Addendum B
- 2022 Juneau Assessment Report-Commercial Overview-Interim
- ALASKA TAXABLE 2021
- ALASKA TAXABLE REPORT 2020
- Appeal Facts 55 page narrative
- AY 2021 SUMMARY REPORT-CBJ COMMERCIAL PROPERTY VALUATION

D. Additional Material from Appellant

Some documents may be duplicated from earlier in the packet.

- 2022.06.27 Disclosure re Ex Parte Communication
- 20220618_APPEAL
- Appeal Exhibits A-M
- HEARING APPEAL
- BOE Standard for Appeal vs. Adam Standard
- CAP RATES 7.5% TO 7.75%
- Capitalization Rates Impacted By Covid and State of Alaska
- COST APPROACH IS NOT FEASIBLE
- FS 2019
- FS 2020
- FS 2021
- Mr. Dahle Fraud and Plagiarism 1
- Key Bank Building Reasonable Exposure Time and Lease Up

E. Additional Material from Appellant Received 7/16 & 7/17

Additional Material Received from the Appellant July 16-17

- 1 - BOE Appeal 4 Properties -Adler Letter & Table of Contents for Exhibits 1-46
- 2 - Exhibits 1-13
- 3 - Exhibits 13-16
- 4 - Exhibits 17-28
- 5 - Exhibits 29-40
- 6 - Exhibits 41-43
- 7 - Exhibit 44
- 8 - Exhibit 45
- 9 - Exhibit 46
- 10 - Julie Dinneen Excerpt-Operating Expenses
- 11 - Julie Dinneen Excerpt-Vacancy and Credit Loss
- 12 - 1C070A040010 Income Approach
- 13 - 20220716_GIS Rental Roll
- 14 - Income Approach Reconciliation of Value
- 15 - Julie Dinneen Opinion of Value $875,000
- 16 - Income Approach #1C070A020043
- 17 - Goldstein Improvement Company Rent Roll
- 18 - 1C070A020043 Reconciliation of Value

F. Additional Material from Appellant Received 7/18

Additional Material Received from Appellant on July 18

- Oral Presentation to the BOE
- Dahlberg Design Letter October 25, 2021
- Dahlberg Design Letter November 29, 2021

G. Additional Material from Appellant Received 7/20

VI. Adjournment

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).

C
West's Alaska Statutes Annotated Currentness
Title 29. Municipal Government
Chapter 45. Municipal Taxation
Article 1. Municipal Property Tax
→→ § 29. 45. 190. Appeal

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

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

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

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

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

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation 2648.
Westlaw Key Number Search: 371k2648.

NOTES OF DECISIONS

Decisions reviewable and right of review 1

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

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

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

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

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation 2624.
Westlaw Key Number Search: 371k2624.

NOTES OF DECISIONS

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

1. Payment under protest

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C
West's Alaska Statutes Annotated Currentness
Title 29. Municipal Government
Chapter 45. Municipal Taxation
Article 1. Municipal Property Tax
→→ § 29. 45. 210. Hearing

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

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

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

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

CREDIT(S)

SLA 1985, ch. 74, § 12.

LIBRARY REFERENCES

Taxation ⚷ 2676, 2691.
Westlaw Key Number Searches: 371k2676; 371k2691.

NOTES OF DECISIONS

Burden of proof 1
Judicial review 3
Record of hearing 2

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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. <u>Alternative Actions for Appeals Heard on the Merits</u>

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. <u>LATE-FILED APPEALS – Legal Standard for Accepting</u>

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

APPELLANT MATERIAL

Appeal 2022-0158

CITY AND BOROUGH OF JUNEAU

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

Petition for Review / Correction of Assessed Value Real Property	
Assessment Year	2022
Parcel ID Number	1C070A040043
Name of Applicant	GOLDSTEIN IMPROVEMENT CO.
Email Address	gregadler@mac.com

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	1C070A040043		
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY		
Primary Phone #	310-612-1312	Email Address	gregadler@mac.com
Physical Address	130 Seward St & 119 2nd St Juneau, AK	Mailing Address	Greg Adler 426 East Rustic Road Santa Monica, CA 90402

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

- [x] My property value is excessive/overvalued
- [x] My property value is unequal to similar properties
- [x] 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:

Please see the attached Documentation, including a Summary, Reasoning and Arguments and Appraisal

Have you attached additional information or documentation? [x] Yes [ ] No

Values on Assessment Notice:

Site	$1,216,278	Building	$5,376,631	Total	$6,592,909

Owner's Estimate of Value:

Site	$Fairness	Building	$Fairness	Total	$4,750,000

Purchase Price of Property:

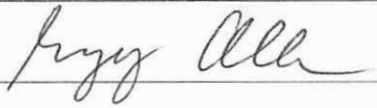
Price	$	Purchase Date	

Has the property been listed for sale? [ ] Yes [x] *No (if yes complete next line)*

Listing Price	$	Days on Market	

Was the property appraised by a licensed appraiser within the last year? [x] Yes [ ] No *(if yes provide copy of appraisal)*

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

Signature  Date March 31, 2022

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

PARCEL #: _____ **APPEAL #:** _____ **DATE FILED:** _____

Appraiser to fill out			
Appraiser		Date of Review	
Comments:			

Post Review Assessment					
Site	$	Building	$	Total	$
Exemptions	$				
Total Taxable Value	$				

APPELLANT RESPONSE TO ACTION BY ASSESSOR

I hereby ☐ **Accept** ☐ **Reject** the following assessment valuation in the amount of $_____

If rejected, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.

Appellant's Signature _____ Date: _____

Appellant Accept Value	☐ Yes ☐ No *(if no skip to Board of Equalization)*
Govern Updated	☐ Yes ☐ No
Spreadsheet Updated	☐ Yes ☐ No
Corrected Notice of Assessed Value Sent	☐ Yes ☐ No

BOARD OF EQUALIZATION

Scheduled BOE Date	☐ Yes ☐ No
10-Day Letter Sent	☐ Yes ☐ No

The Board of Equalization certifies its decision, based on the Findings of Fact and Conclusion of Law contained within the recorded hearing and record on appeal, and concludes that the appellant ◯ **Met** ◯ **Did not meet** the burden of proof that the assessment was unequal, excessive, improper or under/overvalued.

Notes:

Site	$	Building	$	Total	$
Exemptions	$				
Total Taxable Value	$				

Contact Us: CBJ Assessors Office			
Phone/Fax	**Email**	**Website**	**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

MARKET VALUE APPRAISAL
GOLDSTEIN/FAN PROPERTY
130 SEWARD STREET & 119 2ND STREET
JUNEAU, ALASKA
JDC FILE NO. 2021-27A

As of November 20, 2021

PREPARED FOR:

Martin Jannol, PC
8383 Wilshire Boulevard
Suite 663
Beverly Hills, CA 90211

BY:

JULIE DINNEEN COMPANY
Julie C. Dinneen, MAI
302 W. Chester Street
Lafayette, CO 80026

JULIE DINNEEN COMPANY
REAL ESTATE APPRAISALS

March 25, 2022

Martin Jannol, PC
8383 Wilshire Boulevard
Suite 663
Beverly Hills, CA
90211

RE: Market Value Appraisal of Goldstein/FAN Property, 130 Seward Street and 119 2nd Street, Juneau, Alaska. JDC File No. 21.

Dear Mr. Jannol:

At your request, I have completed an appraisal of the above referenced real estate, which is in Juneau. The purpose of this appraisal is to determine the market value of the property for purpose of in-house work product by the owner, Goldstein Improvement Company. The property was inspected on July 20, of 2021 and the report was completed over the ensuing months. The effective date of the appraisal is November 20, 2021.

This report has been completed in conformance with the appraisal reporting standards formulated by the Uniform Standards of Professional Practice (USPAP) as formulated by the Appraisal Foundation.

Based upon my research and analysis, I have formed the opinion that the market value of the leased fee interest in the subject property, in-as condition, is **$4,750,000.**

Respectfully Submitted,

Julie C. Dinneen

Julie C. Dinneen, MAI

302 WEST CHESTER STREET, LAFAYETTE, CO. 80026
(303) 579-3589

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ADDENDA

Subject Property Information
Profit and Loss – Goldstein Improvement Company 2019-2020
Goldstein Improvement Company Rent Rolls
GIC Operating Expenses
Realty Rates Exhibits
Building Sale Comparisons
Assumptions and Limiting Conditions
Qualifications of Appraiser

CERTIFICATE OF APPRAISAL

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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

— I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

— I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

— my engagement in this assignment was not contingent upon developing or reporting predetermined results.

— my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

— my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice.*

.— I have made a personal inspection of the property that is the subject of this report.

Julie C. Dinneen, MAI

APPRAISAL REPORT

Purpose of the Appraisal

This appraisal estimates the market value of the leased fee interest in the subject property, in as-is condition, for in-house work product by the owners.

Type of Report and Intended User

The intended user of this appraisal is the Goldstein Improvement Company.

Date of the Appraisal

The effective date of the appraisal is November 20, 2021.

Identification of Subject Property

Parcel # CBJ	Name & Address	Legal Description
1C070A020043	Goldstein Building and Flags of all Nations Building, 130 Seward Street & 119 Second Street	Lot 5A1 Block 2, Juneau Townsite

Property Rights Appraised

This valuation reflects the market value of the leased fee interest in the subject properties. A leased fee estate is an ownership interest held by a landlord with the rights of use and occupancy transferred by the lease to others.

Definition of Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Title 12, Code of Federal Regulations, Part 34, Subpart C (Office of the Comptroller of the Currency Final Rule on Real Estate Appraisals, Section 34.42.

Scope of the Appraisal

The extent to which the property was inspected: The two subject buildings and parking lot were inspected in the presence of Daniel Glidmann, with Goldstein Improvement Company.

The type and extent of data researched:

Operating data was provided by the Goldstein Improvement Company for 2019 and 2021. Rent Roll information was provided by Daniel Glidmann. Files on the subject properties at the CBJ Assessing Department were reviewed for this appraisal.

Economic reports pertaining to the state, regional and local economy were studied. The State of Alaska website for office leasing in Juneau was reviewed, real estate property managers, property managers and owners were interviewed for this appraisal.

Market data pertaining to leasing activity, sales activity, and active listings for rentals or purchase of comparable properties was gathered and analyzed.

The type of analysis applied:

The approaches that are relevant for this property are the Income Approach and the Sales Comparison Approach. These two approaches are included herein. Construction costs at this time for a new office/mixed use development in downtown are too high to produce an economically feasible product. As such the cost approach is not relevant and is not viewed as important to buyers and sellers who are making transaction decisions in the marketplace.

Exposure Time

An opinion based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Marketing Period

The marketing period is the amount of time it takes generally comparable properties in the competing marketplace to sell.

The subject property is a successful investment property with a mix of uses located at a highly visible of downtown Juneau. This property has enjoyed high occupancies over the past several years. COVID has impacted this property and its tenants to varying degrees and the owner has provided rent relief to those tenants that have been most impacted.

While have been several sales of buildings in the broad neighborhood over the past five years, most were purchased for renovation projects that included significant capital

expenditures. These properties were under-performing at the time of sale. These sales are noteworthy but do not provide good marketing period estimates.

Recent sales include the 225 Front Street building, which was not openly marketed. The buyer approached the owner and a negotiated sale was completed within 9 months. The Emporium Building at 174 South Franklin was marketed for sale and sold after about three years. The buyer's intention was to maximize the potential of this property. The B.M. Behrends building at 3rd and Seward streets sold within 30 days of being marketed. The 400-410 Willoughby office complex sold after an 18 month negotiation process. It was never openly marketed for sale. The sale price was $15 million.

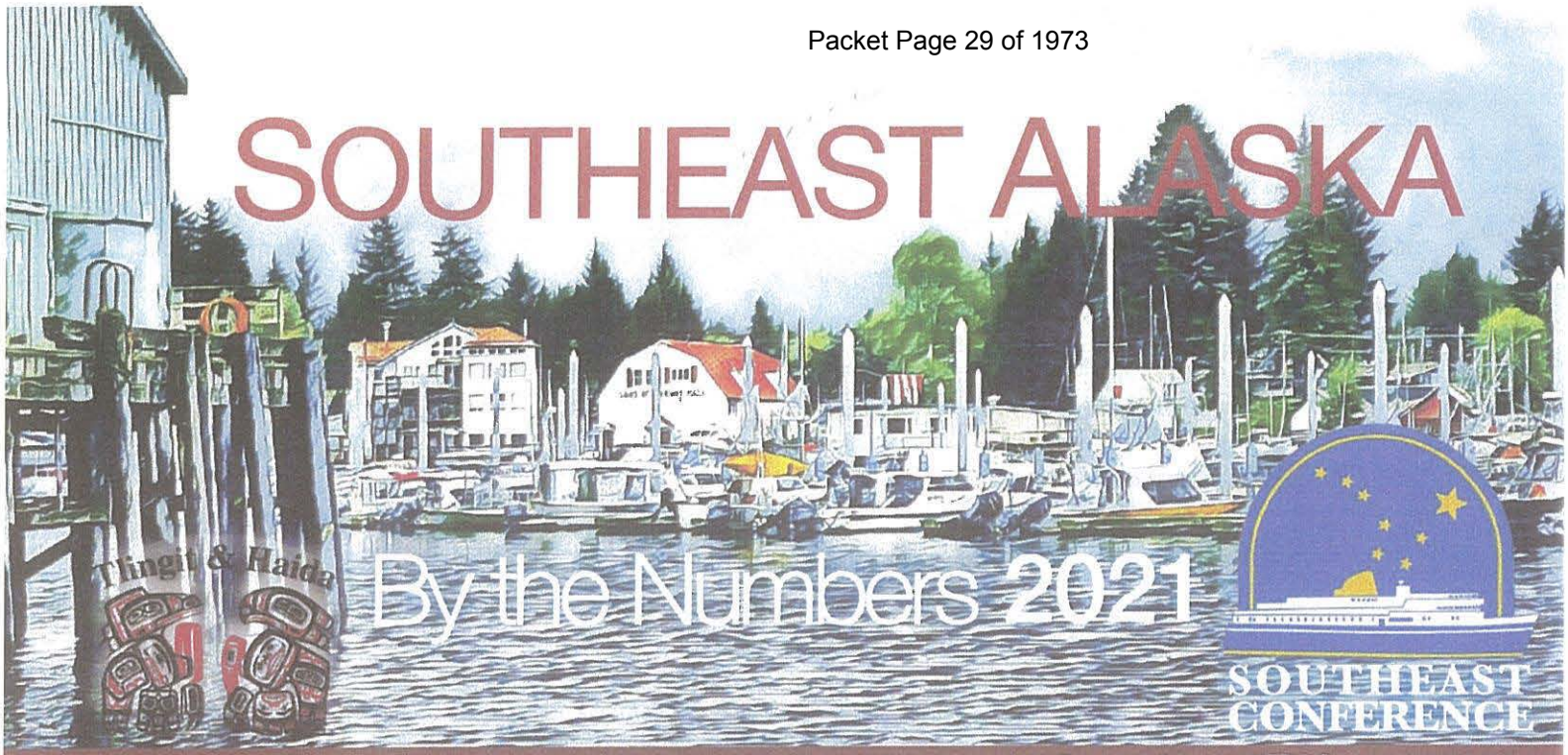
Based upon the foregoing, a reasonable exposure period is 18 months, and a reasonable marketing period is 18 months, assuming the subject is marketed within a range supported by market data.

Assessment Data

The 2021 assessment of the subject property is as follows:

1C070A020043	Land	Buildings	Total	2021 Taxes
	$1,241,100	$5,485,752	$6,726,852	$71,033

The subject property is in a service area with a mill rate of 10.56 for FY 2021. This is a decrease from the 2020 mill rate of 10.66.



SOUTHEAST ALASKA

By the Numbers 2021

SOUTHEAST CONFERENCE

SEAFOOD PAGE 4 | TOURISM PAGE 5 | TIMBER, MINING PAGE 6 | CONSTRUCTION, HEALTH PAGE 7 | GOVERNMENT PAGE 8 | DEMOGRAPHICS PAGE 9 | BUSINESS SURVEY PAGE 13 | CEDS SUMMARY PAGE 15

CHANGES 2019 TO 2020



THE **LABOR FORCE** DECREASED BY **5,910 JOBS** TO **40,187** JOBS, **-13%.**



TOTAL WAGES DECREASED BY **$190 MILLION** TO $2.16 BILLION, **-8%.**



TOTAL **PASSENGER ARRIVALS** DECREASED BY **89% TO 191,000** (INCLUDES RESIDENTS)



STATE JOBS DECREASED BY **267** JOBS, **-6%**



BY AUGUST 2021, **61%** OF SOUTHEAST RESIDENTS WERE **FULLY VACCINATED**



POUNDS OF SEAFOOD LANDED IN THE REGION DECREASED BY **100 MILLION** POUNDS, **-48%**

SOUTHEAST ALASKA'S ECONOMY

2020

Jobs and wages grew in the first quarter of 2020, but for the remainder of the year the COVID-19 pandemic ravaged the Southeast Alaska economy. Over the year as a whole the region lost nearly 6,000 jobs and $190 million in total wages. Private sector wages were down by 13% over 2019. The visitor industry was particularly devastated. An expected 1.4 million cruise ship passengers dwindled to just 48 on the region's smallest cruise ships. Total jobs in the visitor sector were cut by 45%, for a loss of 3,800 year-round-equivalent jobs while tourism wages fell by $119 million.

On top of the pandemic Southeast Alaska experienced one of its worst fishing seasons on record. Dismal harvest levels were compounded by reduced prices, as global restaurant closures gutted seafood demand. The 2020 regional seafood catch was 63% below 10-year averages in terms of pounds landed, and 55% lower in terms of value, even when adjusted for inflation.

Federal relief proved to be a critical stabilizing force. Communities and businesses received more than a half billion in aid in the form of grants and loans. Nearly a third of businesses said they would have closed permanently without this influx of cash. Still, there were some bright spots in 2020. Federal and construction employment were both up, and the average regional wage increased by 5%.

2021

Southeast Alaska is headed into a prolonged period of economic recovery as regional business leaders are finding ways to succeed in a volatile but improving business climate. Through mid-July there had been tremendous optimism that the Fall of 2021 would bring a return to normalcy. However, the highly contagious Delta variant coupled with declining vaccination rates has meant that infection rates are going up, instead of down, threatening gains in health and economic advancement.

Despite setbacks, there has been positive economic news. A federal act allowed cruise ships to return to Southeast Alaska in 2021, suspending the Passenger Vessel Services Act temporarily and permitting approximately 10% of a typical cruise season to occur in 2021. The salmon harvest is coming in well above the record lows of 2020 – especially pink and sockeye, seafood prices are significantly higher, and processing jobs are way up. The 2020 US Census showed overall population growth for the region during the past decade.

While these are tumultuous times, the resources of the region are extraordinary. Southeast Alaska has a productive ocean, valuable minerals, beautiful scenery, world-class recreation opportunities, and its most important resource – the tenacity of Southeast Alaskans, organizations, and communities.

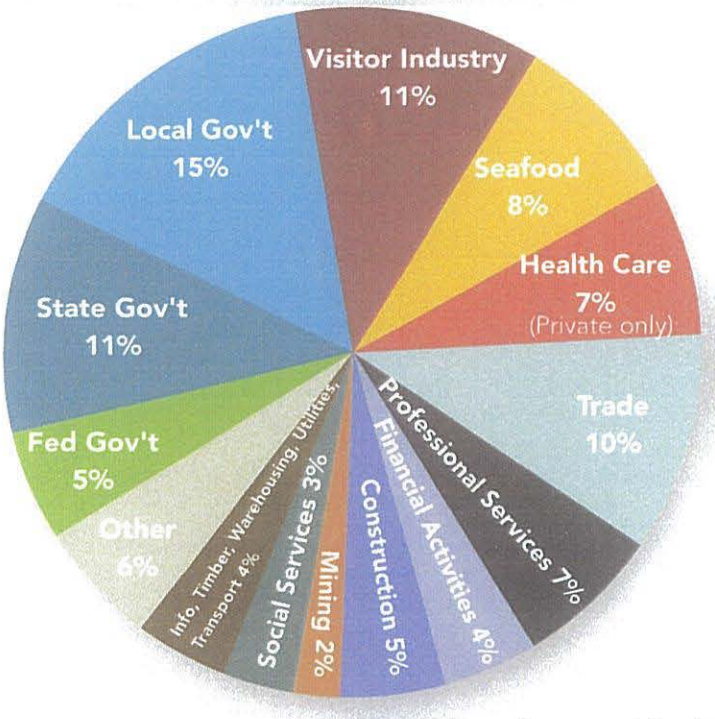
The Whole **Southeast Alaska Economy** 2020

In 2020, Southeast Alaska lost nearly 6,000 year-round equivalent jobs and $190 million in workforce earnings compared to 2019.

Annual Average Jobs

40,187 Jobs

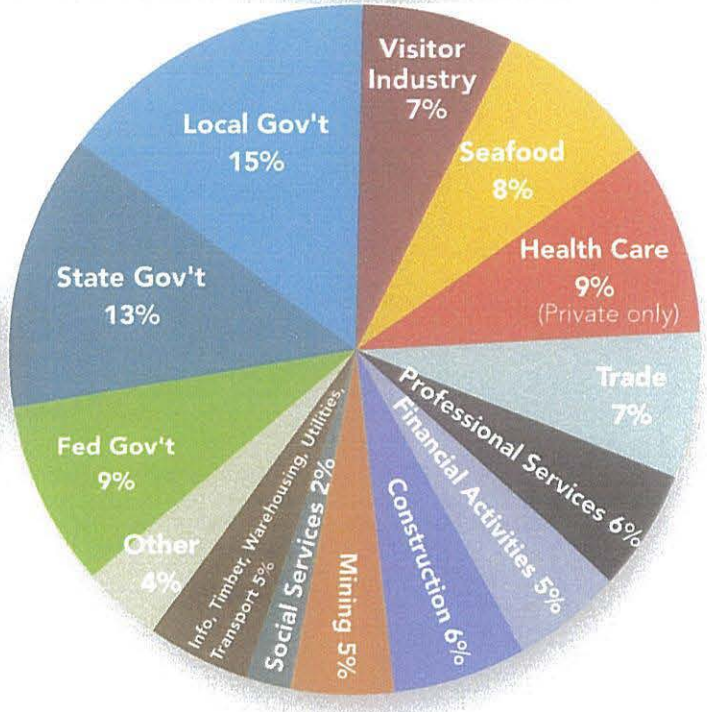
DOWN 5,910 JOBS IN 2020 -13%



Employment Earnings

$2.16 Billion Workforce Earnings

DOWN $189.7 MILLION -8%



2020 Southeast Alaska Employment Earnings

	Employment Related Earnings			Employment Numbers			
	Wages (2020)	Self-Employment Earnings (est.)	Total Earnings	Annual Average Employment (2020)	Self-Employed (est.)	Total Employment	Change 2019 to 2020
Government (includes Coast Guard)	$727,921,874	$61,055,378*	**$788,977,252**	11,856	645*	12,501	-493
Visitor Industry	$132,209,534	$20,459,468	**$152,669,002**	4,023	576	4,599	-3,795
Seafood Industry	$62,894,498	$107,722,240	**$170,616,738**	1,284	2,021	3,305	-438
Trade: Retail and Wholesale	$123,884,718	$24,031,000	**$147,915,718**	3,607	524	4,131	-341
Health Care Industry (private only)	$177,697,626	$14,808,180	**$192,505,806**	2,674	252	2,926	-99
Construction Industry	$95,005,835	$38,999,000	**$134,004,835**	1,362	584	1,946	43
Financial Activities	$57,840,241	$54,349,824	**$112,190,065**	1,038	737	1,775	-58
Professional and Business Services	$79,291,373	$43,487,000	**$122,778,373**	1,503	1222	2,725	-216
Mining Industry	$102,946,071	$307,000	**$103,253,071**	855	6	861	-73
Social Services	$42,046,690	$3,977,000	**$46,023,690**	1,175	179	1,354	-60
Information (publishing, broadcasting, telecom.)	$19,918,962	$1,179,093	**$21,098,055**	383	48	431	-104
Timber Industry	$18,337,876	$1,824,974	**$20,162,850**	272	49	321	-51
Warehousing, Utilities, & Non-Visitor Transport	$48,744,126	$13,267,922	**$62,012,048**	820	163	983	6
Other	$57,419,864	$23,795,533	**$81,215,397**	1,507	821	2,328	-232
Total	**$1,746,159,288**	**$409,263,612**	**$2,155,422,900**	**32,359**	**7,828**	**40,187**	**-5,910**

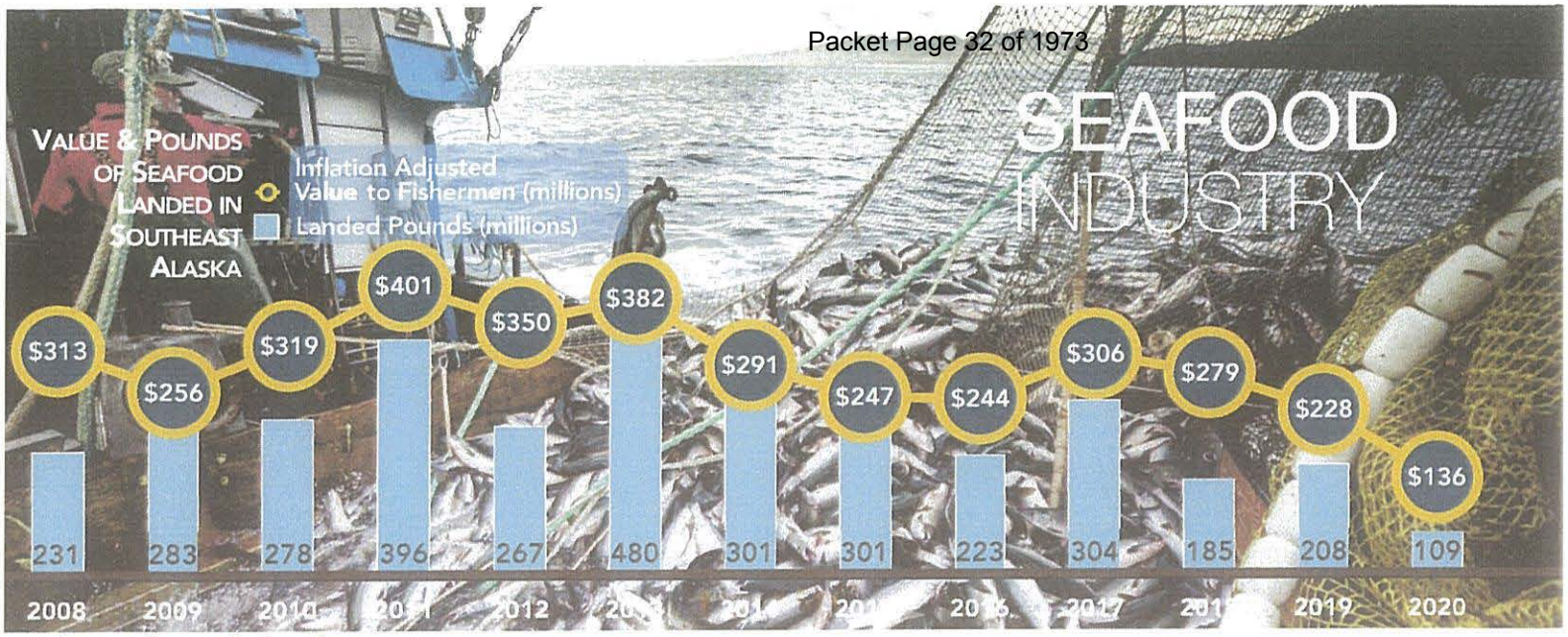
Sources: Alaska Department of Labor Employment & Wage data; (latest available) US Census Nonemployer (self-employment) Statistics; Active Duty Military Population, ADOL.
*These cells in Government refer to active duty Coast Guard personnel employment and wages, and not self-employment data. **Notes: Seafood Industry** includes animal aquaculture, fishing & seafood product preparation, and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic). **Timber** includes forestry and logging support activities for forestry, and wood product manufacturing.

CHANGE IN THE LAST YEAR: 2019 to 2020

Table tracks key Southeast indicators over the past year, along with associated changes.

DEMOGRAPHICS	2020	2019	% CHANGE 2019-2020	CHANGE 2019-2020
Population [1]	71,946	72,373	-0.6%	-427
Ages 70 and older [2]	7,260	6,940	5%	320
Under Age 10 [2]	8,289	8,555	-3%	-266
Twenty-somethings [2]	7,931	8,340	-5%	-409
K-12 School District Enrollment [3]	10,683	11,344	-6%	-661
GENERAL ECONOMIC CONDITIONS				
Total Labor Force (jobs, includes self-employed & USCG) [1,5,6]	40,187	46,097	-13%	-5,910
Total Job Earnings [1, 5, 6]	$2.15 billion	$2.35 billion	-8%	-$190 million
Total Private Sector Payroll [1, 6]	$1.37 billion	$1.56 billion	-13%	-$198 million
Average Annual Wage [1]	$53,635	$50,873	5%	$2,761
Annual Unemployment Rate [1]	8.3%	5.2%	3.1%	3.1%
TOP ECONOMIC SECTORS	**2020**	**2019**	**% CHANGE**	**CHANGE**
GOVERNMENT	PUBLIC SECTOR: 37% OF ALL EMPLOYMENT EARNINGS			
Total Government Employment [1, 5]	12,501	12,994	-3.8%	-493
Federal Employment [1, 5] (8% of all employment earnings)	2,074	2,032	2.1%	42
State Employment [1] (14% of all job earnings)	4,438	4,705	-5.7%	-267
City and Tribal Employment [1] (14% of all job earnings)	5,989	6,257	-4.3%	-268
Total Government Payroll (includes USCG) [1, 5]	$789 million	$780.7 million	1.1%	$8.3 million
Total State of Alaska Payroll	$278.9 million	$284 million	-1.8%	-$5.1 million
VISITOR INDUSTRY	KEY INDUSTRY: 7% OF ALL EMPLOYMENT EARNINGS			
Total Visitor Industry Employment [1, 6]	4,599	8,394	-45%	-3,795
Total Visitor Industry Wages/Earnings [1, 6]	$152,669,002	$271,608,580	-44%	-$119 million
Total Southeast Alaska Passenger Arrivals	191,138	1,787,345	-89%	-1,596,207
Cruise Passengers [10]	48	1,331,600	-100%	-1,331,552
Total Air Passenger Arrivals from Outside SE [11]	188,443	444,217	-58%	-255,774
Total AMHS Passengers from Outside SE [12]	2,647	11,528	-77%	-8,881
COMMERCIAL FISHING & SEAFOOD INDUSTRY	KEY INDUSTRY: 8% OF ALL EMPLOYMENT EARNINGS			
Total Seafood Employment (includes fishermen) [1, 6]	3,305	3,743	-12%	-438
Total Seafood Employment Earnings [1, 6]	$170,616,738	$238,027,072	-28%	-$67 million
Value of Seafood Processed [7]	$270,914,859	$422,042,543	-36%	-$151 million
Pounds Landed (commercial seafood whole pounds by SE residents) [8]	108,772,607	208,340,000	-48%	-100 million
Estimated Gross Earnings (ex-vessel value of pounds landed) [8]	$135,971,839	$228,312,316	-40%	-$92 million
HEALTH CARE INDUSTRY (PUBLIC & PRIVATE HEALTH)	KEY INDUSTRY: 12% OF ALL EMPLOYMENT EARNINGS			
Health Care Employment [1, 6]	3,675	3,836	-4.2%	-161
Health Care Wages [1, 6]	$248,616,809	$242,049,223	2.7%	$6.6 million
MARITIME ECONOMY (Includes employment from all industries)	KEY INDUSTRY: 13% OF ALL EMPLOYMENT EARNINGS			
Private Maritime plus USCG Employment [1,5,6]	4,968	6,544	-24%	-1,576
Private Maritime plus USCG Wages [1,5,6]	$289,144,738	$403,353,410	-28%	-$114.2 million
OTHER SELECTED STATISTICS	**2020**	**2019**	**% CHANGE**	**CHANGE**
Construction Employment [1, 6] (6% all employment earnings)	1,946	1,903	2%	43
Mining Employment [1] (5% of all employment earnings)	861	934	-8%	-73
Timber Employment [1]	321	372	-14%	-51
Price of Gold [7]	$1,769	$1,392	27%	$377
Total Southeast AMHS Ridership [12]	38,596	135,388	-72%	-96,792
Cost of Living: Consumer Price Index [1]	226.2	228.7	-1.1%	-3
Housing Starts: Housing Permitted /Completed [4,1]	130	259	-50%	-129
Avg. Daily Volume ANS Oil Production (mbbls/day) [14]	479,531	489,771	-2%	-10,240
Annual Avg. Domestic Crude WTI Oil Prices (in $/Barrel) [14]	$41.67	$65.49	-36%	-$24

Sources: [1]Alaska Department of Labor (ADOL); [2]ADOL Southeast Alaska Population by Age; [3]Alaska Department of Education and Early Development; [4]Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; [5]US Coast Guard; [6]US Census Nonemployer (self-employment) Statistics and estimates based on business climate surveys; [7]Kitco Metals Inc.; [8]ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; [9]Cruise Line Agencies of Alaska; [10]US Bureau of Transportation Statistics (RITA); [11]Alaska Marine Highway System data; [12]Alaska Department of Revenue Crude Oil and Natural Gas Prices.



Seafood Industry

3,743 Annualized Jobs in 2019

DOWN 438 JOBS IN 2020

EARNINGS DOWN BY 28%

2020 The Southeast Alaska 2020 seafood harvest was one of the worst on record. Compared to data over the past 10 years, the 2020 catch was 63% below average in terms of pounds landed, and 55% lower in terms of total value. Lower pink salmon harvest returns were primarily to blame. Reduced seafood prices – due to the shutdown of the global restaurant sector, as well as impacts of the US-China trade war – coincided devastatingly with one of the lowest salmon catches in more than 40 years. Processors spent millions on mitigation measures, further impacting ex-vessel prices and reducing workforce levels.

Fishermen caught nearly 100 million fewer pounds of pink salmon than they did, on average, between 2010 and 2019 (-78%); and 52 million fewer pounds of chum (-60%).

The 2020 catch value of $136 million was less than half of the inflation-adjusted 10-year average value of $305 million. Generally, fishermen reported that they had never worked so hard to earn so little in 2020.

While the total volume of crab harvested in 2020, especially for Dungeness, was significantly above average, the total value of the catch was still markedly below 2019 values.

In 2020, the five salmon species represented just 40% of the regional seafood catch by ex-vessel value. Halibut, black cod, and crab accounted for nearly half of total catch value in 2020. Typically, the majority of the statewide catch of Chinook, coho, chum, shrimp, Dungeness crab, and the dive fisheries occurs in Southeast Alaska.

KEY ECONOMIC DRIVER

The regional seafood industry (including commercial fishing and seafood processing) generated 3,300 annual regional jobs and $171 million in earnings in 2020, making up 8% of jobs and earnings in the region. This represents a loss of more than 400 jobs compared to 2019, and a loss of 1,000 seafood sector jobs since 2015.

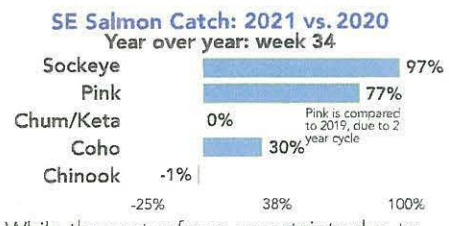
In 2020, shore-based seafood facilities in Southeast Alaska processed 76 million pounds of seafood, with a wholesale value of $271 million. This represents a 50% decrease in seafood pounds processed compared to 2019, and a $151 million decline in the value of processed product. While currently a small part of the larger seafood economy, efforts to develop a mariculture sector for shellfish and seaweeds continue to expand.

THE 2020 SOUTHEAST CATCH

COMPARED TO THE 10-YEAR AVERAGE

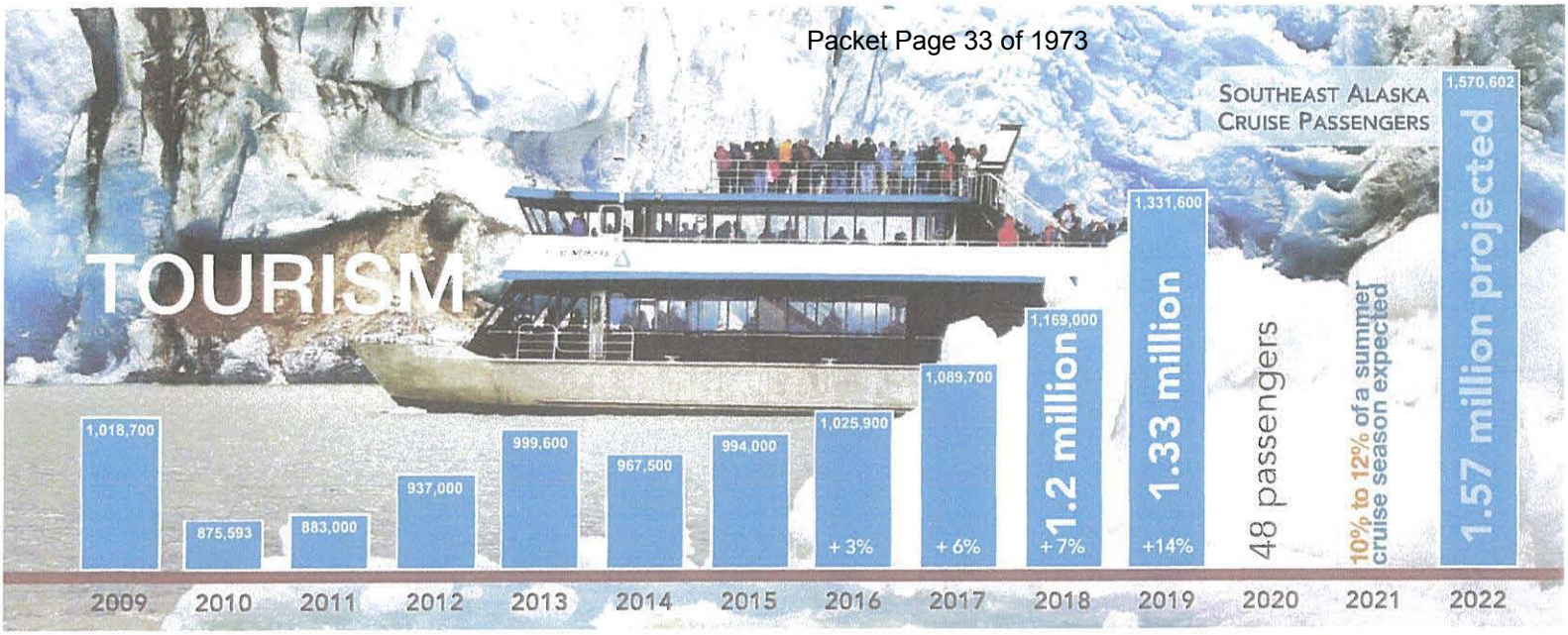
Species	10-year avg. pounds landed	2020 pounds landed	Change from 10-year avg.
Pink Salmon	127,149,205	28,357,689	-78%
Sockeye Salmon	6,356,304	2,330,899	-63%
Chum Salmon	86,626,657	34,784,994	-60%
Coho Salmon	16,711,752	7,383,065	-56%
Chinook	3,458,793	2,467,056	-29%
Herring	24,319,336	1,754,254	-93%
Halibut	6,998,796	6,800,425	-3%
Crab	4,663,317	7,772,985	67%
Black Cod	9,519,259	9,661,862	1%
All Other	8,604,749	7,459,378	-13%
Pounds	294.4 million	108.8 million	-63%
Value	$304.7 million	$136 million	-55%

2021 The 2021 harvest to date has been a considerable improvement over 2020. Seafood processing jobs are up by 11%. In ASMI's August 24, 2021 update, Sockeye and Coho harvests are above 2020, Chum and King harvests remain similar, and a massive pink harvest far exceeds expectations. Significantly higher seafood prices have also helped make 2021 a better year.



While the sector faces uncertainty due to changing ocean conditions, tariffs, state budget cuts, and global farmed seafood competition, this season's higher prices, increased jobs, and the potential for a huge pink salmon return are all good news for the regional seafood industry.

Sources: Combination of ADOL Employment and Wage data; US Census Nonemployer (self-employment) Statistics; ADF&G Seafood Production of Shorebased Plants in Southeast Alaska; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. Weekly Alaska Salmon Harvest Updates are produced for ASMI by McKinley Research. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Photo**: By Chris Miller.



Visitor Industry

8,350 Annualized Jobs
$272 Million in Wages in 2019

Down 3,795 Jobs in 2020

2020 The 2020 visitor season was like no other. Few tourists arrived in the region, and those who did found reduced opportunities to leave their money here. However, because the visitor industry includes all hotels, which were highly utilized for quarantining - especially by the mining sector - and restaurants, which quickly pivoted to take-out menus and services, employment levels were perhaps not as hard hit as they could have been. Total jobs in the visitor sector were cut by 45%, for a loss of 3,795 year-round-equivalent jobs. Wages fell by $119 million, a drop of 44% compared to 2019.

In 2020, just 191,000 air, ferry, and cruise passengers (including residents) arrived in Southeast Alaska from outside the region. Airline passenger traffic from outside the region decreased by 58%, cruise ship traffic was reduced by 100%, and ferry passengers from outside the region fell by 77% due to the continued dramatic decreases in AMHS funding and service (see page 10).

Tourists had been expected to spend nearly $800 million across Southeast Alaska communities in the summer of 2020, and the visitor sector had been set to surpass the state and municipal sectors to become the largest wage provider in the region overall. Instead, those working in the visitor industry earned $153 million in 2020—just 7 percent of all regional employment income, compared to 12 percent the year before. The average annualized wage in the visitor sector was $33,195, the lowest of any industry.

2020 Cruise Ship Season Cancelled

In 2020, 43 cruise ships were scheduled to visit the region, carrying 1.41 million passengers on 606 voyages. Two of the region's smallest cruise ships with 48 combined passengers set sail in 2020, while the remainder were cancelled, due to a prohibition of cruise ships passing through Canada.

Business Leaders Survey

In April of 2021, leaders in the visitor sector reported on how their businesses were fairing:

- Tourism businesses reported that revenue was down by **62%** since the pandemic began.
- **One-third** reported they would have needed to close permanently without the financial assistance made available through federal relief programs.
- **50%** were struggling to pay bills, rent, or mortgage.
- **31%** of tourism leaders said they remain vulnerable to closure.

2021 ### Increasing Jet Passengers

While arriving air passengers decreased by 56% in 2020, by June 2021 passenger arrivals were up by 50% across the region compared to the first half of 2020, with June-only traffic up 260% above June 2020.

Cruise Ships Return

Large cruise ships returned to the region for the first time in 21 months in July of 2021, thanks to a federal act temporarily suspending the Passenger Vessel Services Act and allowing cruise ships to bypass Canada. The 79 expected port calls will provide Southeast Alaska with the equivalent of one-tenth of a typical tourism season.

2021 Cruise Schedule

Total ships	8
Total voyages planned	79
Total projected passengers	10% to 12% of a full season
Weeks of service	16
First ship	July
Last ship	Mid-October

2022 In 2022 if ships sail at normal capacity, they are projected to bring more than 1.5 million cruise ship passengers to Southeast Alaska, and account for 90% of all tourists in the region. Developing enough capacity to serve this number of visitors after two years of little to no tourism will be a significant challenge for regional businesses. Projected passengers for 3 of the region's largest ports of call are below:

2022 Cruise Projections

Community	Projected Voyages	Projected Passengers
Juneau	639	1,570,602
Ketchikan	598	1,401,387
Skagway	474	1,203,139

Sources: Cruise Lines International Association Alaska. Combination of ADOL Employment and Wage data and US Census Nonemployer (self-employment) Statistics; Alaska Visitors Statistics Program (AVSP) VII; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System; Cruise Line Agencies of Alaska; Juneau International Airport Passenger Statistics. **Note:** In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies. **Photo Credit:** Allen Marine





Timber Industry

372 Annualized Jobs in 2019

DOWN 51 JOBS IN 2020

WAGES DOWN BY 10%

2020 These have not been good years for the regional timber industry. Timber jobs decreased by 14% in 2020 to 321 annualized workers and total wages dropped by 10%. Most of the region's timber jobs are now concentrated on Prince of Wales Island, home to Viking Lumber, the last remaining mid-sized sawmill in Southeast Alaska.

Southeast timber jobs peaked at 3,543 annual average jobs in 1991 and have fallen by 91% since that time.

In October of 2020, the Alaska Roadless Rule exemption was briefly reinstated. Had this change been implemented the Tongass National Forest would have been exempted from the 2001 regulation protecting roadless areas in national forests nationally, making higher levels of regional timber available for harvesting.

2021 In July of 2021, the US Department of Agriculture reversed this earlier decision, restoring the 2001 Roadless Rule in the Tongass, and announcing a new "Southeast Alaska Sustainability Strategy" aimed at ending large-scale old growth timber sales in the Tongass and refocusing US Forest Service management on forest restoration, recreation, climate, wildlife habit, and watershed improvements.

In 2021 the Sealaska Corporation, which had played a major role in the region's timber economy for 42 years, announced a transition away from the logging industry to focus on ocean-based food and tourism opportunities.

Timber industry employment will continue to contract. While there are some continued opportunities for timber sales in Asia, tariffs imposed by China on imports of Alaska spruce logs have made it difficult to negotiate agreements. Moreover, operators across the region continue to face constant environmental litigation, further disrupting harvest operations.

Mining Industry

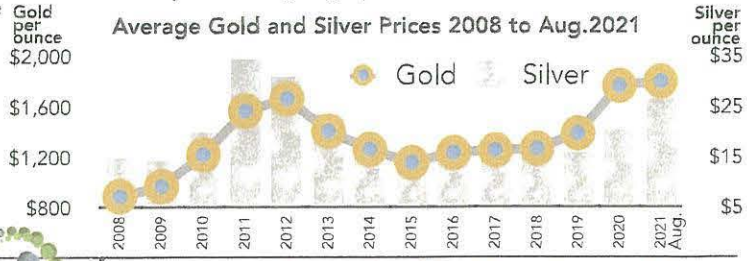
934 Annualized Jobs in 2019

WAGES UP BY 9%

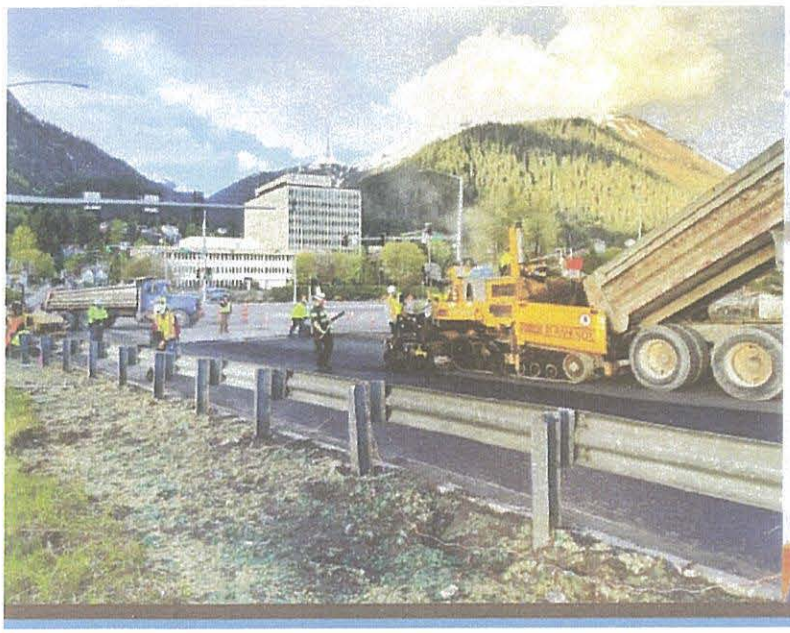
2020 Mining saw the largest increase in wages of any sector across the region in 2020, growing by 9%. While mining industry employment in the region was technically down, this was mostly due to how jobs are counted. Shift change protocols were reconfigured in response to COVID-19 safety precautions. Longer schedules were developed in early 2020, leading to an undercount in workers in some months. There were 861 annual average mining jobs in Southeast Alaska, with a payroll of $103 million. The average annual mining wage was $120,000 in 2020, more than double the overall regional wage of $53,635.

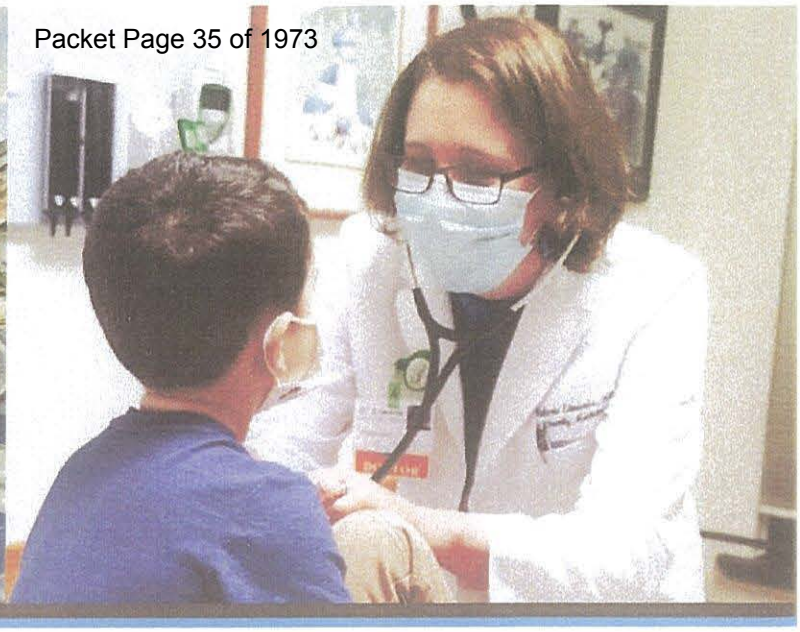
Three mines in the region account for nearly all mining employment. Hecla Greens Creek is one of the largest silver mines in the world, Coeur Alaska's Kensington Mine is exclusively a gold mine, and the Dawson Mine is a smaller gold and silver project on Prince of Wales. In 2020, Greens Creek had a record production of 10.5 million ounces of silver and 56,814 tons of zinc. Kensington achieved a near record production of 124,867 ounces of gold. There are several mining exploration projects underway including Palmer in Haines, Herbert Gold in Juneau, Bokan Mountain and Niblack, both on Prince of Wales. Mining exploration activity in the region was notably down in 2020 due to pandemic limitations.

2021 In August 2021, Hecla Greens Creek had 450 full-time permanent employees (+10 from 2020), and Coeur Alaska Kensington had a staff of 383 (-3 from 2020). Dawson Mine reported 40 full time workers. Metal prices, which rise in response to economic turmoil, have been strong. Higher precious metals values provide ongoing optimism for this sector.



Sources: ADOL Employment and Wage data; Kitco Metals Inc; Coeur Mining Inc. Annual Report; Hecla Mining Company Annual Report. U.S. International Trade Commission. **Photo credits:** Tessa Axelson and Michael Penn.





Construction Industry

1,903 Annualized Jobs in 2019

JOBS UP 43 IN 2020, WAGES UP BY 2%

2020 For the first time in seven years construction employment was up in 2020. Jobs in this sector increased by 43 workers, a two percent increase due to the prioritization of construction projects during the pandemic. Construction workers in the region earned $134 million in 2020, an increase of two percent over the previous year. Construction was a larger portion of the overall regional economy in 2020, rising from four percent of all workforce earnings to six, helping to stabilize the larger economy.

Housing construction was down in 2020 by 50%, as only 130 new units were permitted or completed across the region, compared to 259 in 2019.

2021 Early data shows that construction jobs in the first half of 2021 were up substantially - by nine percent. Tourism projects helped drive this increase. Recently completed tourism projects include a gondola and dock in Hoonah, a new dock and facility at Ward Cove, the new Sitka Sound Cruise Terminal, and the Juneau Archipelago project. As the tourism industry restarts in the region, so do plans for future tourism projects. Federally-funded projects and tourism infrastructure developments have become the focus of current and future construction efforts. Due to budget constraints, state- and municipally-funded construction projects have mostly waned. Cuts in state spending led to the reduction of large-scale construction projects across the region.

The federal Infrastructure Investment and Jobs Act, which has not yet passed, is expected to include funding for projects in Southeast Alaska. In the meantime, the federal CARES Act waived matching funds for some projects, making large infrastructure grants more accessible for local municipalities. There remains some uncertainty moving forward in the construction/engineering sector, as firms are busy but will not yet have future project certainty until the federal infrastructure bill passes.

Health Care Industry

3,836 Annualized Jobs in 2019

JOBS DOWN 150 IN 2020 WAGES UP BY 3%

2020 Health care became the nation's top priority in 2020, as well as the region's. Southeast Alaska's 3,675 public and private healthcare workers comprised 9% of the regional workforce in 2020, earning 12% ($249 million) of all wages. Regional health care employment fell by 150 annualized jobs in 2020. Despite a drop in jobs, total earnings for the industry increased by 3%. Wages have been increasing to attract workers. The region was already facing a shortage of health care workers pre-pandemic due to an aging populace and growing patient volumes. With the advent of COVID-19, the demand for health care workers intensified nationally and globally, making it even more difficult for the region to attract and compete for workers.

The region's largest health care provider, SouthEast Alaska Regional Health Consortium (SEARHC) has been expanding services across the region. The newly-constructed Wrangell Medical Center opened in 2021; in Petersburg the Oceanside Dental Clinic and Mountainside Behavioral Health recently opened; in Juneau the Ethel Lund Medical Center received an extensive remodel and the new Mountainside Urgent Care opened; and in Sitka an agreement was reached with the Indian Health Service to begin construction on a new state-of-the-art regional facility.

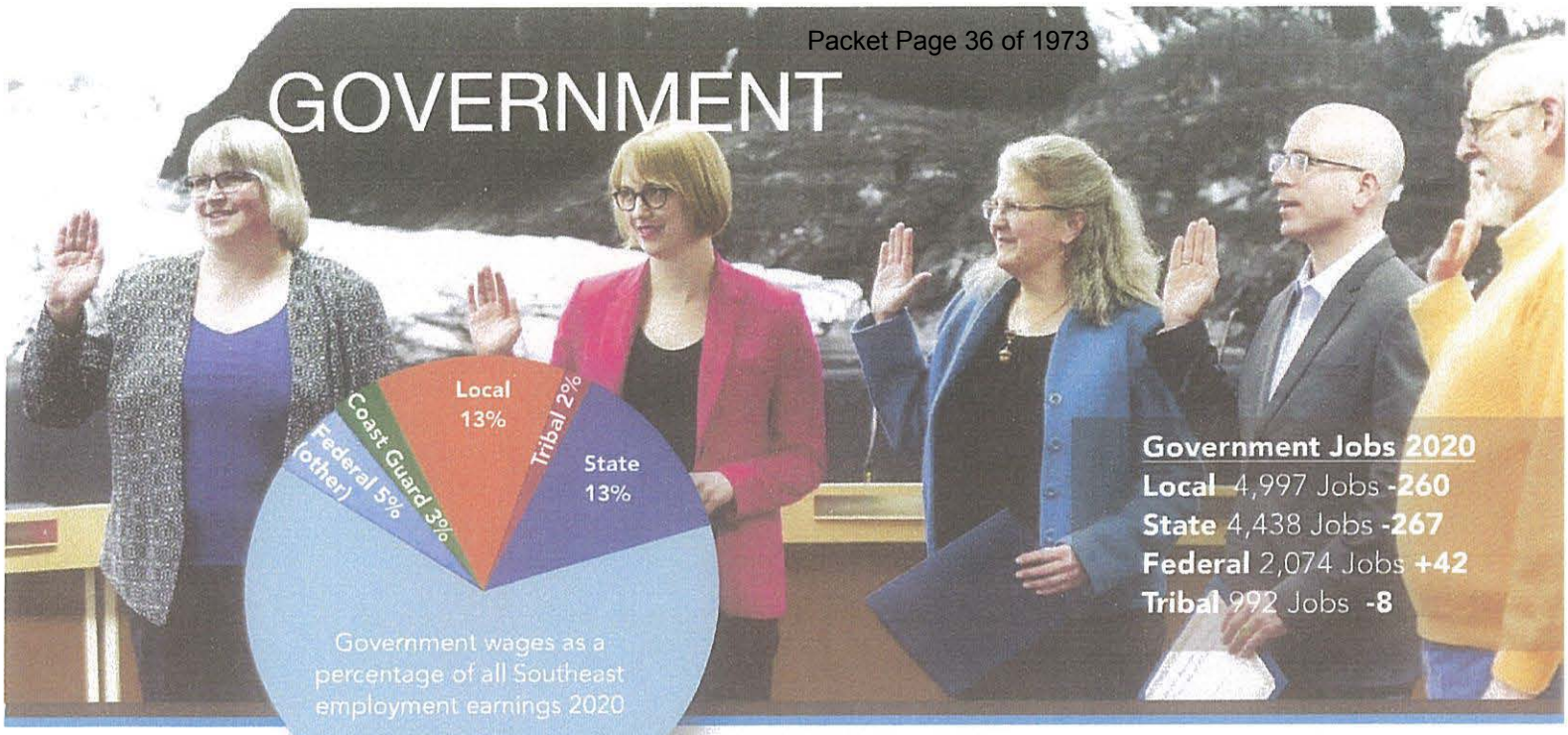
2021 Early data indicates that health care jobs are down incrementally in 2021, by 0.5%. This tracks with larger trends. Nationally and regionally health care worker vacancies have been increasingly harder to fill as the pandemic continues. Southeast health care institutions have shown a high level of readiness in the face of the COVID-19 crisis.

Southeast Alaska Health Care Employment Wages
(in millions)



Sources: Combination of Alaska Department of Labor Employment and Wage data and US Census Nonemployer (self-employment) Statistics; State of Alaska. **Photography credits:** SEARHC and Sander Schijvens.

GOVERNMENT



Government

12,994 Annualized Jobs in 2019

DOWN 493 JOBS IN 2020

WAGES UP BY 1%

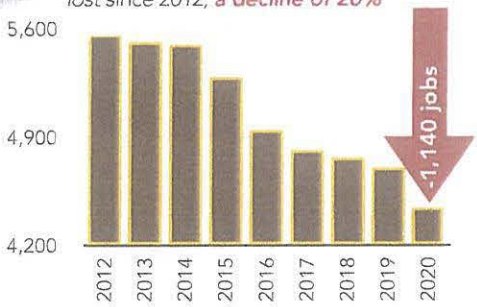
2020 Government wages made up 31% (12,501) of the region's jobs in 2020, and 37% of all regional employment earnings ($789 million) and acted as a significant economic stabilizer to the region, as private wages fell by 13%. Overall public sector wages actually grew by $8 million in 2020, an increase of one percent, although government jobs were down by 4%,

STATE GOVERNMENT LOSSES

For the past eight years, the region has struggled with the impacts of decreased State government employment and spending. The state remains the region's most important economic sector, providing 13% of all regional wages. From 2012 to 2020, state jobs have fallen by 20%, a decline

Southeast State Jobs

State jobs in the region are down for the 8th year in a row, for a total of 1,140 jobs lost since 2012, a decline of 20%



of 1,140 annualized workers. **Comparatively, outside Southeast, just 12.5% of State jobs have been cut.**

STATE BUDGET CRISIS

Even before COVID-19, Alaska's budget was in a state of crisis due to declining oil production and prices. Historically, oil accounted for up to 90% of the state unrestricted general fund; currently, oil provides less than 25 percent.

The State of Alaska has operated in deficit mode for the past eight years, using $18.8 billion in savings to cover budget gaps since FY14, leaving these accounts almost entirely depleted. Alaska is the only state in the US without broad-based taxes like a sales or personal income tax.

However, there is some good news for State coffers. The Alaska Permanent Fund ended the fiscal year with a total value of nearly $81.1 billion, 24% higher than it did at the start of the year.

LOCAL GOVERNMENT

Local government employment was down by 268 jobs, a 5% loss in 2020. Tribal government jobs remained flat. Total local wages increased by one percent.

FEDERAL GOVERNMENT

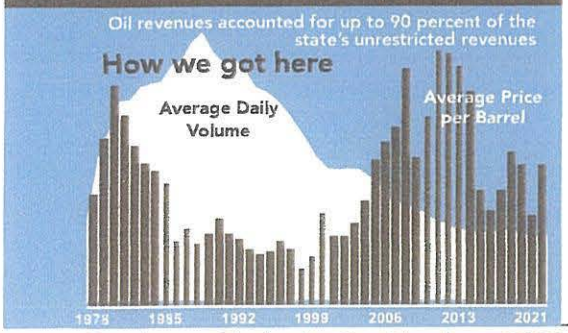
In a reversal of long-term trends, the federal government added 42 jobs in 2020, an increase of two percent while wages increased by one percent, mostly due to the addition of federal census workers. Federal jobs in 2020 remain 650 below 2004 levels.

With such significant pandemic revenue losses, the saving grace for Southeast Alaska was the $576.2 million in federal COVID-19 relief funds that were directed toward the region in the form of grants and loans. Relief funding has been a critical support for regional households, businesses, service providers, and communities during the COVID-19 crisis.

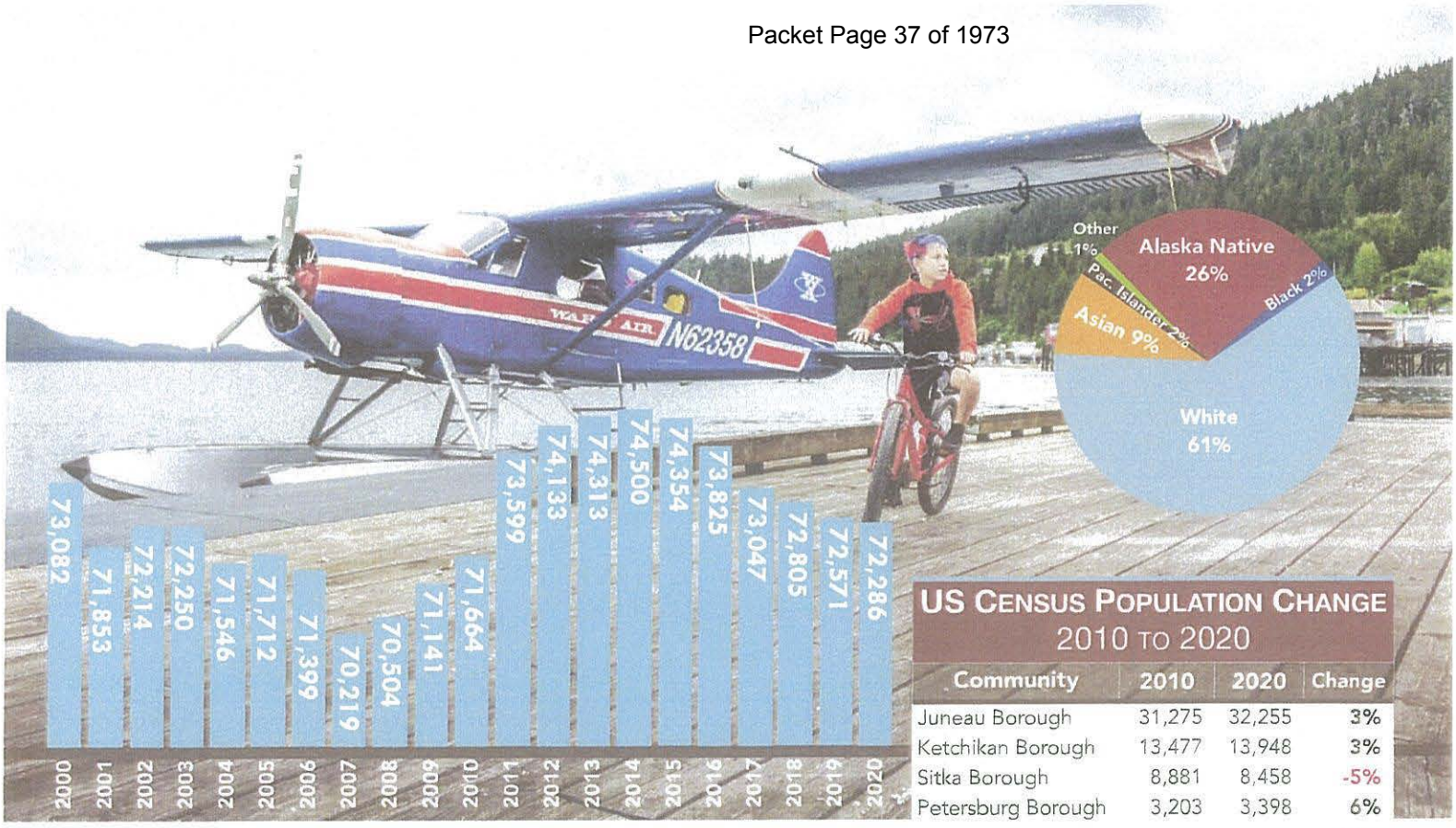
SE COVID-19 RELIEF

Community	CARES $
Juneau Borough	$206,770,278
Ketchikan Borough	$126,280,581
Sitka Borough	$78,347,023
Petersburg Borough	$36,201,167
Skagway Municipality	$34,584,659
Prince of Wales-Hyder	$29,253,805
Haines Borough	$21,617,152
Wrangell Borough	$14,899,910
Hoonah-Angoon Census Area	$14,566,737
Yakutat Borough	$6,489,640
Non-specific	$7,219,051
Southeast Total	$576.2 mill

Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1978-2021



Sources: ADOL Employment and Wage data; Alaska Department of Revenue Crude Oil Prices. Alaska Office of Management Budget. Photo of the Juneau Assembly by Juneau Empire.



2020 marked the 6th consecutive year of population decline in Southeast Alaska. In 2020, regional births exceeded deaths by 170, and 795 more people moved away than moved into the region.

US Census 2020 Results

The 10-year US Census numbers, released in August 2021, show a one percent overall increase of 622 new residents over the last decade. The region's share of the state population shrank incrementally by 0.2%. Juneau gained 980 people and Ketchikan added 471. Gains over the last decade were most significant percentage-wise in Gustavus +48% and Skagway +28%. The most significant 10-years losses, according to the US Census, took place in Haines -428, Sitka - 423, and Wrangell -242. The census shows the region has become more diverse. The Alaska Native population grew from 23% to 26% of all residents, for a total of 18,500 Alaska Native residents (+1,100).

The Median Age is Now 40+

Southeast has the state's oldest residents. Since 2010, the most pronounced demographic shift has been the aging of the population. During that period, the 60-plus population grew by 5,600 people, a 48% increase over 2010 due to aging in place. A quarter of people in the region are now age 60 or older. The median age of every borough is 40 or older, with the notable exception of Juneau. In the Haines and the Hoonah-Angoon census areas the median age is 48.6. The median age of Southeast is 4.5 years older than the state as a whole.

School Enrollment Down

In 2020, enrollment was down by 6% across the region. While K-12 enrollment increased regionally in 2019, the mostly online 2020 pandemic school year reduced public school population by 661 students as parents chose homeschooling programs, many of which did not direct funds to local school districts. Wrangell saw the highest percentage loss at 41%. Juneau lost 569 students, a decline of 12% — but gained more than half of those back during the first week of school in 2021, according to early data. A loss of funding allocation due to the loss of students enrolled in regional school districts could impact the financial position of regional schools.

The elements that created population losses in recent years, most notably the reduction of state jobs and services, have been exacerbated by the 2020 COVID economy. Pandemic conditions will likely lead to further population decline.

US Census Population Change 2010 to 2020

Community	2010	2020	Change
Juneau Borough	31,275	32,255	3%
Ketchikan Borough	13,477	13,948	3%
Sitka Borough	8,881	8,458	-5%
Petersburg Borough	3,203	3,398	6%
Wrangell Borough	2,369	2,127	-10%
Haines Borough	2,508	2,080	-17%
Metlakatla	1,405	1,454	3%
Skagway Borough	968	1,240	28%
Craig	1,201	1,036	-14%
Hoonah	760	931	23%
Klawock	755	720	-5%
Yakutat Borough	662	662	0%
Gustavus	442	655	48%
Kake	557	543	-3%
Thorne Bay	471	476	1%
Hydaburg	376	380	1%
Angoon	459	357	-22%
Naukati Bay	113	142	26%
Coffman Cove	176	127	-28%
Tenakee Springs	131	116	-11%
Pelican	88	98	11%
Klukwan	95	87	-8%
Whale Pass	31	86	177%
Port Alexander	52	78	50%
Hollis	112	65	-42%
Hyder	87	48	-45%
Port Protection	48	36	-25%
Kasaan	49	30	-39%
Edna Bay	42	25	-40%
Elfin Cove	27	24	-11%
Game Creek	18	23	28%
Point Baker	15	12	-20%
Remainder	811	569	-30%
Total	71,664	72,286	1%

Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area; Alaska Population Projections.
Photography credit: Heather Holt

Loss of **Regional Jobs**

Annual Employment Change by SE Community
2019 to 2020 (Self-employment excluded)

Jobs plummeted across the region in 2020, as expected. By far the hardest hit community was Skagway, which lost nearly half of all annualized jobs (-48%). Haines, Hoonah, and Klukwan each lost approximately a quarter of all jobs; while Ketchikan, Sitka, Angoon, and Gustavus lost between 13 to 15%.

While some communities, such as Skagway and Haines, lost a similar percentage of wages and jobs, people in communities like Juneau and Petersburg earned a similar level of overall wages to 2019, despite significant job decreases in 2020.

Yakutat defied pandemic trends, adding both jobs and wages in 2020.

This analysis excludes self-employment data, which is not made available below the borough/census area level. Still, tracking change in labor figures is an important way to track overall workforce changes in a community.

Community	Jobs 2019	Jobs 2020	Average Annual Wage	% Change Jobs	% Change Wages
Juneau Borough	17,957	15,872	$938.1	-1%	-12%
Ketchikan Borough	7,398	6,286	$329.9	-8%	-15%
Sitka Borough	4,311	3,751	$193.0	-7%	-13%
Prince of Wales	1,525	1,432	$62.8	-3%	-6%
Petersburg Borough	1,282	1,237	$55.2	0%	-4%
Skagway Borough	1,080	563	$26.6	-43%	-48%
Haines Borough	1,029	773	$31.4	-25%	-25%
Wrangell Borough	824	725	$32.4	-8%	-12%
Metlakatla	505	497	$23.9	1%	-2%
Hoonah SSA	431	328	$14.0	-13%	-24%
Yakutat Borough	280	298	$16.2	22%	6%
Gustavus SSA	204	177	$8.3	-8%	-13%
Kake	168	162	$5.5	2%	-4%
Angoon SSA	154	133	$3.6	-12%	-14%
Hyder	52	51	$2.9	-2%	-2%
Klukwan	51	38	$0.8	-3%	-25%

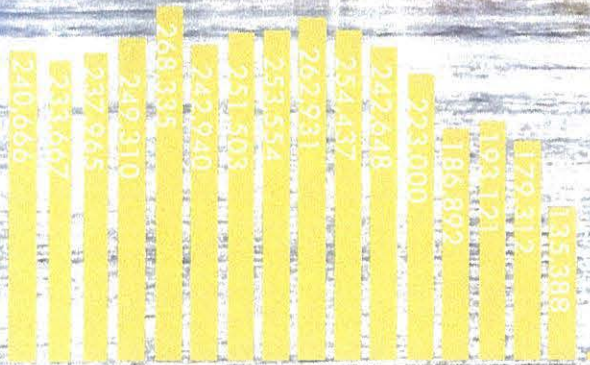
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section. **Notes:** The Hoonah sub-subarea (SSA) includes Pelican and Elfin Cove. The Angoon SSA includes Tenakee Springs. Prince of Wales includes the Hollis SSA, Thorne Bay SSA and Hydaburg. An SSA is the smallest unit for which the Quarterly Census of Employment and Wages is analyzed. Photo: John Hyde.

Ferry connectivity, which has long been identified as the most vulnerable element of the regional economy, had already been significantly reduced pre-pandemic. The Alaska Marine Highway System (AMHS) ferried 262,931 individuals in the region in 2012. By 2019, that figure had dropped by 49%. Deferred and reduced maintenance led to ships being removed from service. In February 2020, the system shut down all but one ferry, leaving some communities without access to groceries. COVID-19 travel challenges came on top of these already existing limitations, further reducing the number of sailings and travelers to 38,596, a 71% decrease from 2019.

Lack of vaccine adoption, paired with the Delta variant, remains an economic, societal, and health care challenge. Despite an early lead in vaccination rates, Southeast Alaska and the state have slowed substantially. As of August 2021, less than two-thirds of the region has been fully vaccinated, and some areas, like Wrangell and Prince of Wales, remained at approximately one-half, similar to the national average. Alaska as a whole lags behind.



AMHS Ridership in Southeast



Source: AMHS. Photo by Villame Kaulotu.

Vaccinations

Southeast Vaccination Rates 2021

% Fully Vaccinated	
Juneau	67%
Skagway	67%
Yakutat plus Hoonah-Angoon	65%
Sitka	64%
Haines	61%
Ketchikan	55%
Petersburg	53%
Prince of Wales	53%
Wrangell	52%
Total Southeast	**62%**
Total Alaska	45%
Total US	52%

NEIGHBORHOOD

The subject is located in the core area of downtown Juneau with boundaries of the State of Alaska Capitol Building to the north, Franklin Street to the east, the waterfront to the south, and the Willoughby District to the west.

With the completion of the new floating cruise ship docks in 2016, embarking and disembarking positions of the cruiseships moved closer to the central downtown area. The result was such that the walking patterns of passengers off the ships, which had previously been heavily oriented to South Franklin Street, had now included the Shattuck Way, Seward Street, and Front Street area of downtown.

South of Eastaugh Way in the downtown area, developments are typically oriented to the cruiseship industry and typically include retail stores, often with apartments on the upper levels. When the tourist season ends, this part of downtown Juneau becomes very quiet, as nearly all stores shut down.

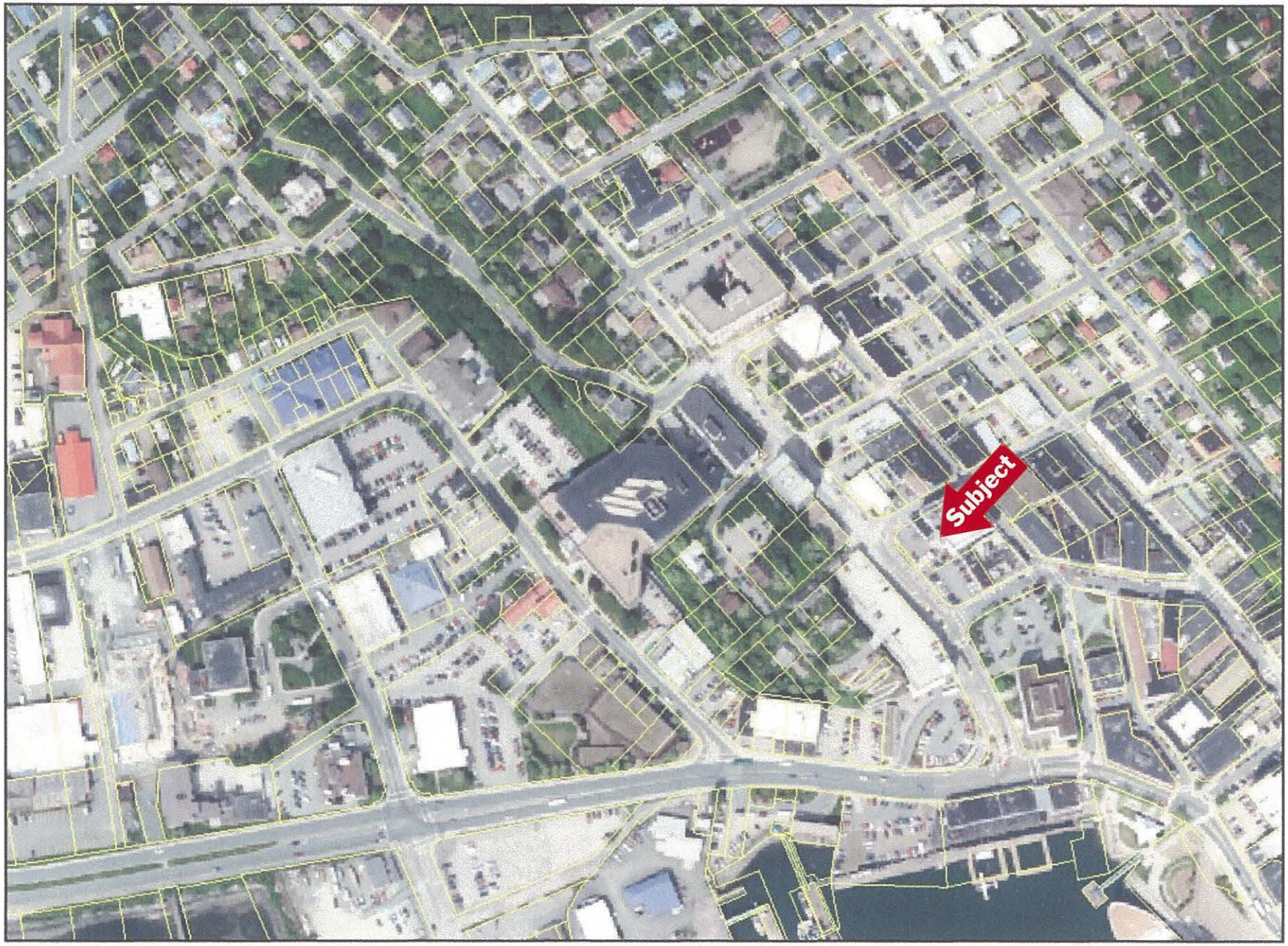
Within two to three blocks of the subject are the Alaska State Office Building and State Courthouse, the State of Alaska Capitol Building, and the Legislative Office Building. The people working at these locations frequent the downtown area. This neighborhood offers an interesting blend of restaurants, services, galleries, breweries, distilleries, cafes and coffee shops, as well as trendy boutique clothes stores.

The Triangle Building at 114 S. Franklin sold to Skagway Jeweler a few years ago and longtime tenants have relocated as rents reportedly were significantly increased. The 1928 building is iconic but reportedly needs upgrading. Near to the Triangle Building, the Hellenthal Building, originally designed for theatre uses, and more recently a bank branch and movie theatre, is now the home of the Hellenthal Loft Apartments, new retail shops on Front Street, and the Devils Club Brewery. 154 S. Franklin Street and 249 Front Street were purchased and operate as trendy bars and pubs.

The Walter Soboleff Center was completed in 2015 and is a three-story mixed use building of 30,000 SF with a LEED Gold certification and a design that incorporates native Alaskan culture and art. The building has frontage on Shattuck Way, Seward and Front Streets. Across Seward Street and conforming to the style of this building is the Sealaska Heritage Arts Complex. This project increases public safety and is intended to draw more visitors to the core of downtown. It will be a cultural experience and gathering place for the public and for tourists with 6,000 SF of plaza area. Underneath it is underground parking for the Sealaska Plaza office building.

Retail Market in Downtown Area

There are few vacancies of retail spaces in the downtown market that are advertised for lease. There are four newer retail spaces at the rear of the Emporium Building on Shattuck Way. Improvements were made to this west side to create four new rental spaces now occupied by Barnaby Brewing, Sequence Board Shop, First Impressions



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Salon and Juneau Food Tours located at 165-167 Shattuck Way. At 116 Seward Street, a vacant space has been spoken for and will open as Tease Salon in February of 2022. The space was rented at its asking rate of $1.89 SF plus power.

A four-unit condominium development on Seward Street, called the Sommers on Seward, has rented and/or sold two of the three retail units which are each just over 1,300 SF in size. The middle unit is available for sale or for lease. The walk up second level office is available for sale and the seller will include plans to convert it to residential units.

Office Space Sector

There is a wide variety of office space in the downtown area, including mid-rise buildings with elevators, low rise buildings with walk up offices and offices located in older residential buildings.

The subject's broad neighborhood includes many publicly owned office buildings, predominantly owned by the State of Alaska, which are located near to the Alaska State Capitol and Courthouse buildings at the corner of Main and 4th Streets. The Federal offices are located in the Willoughby District to the west, as are the three office buildings at 400-410 Willoughby and SLAM.

The SLAM (State Library and Archives Museum) was renovated and expanded over a two-year period in the Willoughby District on Whittier Street. Upon completion of this project in 2016, office space was freed up in other State-owned buildings in the area. Reacting to State budget cuts and to the completion of the SLAM project, many State agencies were downsized, and the metrics (space per employee) used by the State was decreased, which resulted in less office space required.

The Legislative Council recently to accept the Juneau Community Foundation's donation of the Assembly Building located at 211 Fourth Street in Juneau to the Legislature's Capitol complex. With this gift, the complex now totals five adjacent buildings. The Assembly Building will be refurbished once the House-Senate committee Legislative Council determines the best use of the facility, which could include legislative housing, consolidation of legislative offices not located in the complex, and leased space for private entities. The building sold for $1,250,000 which equates to $52 SF of GBA.

The 400 – 410 Willoughby Buildings are located in the subject's neighborhood and include 95,454 SF GBA. This office complex, has been significantly impacted by State of Alaska downsizing and is now approximately 65% occupied by State agencies. In 2019, DEC renewed their lease in the 410 Willoughby Building for 10 years, incentivized by a renovation of the space at a cost of over $2 million for their 22,270 SF space.

This complex has recently sold and the buyers, The Tlingit and Haida Council, intend to occupy at least half of the vacant space. The sale price for this complex was $15,000,000.

In the Michael J. Burns building at 801 W. 10th Street, the State Department of Revenue vacated 17,212 SF within the past year, and the Department of Education reduced its leased area by over 3,000 SF this past year. Their term ends in June of 2022 and this agency decided not to renew. A request for 14,000 SF of office space has been sent out by the State of Alaska recently to accommodate this agency in Juneau. Private sector leasing of 4,100 SF has taken place in this building on the ground level. With the exit of the Department of Education, this building will be one-third vacant.

The Sealaska Plaza office building is fully occupied, as is the Senate Building; both are served by elevators and are in the core downtown. The Goldstein Building has 1,715 SF of vacant office space which is 4.8% of the office area in the building. It is noteworthy that 73% of the vacant space is committed for, with a lease beginning on February 1 of 2022. Its upper four floors are offices and three state agencies occupy 48% of the area on these floors.

In the 431 N. Franklin Street office building, HS&S recently renewed for an additional five years. The rate is $1.98 SF full service and moderate repairs/upgrades are required by the landlord.

Carlton Smith, a commercial real estate broker with a downtown office, posted the following blog on his website that pertains to offices. "Since the eighties and nineties, office lease rates have been essentially dictated by the State and Federal governments, with rates that government was willing to pay. This stable market lasted for three decades until oil revenues dropped drastically. Today, office leasing in Juneau has segmented itself by lease renewals of larger spaces with parking, mid-sized spaces with less parking, and smaller spaces downtown in backfill locations with poor visibility.

Overall, the shortage of new space options has now resulted in rates that have remained flat since 2015. We predict that the future of lease rates in Juneau will begin to reflect real differences in the areas that feature different access and appeal to the agencies involved. Even with moderate job loss, we see lease rates staying steady because construction of new office space is still not feasible due to the high cost of land, labor and materials."

Apartments

On Craigslist, several furnished apartments are available for rent until April 2022; all are located on South Franklin Street. It is typical during the off season for seasonal furnished apartments to be listed for rent. There are few listings for conventional apartments in the downtown area at this writing.

City and Borough of Juneau Projects

The neighborhood benefits from a multi-year rebuild of downtown streets including reconstruction of North Franklin Street from Front Street to Second Street, and the upgrading of Front Street with new light poles, asphalt, sidewalk and pedestrian crossing work and storm drain installation. The CBJ Planning Commission is proposing parking code revisions which include reorganization, establishing a "Town Center" parking standard, revised parking district boundaries and allowing parking waivers downtown.

DESCRIPTION OF SUBJECT SITE

Site

The subject is Lot 5A1 of Block 2, Juneau Townsite and is depicted on the following page. As shown, the site has 138.50 feet on Second Street, and 100 feet on Seward Street. On Main Street, a CBJ landholding (Lot 8A) abuts the sidewalk and Lot 5A1 has 57.46 feet along this landscaped area. The subject site, at its southwest corner, has an inset (18.95 feet by 25 feet) where it meets Lot 2A. The total site area is 15,912 SF.

Topography and Soils

This location in the downtown core is a sloped hillside as is evidenced by photos of the street scenes. The soils conditions are assumed to be adequate to support the buildings and parking area over their useful lives. Both of the buildings have full basements.

Access

Seward Street is a north/south street in the downtown core that allows for southbound traffic only. Seward Street, at its south end, accesses Egan Drive which provides access out of the downtown area and on to the northbound expressway. Egan Drive becomes Marine Way, which becomes South Franklin Street and then Thane Road as it leaves the downtown area and travels south. Thane Road is a two-lane highway and ends approximately five miles south of downtown.

Second Street is a one way east bound public, paved streets with sidewalks on both sides, curb and gutter, and street lights. It intersects with Main Street, Seward Street, Franklin Street and Gold Street in the downtown core. Franklin Street is a one-way northbound paved street, and Main Street is a north/south collector street that intersects with Marine Way. Main Street has sidewalks and street lights on both sides.

Front Street is a westbound paved street in the downtown core that intersects with Main Street, Seward Street, Shattuck Way and Franklin Street. In the past several years, street improvements have been completed in the core area along Franklin Street between Admiral Way and Second street, and along the length of Front Street. This work included asphalt and sidewalk removal, replacement of light poles, storm drain installation and improvements to pedestrian crossings.

There is on street parking on these streets with a two-hour limit during business hours. Traffic is controlled by stop signs in the downtown core. There is a traffic light at the Seward/Marine Way and Main Street/Marine Way intersections.

Utilities

Underground water, sewer, power and phone lines serve the downtown area. Cellular service is widely available in Juneau.



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Juneau Downtown Historic District

The two subject buildings are located within this district. The Juneau Downtown Historic District encompasses the historic commercial heart of the city. It extends along South Franklin Street, from the cruise terminal in the south to Second Street in the north, and westward along Second and Front Streets to Main Street.

This area was the center of Juneau's economic activity from its founding in 1880 as a gold mining camp, through its growth into an urbanized area in the early 20th century, including its eventual designation as the territorial capital in 1906.

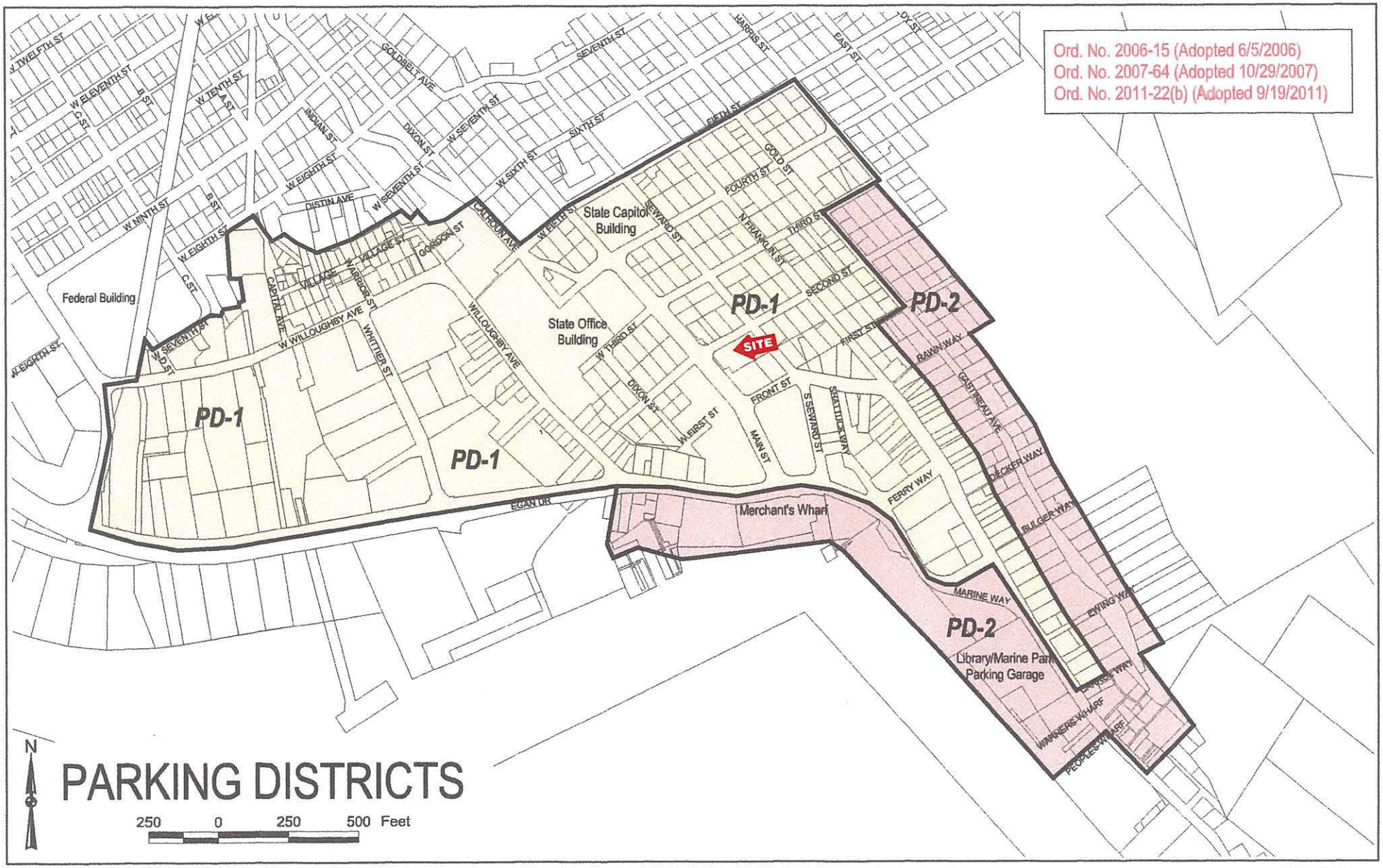
The Juneau downtown buildings are an excellent representation of early twentieth century commercial architecture in small Pacific Coast communities. Late Victorian, late 19th and Early 20th Century American Movements, and Modern Movement architectural styles are represented by building in the Juneau Downtown Historic District which is listed on the National Register of Historic Places.

Hazardous Waste Issues

None were observed and it is assumed that none exist.

Flood Plain

A review of the CBJ FEMA 2013 mapping, the subject is not in flood plain.


Ord. No. 2006-15 (Adopted 6/5/2006)
Ord. No. 2007-64 (Adopted 10/29/2007)
Ord. No. 2011-22(b) (Adopted 9/19/2011)
PD-1
PD-2
SITE
State Capitol Building
State Office Building
Federal Building
Merchant's Wharf
Library/Marine Park Parking Garage
EGAN DR
MARINE WAY
FERRY WAY
FRONT ST
SECOND ST
THIRD ST
FOURTH ST
FIFTH ST
SEVENTH ST
SIXTH ST
W SEVENTH ST
W SIXTH ST
W FIFTH ST
W EIGHTH ST
W NINTH ST
W ELEVENTH ST
W TWELFTH ST
W WILLOUGHBY AVE
WILLOUGHBY AVE
W THIRD ST
W FIRST ST
MAIN ST
DIXON ST
SEWARD ST
S SEWARD ST
N FRANKLIN ST
GOLD ST
CALHOUN AVE
GOLDBELT AVE
HARRIS ST
EAST ST
INDIAN ST
DISTIN AVE
GORDON ST
VILLAGE ST
W ARBOR ST
CAPITOL AVE
WHITTIER ST
SCHTICKEY WAY
RAWN WAY
GASTINEAU AVE
DECKER WAY
BULGER WAY
EWING WAY
DAVIS WAY
WARNER'S WHARF
PEOPLE'S WHARF
N
PARKING DISTRICTS
250 0 250 500 Feet

10/14/2011

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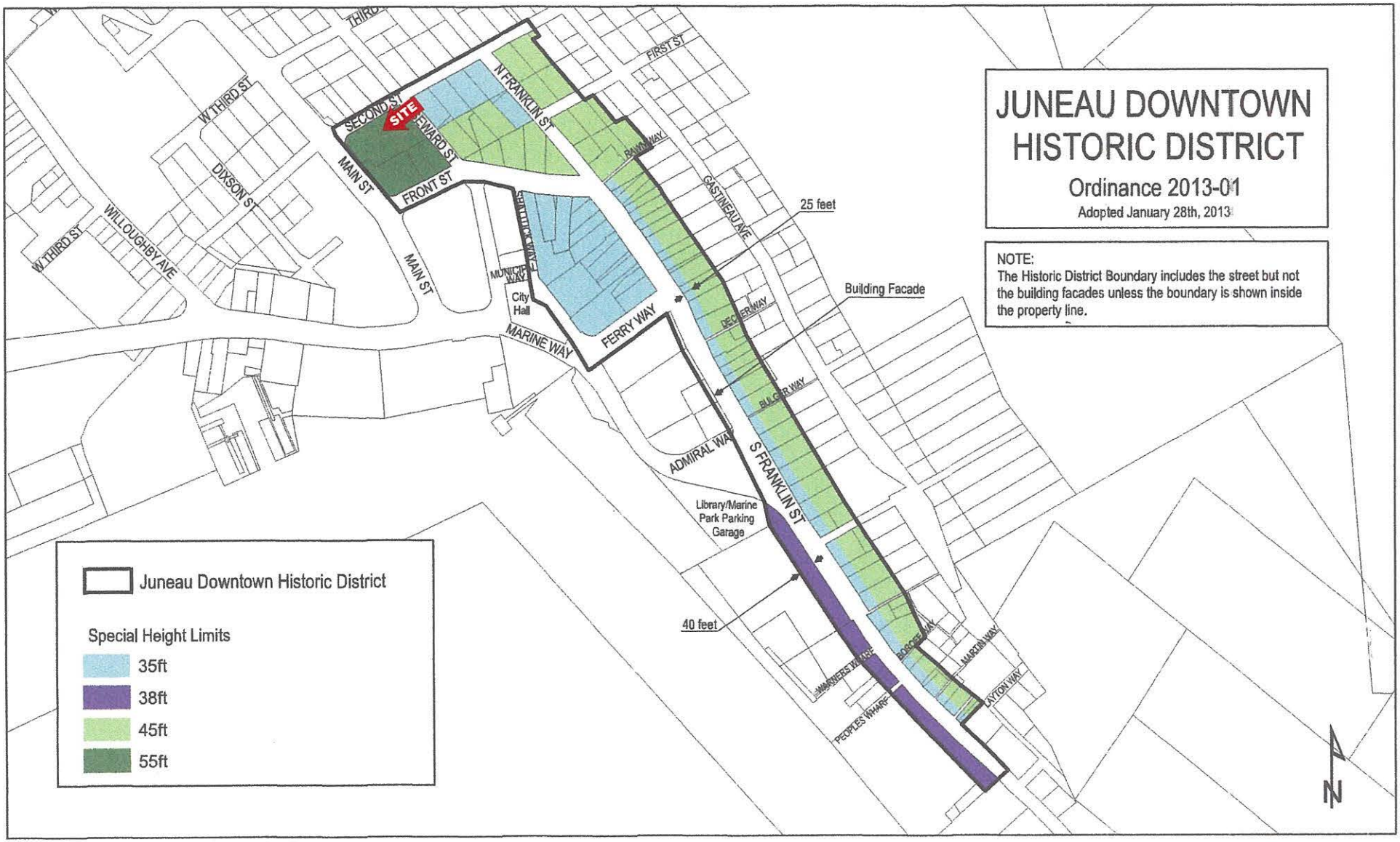
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Project Source: F:\gis_work\Quinn\Projects\CDD\historic boundary adjustment.mxd

COMBINED BUILDING AREAS – 130 SEWARD AND 119 2ND STREET

The subject property includes two adjacent buildings which are summarized on the table below and are separately discussed on the following page.

BUILDING	GBA ABOVE GRADE	NRA ABOVE GRADE	EFFICIENCY	GBA BASEMENT	NRA BASEMENT STORAGE	EFFICIENCY
130 Seward Street	46,571 SF	35,624 SF	76.5%	9,782 SF	6,085 SF	62%
119 2nd Street	1,900 SF	1,320 SF	69%	934 SF	500 SF	54%
TOTALS	48,471 SF	36,944 SF	76.2%	10,716 SF	6,585 SF	61%

Description of 130 Seward Street – Goldstein Building

The site is improved with the Goldstein Building at 130 Seward Street, the Flag of All Nations Building at 119 2nd Street, and a parking lot at the corner of 2nd and Main Streets. The Goldstein Building is a five-story structure with a full basement. The Goldstein Building is served by and elevator and is a reinforced concrete structure dating to 1914. It was restored after a fire in 1939 and re-opened in 1946. Today, it is a multi-tenant building with retail, restaurant and office spaces of good quality.

SUMMARY OF 130 SEWARD STREET BUILDING AREAS

Floor	GBA	Uses
Level 1	9,674 SF +1,821 = 11,495 SF	Lobby and Elevator access, retail /service spaces, restaurant. Mezzanines in Annie Kaills and Northwind Architect spaces total additional 1,821 SF
Level 2	8,769 SF	Offices – 366 SF is State Agency and balance are small to medium sized offices
Level 3	8,769 SF	Offices – 3,164 SF is State OCS office & small offices
Level 4	8,769 SF	Offices - 6,052 SF is State OCS office & small offices
Level 5	8,769 SF	Offices – 1,147 is State Ombudsman & 5,631 is State WIC office
Basement	9,782 SF	Mechanical, electrical, sprinkler and heating and ventilation systems, maintenance work areas and rented storage areas
Building Total	**56,353 SF**	
Above Grade Area Only	**46,571 SF**	

The 130 Seward Street building was built by Charles Goldstein in 1914 and is located at the northwest corner of the historic district. It is an early 20th century building of commercial architecture. The five-story building is of reinforced concrete with a full concrete basement. It was designed with five pronounced bays, each with a storefront window on the first floor and a band of windows on the second floor, and double hung windows on the third and fifth floors. The original design included a flat front with rectangular fenestration patterns and a flat roof. The building was gutted by fire in 1939 but the concrete walls survived the fire and the building was rebuilt in the 1940s with a re-opening in 1946.

Today, the five-story building is served by a 3,000-pound passenger elevator and by a freight elevator. Significant improvements have been made in recent years, including a new canopy along the sidewalks in front of the building on the Seward and Second Street sides, work on a portion of the roof where it was pitched that required cleaning out and filling of a cavity with cellulose insulation which management stated has significantly reduced roof heat loss.

Replacement of all of the exterior windows in the building began a few years ago. The windows that have been replaced were not air tight and there was water damage to address as well. To date, 48 windows on 2nd Street and 30 windows on Main Street have been replaced with double hung energy efficient windows in metal frames. All windows have shades and are operable. There are 52 interior windows left to replace. Reportedly, the cost per window has averaged $6,000.

This project required that tenants relocate within the building for an interim period while work was being conducted. The full extent of the decrease in energy costs will not be realized until the project is completed.

The basement has a high ceiling of 12 feet and houses the heating system, boilers, hot water heaters, sprinkler system, ventilation system, electrical panels, etc. This area is well lit and maintained. There are maintenance work areas for the building staff as well as storage areas that are rented out. This level is served by a freight elevator, a restroom and also the passenger elevator.

Street Level Tenant Spaces

The street level includes a small lobby area with an entrance from Seward Street. The elevator is located in this area. Exterior doors on Seward Street access the tenant spaces on this level, which include Northwind Architects, Annie Kaills, Capital Barber and Little Tokyo. These tenant areas have varying interior finishes, as the photographs show. The spaces have high ceilings; in the Northwind Architect and Annie Kaill spaces, there are mezzanine areas, 861 SF in Annie Kaills and 960 SF in Northwind Architects that are finished for retail or office uses. Annie Kaills has painted and slat walls with attractive wood accents. The flooring is commercial carpet tiles and lighting is from mounted

fluorescent and suspended decorative lights. The space has a high exposed ceiling system, as shown.

The Northwind Architects space has a painted concrete floor, painted sheetrock walls, a white painted ceiling with exposed pipes, painted ceiling beams, suspended lights, track lights and mounted lights, and a ceiling fan. A stairwell at the rear of the space accesses a mezzanine level work area for architects. The mezzanine half wall that is visible from the front door has a black metal railed section that adds visual interest allows sight into this work area. Below the mezzanine is a partially glassed in work area.

The Little Tokyo restaurant is an end unit with many windows along 2nd Street and an entrance from Seward Street.

Levels 2-5 of the building have U-shaped floor plans (see typical plan on a following page) with many offices with exterior windows and a lesser amount of non-window spaces. Each level has two sets of interior stairs. As the floor plans show, each floor has a men's and women's restroom near the elevator bank, and a portion of offices are oriented to the west facing courtyard, which houses mechanical ducting for a restaurant.

The layout of the floors includes small offices rented by the private sector and medium to large sized rooms rented by the State of Alaska.

The ceilings have suspended acoustical systems and flush mounted lighting. The sheetrock walls are painted and the flooring is commercial grade carpeting with carpet baseboard. Heating is distributed by wall mounted registers in the offices, as is shown in the photographs.

Each level has two restrooms with two stalls and two sinks each. The two restrooms on each level have vinyl floors, rubber baseboard, washable wall surfaces, a counter with two sinks, a mounted mirror, and two-bathroom stalls. On the third floor there is a south facing break room with upper and lower cabinets, counter surface and a stainless-steel sink.

The most significant improvement to the offices is the replacement of exterior windows, mentioned earlier, as well as restoration of wall damage where necessary. The interior doors are of good quality and are wood or epoxy finished doors with opaque glass inserts in the upper portion.

Basement

The building has a full basement which is dedicated to the mechanical, plumbing, electrical, hot water and fire sprinkler systems. This area has a high ceiling, slab floors and good lighting. A portion of the basement has been divided into areas for storage needs and workshops for the building maintenance crew, and storage of varying sizes that are rented out for storage needs of tenants in the building and in the neighborhood.

SKETCH/AREA TABLE ADDENDUM

Parcel No 1C070A020043

SUBJECT

Property Address

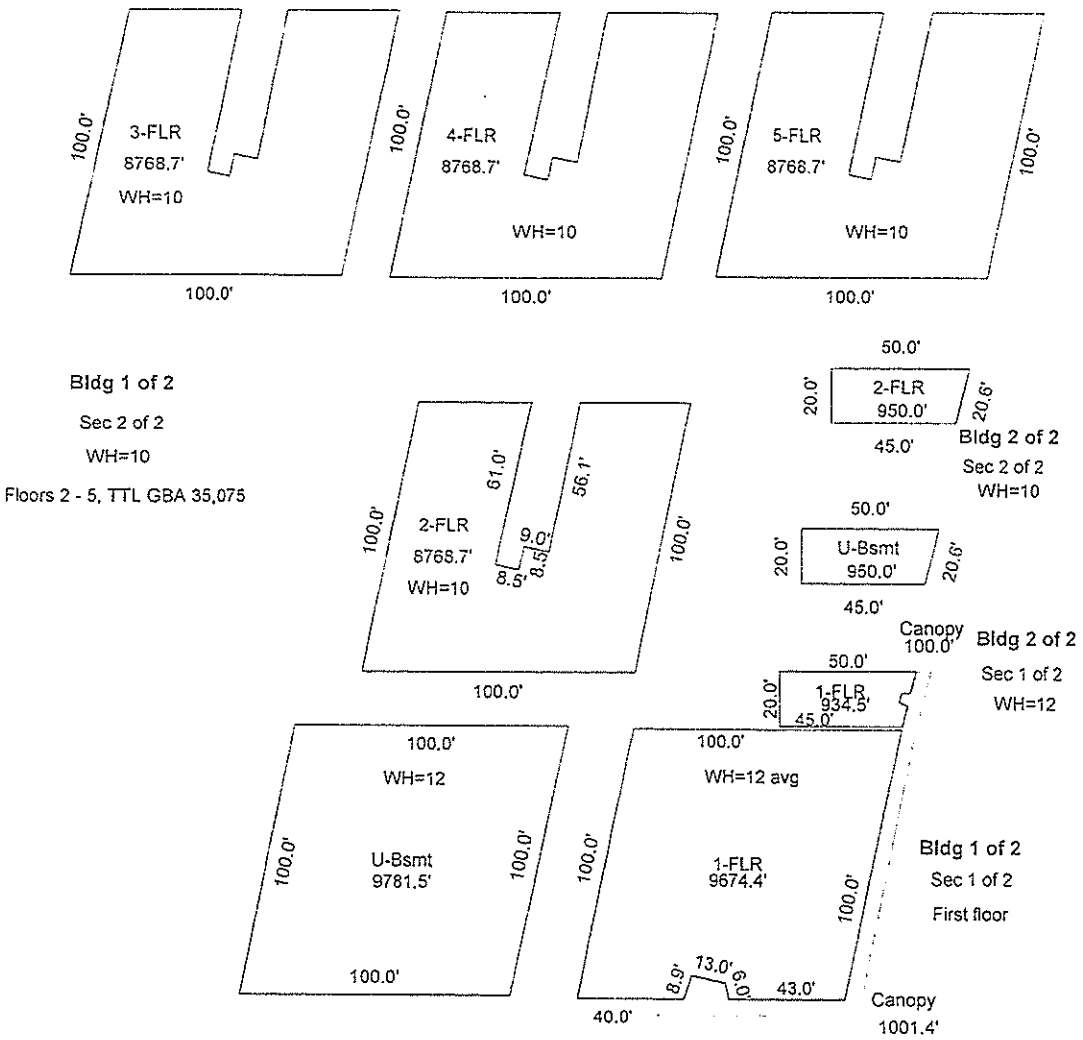
City State Zip

Owner

Client

Appraiser Name jcs

IMPROVEMENTS SKETCH



Scale: 1 = 70

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	9674.4	410.9	
	1-FLR	1.00	934.5	140.4	10608.9
GBA2	2-FLR	1.00	8768.7	525.6	
	2-FLR	1.00	950.0	135.6	9718.7
GBA3	3-FLR	1.00	8768.7	525.6	8768.7
GBA4	4-FLR	1.00	8768.7	525.6	8768.7
GBA5	5-FLR	1.00	8768.7	525.6	8768.7
BSMT2	U-Bsmt	1.00	9781.5	400.0	
	U-Bsmt	1.00	950.0	135.6	10731.5
P/P5	Canopy	1.00	1001.4	361.9	
	Canopy	1.00	100.0	51.2	1101.4
Net BUILDING Area		(rounded w/ factors)			46634

BUILDING AREA BREAKDOWN

	Breakdown			Subtotals
1-FLR				
0.5 x	1.2	x	5.8	3.6
	2.7	x	45.7	123.5
	43.0	x	5.8	249.4
0.5 x	19.0	x	89.3	847.8
0.5 x	2.7	x	12.7	17.1
0.5 x	0.6	x	2.7	0.8
0.5 x	5.8	x	1.5	4.3
0.5 x	2.8	x	8.5	11.9
	81.0	x	89.3	7235.9
	38.2	x	8.5	324.6
0.5 x	19.0	x	89.3	847.8
0.5 x	1.8	x	8.5	7.7
0.5 x	7.7	x	2.3	8.7
	7.8	x	45.0	352.1
	4.5	x	43.9	196.1
	47.7	x	7.7	368.0
0.5 x	7.8	x	1.7	6.5
0.5 x	2.7	x	1.2	1.7
0.5 x	3.2	x	0.8	1.3
2-FLR				
0.5 x	11.3	x	55.0	310.6
89 items	(rounded w/o factors)			35466 34

Heating system relies upon a boiler and back up boiler, copper piping to provide a steam heat system to the building.

Security

There are cameras on all floors of the building.

Overall Maintenance and Condition

This is a well-maintained building that is continually making improvements to the building to improve its energy efficiency and lower maintenance over the long run. This includes the window replacement project discussed earlier, and the roof project that added insulation needed in specific area.

The overall maintenance and condition of this building is good. Its construction is sound and if it continues to be well maintained and upgraded as needed to be competitive in the marketplace, its remaining economic life can be extended indefinitely.

Pending projects include the replacing 52 windows, which will be the last phase of this project. A skylight has been purchased to cover the open courtyard at the west side of the building and it remains to be installed. It will protect this area from the elements, protecting the mechanical ducting and windows there.

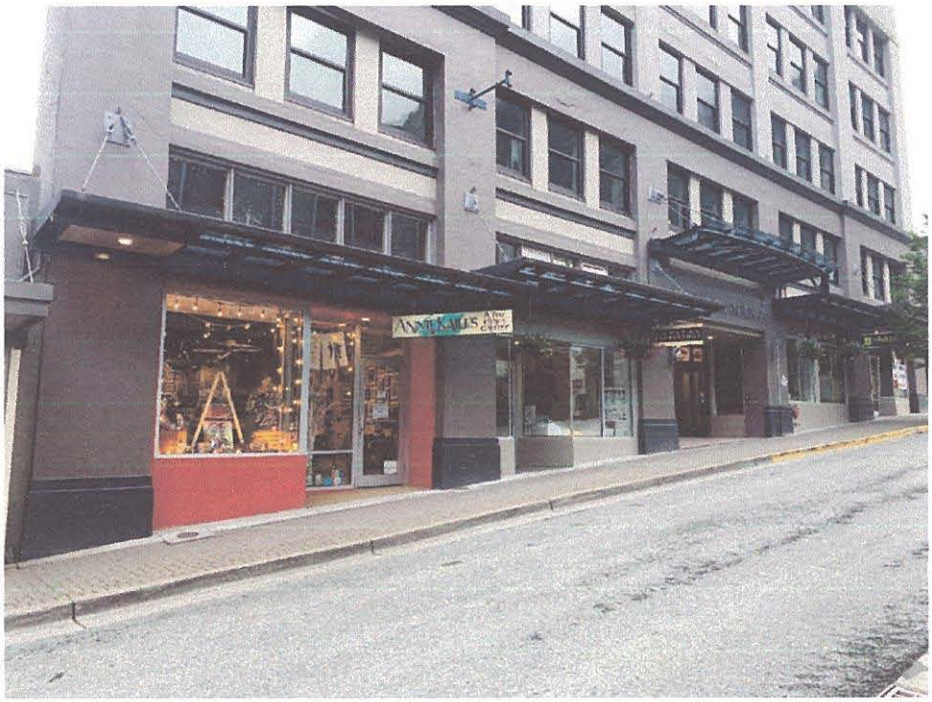
A $60,000 project on the 3rd floor will make an office are more efficient by reconfiguring the layout to include window walls and more window offices.

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SUBJECT PHOTOGRAPHS



Street View along Seward Street – past 130 Seward Street



View north along Seward Street at 130 Goldstein Building

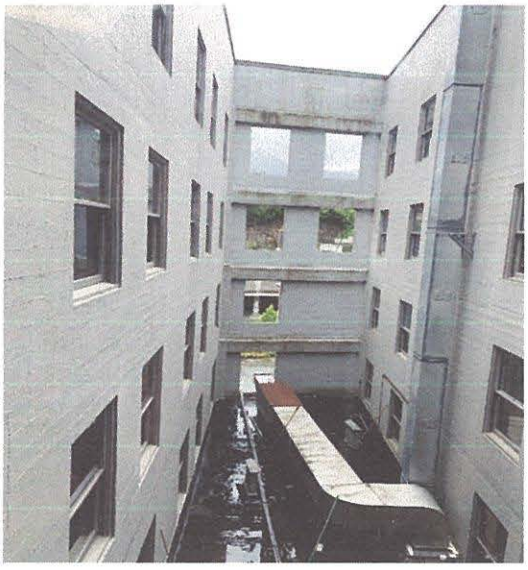


View of front of 130 Goldstein Building



West View along Second Street at 130 Seward (near) and 119 Second (far, yellow)

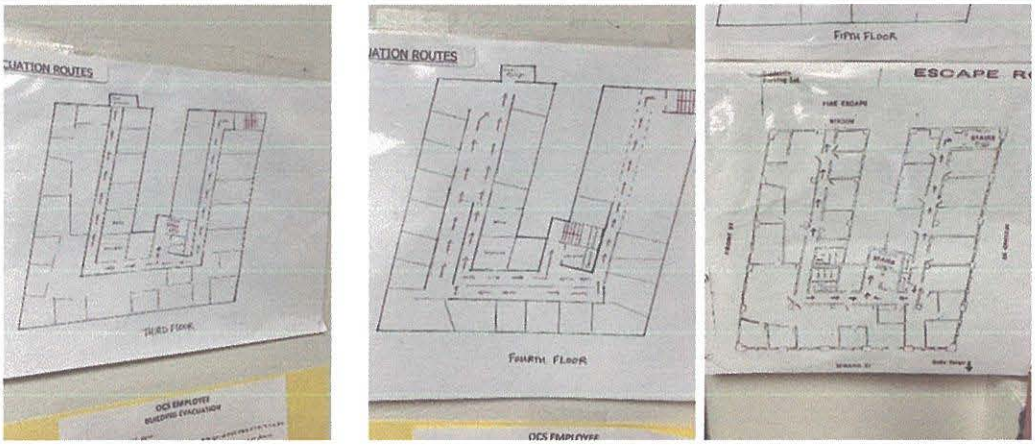




Above is picture of 130 Goldstein from Main Street, light gray building is 119 Second Street.

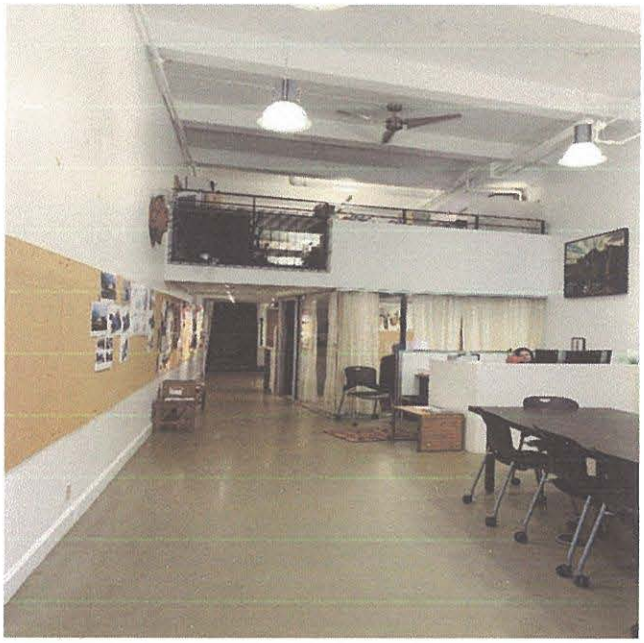
To the left is a picture of the courtyard taken from inside the 130 Goldstein building. Mechanical ducting for the restaurants is in view. A skylight has been purchased to cover this area and protect it from weather





Floor Plans of 2nd, 4th and 5th Floors

PHOTOGRAPHS OF RETAIL SPACES IN 130 GOLDSTEIN BUILDING



Northwind Architects - 126 Seward Street interior



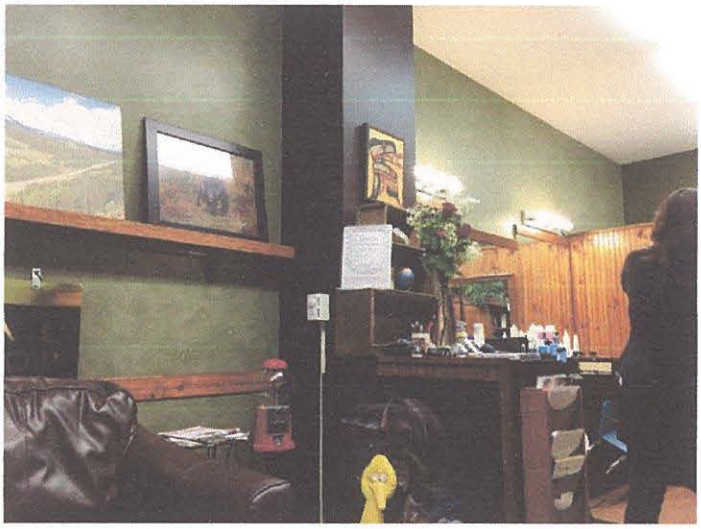
Little Tokyo Restaurant at 140 Seward Street - windows facing Seward and Second Streets and Main Entrance from Seward Street.



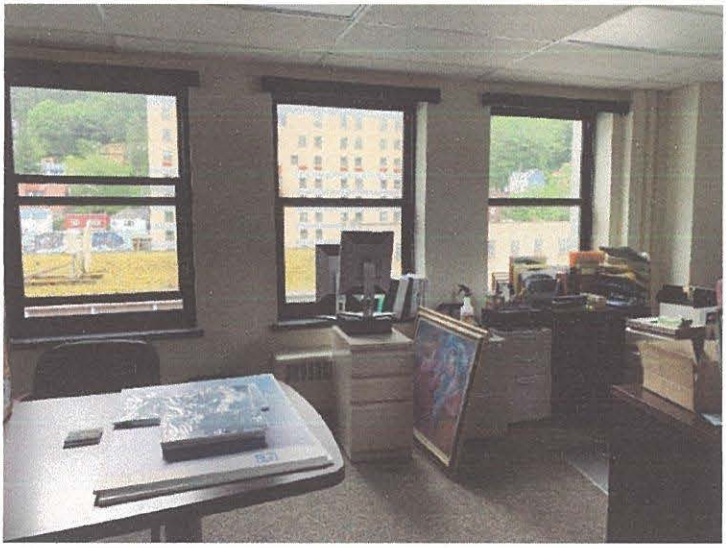
Annie Kaill's interior - 124 Seward Street



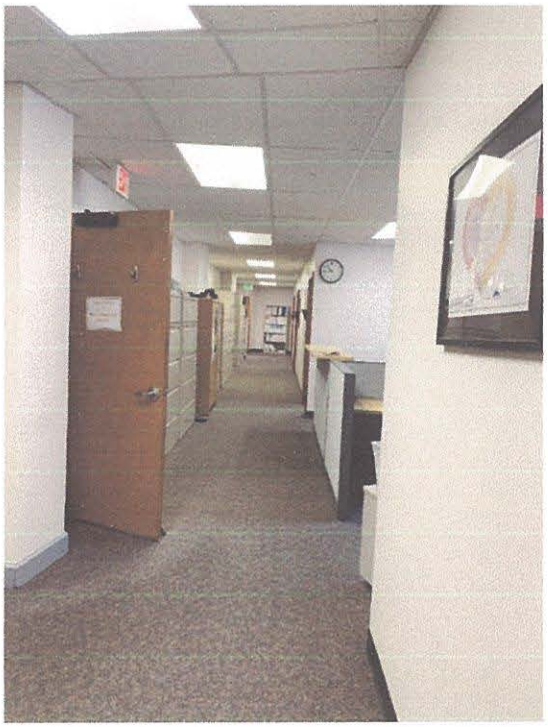
Capital Barber Shop - 128 Seward Street abuts building lobby

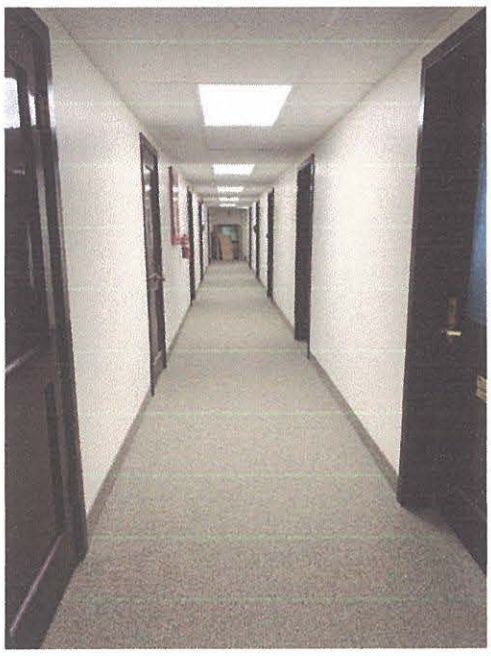


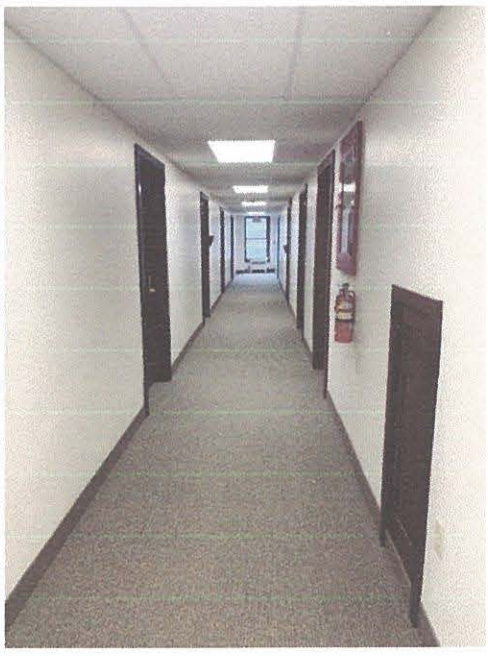
Interior of Capital Barber Shop – 128 Seward Street



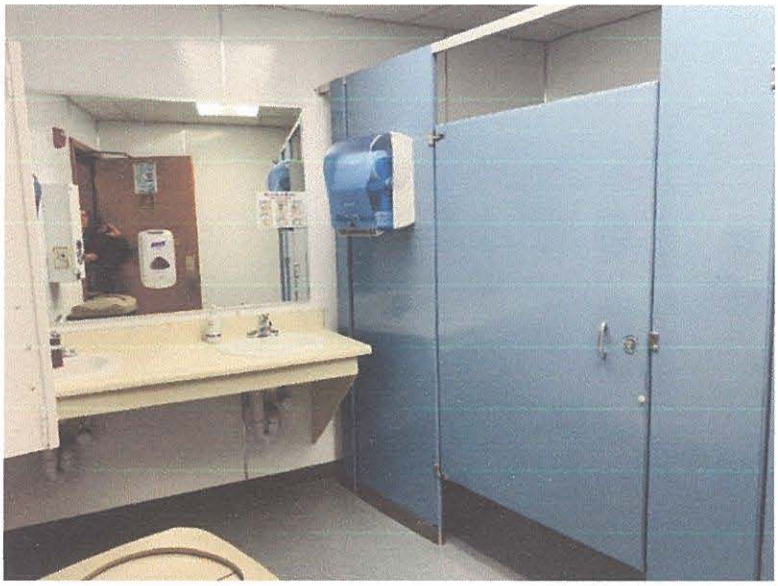
Office Interiors – Upper Levels 2-5







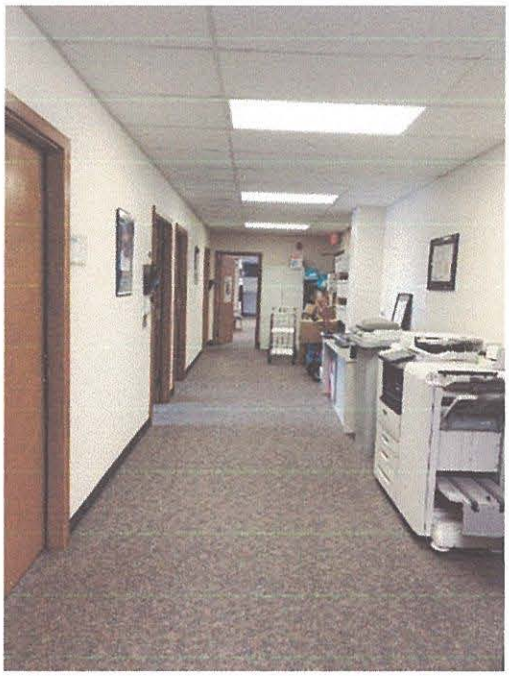
Upper Levels 2-5 Hallway Views



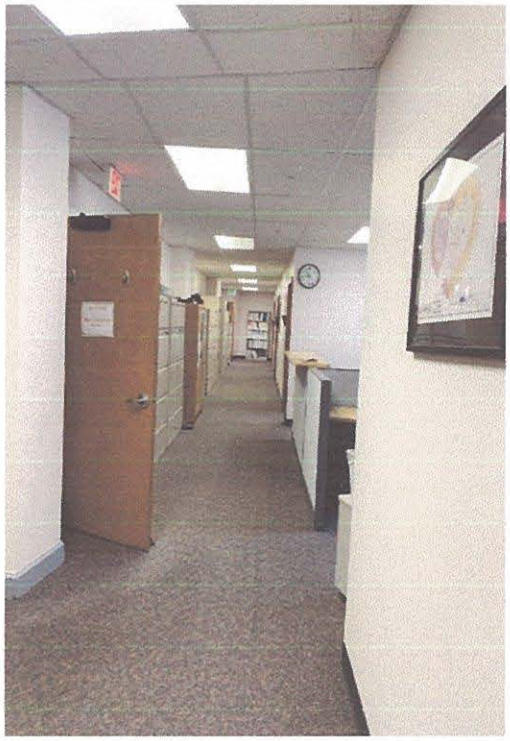
Typical common area restrooms



Break room



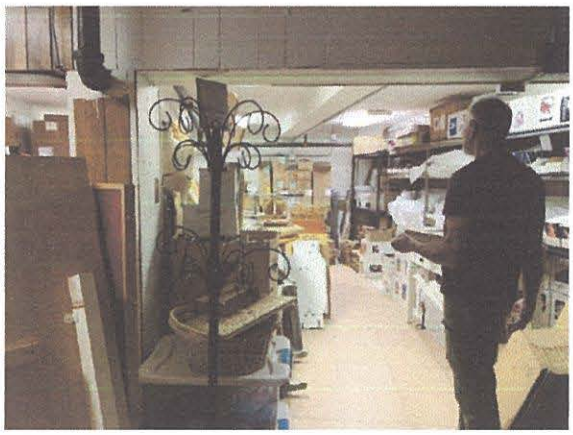
Office of Children's Services



BASEMENT STORAGE AREAS

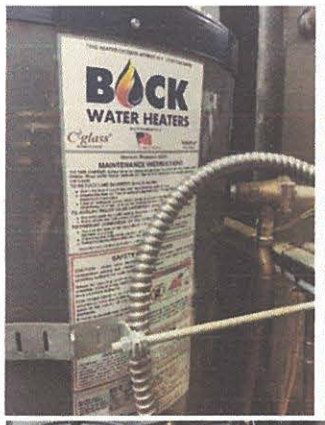


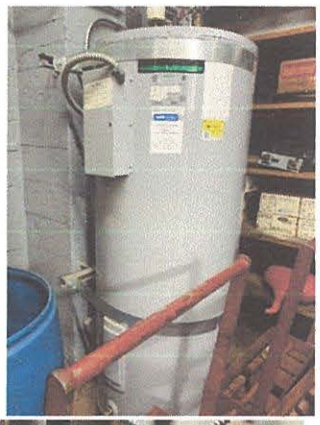
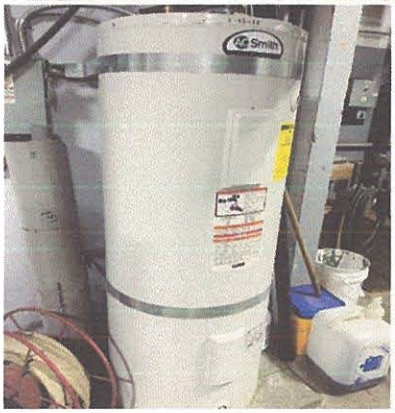


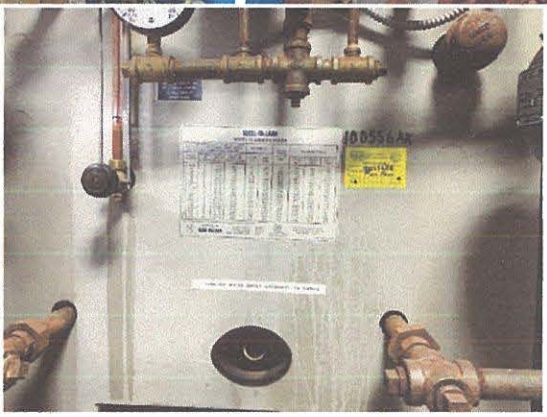
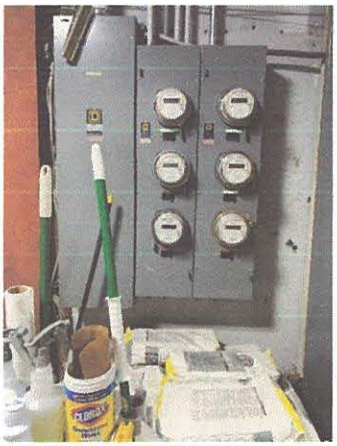
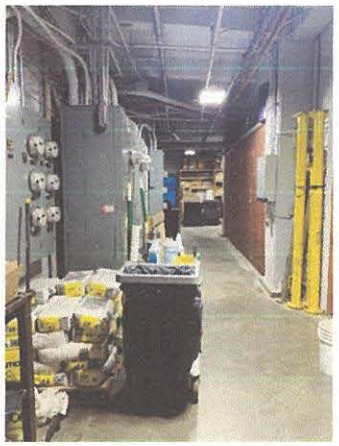


Rented Storage Area – above

Mechanical, Heating, ventilation, sprinkler and electrical panels in Basement





DESCRIPTION OF FLAGS OF ALL NATIONS BUILDING – 119 SECOND STREET

This building is located at 119 Second Street and abuts the 130 Goldstein Building. This building is on the Alaska Historical building site and is referred to as the Koosher Building (AHRS No. Jun-080). The history of this property is that J.C. Koosher, a Sitka druggist, razed the Flag of All Nations cabin that served as Juneau's first post office from 1880 to 1893.

The building does not does not have an architectural style and records state that is was 20 feet by 48 feet. When built it featured a sidewalk canopy and a simple bracketed cornice. The two-story building has a flat roof, no parapet, and is of wood construction with double hung windows. Mr. Koosher operated a drug store at this location from 1893 into the 1920's.

Today, the street front has two wood and glass entrance doors, a light emitting decorative canopy above the entrances, transoms above the canopy, and two fixed storefront glass windows at the 119A space. This space has a high ceiling and good natural light. The level of interior finish includes a tin ceiling with recessed canned lights and decorative track lighting and painted sheetrock walls with cove along at the floors and trim at the ceiling. There are exposed pipes along the ceiling that are painted.

The access to the second-floor rental is from a street front door to an interior stairway that has wainscoting and a railing. This rental space is demised into several rooms providing offices, a central area, a kitchenette, and a bathroom. This space has a skylight at the top of the carpeted stairs, painted sheetrock walls and ceilings, suspended decorative light fixtures, carpeted floors in the office areas and vinyl square flooring in the kitchenette and restroom.

This space has good natural light from many windows. The kitchenette has a counter with stainless steel sink, a counter and upper and lower cabinet and wainscoting along one wall. The restroom has a window.

There are no windows on the east side of the building as it lies very close to the Goldstein Building. The street front space has four west facing windows, three south facing windows and two fixed storefront windows. Seven of the windows are double hung and operable. On the upper level, the space has two south facing windows, two west facing windows and three north (2nd Street facing) windows.

The basement is a converted crawl space with a height of 6.5 feet. It is an insulated and water proofed area that is accessed from an interior stair adjacent to the Bauer Clifton space. The usable area in the crawl space is used by Bauer Clifton for storage.

Each of the tenants in the building are provided all utilities except for power which is directly billed to them by AEL&P.

SUMMARY OF BUILDING AREAS

Floor	GBA	NRA	Comments
Level 1 119A 2nd Street	950 SF	660 SF	Rented to Bauer and Clifton which has its own exterior entrance. 1910 era tin ceiling, seven double hung windows and two fixed pane storefront windows on the on-street side. Tenant since 2012
Level 2 119B 2nd Street	950 SF	660 SF	Interior stairs to second floor.
Basement	934 SF	500 SF	6.5 foot high, insulated, waterproofed, lighted and accessed from interior stair
Total of all Areas	2,834 SF		
Above Grade Areas Only	1,900 SF	1,320 SF	Efficiency is 69%

SUMMARY OF TENANCY IN BUILDING

Floor	Leased Area	Monthly Rent	Rent per SF	Utilities	Comments
Level 1 119A 2nd Street Bauer Clifton	660 SF	$1,571	$2.38	Heat, w/s/g included tenant pays power	Tenant since 2012. Tenant has use of 500 SF in the basement
Level 2 119B 2nd Street Sonia Hendricks	660 SF	$1,576	$2.39	Heat, w/s/g included tenant pays power	Interior stairs to second floor.

Overall Condition and Estimate of Remaining Economic Life

The subject is in good condition with tenant spaces of good quality. Historical buildings that are well maintained and upgraded often have useful lives that are well beyond 100 years. The estimated remaining life of this property is not less than 30 years.

Components of Building

Construction type – wood construction dating to 1893.

Foundation – the building has a crawl space that is insulated and waterproofed

Insulation – insulated throughout

Windows – energy efficient windows in wood casements – mix of fixed pane and operable

Roof – flat built-up roof reportedly in good condition

Heating – there is a forced air furnace on each floor. The oil is pumped in from the Goldstein Building to serve the furnaces.

Power - the building has two electric meters, one for each tenant space

Fire Safety – the building is served by a sprinkler system.

Hot Water – domestic hot water heaters provide hot water to the building

Lighting – the lighting varies throughout the building and includes suspended ceilings with canned or flush mounted lighting, suspended fluorescent and/or decorative pendant lighting and/or track lighting.

Ventilation – the building has operable windows but no air conditioning system.

Water/sewer – CBJ provides water and sewer to the subject property.

Plumbing – Both levels are plumbed for bathrooms, breakrooms, etc.

Flooring – the flooring varies and includes wood floors, commercial carpeting, vinyl, vinyl plank and concrete, depending upon the area.

Doors – the two rental spaces have wood and glass entrance doors from the street. Interior doors are wood.

Wall finishes – the wall finishes vary and typically include painted sheetrock, some wainscoting, and washable surfaces in restrooms and kitchens areas where appropriate.

Ceiling Finishes – painted sheetrock in upper space and tin ceiling in street level space

Ceiling Heights – 10 to 12-foot ceilings.

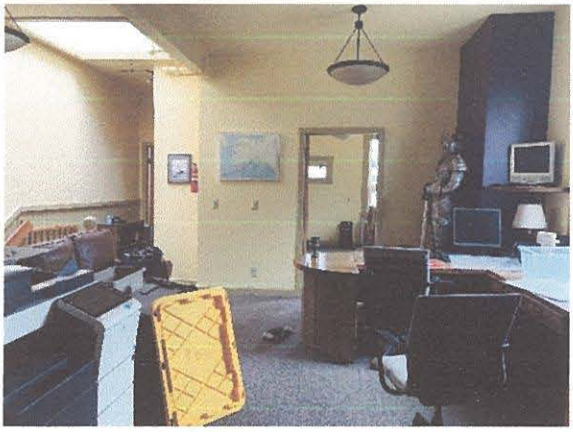
Photographs of 119 2nd Street – Flags of All Nations Building

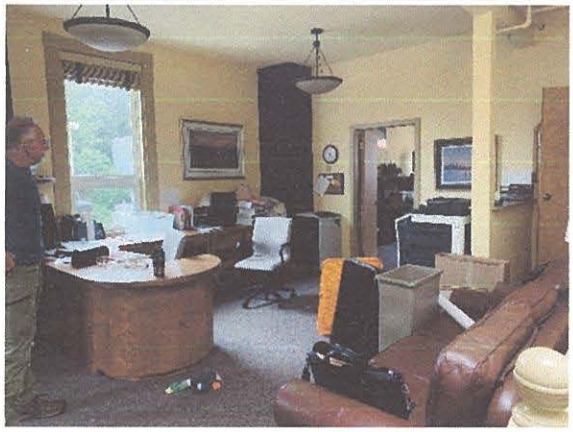


Street View looking South from 2nd Street

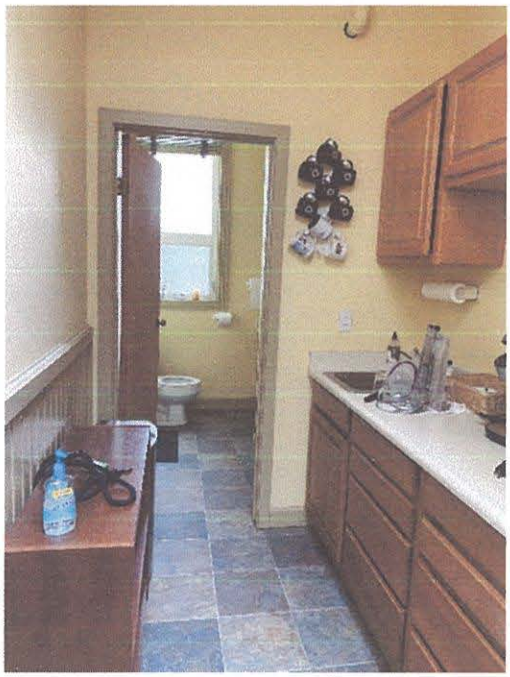


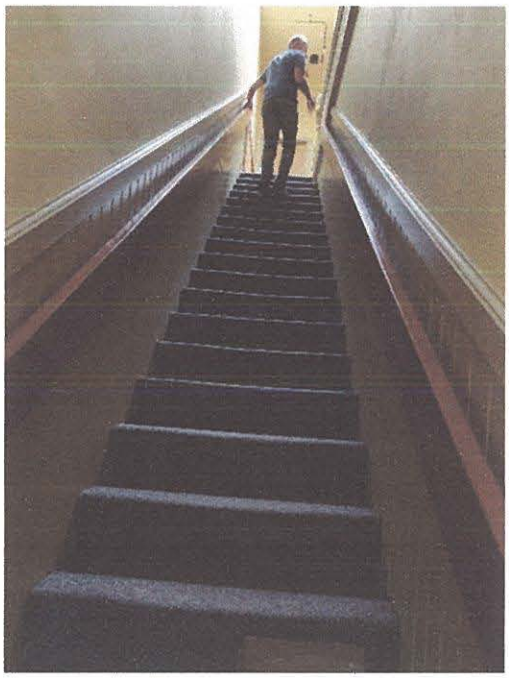
Suite 119 A – *Street Level





Upper Tenant Space





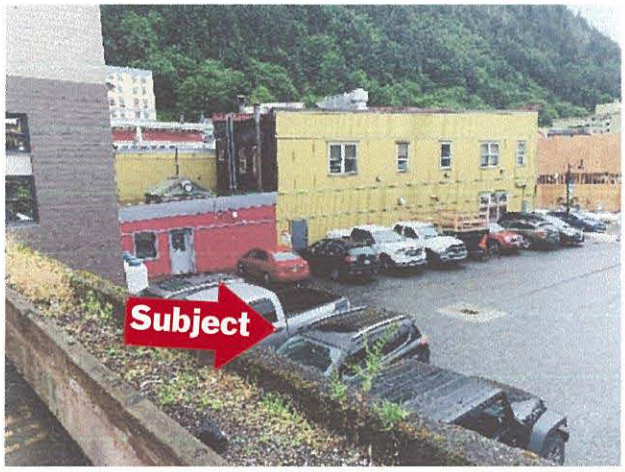
Suite 119 B – Second Level

SUBJECT PARKING LOT

The subject property has a parking lot that has an entrance from 2nd Street for 14 of its 19 spaces. As shown, the parking lot is striped and has a retaining wall on its south side. At the bottom of this retaining wall is a parking lot that is accessed from Front Street, which is at a lower grade. Five of the parking spaces on the subject property are pull in spaces along this retaining wall.



14 of the 19 parking stalls are at the 2nd Street elevation



5 of the 19 parking stalls at located along the wall at Front St. elevation

HIGHEST AND BEST USE

The definition of highest and best use is as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

If vacant and unimproved, the subject site, with its MU zoning, would be suitable for a mix of uses that are successful in this area, including retail, restaurants, coffee shops, year-round businesses that serve both locals and tourists, offices and rentable parking spaces.

Market conditions do not warrant new construction at this writing, given the impact of COVID-19 on the economy and state budget issues. Further compounding these issues is the spike in construction costs in large part stemming from the pandemic. New construction is not economically feasible at this writing for an improvement that reflects either of the two buildings on the subject site. As such, if vacant and unimproved, the site, if vacant would be purchased for parking in the near to mid-term, and construction at a time when it was economically feasible, which is likely several years off.

As Improved

The two buildings and parking lot are well maintained and are well located in the downtown of Juneau. The owners of these buildings embrace of mission of keeping their properties in good order and of being adaptable to economic conditions with a long view. These two factors have resulted in high occupancy rates over the years. The subject has been impacted by reductions in State rented office space, however, the reductions have been modest, and some of the vacated space has been taken up by the private sector. The implementation of new windows in the 130 Goldstein Building and upgrades to the roof have resulted in a more energy efficient and comfortable office environment. The 119 Second Street building is a walk-up building with a retail and office level. The building has historical appeal and has enjoyed high tenancy over the years.

Lying west of the Goldstein Building and adjacent to the Flags of All Nations building is a paved parking lot with 14 striped stalls on the upper level and 5 on the lower level along the retaining wall. The spaces are primarily for the tenants in the adjoining properties owned by Goldstein Improvement Company. This practice is typical in the downtown core as office and retail space leasing is improved if the landlord can offer parking as well. Off street parking in the core area is a valuable amenity and is typically in high demand.

Considering the foregoing, the existing use of the subject property does reflect a highest and best use. In the valuation section, two approaches to value with the greatest relevance, are the Income and Sales Comparison Approach. These approaches are relied upon to value the subject property.

INCOME APPROACH

It is an assumption of this approach that the value of the property is predicated upon the income stream that it can produce. This approach determines value by capitalizing the net income before recapture.

In this approach, the operating history of the subject property will be examined, and the rentals rates being achieved will be measured against competing properties. A stabilized income and expense forecast will be made for the subject property that reflects the highest and best use findings. The stabilized NOI will be capitalized to form a value conclusion for the subject property.

Projection of Revenues

The subject property generates income from the rental of retail and restaurant spaces, office spaces and parking stalls. An analysis of the current rent roll indicates that approximately 75% of revenues are from office leasing, 19% from commercial spaces on the street level, 6% from basement storage uses and less than 1% from parking. These revenue departments will be separately discussed below.

Office Space Leasing

Office space leasing is the most significant income producing department for this building as the 130 Seward Street building has four floors of office space, as well as one office in the 119 2nd Street building. The offices range in size from 200 SF to 10,032 SF. There are three State agencies leasing office space of 1,147 SF, 5,631 SF and 10,032 SF. The 10,032 SF space rental includes ten parking spaces to the rear of the building.

The rental range for these three agencies is $1.40 SF to $1.82 SF, however, the HS&S OCS lease of $1.76 SF needs to be adjusted downward for the value of the ten parking spaces included in the lease, which, at $90 per month would equate to $.09 SF. The rent attributed to the office space would be $1.67 SF. The adjusted rental rate range for the three state agencies, then, would be $1.40 SF, $1.67 SF and $1.82 SF.

The private sector and nonprofit sector have offices in the building that range from 200 SF to 2,296 SF. The rental rates range from $1.63 to $2.00 SF. The one office in the 119 2nd Street building is above this range, at $2.39 SF.

There are two recent leases in the building, both to the private sector; a 304 SF office on the fifth floor has been rented for $2.14 SF including janitorial, and a 456 SF office on the third floor has been rented for $1.76 SF including janitorial.

There are leases negotiated recently that will begin on February 2022; a 513 SF, fifth floor office for $2.14 SF including janitorial, and a 746 SF office on the third floor that will also begin on February 1, 2022 at a rate of $1.92 SF including janitorial.

At this writing, there is 1,715 SF of vacant office space in the Goldstein Building or 4.9% of the office area in that building. The owners have a small office in the building used for

administrative purposes. Its contributed value will be reflected in a lower administrative expense to the building when operating expenses are addressed later in this section.

Office Rental Comparisons

In this section, office space leasing for both small and larger rental areas is presented in order to determine if the current lease rates at the subject property fall in line with the marketplace.

Office Rental Comparison No. 1 reflects office leasing in the Senate Building, a renovated historical building at 175 South Franklin Street. This building is close to the intersection of S. Franklin Street and Front Street and has a tenancy that is year-round.

This building has four levels and an elevator. Two levels are retail and/or service related and the upper two levels are offices. The building is well maintained. The top floor tenancy has been stable for years, and renewals took place in 2018 and 2019. There is no off-street parking associated with this building. Office rental rates have remained stable over the past five years. At $2.00 to $2.21 SF including utilities.

Oceana renewed in March of 2019 for five years. This tenant has 3,527 SF of fourth floor view space and pays $2.10 SF including utilities. Altman Rogers occupies 1,697 SF on the fourth floor and pays $2.21 SF which includes utilities. The three-year lease began in January of 2018. There is a newer lease on the third floor that required the changing of the floor plan and new tenant finishes to create this leased space. This contemporary space is rented for $2.00 SF and is 1,500 SF in size. Adding the cost of janitorial service, at $.11 SF, adjusts the above rentals to **$2.11 SF to $2.32 SF**

There are smaller rental spaces on the second mezzanine level which are dominated by wellness and salon-oriented uses. These spaces range from 200 to 960 SF in size and rent for $2.09 to $2.71 SF including utilities and common area charges. This range is adjusted for janitorial service of $.11 SF, indicating **$2.20 to $2.82 SF** for smaller spaces.



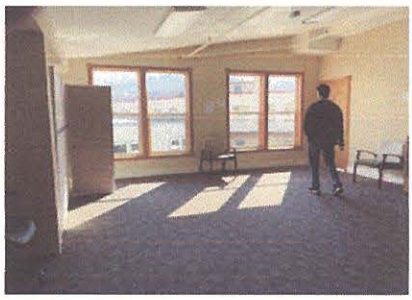




Office Rental Comparison No. 2 reflects office leasing in the 225 Front Street building. This is a two-story building with wide hallways and a front atrium, with many windows along Shattuck Way bringing in natural light. The leased spaces in this elevator served building are good comparisons for the small offices in the subject property. The leased areas are 600 to 850 SF and rent for $1.90 - $2.46 SF including all utilities. There is no on-site parking. Adding janitorial service at $.11 SF adjusts this comparison **to $2.01 to $2.57 SF.**



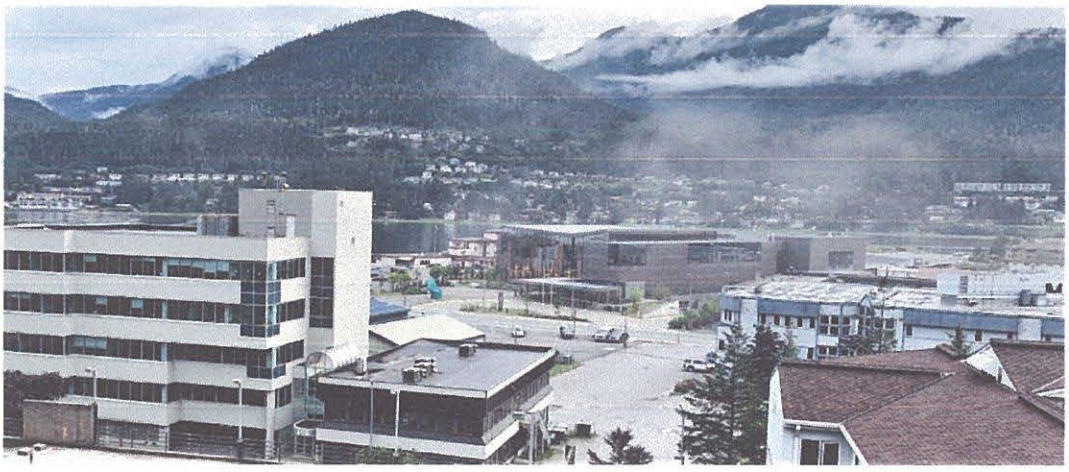







Office Rental Comparison No. 3 reflects a 2019 renewal of the DEC office space at the 410 Willoughby Office building. This location lies west of the core downtown area in the Willoughby District. The three-story office building is of wood construction and abuts paved parking areas. The State of Alaska renewed a lease for 22,270 SF of office space at a rate of **$2.40 SF** that is full service and includes 129 parking spaces. The renewal was negotiated based upon the owner upgrading the space at a reported cost of $2,000,000 or approximately $73 SF. This is a full-service lease that includes parking. The ten-year lease ends on February 28, 2029.

Assuming that the value of 129 parking spaces is $80-$90 per space per month at this location, it would contribute approximately $.40 SF to the overall rate, leaving **$2.00 SF** to the office area. This rate includes janitorial service.



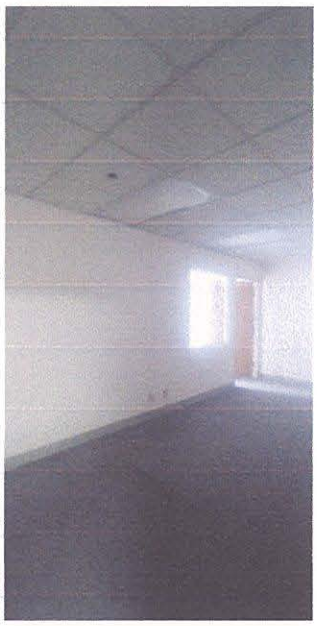
Office Rental Comparison No. 4 is the 431 N. Franklin Street building located at the corner of 5th Street and N. Franklin Street. This four-story building is built into the sloped hillside and has a partial first level and three floors above grade.

The State of Alaska HS&S Agency lease on the second floor was set to end, and was renewed for five years in 2021. The 2,446 SF of office space is rented on a full-service basis which includes janitorial serve, at **$1.98 SF**.

The renewal required that maintenance and service be completed on the elevator, door hardware, broken windows and for carpet cleaning or replacement. There is no parking included in this office lease.





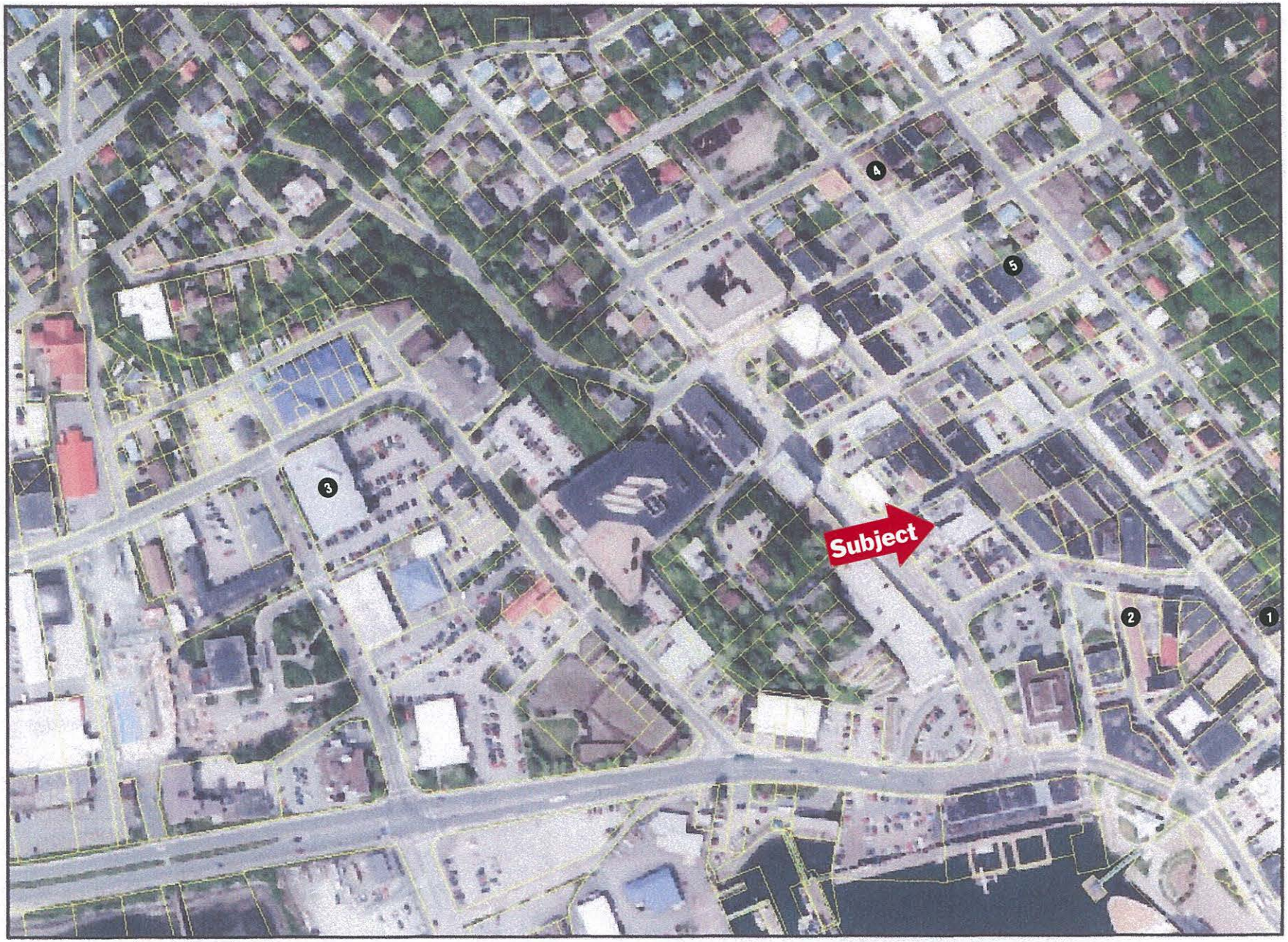


Office Rental Comparison No. 5 is located at 302 Gold Street in a building that has two levels, one at grade with North Franklin Street and one at grade with Gold Street. This is a concrete and glass, two story walk-ups with covered and open parking. In April of 2019, a 1,500 SF office was leased for $2.00 SF on a full-service basis, including utilities and four open parking stalls. The parking stalls are located at the Gold Street entrance to the building. The space is contemporary in style and design and includes six offices with windows, a reception area, and a shared kitchen/break room.

The value of parking stalls is $80 to $100 per month and $90 is applied in this analysis to back into the rate applicable to the office area. The parking contributes $.24 SF month, indicating an office rate of $1.76 SF. This is adjusted upward by $.11 SF for janitorial service, to **$1.87 SF.**







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Conclusion of Office Rental Comparisons

The office comparisons, adjusted for janitorial, range from $2.01 to $2.82 SF for small spaces, with most falling between $2.00 and $2.50 SF. At the subject, the range is $1.63 to $2.39 SF with outliers at both ends. Most tenants pay $1.80 SF and higher. It is noteworthy that there is a new lease at $2.03 SF, and a lease will start in February at $2.14 SF. Considering the foregoing, the subject's rates are supported by the marketplace. For the vacant offices in the subject, the projected market rent is $2.10 SF.

The medium sized rental comparisons indicate adjusted rates of $1.87 to $2.32 SF and the one large rental comparison indicates a rate of $2.00 SF. he two state leases comparisons, after parking is deducted, indicate a range of $1.98 SF to $2.00. In the subject property, the lease rates fall below this range, at $1.40 SF to $1.76 SF.

The State of Alaska is very price sensitive regarding rental rates, which creates a competitive marketplace for this type of leasing, that typically involves medium to large spaces. This is demonstrated by the lease negotiations for the Department of Education at the Michael Burns Building when in the process of renewing the 23,119 SF Department of Education lease. In this instance, the State was willing to vacate after its rental rate proposal was not accepted. As noted earlier, the State is now seeking competitive bids in the Juneau marketplace.

While the rental rates for the State agencies in the subject property fall at the lower end of the market range provided by the comparisons, they are considered market rates in this analysis given the competitiveness in the market for this type of tenant. The relatively lower rates at the subject, on balance, create a better chance that the subject will retain its State of Alaska tenants.

Street Level Retail Rentals

The subject has street front rental spaces in the ground floor of the Goldstein Building and on the ground floor of the FAN building. The following comparisons provide indicators of rental rates for this type of space in the broad neighborhood.

Street Level Retail Rental Comparisons No. 1 and No. 2 are located at 224 – 228 Seward Street in at two story building that has been converted to three condominiums on Seward street and a walk up second level. 228 Seward Street is advertised for rent at **$1.60 SF** plus electric and is a 1,320 SF space with a restroom and high ceilings. It is available for sale as well. 224 Seward Street is a 1,335 SF condominium with its own restroom and has very recently sold. Prior to the sale, it was renting for **$1.50 SF** plus electric.

The two-story building has three retail condominiums on the street level and a second level walk up office. There is a small parking lot at the rear, accessible from Main Street

and the full basement has room for storage. Each of the street level spaces has its own restroom and can access the rear entry to the building.



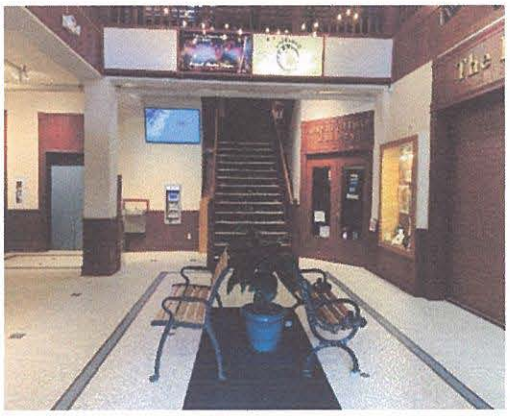




Street Level Rental Comparison No. 2 is located in the Senate Building which has a large high ceiling atrium area with a double door entrance on South Franklin Street. A wide stairwell and elevator access the upper floors from the atrium. The spaces in the atrium are rented for $1.79 to $3.09 SF including all utilities with the high end reflective of a space with window exposure to the street.

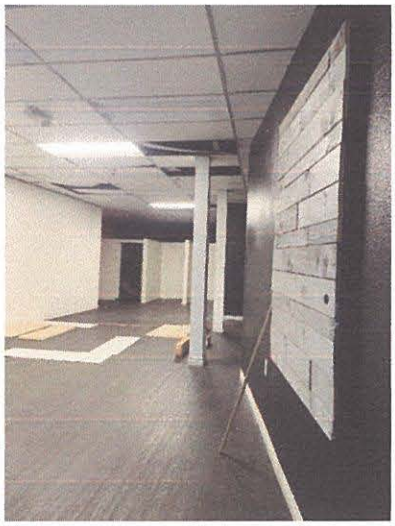
To compare this range to the subject property, the cost of power, estimated at $.05 SF per month, must be deducted, adjusting the range from **$1.74 to $3.05 SF** for this comparison.

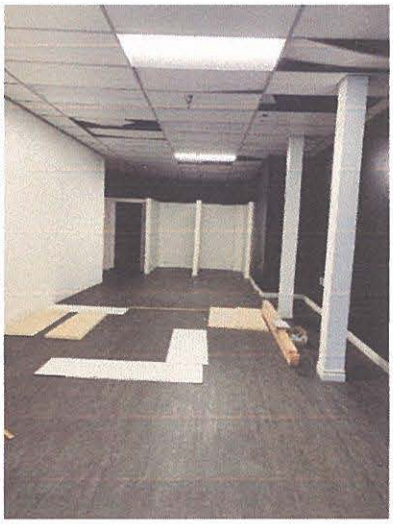


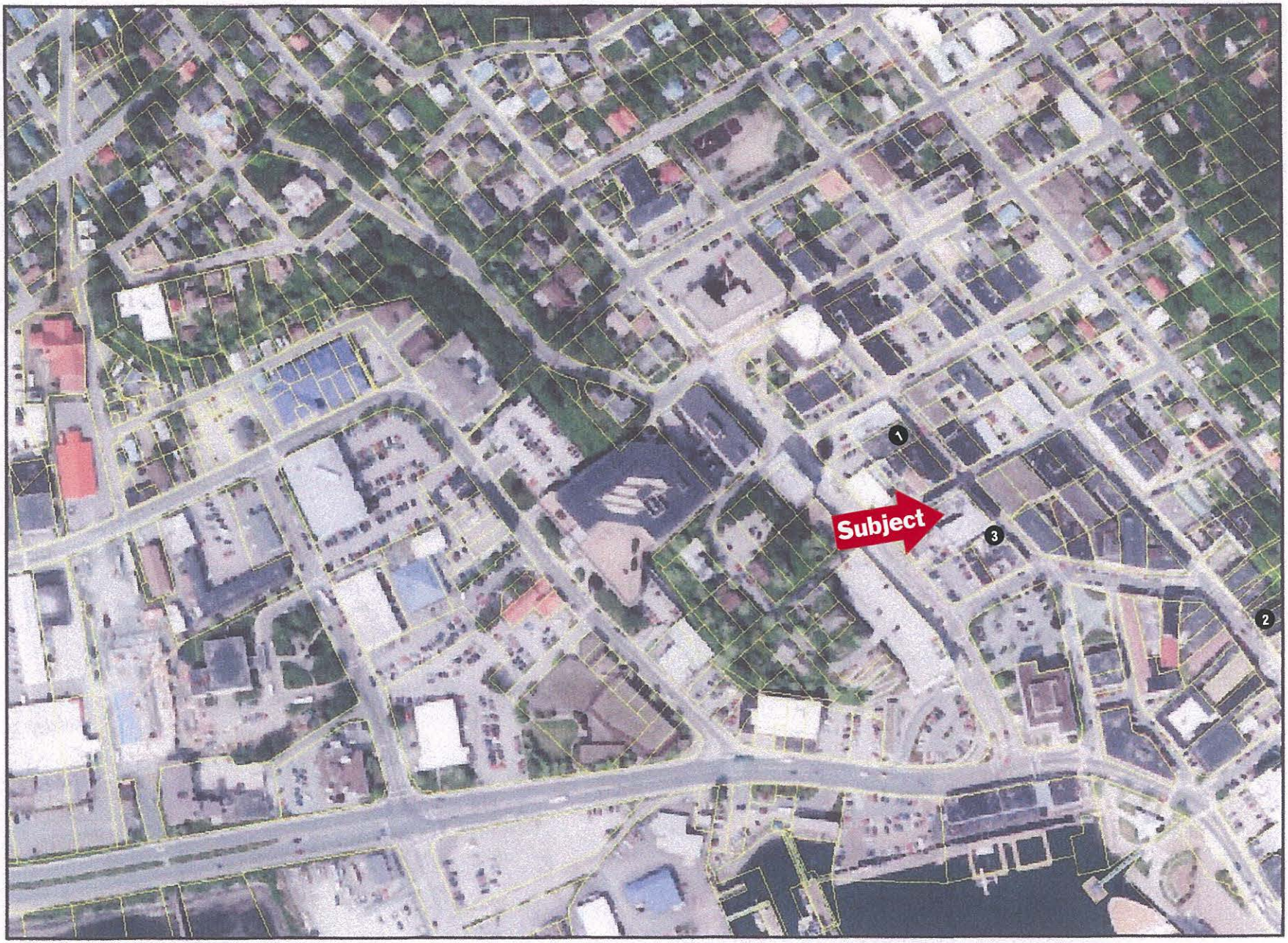


Retail Level Rental Comparison No. 3 is located at 116 Seward Street. This space has been on the market for $1.89 SF plus power for several months and has been leased to a salon that will be taking occupancy in February of 2022. The tenant is renting the space at the asking rate. The space includes floor area as well as a good sized storage area that is modestly elevated above the street level. This area is not charged an additional amount of rent. This space has a restroom at the rear.









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Summary of Street Level Retail Rental Comparisons

The comparisons range from **$1.50 SF to $3.05 SF** with the high end reflecting an outlier. The rental rates for the subject spaces reflect their floor areas (excluding the mezzanines for comparative purposes) as none of the comparisons include finished mezzanines.

The rates at the subject property range from **$1.47 SF to $2.80 SF** with the high end being a small barber shop. The low end is a rental that is discounted 25% due to the impact of COVID on the business.

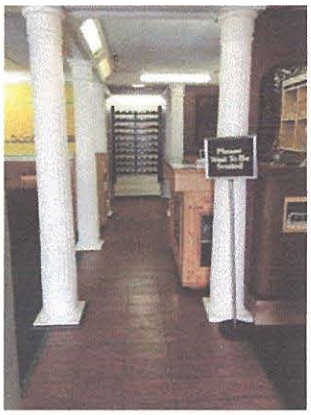
On balance, the rates in the subject property do fall in line with the market in which it competes and are considered to reflect market rates in this analysis.

Restaurant Rentals

The subject property has one leased restaurant space that is 2,510 SF and is rented for **$1.88 SF** with the tenant paying for power. This rate reflects a 25% COVID discount.

Restaurant Rental No. 1 is located in the Airport Shopping Center in the Mendenhall Valley at 9121 Glacier Highway Unit 7. This shopping center was built between 1963 and 1997 and has several one- and two-story buildings at a corner site. This space has a rounded greenhouse feature that brings a lot of light into the space. The space was rented to open the Bowl of Pho restaurant in the former Jovanny's location. This 2,450 SF restaurant rents for **$1.91 SF** plus power. There is on-site parking at this location.





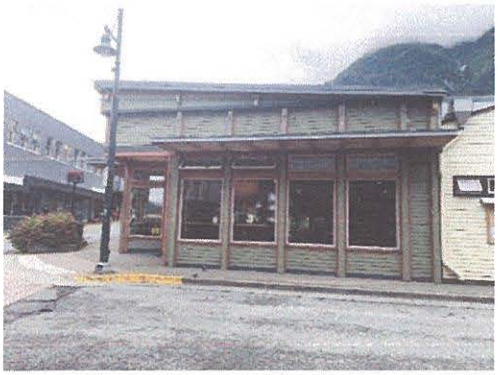
Restaurant Rental No. 2 is at 134 N. Franklin Street, a corner location across from the Baranof Hotel. This one-story building was built in 1936 as the Alaska Power and Light Company building. It is of reinforced concrete construction with a full basement. Its style is Art Deco. The interior has high ceilings and the two exposed sides of this space have a significant number of windows. It had been used for retail purposes for many years and was well advertised for rent several years ago.

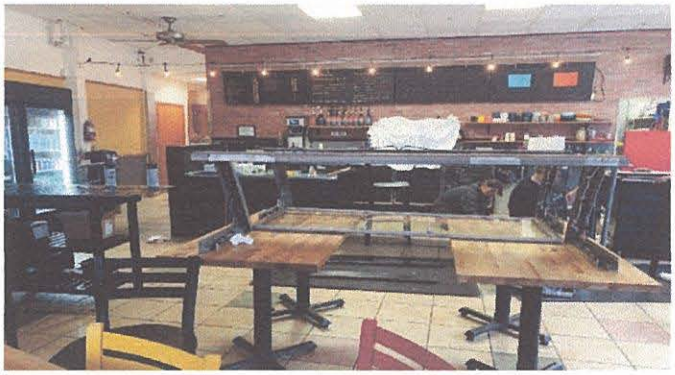
The lessee rented the 1,872 SF space at **$1.60 SF** with the intention of opening up a new distillery in town (Amalga Distillery). The tenant occupies some of the basement area at a rate of $.60 SF. The tenant pays for all utilities. There is no on-site parking.

This rental rate needs to be adjusted upward for water, heat and trash to be compared to the subject property. These three utilities cost approximately $.14 SF based upon a review of expense data collected for this appraisal. Adding for utilities adjusts this comparison to **$1.74 SF.** The lessee purchased this property in early 2021 at an undisclosed price.



Restaurant Rental No. 3 is the new restaurant at the corner of 2nd Street and Senate called Good Vibes. This café replaces the former Subway location. This café's grand opening was in early December. The tenant pays **$1.74 SF** for the 1,435 SF space plus power.





Summary of Restaurant Rental Comparisons

After adjustments, the three comparisons indicate a range of **$1.74 to $1.91 SF**. The subject is leased for $1.88 SF, which falls within this range. The current rent does reflect a market supported rate.



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Summary of Restaurant Rental Comparisons

After adjustments, the three comparisons indicate a range of **$1.74 to $1.91 SF**. The subject is leased for $1.88 SF, which falls within this range. The current rent does reflect a market supported rate.

Parking Stall Rentals

The subject parking lot has 19 spaces, 13 of which are rented to tenants in the building or in nearby buildings. There are 6 spaces that are not committed to tenants and a market rent will be applied based upon market comparisons which are presented below.

COVID has impacted the number of people who work downtown on a regular basis. While parking was in high demand prior to COVID, the demand is much less so now as many offices from home for varying parts of the work week. Parking lot owners interviewed indicate that they are not reducing their parking stall rents.

Parking Stall Rental Comparison No. 1 is parking spaces adjacent to the Ebner Building at 4th and Franklin Streets. The paved lot has 23 spaces that are rented for $100 space per month. Some older agreements are less than $100 space and some are more, however the $100 per stall rent reflects the tendency.

Parking Stall Rental Comparison No. 2 reflects parking space rentals for the lot next to Shattuck and Grummet on Third Street at $100 month. This 4,238 SF lot has 14 stalls. REACH owns this lot and rents out some of the spaces.

Parking Stall Rental Comparison No. 3 is located on Harris Street next to an office building and across street from the Catholic church. The lot has 34 spaces; office tenants pay $84 month and non-tenants pay $100 month. Parking is not permitted on weekends at this location.

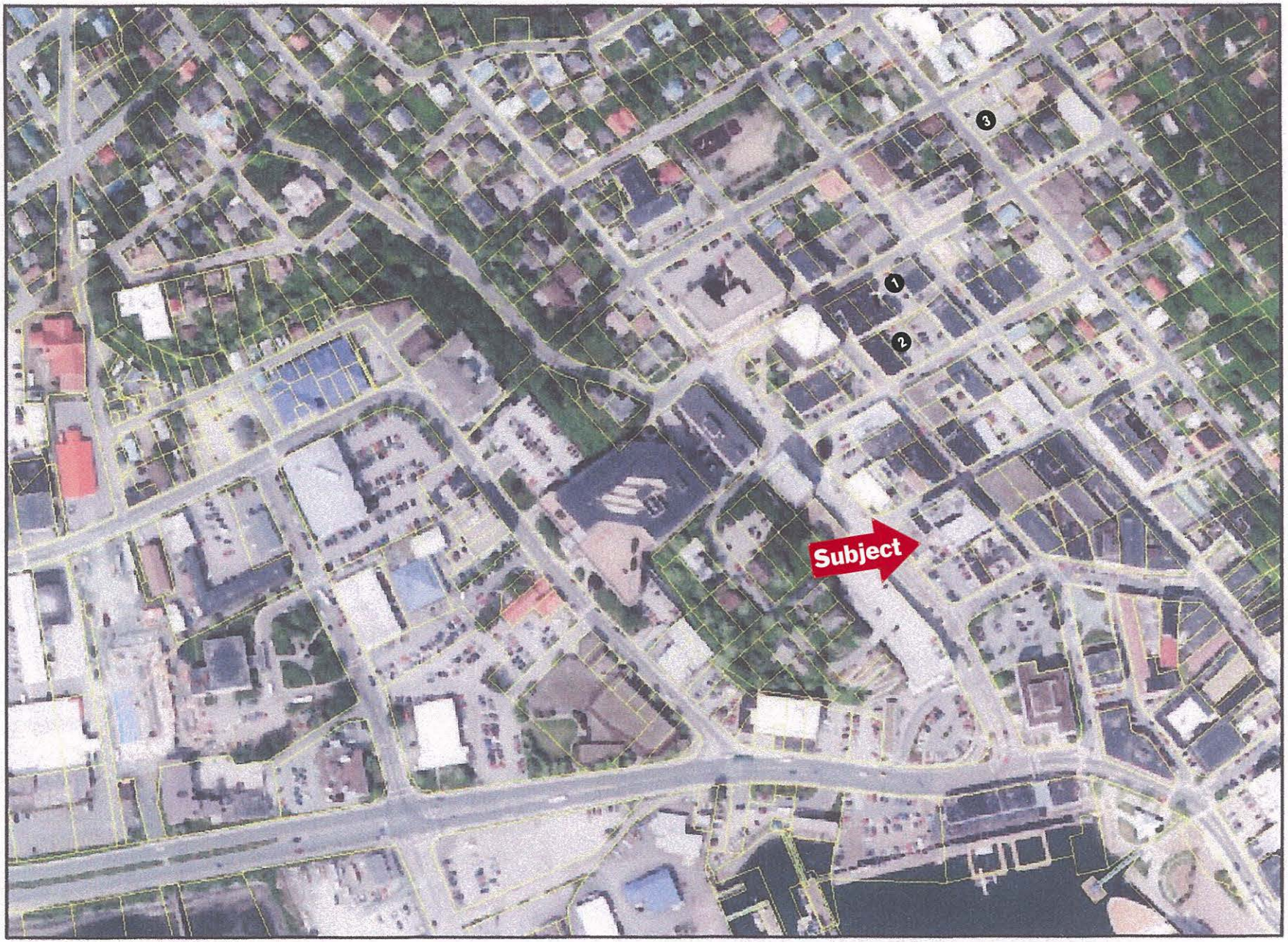
Conclusions of Parking Stall Comparisons

Goldstein Improvement Company has three lots, two paved and one gravel. Monthly rates for parking stalls range from $90 to $100 with most falling in the middle of this range. The market data supports a market rent of $95 per stall.

Projection of Gross Revenues

It has been determined in the foregoing sections that the rates being charged to the tenants in the subject property, with few exceptions, do represent market rates. Many tenants are receiving reduced rents if their businesses are impacted by the pandemic. When the pandemic is no longer a factor, rents will resume to their normal amounts, which will be 15% to 25% higher. It is not possible at this time to estimate when this will take place.

As shown on Page 62, the projection of gross revenues for the subject property, applying actual rental rates and projected market rates for vacant spaces, is **$764,716.**



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Vacancy and Credit Loss

The subject has enjoyed high occupancy rates over the past several years, and currently, 2.7% of the net rentable area is vacant which accounts for 3.1% of the potential gross revenue. These two indicators support projection of stabilized vacancy for the subject property of 3%.

Gross Effective Income

This is gross income less the vacancy allowance and is **$741,775.**

Operating Expenses

The owners of the subject property have provided two years of operating data that reflect six properties in the immediate area of the subject, and the include the subject. in the subject. The expenses provided are for 2019 and 2020 and represent 91,237 SF of above grade retail, restaurant, office and parking stall rentals in six buildings in the downtown area.

As shown on a following exhibit, the expenses are expressed on a dollar per square foot basis. This information is carried forward to a table that includes the above information, along with operating expense data from other Juneau buildings. The totality of this information is to provide ample data to rely upon in making expense projections for the subject property.

GOLDSTEIN IMPROVEMENT COMPANY OPERATING HISTORY						
	2020			2019		
TOTAL REVENUES	$ 1,342,217			$ 1,410,366		
	-			-		
Gross Effective Income	**$ 1,342,217**			**$ 1,410,366**		
GBA	91,237			91,237		
$/GBA	$ 14.71			$ 15.46		
Admin/General Expenses	**EXPENSE/YEAR**	**EXPENSE/SF**		**EXPENSE/YEAR**	**EXPENSE/SF**	
Admin/Legal/Accounting						
Legal fees	$ -			$ 105	$ 0.001	
Security	$ 237	$ 0.003		$ -		
Advertising	$ -			$ 100	$ 0.001	
Contributions	$ 100	$ 0.001		$ -		
Office Supplies	$ 1,530	$ 0.017		$ 2,599	$ 0.028	
Postage and Delivery	$ 402	$ 0.004		$ 206	$ 0.002	
Printing and Reproduction	$ -			$ 165	$ 0.002	
Dues and Subscriptions	$ 925	$ 0.010		$ 925	$ 0.010	
Bank Service Charges	$ 311	$ 0.003		$ 98	$ 0.001	
Finance Charges	$ 95	$ 0.001		$ 469	$ 0.005	
Licenses, Fees, Taxes, Permits	$ 3,132	$ 0.034		$ 2,523	$ 0.028	
Misc.	$ 52	$ 0.001		$ 2,409	$ 0.026	
Subtotal Administration	$ 6,784			$ 9,599		
GBA All Properties	91,237			91,237		
Indicated Expense per SQ. FT.	$ 0.07			$ 0.11		
Utilities						
Internet	$ 2,816	$ 0.03		$ 2,626	$ 0.03	
Cell Phone	$ 3,046	$ 0.03		$ 4,241	$ 0.05	
Electric	$ 36,997	$ 0.41		$ 46,557	$ 0.51	
Fuel Oil	$ 101,440	$ 1.11		$ 113,581	$ 1.24	
Telephone	$ 2,305	$ 0.03		$ 3,877	$ 0.04	
Trash	$ 20,529	$ 0.23		$ 19,284	$ 0.21	
Water	$ 21,920	$ 0.24		$ 31,574	$ 0.35	
Subtotal Utilities	**$ 189,053**			**$ 221,740**		
GBA All Properties	91,237			91,237		
Indicated Expense per SQ. FT.	$ 2.07			$ 2.43		
Maintenance Related						
Building Repairs and Mtn.	$ 96,330	$ 1.06		$ 227,627	$ 2.49	
Wages - Laborers	$ 37,760	$ 0.41		$ 66,430	$ 0.73	
Payroll tax Laborers	$ 2,983	$ 0.03		$ 5,248	$ 0.06	
Workers Compensation	$ 12,595	$ 0.14		$ 9,513	$ 0.10	
Small tools and Equipment	$ 1,768	$ 0.02		$ 5,662	$ 0.06	
Freight	$ -			$ 859	$ 0.01	
Auto Expense	$ 8,418	$ 0.09		$ 8,673	$ 0.10	
Subtotal	**$ 159,854**			**$ 324,012**		
GBA All Properties	$ 91,237			$ 91,237		
Indicated Expense per SQ. FT.	$ 1.75			$ 3.55		
Janitorial						
Janitor Supplies	$ 9,395	$ 0.10		$ 12,197	$ 0.13	
Janitor wages	$ 34,705	$ 0.38		$ 32,266	$ 0.35	
Payroll Tax Janitor 7.9%	$ 2,742	$ 0.03		$ 2,549	$ 0.03	
Subtotal	$ 46,842			$ 47,012		
GBA All Properties	91,237			91,237		
Indicated Expense per SQ FT	$ 0.51			$ 0.52		
Insurance	$ 36,135			$ 27,266		
GBA All Properties	91,237			91,237		
Indicated Expense per SQ FT	**$ 0.40**			**$ 0.30**		
Real Estate Taxes	$ 131,691			$ 129,578		
GBA All Properties	$ 91,327			$ 91,327		
	$ 1.44			**$ 1.42**		

Operating Expense Summary – Comparisons & Subject Property

	Comp. 1 8390 Airport Blvd.	Comp. 2 Marine View Building	Comp. 3 Senate Building	Comp. 4 3225 Hospital Drive	Comp. 5 225 Front Street	Goldstein Properties	Goldstein Properties	Stabilized Projection For Subject Property
Above Grade Square Footage	16,200	83,700	26,630	14,220	16,532	91,327	91,327	48,470
Year of Data	2020	2020	2020	2020	2019	2019	2020	2021
Use	Office & service	Retail, off. & Apt. & Parking	Offices, service & retail	Offices & Medical Clinics	Offc, food service, retail, clinics	Offc, clinic, service	Retail, food service, offices, 2 apt & parking stalls	Restaurant, retail, offices
Admin. Expenses	$.37	$.41	$.74	$.45	$.10	$.11	$.07	$.26
Utilities	$3.59	$2.64	$1.86	$3.04	$2.31	$2.43	$2.07	$2.45
Mtn & Repairs	$1.13	$1.62	$1.82	$1.77	$1.84	$3.55(1)	$1.75	$1.60
Insurance	n/a	$.53	$.29	$.63	$.35	$.30	$.40	$.50
Taxes	$2.34	$.97	$1.14	$2.07	$1.01	$1.42	$1.44	$1.47

(1) Significant maintenance in this year for non-reoccurring projects that are typically capitalized

Professional Management – the owners of the subject property perform these duties, however, for the purpose of this appraisal, a typical management fee is assumed. In Juneau, professional management is typically 5% of collected income, which is projected in this approach.

Administrative Expenses - a review of the table above indicates that the range for this category is quite wide, at $.10 to $.74 SF. The tendency of the data supports a narrower range of $.10 SF to $.45 SF. A $.35 SF expense is reasonable and is adjusted to $1.26 SF because the use of owner's bookkeeping office in the building lowers administrative costs.

Utilities – the expense comparisons indicate a range of $2.07 SF to $3.59 SF with the tendency in the narrower range of $2.30 to $2.64 SF. Given this range, an expense of $2.45 SF is supported for tenants that are provided all utilities in their leases.

Some tenants pay for a portion of the utilities and this will be reflected when projecting expenses. The landlord paid expenses will be less than $2.45 SF for these tenants. Where tenants pay for power, the downward adjustment is $.05 SF or to $2.40 SF.

Maintenance & General Upkeep - the 2019 indicator for the six Goldstein Improvement Company owned buildings, all located in the same area of downtown Juneau as the subject, was impacted by capital projects, which in 2020 were not a factor. 2019 included significant expense in the window replacement project in the Goldstein Building at 130 Seward Street.

The expense comparisons indicate a range of $1.13 SF to $3.56 SF; the high and low ends of this range are outliers. The remaining indicators provide a narrower range of $1.62 SF to $1.84 SF. Based upon this range, $1.60 SF is applied in this analysis. The expense for janitorial service and for parking lot upkeep will be addressed separately.

Janitorial - this applies to the spaces that receive janitorial service within their leased area. All of the offices on floors 2-5 are provided service. Offices are vacuumed, dusted, and trash collected three times a week and the common restrooms are cleaned five times per week. The janitorial expense reported by Goldbelt Improvement Company of approximately $47,000 the past two years reflects the service in this building.

Insurance - the subject's umbrella policy results in an expense that is favorable, compared to stand-alone properties. The comparisons range from $.29 to $.63 SF and the six GIC properties are lower, at $.30 to $.40 SF. The market data is given weight in making a projection for the subject (as a standalone property) of $.50 SF.

Real Estate Taxes reflect the expense in the Juneau market before 2021, in which assessments increased, primarily a result of the assessors' increases to commercial land values. While there have been many protests from tax payers regarding this issue, it appears that for the time being at least, property taxes in Juneau will increase. The projected expense reflects the 2021 assessment for the subject which equates to $1.47 SF.

Reserve Allowance – this allowance is a fund that builds up to be used as needed for replacement of short-lived items such as boilers, roofs, carpet, etc. It is not commonly an expense item in a profit and loss statement provided by owners. RealtyRates provides reserve allowance requirements in its quarterly reports (see Addenda for table). The indicate that the range for reserves for an office building is $.35 - $.90 SF year and for retail uses is $.35 to $1.10 SF. Based upon this information, and considering the number of upgrades and repairs to this building in the recent past, a $.40 SF reserve allowance is reasonable.

Capitalization of Net Income

Below, capitalization rates from sales of commercial properties in Juneau are shown.

Sale Comparison	Sale Date	Cap Rate	Use & Comments
3100 Channel Drive Juneau	June 2020	7.37%	Good quality office building with 20% warehouse built originally for Juneau Empire. At sale date, was mostly occupied by tenants.
5360-5368 Commercial Blvd. Juneau	May 2018	7.85%	Mixed use commercial bldg. of streel frame and metal construction with office, apartment, service, and shop uses.
Willo Park 10002 Glacier Highway Juneau	April 2019	7.54%	Established State office tenant under new 10-year lease. Building has been fully occupied for many years.
3225 Hospital Drive, Juneau	July 2021	7.00%	Fully occupied office and medical building in good condition
8390 Airport Boulevard, Juneau	August 2021	6.90%	Fully occupied office, retail service building in good condition
225 Front Street, Juneau	September 2021	8.07%	Renovated two story bldg. in downtown Juneau in good condition. Purchased by dominant tenant

RealtyRates is a national service that quarterly provides investment criteria that pertains to investment grade properties in the United States of all types. While not applicable to the Juneau market, which has few properties that would be considered investment grade, this publication does reflect national trends with respect to capitalization rates and other financing criterion.

The 4Q report relies on third quarter data and the composite capitalization rate of 8.77% is down from a year ago at 8.94%, based upon a decrease of 31 basis points in treasury rates and no change in equity dividend rates.

The composite capitalization rates for the office sector were 8.16% in 2020 and are currently 8.25%. The restaurant sector 2020 rate was 10.81% and is currently 10.86%. The retail sector rate for 2020 was 8.58% and is now 8.60%. For apartments, the 2020 rate was 7.50% and is now 7.57% (see tables in the Addenda).

Below are the surveyed rates for each sector noted above, indicating the low, high and average "Surveyed" capitalization rates for each sector as follows:

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.50% is considered reasonable. As shown, this rate applied to the projected NOI, value by this approach is **$4,410,000**.

CAPITALIZATION OF NET INCOME

REVENUES	RENTAL AREA		RENT MONTH	RENT/SF	ANNUAL RENT
124 Seward - Annie Kaills (main level)	2,037	SF	$ 2,993	$ 1.47	$ 35,916
126 Seward - Northwind Architects (main level)	1,392	SF	$ 2,993	$ 2.15	$ 35,916
128 Capital Barber	280	SF	$ 698	$ 2.49	$ 8,376
140 Seward - Little Tokyo Restaurant	2,510	SF	$ 4,489	$ 1.79	$ 53,868
Woodbury Financial	240	SF	$ 673	$ 2.80	$ 8,076
State of Alaska WIC Storage	420	SF	$ -		$ -
119A 2nd Street - Bauer Clifton	660	SF	$ 1,571	$ 2.38	$ 18,852
Suite 201 - Verizon (equipmt rm for cell tower)		Roof	$ 1,549		$ 18,588
Verizon Monthly Electrical Expense			$ 450		$ 5,400
Suite 202-3 Deborah Mellison	444	SF	$ 854	$ 1.92	$ 10,248
Suite 204-5 Alaska Trollers Association	480	SF	$ 984	$ 2.05	$ 11,808
Suite 206 Otis Elevator Company	240	SF	$ 927	$ 3.86	$ 11,124
Suites 207-8 State of Alaska	375	SF	$ -	$ -	$ -
Suite 209 -Todd Montalbo	475	SF	$ 808	$ 1.70	$ 9,696
Suites 200, 210-16 AK Domestic Violence	2,296	SF	$ 3,800	$ 1.66	$ 45,600
Suite 217- Stellar Group	361	SF	$ 659	$ 1.83	$ 7,908
Suites 218-219 - J.M. Walsh	403	SF	$ 784	$ 1.95	$ 9,408
Suite 220 - Law Office Kathleen Strausbaugh	240	SF	$ 475	$ 1.98	$ 5,700
Suite 221 - Law Office of Kris Barnum	204	SF	$ 333	$ 1.63	$ 3,996
Suite 222 - Goldstein Bookkeeping Office	200	SF	$ -		$ -
State of AK OCS Lease 2277 Second Floor	366	SF	$ -	$ 1.76	$ 7,730
East Care Acupuncture	540	SF	$ 1,038	$ 1.92	$ 12,456
State of AK OCA Lease 2277 3rd Floor	3,164	SF		$ 1.76	$ 66,824
Suite 304/305 Marine Engineers Union	456	SF	$ 801	$ 1.85	$ 10,123
Suite 306 - vacant	228	SF		$ 2.10	$ 5,746
Suite 307 - vacant	228	SF		$ 2.10	$ 5,746
Suite 308/309 - lease begins 2/2022	746	SF	$ 1,008	$ 1.82	$ 16,293
State of AK OCS Lease 2277 Fourth Floor	6,052	SF		$ 1.76	$ 127,818
119B 2nd Street - Sonia Hendricks	660	SF	$ 1,576	$ 2.39	$ 18,912
5th Floor State of Alaska WIC	5,631	SF	$ 7,863	$ 1.40	$ 94,350
State of Alaska Ombudsman	1,147	SF	$ 2,090	$ 1.82	$ 25,080
Suite 504 - Cranor Counseling	304	SF	$ 618	$ 2.03	$ 7,416
Suite 505 - Vacant	513	SF	$ 1,045	$ 2.14	$ 12,540
Basement - In & Out Painting	100	SF	$ 192	$ 1.92	$ 2,304
Basement - Otis Elevator Company	226	SF	$ -		$ -
Basement - State Legislative Affairs Agency	4,608	SF	$ 2,270	$ 0.49	$ 27,241
Basement - Annie Kaills Storage	476	SF	$ 371	$ 0.78	$ 4,452
Basement - Shoefly Storage	100	SF	$ 100	$ 1.00	$ 1,200
Basement - Dalberg Design Storage	100	SF	$ 200	$ 2.00	$ 2,400
Basement - Sketch Storage	75	SF	$ 79	$ 1.05	$ 948
Basement - Plant Studio Storage	400	SF	$ 399	$ 1.00	$ 4,788
Parking Lot - parking in State OCS Lease	10	stalls	inc. in offc rent		$ -
State of Alaska Legislative Affairs	1	stall	$ 90		$ 1,080
Urban Eskimo Store	1	stall	$ 74		$ 882
Clifton Bauer	1	stall	$ 89		$ 1,068
Remaining Stalls Available for Rent	6	stalls	$ 95		$ 6,840
Gross Revenue					**$ 764,716**
Stabilized Vacancy & Credit Loss		**3.0%**			$ (22,941)
Gross Effective Income					**$ 741,775**
EXPENSES	48,471	sf GBA	(above grade)		
Professional Management		5%			$ (37,089)
Administration		$ 0.26	SF		$ (12,602)
Landlord provided Full Service Utilities		$2.45	SF x	35,076	$ (85,936)
Landlord provided Utilities less Power		$2.40	SF x	13,395	$ (32,148)
Building Maintenance & Repairs		$ 1.60	SF		(77,554)
Janitorial Service Floors 2 - 5					(47,000)
Parking Lot Upkeep, Security & Insurance		$222	per stall/year	x 19	(4,218)
Building Insurance		$ 0.50	SF		(24,236)
Real Estate Taxes		$ 1.47	SF		(71,033)
Reserve Allowance		$ 0.40	SF		(19,388)
Total Expenses		$ 8.48	SF		**$ (411,204)**
Net Operating Income					**$ 330,571**
Capitalization Rate					7.50%
Indicated Value					**$ 4,407,609**
Rounded					**$ 4,410,000**

SALES COMPARISON APPROACH

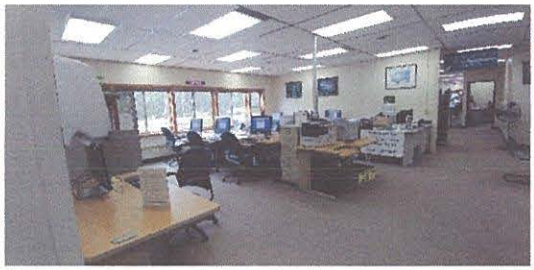
The Sales Comparison Approach is a process by which comparable properties that have sold or are for sale are compared to the subject property. The rationale behind this approach is based upon the principle of substitution, and assumes that a typical buyer, investor, or user would not pay more to buy the subject property than he/she would buy a comparable or substitute property.

There are no highly comparable buildings that have sold in Juneau. The three sales presented below include two in the downtown area and an office building in the Mendenhall Valley.

Building Sale Comparison No. 1 is the Willo Park office building at 10002 Glacier Highway in the Mendenhall Valley. This building was fully tenanted by State agencies at the time of sale, and a new ten-year lease had been negotiated, at a lower rent. The property sold at its asking price to a Juneau investor. The price paid for this building was $107 SF.

The office was constructed in 1983 and is of wood construction with three floors of offices and a fourth floor mechanical and storage area. It has an HVAC system and an elevator. It is on a large site with ample parking.





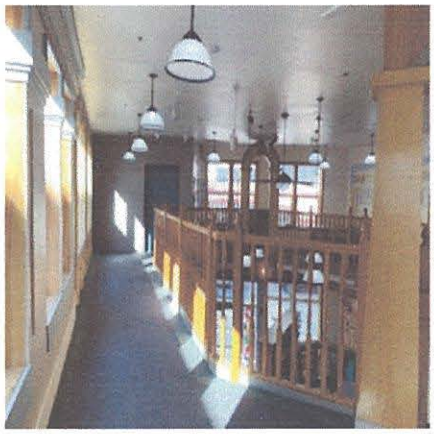




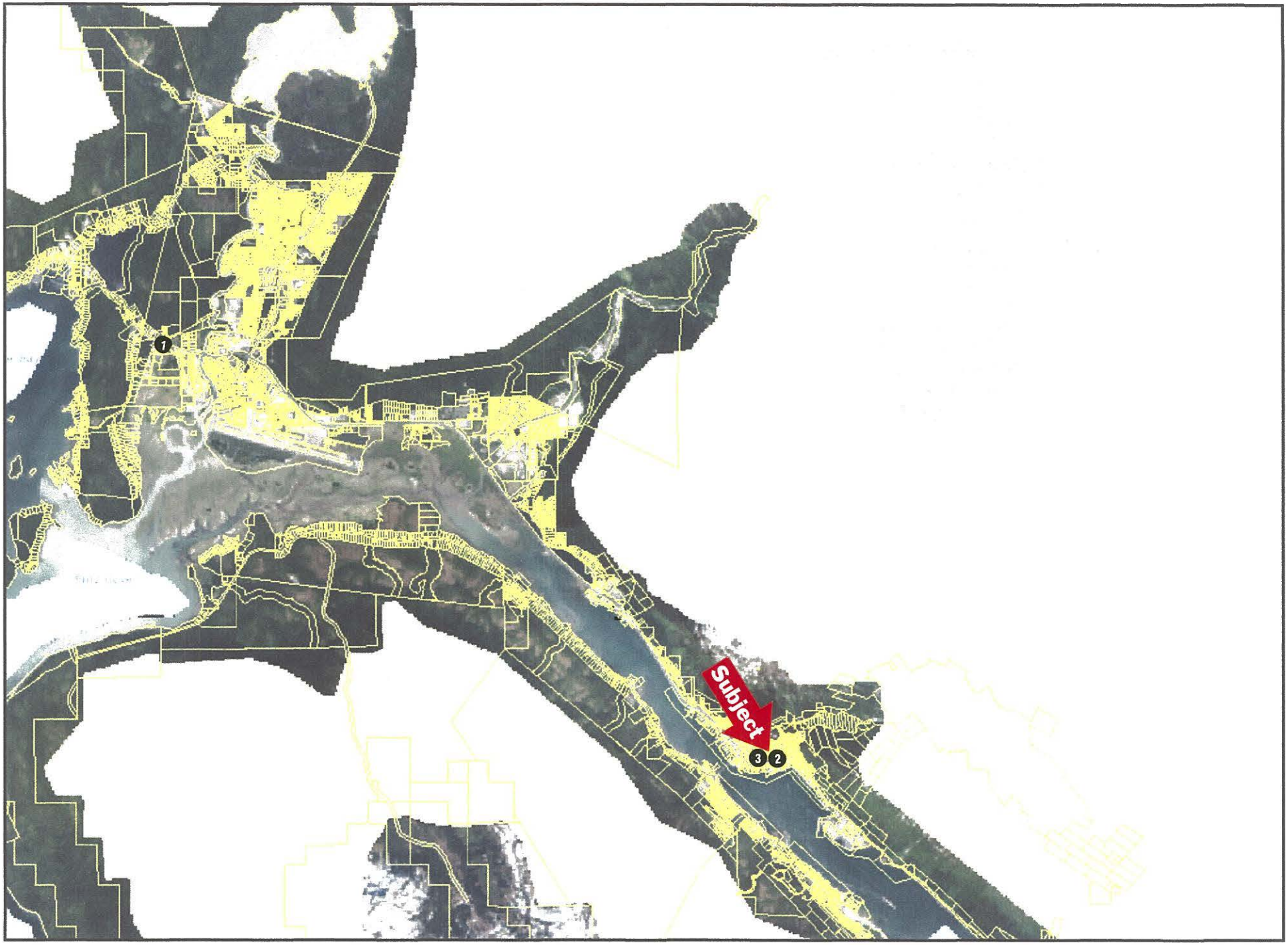
Building Sale No. 2 is the July 2021 sale of 225 Front Street. This is a two-story wood frame building that was built at the turn of century and remodeled at a cost of $2 million. It is served by an elevator, wide hallways and many windows along Shattuck Way but no windows on the west side. The building efficiency ratio is 66%. There is no onsite parking with this building. The buyer, SEARHC was the predominant tenant in the building and entered into negotiations with the seller. No broker was involved in this transaction. This building had modest vacancy at the time of sale. The indicated price per square foot is **$119.**





Building Sale No. 3 is the December 1st, 2021 sale of the 400 – 410 Willoughby office complex located in the broad neighborhood of the subject in the Willoughby District. The three office buildings that comprise this sale are located a site of 113,644 SF that has modest landscaping and paved and striped areas for parking. The complex had been occupied by State agencies since it sold in 2007, but State reductions in leasing in



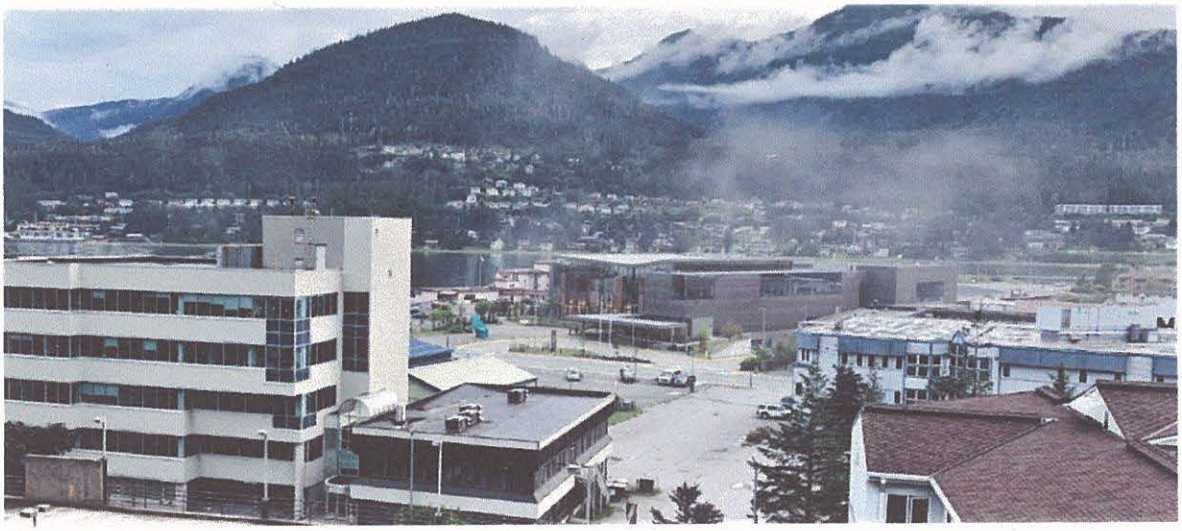
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privately owned buildings impacted this property significantly; its current vacancy is approximately 35%. The buyer intends to occupy at least half of the vacant space.

The renewal of the DEC lease in the 410 Willoughby building in 2019 included $2 million in tenant improvements to the leased area of 22,270 SF.

The sale took 18 months to negotiate and close. A Juneau broker contacted the owners and pursued a transaction. The sale price was $15,000,000 and was a cash sale that indicates a price per square foot of **$157.**



Conclusions of Sales Comparison Approach

The three sales range on price per square foot from $107 SF to $157 SF. For the two downtown locations an adjustment is warranted for the difference in the land to building ratio, which impacts the size of the land area associated with a development.

Comparison No. 2 and No. 3 are analyzed as follows: 1) the comparison land area calculated using the subject's land to building ratio; 2) the difference between the calculated area and the comparison's actual land area is determined; 3) the estimated land value per square foot for the subject site is multiplied by the land area determined in 3); 4) this dollar amount is divided by the square footage of the comparisons building to indicate the appropriate adjustment.

In the case of Sale No.2 the adjustment is $-23 SF and the adjusted comparison is $96. For Sale No. 3, the adjustment is $-56 SF, and the adjusted comparison is $101 SF.

The three comparisons, considering the adjustments noted above, range from $96 SF to $107 SF. Based upon this range, the subject property is valued at **$105** SF by this approach.

SALES COMPARISON APPROACH - SUMMARY GRID

	SUBJECT PROPERTY	BUILDING SALE NO. 1	BUILDING SALE NO. 2	BUILDING SALE NO. 3
	GOLDSTEIN & FAN BUILDINGS	WILLO PARK OFFICE	225 FRONT STREET	400-410
	130 SEWARD & 119 2ND STREET	10002 GLACIER HWY JUNEAU	JUNEAU	WILLOUGHBY AVENUE
SALE PRICE		$ 2,100,000	$ 1,850,000	$ 15,000,000
COMMISSION ADJUSTMENT		N/A	$ 1,961,000	N/A
AGE OF CONSTRUCTION	1898 remodeled/1946 with upgrades	1983	turn of century/remodel 2009	1983-1991
SALE DATE		Apr-19	Sep-21	Dec-21
GROSS BUILDING AREA	48,471	19,634	16,532	95,454
BASEMENT			partial	
SALE PRICE/SF		$ 107	$ 119	$ 157
BUILDING TYPE	5 sty reinf. Concrete & 2 sty WF	WF, 3 office floors and 4th floor mechanical	WF construction, many windows	wood and steel const.
USE & LAYOUT	office, retail, restaurant	& storage. Elevator and HVAC, parking lot	elevator, no parking 2 flrs offc/service space	low to mid rise office bldgs with elevator
OVERALL CONDITON	good	good	good	average plus
ZONING	MU	LC	MU	MU
SITE AREA	15,912	54,513	11,300	113,644
LAND TO BUILDING RATIO	0.33	2.78	0.68	1.19
ADJUSTMENT FOR LAND COMPONENT		N/A	(23)	$ (56)
ADJUSTED INDICATOR OF VALUE		$ 107	96	$ 101

PROJECTED SQ.FT. VALUE FOR SUBJECT	$ 105
APPLIED TO SUBJECT AREA	48,471
INDICATED VALUE	5,089,455
ROUNDED	$ 5,090,000

RECONCILIATION AND FINAL VALUE ESTIMATE

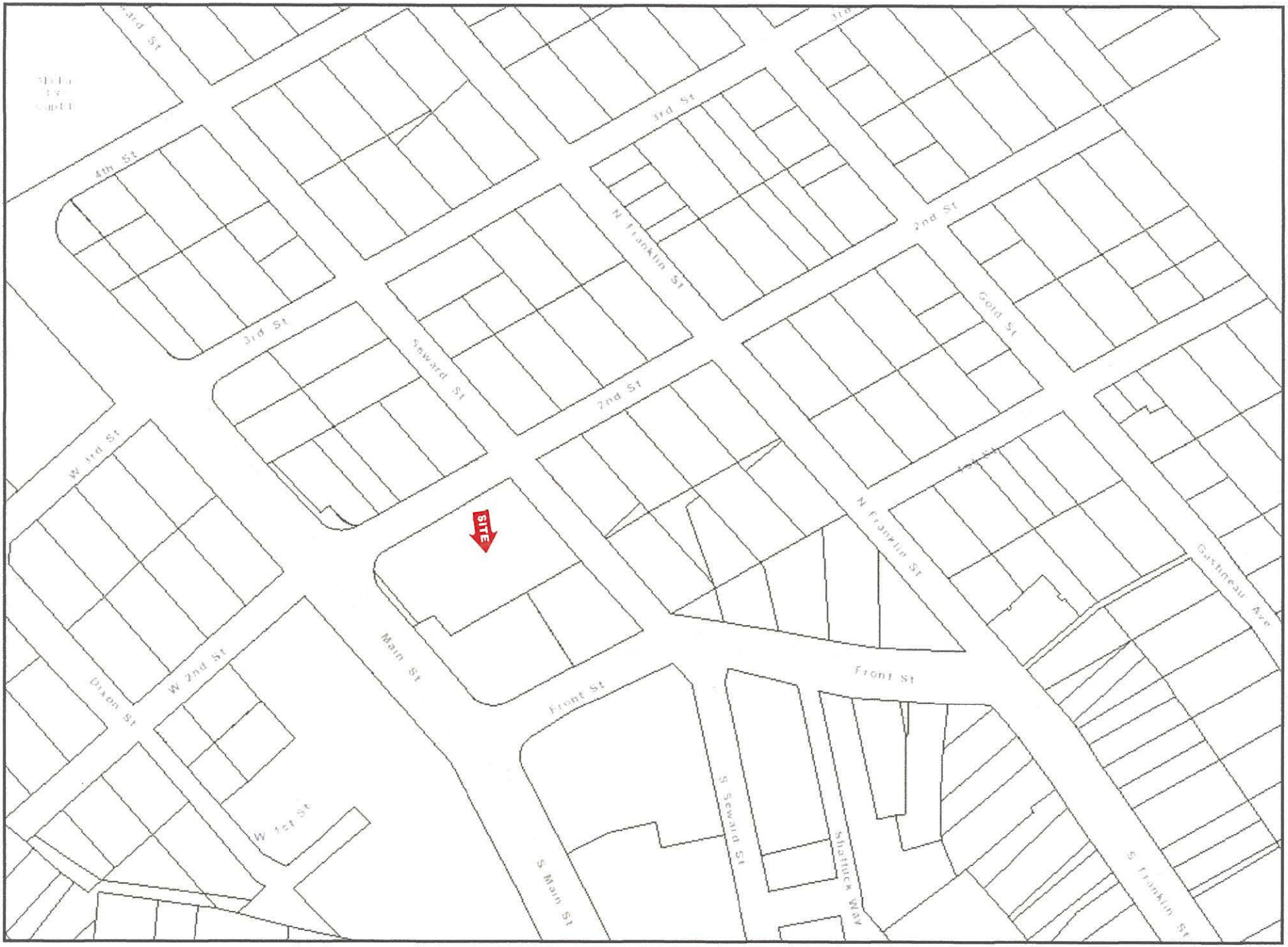
Income Approach	**$4,410,000**
Sales Comparison Approach	**$5,090,000**

The value of the subject property falls within the range of the two indicators shown above. The market value of the leased fee interest in the subject property is estimated at **$4,750,000.**

ADDENDA

SUBJECT PROPERTY INFO

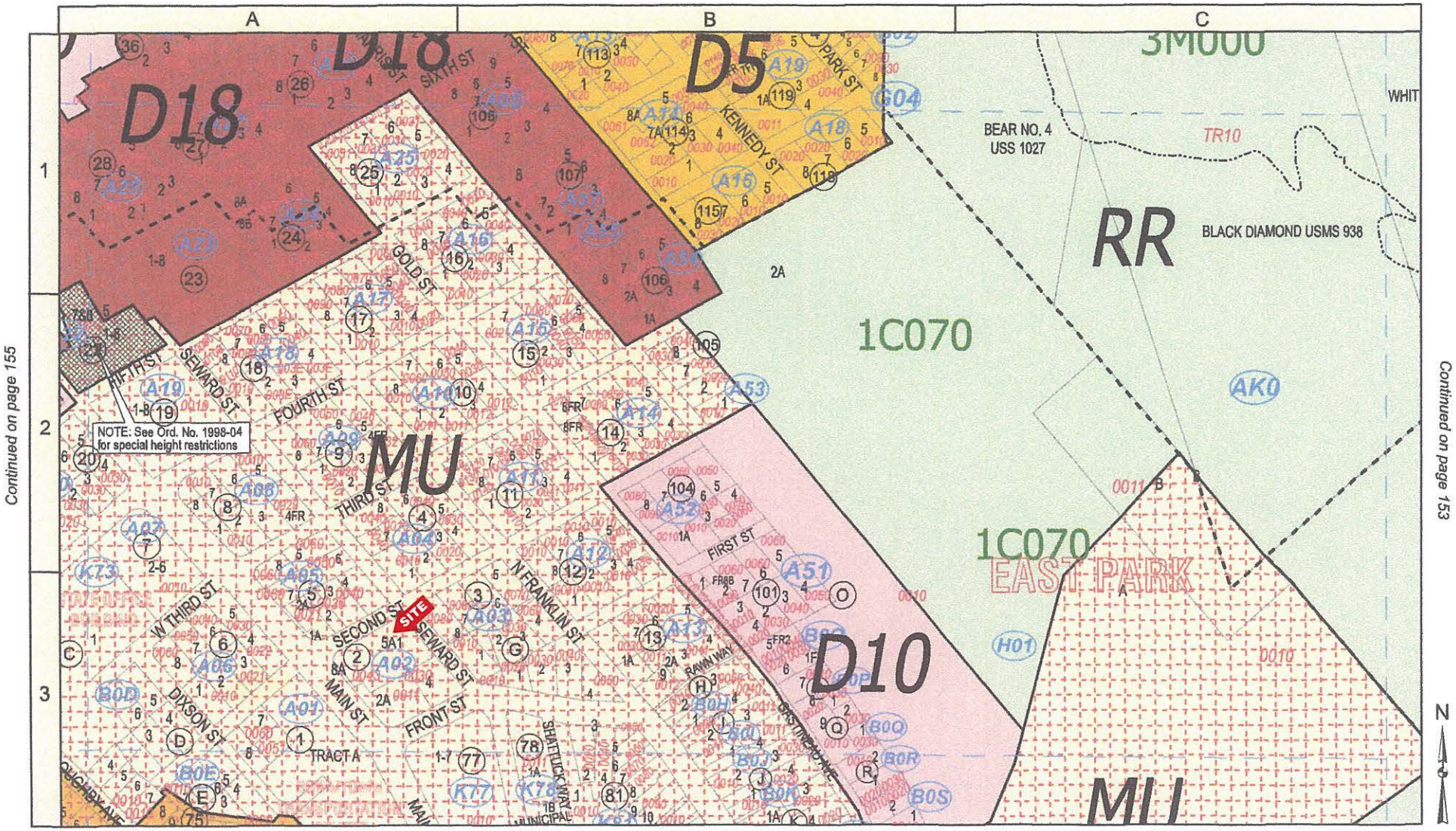

N.T.S.
SEWARD STREET
33.27
N41°17W - 100.00
LOT 4
FR Lot 3
LOT 5A1
AREA = 15,912 sf.
LOT 3
N60°35'E - 150.00
LOT 2A
S60°35'W - 138.50
SECOND STREET
SECONDARY MONUMENT FOUND THIS SURVEY. (TYP.)
TNA 7712-S
S41°17E 25.00
29.36
PROPERTY LINE VACATED THIS SURVEY
SET 6" X 5/8" REBAR W/ YELLOW PLASTIC SURV. CAP
FR. LOT 8
18.95
N60°35E
N41°20'29"W - 57.46
N41°20'29"W - 109.
(N41°17'W - 109.
LOT 8A
38.46



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Continued on page 152



Assessor Tax Code

6D090 — Parcel Code Prefix
102 — Block Number
0030 — Lot Number

Estimate Number	:	25
Parcel Number	:	1C070A020043
Property Owner	:	Goldstein Improvement Co
Property Address	:	124...140 Seward Street
JUNEAU	:	Juneau
ALASKA	:	Alaska
99801	:	99801

Section 1

Occupancy	Class	Height	Rank
100% Office Building	Reinforced concrete frame	12.00	2.0

Total Area	: 9,674
Number of Stories (Building)	: 5.00
Number of Stories (Section)	: 1.00
Perimeter	: 411
Effective Age (years)	: 35.00

Components	Units/%	Other
HVAC (Heating):		
Hot Water	100%	
Sprinklers:		
Dry Sprinklers	100%	
Miscellaneous:		
Fire Alarm System	9,674	
Elevators:		
Passenger #	1	Stops : 6
Exterior Walls:		
Concrete, Formed	100%	

Basement	Type	Area	Depth	Rank
Office Building	Unfinished	950	10.00	
Office Building	Unfinished	9,781	12.00	

Number of Levels	: 1.00
Perimeter	: 400

Section 2

Occupancy	Class	Height	Rank
100% Office Building	Reinforced concrete frame	10.00	2.0

Total Area	: 35,075
Number of Stories (Building)	: 5.00
Number of Stories (Section)	: 4.00
Perimeter	: 525
Effective Age (years)	: 35.00

Components	Units/%	Other
Exterior Walls:		
Concrete, Formed	100%	
HVAC (Heating):		
Hot Water	100%	Climate : 2
Sprinklers:		
Dry Sprinklers	100%	

Estimate Number : 25
99801 : 99801

Fire Alarm System 35,075

Section 3

Occupancy	Class	Height	Rank
100% Office Building	Wood or steel framed exterior walls	12.00	2.0

Total Area : 934
Number of Stories (Building) : 2.00
Number of Stories (Section) : 1.00
Perimeter : 140
Effective Age (years) : 35.00

Components	Units/%	Other
Exterior Walls:		
Stud -Textured Plywood	100%	
HVAC (Heating):		
Hot Water	100%	Climate : 2

Section 4

Occupancy	Class	Height	Rank
100% Office Building	Wood or steel framed exterior walls	10.00	2.0

Total Area : 950
Number of Stories (Building) : 2.00
Number of Stories (Section) : 1.00
Perimeter : 135
Effective Age (years) : 35.00

Components	Units/%	Other
Exterior Walls:		
Stud -Textured Plywood	100%	
HVAC (Heating):		
Hot Water	100%	Climate : 2

Cost as of 10/2008

	Units/%	Cost	Total
Basic Structure			
Base Cost	46,633	125.47	5,850,988
Exterior Walls	46,633	27.13	1,265,194
Heating & Cooling	46,633	17.27	805,369
Elevators	1	171,250.00	171,250
Sprinklers	44,749	5.06	226,223
Fire Alarm System	44,749	2.12	94,868
Basic Structure Cost	46,633	180.43	8,413,892
Basement			
Base Cost	10,731	62.41	669,722
Building Cost New	46,633	194.79	9,083,614
Extras			

Estimate Number : 25
99801 : 99801

Canopy	1,000	35.00	35,000
Replacement Cost New	46,633	195.54	9,118,614
Less Depreciation			
Physical & Functional	36.7%		3,344,478
Depreciated Cost	46,633	123.82	5,774,136

Cost Report - Commercial

1287		Record	1
Parcel Code Number	1C070A020043	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	119 SECOND ST	Perimeter	411
Effective Year Built	1991	Class	D
Year Built	1946	Height	12
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Office Building	Total Area	44,750.00

1287		Record	2
Parcel Code Number	1C070A020043	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	119 SECOND ST	Perimeter	136
Effective Year Built	1991	Class	D
Year Built	1946	Height	10
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Office Building	Total Area	1,900.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		44750		90.50		4,049,875
Exterior Wall	Stud -Textured Plywood	44750	100%	14.35		642,163
Heating & Cooling	Heating & Cooling	44750		603.00		603
Heating & Cooling	Hot Water	44750	100%	12.35		552,663
Architect Fee		44750		6.80		304,300
Sprinklers	Dry Sprinklers	55532		3.53		196,028
Fire Alarm System		44750		1.46		65,335
Basement	Unfinished	9781		34.50		337,445
Sub Total						$6,148,410.46

Local Multiplier	1.43	[X]	$8,792,227.00
Current Multiplier	1.04	[X]	$9,143,916.00
Neighborhood Multiplier		[X]	$9,143,916.00
Depreciation - Physical	40.00	[-]	$3,657,566.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$5,486,350.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $5,486,350

02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
Donna_Prince - 2/6/2018 10:01:04 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		1900		90.50		171,950
Exterior Wall	Stud -Textured Plywood	1900		13.68		25,984
Heating & Cooling	Heating & Cooling	1900		603.00		603
Heating & Cooling	Hot Water	1900		12.35		23,465
Architect Fee		1900		6.80		12,920
Sprinklers	Sprinklers	2850		5.03		14,336
Fire Alarm System		1900		1.46		2,774
Sub Total						$252,031.05

Local Multiplier	1.43	[X]	$360,404.00
Current Multiplier	1.04	[X]	$374,820.00
Neighborhood Multiplier		[X]	$374,820.00
Depreciation - Physical	40.00	[-]	$149,928.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$224,892.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $224,892

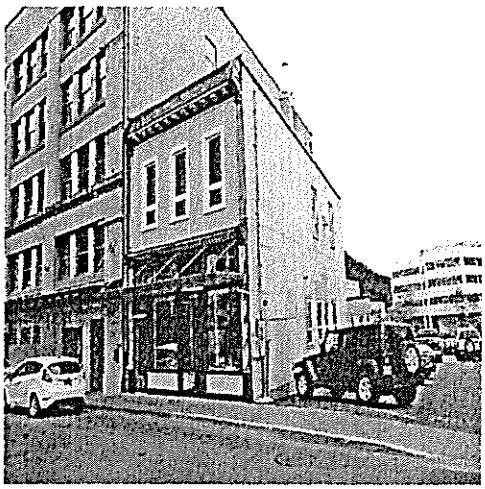
02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
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Miscellaneous Improvements

Miscellaneous Improvement	Canopy 02.06.2018 P	[+]	29,700

Total Improvement Value $5,740,900

Property Record Card - Commercial for Parcel 1C070A020043



Assessor's Office
155 S. Seward St.
Juneau, AK 99801
Phone (907) 586-5220
Fax (907) 586-5367

PARCEL #	STREET ADDRESS	LEGAL DESCRIPTION
1C070A020043	119 SECOND ST	JUNEAU TOWNSITE BL 2 LT 5A1

PROPERTY INFORMATION

OWNER NAME & ADDRESS	PREVIOUS OWNER	LAST TRANS	RECORDING INFO
GOLDSTEIN IMPROVEMENT COMPANY 130 SEWARD ST STE 001 JUNEAU AK 99801	CITY AND BOROUGH OF JUNEAU		

ASSESSMENT INFORMATION

	YEAR	LAND	BUILDINGS	TOTAL	EXEMPTION TYPE
APPRAISED VALUE	2018	795 600	5 388 400	6 184 000	
TAXABLE VALUE	2018	test		6 184 000	

SITE INFORMATION

SERVICE AREA	Roaded	WATER AVAILABILITY	Yes
PROPERTY USE CODE	C- 15 Offices, Medical, Public Buildings, C- 15 Offices, Medical, Public Buildings	WATER SOURCE	City
ZONING DESCRIPTION	(MU) Mixed Use	SEWER AVAILABILITY	Yes
LOT SIZE	15912 SF (0.37 AC)	SEWER SOURCE	City

BUILDING INFORMATION

SECTION 1 - BLDG_ID 1510 - SECTION 0 — BLDG VALUE 5 119 200

NAME	Goldstein Bldg			YR BLT	1946
TOTAL AREA	44750	BLDG USE	Office Building	EFF YR	1990
AREA	44750	GRADE	Average	WALL HGT	12
CONSTR CLASS	D	HEAT TYPE	Hot Water	PERIMETER	135
# STORIES	02	EXTERIOR WALL	Stud -Textured Plywood		

SECTION 2 - BLDG_ID 1510 - SECTION 1 — BLDG VALUE 209 900

NAME	Goldstein Bldg			YR BLT	1946
TOTAL AREA	1900	BLDG USE	Office Building	EFF YR	1990
AREA	1900	GRADE	Average	WALL HGT	10
CONSTR CLASS	D	HEAT TYPE	Hot Water	PERIMETER	400
# STORIES	02	EXTERIOR WALL	Stud -Textured Plywood		

ADDITIONAL FEATURES

BLDG_ID	SECTION	DESCRIPTION	AREA
1510	0		9781
1510	1		950

ADDITIONAL INTERIOR & EXTERIOR COMPONENTS

BLDG_ID	SECTION	TYPE	YR BLT	SIZE	GRADE	CONDITION
		Miscellaneous Improvement	1990	1100	Average Quality	Average

INVENTORY OF HISTORIC SITES AND STRUCTURES
City and Borough of Juneau

AHRS#: JUN-187 CBJ #: A-26

HISTORIC NAME: Seward Building

DATE(S): 1913

LOCATION: 145 S. Franklin Street

LOT/BLOCK #: Lot FR-2 Block H Juneau Townsite

DESCRIPTION: 48'x68', 2-story structure, flat roof, wood frame construction, double-drop siding; multiple decorated box cornices along roof-line; decorative horizontal wood work with additional cornices between 1st and 2nd floors. "Eyelid" display windows; recessed entry way; street canopy, concrete foundation.

SIGNIFICANCE: Constructed for Judge Thomas Lyons, Assistant Attorney General and original trustee of township land claim entries, R.E. Robertson, one-time mayor of Juneau and J.F. Muller, editor of Alaska Daily Record. The building originally housed Simpkins & Freeman, a stationery story and book bindery.

SOURCES: 4; 5; 7; 21.

AHRS#: JUN-180 CBJ #: A-27

HISTORIC NAME: Goldstein Building

DATE(S): 1914

LOCATION: 130 Seward Street

LOT/BLOCK #: Lot 5 Block 2 Juneau Townsite

DESCRIPTION: 100'x100', 5-story structure, flat roof, wood formed reinforced concrete construction; full concrete basement. 1st floor vernacular store front; 2nd story cornice facing Seward and 2nd Streets; ornamental insignias on corners.

SIGNIFICANCE: Originally constructed in 1914 for Charles Goldstein at a cost of $75,000. At one time the building housed the Alaska State Legislature and the Governor's Office. Fire gutted the building in 1939 leaving only the exterior concrete walls. Interior was restored and building re-opened in 1946.

SOURCES: 5; 11C; 21.

GIC RENTAL ROLL

Goldstein Improvement Company

11/16/2021

Rental Property	Tenants	Monthly Rent	Non Taxable Rent	TEMP REDUCTION	APPROX SQ FT
Goldstein Building (GB)					
124 Seward Street	Annie Kaills	4,200.00		3,150.00	2037 MAIN 861 MEZZ
126 Seward Street	NorthWind Architects	3,150.00			1392 MAIN 960 MEZZ
128 Seward Street	Capital Barber	735.00			280
140 Seward Street	Little Tokyo/ PhoTai	6,300.00		4,725.00	2510
130 Seward Street	Main Building				
Lobby	Woodbury Financial - Karen Hansen	708.50			
Lobby	State of Alaska - WIC Storage		0.00		
Basement	In & Out Painting	201.94			
	Otis Elevator Company	0.00			
	State of Alaska - Legislative Affairs Storage		2,270.10		
	Annie Kaills - Storage	525.00		390.00	
	Shoefly - Storage	105.00			100
	Dalberg Design - Storage	210.00			
	Sketch - Storage	83.33			
	Plant Studio Storage	440.00		420.00	
Second Floor					
201	Verizon	1,630.13			
	Verizon (electrical reimbursement)	450.00			
202 - 203	Deborah Mellison	898.60			444
204 - 205	Alaska Trollers Association	1,036.03			480
206	Otis Elevator Company	1,002.51			
207 - 208	State of Alaska		0.00		
209	Todd Montalbo	850.00			475
200, 210 - 216	Alaska Network of Domestic Violence & Sexual Assault		3,999.80		
217	Stellar Group	694.00			361
218 - 219	J.M. Walsh	825.00			403
220	Law office of Kathleen Strausbaugh	500.00			240

221	Law office of Kris Barnum		350.00			204
222	Goldstein Bookkeeping Office		0.00			
Third Floor	State of Alaska - OCS			0.00		
	East Care Acupuncture		1,093.27			540
304/305	**MARINE ENGINEERS UNION**		**843.60**			456
306	**VACANT**	**(421.00)**				228
307	**VACANT**	**(421.00)**				228
308	**LAW OFFICE (RENT BEGINS 2/1/2022)**	**(421.00)**				525
309	**SOA PUBLIC DEFENDER (PR0X 2/1/2022)**	**(1008.00)**				
Fourth Floor	State of Alaska - OCS			17,656.00		
Fifth Floor	State of Alaska - WIC			7,682.50		
	State of Alaska - Ombudsman			2,090.19		
505	**LOBBYING OFFICE (rent begins 2/1/2022)**	**(1100.00)**				513
504	**CRANOR COUNSELING**		**650.00**			304
Parking not included in rent						
	State of Alaska - LAA			90.00		
	Urban Eskimo		73.50			
	Clifton / Bauer		94.00			
			26,266.94	33,788.59		
GFS Building (GFS)						
140 Front Street	Heritage Northwest - Coffee		8,925.00		7,980.00	3931 MAIN 1740 BASEMENT
110 Seward Street	Segal Company		650.00			350
Upstairs Offices						
5	Big Brothers Big Sisters of Southeast Alaska			1,000.00		
2	Rookery		400.00		300.00	378
3	Mooncycle Medicine		440.00			200
4	Yevette Soutiere		350.00			200
1	Carlton Smith		813.75			550
116 Seward Street	**TEASE SALON (rent begins 2/1/2022)**	**(1890.00)**				1000
118 Seward Street	The Plant Studio		2,257.50		1,900.00	825
			13,144.44	1,000.00		

Goldstein Annex (GA)						
	122 Front Street	Sketch	525.00			
	124 Front Street	Asiana Gardens	4,950.00		3,450.00	
	126 Front Street	Apartment - Asiana Gardens	2,350.00			
			7,433.75			
Flags of All Nations Building (FAN)						
	119B - 2nd Street	Sonia Hendricks	1,658.99			660
	119A - 2nd Street	Bauer/Clifton	1,653.75			660 MAIN 500 BASEMENT
			3,147.10			
Charles Goldstein Building (CG)						
	201 Seward Street	Good Vibes Café	3,000.00		2,625.00	
	205 Seward Street	Nana's Attic	1,149.00		860.00	
	209 Seward Street	Zoot's	2,100.00		1,680.00	
	213 Seward Street	Apartment		1,450.00		
	217 Seward Street	Don Morgan gallery	1,050.00		850.00	
	221 Seward Street	Giono Barrett	835.00			
	216 2nd Street	Rainforest Farms	3,000.00			
	Storage Area	Rookery Warehouse	1,000.00			
	Parking not included in rent	Rookery	90.00			
		VACANT				
		Capital Barber	94.50			
		Carlton Smith	90.00			
			11,788.08	1,450.00		
Pioneer House						
	3180 Pioneer Avenue	Seasonal tenant - September through May		3,400.00		
Simpson Building						
	200 Seward Street	Salt - Restaurant	6,690.00		5,600.00	
	220 Seward Street	Urban Eskimo	1,050.00		850.00	
	222 Seward Street	V's Cellar Door - Restaurant	1,260.00		945.00	

GIC OPERATING EXPENSES

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20	
Ordinary Income/Expense		
Income		
Rental Income		
Taxable Rent	859,794.30	
State of Alaska Rent	411,950.46	
Non-Profit Rent	59,997.60	
Residential Rent	33,475.00	
Total Rental Income		1,365,217.36
Fee Income		
Vending Commissions	11.46	
Total Fee Income		11.46
Total Income		1,365,228.82
Expense		
Security System		237.26
Rent - 1099		4,410.00
Pass Thru		286,400.78
Reconciliation Discrepancies		0.10
Payroll Wages		
Wages - Janitor	34,704.96	
Wages - Laborer	37,760.00	
Wages - Officer Monthly	322,228.00	
Total Payroll Wages		394,692.96
Payroll Employer Taxes		
Federal FICA 941	30,217.68	
Federal FUTA 940	252.00	
Alaska SUTA	720.65	
Califonia ETT	14.00	
California UI	238.00	
Total Payroll Employer Taxes		31,442.33
Contributions		100.00
Office Supplies		1,530.46
Postage & Delivery		402.48
Dues and Subscriptions		925.00
Small Tools & Equipment		1,768.43
Janitorial Supplies		9,394.74
Repairs & Maintenance		
Sanding/Snow Removal - NEC	7,608.51	
Windows - NEC	6,869.18	
Sprinkler - NEC	8,581.83	
Windows	3,012.65	
Materials Only	1,687.78	
Landscape	987.00	
Building R&M	10,487.89	
Boiler R&M	259.86	
Plumbing R&M	21,716.66	
Electrical R&M	4,506.52	

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20	
Lighting R&M	5,020.00	
Elevator R&M	10,721.54	
Fire Alarm Service	10,906.89	
Sanding/Snow Removal	2,834.66	
Equipment Repairs	213.74	
Repairs & Maintenance - Other	915.16	
Total Repairs & Maintenance		96,329.87
Utilities		
Internet	2,816.00	
Cell Phone	3,045.88	
Electric	36,996.54	
Fuel Oil	101,439.55	
Telephone	2,304.99	
Trash	20,528.66	
Water	21,920.27	
Total Utilities		189,051.89
Equipment Rental		251.95
Automobile Expense		
Auto Fuel	3,075.81	
Auto Repair & Maintenance	2,574.69	
Vehicle Registration	268.00	
Auto Insurance	2,101.78	
Parking Fees	50.00	
Automobile Expense - Other	348.00	
Total Automobile Expense		8,418.28
Construction Expense		
Design - NEC	7,750.00	
Labor - NEC	5,275.38	
Waste	504.86	
Construction Permits	3,142.68	
Time and Materials	100,804.94	
Materials	7,216.92	
Total Construction Expense		124,694.78
Professional Fees		
Recycling - NEC	3,286.50	
Security - NEC	1,323.00	
Accounting - NEC	18,198.05	
Janitorial Services - NEC	21,453.82	
Total Professional Fees		44,261.37
Insurance		
Prop & Liability (Business)	28,810.57	
Prop & Liability (Umbrella)	7,323.80	
Workers' Compensation	12,595.00	

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20
Total Insurance	48,729.37
Bank Service Charges	311.10
Finance Charge	94.80
Licenses, Fees, Taxes, Permits	3,132.05
Property Tax	131,691.19
Miscellaneous	52.38
Total Expense	1,378,323.57
Net Ordinary Income	-13,094.75
Other Income/Expense	
Other Income	
Bristol-Myers Squibb Dividend	6,235.20
Interest Income	14.47
Other Income	
Sales Tax discount	300.00
Other Income - Other	-7,640.01
Total Other Income	-7,340.01
Total Other Income	-1,090.34
Net Other Income	-1,090.34
Net Income	**-14,185.09**

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss Prev Year Comparison
January through December 2020

	Jan - Dec 20	Jan - Dec 19	$ Change
Ordinary Income/Expense			
Income			
Rental Income			
Taxable Rent	859,794.30	909,245.72	-49,451.42
State of Alaska Rent	411,950.46	421,122.90	-9,172.44
Non-Profit Rent	59,997.60	59,997.60	0.00
Residential Rent	33,475.00	20,000.00	13,475.00
Total Rental Income	1,365,217.36	1,410,366.22	-45,148.86
Fee Income			
Vending Commissions	11.46	24.21	-12.75
Total Fee Income	11.46	24.21	-12.75
Total Income	1,365,228.82	1,410,390.43	-45,161.61
Expense			
Legal Fees	0.00	105.00	-105.00
Family Disbursement	0.00	27,501.00	-27,501.00
Security System	237.26	0.00	237.26
Rent - 1099	4,410.00	4,410.00	0.00
Pass Thru	286,400.78	0.00	286,400.78
Reconciliation Discrepancies	0.10	125.62	-125.52
Payroll Wages			
Wages - Janitor	34,704.96	32,265.68	2,439.28
Wages - Laborer	37,760.00	66,430.00	-28,670.00
Wages - Officer Monthly	322,228.00	300,727.00	21,501.00
Total Payroll Wages	394,692.96	399,422.68	-4,729.72
Payroll Employer Taxes			
Federal FICA 941	30,217.68	30,613.58	-395.90
Federal FUTA 940	252.00	252.00	0.00
Alaska SUTA	720.65	703.92	16.73
Califonia ETT	14.00	14.00	0.00
California UI	238.00	280.00	-42.00
Total Payroll Employer Taxes	31,442.33	31,863.50	-421.17
Advertising	0.00	100.00	-100.00
Contributions	100.00	0.00	100.00
Office Supplies	1,530.46	2,599.09	-1,068.63
Postage & Delivery	402.48	206.17	196.31
Printing and Reproduction	0.00	164.99	-164.99
Dues and Subscriptions	925.00	925.00	0.00
Small Tools & Equipment	1,768.43	5,662.35	-3,893.92
Janitorial Supplies	9,394.74	12,196.77	-2,802.03
Freight	0.00	859.41	-859.41
Construction Yard Storage	0.00	1,470.00	-1,470.00
Repairs & Maintenance			
Sanding/Snow Removal - NEC	7,608.51	0.00	7,608.51
Windows - NEC	6,869.18	0.00	6,869.18
Sprinkler - NEC	8,581.83	0.00	8,581.83
Windows	3,012.65	21,343.37	-18,330.72

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss Prev Year Comparison
January through December 2020

	Jan - Dec 20	Jan - Dec 19	$ Change
Materials Only	1,687.78	1,113.89	573.89
Landscape	987.00	2,135.96	-1,148.96
Building R&M	10,487.89	65,909.20	-55,421.31
Boiler R&M	259.86	727.72	-467.86
Plumbing R&M	21,716.66	31,154.32	-9,437.66
Electrical R&M	4,506.52	55,757.17	-51,250.65
Lighting R&M	5,020.00	5,040.11	-20.11
Painting R&M	0.00	13,810.25	-13,810.25
Elevator R&M	10,721.54	10,710.00	11.54
Fire Alarm Service	10,906.89	3,411.45	7,495.44
Sanding/Snow Removal	2,834.66	7,147.14	-4,312.48
Equipment Repairs	213.74	3,142.06	-2,928.32
Repairs & Maintenance - Other	915.16	6,224.51	-5,309.35
Total Repairs & Maintenance	96,329.87	227,627.15	-131,297.28
Utilities			
Internet	2,816.00	2,626.45	189.55
Cell Phone	3,045.88	4,241.14	-1,195.26
Electric	36,996.54	46,557.21	-9,560.67
Fuel Oil	101,439.55	113,580.91	-12,141.36
Telephone	2,304.99	3,876.98	-1,571.99
Trash	20,528.66	19,283.72	1,244.94
Water	21,920.27	31,573.89	-9,653.62
Total Utilities	189,051.89	221,740.30	-32,688.41
Equipment Rental	251.95	4,328.00	-4,076.05
Automobile Expense			
Auto Fuel	3,075.81	4,402.47	-1,326.66
Auto Repair & Maintenance	2,574.69	2,315.13	259.56
Vehicle Registration	268.00	0.00	268.00
Auto Insurance	2,101.78	0.00	2,101.78
Parking Fees	50.00	1,665.00	-1,615.00
Automobile Expense - Other	348.00	290.00	58.00
Total Automobile Expense	8,418.28	8,672.60	-254.32
Construction Expense			
Design - NEC	7,750.00	0.00	7,750.00
Labor - NEC	5,275.38	0.00	5,275.38
Waste	504.86	982.07	-477.21
Construction Permits	3,142.68	0.00	3,142.68
Time and Materials	100,804.94	302,527.73	-201,722.79
Materials	7,216.92	85,023.73	-77,806.81
Labor	0.00	6,836.00	-6,836.00
Parking	0.00	125.00	-125.00
Total Construction Expense	124,694.78	395,494.53	-270,799.75
Professional Fees			
Recycling - NEC	3,286.50	0.00	3,286.50
Security - NEC	1,323.00	0.00	1,323.00
Security	0.00	5,376.00	-5,376.00

REALTY RATES EXHIBITS

Market Commentary

RealtyRates.com *Investor Survey* Reports Modest Cap Rate Index Decrease For All Property Types During 3rd Quarter 2021

Coincident with a 31 basis point decrease in Treasury rates to which most commercial mortgage interest rates are indexed, together with no change in equity dividend rates, the RealtyRates.com™ *Investor Survey* Weighted Composite (Cap Rate) Index™ decreased a modest 16 basis points from 8.94 to 8.77 percent during the 3rd Quarter of 2021.

The greatest quarter-over-quarter cap rate index decreases were recorded by the Apartment, Lodging and Self Storage sectors, all down 18 basis points, followed by the Restaurant and Special Purpose sectors, both down 17 basis points.

The smallest quarter-over-quarter cap rate index decreases were recorded by the Office and Retail sectors, down 15 basis points, followed by the Golf, Healthcare/Senior Housing and Industrial sectors, down 16 basis points.

Mortgage lending standards were somewhat eased on stronger demand for both multifamily and nonresidential loans during the 3rd Quarter. Meanwhile spreads were unchanged overall, but average permanent mortgage rates were down 32 basis points.

RealtyRates.com INVESTOR SURVEY 4th Quarter 2021*
CURRENT & HISTORICAL CAP RATE INDICES

	Method-Weighted* Property Category Indices																				Weighted* Composite Indices	
	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MH/RV Park		Office		Retail		Restaurant		Self Storage		Special Purpose			
Year	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg
2021	7.57	7	11.03	-4	8.03	-7	8.32	0	9.37	-2	8.58	-5	8.25	9	8.60	2	10.86	5	8.91	0	11.01	10	8.77	2
3rd Qtr	7.55	-18	11.06	-16	8.01	-16	8.32	-16	9.32	-18	8.59	-16	8.29	-15	8.62	-15	10.86	-17	8.90	-18	11.04	-17	8.77	-16
2nd Qtr	7.73	16	11.21	18	8.18	14	8.48	16	9.50	13	8.75	17	8.43	18	8.78	17	11.03	17	9.08	17	11.21	20	8.94	17
1st Qtr	7.57	14	11.03	5	8.03	11	8.32	12	9.37	3	8.58	9	8.25	11	8.60	11	10.86	11	8.91	11	11.01	7	8.77	10
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.56	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.39	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-26
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	80	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.19		9.41		9.65		8.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01	

* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey
^ Further weighted by property category

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021*

SURVEYED RESERVE REQUIREMENTS

	Per SF			Per Unit			% of EGI		
Property Type	Min.	Max.	Typical	Min.	Max.	Typical	Min.	Max.	Typical
Apartments				$165	$425	$394			
Golf				$1,295	$7,700	$3,550	2.0%	4.5%	3.2%
Health Care/Senior Housing				$270	$735	$410			
Industrial	$0.25	$0.80	$0.53						
Lodging							4.0%	8.5%	4.6%
Mobile Home/RV Park				$35	$310	$171	2.0%	5.5%	4.2%
Office	$0.35	$0.90	$0.65						
Restaurants							2.0%	5.5%	3.2%
Retail	$0.35	$1.10	$0.72						
Self-Storage	$0.30	$0.75	$0.65	$35	$210	$132			
Special Purpose	$0.25	$1.15	$0.75						

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021*

PROPERTY DESIRABILITY MATRIX

	Preferred agressively seeking	Cautionary will consider	Rejecting but... ...may consider under special circumstances
Apartments	Suburban Garden Style	Urban Hi-Rise	
	Mixed Use		
Golf		Private	Public - Privately Owned
		Public - Municipal	
		Semi-Private	
Health Care/Senior Housing	Independent Living	Acute Care	
	Assisted Living		Nursing Homes
			Congregate Care
Industrial	Warehouse	Flex/Showroom	Heavy Manufacturing
	Bulk Distribution		
Lodging		Limited Service	Full Service
			Golf/Gaming/Resort
Mobile Home/RV Parks	Retirement & Family MH Parks	RV Parks/Campgrounds	
Office	Medical	Suburban	CBD
Restaurants		Freestanding Franchised Fast Serve	Full Service, Inline
Retail	Convenience Stores/Gas Stations	Grocery Anchored Centers	Malls/Outlet Malls
	Free Standing Credit/Franchised	Big Box/Power Centers	Unanchored Strip Centers
Self-Storage	All Types		
Special Purpose		Schools/Daycare Centers	Churches
		Parking Garages	Marinas/Recreational Facilities
			Public Assembly Facilities

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* APARTMENTS - ALL TYPES						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.30%	**DCR Technique**	1.10	0.040305	0.90	**3.99**
Debt Coverage Ratio	1.10	**Band of Investment Technique**				
Interest Rate	2.61%	Mortgage	90%	0.040305	0.036275	
Amortization	40.0	Equity	10%	0.060984	0.006098	
Mortgage Constant	0.040305	OAR				**4.24**
Loan-to-Value Ratio	90%	**Surveyed Rates**				**4.03**
Equity Dividend Rate	6.10%					
Maximum						
Spread Over 10-Year Treasury	6.00%	**DCR Technique**	1.86	0.109950	0.55	**11.25**
Debt Coverage Ratio	1.86	**Band of Investment Technique**				
Interest Rate	7.31%	Mortgage	55%	0.109950	0.060472	
Amortization	15.0	Equity	45%	0.144495	0.065023	
Mortgage Constant	0.109950	OAR				**12.55**
Loan-to-Value Ratio	55%	**Surveyed Rates**				**11.92**
Equity Dividend Rate	14.45%					
Average						
Spread Over 10-Year Treasury	2.99%	**DCR Technique**	1.43	0.063383	0.73	**6.64**
Debt Coverage Ratio	1.43	**Band of Investment Technique**				
Interest Rate	4.30%	Mortgage	73%	0.063383	0.046437	
Amortization	26	Equity	27%	0.106915	0.028585	
Mortgage Constant	0.063383	OAR				**7.50**
Loan-to-Value Ratio	73.3%	**Surveyed Rates**				**7.94**
Equity Dividend Rate	10.69%					

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* APARTMENTS - GARDEN/SUBURBAN TOWNHOUSE						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.30%	**DCR Technique**	1.10	0.040305	0.90	**3.99**
Debt Coverage Ratio	1.10	**Band of Investment Technique**				
Interest Rate	2.61%	Mortgage	90%	0.040305	0.036275	
Amortization	40	Equity	10%	0.060984	0.006098	
Mortgage Constant	0.040305	OAR				**4.24**
Loan-to-Value Ratio	90%	**Surveyed Rates**				**4.03**
Equity Dividend Rate	6.10%					
Maximum						
Spread Over 10-Year Treasury	4.85%	**DCR Technique**	1.61	0.102303	0.65	**10.71**
Debt Coverage Ratio	1.61	**Band of Investment Technique**				
Interest Rate	6.16%	Mortgage	65%	0.102303	0.066497	
Amortization	15	Equity	35%	0.132495	0.046373	
Mortgage Constant	0.102303	OAR				**11.29**
Loan-to-Value Ratio	65%	**Surveyed Rates**				**10.72**
Equity Dividend Rate	13.25%					
Average						
Spread Over 10-Year Treasury	3.08%	**DCR Technique**	1.31	0.062651	0.78	**6.34**
Debt Coverage Ratio	1.31	**Band of Investment Technique**				
Interest Rate	4.39%	Mortgage	78%	0.062651	0.048554	
Amortization	28	Equity	23%	0.093164	0.020962	
Mortgage Constant	0.062651	OAR				**6.95**
Loan-to-Value Ratio	78%	**Surveyed Rates**				**7.19**
Equity Dividend Rate	9.32%					

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* OFFICE - ALL TYPES						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.35%	**DCR Technique**	1.15	0.040640	0.60	**3.74**
Debt Coverage Ratio	1.15	**Band of Investment Technique**				
Interest Rate	2.66%	Mortgage	80%	0.040640	0.032512	
Amortization	40	Equity	20%	0.075102	0.015020	
Mortgage Constant	0.040640	OAR				**4.75**
Loan-to-Value Ratio	80%	**Surveged Rates**				**4.52**
Equity Dividend Rate	7.51%					
Maximum						
Spread Over 10-Year Treasury	5.75%	**DCR Technique**	2.15	0.108262	0.50	**11.64**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	7.06%	Mortgage	50%	0.108262	0.054131	
Amortization	15	Equity	50%	0.161032	0.080516	
Mortgage Constant	0.108262	OAR				**13.46**
Loan-to-Value Ratio	50%	**Surveged Rates**				**12.79**
Equity Dividend Rate	16.10%					
Average						
Spread Over 10-Year Treasury	3.05%	**DCR Technique**	1.65	0.059808	0.68	**6.67**
Debt Coverage Ratio	1.65	**Band of Investment Technique**				
Interest Rate	4.36%	Mortgage	68%	0.059808	0.040370	
Amortization	30	Equity	33%	0.122364	0.039768	
Mortgage Constant	0.059808	OAR				**8.01**
Loan-to-Value Ratio	67.5%	**Surveged Rates**				**9.10**
Equity Dividend Rate	12.24%					

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* OFFICE - CENTRAL BUSINESS DISTRICT						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.55%	**DCR Technique**	1.40	0.049691	0.65	**4.52**
Debt Coverage Ratio	1.40	**Band of Investment Technique**				
Interest Rate	2.86%	Mortgage	65%	0.049691	0.032299	
Amortization	30	Equity	35%	0.077102	0.026986	
Mortgage Constant	0.049691	OAR				**5.93**
Loan-to-Value Ratio	65%	**Surveged Rates**				**5.63**
Equity Dividend Rate	7.71%					
Maximum						
Spread Over 10-Year Treasury	5.75%	**DCR Technique**	2.15	0.108262	0.50	**11.64**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	7.06%	Mortgage	50%	0.108262	0.054131	
Amortization	15	Equity	50%	0.161032	0.080516	
Mortgage Constant	0.108262	OAR				**13.46**
Loan-to-Value Ratio	50%	**Surveged Rates**				**12.79**
Equity Dividend Rate	16.10%					
Average						
Spread Over 10-Year Treasury	3.65%	**DCR Technique**	1.78	0.073847	0.58	**7.54**
Debt Coverage Ratio	1.78	**Band of Investment Technique**				
Interest Rate	4.96%	Mortgage	58%	0.073847	0.042462	
Amortization	23	Equity	43%	0.114871	0.048820	
Mortgage Constant	0.073847	OAR				**9.13**
Loan-to-Value Ratio	58%	**Surveged Rates**				**9.38**
Equity Dividend Rate	11.49%					

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* RESTAURANTS - ALL TYPES						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	2.25%	**DCR Technique**	1.10	0.054288	0.80	**4.78**
Debt Coverage Ratio	1.10	**Band of Investment Technique**				
Interest Rate	3.56%	Mortgage	80%	0.054288	0.043430	
Amortization	30	Equity	20%	0.103471	0.020694	
Mortgage Constant	0.054288	OAR				**6.41**
Loan-to-Value Ratio	80%	**Surveyed Rates**				**5.09**
Equity Dividend Rate	10.35%					
Maximum						
Spread Over 10-Year Treasury	10.98%	**DCR Technique**	2.15	0.146267	0.50	**15.74**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	12.29%	Mortgage	50%	0.146267	0.073133	
Amortization	15	Equity	50%	0.201764	0.100882	
Mortgage Constant	0.146267	OAR				**17.40**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**16.53**
Equity Dividend Rate	20.18%					
Average						
Spread Over 10-Year Treasury	5.03%	**DCR Technique**	1.59	0.083521	0.66	**8.70**
Debt Coverage Ratio	1.59	**Band of Investment Technique**				
Interest Rate	6.34%	Mortgage	66%	0.083521	0.054780	
Amortization	23	Equity	34%	0.157532	0.054210	
Mortgage Constant	0.083521	OAR				**10.90**
Loan-to-Value Ratio	65.6%	**Surveyed Rates**				**11.69**
Equity Dividend Rate	15.8%					

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* RESTAURANTS - FULL SERVICE						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	2.45%	**DCR Technique**	1.35	0.071209	0.65	**6.25**
Debt Coverage Ratio	1.35	**Band of Investment Technique**				
Interest Rate	3.76%	Mortgage	65%	0.071209	0.046286	
Amortization	20	Equity	35%	0.105471	0.036915	
Mortgage Constant	0.071209	OAR				**8.32**
Loan-to-Value Ratio	65%	**Surveyed Rates**				**7.99**
Equity Dividend Rate	10.55%					
Maximum						
Spread Over 10-Year Treasury	10.98%	**DCR Technique**	2.15	0.146267	0.50	**15.74**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	12.29%	Mortgage	50%	0.146267	0.073133	
Amortization	15	Equity	50%	0.201764	0.100882	
Mortgage Constant	0.146267	OAR				**17.40**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**16.53**
Equity Dividend Rate	20.18%					
Average						
Spread Over 10-Year Treasury	6.72%	**DCR Technique**	1.75	0.106527	0.58	**10.73**
Debt Coverage Ratio	1.75	**Band of Investment Technique**				
Interest Rate	8.03%	Mortgage	58%	0.106527	0.061253	
Amortization	18	Equity	43%	0.148803	0.063241	
Mortgage Constant	0.106527	OAR				**12.45**
Loan-to-Value Ratio	58%	**Surveyed Rates**				**12.91**
Equity Dividend Rate	14.98%					

*3rd Quarter 2021 Data

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BUILDING SALE COMPARISONS

COMPARABLE BUILDING SALE NO. ❶

Location: Willo Park Office, 10002 Glacier Highway, Juneau
Legal Description: Lot 2 Willo Subdivision, Plat 2008-9, JRD.
Sale Date: April 5,2019
Grantor: Will-O LLC
Grantee: Carlson Commemorative LLC
Recording: WD 2019-001268
Price: $2,100,000
Terms: cash to seller

Building Size: 19,634 SF GBA with 15,260 SF of NRA (78%) efficiency
Building Age: 1983
Land Size: 54,513 SF
Access: Glacier Highway
Zoning: LC
Utilities: all available – phone & power lines are overhead

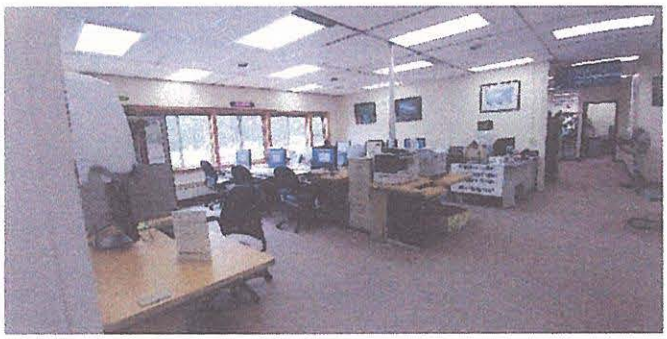
Description: A three story building with a fourth level mechanical and storage room constructed in 1983 of wood framing with a flat built up roof. The exterior walls have bands of windows, cedar shake and vertical wood siding. The atrium has a wide stairwell to the second level with a skylight. The building is served by an elevator, has oil fired heating and air handling, a fire alarm system, insulated double pane glazed operable windows, and T-8 fluorescent lighting. The office space includes restrooms on each level, kitchenettes, and open office areas, as well as many perimeter window offices. The building has a large paved parking lot and a landscaped picnic area at the rear.

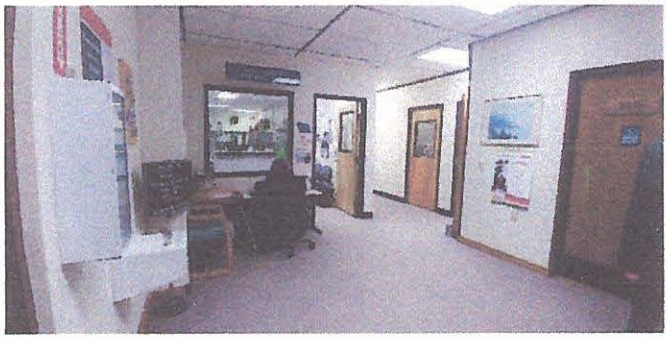
The building has been fully occupied by State of Alaska agencies for many years The lease expired prior to this sale and the parties negotiated a new 10 year lease in August of 2017 at $1.80 SF including utilities and janitorial service. The NOI at the sale date was 7.54%. The property was marketed at the sale price and was purchased by a local investor.

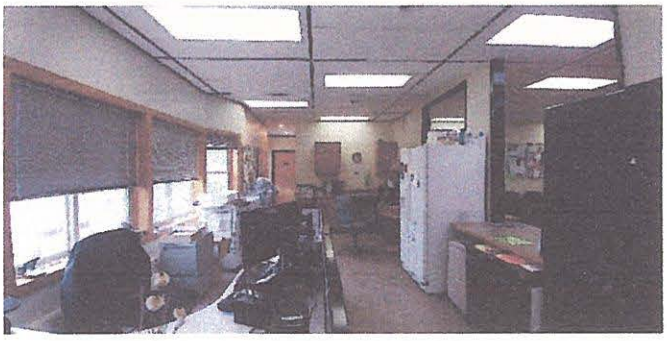
Analysis: $2,100,000/19,634 SF = $107 SF

Confirmation: John Williams, broker by Julie Dinneen, MAI









COMPARABLE BUILDING SALE NO. ❷

Location: 225 Front Street, Juneau
Legal Description: Lot 1, Block 8, Juneau Townsite, JRD.
Sale Date: September 17, 2021
Grantor: R.H. Rentals LLC
Grantee: Southeastern Alaska Regional Health Consortium
Recording: SWD Deed 2021-005794
Price: $1,850,000 x 1.06 for broker's commission = $1,961,000
Terms: cash to seller

Building Size: 16,532 SF on two floors
Building Age: 1981 to 1991
Land Size: 11,300 SF
Access: Front Street and Shattuck Way
Zoning: MU/PD-1 parking district.
Utilities: water, sewer, power, phone
Soils/Topography: small area in crawl space can be impacted by very high tides to a small degree. There is a crawl space and 3,562 SF of concrete basement

Description: The building is on the National Register of Historic buildings. Built in 1897, the building housed Jorgenson's Hardware; the first store in Juneau devoted to hardware. Its architectural style is Late Victorian, and was placed on the registry in 1994. The building was occupied by Lyle's Hardware until 1995 and remodeled by Tom Neubauer in 1997 at a reported cost of $2 million. The building is a two-story structure with an irregular shape. It is supported by a partial concrete basement and by pilings. The wood framing systems includes beams and posts and wood decking and flooring. The roof is a metal gable type and 2/3 of it has been recently replaced. The exterior has horizontal wood siding and 65 windows in vinyl casements. Most of the windows are double hung style. When renovated, the building was taken down to the framing and built back up with new plumbing, electrical, insulation and finishes.

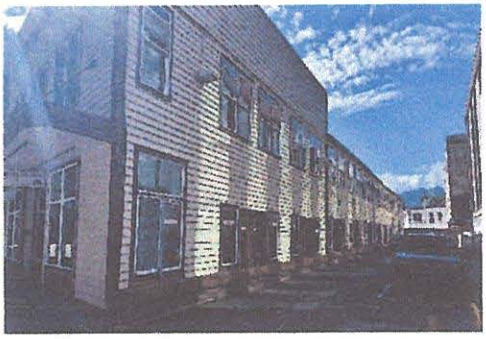
As the photos show, the wide hallways in the building capture a great deal of natural light, and tenant areas have window walls. The remodeling was done with the intention of creating a year-round center for businesses. The interior is brightly lit and is well oriented to natural light. The east wall of the building is windowless and lies close to surrounding buildings. The atrium provides stairwell or elevator access to the second floor and each level has a hallway that runs the length of the building. The wide hallways have carpeted floors, 4-inch-high wood baseboard painted white, window walls, suspended signs for tenants and entrances with wood doors.

The public restrooms are located on the second floor and include a men's and women's restroom off an interior hallway with recessed lighting and tiled interiors. All plumbing is to code and is found in the public restrooms and in many tenant areas. Several tenant areas have plumbing for kitchens, clinic sinks, etc. The building has a 500-gallon fuel tanks and an oil-fired heating system. As shown in the photographs, there are several

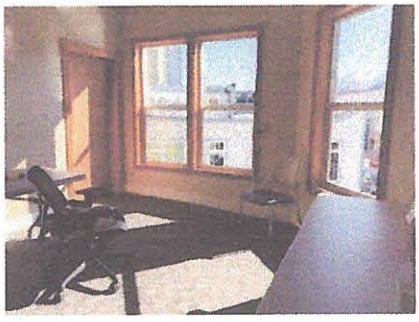
ceiling mounted heating units on both levels. There are 65 argon filled, high energy efficient windows that were installed in 1997. The windows are in vinyl casements and are bronze tinted. Exterior doors with automatic locks were installed in 2012. The doors are locked and unlocked by computer. The tenant doors are good quality wood doors with wood trim.

The building has a passenger elevator and there is a shaft in place that could accommodate a second elevator, if every needed. The basement includes both a concrete area used for storage and shop uses as well as dirt/rock floor where pilings can be seen driven into the ground.

Analysis: $1,961,000 / 16,532 SF = **$119 SF**
Confirmation: Rich Harris, seller, by Julie Dinneen, MAI

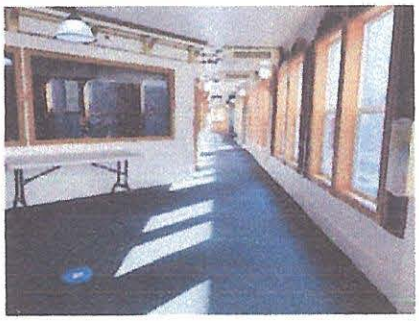














COMPARABLE BUILDING SALE NO. ❸

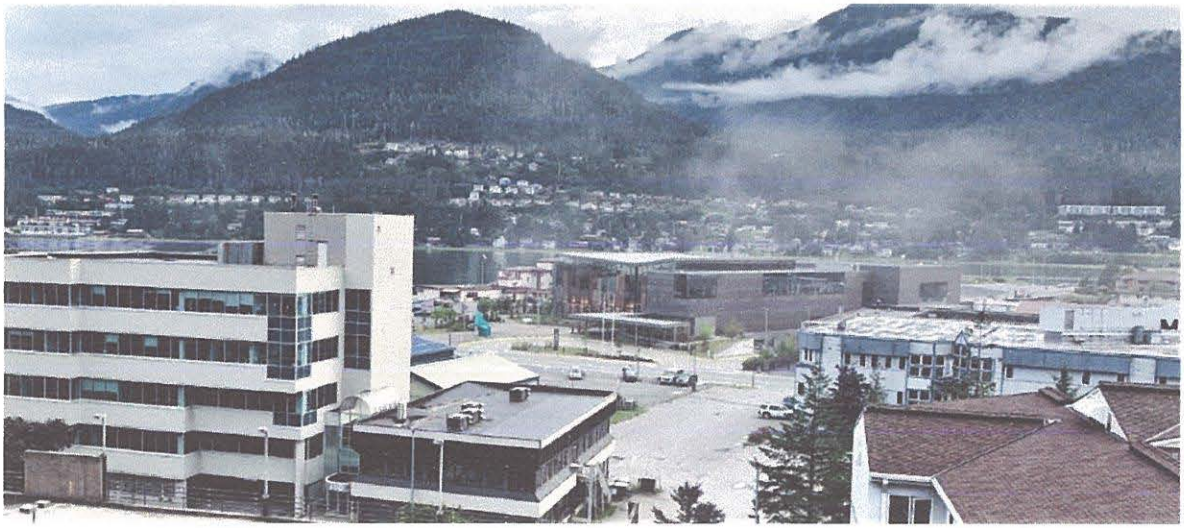
Location: 400-410 Willoughby Avenue, Juneau
Legal Description: 400 Willoughby: Lots 1-6 Block 68, and a portion of Lot 12, Block 68 (metes and bounds description) Tidelands Addition to the City of Juneau, per Plat 352, JRD; 410 Willoughby: Lot 2, Kasaan City Subdivision, Plat 91-38, JRD
Sale Date: December 1, 2021
Grantor: Juneau Business Center LLC
Grantee: Central Council of Tlingit Haida Indian Tribes
Recording: Deed 2012-007331
Price: $15,000,000
Terms: cash to seller

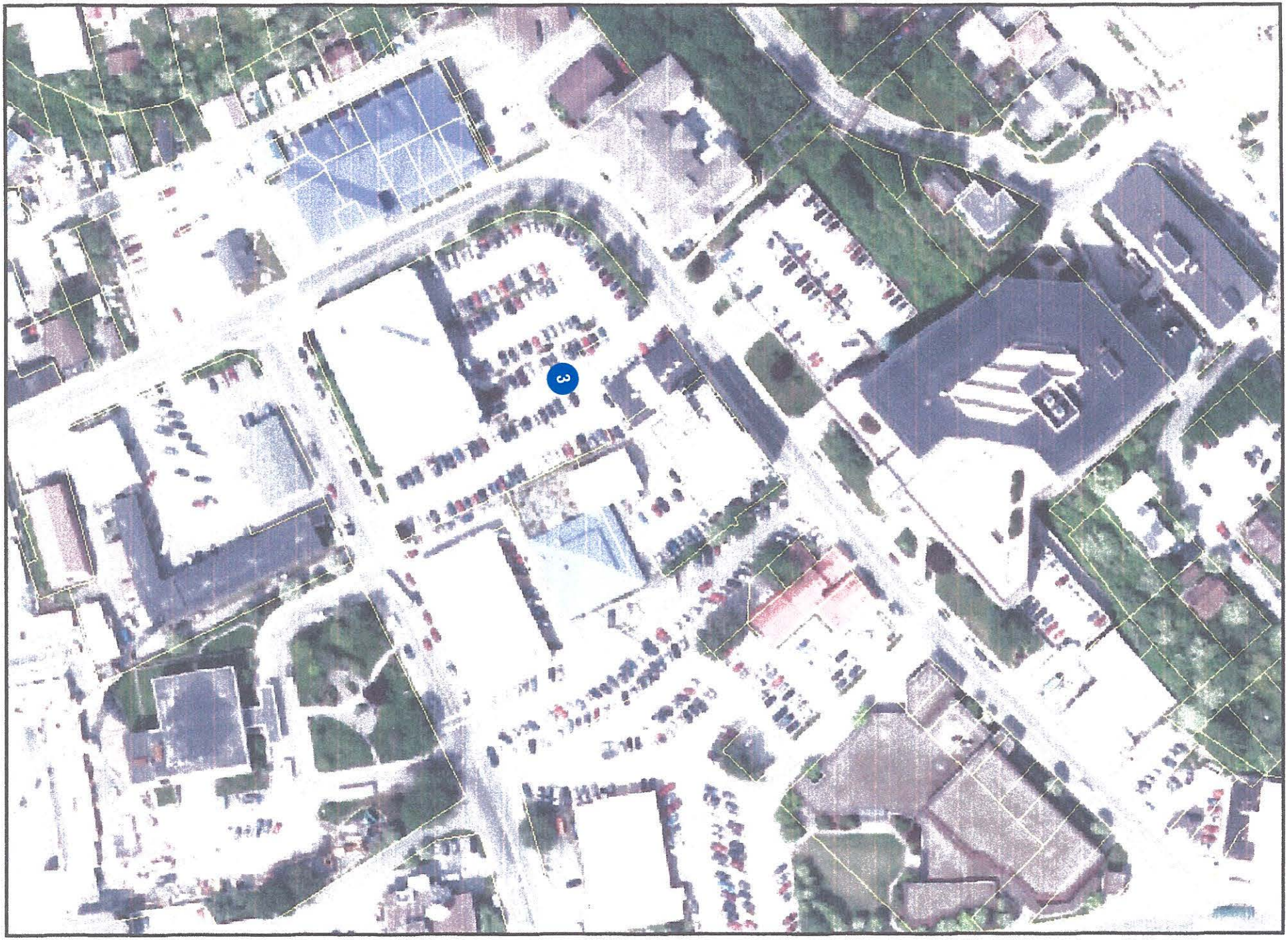
Building Size: 95,450 SF and approximately 80,000 SF of NRA
Building Age: 1981 to 1991
Land Size: 113,644 SF
Access: Willoughby Avenue
Zoning: MU
Utilities: water, sewer, power, phone
Soils/Topography: moderate in topography with good soils

Description: These buildings have 95,967 SF and are in a five-story structure with parking and the building lobby on the first floor and four levels of office, and a two-story annex that was added and attached (31,570 SF- 5 story) 7,216 annex with two storied. The building and Annex share a lobby and elevator banks. 400 Willoughby is located directly across Willoughby Avenue from the State of Alaska Office Building which is owned and occupied by the State of Alaska. The 410 Willoughby was built in 1991 and is of wood construction with 56,664 SF on three floors. It is elevator serviced.

Negotiations involving the buyer, seller and Carlton Smith, broker for this transaction reportedly took 18 months. The buyer intends to occupy half of the vacant space in the buildings. All three buildings had a high percentage of State agencies; however, the amount of space began shrinking several years ago and presently takes up about 65% of the rentable space. In 2019 DEC renewed a lease of 22,270 SF for ten years in the 410 Willoughby Building; the negotiations involved a $2 million investment in tenant improvements by the owners and the rental rate was $2.40 SF plus 129 parking spaces.

Analysis: $15,000,000 / 95,450 SF = **$157 SF**
Confirmation: Carlton Smith, broker, by Julie Dinneen, MAI





The City and Borough of Juneau is not responsible and shall not be liable to the user for damages of any kind arising out of the use of data or information provided by the City and Borough of Juneau, including the installation of the data or information, its use, or the results obtained from its use. ANY DATA OR INFORMATION PROVIDED BY THE City Borough of Juneau IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Data or information provided by the City Borough of Juneau shall be used and relied upon only at the user's sole risk, and the user agrees to indemnify and hold harmless the City Borough of Juneau, its officials, officers and employees from any liability arising out of the use of the data/information provided. NOT FOR ENGINEERING PURPOSES

N

Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances, unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable.
- No responsibility is assumed for such conditions, or for arranging of engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state and local
- environmental regulations and laws, unless noncompliance is stated, defined and considered in this appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been, or can be obtained or renewed, for any use on which the value estimate in this report is based.
- It is assumed that the utilization of the land and improvements, if any, lie within the boundaries or property lines of the property described, and that there is no encroachment or trespass unless noted in the report.
- Unless otherwise stated in t his report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on, or in, the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials, may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose, or by any person other than the party to whom it is addressed without the written consent of the appraiser, and, in any event, only with proper written qualification, and, only in its entirety.

- The appraiser herein by reason of this appraisal in not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

  Neither all, nor any part of the contents of this report (especially any conclusions as to value, the Identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media

QUALIFICATIONS OF APPRAISER

PROFESSIONAL QUALIFICATIONS

JULIE C. DINNEEN, MAI

2061 S. Clayton Street
Denver, CO. 80210

(303) 579-3589
juliedinneen@hotmail.com

EDUCATION

Bachelor of Science, Economics, Lewis & Clark College. Portland, Oregon, 1981

PROFESSIONAL AFFILIATIONS

APPRAISAL INSTITUTE - Member Appraisal Institute #7898
STATE OF ALASKA – Certified General Real Estate Appraiser #AA90

EMPLOYMENT HISTORY

1993-Present
Julie Dinneen Company – Sole Proprietor
Fee Appraisal Shop with a wide variety of assignments in Southeast Region of Alaska

1991-1993
Manager of Juneau Office - Real Estate Services Corporation
Fee Appraisal Shop with a wide variety of assignments in Southeast Region

1989-1993
Associate Appraiser in Anchorage Office – Real Estate Services Corporation
Fee Appraisal Shop with a wide variety of assignments in Southcentral Alaska

1988-1989
Associate Appraiser in San Francisco Office – Arthur Gimmy International
Extensive travel in western states, predominantly skilled nursing facility assignments

1982-1988
Associate Appraiser in Anchorage Office – Shorett & Riely
Fee Appraisal Shop with a wide variety of assignments in Southcentral Alaska

1981-1982
Research Assistant in Portland Office – Curtis, MacKenzie & Slocum

References

Available Upon Request

ASSESSOR MATERIAL

Appeal 2022-0158

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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

GOLDSTEIN IMPROVEMENT COMPANY
130 SEWARD ST STE 001
JUNEAU AK 99801

Meeting of Board of Equalization (BOE) and Presentation of Real Property Appeal	
Date of BOE	Wednesday, June 29, 2022
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	June 15, 2022
Parcel Identification	1C070A020043
Property Location	119 SECOND ST
Appeal No.	APL20220158
Sent to Email Address:	gregadler@mac.com

ATTENTION OWNER

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

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to city.clerk@juneau.org Attn.: Assessment Appeal} by **4:00 PM Wednesday, June 22, 2022** and will be included in the packets for the Board so the members have an opportunity to review the materials before the hearing.

Your Board of Equalization packet will be ready for you to pick up in the Clerk's office after **2:00 PM Thursday, June 23, 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**

CITY AND BOROUGH OF JUNEAU

ASSESSOR OFFICE

APPEAL #2022-0158

2022 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION June 29, 2022

Appellant: Goldstein / Greg Adler

Location: 119 Second St & 120/124/126/128/130/140 Seward St

Parcel No.: 1C070A020043

Property Type: Commercial-Mixed use

Appellant's basis for appeal: excessive, unequal & improper

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	<not provided>	$ 1,216,278	$ 1,216,278
Buildings:	<not provided>	$ 5,376,631	$ 5,376,631
Total:	**$ 4,750,000**	**$ 6,592,909**	**$ 6,592,909**

Subject Photo



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OVERVIEW

The subject is a downtown multi-story retail and office building.

Subject Characteristics:

- Land
  - 15,912 SF lot
  - Including approx. 4,000 SF paved parking lot

- Building
  - Building 1 – 5-story mixed use retail/restaurant and office space
    - 44,750 SF GBA
  - Building 2 – 2-story office building
    - 1,900 SF GBA

SUBJECT PHOTOS



From Seward St



From corner of Seward St & Second St



Along Second St

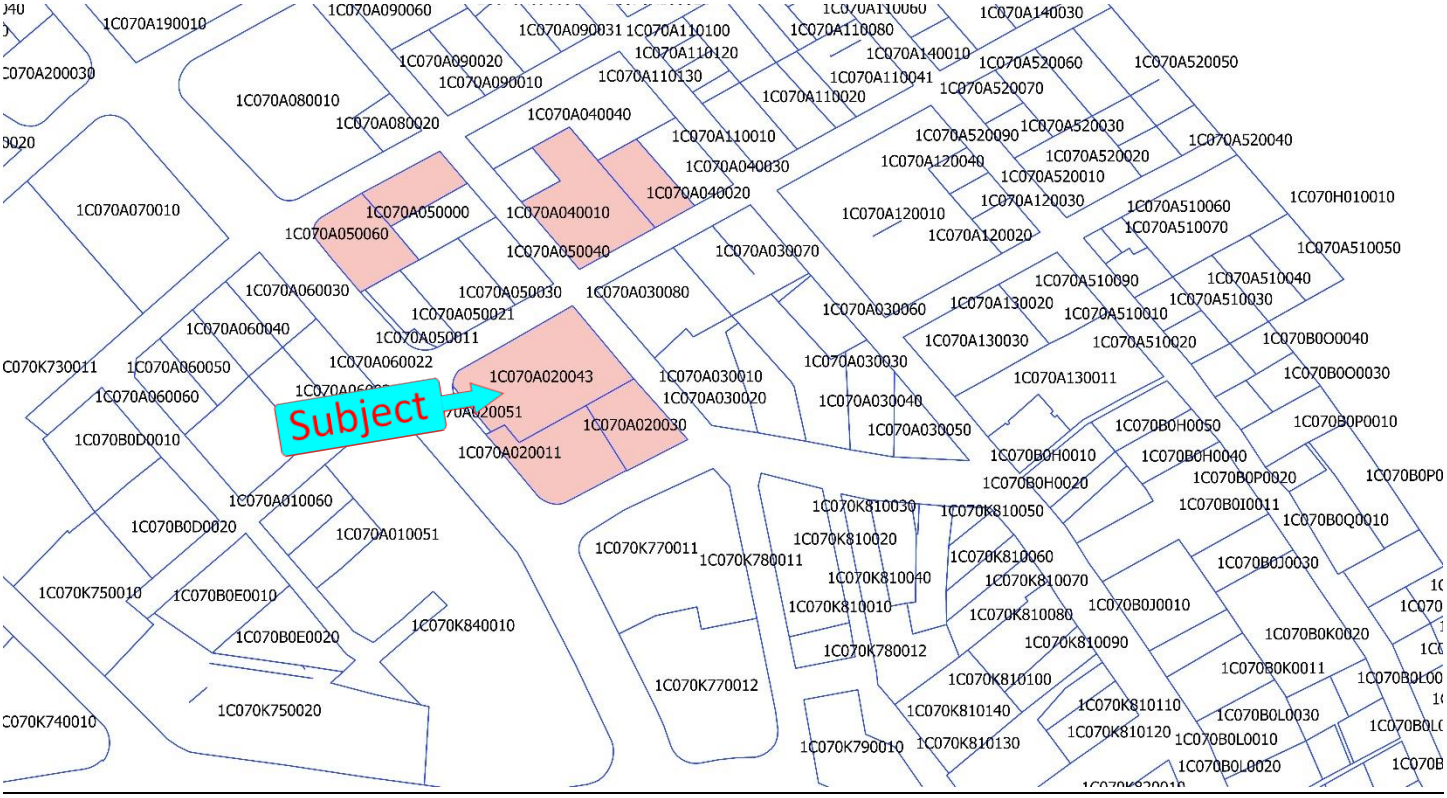
	Along Second St Building 2 in foreground
	From Second St Building 2 Parking lot

	From Main St Building 2 in foreground Parking lot
	From Main St Building 2 in foreground

	From Front St
	6th floor “Penthouse” converted for use/support of cell tower Photo from CBJ Community Development WCF2019-0004

AREA MAP & AERIAL

The salmon shaded parcels are the 6 Goldstein appeals.





ASSESSED VALUES

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

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

LAND

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

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

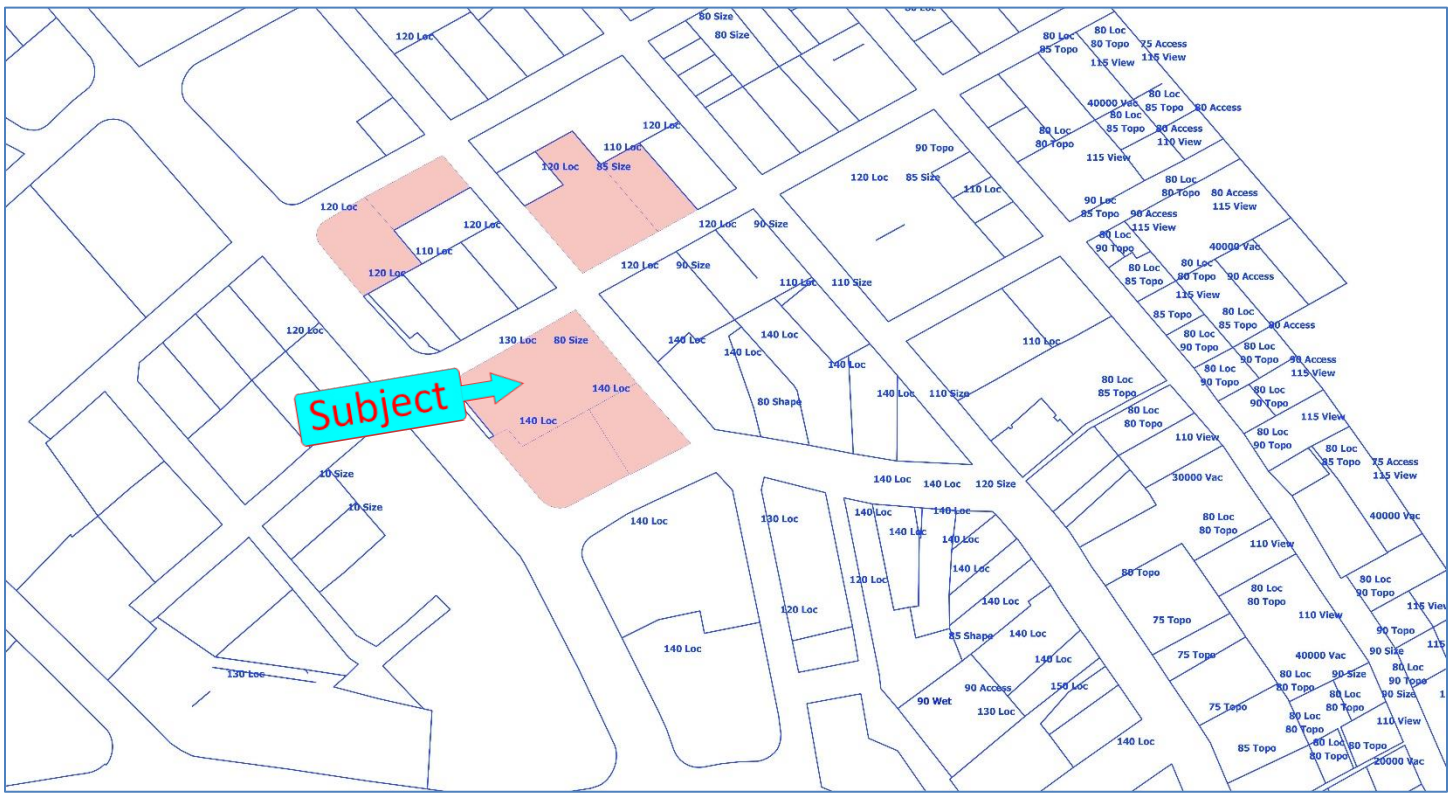
Land Characteristics:

- 15,912 SF lot
- Including approx. 4,000 SF paved parking lot
- Developed lot
- Located in downtown business area

Land Values




Subject


Subject

BUILDING(S)

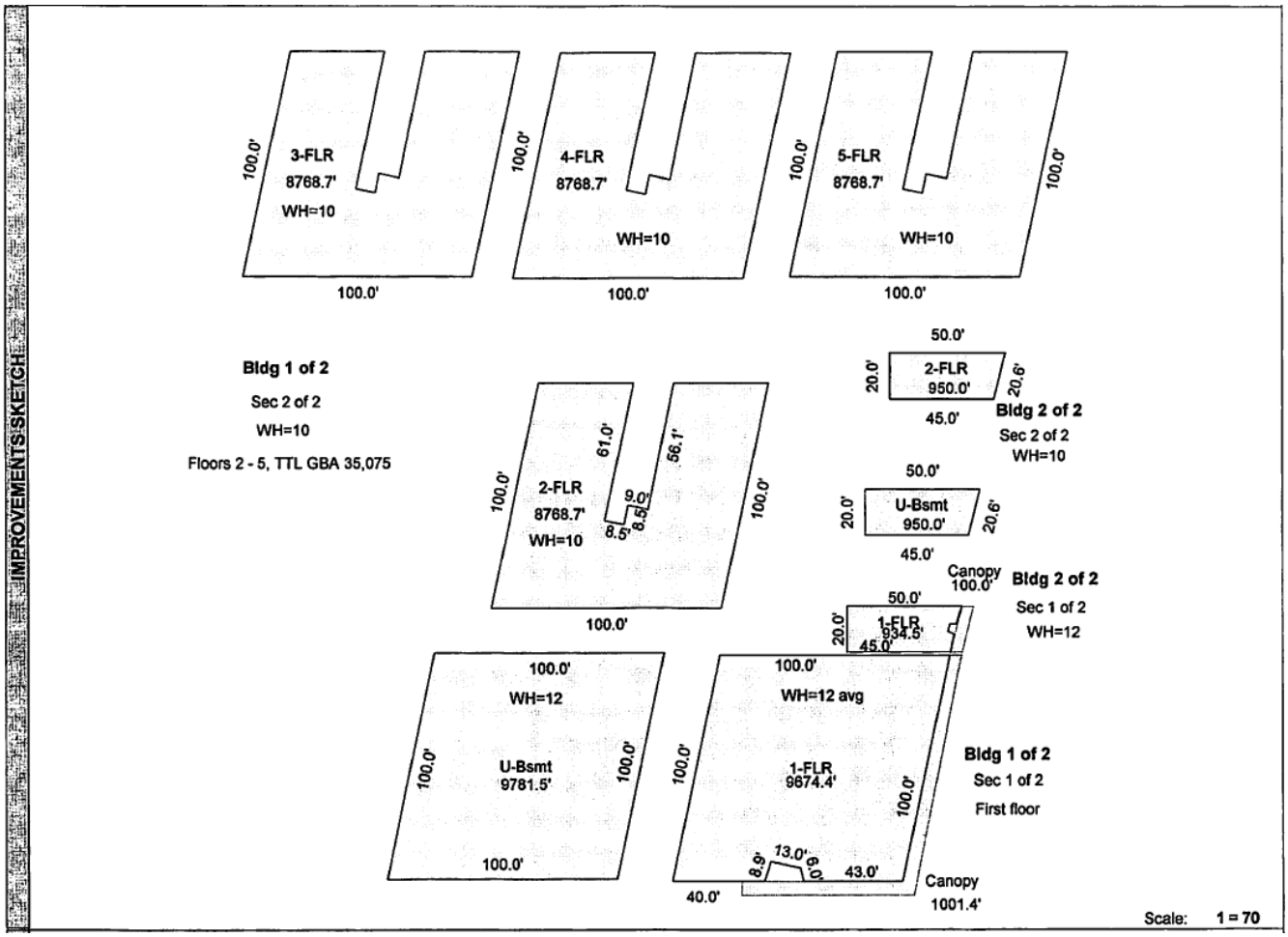
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- Building 1 – 5-story mixed use retail/restaurant and office space
  - 44,750 SF GBA
    - 9,674 SF 1st level Retail/Restaurant
    - 8,769 SF 2nd level Office space
    - 8,769 SF 3rd level Office space
    - 8,769 SF 4th level Office space
    - 8,769 SF 5th level Office space
    - 9,781 SF Unfinished basement
    - 276.5 SF 6th Floor maintenance area
- Building 2 – 2-story office building
  - 1,900 SF GBA
    - 950 SF 1st level Office space
    - 950 SF 2nd level Office space
    - 950 SF Unfinished basement

Sketch of Improvements:



COST REPORT

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

The cost report matches the building value from 2018. For 2022 the downtown building values were reduced by 2%. In the case of 1C070A020043 the assessed value is lower because there was an error when entering the value into the system in that section 2 got dropped and was not included. This parcel also had slight increases to the building value in 2020 and 2021 for upgrades involving the replacement of many of the windows.

Cost Report - Commercial

1287		Record	1
Parcel Code Number	**1C070A020043**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**119 SECOND ST**	**Perimeter**	411
Effective Year Built	1990	**Class**	D
Year Built	1946	**Height**	12
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Office Building	**Total Area**	44,750.00

1287		Record	2
Parcel Code Number	**1C070A020043**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**119 SECOND ST**	**Perimeter**	136
Effective Year Built	1990	**Class**	D
Year Built	1946	**Height**	10
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Office Building	**Total Area**	1,900.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		44750		87.57		3,918,757
Exterior Wall	Stud -Textured Plywood	44750	100%	13.91		622,648
Heating & Cooling	Heating & Cooling	44750		603.00		603
Heating & Cooling	Hot Water	44750	100%	12.00		537,000
Architect Fee		44750		6.80		304,300
Sprinklers	Dry Sprinklers	55532		3.43		190,475
Fire Alarm System		44750		1.46		65,335
Basement	Unfinished	9781		33.46		327,272
Sub Total						$5,966,390.89
Local Multiplier					1.43 [X]	$8,531,939.00
Current Multiplier					1.00 [X]	$8,531,939.00
Neighborhood Multiplier					[X]	$8,531,939.00
Depreciation - Physical					40.00 [-]	$3,412,776.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$5,119,163.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$5,119,163

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		1900		87.57		166,383
Exterior Wall	Stud -Textured Plywood	1900		13.26		25,194
Heating & Cooling	Heating & Cooling	1900		603.00		603
Heating & Cooling	Hot Water	1900		12.00		22,800
Architect Fee		1900		6.80		12,920
Sprinklers	Sprinklers	2850		4.89		13,936
Fire Alarm System		1900		1.46		2,774
Sub Total						$244,610.45
Local Multiplier				1.43	[X]	$349,793.00
Current Multiplier				1.00	[X]	$349,793.00
Neighborhood Multiplier					[X]	$349,793.00
Depreciation - Physical				40.00	[-]	$139,917.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete				100.00	[-]	$209,876.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$209,876
Miscellaneous Improvements						
Miscellaneous Improvement	Canopy 02.06.2018 P				[+]	29,700
Total Improvement Value						$5,358,700

INCOME APPROACH

The income approach was not the basis for setting most of the assessed value for 2022. The appellant did not submit P&L information for the Review process.

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

1C070A020043
GOLDSTEIN IMPROVEMENT COMPANY
119 SECOND ST
JUNEAU TOWNSITE BL 2 LT 5A1

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$1,216,278.00	$29,700.00	$5,346,931.00	$6,592,909.00
2021	$1,241,100.00	$29,700.00	$5,456,052.00	$6,726,852.00
2020	$827,400.00	$29,700.00	$5,353,668.00	$6,210,768.00
2019	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2018	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2017	$795,600.00		$5,774,100.00	$6,569,700.00
2016	$795,600.00		$5,774,100.00	$6,569,700.00
2015	$795,600.00		$5,774,100.00	$6,569,700.00
2014	$795,600.00		$5,774,100.00	$6,569,700.00
2013	$795,600.00		$5,774,100.00	$6,569,700.00
2012	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2011	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2010	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00

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.

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 appeal process, placing a higher priority on uniformity within existing models rather than uniformity with the whole which is being addressed through separate processes. Based on current assessment levels for this neighborhood the full market value for this property, which the BOE may adopt, would be $6,944,290.

Additional Details:

- The appellant states that their assessed value is excessive.
  - We find that, based on analysis of market sales, the value it is not excessive.
- The appellant states that their value is unequal.
  - We find that it was valued with the same methodology as other properties.
- The appellant states that their property is valued improperly.
  - The parcel was valued using proper methodology.
- 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 has submitted thousands of pages of paper copy and many electronic document files.
  - We have reviewed all of this material and find no basis for a reduction of their assessed value

Also of note is that the BOE reviewed this property last year and upheld the value and that even though the sales indicate that the downtown values have continued to increase the downtown assessments were decreased by 2% this year in order to achieve greater uniformity in the commercial property values.

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 $6,592,909 is warranted and ask that the BOE uphold the assessed value.

Addendum A - Communications

See separate document.

Addendum B – Additional Response Details

See separate document.

APPELLANT MATERIAL

Appeal 2022-0157

CITY AND BOROUGH OF JUNEAU

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

Petition for Review / Correction of Assessed Value Real Property	
Assessment Year	2022
Parcel ID Number	1C070A040010
Name of Applicant	GOLDSTEIN IMPROVEMENT CO
Email Address	gregadler@mac.com

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	1C070A040010		
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY		
Primary Phone #	310-612-1312	Email Address	gregadler@mac.com
Physical Address	201, 205,209,213,217,221	Mailing Address	Greg Adler
	Seward St & 216 Second S		426 East Rustic Road
	Juneau, AK		Santa Monica, CA 90402

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

- [x] My property value is excessive/overvalued
- [x] My property value is unequal to similar properties
- [x] 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:

Please see the attached Documentation, including a Summary, Reasoning and Arguments and Appraisal

Have you attached additional information or documentation? [x] Yes [ ] No

Values on Assessment Notice:

Site	$866,565	Building	$627,564	Total	$1,494,129

Owner's Estimate of Value:

Site	$Fairness	Building	$Fairness	Total	$875,000

Purchase Price of Property:

Price	$	Purchase Date	

Has the property been listed for sale? [ ] Yes [x] *No (if yes complete next line)*

Listing Price	$	Days on Market	

Was the property appraised by a licensed appraiser within the last year? [x] 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 Greg Adler Date March 31, 2022

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

PARCEL #: _____ **APPEAL #:** _____ **DATE FILED:** _____

Appraiser to fill out			
Appraiser		Date of Review	
Comments:			
Post Review Assessment			
Site $	Building $	Total $	
Exemptions $			
Total Taxable Value $			

APPELLANT RESPONSE TO ACTION BY ASSESSOR

I hereby ☐ **Accept** ☐ **Reject** the following assessment valuation in the amount of $_____

If rejected, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.

Appellant's Signature _____ Date: _____

Appellant Accept Value	☐ Yes ☐ No *(if no skip to Board of Equalization)*
Govern Updated	☐ Yes ☐ No
Spreadsheet Updated	☐ Yes ☐ No
Corrected Notice of Assessed Value Sent	☐ Yes ☐ No

BOARD OF EQUALIZATION

Scheduled BOE Date	☐ Yes ☐ No
10-Day Letter Sent	☐ Yes ☐ No

The Board of Equalization certifies its decision, based on the Findings of Fact and Conclusion of Law contained within the recorded hearing and record on appeal, and concludes that the appellant ◯ **Met** ◯ **Did not meet** the burden of proof that the assessment was unequal, excessive, improper or under/overvalued.

Notes:

Site	$	Building	$	Total	$
Exemptions	$				
Total Taxable Value	$				

Contact Us: CBJ Assessors Office			
Phone/Fax	**Email**	**Website**	**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

MARKET VALUE APPRAISAL
CHARLIE GOLDSTEIN BUILDING
201, 205, 209, 213, 217, 221 SEWARD STREET
AND 216 SECOND STREET
JUNEAU, ALASKA
JDC FILE NO. 2021-27E

As of November 20, 2021

PREPARED FOR:

Martin Jannol, PC
8383 Wilshire Boulevard
Suite 663
Beverly Hills, CA 90211

BY:

JULIE DINNEEN COMPANY
Julie C. Dinneen, MAI
302 W. Chester Street
Lafayette, CO 80026

JULIE DINNEEN COMPANY

REAL ESTATE APPRAISALS

March 25, 2022

Martin Jannol, PC
8383 Wilshire Boulevard
Suite 663
Beverly Hills, CA
90211

RE: Market Value Appraisal of Charlie Goldstein Building, 201, 205, 209, 213, 217 and 221 Seward Street, and 216 Second Street, Juneau, Alaska. JDC File No. 2021-27E.

Dear Mr. Jannol:

At your request, I have completed an appraisal of the above referenced real estate, which is in Juneau. The purpose of this appraisal is to determine the market value of the property for purpose of in-house work product by the owner, Goldstein Improvement Company. The property was inspected on July 20, of 2021 and the report was completed over the ensuing months. The effective date of the appraisal is November 20, 2021.

This report has been completed in conformance with the appraisal reporting standards formulated by the Uniform Standards of Professional Practice (USPAP) as formulated by the Appraisal Foundation.

Based upon my research and analysis, I have formed the opinion that the market value of the leased fee interest in the subject property, in-as condition, is **$875,000.**

Respectfully Submitted,

Julie C Dinneen

Julie C. Dinneen, MAI

302 WEST CHESTER STREET, LAFAYETTE, CO. 80026
(303) 579-3589

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ADDENDA

Subject Property Information
GIC Rental Roll
GIC Operating Expenses
Realty Rates Exhibits
Building Sale Comparisons
Assumptions and Limiting Conditions
Qualifications of Appraiser

CERTIFICATE OF APPRAISAL

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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

— I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

— I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

— my engagement in this assignment was not contingent upon developing or reporting predetermined results.

— my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

— my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice.*

.— I have made a personal inspection of the property that is the subject of this report.

Julie C. Dinneen

Julie C. Dinneen, MAI

APPRAISAL REPORT

Purpose of the Appraisal

This appraisal estimates market value of the leased fee interest in the subject property in as-is condition. The purpose of the report is for in-house work product.

Type of Report and Intended User

The intended user of this appraisal is the Goldstein Improvement Company.

Date of the Appraisal

The effective date of the appraisal is November 20, 2021.

Identification of Subject Property

The physical address of the subject property is 201, 205, 209, 213, 217, 221 Seward Street and 216 2nd Street. The legal description of the subject property is Lot 1, 2 and a Fraction of Lot 7, Block 4, Juneau Townsite, Juneau Recording District, State of Alaska.

Property Rights Appraised

This valuation reflects the market value of the leased fee interest in the subject property. A leased fee estate is an ownership interest held by a landlord with the rights of use and occupancy transferred by the lease to others.

Definition of Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer whereby:

1. *Buyer and seller are typically motivated.*
2. *Both parties are well informed or well advised, and acting in what they consider their best interests;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

Source: Title 12, Code of Federal Regulations, Part 34, Subpart C (Office of the Comptroller of the Currency Final Rule on Real Estate Appraisals, Section 34.42.

Scope of the Appraisal

The extent to which the property was inspected: The subject property was inspected on July 22, 2021 in the presence of Daniel Glidmann. Due to COVID, some areas in buildings were not available for inspection, but a high percentage was available for viewing.

The type and extent of data researched:

Economic reports for the Southeast Alaska were read for this appraisal. The downtown Juneau market was studied for comparable rental data and building sales and listings. In this process, property owners, real estate brokers, tenants, and buyers and sellers of commercial properties were interviewed.

Goldstein Improvement Company provided two years of income and operating expenses for six commercial properties, which includes the subject. This information was analyzed for use in this report.

The type of analysis applied:

The approaches that are relevant for this property are the Income Approach and the Sales Comparison Approach. These two approaches are included herein. Construction costs at this time for a new office/mixed use development in downtown are too high to produce an economically feasible product. As such the cost approach is not relevant and is not viewed as important to buyers and sellers who are making transaction decisions in the marketplace.

Exposure Period

An opinion based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Marketing Period

The marketing period is the amount of time it takes generally comparable properties in the competing marketplace to sell.

The subject property is a successful investment property with a mix of uses located at a highly visible of downtown Juneau. This property has enjoyed high occupancies over the past several years. COVID has impacted this property and its tenants to varying degrees and the owner has provided rent relief to those tenants that have been most impacted. While have been several sales of buildings in the broad neighborhood over the past five years, most were purchased for renovation projects that included significant capital expenditures. These properties were under-performing at the time of sale. These sales are noteworthy but do not provide good marketing period estimates.

Recent sales include the 225 Front Street building, which was not openly marketed. The buyer approached the owner and a negotiated sale was completed within less than one year. The Emporium Building at 174 South Franklin was marketed for sale and sold after three years. The buyer's intention was to maximize the potential of this property. The B.M. Behrends building at 3rd and Seward streets sold within 30 days of being marketed and the 400-410 Willoughby office complex sold after an 18-month negotiation process. It was never openly marketed for sale.

Based upon the foregoing, a reasonable exposure period is 18 months, and a reasonable marketing period is 18 months, assuming the subject is marketed within a range supported by market data.

Assessment Data

The 2021 assessment of the subject property is as follows:

1C070A040010	Land	Building	Total	2021 Taxes
	$884,250	$640,100	$1,524,350	$16,097

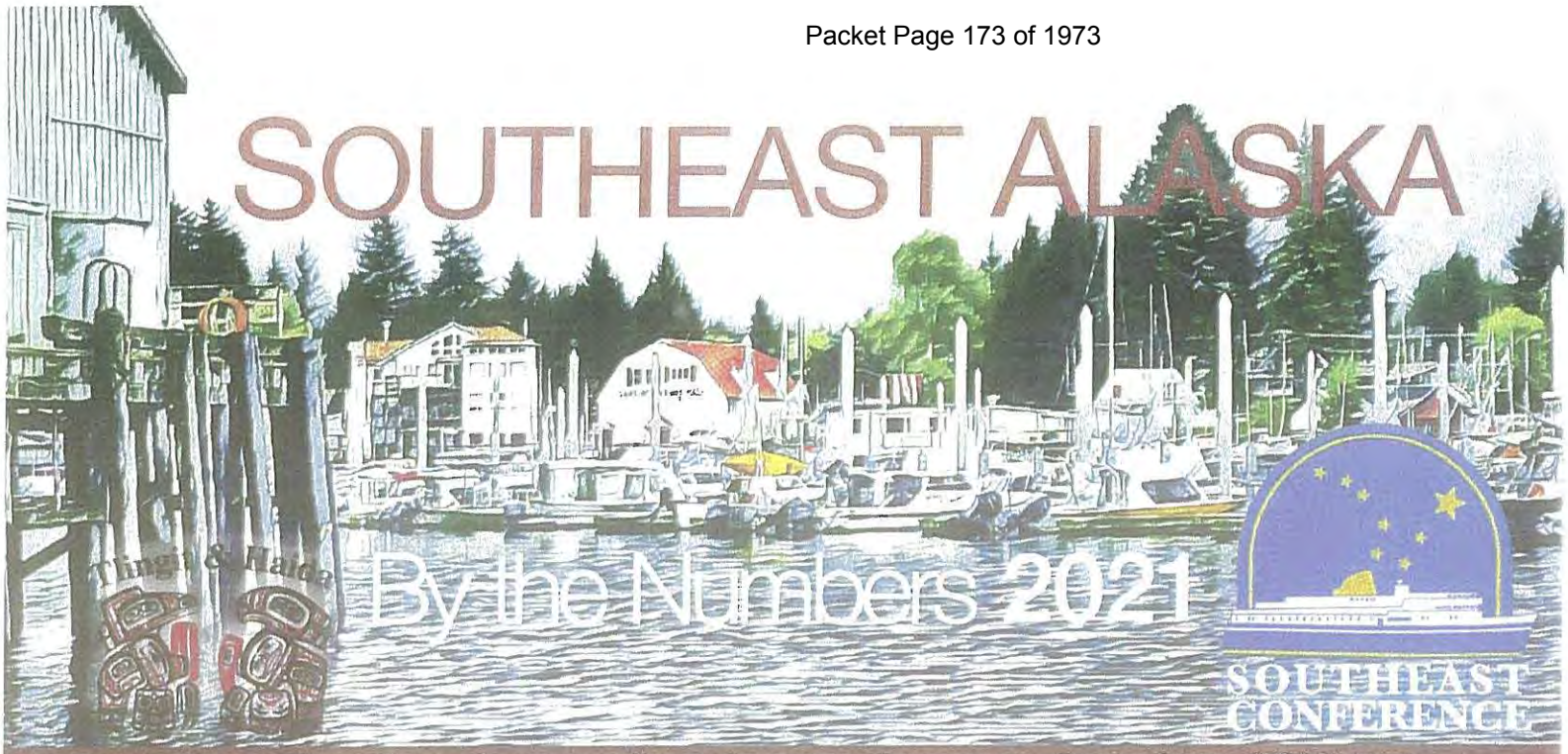
The subject property is in a service area with a mill rate of 10.56 for FY 2021. This is a decrease from the 2020 mill rate of 10.66.

Ownership History

Title to the subject is vested in the Goldstein Improvement Company. There has not been a sale of this property in the past five years.

Southeast Alaska Economy

The most recent publication regarding the economy of the region was completed in September 2021 by Rain Coast Data and is a Southeast Conference Publication. The conference was held in Haines in September of 2021. Southeast Alaska By the Numbers 2021 is included in the following section.



SOUTHEAST ALASKA

By the Numbers 2021

SOUTHEAST CONFERENCE

SEAFOOD PAGE 4 | TOURISM PAGE 5 | TIMBER, MINING PAGE 6 | CONSTRUCTION, HEALTH PAGE 7 | GOVERNMENT PAGE 8 | DEMOGRAPHICS PAGE 9 | BUSINESS SURVEY PAGE 13 | CEDS SUMMARY PAGE 15

CHANGES 2019 TO 2020



THE LABOR FORCE DECREASED BY **5,910 JOBS** TO 40,167 JOBS, **-13%**



TOTAL WAGES DECREASED BY **$190 MILLION** TO $2.16 BILLION, **-8%**



TOTAL PASSENGER ARRIVALS DECREASED BY **89% TO 191,000** (INCLUDES RESIDENTS)



STATE JOBS DECREASED BY **267** JOBS, **-6%**



BY AUGUST 2021, **61%** OF SOUTHEAST RESIDENTS WERE **FULLY VACCINATED**



POUNDS OF SEAFOOD LANDED IN THE REGION DECREASED BY **100 MILLION** POUNDS, **-48%**

SOUTHEAST ALASKA'S ECONOMY

2020

Jobs and wages grew in the first quarter of 2020, but for the remainder of the year the COVID-19 pandemic ravaged the Southeast Alaska economy. Over the year as a whole the region lost nearly 6,000 jobs and $190 million in total wages. Private sector wages were down by 13% over 2019. The visitor industry was particularly devastated. An expected 1.4 million cruise ship passengers dwindled to just 48 on the region's smallest cruise ships. Total jobs in the visitor sector were cut by 45%, for a loss of 3,800 year-round-equivalent jobs while tourism wages fell by $119 million.

On top of the pandemic Southeast Alaska experienced one of its worst fishing seasons on record. Dismal harvest levels were compounded by reduced prices, as global restaurant closures gutted seafood demand. The 2020 regional seafood catch was 63% below 10-year averages in terms of pounds landed, and 55% lower in terms of value, even when adjusted for inflation.

Federal relief proved to be a critical stabilizing force. Communities and businesses received more than a half billion in aid in the form of grants and loans. Nearly a third of businesses said they would have closed permanently without this influx of cash. Still, there were some bright spots in 2020. Federal and construction employment were both up, and the average regional wage increased by 5%.

2021

Southeast Alaska is headed into a prolonged period of economic recovery as regional business leaders are finding ways to succeed in a volatile but improving business climate. Through mid-July there had been tremendous optimism that the Fall of 2021 would bring a return to normalcy. However, the highly contagious Delta variant coupled with declining vaccination rates has meant that infection rates are going up, instead of down, threatening gains in health and economic advancement.

Despite setbacks, there has been positive economic news. A federal act allowed cruise ships to return to Southeast Alaska in 2021, suspending the Passenger Vessel Services Act temporarily and permitting approximately 10% of a typical cruise season to occur in 2021. The salmon harvest is coming in well above the record lows of 2020 – especially pink and sockeye, seafood prices are significantly higher, and processing jobs are way up. The 2020 US Census showed overall population growth for the region during the past decade.

While these are tumultuous times, the resources of the region are extraordinary. Southeast Alaska has a productive ocean, valuable minerals, beautiful scenery, world-class recreation opportunities, and its most important resource – the tenacity of Southeast Alaskans, organizations, and communities.

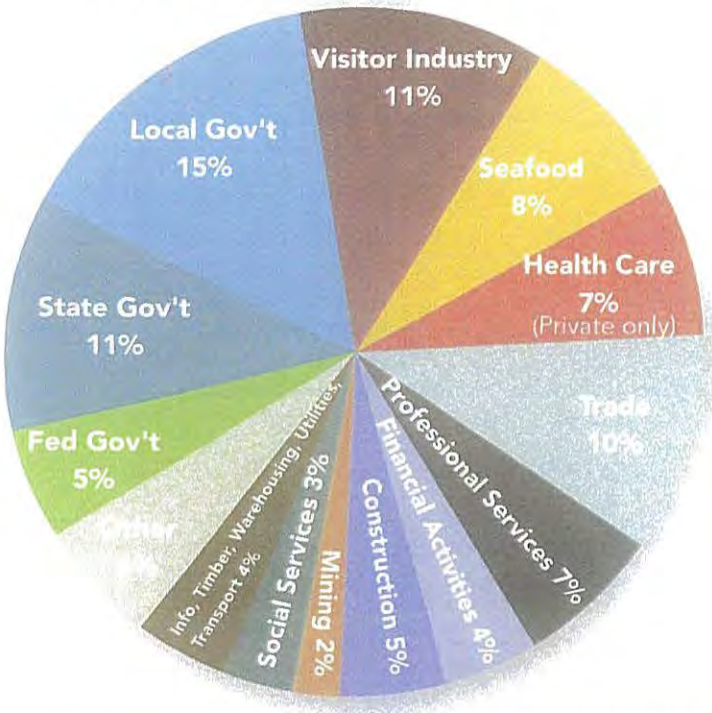
The Whole **Southeast Alaska Economy** 2020

In 2020, Southeast Alaska lost nearly 6,000 year-round equivalent jobs and $190 million in workforce earnings compared to 2019.

Annual Average Jobs

40,187 Jobs

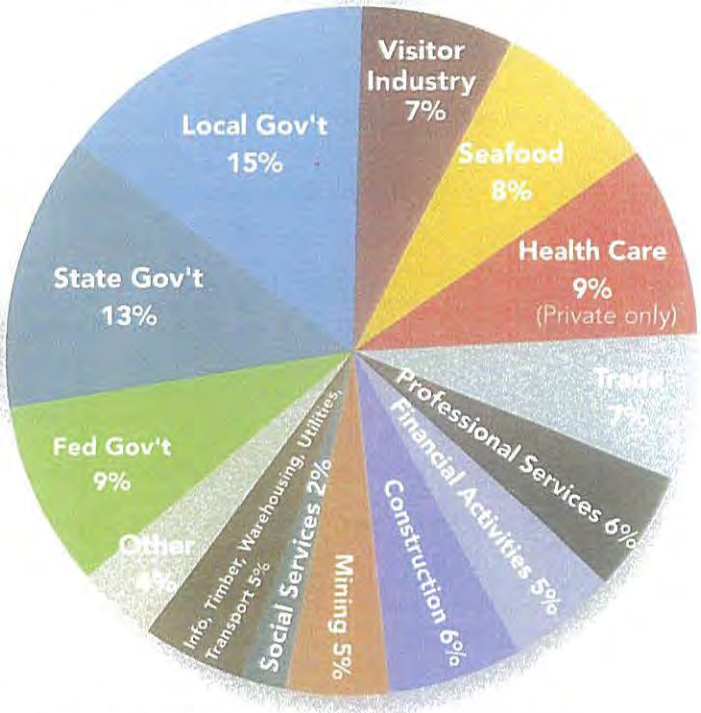
DOWN 5,910 JOBS IN 2020 -13%



Employment Earnings

$2.16 Billion Workforce Earnings

DOWN $189.7 MILLION -8%



2020 Southeast Alaska Employment Earnings

	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS			
	Wages (2020)	Self-Employment Earnings (est.)	Total Earnings	Annual Average Employment (2020)	Self-Employed (est.)	Total Employment	Change 2019 to 2020
Government (includes Coast Guard)	$727,921,874	$61,055,378*	**$788,977,252**	11,856	645*	12,501	-493
Visitor Industry	$132,209,534	$20,459,468	**$152,669,002**	4,023	576	4,599	-3,795
Seafood Industry	$62,894,498	$107,722,240	**$170,616,738**	1,284	2,021	3,305	-438
Trade: Retail and Wholesale	$123,884,718	$24,031,000	**$147,915,718**	3,607	524	4,131	-341
Health Care Industry (private only)	$177,697,626	$14,808,180	**$192,505,806**	2,674	252	2,926	-99
Construction Industry	$95,005,835	$38,999,000	**$134,004,835**	1,362	584	1,946	43
Financial Activities	$57,840,241	$54,349,824	**$112,190,065**	1,038	737	1,775	-58
Professional and Business Services	$79,291,373	$43,487,000	**$122,778,373**	1,503	1222	2,725	-216
Mining Industry	$102,946,071	$307,000	**$103,253,071**	855	6	861	-73
Social Services	$42,046,690	$3,977,000	**$46,023,690**	1,175	179	1,354	-60
Information (publishing, broadcasting, telecom.)	$19,918,962	$1,179,093	**$21,098,055**	383	48	431	-104
Timber Industry	$18,337,876	$1,824,974	**$20,162,850**	272	49	321	-51
Warehousing, Utilities, & Non-Visitor Transport	$48,744,126	$13,267,922	**$62,012,048**	820	163	983	6
Other	$57,419,864	$23,795,533	**$81,215,397**	1,507	821	2,328	-232
Total	**$1,746,159,288**	**$409,263,612**	**$2,155,422,900**	**32,359**	**7,828**	**40,187**	**-5,910**

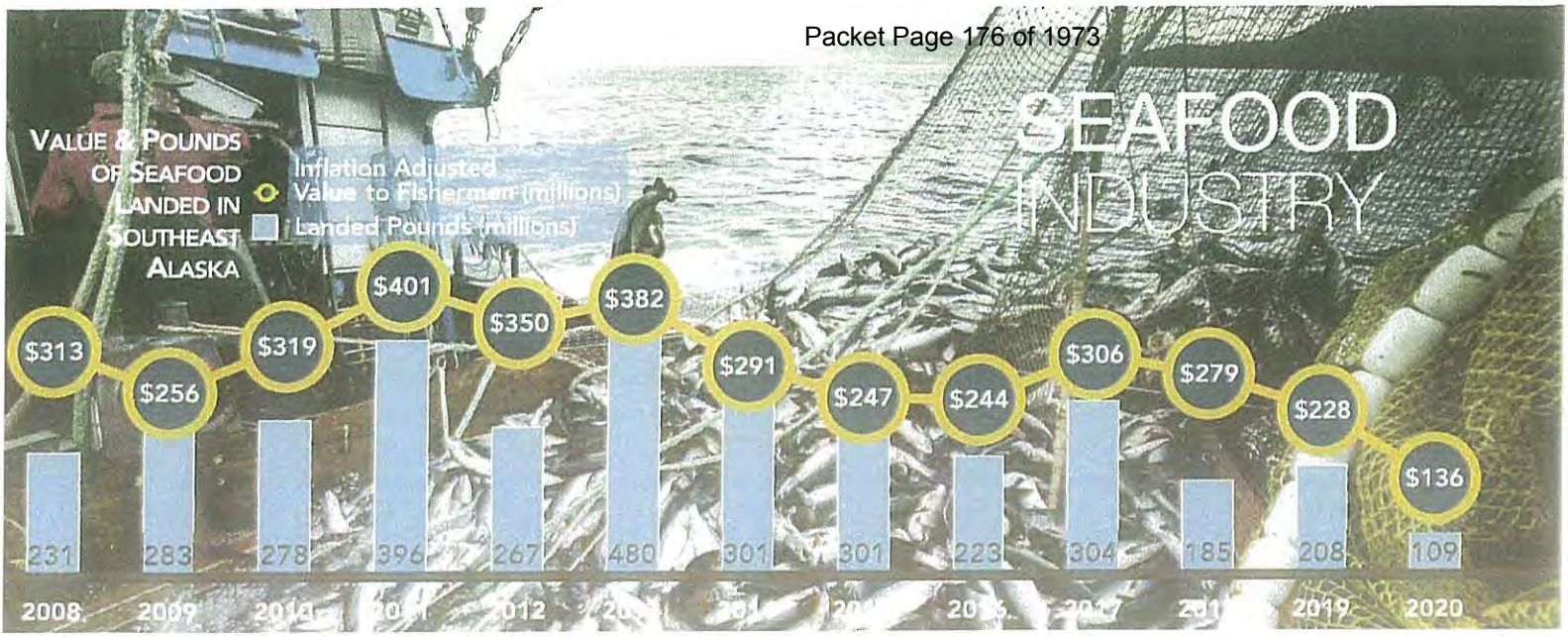
Sources: Alaska Department of Labor Employment & Wage data; (latest available) US Census Nonemployer (self-employment) Statistics; Active Duty Military Population, ADOL.
*These cells in Government refer to active duty Coast Guard personnel employment and wages, and not self-employment data. **Notes: Seafood Industry** includes animal aquaculture, fishing & seafood product preparation, and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic). **Timber** includes forestry and logging support activities for forestry, and wood product manufacturing.

CHANGE IN THE LAST YEAR: 2019 to 2020

Table tracks key Southeast indicators over the past year, along with associated changes.

DEMOGRAPHICS	2020	2019	% CHANGE 2019-2020	CHANGE 2019-2020
Population [1]	71,946	72,373	-0.6%	-427
Ages 70 and older [2]	7,260	6,940	5%	320
Under Age 10 [2]	8,289	8,555	-3%	-266
Twenty-somethings [2]	7,931	8,340	-5%	-409
K-12 School District Enrollment [3]	10,683	11,344	-6%	-661
GENERAL ECONOMIC CONDITIONS				
Total Labor Force (jobs, includes self-employed & USCG) [1,5,6]	40,187	46,097	-13%	-5,910
Total Job Earnings [1, 5, 6]	$2.15 billion	$2.35 billion	-8%	-$190 million
Total Private Sector Payroll [1, 6]	$1.37 billion	$1.56 billion	-13%	-$198 million
Average Annual Wage [1]	$53,635	$50,873	5%	$2,761
Annual Unemployment Rate [1]	8.3%	5.2%	3.1%	3.1%
TOP ECONOMIC SECTORS	**2020**	**2019**	**% CHANGE**	**CHANGE**
GOVERNMENT	PUBLIC SECTOR: 37% OF ALL EMPLOYMENT EARNINGS			
Total Government Employment [1, 5]	12,501	12,994	-3.8%	-493
Federal Employment [1, 5] (8% of all employment earnings)	2,074	2,032	2.1%	42
State Employment [1] (14% of all job earnings)	4,438	4,705	-5.7%	-267
City and Tribal Employment [1] (14% of all job earnings)	5,989	6,257	-4.3%	-268
Total Government Payroll (includes USCG) [1, 5]	$789 million	$780.7 million	1.1%	$8.3 million
Total State of Alaska Payroll	$278.9 million	$284 million	-1.8%	-$5.1 million
VISITOR INDUSTRY	KEY INDUSTRY: 7% OF ALL EMPLOYMENT EARNINGS			
Total Visitor Industry Employment [1, 6]	4,599	8,394	-45%	-3,795
Total Visitor Industry Wages/Earnings [1, 6]	$152,669,002	$271,608,580	-44%	-$119 million
Total Southeast Alaska Passenger Arrivals	191,138	1,787,345	-89%	-1,596,207
Cruise Passengers [10]	48	1,331,600	-100%	-1,331,552
Total Air Passenger Arrivals from Outside SE [11]	188,443	444,217	-58%	-255,774
Total AMHS Passengers from Outside SE [12]	2,647	11,528	-77%	-8,881
COMMERCIAL FISHING & SEAFOOD INDUSTRY	KEY INDUSTRY: 8% OF ALL EMPLOYMENT EARNINGS			
Total Seafood Employment (includes fishermen) [1, 6]	3,305	3,743	-12%	-438
Total Seafood Employment Earnings [1, 6]	$170,616,738	$238,027,072	-28%	-$67 million
Value of Seafood Processed [7]	$270,914,859	$422,042,543	-36%	-$151 million
Pounds Landed (commercial seafood whole pounds by SE residents) [8]	108,772,607	208,340,000	-48%	-100 million
Estimated Gross Earnings (ex-vessel value of pounds landed) [8]	$135,971,839	$228,312,316	-40%	-$92 million
HEALTH CARE INDUSTRY (PUBLIC & PRIVATE HEALTH)	KEY INDUSTRY: 12% OF ALL EMPLOYMENT EARNINGS			
Health Care Employment [1, 6]	3,675	3,836	-4.2%	-161
Health Care Wages [1, 6]	$248,616,809	$242,049,223	2.7%	$6.6 million
MARITIME ECONOMY (Includes employment from all industries)	KEY INDUSTRY: 13% OF ALL EMPLOYMENT EARNINGS			
Private Maritime plus USCG Employment [1,5,6]	4,968	6,544	-24%	-1,576
Private Maritime plus USCG Wages [1,5,6]	$289,144,738	$403,353,410	-28%	-$114.2 million
OTHER SELECTED STATISTICS	**2020**	**2019**	**% CHANGE**	**CHANGE**
Construction Employment [1, 6] (6% all employment earnings)	1,946	1,903	2%	43
Mining Employment [1] (5% of all employment earnings)	861	934	-8%	-73
Timber Employment [1]	321	372	-14%	-51
Price of Gold [7]	$1,769	$1,392	27%	$377
Total Southeast AMHS Ridership [12]	38,596	135,388	-72%	-96,792
Cost of Living: Consumer Price Index [1]	226.2	228.7	-1.1%	-3
Housing Starts: Housing Permitted /Completed [4,1]	130	259	-50%	-129
Avg. Daily Volume ANS Oil Production (mbbls/day) [14]	479,531	489,771	-2%	-10,240
Annual Avg. Domestic Crude WTI Oil Prices (in $/Barrel) [14]	$41.67	$65.49	-36%	-$24

Sources: [1]Alaska Department of Labor (ADOL); [2]ADOL Southeast Alaska Population by Age; [3]Alaska Department of Education and Early Development; [4]Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; [5]US Coast Guard; [6]US Census Nonemployer (self-employment) Statistics and estimates based on business climate surveys; [7]Kitco Metals Inc.; [8]ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; [10]Cruise Line Agencies of Alaska; [11]US Bureau of Transportation Statistics (RITA); [12]Alaska Marine Highway System data; [14]Alaska Department of Revenue Crude Oil and Natural Gas Prices.



Seafood Industry

3,743 Annualized Jobs in 2019

DOWN 438 JOBS IN 2020

EARNINGS DOWN BY 28%

2020 The Southeast Alaska 2020 seafood harvest was one of the worst on record. Compared to data over the past 10 years, the 2020 catch was 63% below average in terms of pounds landed, and 55% lower in terms of total value. Lower pink salmon harvest returns were primarily to blame. Reduced seafood prices – due to the shutdown of the global restaurant sector, as well as impacts of the US-China trade war – coincided devastatingly with one of the lowest salmon catches in more than 40 years. Processors spent millions on mitigation measures, further impacting ex-vessel prices and reducing workforce levels.

Fishermen caught nearly 100 million fewer pounds of pink salmon than they did, on average, between 2010 and 2019 (-78%); and 52 million fewer pounds of chum (-60%).

The 2020 catch value of $136 million was less than half of the inflation-adjusted 10-year average value of $305 million. Generally, fishermen reported that they had never worked so hard to earn so little in 2020.

While the total volume of crab harvested in 2020, especially for Dungeness, was significantly above average, the total value of the catch was still markedly below 2019 values.

In 2020, the five salmon species represented just 40% of the regional seafood catch by ex-vessel value. Halibut, black cod, and crab accounted for nearly half of total catch value in 2020. Typically, the majority of the statewide catch of Chinook, coho, chum, shrimp, Dungeness crab, and the dive fisheries occurs in Southeast Alaska.

KEY ECONOMIC DRIVER

The regional seafood industry (including commercial fishing and seafood processing) generated 3,300 annual regional jobs and $171 million in earnings in 2020, making up 8% of jobs and earnings in the region. This represents a loss of more than 400 jobs compared to 2019, and a loss of 1,000 seafood sector jobs since 2015.

In 2020, shore-based seafood facilities in Southeast Alaska processed 76 million pounds of seafood, with a wholesale value of $271 million. This represents a 50% decrease in seafood pounds processed compared to 2019, and a $151 million decline in the value of processed product. While currently a small part of the larger seafood economy, efforts to develop a mariculture sector for shellfish and seaweeds continue to expand.

2021 The 2021 harvest to date has been a considerable improvement over 2020. Seafood processing jobs are up by 11%. In ASMI's August 24, 2021 update, Sockeye and Coho harvests are above 2020, Chum and King harvests remain similar, and a massive pink harvest far exceeds expectations. Significantly higher seafood prices have also helped make 2021 a better year.

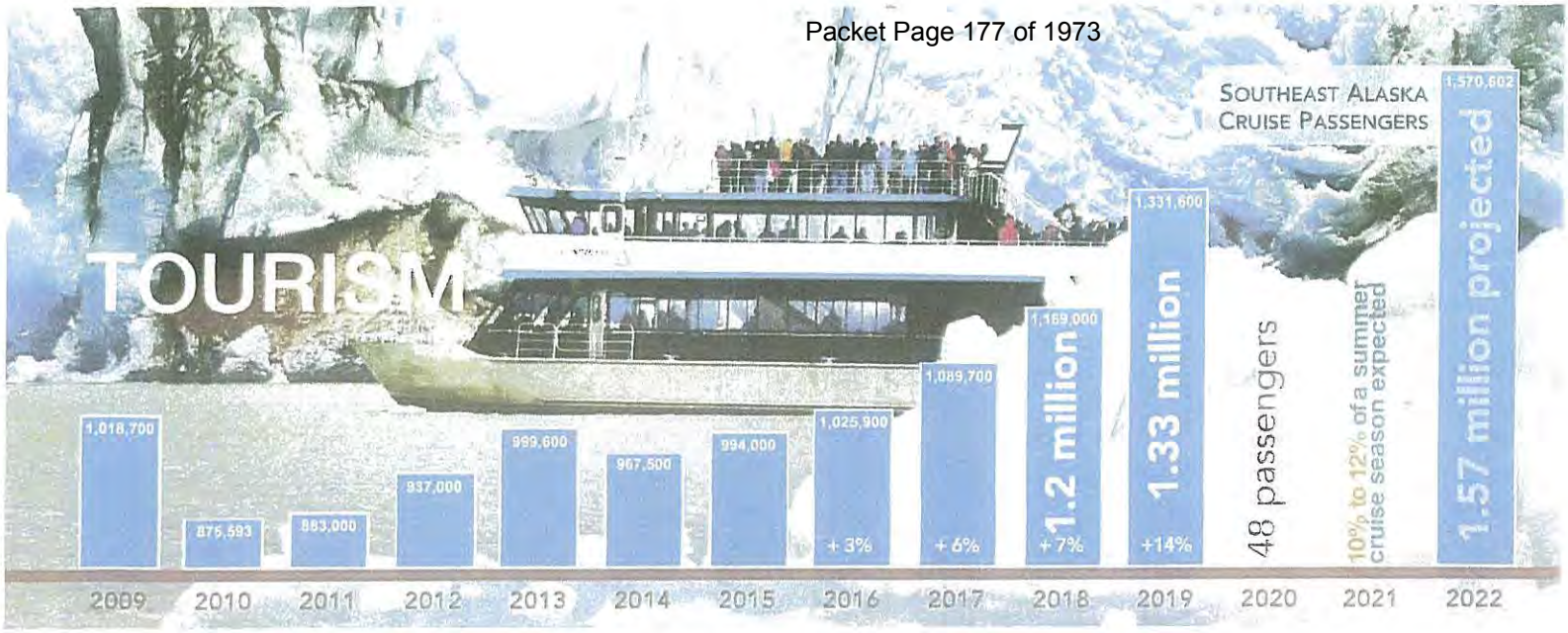


While the sector faces uncertainty due to changing ocean conditions, tariffs, state budget cuts, and global farmed seafood competition, this season's higher prices, increased jobs, and the potential for a huge pink salmon return are all good news for the regional seafood industry.

THE 2020 SOUTHEAST CATCH

Species	10-year avg. pounds landed	2020 pounds landed	Change from 10-year avg.
Pink Salmon	127,149,205	28,357,689	-78%
Sockeye Salmon	6,356,304	2,330,899	-63%
Chum Salmon	86,626,657	34,784,994	-60%
Coho Salmon	16,711,752	7,383,065	-56%
Chinook	3,458,793	2,467,056	-29%
Herring	24,319,336	1,754,254	-93%
Halibut	6,998,796	6,800,425	-3%
Crab	4,663,317	7,772,985	67%
Black Cod	9,519,259	9,661,862	1%
All Other	8,604,749	7,459,378	-13%
Pounds	294.4 million	108.8 million	-63%
Value	$304.7 million	$136 million	-55%

Sources: Combination of ADOL Employment and Wage data; US Census Nonemployer (self-employment) Statistics; ADF&G Seafood Production of Shorebased Plants in Southeast Alaska; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. Weekly Alaska Salmon Harvest Updates are produced for ASMI by McKinley Research. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Photo**: By Chris Miller.



Visitor Industry

8,350 Annualized Jobs
$272 Million in Wages in 2019

Down 3,795 Jobs in 2020

2020 The 2020 visitor season was like no other. Few tourists arrived in the region, and those who did found reduced opportunities to leave their money here. However, because the visitor industry includes all hotels, which were highly utilized for quarantining - especially by the mining sector - and restaurants, which quickly pivoted to take-out menus and services, employment levels were perhaps not as hard hit as they could have been. Total jobs in the visitor sector were cut by 45%, for a loss of 3,795 year-round-equivalent jobs. Wages fell by $119 million, a drop of 44% compared to 2019.

In 2020, just 191,000 air, ferry, and cruise passengers (including residents) arrived in Southeast Alaska from outside the region. Airline passenger traffic from outside the region decreased by 58%, cruise ship traffic was reduced by 100%, and ferry passengers from outside the region fell by 77% due to the continued dramatic decreases in AMHS funding and service (see page 10).

Tourists had been expected to spend nearly $800 million across Southeast Alaska communities in the summer of 2020, and the visitor sector had been set to surpass the state and municipal sectors to become the largest wage provider in the region overall. Instead, those working in the visitor industry earned $153 million in 2020—just 7 percent of all regional employment income, compared to 12 percent the year before. The average annualized wage in the visitor sector was $33,195, the lowest of any industry.

2020 Cruise Ship Season Cancelled

In 2020, 43 cruise ships were scheduled to visit the region, carrying 1.41 million passengers on 606 voyages. Two of the region's smallest cruise ships with 48 combined passengers set sail in 2020, while the remainder were cancelled, due to a prohibition of cruise ships passing through Canada.

Business Leaders Survey

In April of 2021, leaders in the visitor sector reported on how their businesses were fairing:

- Tourism businesses reported that revenue was down by **62%** since the pandemic began.
- **One-third** reported they would have needed to close permanently without the financial assistance made available through federal relief programs.
- **50%** were struggling to pay bills, rent, or mortgage.
- **31%** of tourism leaders said they remain vulnerable to closure.

2021 #### Increasing Jet Passengers

While arriving air passengers decreased by 56% in 2020, by June 2021 passenger arrivals were up by 50% across the region compared to the first half of 2020, with June-only traffic up 260% above June 2020.

Cruise Ships Return

Large cruise ships returned to the region for the first time in 21 months in July of 2021, thanks to a federal act temporarily suspending the Passenger Vessel Services Act and allowing cruise ships to bypass Canada. The 79 expected port calls will provide Southeast Alaska with the equivalent of one-tenth of a typical tourism season.

2021 Cruise Schedule	
Total ships	8
Total voyages planned	79
Total projected passengers	10% to 12% of a full season
Weeks of service	16
First ship	July
Last ship	Mid-October

2022 In 2022 if ships sail at normal capacity, they are projected to bring more than 1.5 million cruise ship passengers to Southeast Alaska, and account for 90% of all tourists in the region. Developing enough capacity to serve this number of visitors after two years of little to no tourism will be a significant challenge for regional businesses. Projected passengers for 3 of the region's largest ports of call are below:

2022 Cruise Projections		
Community	Projected Voyages	Projected Passengers
Juneau	639	1,570,602
Ketchikan	598	1,401,387
Skagway	474	1,203,139

Sources: Cruise Lines International Association Alaska. Combination of ADOL Employment and Wage data and US Census Nonemployer (self-employment) Statistics; Alaska Visitors Statistics Program (AVSP) VII; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System; Cruise Line Agencies of Alaska; Juneau International Airport Passenger Statistics. **Note:** In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies. **Photo Credit:** Allen Marine





Timber Industry

372 Annualized Jobs in 2019

DOWN 51 JOBS IN 2020

WAGES DOWN BY 10%



2020 These have not been good years for the regional timber industry. Timber jobs decreased by 14% in 2020 to 321 annualized workers and total wages dropped by 10%. Most of the region's timber jobs are now concentrated on Prince of Wales Island, home to Viking Lumber, the last remaining mid-sized sawmill in Southeast Alaska.

Southeast timber jobs peaked at 3,543 annual average jobs in 1991 and have fallen by 91% since that time.

In October of 2020, the Alaska Roadless Rule exemption was briefly reinstated. Had this change been implemented the Tongass National Forest would have been exempted from the 2001 regulation protecting roadless areas in national forests nationally, making higher levels of regional timber available for harvesting.

2021 In July of 2021, the US Department of Agriculture reversed this earlier decision, restoring the 2001 Roadless Rule in the Tongass, and announcing a new "Southeast Alaska Sustainability Strategy" aimed at ending large-scale old growth timber sales in the Tongass and refocusing US Forest Service management on forest restoration, recreation, climate, wildlife habit, and watershed improvements.

In 2021 the Sealaska Corporation, which had played a major role in the region's timber economy for 42 years, announced a transition away from the logging industry to focus on ocean-based food and tourism opportunities.

Timber industry employment will continue to contract. While there are some continued opportunities for timber sales in Asia, tariffs imposed by China on imports of Alaska spruce logs have made it difficult to negotiate agreements. Moreover, operators across the region continue to face constant environmental litigation, further disrupting harvest operations.

Mining Industry

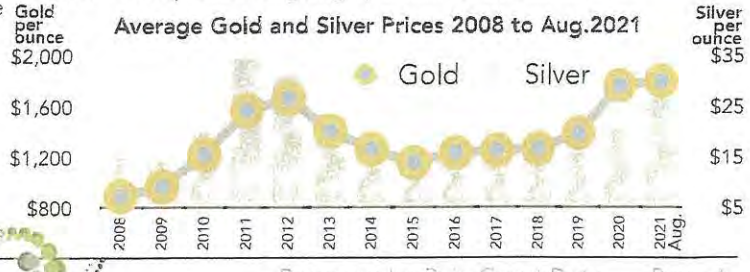
934 Annualized Jobs in 2019

WAGES UP BY 9%

2020 Mining saw the largest increase in wages of any sector across the region in 2020, growing by 9%. While mining industry employment in the region was technically down, this was mostly due to how jobs are counted. Shift change protocols were reconfigured in response to COVID-19 safety precautions. Longer schedules were developed in early 2020, leading to an undercount in workers in some months. There were 861 annual average mining jobs in Southeast Alaska, with a payroll of $103 million. The average annual mining wage was $120,000 in 2020, more than double the overall regional wage of $53,635.

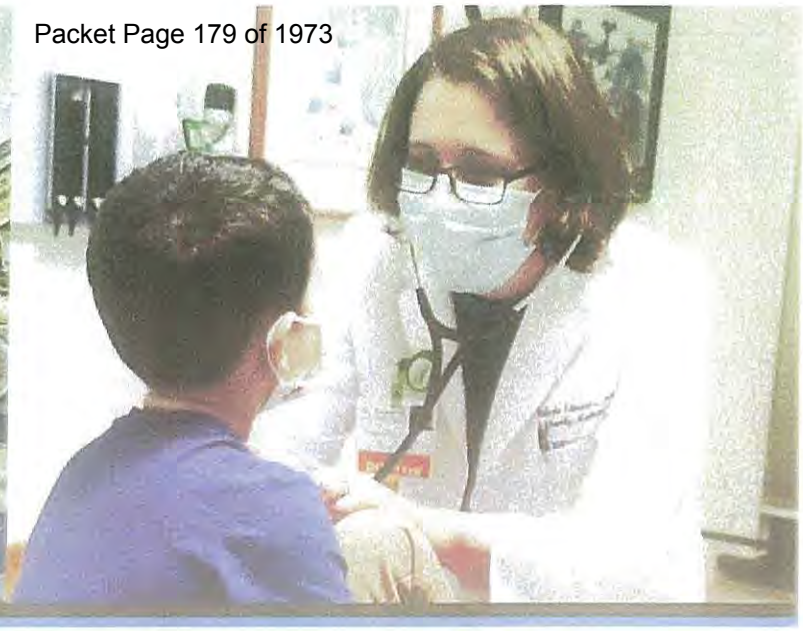
Three mines in the region account for nearly all mining employment. Hecla Greens Creek is one of the largest silver mines in the world, Coeur Alaska's Kensington Mine is exclusively a gold mine, and the Dawson Mine is a smaller gold and silver project on Prince of Wales. In 2020, Greens Creek had a record production of 10.5 million ounces of silver and 56,814 tons of zinc. Kensington achieved a near record production of 124,867 ounces of gold. There are several mining exploration projects underway including Palmer in Haines, Herbert Gold in Juneau, Bokan Mountain and Niblack, both on Prince of Wales. Mining exploration activity in the region was notably down in 2020 due to pandemic limitations.

2021 In August 2021, Hecla Greens Creek had 450 full-time permanent employees (+10 from 2020), and Coeur Alaska Kensington had a staff of 383 (-3 from 2020). Dawson Mine reported 40 full time workers. Metal prices, which rise in response to economic turmoil, have been strong. Higher precious metals values provide ongoing optimism for this sector.



Sources: ADOL Employment and Wage data; Kitco Metals Inc; Coeur Mining Inc. Annual Report; Hecla Mining Company Annual Report. U.S. International Trade Commission. **Photo credits:** Tessa Axelson and Michael Penn.





Construction Industry

1,903 Annualized Jobs in 2019

JOBS UP 43 IN 2020, WAGES UP BY 2%

2020 For the first time in seven years construction employment was up in 2020. Jobs in this sector increased by 43 workers, a two percent increase due to the prioritization of construction projects during the pandemic. Construction workers in the region earned $134 million in 2020, an increase of two percent over the previous year. Construction was a larger portion of the overall regional economy in 2020, rising from four percent of all workforce earnings to six, helping to stabilize the larger economy.

Housing construction was down in 2020 by 50%, as only 130 new units were permitted or completed across the region, compared to 259 in 2019.

2021 Early data shows that construction jobs in the first half of 2021 were up substantially - by nine percent. Tourism projects helped drive this increase. Recently completed tourism projects include a gondola and dock in Hoonah, a new dock and facility at Ward Cove, the new Sitka Sound Cruise Terminal, and the Juneau Archipelago project. As the tourism industry restarts in the region, so do plans for future tourism projects. Federally-funded projects and tourism infrastructure developments have become the focus of current and future construction efforts. Due to budget constraints, state- and municipally-funded construction projects have mostly waned. Cuts in state spending led to the reduction of large-scale construction projects across the region.

The federal Infrastructure Investment and Jobs Act, which has not yet passed, is expected to include funding for projects in Southeast Alaska. In the meantime, the federal CARES Act waived matching funds for some projects, making large infrastructure grants more accessible for local municipalities. There remains some uncertainty moving forward in the construction/engineering sector, as firms are busy but will not yet have future project certainty until the federal infrastructure bill passes.

Health Care Industry

3,836 Annualized Jobs in 2019

JOBS DOWN 150 IN 2020 WAGES UP BY 3%

2020 Health care became the nation's top priority in 2020, as well as the region's. Southeast Alaska's 3,675 public and private healthcare workers comprised 9% of the regional workforce in 2020, earning 12% ($249 million) of all wages. Regional health care employment fell by 150 annualized jobs in 2020. Despite a drop in jobs, total earnings for the industry increased by 3%. Wages have been increasing to attract workers. The region was already facing a shortage of health care workers pre-pandemic due to an aging populace and growing patient volumes. With the advent of COVID-19, the demand for health care workers intensified nationally and globally, making it even more difficult for the region to attract and compete for workers.

The region's largest health care provider, SouthEast Alaska Regional Health Consortium (SEARHC) has been expanding services across the region. The newly-constructed Wrangell Medical Center opened in 2021, in Petersburg the Oceanside Dental Clinic and Mountainside Behavioral Health recently opened; in Juneau the Ethel Lund Medical Center received an extensive remodel and the new Mountainside Urgent Care opened; and in Sitka an agreement was reached with the Indian Health Service to begin construction on a new state-of-the-art regional facility.

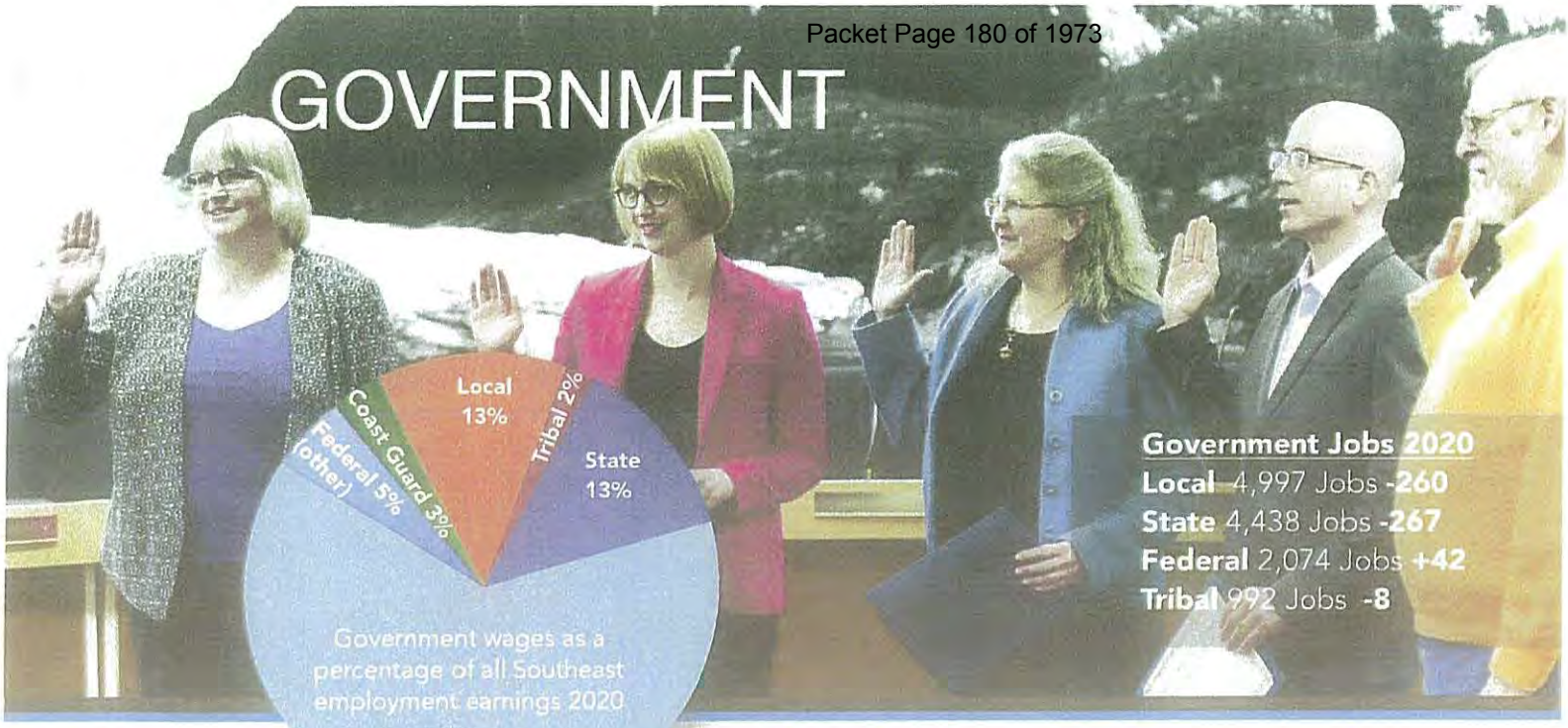
2021 Early data indicates that health care jobs are down incrementally in 2021, by 0.5%. This tracks with larger trends. Nationally and regionally health care worker vacancies have been increasingly harder to fill as the pandemic continues. Southeast health care institutions have shown a high level of readiness in the face of the COVID-19 crisis.

Southeast Alaska Health Care Employment Wages
(in millions)



Sources: Combination of Alaska Department of Labor Employment and Wage data and US Census Nonemployer (self-employment) Statistics; State of Alaska. **Photography credits:** SEARHC and Sander Schijvens.

GOVERNMENT



Government

12,994 Annualized Jobs in 2019

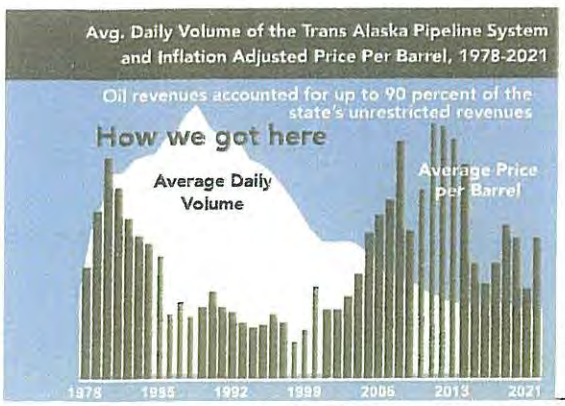
DOWN 493 JOBS IN 2020

WAGES UP BY 1%

2020 Government wages made up 31% (12,501) of the region's jobs in 2020, and 37% of all regional employment earnings ($789 million) and acted as a significant economic stabilizer to the region, as private wages fell by 13%. Overall public sector wages actually grew by $8 million in 2020, an increase of one percent, although government jobs were down by 4%,

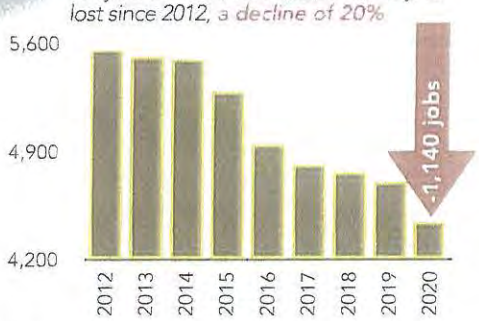
STATE GOVERNMENT LOSSES

For the past eight years, the region has struggled with the impacts of decreased State government employment and spending. The state remains the region's most important economic sector, providing 13% of all regional wages. From 2012 to 2020, state jobs have fallen by 20%, a decline



Southeast State Jobs

State jobs in the region are down for the 8th year in a row, for a total of 1,140 jobs lost since 2012, a decline of 20%



of 1,140 annualized workers. **Comparatively, outside Southeast, just 12.5% of State jobs have been cut.**

STATE BUDGET CRISIS

Even before COVID-19, Alaska's budget was in a state of crisis due to declining oil production and prices. Historically, oil accounted for up to 90% of the state unrestricted general fund; currently, oil provides less than 25 percent.

The State of Alaska has operated in deficit mode for the past eight years, using $18.8 billion in savings to cover budget gaps since FY14, leaving these accounts almost entirely depleted. Alaska is the only state in the US without broad-based taxes like a sales or personal income tax.

However, there is some good news for State coffers. The Alaska Permanent Fund ended the fiscal year with a total value of nearly $81.1 billion, 24% higher than it did at the start of the year.

LOCAL GOVERNMENT

Local government employment was down by 268 jobs, a 5% loss in 2020. Tribal government jobs remained flat. Total local wages increased by one percent.

FEDERAL GOVERNMENT

In a reversal of long-term trends, the federal government added 42 jobs in 2020, an increase of two percent while wages increased by one percent, mostly due to the addition of federal census workers. Federal jobs in 2020 remain 650 below 2004 levels.

With such significant pandemic revenue losses, the saving grace for Southeast Alaska was the $576.2 million in federal COVID-19 relief funds that were directed toward the region in the form of grants and loans. Relief funding has been a critical support for regional households, businesses, service providers, and communities during the COVID-19 crisis.

SE COVID-19 RELIEF

Community	CARES $
Juneau Borough	$206,770,278
Ketchikan Borough	$126,280,581
Sitka Borough	$78,347,023
Petersburg Borough	$36,201,167
Skagway Municipality	$34,584,659
Prince of Wales-Hyder	$29,253,805
Haines Borough	$21,617,152
Wrangell Borough	$14,899,910
Hoonah-Angoon Census Area	$14,566,737
Yakutat Borough	$6,489,640
Non-specific	$7,219,051
Southeast Total	**$576.2 mill**

Sources: ADOL Employment and Wage data; Alaska Department of Revenue Crude Oil Prices. Alaska Office of Management Budget. Photo of the Juneau Assembly by Juneau Empire.



2020 marked the 6th consecutive year of population decline in Southeast Alaska. In 2020, regional births exceeded deaths by 170, and 795 more people moved away than moved into the region.

US Census 2020 Results

The 10-year US Census numbers, released in August 2021, show a one percent overall increase of 622 new residents over the last decade. The region's share of the state population shrank incrementally by 0.2%. Juneau gained 980 people and Ketchikan added 471. Gains over the last decade were most significant percentage-wise in Gustavus +48% and Skagway +28%. The most significant 10-years losses, according to the US Census, took place in Haines -428, Sitka - 423, and Wrangell -242. The census shows the region has become more diverse. The Alaska Native population grew from 23% to 26% of all residents, for a total of 18,500 Alaska Native residents (+1,100).

The Median Age is Now 40+

Southeast has the state's oldest residents. Since 2010, the most pronounced demographic shift has been the aging of the population. During that period, the 60-plus population grew by 5,600 people, a 48% increase over 2010 due to aging in place. A quarter of people in the region are now age 60 or older. The median age of every borough is 40 or older, with the notable exception of Juneau. In the Haines and the Hoonah-Angoon census areas the median age is 48.6. The median age of Southeast is 4.5 years older than the state as a whole.

School Enrollment Down

In 2020, enrollment was down by 6% across the region. While K-12 enrollment increased regionally in 2019, the mostly online 2020 pandemic school year reduced public school population by 661 students as parents chose homeschooling programs, many of which did not direct funds to local school districts. Wrangell saw the highest percentage loss at 41%. Juneau lost 569 students, a decline of 12% — but gained more than half of those back during the first week of school in 2021, according to early data. A loss of funding allocation due to the loss of students enrolled in regional school districts could impact the financial position of regional schools.

The elements that created population losses in recent years, most notably the reduction of state jobs and services, have been exacerbated by the 2020 COVID economy. Pandemic conditions will likely lead to further population decline.

US Census Population Change 2010 to 2020

Community	2010	2020	Change
Juneau Borough	31,275	32,255	3%
Ketchikan Borough	13,477	13,948	3%
Sitka Borough	8,881	8,458	-5%
Petersburg Borough	3,203	3,398	6%
Wrangell Borough	2,369	2,127	-10%
Haines Borough	2,508	2,080	-17%
Metlakatla	1,405	1,454	3%
Skagway Borough	968	1,240	28%
Craig	1,201	1,036	-14%
Hoonah	760	931	23%
Klawock	755	720	-5%
Yakutat Borough	662	662	0%
Gustavus	442	655	48%
Kake	557	543	-3%
Thorne Bay	471	476	1%
Hydaburg	376	380	1%
Angoon	459	357	-22%
Naukati Bay	113	142	26%
Coffman Cove	176	127	-28%
Tenakee Springs	131	116	-11%
Pelican	88	98	11%
Klukwan	95	87	-8%
Whale Pass	31	86	177%
Port Alexander	52	78	50%
Hollis	112	65	-42%
Hyder	87	48	-45%
Port Protection	48	36	-25%
Kasaan	49	30	-39%
Edna Bay	42	25	-40%
Elfin Cove	27	24	-11%
Game Creek	18	23	28%
Point Baker	15	12	-20%
Remainder	811	569	-30%
Total	**71,664**	**72,286**	**1%**

Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area; Alaska Population Projections.
Photography credit: Heather Holt

Loss of **Regional Jobs**

Annual Employment Change by SE Community
2019 to 2020 (Self-employment excluded)

Jobs plummeted across the region in 2020, as expected. By far the hardest hit community was Skagway, which lost nearly half of all annualized jobs (-48%). Haines, Hoonah, and Klukwan each lost approximately a quarter of all jobs; while Ketchikan, Sitka, Angoon, and Gustavus lost between 13 to 15%.

While some communities, such as Skagway and Haines, lost a similar percentage of wages and jobs, people in communities like Juneau and Petersburg earned a similar level of overall wages to 2019, despite significant job decreases in 2020.

Yakutat defied pandemic trends, adding both jobs and wages in 2020.

This analysis excludes self-employment data, which is not made available below the borough/census area level. Still, tracking change in labor figures is an important way to track overall workforce changes in a community.

Juneau Borough	17,957	15,872	$938.1	-1%	-12%
Ketchikan Borough	7,398	6,286	$329.9	-8%	-15%
Sitka Borough	4,311	3,751	$193.0	-7%	-13%
Prince of Wales	1,525	1,432	$62.8	-3%	-6%
Petersburg Borough	1,282	1,237	$55.2	0%	-4%
Skagway Borough	1,080	563	$26.6	-43%	-48%
Haines Borough	1,029	773	$31.4	-25%	-25%
Wrangell Borough	824	725	$32.4	-8%	-12%
Metlakatla	505	497	$23.9	1%	-2%
Hoonah SSA	431	328	$14.0	-13%	-24%
Yakutat Borough	280	298	$16.2	22%	6%
Gustavus SSA	204	177	$8.3	-8%	-13%
Kake	168	162	$5.5	2%	-4%
Angoon SSA	154	133	$3.6	-12%	-14%
Hyder	52	51	$2.9	-2%	-2%
Klukwan	51	38	$0.8	-3%	-25%

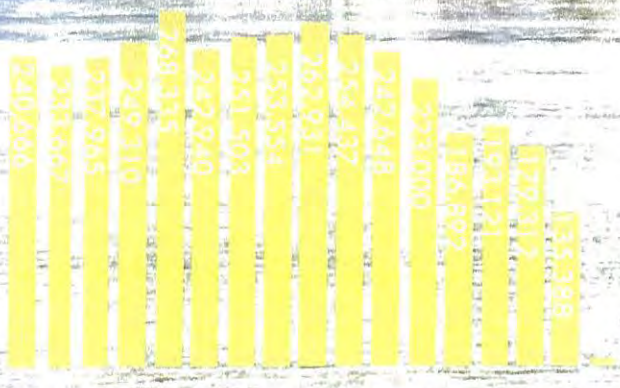
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section. **Notes:** The Hoonah sub-subarea (SSA) includes Pelican and Elfin Cove. The Angoon SSA includes Tenakee Springs. Prince of Wales includes the Hollis SSA, Thorne Bay SSA and Hydaburg. An SSA is the smallest unit for which the Quarterly Census of Employment and Wages is analyzed. Photo: John Hyde.

Ferry connectivity, which has long been identified as the most vulnerable element of the regional economy, had already been significantly reduced pre-pandemic. The Alaska Marine Highway System (AMHS) ferried 262,931 individuals in the region in 2012. By 2019, that figure had dropped by 49%. Deferred and reduced maintenance led to ships being removed from service. In February 2020, the system shut down all but one ferry, leaving some communities without access to groceries. COVID-19 travel challenges came on top of these already existing limitations, further reducing the number of sailings and travelers to 38,596, a 71% decrease from 2019.

Lack of vaccine adoption, paired with the Delta variant, remains an economic, societal, and health care challenge. Despite an early lead in vaccination rates, Southeast Alaska and the state have slowed substantially. As of August 2021, less than two-thirds of the region has been fully vaccinated, and some areas, like Wrangell and Prince of Wales, remained at approximately one-half, similar to the national average. Alaska as a whole lags behind.



AMHS Ridership in Southeast



Vaccinations

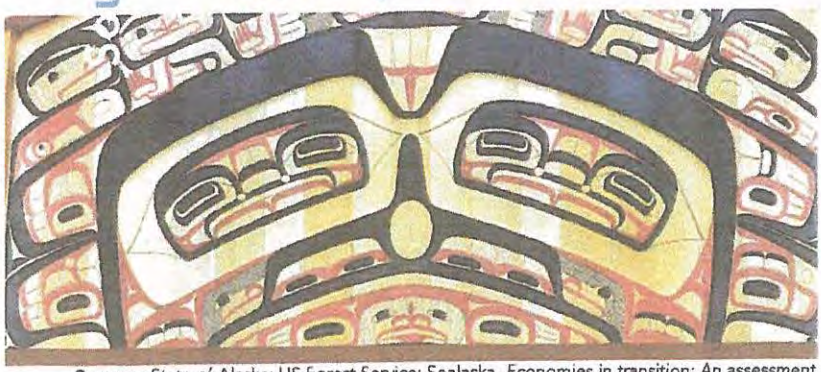
Southeast Vaccination Rates 2021

Juneau	67%
Skagway	67%
Yakutat plus Hoonah-Angoon	65%
Sitka	64%
Haines	61%
Ketchikan	55%
Petersburg	53%
Prince of Wales	53%
Wrangell	52%
Total Southeast	**62%**
Total Alaska	45%
Total US	52%

Source: AMHS. Photo by Villame Kaulotu.

Southeast Alaska Regional Overview





Sources: State of Alaska; US Forest Service; Sealaska. *Economies in transition: An assessment of trends relevant to management of the Tongass National Forest, USDA 1998. Image Credits: Section of SHI clan house by David Boxley. Boat photo by Nick Starichenko.*

The Region

The Southeast Alaska panhandle extends 500 miles along the coast from Metlakatla to Yakutat, encompassing approximately 33,500 square miles of land and water. The saltwater shoreline of Southeast Alaska totals approximately 18,500 miles. More than 1,000 islands make up 40 percent of the total land area. The region is home to 34 communities. The three largest communities – Juneau, Ketchikan, and Sitka – together are home to 75 percent of the regional population.

Culture

The dominant culture in the region is indigenous. Alaska Natives – the Tlingit, Haida, and Tsimshian – make up more than a quarter (26%) of the region's population. The Tlingit have resided in the region for 11,000 years. The region's mild climate, abundant food and raw materials supported the development of highly-organized and culturally-advanced societies with extensive trade routes and rich artwork.

Economic Trends

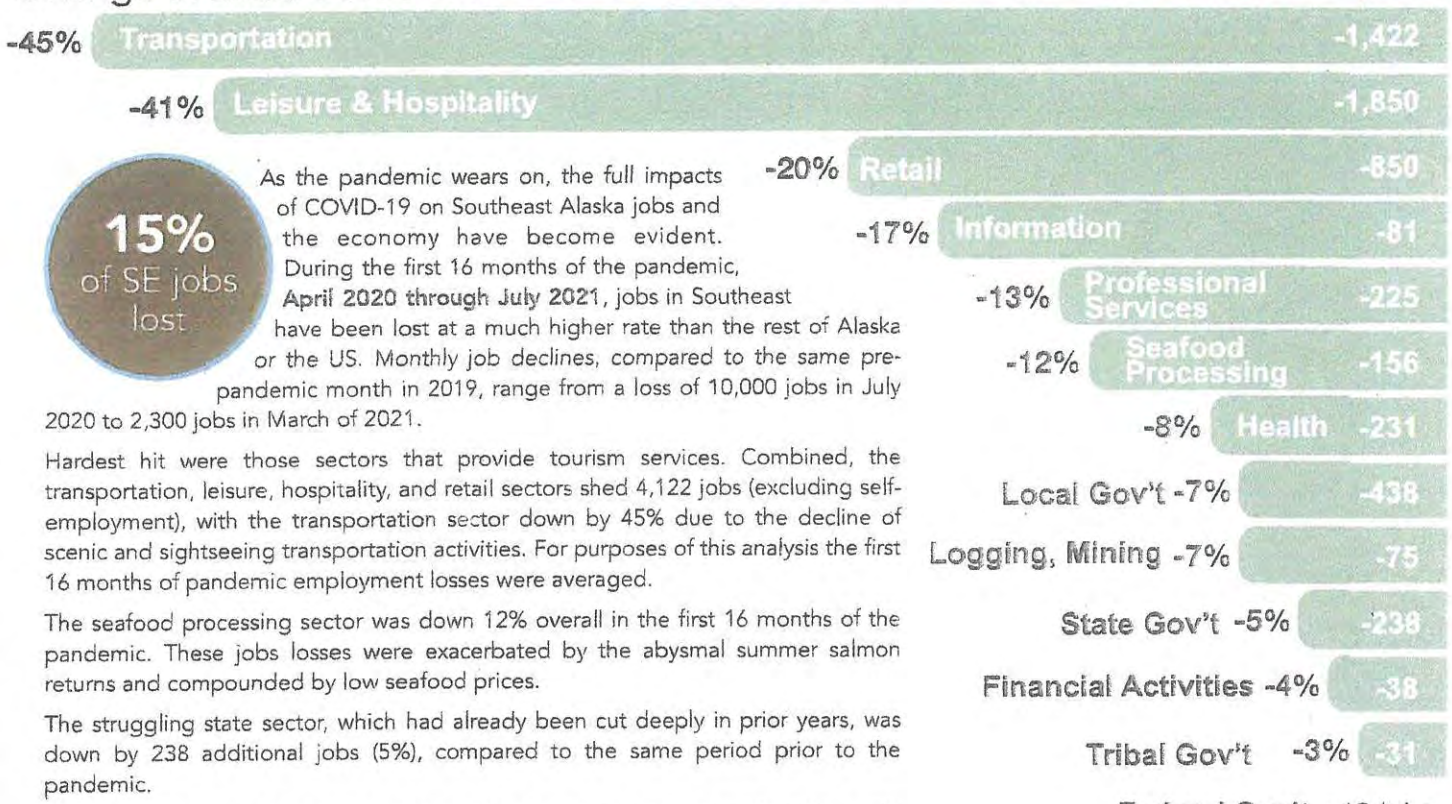
Starting in the 1880s, the economy of Southeast Alaska experienced a century of growth that intensified after statehood in 1959. From statehood into the 1990s, population and employment levels in Southeast more than doubled as the workforce expanded in the areas of mining, government, fishing, tourism, and timber. In the beginning of the 1990's seafood and timber directly accounted for a fifth of the regional economy. However, over that next decade pulp mills and sawmills in the region closed, laying off 3,200 workers. During the same period, the value of salmon declined and catch levels fell. The population continued to decline through 2007. Between 2008 and 2015, the region experienced a significant economic recovery, rebounding to record numbers of jobs, wages, and residents. However, the state budget crisis resulted in 1,140 State of Alaska jobs cut across the region, reversing the economic trajectory. The strength of the visitor sector was poised to lead the region to a stronger economic position in 2020, but the COVID-19 pandemic wiped out the tourism season, wreaking havoc across the regional economy. An extremely poor 2020 salmon season exacerbated the economic impacts of the pandemic.

Land Ownership

A lack of privately-owned land and land available for development is unique to Southeast Alaska and impacts the ability of the region to nurture the private sector. (See infographic on the left.) Southeast Alaska's land ownership is dominated by the federal government, which manages 94 percent of the land base. Most of this (78%, or 16.75 million acres) is the Tongass National Forest. The remaining federal lands are mostly in Glacier Bay National Park. The State manages 2.5 percent of the total land base (511,500 acres), including the Alaska Mental Health Trust Authority and University of Alaska lands. Boroughs and communities own 53,000 acres—a quarter of one percent of the regional land base. Alaska Native organizations, including village, urban, regional corporations, and the Annette Island Reservation, own 3.4 percent (728,100 acres). Other private land holdings account for 0.05 percent of the regional land base.

Southeast Alaska Pandemic **Economics**

Change in Southeast Jobs: First 16 Months of COVID-19 Job Losses = -5,800



15% of SE jobs lost

As the pandemic wears on, the full impacts of COVID-19 on Southeast Alaska jobs and the economy have become evident. During the first 16 months of the pandemic, **April 2020 through July 2021**, jobs in Southeast have been lost at a much higher rate than the rest of Alaska or the US. Monthly job declines, compared to the same pre-pandemic month in 2019, range from a loss of 10,000 jobs in July 2020 to 2,300 jobs in March of 2021.

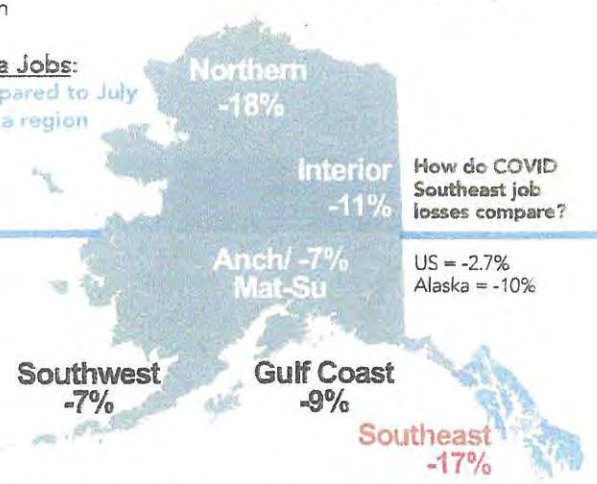
Hardest hit were those sectors that provide tourism services. Combined, the transportation, leisure, hospitality, and retail sectors shed 4,122 jobs (excluding self-employment), with the transportation sector down by 45% due to the decline of scenic and sightseeing transportation activities. For purposes of this analysis the first 16 months of pandemic employment losses were averaged.

The seafood processing sector was down 12% overall in the first 16 months of the pandemic. These jobs losses were exacerbated by the abysmal summer salmon returns and compounded by low seafood prices.

The struggling state sector, which had already been cut deeply in prior years, was down by 238 additional jobs (5%), compared to the same period prior to the pandemic.

A 2021 July-only snapshot shows a decline of 7,300 regional jobs over July 2019, a 17% decline. Comparatively, the US as a whole is down by 2.7% and Alaska is down by 10%.

Note that self-employment data for this dataset is not available and has not been included in this analysis. Approximately one-fifth of Southeast jobs are independent workers, including sole-proprietors and commercial fishermen. It is assumed that these jobs were lost at a similar rate.

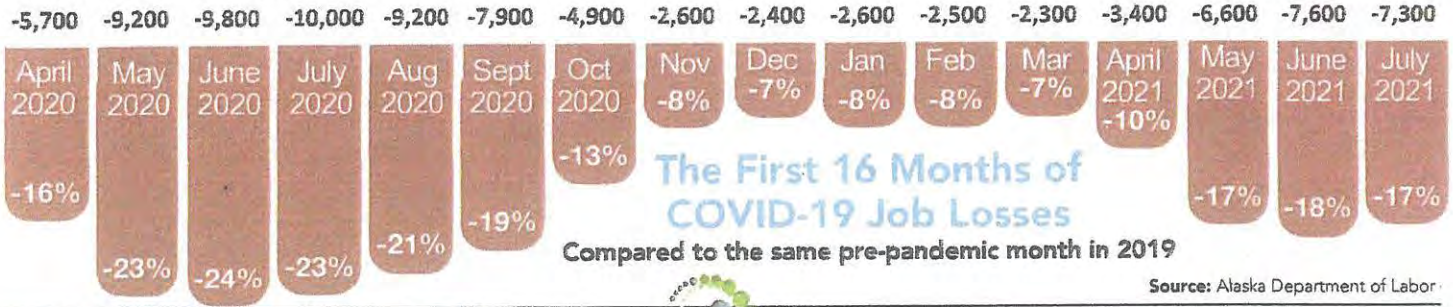


How do COVID Southeast job losses compare?

US = -2.7%
Alaska = -10%

Southeast COVID-19

Since the pandemic hit Alaska in March of 2020, jobs in the Southeast region have been down sharply, especially in the summer months. In June of 2020, the region was down by nearly a quarter of all jobs (24%) compared to June of 2019. A year later, in June of 2021, jobs were down by 18%. In November 2020 through March 2021, jobs were "only" down by seven to eight percent, but in a place where the summer months are also referred to as the "working season" for several industries, summer employment counts are the most critical.



The First 16 Months of COVID-19 Job Losses

Compared to the same pre-pandemic month in 2019

Source: Alaska Department of Labor

NEIGHBORHOOD

The subject is located in the core area of downtown Juneau with boundaries of the State of Alaska Capitol Building to the north, Franklin Street to the east, the waterfront to the south, and the Willoughby District to the west.

With the completion of the new floating cruise ship docks in 2016, embarking and disembarking positions of the cruiseships moved closer to the central downtown area. The result was such that the walking patterns of passengers off the ships, which had previously been heavily oriented to South Franklin Street, had now included the Shattuck Way, Seward Street, and Front Street area of downtown.

South of Eastaugh Way in the downtown area, developments are typically oriented to the cruiseship industry and typically include retail stores, often with apartments on the upper levels. When the tourist season ends, this part of downtown Juneau becomes very quiet, as nearly all stores shut down.

Within two to three blocks of the subject are the Alaska State Office Building and State Courthouse, the State of Alaska Capitol Building, and the Legislative Office Building. The people working at these locations frequent the downtown area. This neighborhood offers an interesting blend of restaurants, services, galleries, breweries, distilleries, cafes and coffee shops, as well as trendy boutique stores.

The Triangle Building at 114 S. Franklin sold to Skagway Jeweler a few years ago and longtime tenants have relocated as rents reportedly were significantly increased. The 1928 building is iconic but reportedly needs upgrading. Near to the Triangle Building, the Hellenthal Building, originally designed for theatre uses, and more recently a bank branch and movie theatre, is now the home of the Hellenthal Loft Apartments, new retail shops on Front Street, and the Devils Club Brewery. 154 S. Franklin Street and 249 Front Street were purchased and operate as trendy bars and pubs.

The Walter Soboleff Center was completed in 2015 and is a three-story mixed use building of 30,000 SF with a LEED Gold certification and a design that incorporates native Alaskan culture and art. The building has frontage on Shattuck Way, Seward and Front Streets. Across Seward Street and conforming to the style of this building is the Sealaska Heritage Arts Complex. This project increases public safety and is intended to draw more visitors to the core of downtown. It will be a cultural experience and gathering place for the public and for tourists with 6,000 SF of plaza area. Underneath it is underground parking for the Sealaska Plaza office building.

Retail Market in Downtown Area

There are few vacancies of retail spaces in the downtown market that are advertised for lease. There are four newer retail spaces at the rear of the Emporium Building on Shattuck Way. Improvements were made to this west side to create four new rental spaces now occupied by Barnaby Brewing, Sequence Board Shop, First Impressions

Salon and Juneau Food Tours located at 165-167 Shattuck Way. At 116 Seward Street, a vacant space has been spoken for and will open as Tease Salon in February of 2022. The space was rented at its asking rate of $1.89 SF plus power.
A four-unit condominium development on Seward Street, called the Sommers on Seward, has rented and/or sold two of the three retail units which are each just over 1,300 SF in size. The middle unit is available for sale or for lease. The walk up second level office is available for sale and the seller will include plans to convert it to residential units.

Office Space Sector

There is a wide variety of office space in the downtown area, including mid-rise buildings with elevators, low rise buildings with walk up offices and offices located in older residential buildings.

The subject's broad neighborhood includes many publicly owned office buildings, predominantly owned by the State of Alaska, which are located near to the Alaska State Capitol and Courthouse buildings at the corner of Main and 4th Streets. The Federal offices are located in the Willoughby District to the west, as are the three office buildings at 400-410 Willoughby and SLAM.

The SLAM (State Library and Archives Museum) was renovated and expanded over a two-year period in the Willoughby District on Whittier Street. Upon completion of this project in 2016, office space was freed up in other State-owned buildings in the area. Reacting to State budget cuts and to the completion of the SLAM project, many State agencies were downsized, and the metrics (space per employee) used by the State was decreased, which resulted in less office space required.

The Legislative Council recently to accept the Juneau Community Foundation's donation of the Assembly Building located at 211 Fourth Street in Juneau to the Legislature's Capitol complex. With this gift, the complex now totals five adjacent buildings. The Assembly Building will be refurbished once the House-Senate committee Legislative Council determines the best use of the facility, which could include legislative housing, consolidation of legislative offices not located in the complex, and leased space for private entities. The building sold for $1,250,000 which equates to $52 SF of GBA.

The 400 – 410 Willoughby Buildings are located in the subject's neighborhood and include 95,454 SF GBA. This office complex, has been significantly impacted by State of Alaska downsizing and is now approximately 65% occupied by State agencies. In 2019, DEC renewed their lease in the 410 Willoughby Building for 10 years, incentivized by a renovation of the space at a cost of over $2 million for their 22,270 SF space. This complex has recently sold and the buyers, The Tlingit and Haida Council, intend to occupy at least half of the vacant space. The sale price for this complex was $15,000,000.

In the Michael J. Burns building at 801 W. 10th Street, the State Department of Revenue vacated 17,212 SF within the past year, and the Department of Education reduced its leased area by over 3,000 SF this past year. Their term ends in June of 2022 and this agency decided not to renew. A request for 14,000 SF of office space has been sent out by the State of Alaska recently to accommodate this agency in Juneau. Private sector leasing of 4,100 SF has taken place in this building on the ground level. With the exit of the Department of Education, this building will be one-third vacant.
The Sealaska Plaza office building is fully occupied, as is the Senate Building; both are served by elevators and are in the core downtown. The Goldstein Building has 1,715 SF of vacant office space which is 4.8% of the office area in the building. It is noteworthy that 73% of the vacant space is committed for, with a lease beginning on February 1 of 2022. Its upper four floors are offices and three state agencies occupy 48% of the area on these floors. In the 431 N. Franklin Street office building, HS&S recently renewed for an additional five years. The rate is $1.98 SF full service and moderate repairs/upgrades are required by the landlord.

Carlton Smith, a commercial real estate broker with a downtown office, posted the following blog on his website that pertains to offices. "Since the eighties and nineties, office lease rates have been essentially dictated by the State and Federal governments, with rates that government was willing to pay. This stable market lasted for three decades until oil revenues dropped drastically. Today, office leasing in Juneau has segmented itself by lease renewals of larger spaces with parking, mid-sized spaces with less parking, and smaller spaces downtown in backfill locations with poor visibility. Overall, the shortage of new space options has now resulted in rates that have remained flat since 2015. We predict that the future of lease rates in Juneau will begin to reflect real differences in the areas that feature different access and appeal to the agencies involved. Even with moderate job loss, we see lease rates staying steady because construction of new office space is still not feasible due to the high cost of land, labor and materials."

Apartments

On Craigslist, several furnished apartments are available for rent until April 2022; all are located on South Franklin Street. It is typical during the off season for seasonal furnished apartments to be listed for rent. There are few listings for conventional apartments in the downtown area at this writing.

City and Borough of Juneau Projects

The neighborhood benefits from a multi-year rebuild of downtown streets including reconstruction of North Franklin Street from Front Street to Second Street, and the upgrading of Front Street with new light poles, asphalt, sidewalk and pedestrian crossing work and storm drain installation. The CBJ Planning Commission is proposing parking code revisions which include reorganization, establishing a "Town Center" parking standard, revised parking district boundaries and allowing parking waivers downtown.

DESCRIPTION OF SUBJECT SITE

Site

The subject site is shown on several exhibits in this section. This is an irregular shaped site, with 105 feet of frontage on Seward Street, 98 feet of frontage on 2nd Street, and average depth of 105 feet and an average width of 165 feet. As shown, the buildings hug the two streets and behind the improvements there is vacant land surrounded by the REAHC building to the north and west, where a gravel area is used for parking.

The land area is 12,282 SF and the land to building ratio is 1:39:1. As the As-Built Survey shows, access to the rear parking lot is from a narrow triangular area that is about 18 feet wide at 2nd Street, narrowing to less than 5 feet wide where it meets the rear parking area. The above area is not adequate to provide any parking alongside the Rainforest Farm building. A perpetual easement that allows ingress and egress to the rear parking area.

Topography and Soils

A review of the contour map for the area indicates that Seward Street, from 4th Street south to Front Street, is a modestly sloping hillside. The subject site is level in topography. South of Front Street, the topography of the area flattens out as it meets Gastineau Channel. The soils conditions are assumed to be adequate to support the existing improvements over the remaining economic life.

Access

Seward Street is a north/south street in the downtown core that allows for southbound traffic only. Seward Street, at its south end, accesses Egan Drive which provides access out of the downtown area and on to the northbound expressway or to Marine Way which becomes South Franklin Street and then Thane Road, a two-lane paved road as it leaves the downtown area and ends south of town.

Front Street is an eastbound paved street in the downtown core that intersects with Main Street, Seward Street, Shattuck Way and Franklin Street.

In the past several years, street improvements have been completed in the core area along Franklin Street between Admiral Way and Second street, and along the length of Front Street. This work included asphalt and sidewalk removal, replacement of light poles, storm drain installation and improvements to pedestrian crossings.

There is on street parking on these streets with a two-hour limit during business hours.

Utilities

Underground water, sewer, power and phone lines serve the downtown area. Cellular service is widely available in Juneau.



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Easements

Across 224 2nd Street is a perpetual access easement allowing access to the parking area at the north end of the subject site.

Zoning

The subject is zoned MU – Mixed Use. This zoning classification accommodates a mix of appropriate commercial and residential uses. MU zoning reflects the existing downtown development pattern and is intended to maintain the stability of the downtown area.

Downtown Parking Districts

As a following exhibit shows, the subject is located in the PD-1 parking district. The PD-1 and PD-2 parking districts were adopted when zoning regulations were changed to apply parking requirements in the downtown area. When parking requirements were enacted for downtown zones, the PD-1 and PD-2 overlay zones were adopted to reduce the impact of this change on downtown properties.

In the PD-1 district, there is no parking requirement for any change of use of an existing structure, and the requirement for new construction is reduced to 60% of the normal standard. As a following exhibit illustrates, the subject is located in a PD-1 parking district.

Within the PD-2 district, parking requirements are reduced to 30% of the normal standard.

The CBJ Planning Commission, reported in May of this year that it is considering proposed changes to parking laws, giving special consideration to Downtown Juneau with the goal of improving the viability of downtown development. The proposed revision includes the following. The Case No. is AME2021 0003 and is ongoing as of the last Planning Commission in September.

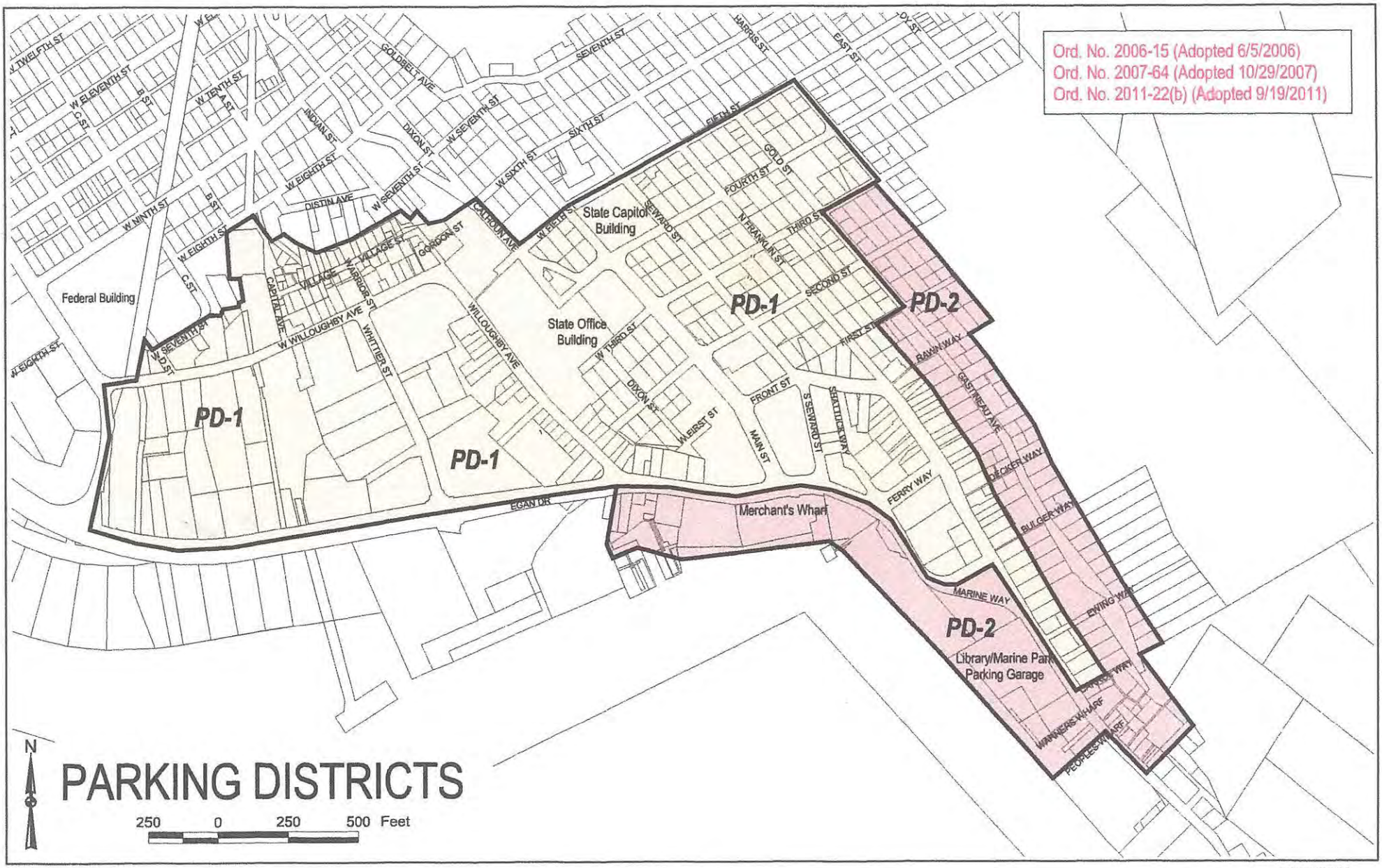
- Establish a "Town Center" parking district to replace the existing Parking District 1 and 2. The required number of spaces would be reduced to 60 percent for "Town Center" parking.
- Parking Waivers Downtown – Until this revision, properties in the parking districts were not eligible to apply for waivers.
- "Town Center" map revision – Current downtown parking district boundaries are expanded to include the following:

  One block uphill from the current boundary on 5th Street

  The waterfront from the AJ dock to the 10th Street Bridge

  The Flats area that includes the Federal Building, Parkshore

  Condominiums, and Mountainview Apartments


Ord. No. 2006-15 (Adopted 6/5/2006)
Ord. No. 2007-64 (Adopted 10/29/2007)
Ord. No. 2011-22(b) (Adopted 9/19/2011)
PD-1
PD-2
State Capitol Building
State Office Building
Federal Building
Merchant's Wharf
Library/Marine Park Parking Garage
EGAN DR
W WILLOUGHBY AVE
WILLOUGHBY AVE
SEWARD ST
FRANKLIN ST
MAIN ST
FRONT ST
FERRY WAY
MARINE WAY
GASTINEAU AVE
DECKER WAY
BULGER WAY
EWING WAY
MANNERS WHARF
PEOPLES WHARF
CAPITOL AVE
CALHOUN AVE
GORDON ST
WHITTIER ST
DIXON ST
GOLD ST
HARRIS ST
EAST ST
SEVENTH ST
SIXTH ST
FIFTH ST
FOURTH ST
THIRD ST
SECOND ST
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W ELEVENTH ST
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W NINTH ST
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W SEVENTH ST
W SIXTH ST
W FIFTH ST
W FIRST ST
W THIRD ST
W VILLAGE ST
W HARBOR ST
DISTIN AVE
INDIAN ST
GOLDBELT AVE
N
PARKING DISTRICTS
250 0 250 500 Feet

10/14/2011

Juneau Downtown Historic District

The subject is located just outside of this district, as shown on a following exhibit. The Juneau Downtown Historic District encompasses the historic commercial heart of the city. It extends along South Franklin Street, from the cruise terminal in the south to Second Street in the north, and westward along Second and Front Streets to Main Street. The district border is the south side of 2nd Street and the subject property lies on the north side of 2nd Street.

This area was the center of Juneau's economic activity from its founding in 1880 as a gold mining camp, through its growth into an urbanized area in the early 20th century, including its eventual designation as the territorial capital in 1906.

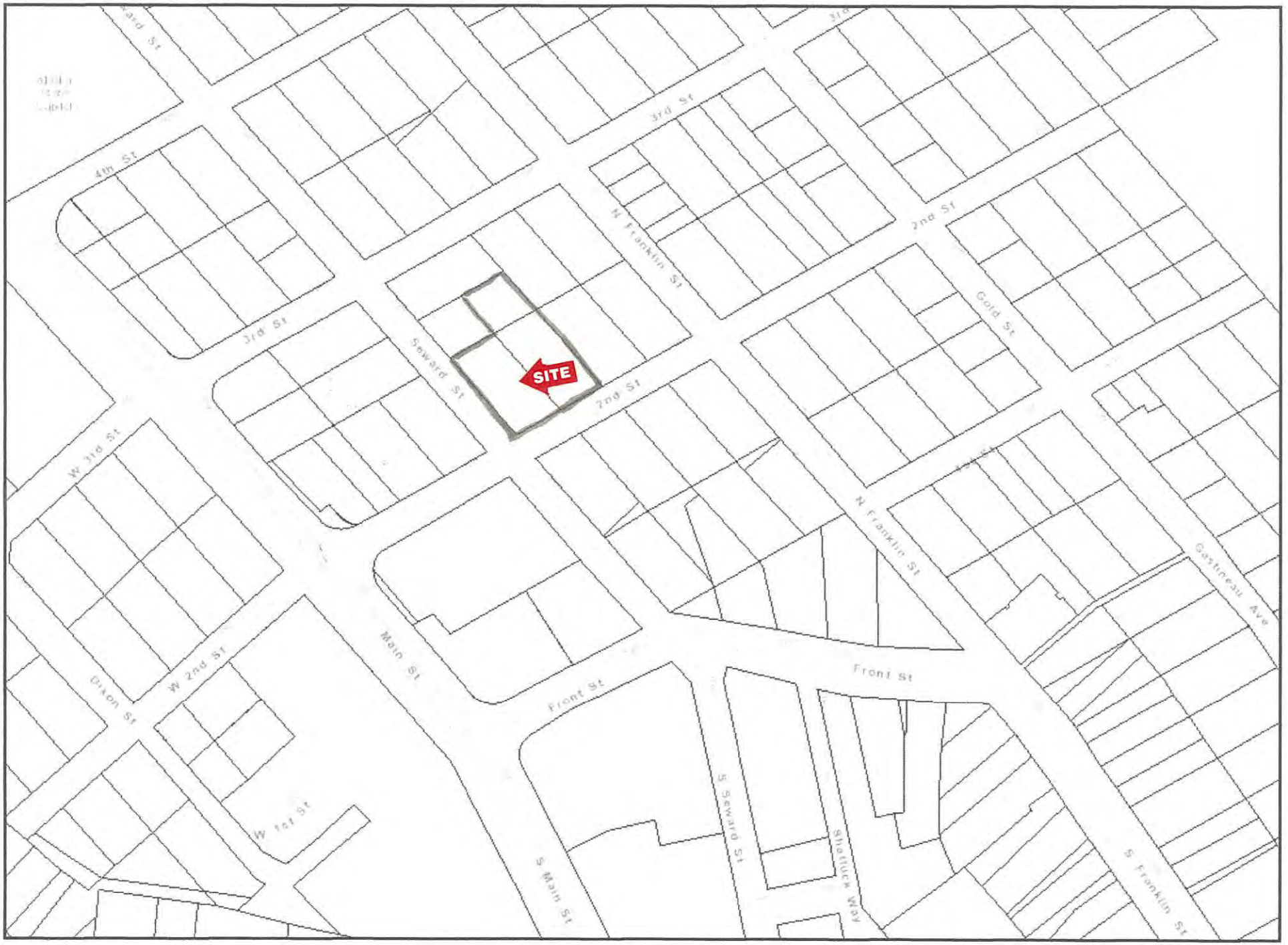
The Juneau downtown buildings are an excellent representation of early twentieth century commercial architecture in small Pacific Coast communities. Late Victorian, late 19th and Early 20th Century American Movements, and Modern Movement architectural styles are represented by building in the Juneau Downtown Historic District which is listed on the National Register of Historic Places.

Hazardous Waste Issues

None were observed and it is assumed that none exist.

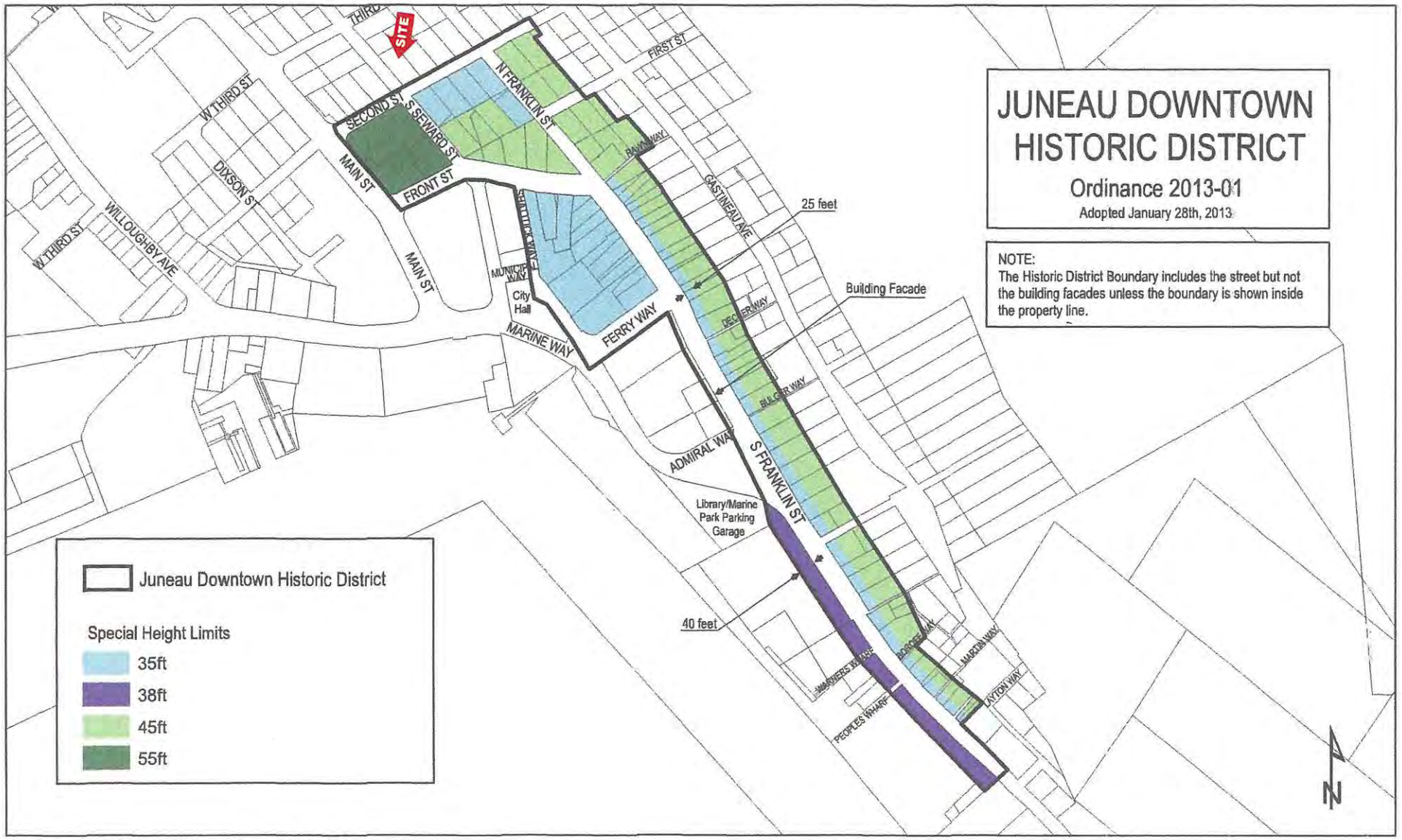
Flood Plain

A review of the CBJ FEMA 2013 mapping, the subject is not in flood plain.



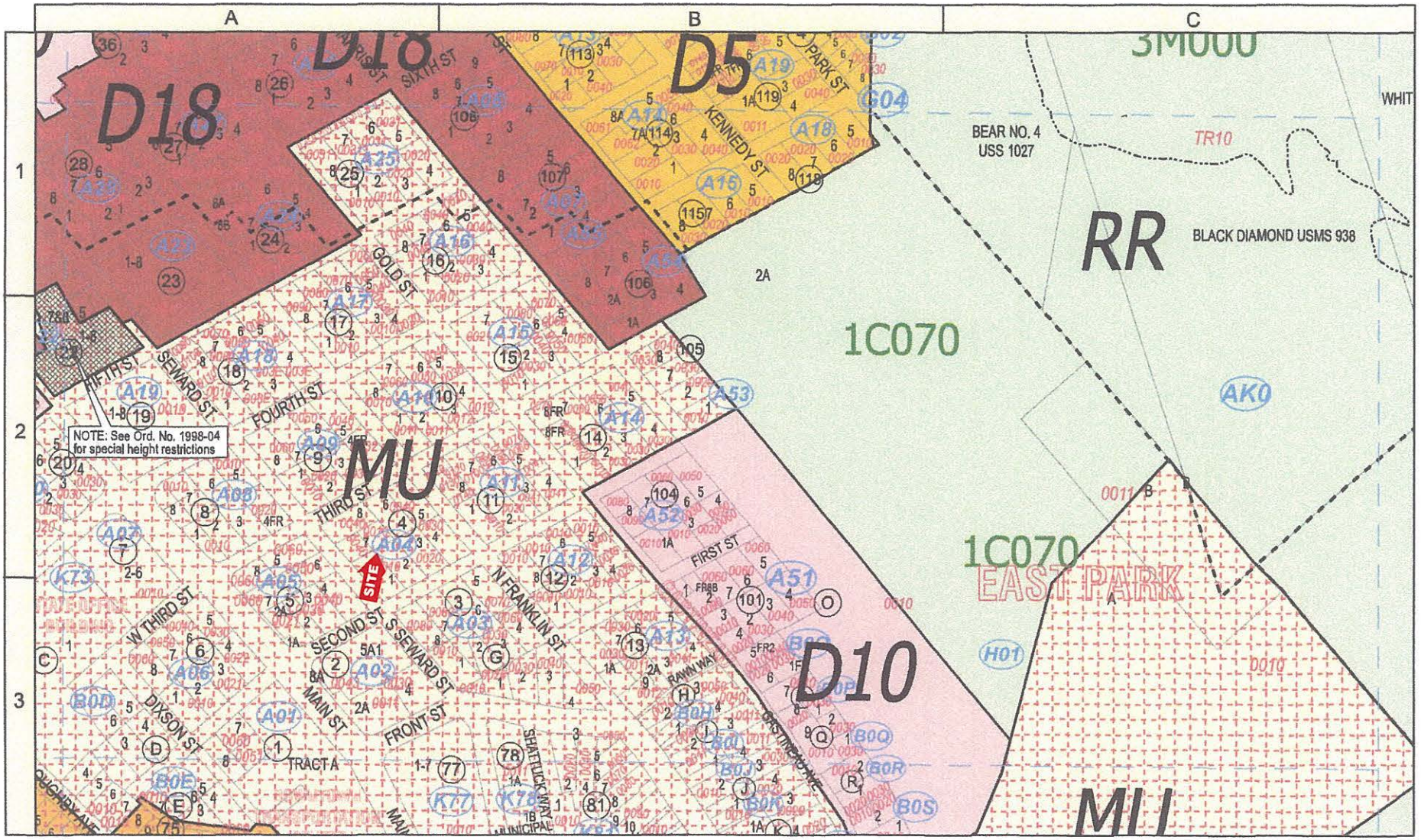
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Continued on page 152



Continued on page 155

Continued on page 153

Continued on page 158

Assessor Tax Code

6D090 — Parcel Code Prefix
102 — Block Number
0030 — Lot Number

DESCRIPTION OF IMPROVEMENTS

The subject improvements reflect the most prevalent type of construction at the turn of the century in downtown Juneau, where one and story buildings, most with basements, were constructed of wood framework and siding, with a combination of storefront and double hung windows and flat roofs.

A review of the assessor's files indicates that the improvements date to the early 1900's with additions and upgrades made over the years. The construction type is Class D with wood framing with wood or metal siding on concrete foundations. The walls and ceilings are insulated. The buildings front Seward Street and 2nd Street and all have storefront entrances and windows and facades hiding the flat built-up systems.

SUMMARY OF BUILDING AREAS

	Street Level	Second Level	Total GBA	Total NRA
Gross Building Area	7,517 SF	1,309 SF	8,826 SF	7,113 SF 81% efficiency

The buildings front Seward or 2nd Street and all have windows and storefront retail doors facing the sidewalk. All of the tenant shops are plumbed and heated and have operating windows for ventilation. All of the building areas are sprinklered. The Rainforest Farms building has a gable metal roof.

The finishes in the rental areas vary as to floor finish, wall finish and ceiling finish. Some of the spaces have incorporated wood slats in their interiors. Some of the spaces have exposed pipes and high sheetrock ceilings, some have suspended ceilings with acoustical tiles. The floor finish varies from space to space and includes vinyl planks, wood, ceramic tile and carpeting. Lighting also varies in the rental areas, and track lights, flush mounted fluorescent lights, suspended lights and wall mounted lights all exist.

Each retail tenant has at least one restroom. Rainforest Farms has two and the apartment has a kitchen and a bathroom. The Rainforest Farms has two restrooms. Rainforest Farms has a processing area at the rear, with similar features to a commercial kitchen. Good Vibes Café also has a commercial kitchen. The 217 Seward Street space has a hand sink in the back room.

There is one apartment at 213 Seward Street. It is accessed by an interior stair to the second level. Due to window placement and ingress/egress issues, this 1,100 SF apartment is marketed as a large studio. It has a single and a double French door in the apartment that separates areas while bringing in light. The double French door defines the bedroom area, which has a large walk-in closet.

The apartment has a full bath, a kitchen with all appliances, and a washer/dryer. It has two street facing windows and one east facing window. The apartment is heated by a Toyo Stove. Rent is $1,378 month and includes a parking spot behind the building. Parking in this area is worth $95 month, which would indicate rent for just the apartment of $1,283 month.

Windows and Doors

There are energy efficient fixed pane storefront windows in wood casements along the street level of the building. There are transom operable windows for the corner café and for the retail spaces (above the entrance doors). The apartment has operable windows and Rainforest Farms has many operable windows along two sides of the building.

Power

Power lines are underground in this area and power serves all of the buildings. Each tenant has its own electric meter and is directly billed by AEL&P for electricity.

Lighting

Lighting varies and includes flush mounted in suspended ceilings, track lighting, suspended decorative lighting, etc.

Plumbing

All tenant spaces in the building, except for the warehouse, are plumbed.

Heating

This property has a heating system that is oil fired hot water heat. The underground fuel tank is to the rear of the buildings and is 600 gallons. It serves all of the spaces except the second floor apartment, which has a Toyo stove.

Fire Safety

The buildings are sprinklered throughout with dry or wet systems. CBJ records show 470 SF of dry sprinkler.

TENANCY IN SUBJECT PROPERTY

Tenant	Rent	Area Rented	Rent /SF	Comments
201 Seward Street - Good Vibes Cafe	$2,494 (with COVID discount)	1,435 SF	$1.74 SF	Non COVID rent is $2,850 or $1.99 SF
205 Seward Street - Nana's Attic	$817 w/COVID discount	495 SF	$1.65 SF	Non COVID rent is $1,092 or $2.21 SF
209 Seward Street - Zoots	$1,596 w/COVID discount	1,079 SF	$1.48 SF	Non COVID rent is $1,995 or $1.85 SF
213 Seward Street – 2nd floor Apartment	$1,378	1,100 SF	$1.25 SF	Includes 1 parking space behind building
217 Seward Street – Don Morgan Gallery	$808	494 SF	$1.64 SF	
221 Seward Street – Giono Barret	$793	530 SF	$1.50 SF	
216 2nd Street – Rainforest Farms	$2,850	1,230 SF	$2.32 SF	Has a 120 SF covered front porch
NHN – Rookery Warehouse	$950	750 SF	$1.27 SF	
Total		**7,113 SF**		

Overall Condition and Estimate of Remaining Economic Life

As the photographs show, the building inside and out, has been well maintained and offers restaurant/café, service, retail and apartment space that conforms to the market in which it competes. Historical buildings that are well maintained and upgraded often have useful lives that are well beyond 100 years. The estimated remaining life of this property is not less than 30 years.

Components of Building

Framing System – Wood studs

Insulation – batt insulation in walls and ceilings

Exterior – wood siding at exposed areas and at non-exposed areas, wood or metal.

Windows – energy efficient windows in wood casements – mix of fixed pane and operable

Roof – flat built-up roofs on all buildings except for Rainforest Farms building which has a gable metal roof.

Heating – the building has a boiler that heats and distributes hot water heat to the building areas.

Hot Water – domestic hot water heaters provide hot water to the building

Lighting – the lighting varies throughout the building and includes suspended ceilings with canned or flush mounted lighting, suspended fluorescent and/or decorative pendant lighting and suspended track lighting.

Ventilation – the building has operable windows but no air conditioning system.

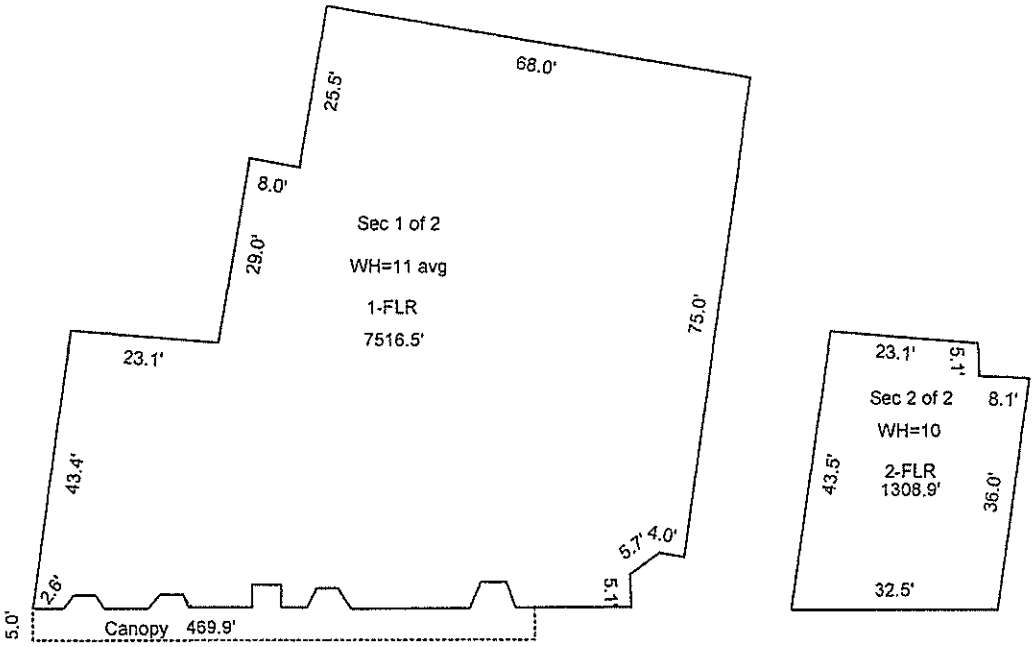
Water/sewer – CBJ provides water and sewer to the subject property.

Flooring – the flooring varies and includes wood floors, commercial carpeting, vinyl, vinyl plank and concrete, depending upon the area.

Wall finishes – the wall finishes vary and included painted sheetrock, painted wood wainscoting or wood panel, washable surfaces in restroom and kitchen areas.

Ceiling Finishes – these vary and include suspended acoustical grid systems, painted sheetrock, and wood slats.

Ceiling Heights – 10 to 11 feet


68.0'
25.5'
8.0'
29.0'
Sec 1 of 2
WH=11 avg
1-FLR
7516.5'
75.0'
23.1'
43.4'
5.7'
4.0'
5.1'
2.6'
5.0'
Canopy 469.9'
23.1'
5.1'
Sec 2 of 2
WH=10
2-FLR
1308.9'
8.1'
43.5'
36.0'
32.5'

SUBJECT PHOTOGRAPHS



View South on Seward Street



213 – 221 Seward Street



205-209 Seward Street



217 Seward Street

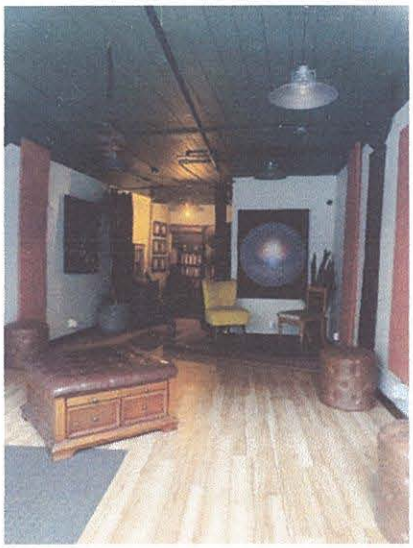




209 Seward Street



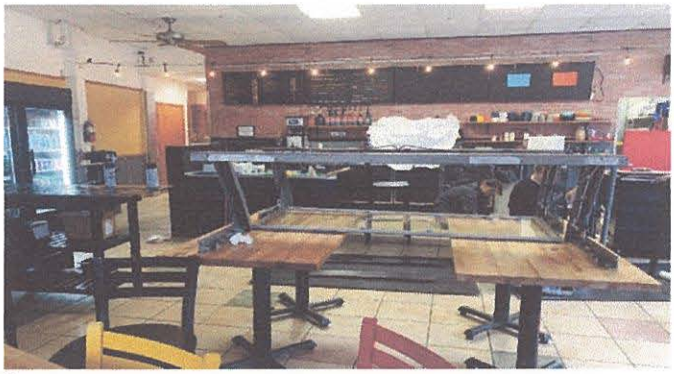
221 Seward Street





Good Vibes Café at 201 Seward Street

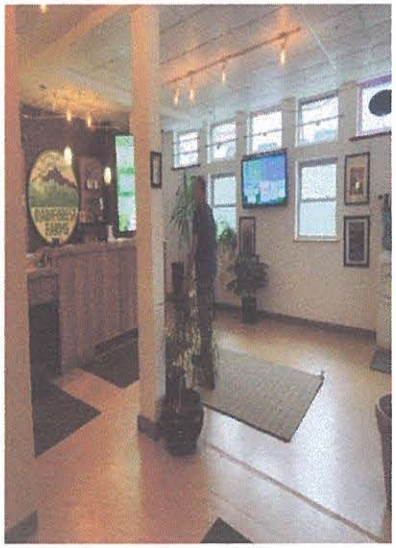


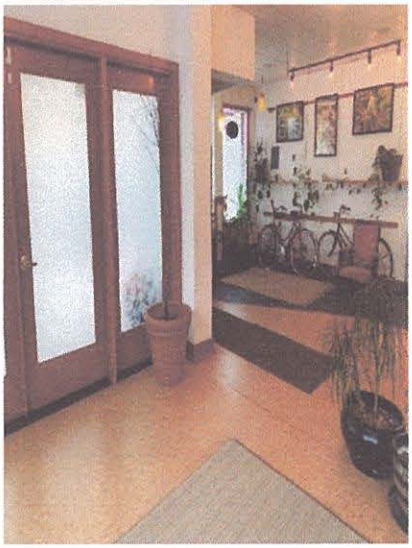


201 Seward Street Good Vibes Cafe



216 2nd Street Rainforest Farms above & below







East View of 216 2nd Street



Looking East at Rear of Subject Property

HIGHEST AND BEST USE

The definition of highest and best use is as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

As-Vacant

If vacant, the subject site, located centrally in the downtown area, would be suitable for a mix of uses that are commonly found downtown, including services, offices, and apartments. If vacant, it would be held in speculation until such time as development is financially feasible.

As Improved

The subject enjoys a corner location in the core of downtown Juneau and is a multi-tenant investment property that has retail, and restaurant spaces, a shop area and a second floor efficiency apartment. There are several parking spaces at the rear of the buildings on a gravel area. They are not striped.

The property is fully tenanted at this writing and some tenants are receiving rent discounts due to the impact of COVID. The subject is a successful multi-tenant investment property that is well managed. The building improvements add significant value to their existing site and reflect a highest and best use of this property.

The Income Approach and the Sales Comparison Approach will be relied upon to value this property.

INCOME APPROACH

It is an assumption of this approach that the value of the property is predicated upon the income stream that it can produce. This approach determines value by capitalizing the net income before recapture.

In this approach, the operating history of the subject property will be examined, and the rentals rates being achieved will be measured against competing properties. A stabilized income and expense forecast will be made for the subject property that reflects the highest and best use findings. The stabilized NOI will be capitalized to form a value conclusion for the subject property.

Subject Revenues

The subject property generates income from the rental of retail, restaurant spaces an apartment and a rear storage area. On the following table, the current tenancy at the subject is summarized.

TENANCY IN SUBJECT PROPERTY

Tenant	Rent	Area Rented	Rent /SF	Comments
201 Seward Street - Good Vibes Cafe	$2,494 (with COVID discount)	1,435 SF	$1.74 SF	Non COVID rent is $2,850 or $1.99 SF
205 Seward Street - Nana's Attic	$817 w/COVID discount	495 SF	$1.65 SF	Non COVID rent is $1,092 or $2.21 SF
209 Seward Street - Zoots	$1,596 w/COVID discount	1,079 SF	$1.48 SF	Non COVID rent is $1,995 or $1.85 SF
213 Seward Street – 2nd floor Apartment	$1,378	1,100 SF	$1.25 SF	Includes 1 parking space behind building valued at $80 month which is $.07 SF
217 Seward Street – Don Morgan Gallery	$808	494 SF	$1.64 SF	
221 Seward Street – Giono Barret	$793	530 SF	$1.50 SF	
216 2nd Street – Rainforest Farms	$2,850	1,230 SF	$2.32 SF	Has a 120 SF covered front porch
NHN – Rookery Warehouse	$950	750 SF	$1.27 SF	
Total		**7,113 SF**		

An important step in this approach is to determine whether the contractual rental rates at the subject property, as summarized above, fall in line with the marketplace. To measure, the quality of the income stream, it is necessary to determine whether these rates fall in line with the marketplace, or are they above market rents or below market rents? These questions will be answered by researching and analyzing rental comparisons in the broad neighborhood.

Rental comparisons for restaurant, retail spaces and apartment spaces in the subject's market area will be presented and analyzed in this section in order to determine if the subject's rates fall in line with the market in which it competes.

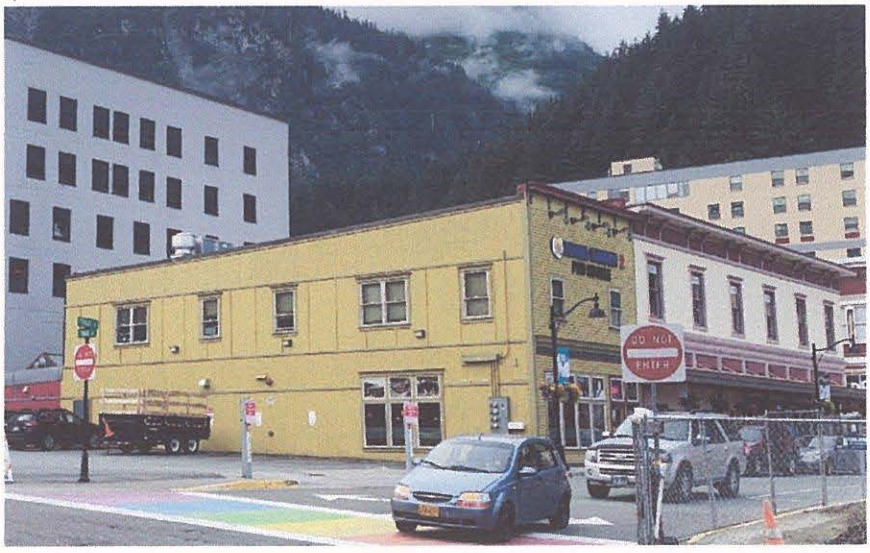
Subject Restaurant Spaces

The Good Vibes Café enjoys a corner location and Rainforest Farms, prior to operating in the MMJ market, was tenanted by Heritage Coffee. This space has features that would be useful to a restaurant/café use.

Good Vibes is 1,435 SF and rents for $1.74 SF per month which reflects a reduced rate for COVID. The normalized rate is $1.99 SF. This tenant pays for electricity. Rainforest Farms is 1,230 SF and is rented for $2,850 per month or $2.32 SF plus electricity.

Restaurant/Cafe Rental Comparisons

Restaurant Rental Comparison No. 1 is Asiana at 124 Front Street. This rectangular, deep space is 1,622 SF and is rented for **$2.13 SF,** which reflects a COVID discounted rent. This tenant uses a relatively high amount of water and reimburses the landlord for this utility. The tenant also pays for propane use in the commercial kitchen. The tenant pays for electricity.



Rental Comparison No. 2 is at 134 N. Franklin Street, a corner location at Franklin and 2nd Streets. This one-story building was built in 1936 as the Alaska Power and Light Company building. It is of reinforced concrete construction and reflects an Art Deco style. The interior has high ceilings and the two exposed sides of this space have a significant number of windows. The building has a full basement.

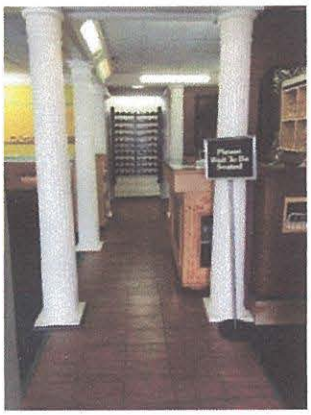
This space had been used for retail space for years. After being vacated, it was well exposed to the marketplace before leasing in 2016. The lessee rented the 1,872 SF space at **$1.60 SF** with the intention of opening up a new distillery in town (Amalga Distillery). The tenant occupies some of the basement area at a rate of $.60 SF. All utilities are paid by the tenant. Adding for water, sewer, heat and trash which are included at the two subject locations, an adjustment of $.12 SF is necessary to bring this comparison in line with the subjects. Assuming this tenant pays only power. A rate of **$1.72 SF** is indicated after making the above noted adjustment.



Restaurant Rental No. 3 is located in the Airport Shopping Center in the Mendenhall Valley at 9121 Glacier Highway Unit 7. This shopping center was built between 1963 and 1997 and has several one- and two-story buildings on a large, corner site.

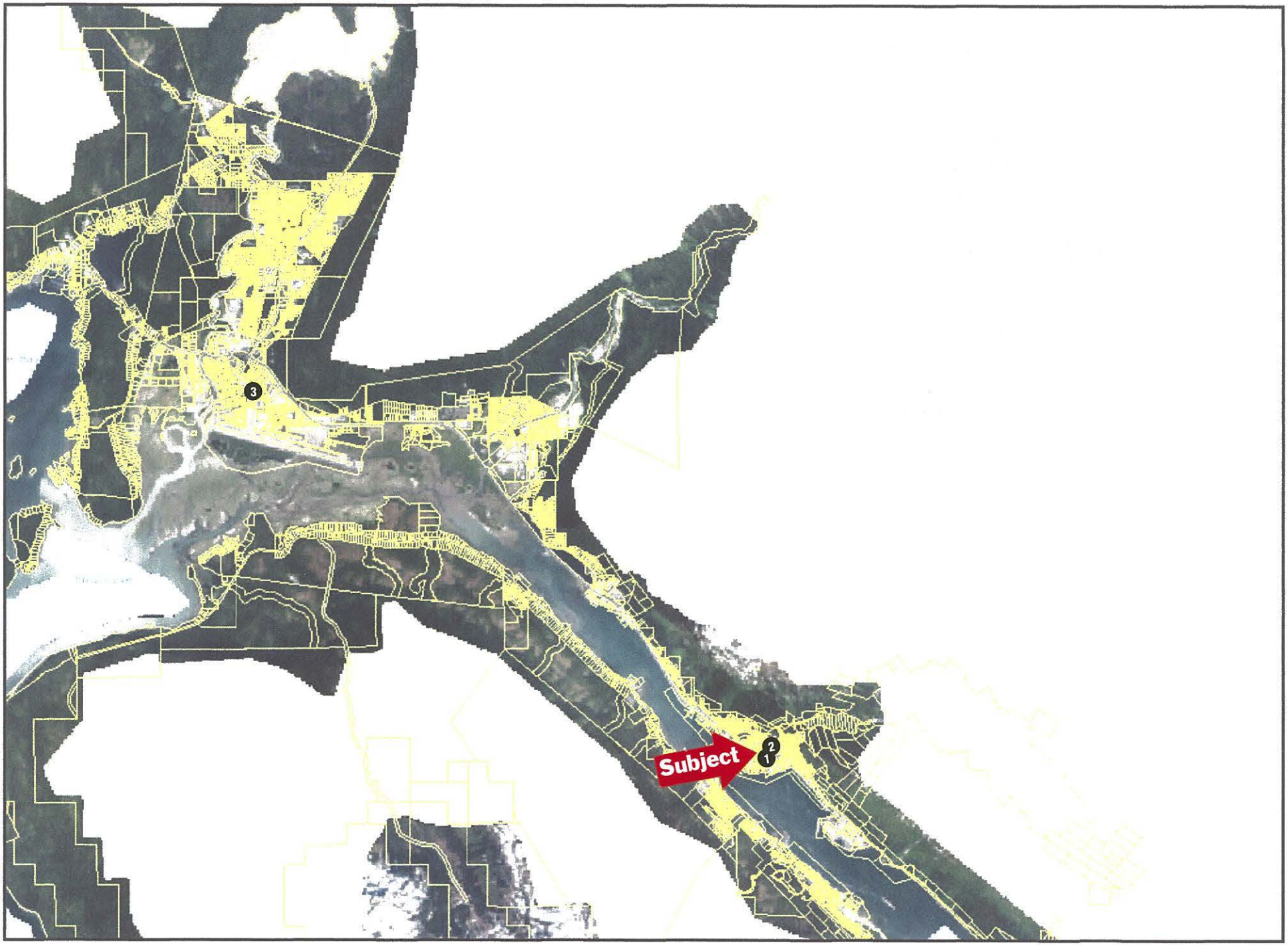
This space has a rounded greenhouse feature that brings a lot of light into the space. The space was rented to open the Bowl of Pho restaurant in the former Jovanny's location. On site parking is available to this restaurant. This 2,450 SF restaurant rents for **$1.91 SF** and includes all utilities except for power.





Conclusions of Restaurant Rental Comparisons

The three rental comparisons range from **$1.75 to $2.13 SF** after adjustments. The Good Vibes Restaurant is rented for $1.74 SF plus power which falls at the low end of this range, and does reflect a market-oriented rate. The Rainforest Farms tenant is paying $2.32 SF for 1,230 SF which falls above the high end of the range. The current rate for this tenant reflects an above market rent.



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Street Level Retail Spaces

The subject property has several street front spaces on Seward Street. The following rental comparisons are located in the neighborhood.

Street Level Comparisons No. 1 and No. 2 are located at 224 – 228 Seward Street in at two story building that has been converted to three condominiums on Seward Street called "Sommers on Seward". There are three street front units and a walk-up office level. There is a small parking lot at the rear, accessible from Main Street, and the full basement has room for storage. Each of the street level spaces has its own restroom and both a street front and rear door.

228 Seward Street is advertised for rent at **$1.60 SF** plus electric and is a 1,320 SF space with a restroom and high ceilings. It is available for sale as well. 224 Seward Street is a 1,335 SF condominium with its own restroom and has very recently sold. Prior to the sale, it was renting for **$1.50 SF** plus electric.

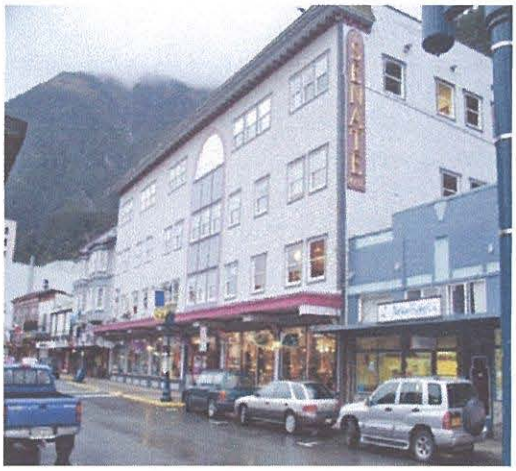


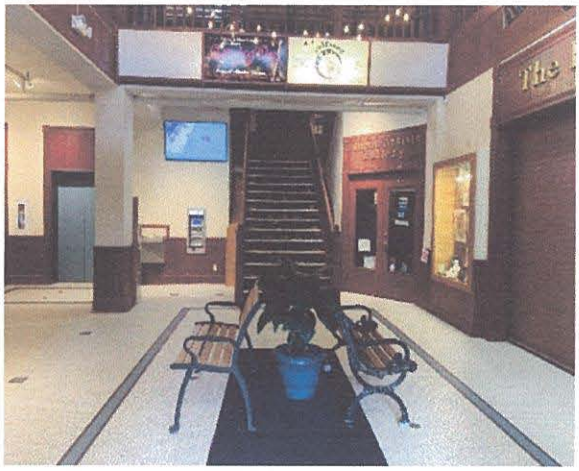




Street Level Rental Comparison No. 3 is located in the Senate Building which has a large high ceiling atrium area with a double door entrance on South Franklin Street. A wide stairwell and elevator access the upper floors from the atrium. The spaces in the atrium are rented for $1.79 to $3.09 SF including all utilities with the high end reflective of a space with window exposure to the street.

To compare this range to the subject property, the cost of power, estimated at $.08 SF per month, must be deducted, adjusting the range from **$1.71 to $3.01 SF** for this comparison.





Street Level Retail/Service Comparison No. 4 is the 225 Front Street building, a remodeled turn of the century building with two floors and an elevator. The floor plan includes many small spaces that are suitable for retail, service or office uses. On the street level, which has a large atrium, are tenants that occupy 600 SF to 850 SF spaces, and pay rent of **$1.90 to $2.46 SF** including utilities and common area maintenance.



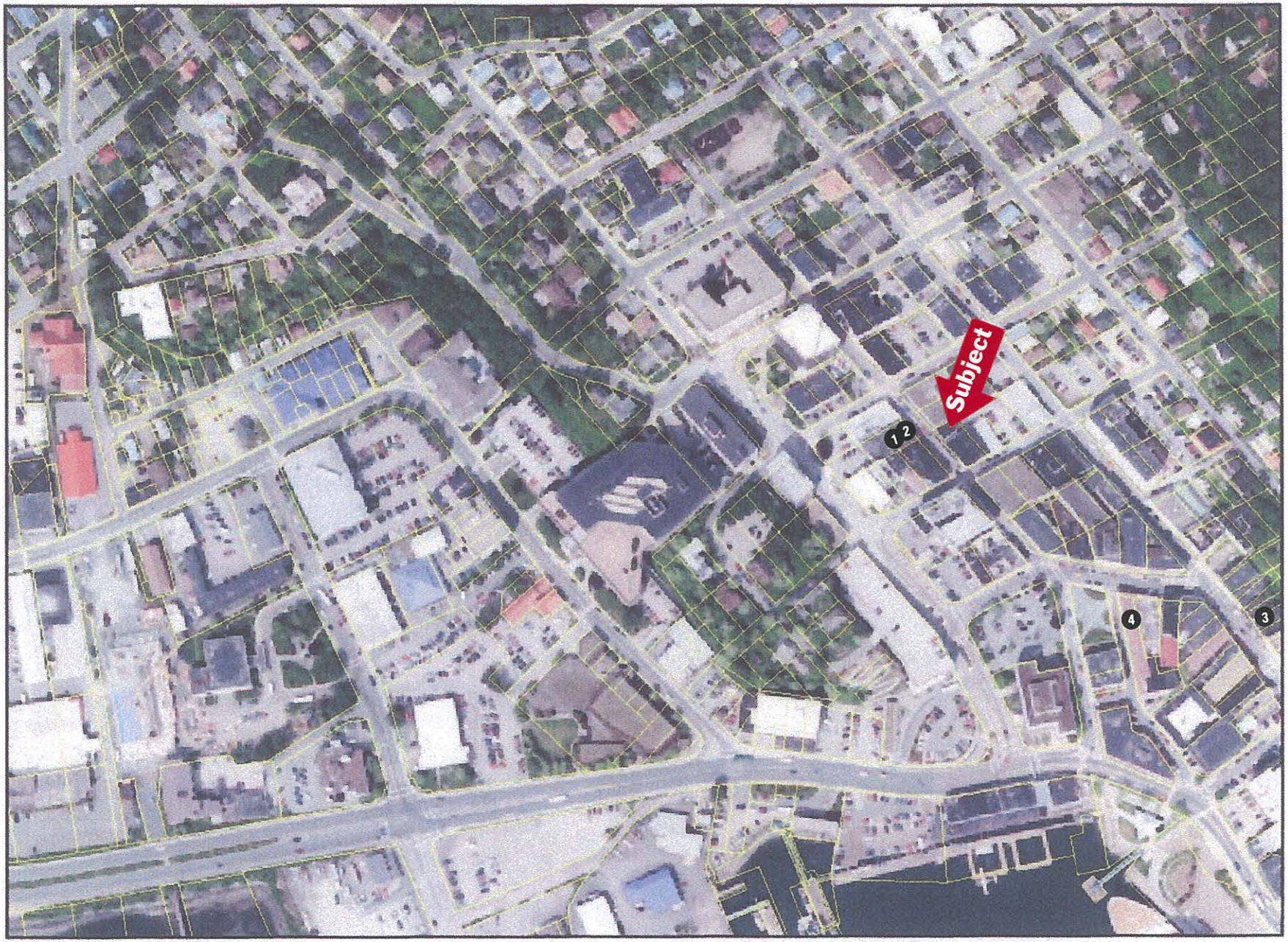






Conclusions of Retail Comparisons

The four comparisons indicate a range of $1.50 SF to $3.01 SF with the high end an outlier. Most of the comparisons fall between $1.50 SF to $1.80 SF. The subject retail spaces are rented for $1.48 SF to $1.65 SF, a range that is well supported by the market data.



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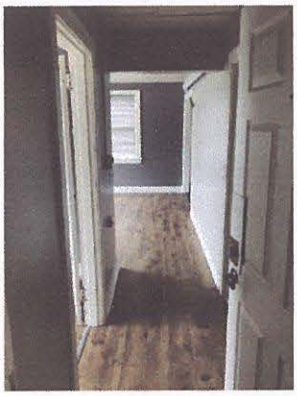
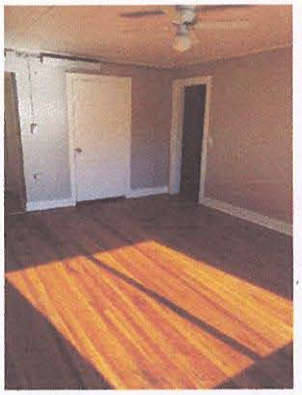
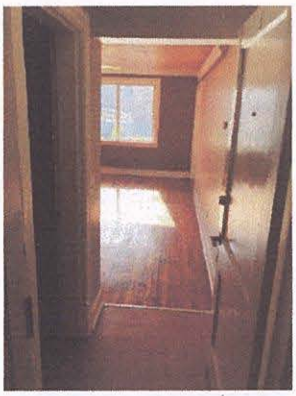
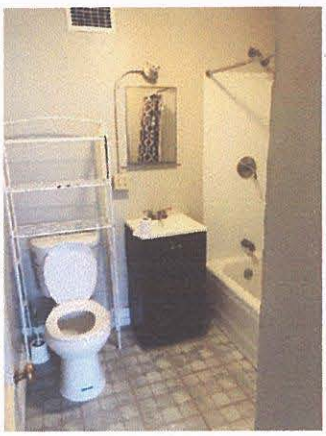
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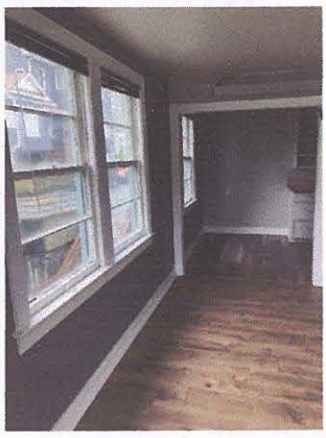
Apartment Rental Income

There is one apartment at 213 Seward Street. It is accessed by an interior stair to the second level. Due to window placement and ingress/egress issues, this 1,100 SF apartment is marketed as a large studio. It has a single and a double French door in the apartment that separates areas while bringing in light. The double French door defines the bedroom area, which has a large walk-in closet.

The apartment has a full bath, a kitchen with all appliances, and a washer/dryer. It has two street facing windows and one east facing window. The apartment is heated by a Toyo Stove. Rent is $1,378 month and includes a parking spot behind the building. Parking in this area is worth $85 month, which would indicate rent for just the apartment of $1,293 month which equates to $1.18 SF plus electric.

Apartment Rental Comparison No. 1 is the LeMann Bluff Apartments located at 361 Distin Avenue which is a 1933 concrete apartment development on a bluff site near the Governor's Mansion with 30 units. This building was acquired several years ago and is in the process of upgrading the interiors of the apartments. Efficiency apartments are approximately 600 SF and are rented for $908 SF plus electric, or $1.51 SF. There is an on-site laundry but no on-site parking. The efficiencies are in a that was acquired in 2016 and that has been steadily upgrading since then. The photographs below depict the interiors of the units.





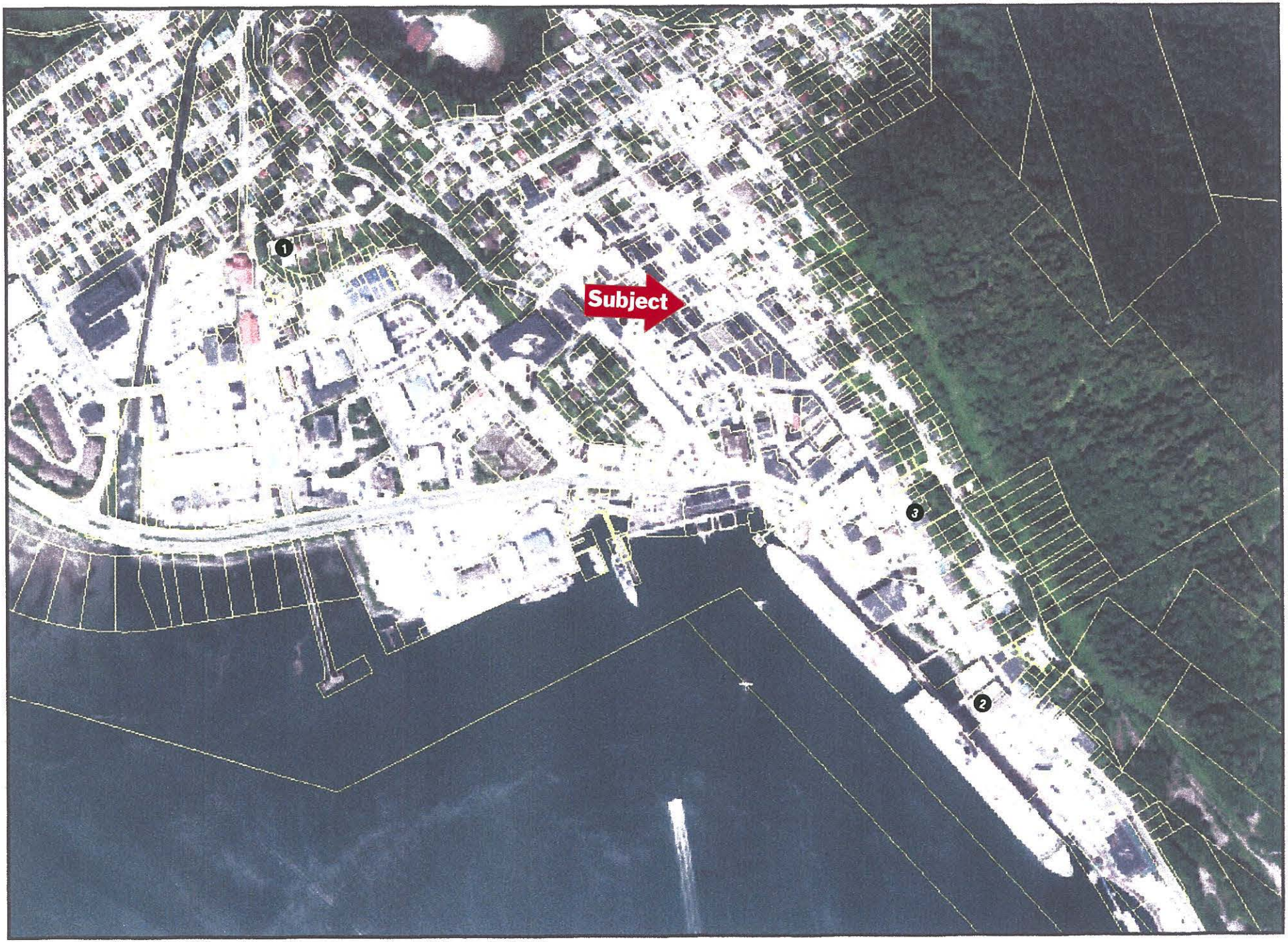


Apartment Rental Comparison No. 2 is located in the People's Wharf building which is near to the Mt. Robert's Tram and to the seawalk. The street level spaces are retail in this older building and the second level has walk up 1,250 SF apartments with 3b2b floor plans. One of the apartments is rented on a year-round basis for $1,700 month or **$1.32 SF**. The apartment has a washer and dryer. Tenants pay for electric heat and lights.



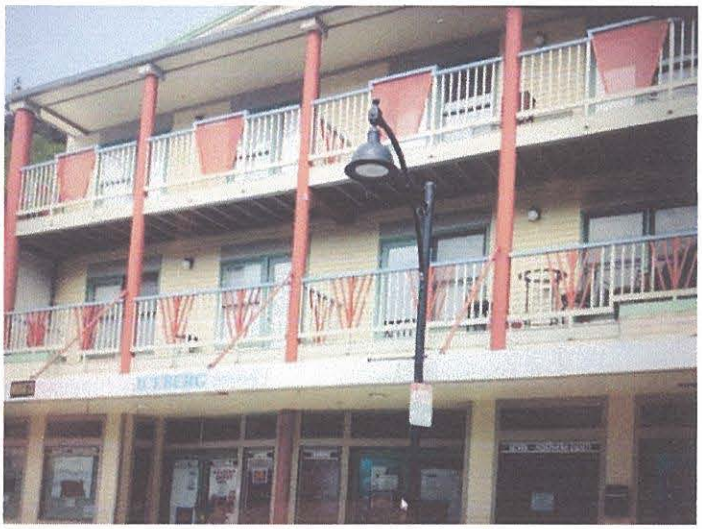


Apartment Rental Comparison No. 3 is 259 S. Franklin Street, a contemporary low rise in the subject's neighborhood. This building primarily has 3b2b, 1,350 SF apartments. Tenancy in this building includes both short term and long-term rentals. A one-year rental recently expired and is available for $1,996 month which equates to $1.48 SF. Water/sewer and garbage are included and heat and lights are paid by the tenants. There is a coin op laundry on site.



The City and Borough of Juneau is not responsible and shall not be liable to the user for damages of any kind arising out of the use of data or information provided by the City and Borough of Juneau, including the installation of the data or information, its use, or the results obtained from its use. ANY DATA OR INFORMATION PROVIDED BY THE City Borough of Juneau IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Data or information provided by the City Borough of Juneau shall be used and relied upon only at the user's sole risk, and the user agrees to indemnify and hold harmless the City Borough of Juneau, its officials, officers and employees from any liability arising out of the use of the data/information provided. NOT FOR ENGINEERING PURPOSES.

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Conclusions of Apartment Comparisons

The three comparisons are located in the downtown area and rent for a gross amount per month of $908 to $1,996 and from $1.32 to $1.51 SF with the tenants paying for electric heat and lights.

The subject, after backing out the value of the parking spot, rents for $1,293 month or $1.18 SF. It is truly an outlier given its large size of 1,100 SF with a studio type layout. Other than a downtown location, it is not very comparable to the typical apartments in its price range. While an outlier as to size and layout, the subject apartment does fall within the gross monthly range, but at its low end. Its layout is most similar to the 361 Distin Avenue apartment building, where efficiencies rent for $908; the subject is almost twice the size of these 600 SF units. The rental amount of $1,293 month is considered a "market" rent in this analysis.

Parking Rental Income

There are a few parking spaces at the rear of the buildings that are used for parking. As noted, one is used by the apartment tenant. Parking stalls close to the street rent for $95-$100 in this area. At this rear location, $85 is estimated for four spaces.

Projection of Gross Revenues

It has been determined in the foregoing sections that the rates being charged to the tenants in the subject property, with few exceptions, do represent market rates. Many tenants are receiving reduced rents if their businesses are impacted by the pandemic. When the pandemic is no longer a factor, rents will resume to their normal amounts, which will be 15% to 25% higher. It is not possible at this time to estimate when this will take place.

As shown on Page 51, gross revenues for the subject property, applying the rental information presented, is **$143,172.**

Vacancy and Credit Loss

The subject has enjoyed high occupancy rates over the past several years. Management has given several tenants COVID discounts to help them to weather this difficult time. On balance, a 5% vacancy and credit loss which is an industry standard for a successful development, is applied in this analysis.

Gross Effective Income

This is gross income less the vacancy allowance and is **$136,241.**

Operating Expenses

The owners of the subject property have provided two years of operating data that reflect six properties in the immediate area of the subject, including the subject. These expenses reflect 2019 and 2020 and are summarized on the following table.

The expenses are expressed on a dollar per square foot basis. Also included on the following table are expenses from other commercial mixed-use properties in the marketplace. The totality of this information is to provide ample data to rely upon in making expense projections for the subject property.

On a table on a following page, expense comparisons are arrayed along with the subject's actual and projected expenses. The projections made for the subject are supported both by its history and by the expense comparisons.

GOLDSTEIN IMPROVEMENT COMPANY OPERATING HISTORY						
	2020			2019		
TOTAL REVENUES	$ 1,342,217			$ 1,410,366		
	-			-		-
Gross Effective Income	**$ 1,342,217**			**$ 1,410,366**		
GBA	91,237			91,237		
$/GBA	$ 14.71			$ 15.46		
EXPENSES	**EXPENSE/YEAR**	**EXPENSE/SF**		**EXPENSE/YEAR**	**EXPENSE/SF**	
Admin/Legal/Accounting						
Legal fees	$ -			$ 105	$ 0.001	
Security	$ 237	$ 0.003		$ -		
Advertising	$ -			$ 100	$ 0.001	
Contributions	$ 100	$ 0.001		$ -		
Office Supplies	$ 1,530	$ 0.017		$ 2,599	$ 0.028	
Postage and Delivery	$ 402	$ 0.004		$ 206	$ 0.002	
Printing and Reproduction	$ -			$ 165	$ 0.002	
Dues and Subscriptions	$ 925	$ 0.010		$ 925	$ 0.010	
Bank Service Charges	$ 311	$ 0.003		$ 98	$ 0.001	
Finance Charges	$ 95	$ 0.001		$ 469	$ 0.005	
Licenses, Fees, Taxes, Permits	$ 3,132	$ 0.034		$ 2,523	$ 0.028	
Misc.	$ 52	$ 0.001		$ 2,409	$ 0.026	
Subtotal Administration	$ 6,784			$ 9,599		
GBA All Properties	91,237			91,237		
Indicated Expense per SQ. FT.	$ 0.07			$ 0.11		
Utilities						
Internet	$ 2,816	$ 0.03		$ 2,626	$ 0.03	
Cell Phone	$ 3,046	$ 0.03		$ 4,241	$ 0.05	
Electric	$ 36,997	$ 0.41		$ 46,557	$ 0.51	
Fuel Oil	$ 101,440	$ 1.11		$ 113,581	$ 1.24	
Telephone	$ 2,305	$ 0.03		$ 3,877	$ 0.04	
Trash	$ 20,529	$ 0.23		$ 19,284	$ 0.21	
Water	$ 21,920	$ 0.24		$ 31,574	$ 0.35	
Subtotal Utilities	**$ 189,053**			**$ 221,740**		
GBA All Properties	91,237			91,237		
Indicated Expense per SQ. FT.	$ 2.07			$ 2.43		
Maintenance Related						
Building Repairs and Mtn.	$ 96,330	$ 1.06		$ 227,627	$ 2.49	
Wages - Laborers	$ 37,760	$ 0.41		$ 66,430	$ 0.73	
Payroll tax Laborers	$ 2,983	$ 0.03		$ 5,248	$ 0.06	
Workers Compensation	$ 12,595	$ 0.14		$ 9,513	$ 0.10	
Small tools and Equipment	$ 1,768	$ 0.02		$ 5,662	$ 0.06	
Freight	$ -			$ 859	$ 0.01	
Auto Expense	$ 8,418	$ 0.09		$ 8,673	$ 0.10	
Subtotal	**$ 159,854**			**$ 324,012**		
GBA All Properties	$ 91,237			$ 91,237		
Indicated Expense per SQ. FT.	$ 1.75			$ 3.55		
Janitorial						
Janitor Supplies	$ 9,395	$ 0.10		$ 12,197	$ 0.13	
Janitor wages	$ 34,705	$ 0.38		$ 32,266	$ 0.35	
Payroll Tax Janitor 7.9%	$ 2,742	$ 0.03		$ 2,549	$ 0.03	
Subtotal	$ 46,842			$ 47,012		
GBA All Properties	91,237			91,237		
Indicated Expense per SQ FT	$ 0.51			$ 0.52		
INSURANCE	$ 36,135			$ 27,266		
GBA All Properties	91,237			91,237		
Indicated Expense per SQ FT	**$ 0.40**			**$ 0.30**		
REAL ESTATE TAXES	$ 131,691			$ 129,578		
GBA All Properties	$ 91,327			$ 91,327		
	$ 1.44			**$ 1.42**		

Operating Expense Summary – Comparisons & Subject Property

Above Grade Square Footage	16,200	83,700	26,630	14,220	16,532	91,327	91,327	8,826
Year of Data	2020	2020	2020	2020	2019	2019	2020	2021
Use	Office & service	Retail, off. & Apt. & Parking	Offices, service & retail	Offices & Medical Clinics	Offc, food service, retail, clinics	Offc, clinic, service	Retail, food service, offices, 2 apt & parking stalls	Restaurant, retail, café, apt.
Admin. Expenses	$.37	$.41	$.74	$.45	$.10	$.11	$.07	$.30
Utilities	$3.59	$2.64	$1.86	$3.04	$2.31	$2.43	$2.07	$2.45
Mtn & Repairs	$1.13	$1.62	$1.82	$1.77	$1.84	$3.55(1)	$1.75	$1.70
Insurance	n/a	$.53	$.29	$.63	$.35	$.30	$.40	$.50
Taxes	$2.34	$.97	$1.14	$2.07	$1.01	$1.42	$1.44	$1.03

(1) Significant maintenance in this year for non-reoccurring projects that are typically capitalized

Professional Management – the owners of the subject property perform these duties. In Juneau, professional management is typically 5% of collected income. In this analysis, 5% is projected.

Administrative Expenses - a review of the table above indicates that the range for this category is quite wide, at $.10 to $.74 SF. The tendency of the data supports a narrower range of $.10 SF to $.45 SF and supports a projection of $.35 SF.

Utilities – the expense comparisons indicate a range of $1.86 SF to $3.59 SF with the tendency in the narrower range of $2.30 to $2.64 SF. Given this range, an expense of $2.45 SF is supported for tenants that are provided all utilities in their leases. The subject's tenants all pay for power, which accounts for $.05 SF of the total. As such, the landlord paid utilities at the subject are projected at $2.40 SF. 333

Maintenance & Repairs - the 2019 indicator for the six Goldstein Improvement Company owned buildings, was impacted by capital projects, which in 2020 were not a factor. 2019 included significant expense in the window replacement project in the Goldstein Building at 130 Seward Street. The other expense comparisons indicate a range of $1.13 SF to $4.07 SF; the high and low ends of this range are outliers. The remaining indicators provide a narrower range of $1.62 SF to $1.84 SF. Based upon this range, $1.65 SF is applied in this analysis.

Insurance - the subject's umbrella policy results in an expense that is favorable, compared to stand-alone properties. The comparisons range from $.29 to $.63 SF and the six GIC properties reflect a lower range of $.30 to $.40 SF. The market data is given weight in making a projection for the subject (as a standalone property) of $.50 SF.

Real Estate Taxes reflect the expense in the Juneau market before 2021, in which assessments increased, primarily a result of the assessors' increases to commercial land values. The projected expense reflects the 2021 assessment for the subject which equates to $1.82 SF.

Reserve Allowance – this allowance is a fund that builds up to be used as needed for replacement of short-lived items such as boilers, roofs, carpet, etc. It is not commonly an expense item in a profit and loss statement provided by owners. RealtyRates provides information regarding reserve allowance requirements (see table in Addenda). The ranges are $.35 - $.90 SF/YR for offices and $.35 - $1.10 SF for retail uses. Considering the number of upgrades and repairs to this building in recent years, a $.40 SF reserve allowance is reasonable.

Capitalization of Net Income

The following table summarizes capitalization rates from sales of commercial properties in Juneau.

Sale Comparison	Sale Date	Cap Rate	Use & Comments
3100 Channel Drive Juneau	June 2020	7.37%	Good quality office building with 20% warehouse built originally for Juneau Empire. At sale date, was mostly occupied by tenants.
5360-5368 Commercial Blvd. Juneau	May 2018	7.85%	Mixed use commercial bldg. of streel frame and metal construction with office, apartment, service, and shop uses.
Willo Park 10002 Glacier Highway Juneau	April 2019	7.54%	Established State office tenant under new 10-year lease. Building has been fully occupied for many years.
3225 Hospital Drive, Juneau	July 2021	7.00%	Fully occupied office and medical building in good condition
8390 Airport Boulevard, Juneau	August 2021	6.90%	Fully occupied office, retail service building in good condition
225 Front Street, Juneau	September 2021	8.07%	Renovated two story bldg. in downtown Juneau in good condition. Purchased by dominant tenant

RealtyRates is a national service that quarterly provides investment criteria that pertain to investment grade properties in the United States of all types. While not highly applicable to the Juneau market, which has few properties that would be considered investment grade, this publication does provide an indicator of national trends with respect to capitalization rates and other financing criterion.

The 4Q report relies on third quarter data. The composite capitalization rate of 8.77% is down from a year ago at 8.94% based upon a decrease of 31 basis points in treasury rates and no change in equity dividend rates.

The composite capitalization rate for the office sector was 8.16% in 2020 and is currently 8.25%. The restaurant sector 2020 rate was 10.81% and is currently 10.86%. The retail sector rate for 2020 was 8.58% and is now 8.60%. For apartments, the 2020 rate was 7.50% and is now 7.57%.

The tables from this survey that support the above indicators are included in the Addenda. Below are the surveyed rates for each sector noted above, indicating the low, high and average "Surveyed" capitalization rates for each sector:

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.75% is considered reasonable.

As shown, this rate applied to the projected NOI, the market value by this approach is **$860,000.**

CAPITALIZATION OF INCOME

RENTAL INCOME	TENANT AREAS		MONTHLY RENT	RENT/SF	ANNUAL RENT
201 Good Vibes Café	1,435	SF	$ 2,494	$ 1.74	$ 29,928
205 Nana's Attic	495	SF	$ 817	$ 1.65	$ 9,804
209 Zoots	1,079	SF	$ 1,596	$ 1.48	$ 19,152
213 Second Floor Apartment	1,100	SF	$ 1,283	$ 1.17	$ 15,396
217 Don Morgan Gallery	494	SF	$ 808	$ 1.64	$ 9,696
221 Giono Barret	530	SF	$ 793	$ 1.50	$ 9,516
216 2nd St. Rainforest Farms	1,230	SF	$ 2,850	$ 2.32	$ 34,200
Rear Rookery Warehouse	750	SF	$ 950	$ 1.27	$ 11,400
Four gravel parking spots	4		$ 85		$ 4,080
GROSS REVENUES	7,113	SF			**$ 143,172**
Stabilized Vacancy & Credit Loss		5%			$ (7,159)
GROSS EFFECTIVE INCOME					**$ 136,013**
EXPENSES	8,826	SF GBA			
Professional Management		5%			$ (6,801)
Administration		$ 0.30	SF		(2,648)
Water, sewer, heat, trash		$2.40	SF		$ (21,182)
Maintenance and Upkeep		$ 1.65	SF		(14,563)
Insurance		$ 0.50	SF		(4,413)
Real Estate Taxes		$ 1.82	SF		(16,097)
Reserve Allowance		$ 0.40	SF		(3,530)
TOTAL EXPENSES					$ (69,234)
NET OPERATING INCOME					$ 66,779
CAPITALIZATION RATE					7.75%
INDICATED VALUE					**$ 861,667**
ROUNDED					**$ 860,000**

SALES COMPARISON APPROACH

The Sales Comparison Approach is a process by which comparable properties that have sold or are for sale are compared to the subject property. The rationale behind this approach is based upon the principle of substitution, and assumes that a typical buyer, investor, or user would not pay more to buy the subject property than he/she would buy a comparable or substitute property.

The building sales presented below are located in the subject's neighborhood and provide the best indicators of value for the subject property.

Building Sale No. 1 is the recent sale of the B.M. Behrends Bank building 254 Seward Street. This is a corner location that front Seward, 3rd and Main Streets. Built in 1914, this reinforced concrete building is on the historic register. The address is 254 Seward Street. The asking price was $1,300,000. The sale closed in November of 2021 for a price of $1,250,000. The buyers believe that this property would be marketable as a rental to a retail operation and office uses given its layout. The full basement, accessed by stairs, would provide for storage uses for tenants. The buyer inspected the building prior to the sale and estimated that HVAC repairs would cost $200,000. This building has a small parking area on its Main Street side.

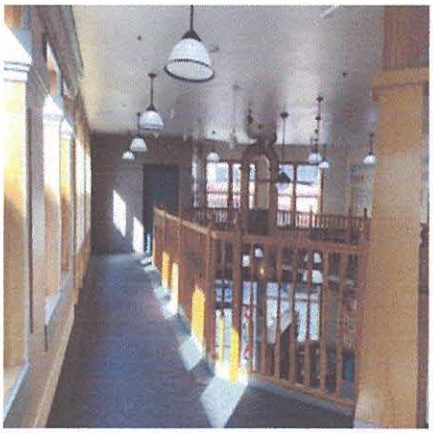


Building Sale No. 2 is the July 2021 sale of 225 Front Street. This is a two-story wood frame building that was built at the turn of century and remodeled at a cost of $2 million. It is served by an elevator, wide hallways and many windows along Shattuck Way but no windows on the west side. The building efficiency ratio is 66%. There is no onsite parking with this building.

The buyer, SEARHC was the predominant tenant in the building and entered into negotiations with the seller. No broker was involved in this transaction.





Building Sale No. 3 is the December 2019 sale of the Emporium Mall which has frontage on both South Franklin Streets and on Shattuck Way. The two-level turn of the century building has a mix of retail, food service, services and second floor offices.

The building had many long-term tenants and the broker indicated that many leases were below market. Over a year before the sale, the seller converted the large commercial printing space at the rear corner of the building into four rental spaces that were ready for tenant build out.

The buyer is an investor/contractor who saw upside potential in this property. The asking price was $1,800,000 and the sale price was $1,600,000; the buyer felt that the building needed at least $200,000 in upgrading, which impacted the price paid. The broker

indicated that lacking accurate building area information, the buyer and seller used the net rentable area, which results in a price per square foot indicator of **$84.**





SALES COMPARISON APPROACH - SUMMARY GRID

	SUBJECT PROPERTY	BUILDING SALE NO. 1	BUILDING SALE NO. 2	BUILDING SALE NO. 3
	CHARLIE GOLDSTEIN BUILDING	BM BEHRENDS BANK	225 FRONT STREET	EMPORIUM BUILDING
	201-221 SEWARD & 216 2ND ST.	JUNEAU	JUNEAU	172 S. FRANKLIN STREET
SALE PRICE		$ 1,250,000	$ 1,961,000	$ 1,600,000
BROKER COMMISSION ADJUSTMENT		N/A	$ 2,078,660	N/A
AGE OF CONSTRUCTION	1900 with upgrades	1914 with upgrades	1897/2009	1898 with upgrades
SALE DATE		Nov-21	Sep-21	Dec-21
GROSS BUILDING AREA	8,825	11,376	16,532	19,160
BASEMENT	no	yes	partial	no
EFFICIENCY	80%		66%	estimated at 80%
SALE PRICE/SF		$ 110	$ 119	$ 84
BUILDING TYPE	1 & 2 story wood frame	masonry and glass bank building	WF construction, many windows	WF construction, two levels
USE & LAYOUT	rest/retail/service/1 apt	walk up. Corner location needs $200k in work to building	elevator, no parking 2 flrs offc/service space	walk up. Retail, service & offc use
OVERALL CONDITON	good	average plus	good	average plus, needed $200,000 in work
ZONING	MU	MU	MU	MU
SITE AREA	12,282	12,245	11,300	7,665
LAND TO BUILDING RATIO	1.39	1.08	0.68	0.40

PER SQUARE FOOT INDICATOR	$ 105
APPLIED TO SUBJECT AREA	$ 8,826
INDICATED VALUE	$ 926,730
ROUNDED	$ 930,000

Summary of Sales Comparison Approach

The three sale comparisons indicate a range of $84 SF to $110 SF after being adjusted for differences in the value of the land component. Based upon this range, a market value estimate for the subject property of $105 SF is well supported, indicating a conclusion by this approach of **$930,000.**

RECONCILIATION & FINAL VALUE

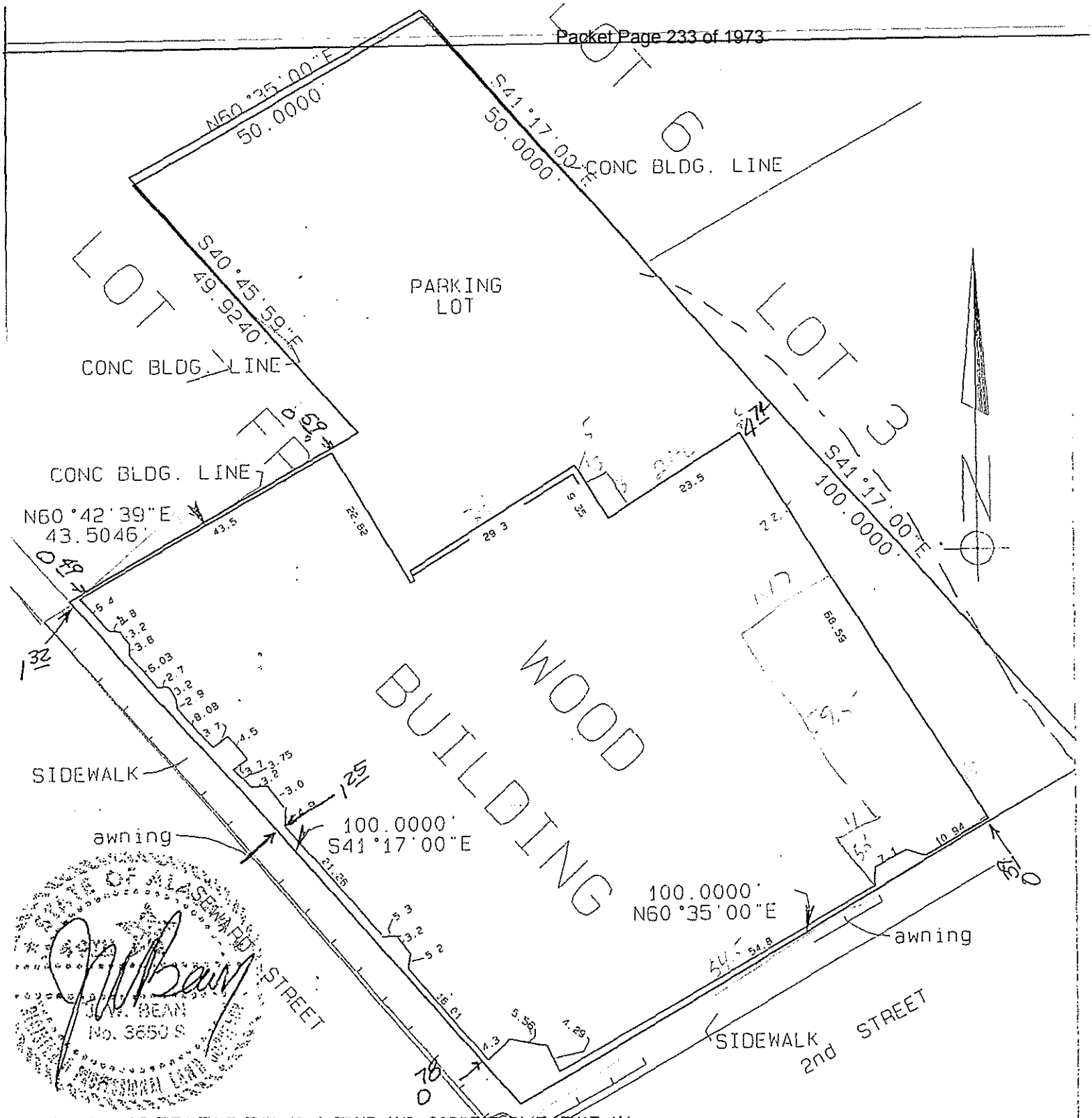
The conclusions to the two approaches to value are indicated below.

Income Approach:	$860,000
Sales Comparison Approach:	$930,000

The two approaches relied upon in this appraisal form a tight range of value for this property. More weight is given to the Income Approach, which is more fine-tuned to the operation of this property, in concluding to a value of **$875,000.**

ADDENDA

SUBJECT PROPERTY INFO



I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT PLAT, THAT ALL WALKS, ROADS, EASEMENTS AND IMPROVEMENTS THEREON ARE AS SHOWN AND THAT ALL OVERLAPS AND ENCROACHMENTS ARE AS SHOWN TO THE BEST OF MY KNOWLEDGE.

J.W. BEAN
No. 3650 S.

J.W. BEAN
PROFESSIONAL SURVEYOR

F.B. _____ JOB No 12203
SCALE 1"=20'
DATE 5-13-98

As-Built Survey of
Lots 1 and 2, and Fraction 7
Block 4, Juneau Townsite
within U.S.S. #7

Property Record Card - Commercial for Parcel 1C070A040010

Assessor's Office
155 S. Seward St.
Juneau, AK 99801
Phone (907) 586-5220
Fax (907) 586-5367



PARCEL #	STREET ADDRESS	LEGAL DESCRIPTION
1C070A040010	201 SEWARD ST	JUNEAU TOWNSITE BL 4 LT 1, 2 & 7 FR

PROPERTY INFORMATION

OWNER NAME & ADDRESS	PREVIOUS OWNER	LAST TRANS	RECORDING INFO
CHARLES GOLDSTEIN BLDG GOLDSTEIN IMPROVEMENT 130 SEWARD ST STE 001 JUNEAU AK 99801			

ASSESSMENT INFORMATION

	YEAR	LAND	BUILDINGS	TOTAL	EXEMPTION TYPE
APPRAISED VALUE	2018	614 100	640 100	1 254 200	
TAXABLE VALUE	2018	test		1 254 200	

SITE INFORMATION

SERVICE AREA	Roaded	WATER AVAILABILITY	Yes
PROPERTY USE CODE	C- 13 Stores, Commercials	WATER SOURCE	City
ZONING DESCRIPTION	(MU) Mixed Use	SEWER AVAILABILITY	Yes
LOT SIZE	12282 SF (0.28 AC)	SEWER SOURCE	City

BUILDING INFORMATION

SECTION 1 - BLDG_ID 1548 - SECTION 0

NAME				BLDG VALUE	626 800
TOTAL AREA	8825	BLDG USE	Mixed Retail w/ Resid. Units	YR BLT	1900
AREA	8825	GRADE	Average	EFF YR	1990
CONSTR CLASS	D	HEAT TYPE	Hot Water	WALL HGT	
# STORIES	02	EXTERIOR WALL	Stud -Metal Siding	PERIMETER	401

ADDITIONAL INTERIOR & EXTERIOR COMPONENTS

BLDG_ID	SECTION	TYPE	YR BLT	SIZE	GRADE	CONDITION
		Miscellaneous Improvement	1995	470	Average Quality	Average
		Dry Sprinklers 1				

Cost Report - Commercial

1298		Record	1
Parcel Code Number	1C070A040010	Number of Stories (Building)	02
Owner Name	CHARLES GOLDSTEIN BLDG	Number of Sections	1
Parcel Address	201 SEWARD ST	Perimeter	402
Effective Year Built	1995	Class	D
Year Built	1900	Height	
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Retail Store	Total Area	8,825.00

1298		Record	2
Parcel Code Number	1C070A040010	Number of Stories (Building)	02
Owner Name	CHARLES GOLDSTEIN BLDG	Number of Sections	1
Parcel Address	201 SEWARD ST	Perimeter	
Effective Year Built	1995	Class	D
Year Built	1900	Height	
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Retail Store	Total Area	

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		8825		63.61		561,363
Exterior Wall	Stud -Metal Siding	8825	100%	12.34		108,901
Exterior Wall	Stud Walls-Wood Siding	8825				
Heating & Cooling	Heating & Cooling	8825		611.00		611
Heating & Cooling	Package Unit	8825	100%	7.94		70,071
Architect Fee		8825		6.60		58,245
Sprinklers	Dry Sprinklers	9295		4.21		39,132
Sub Total						$838,322.23

Local Multiplier	1.43	[X]	$1,198,801.00
Current Multiplier	0.99	[X]	$1,186,813.00
Neighborhood Multiplier		[X]	$1,186,813.00
Depreciation - Physical	35.00	[-]	$415,385.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$771,428.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $771,428

1/24/2017 PER PERMIT/CANVIS REVIEW UPDATED RECORD DMHP
donna_prince - 1/24/2017 3:25:05 PM

GIC RENTAL ROLL

Goldstein Improvement Company

11/16/2021

Rental Property	Tenants	Monthly Rent	Non Taxable Rent	TEMP REDUCTION	APPROX SQ FT
Goldstein Building (GB)					
124 Seward Street	Annie Kaills	4,200.00		3,150.00	2037 MAIN 861 MEZZ
126 Seward Street	NorthWind Architects	3,150.00			1392 MAIN 960 MEZZ
128 Seward Street	Capital Barber	735.00			280
140 Seward Street	Little Tokyo/ PhoTai	6,300.00		4,725.00	2510
130 Seward Street	Main Building				
Lobby	Woodbury Financial - Karen Hansen	708.50			
Lobby	State of Alaska - WIC Storage		0.00		
Basement	In & Out Painting	201.94			
	Otis Elevator Company	0.00			
	State of Alaska - Legislative Affairs Storage		2,270.10		
	Annie Kaills - Storage	525.00		390.00	
	Shoefly - Storage	105.00			100
	Dalberg Design - Storage	210.00			
	Sketch - Storage	83.33			
	Plant Studio Storage	440.00		420.00	
Second Floor					
201	Verizon	1,630.13			
	Verizon (electrical reimbursement)	450.00			
202 - 203	Deborah Mellison	898.60			444
204 - 205	Alaska Trollers Association	1,036.03			480
206	Otis Elevator Company	1,002.51			
207 - 208	State of Alaska		0.00		
209	Todd Montalbo	850.00			475
200, 210 - 216	Alaska Network of Domestic Violence & Sexual Assault		3,999.80		
217	Stellar Group	694.00			361
218 - 219	J.M. Walsh	825.00			403
220	Law office of Kathleen Strausbaugh	500.00			240

Goldstein Annex (GA)					
122 Front Street	Sketch	525.00			
124 Front Street	Asiana Gardens	4,950.00		3,450.00	
126 Front Street	Apartment - Asiana Gardens	2,350.00			
		7,433.75			
Flags of All Nations Building (FAN)					
119B - 2nd Street	Sonia Hendricks	1,658.99			660
119A - 2nd Street	Bauer/Clifton	1,653.75			660 MAIN 500 BASEMENT
		3,147.10			
Charles Goldstein Building (CG)					
201 Seward Street	Good Vibes Café	3,000.00		2,625.00	
205 Seward Street	Nana's Attic	1,149.00		860.00	
209 Seward Street	Zoot's	2,100.00		1,680.00	
213 Seward Street	Apartment		1,450.00		
217 Seward Street	Don Morgan gallery	1,050.00		850.00	
221 Seward Street	Giono Barrett	835.00			
216 2nd Street	Rainforest Farms	3,000.00			
Storage Area	Rookery Warehouse	1,000.00			
Parking not included in rent	Rookery	90.00			
	VACANT				
	Capital Barber	94.50			
	Carlton Smith	90.00			
		11,788.08	1,450.00		
Pioneer House					
3180 Pioneer Avenue	Seasonal tenant - September through May		3,400.00		
Simpson Building					
200 Seward Street	Salt - Restaurant	6,690.00		5,600.00	
220 Seward Street	Urban Eskimo	1,050.00		850.00	
222 Seward Street	V's Cellar Door - Restaurant	1,260.00		945.00	

GIC OPERATING EXPENSES

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20
Ordinary Income/Expense	
Income	
Rental Income	
Taxable Rent	859,794.30
State of Alaska Rent	411,950.46
Non-Profit Rent	59,997.60
Residential Rent	33,475.00
Total Rental Income	1,365,217.36
Fee Income	
Vending Commissions	11.46
Total Fee Income	11.46
Total Income	1,365,228.82
Expense	
Security System	237.26
Rent - 1099	4,410.00
Pass Thru	286,400.78
Reconciliation Discrepancies	0.10
Payroll Wages	
Wages - Janitor	34,704.96
Wages - Laborer	37,760.00
Wages - Officer Monthly	322,228.00
Total Payroll Wages	394,692.96
Payroll Employer Taxes	
Federal FICA 941	30,217.68
Federal FUTA 940	252.00
Alaska SUTA	720.65
Califonia ETT	14.00
California UI	238.00
Total Payroll Employer Taxes	31,442.33
Contributions	100.00
Office Supplies	1,530.46
Postage & Delivery	402.48
Dues and Subscriptions	925.00
Small Tools & Equipment	1,768.43
Janitorial Supplies	9,394.74
Repairs & Maintenance	
Sanding/Snow Removal - NEC	7,608.51
Windows - NEC	6,869.18
Sprinkler - NEC	8,581.83
Windows	3,012.65
Materials Only	1,687.78
Landscape	987.00
Building R&M	10,487.89
Boiler R&M	259.86
Plumbing R&M	21,716.66
Electrical R&M	4,506.52

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20	
Lighting R&M	5,020.00	
Elevator R&M	10,721.54	
Fire Alarm Service	10,906.89	
Sanding/Snow Removal	2,834.66	
Equipment Repairs	213.74	
Repairs & Maintenance - Other	915.16	
Total Repairs & Maintenance		96,329.87
Utilities		
Internet	2,816.00	
Cell Phone	3,045.88	
Electric	36,996.54	
Fuel Oil	101,439.55	
Telephone	2,304.99	
Trash	20,528.66	
Water	21,920.27	
Total Utilities		189,051.89
Equipment Rental		251.95
Automobile Expense		
Auto Fuel	3,075.81	
Auto Repair & Maintenance	2,574.69	
Vehicle Registration	268.00	
Auto Insurance	2,101.78	
Parking Fees	50.00	
Automobile Expense - Other	348.00	
Total Automobile Expense		8,418.28
Construction Expense		
Design - NEC	7,750.00	
Labor - NEC	5,275.38	
Waste	504.86	
Construction Permits	3,142.68	
Time and Materials	100,804.94	
Materials	7,216.92	
Total Construction Expense		124,694.78
Professional Fees		
Recycling - NEC	3,286.50	
Security - NEC	1,323.00	
Accounting - NEC	18,198.05	
Janitorial Services - NEC	21,453.82	
Total Professional Fees		44,261.37
Insurance		
Prop & Liability (Business)	28,810.57	
Prop & Liability (Umbrella)	7,323.80	
Workers' Compensation	12,595.00	

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

		Jan - Dec 20
Total Insurance		48,729.37
Bank Service Charges		311.10
Finance Charge		94.80
Licenses, Fees, Taxes, Permits		3,132.05
Property Tax		131,691.19
Miscellaneous		52.38
Total Expense		1,378,323.57
Net Ordinary Income		-13,094.75
Other Income/Expense		
Other Income		
Bristol-Myers Squibb Dividend		6,235.20
Interest Income		14.47
Other Income		
Sales Tax discount	300.00	
Other Income - Other	-7,640.01	
Total Other Income		-7,340.01
Total Other Income		-1,090.34
Net Other Income		-1,090.34
Net Income		**-14,185.09**

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss Prev Year Comparison
January through December 2020

	Jan - Dec 20	Jan - Dec 19	$ Change
Ordinary Income/Expense			
Income			
Rental Income			
Taxable Rent	859,794.30	909,245.72	-49,451.42
State of Alaska Rent	411,950.46	421,122.90	-9,172.44
Non-Profit Rent	59,997.60	59,997.60	0.00
Residential Rent	33,475.00	20,000.00	13,475.00
Total Rental Income	1,365,217.36	1,410,366.22	-45,148.86
Fee Income			
Vending Commissions	11.46	24.21	-12.75
Total Fee Income	11.46	24.21	-12.75
Total Income	1,365,228.82	1,410,390.43	-45,161.61
Expense			
Legal Fees	0.00	105.00	-105.00
Family Disbursement	0.00	27,501.00	-27,501.00
Security System	237.26	0.00	237.26
Rent - 1099	4,410.00	4,410.00	0.00
Pass Thru	286,400.78	0.00	286,400.78
Reconciliation Discrepancies	0.10	125.62	-125.52
Payroll Wages			
Wages - Janitor	34,704.96	32,265.68	2,439.28
Wages - Laborer	37,760.00	66,430.00	-28,670.00
Wages - Officer Monthly	322,228.00	300,727.00	21,501.00
Total Payroll Wages	394,692.96	399,422.68	-4,729.72
Payroll Employer Taxes			
Federal FICA 941	30,217.68	30,613.58	-395.90
Federal FUTA 940	252.00	252.00	0.00
Alaska SUTA	720.65	703.92	16.73
Califonia ETT	14.00	14.00	0.00
California UI	238.00	280.00	-42.00
Total Payroll Employer Taxes	31,442.33	31,863.50	-421.17
Advertising	0.00	100.00	-100.00
Contributions	100.00	0.00	100.00
Office Supplies	1,530.46	2,599.09	-1,068.63
Postage & Delivery	402.48	206.17	196.31
Printing and Reproduction	0.00	164.99	-164.99
Dues and Subscriptions	925.00	925.00	0.00
Small Tools & Equipment	1,768.43	5,662.35	-3,893.92
Janitorial Supplies	9,394.74	12,196.77	-2,802.03
Freight	0.00	859.41	-859.41
Construction Yard Storage	0.00	1,470.00	-1,470.00
Repairs & Maintenance			
Sanding/Snow Removal - NEC	7,608.51	0.00	7,608.51
Windows - NEC	6,869.18	0.00	6,869.18
Sprinkler - NEC	8,581.83	0.00	8,581.83
Windows	3,012.65	21,343.37	-18,330.72

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss Prev Year Comparison
January through December 2020

	Jan - Dec 20	Jan - Dec 19	$ Change
Materials Only	1,687.78	1,113.89	573.89
Landscape	987.00	2,135.96	-1,148.96
Building R&M	10,487.89	65,909.20	-55,421.31
Boiler R&M	259.86	727.72	-467.86
Plumbing R&M	21,716.66	31,154.32	-9,437.66
Electrical R&M	4,506.52	55,757.17	-51,250.65
Lighting R&M	5,020.00	5,040.11	-20.11
Painting R&M	0.00	13,810.25	-13,810.25
Elevator R&M	10,721.54	10,710.00	11.54
Fire Alarm Service	10,906.89	3,411.45	7,495.44
Sanding/Snow Removal	2,834.66	7,147.14	-4,312.48
Equipment Repairs	213.74	3,142.06	-2,928.32
Repairs & Maintenance - Other	915.16	6,224.51	-5,309.35
Total Repairs & Maintenance	96,329.87	227,627.15	-131,297.28
Utilities			
Internet	2,816.00	2,626.45	189.55
Cell Phone	3,045.88	4,241.14	-1,195.26
Electric	36,996.54	46,557.21	-9,560.67
Fuel Oil	101,439.55	113,580.91	-12,141.36
Telephone	2,304.99	3,876.98	-1,571.99
Trash	20,528.66	19,283.72	1,244.94
Water	21,920.27	31,573.89	-9,653.62
Total Utilities	189,051.89	221,740.30	-32,688.41
Equipment Rental	251.95	4,328.00	-4,076.05
Automobile Expense			
Auto Fuel	3,075.81	4,402.47	-1,326.66
Auto Repair & Maintenance	2,574.69	2,315.13	259.56
Vehicle Registration	268.00	0.00	268.00
Auto Insurance	2,101.78	0.00	2,101.78
Parking Fees	50.00	1,665.00	-1,615.00
Automobile Expense - Other	348.00	290.00	58.00
Total Automobile Expense	8,418.28	8,672.60	-254.32
Construction Expense			
Design - NEC	7,750.00	0.00	7,750.00
Labor - NEC	5,275.38	0.00	5,275.38
Waste	504.86	982.07	-477.21
Construction Permits	3,142.68	0.00	3,142.68
Time and Materials	100,804.94	302,527.73	-201,722.79
Materials	7,216.92	85,023.73	-77,806.81
Labor	0.00	6,836.00	-6,836.00
Parking	0.00	125.00	-125.00
Total Construction Expense	124,694.78	395,494.53	-270,799.75
Professional Fees			
Recycling - NEC	3,286.50	0.00	3,286.50
Security - NEC	1,323.00	0.00	1,323.00
Security	0.00	5,376.00	-5,376.00

REALTY RATES EXHIBITS

Market Commentary

RealtyRates.com *Investor Survey* Reports Modest Cap Rate Index Decrease For All Property Types During 3rd Quarter 2021

Coincident with a 31 basis point decrease in Treasury rates to which most commercial mortgage interest rates are indexed, together with no change in equity dividend rates, the RealtyRates.com™ *Investor Survey* Weighted Composite (Cap Rate) Index™ decreased a modest 16 basis points from 8.94 to 8.77 percent during the 3rd Quarter of 2021.

The greatest quarter-over-quarter cap rate index decreases were recorded by the Apartment, Lodging and Self Storage sectors, all down 18 basis points, followed by the Restaurant and Special Purpose sectors, both down 17 basis points.

The smallest quarter-over-quarter cap rate index decreases were recorded by the Office and Retail sectors, down 15 basis points, followed by the Golf, Healthcare/Senior Housing and Industrial sectors, down 16 basis points.

Mortgage lending standards were somewhat eased on stronger demand for both multifamily and nonresidential loans during the 3rd Quarter. Meanwhile spreads were unchanged overall, but average permanent mortgage rates were down 32 basis points.

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021*
CURRENT & HISTORICAL CAP RATE INDICES

	Method-Weighted* Property Category Indices																						Weighted* Composite Indices	
	Apts	BP	Golf	BP	Healthcare Senior Housing	BP	Industrial	BP	Lodging	BP	MH/RV Park	BP	Office	BP	Retail	BP	Restaurant	BP	Self Storage	BP	Special Purpose	BP		
Year	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg
2021	7.57	7	11.03	-4	8.03	-7	8.32	0	9.37	-2	8.58	-5	8.25	9	8.60	2	10.86	6	8.91	0	11.01	10	8.77	2
3rd Qtr	7.55	-18	11.06	-16	8.01	-16	8.32	-16	9.32	-18	8.53	-16	8.23	-15	8.62	-15	10.86	-17	8.90	-18	11.04	-17	8.77	-16
2nd Qtr	7.73	16	11.21	18	8.18	14	8.48	16	9.50	13	8.75	17	8.43	13	8.78	17	11.03	17	9.08	17	11.21	20	8.94	17
1st Qtr	7.57	14	11.03	5	8.03	11	8.32	12	9.37	3	8.58	9	8.25	11	8.60	11	10.86	11	8.91	11	11.01	7	8.77	10
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.53	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-13	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.59	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.49	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-15	9.39	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-13	11.16	9	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.13		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01	

*Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey
^Further weighted by property category

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* SURVEYED RESERVE REQUIREMENTS									
	Per SF			Per Unit			% of EGI		
Property Type	Min.	Max.	Typical	Min.	Max.	Typical	Min.	Max.	Typical
Apartments				$165	$425	$394			
Golf				$1,295	$7,700	$3,550	2.0%	4.5%	3.2%
Health Care/Senior Housing				$270	$735	$410			
Industrial	$0.25	$0.80	$0.53						
Lodging							4.0%	8.5%	4.6%
Mobile Home/RV Park				$35	$310	$171	2.0%	5.5%	4.2%
Office	$0.35	$0.90	$0.65						
Restaurants							2.0%	5.5%	3.2%
Retail	$0.35	$1.10	$0.72						
Self-Storage	$0.30	$0.75	$0.65	$35	$210	$132			
Special Purpose	$0.25	$1.15	$0.75						

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* PROPERTY DESIRABILITY MATRIX			
	Preferred agressively seeking	Cautionary will consider	Rejecting but... ...may consider under special circumstances
Apartments	Suburban Garden Style	Urban Hi-Rise	
	Mixed Use		
Golf		Private	Public - Privately Owned
		Public - Municipal	
		Semi-Private	
Health Care/Senior Housing	Independent Living	Acute Care	
	Assisted Living		Nursing Homes
			Congregate Care
Industrial	Warehouse	Flex/Showroom	Heavy Manufacturing
	Bulk Distribution		
Lodging		Limited Service	Full Service
			Golf/Gaming/Resort
Mobile Home/RV Parks	Retirement & Family MH Parks	RV Parks/Campgrounds	
Office	Medical	Suburban	CBD
Restaurants		Freestanding Franchised Fast Serve	Full Service, Inline
Retail	Convenience Stores/Gas Stations	Grocery Anchored Centers	Malls/Outlet Malls
	Free Standing Credit/Franchised	Big Box/Power Centers	Unanchored Strip Centers
Self-Storage	All Types		
Special Purpose		Schools/Daycare Centers	Churches
		Parking Garages	Marinas/Recreational Facilities
			Public Assembly Facilities

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* APARTMENTS - ALL TYPES						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.30%	**DCR Technique**	1.10	0.040305	0.90	**3.99**
Debt Coverage Ratio	1.10	**Band of Investment Technique**				
Interest Rate	2.61%	Mortgage	90%	0.040305	0.036275	
Amortization	40.0	Equity	10%	0.060984	0.006098	
Mortgage Constant	0.040305	OAR				**4.24**
Loan-to-Value Ratio	90%	**Surveyed Rates**				**4.03**
Equity Dividend Rate	6.10%					
Maximum						
Spread Over 10-Year Treasury	6.00%	**DCR Technique**	1.86	0.109950	0.55	**11.25**
Debt Coverage Ratio	1.86	**Band of Investment Technique**				
Interest Rate	7.31%	Mortgage	55%	0.109950	0.060472	
Amortization	15.0	Equity	45%	0.144495	0.065023	
Mortgage Constant	0.109950	OAR				**12.55**
Loan-to-Value Ratio	55%	**Surveyed Rates**				**11.92**
Equity Dividend Rate	14.45%					
Average						
Spread Over 10-Year Treasury	2.99%	**DCR Technique**	1.43	0.063383	0.73	**6.64**
Debt Coverage Ratio	1.43	**Band of Investment Technique**				
Interest Rate	4.30%	Mortgage	73%	0.063383	0.046437	
Amortization	26	Equity	27%	0.106915	0.028585	
Mortgage Constant	0.063383	OAR				**7.50**
Loan-to-Value Ratio	73.3%	**Surveyed Rates**				**7.94**
Equity Dividend Rate	10.69%					

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* APARTMENTS - GARDEN/SUBURBAN TOWNHOUSE						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.30%	**DCR Technique**	1.10	0.040305	0.90	**3.99**
Debt Coverage Ratio	1.10	**Band of Investment Technique**				
Interest Rate	2.61%	Mortgage	90%	0.040305	0.036275	
Amortization	40	Equity	10%	0.060984	0.006098	
Mortgage Constant	0.040305	OAR				**4.24**
Loan-to-Value Ratio	90%	**Surveyed Rates**				**4.03**
Equity Dividend Rate	6.10%					
Maximum						
Spread Over 10-Year Treasury	4.85%	**DCR Technique**	1.61	0.102303	0.65	**10.71**
Debt Coverage Ratio	1.61	**Band of Investment Technique**				
Interest Rate	6.16%	Mortgage	65%	0.102303	0.066497	
Amortization	15	Equity	35%	0.132495	0.046373	
Mortgage Constant	0.102303	OAR				**11.29**
Loan-to-Value Ratio	65%	**Surveyed Rates**				**10.72**
Equity Dividend Rate	13.25%					
Average						
Spread Over 10-Year Treasury	3.08%	**DCR Technique**	1.31	0.062651	0.78	**6.34**
Debt Coverage Ratio	1.31	**Band of Investment Technique**				
Interest Rate	4.39%	Mortgage	78%	0.062651	0.048554	
Amortization	28	Equity	23%	0.093164	0.020962	
Mortgage Constant	0.062651	OAR				**6.95**
Loan-to-Value Ratio	78%	**Surveyed Rates**				**7.19**
Equity Dividend Rate	9.32%					

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* OFFICE - ALL TYPES						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.35%	**DCR Technique**	1.15	0.040640	0.80	**3.74**
Debt Coverage Ratio	1.15	**Band of Investment Technique**				
Interest Rate	2.66%	Mortgage	80%	0.040640	0.032512	
Amortization	40	Equity	20%	0.075102	0.015020	
Mortgage Constant	0.040640	OAR				**4.75**
Loan-to-Value Ratio	80%	**Surveyed Rates**				**4.52**
Equity Dividend Rate	7.51%					
Maximum						
Spread Over 10-Year Treasury	5.75%	**DCR Technique**	2.15	0.108262	0.50	**11.64**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	7.06%	Mortgage	50%	0.108262	0.054131	
Amortization	15	Equity	50%	0.161032	0.080516	
Mortgage Constant	0.108262	OAR				**13.46**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**12.79**
Equity Dividend Rate	16.10%					
Average						
Spread Over 10-Year Treasury	3.05%	**DCR Technique**	1.65	0.059808	0.68	**6.67**
Debt Coverage Ratio	1.65	**Band of Investment Technique**				
Interest Rate	4.36%	Mortgage	68%	0.059808	0.040370	
Amortization	30	Equity	33%	0.122364	0.039768	
Mortgage Constant	0.059808	OAR				**8.01**
Loan-to-Value Ratio	67.5%	**Surveyed Rates**				**9.10**
Equity Dividend Rate	12.24%					

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* OFFICE - CENTRAL BUSINESS DISTRICT						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.55%	**DCR Technique**	1.40	0.049691	0.65	**4.52**
Debt Coverage Ratio	1.40	**Band of Investment Technique**				
Interest Rate	2.86%	Mortgage	65%	0.049691	0.032299	
Amortization	30	Equity	35%	0.077102	0.026986	
Mortgage Constant	0.049691	OAR				**5.93**
Loan-to-Value Ratio	65%	**Surveyed Rates**				**5.63**
Equity Dividend Rate	7.71%					
Maximum						
Spread Over 10-Year Treasury	5.75%	**DCR Technique**	2.15	0.108262	0.50	**11.64**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	7.06%	Mortgage	50%	0.108262	0.054131	
Amortization	15	Equity	50%	0.161032	0.080516	
Mortgage Constant	0.108262	OAR				**13.46**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**12.79**
Equity Dividend Rate	16.10%					
Average						
Spread Over 10-Year Treasury	3.65%	**DCR Technique**	1.78	0.073847	0.58	**7.54**
Debt Coverage Ratio	1.78	**Band of Investment Technique**				
Interest Rate	4.96%	Mortgage	58%	0.073847	0.042462	
Amortization	23	Equity	43%	0.114871	0.048820	
Mortgage Constant	0.073847	OAR				**9.13**
Loan-to-Value Ratio	58%	**Surveyed Rates**				**9.38**
Equity Dividend Rate	11.49%					

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* RESTAURANTS - ALL TYPES						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	2.25%	**DCR Technique**	1.10	0.054288	0.60	**4.78**
Debt Coverage Ratio	1.10	**Band of Investment Technique**				
Interest Rate	3.56%	Mortgage	80%	0.054288	0.043430	
Amortization	30	Equity	20%	0.103471	0.020694	
Mortgage Constant	0.054288	OAR				**6.41**
Loan-to-Value Ratio	80%	**Surveyed Rates**				**5.09**
Equity Dividend Rate	10.35%					
Maximum						
Spread Over 10-Year Treasury	10.98%	**DCR Technique**	2.15	0.146267	0.50	**15.74**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	12.29%	Mortgage	50%	0.146267	0.073133	
Amortization	15	Equity	50%	0.201764	0.100882	
Mortgage Constant	0.146267	OAR				**17.40**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**16.53**
Equity Dividend Rate	20.18%					
Average						
Spread Over 10-Year Treasury	5.03%	**DCR Technique**	1.59	0.083521	0.66	**8.70**
Debt Coverage Ratio	1.59	**Band of Investment Technique**				
Interest Rate	6.34%	Mortgage	66%	0.083521	0.054780	
Amortization	23	Equity	34%	0.157532	0.054210	
Mortgage Constant	0.083521	OAR				**10.90**
Loan-to-Value Ratio	65.6%	**Surveyed Rates**				**11.69**
Equity Dividend Rate	15.8%					

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* RESTAURANTS - FULL SERVICE						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	2.45%	**DCR Technique**	1.35	0.071209	0.65	**6.25**
Debt Coverage Ratio	1.35	**Band of Investment Technique**				
Interest Rate	3.76%	Mortgage	65%	0.071209	0.046286	
Amortization	20	Equity	35%	0.105471	0.036915	
Mortgage Constant	0.071209	OAR				**8.32**
Loan-to-Value Ratio	65%	**Surveyed Rates**				**7.99**
Equity Dividend Rate	10.55%					
Maximum						
Spread Over 10-Year Treasury	10.98%	**DCR Technique**	2.15	0.146267	0.50	**15.74**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	12.29%	Mortgage	50%	0.146267	0.073133	
Amortization	15	Equity	50%	0.201764	0.100882	
Mortgage Constant	0.146267	OAR				**17.40**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**16.53**
Equity Dividend Rate	20.18%					
Average						
Spread Over 10-Year Treasury	6.72%	**DCR Technique**	1.75	0.106527	0.58	**10.73**
Debt Coverage Ratio	1.75	**Band of Investment Technique**				
Interest Rate	8.03%	Mortgage	58%	0.106527	0.061253	
Amortization	18	Equity	43%	0.148803	0.063241	
Mortgage Constant	0.106527	OAR				**12.45**
Loan-to-Value Ratio	58%	**Surveyed Rates**				**12.91**
Equity Dividend Rate	14.86%					

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* RETAIL - ALL TYPES						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.35%	**DCR Technique**	1.05	0.040640	0.80	**3.41**
Debt Coverage Ratio	1.05	**Band of Investment Technique**				
Interest Rate	2.66%	Mortgage	80%	0.040640	0.032512	
Amortization	40	Equity	20%	0.078602	0.015720	
Mortgage Constant	0.040640	OAR				**4.82**
Loan-to-Value Ratio	80%	**Surveyed Rates**				**4.58**
Equity Dividend Rate	7.86%					
Maximum						
Spread Over 10-Year Treasury	6.95%	**DCR Technique**	2.15	0.116487	0.50	**12.52**
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	8.26%	Mortgage	50%	0.116487	0.058243	
Amortization	15	Equity	50%	0.178060	0.089030	
Mortgage Constant	0.116487	OAR				**14.73**
Loan-to-Value Ratio	50%	**Surveyed Rates**				**13.99**
Equity Dividend Rate	17.81%					
Average						
Spread Over 10-Year Treasury	3.52%	**DCR Technique**	1.39	0.068435	0.70	**6.67**
Debt Coverage Ratio	1.39	**Band of Investment Technique**				
Interest Rate	4.83%	Mortgage	70%	0.068435	0.048043	
Amortization	25	Equity	30%	0.133304	0.039721	
Mortgage Constant	0.068435	OAR				**8.78**
Loan-to-Value Ratio	70.2%	**Surveyed Rates**				**9.31**
Equity Dividend Rate	13.3%					

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021* RETAIL - ANCHORED CENTERS						
Item	**Input**					**OAR**
Minimum						
Spread Over 10-Year Treasury	1.35%	**DCR Technique**	1.05	0.040640	0.80	**3.41**
Debt Coverage Ratio	1.05	**Band of Investment Technique**				
Interest Rate	2.66%	Mortgage	80%	0.040640	0.032512	
Amortization	40	Equity	20%	0.078602	0.015720	
Mortgage Constant	0.040640	OAR				**4.82**
Loan-to-Value Ratio	80%	**Surveyed Rates**				**4.58**
Equity Dividend Rate	7.86%					
Maximum						
Spread Over 10-Year Treasury	5.80%	**DCR Technique**	1.90	0.108599	0.60	**12.38**
Debt Coverage Ratio	1.90	**Band of Investment Technique**				
Interest Rate	7.11%	Mortgage	60%	0.108599	0.065159	
Amortization	15	Equity	40%	0.166060	0.066424	
Mortgage Constant	0.108599	OAR				**13.16**
Loan-to-Value Ratio	60%	**Surveyed Rates**				**12.50**
Equity Dividend Rate	16.61%					
Average						
Spread Over 10-Year Treasury	3.58%	**DCR Technique**	1.48	0.066163	0.70	**6.83**
Debt Coverage Ratio	1.48	**Band of Investment Technique**				
Interest Rate	4.89%	Mortgage	70%	0.066163	0.046314	
Amortization	28	Equity	30%	0.117958	0.035387	
Mortgage Constant	0.066163	OAR				**8.17**
Loan-to-Value Ratio	70%	**Surveyed Rates**				**9.41**
Equity Dividend Rate	11.30%					

*3rd Quarter 2021 Data

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BUILDING SALE COMPARISONS

COMPARABLE BUILDING SALE NO. 1

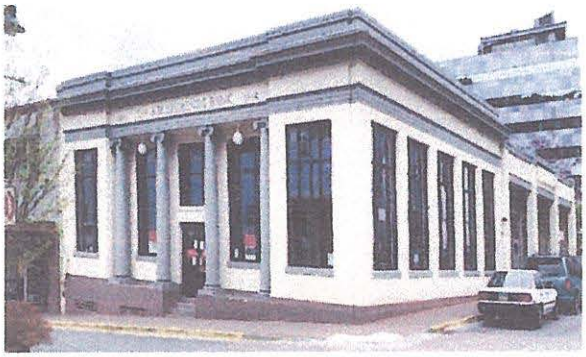
Location: B.M. Behrends Bank Building, 234 Seward Street, Juneau
Legal Description: Lots 5 & 7 Block 5, Juneau Townsite, JRD.
Sale Date: November 24, 2021
Grantor: KeyBank National Association
Grantee: Goldbelt Improvement Company
Recording: Deed 2021-007199
Price: $1,250,000
Terms: cash to seller

Building Size: 11,376 SF – above grade, with full basement
Building Age: 1914 with modern upgrades
Land Size: 12,245 SF
Access: Seward Street and Main Street frontage
Zoning: MU
Utilities: water, sewer, power, phone – all underground

Description: This is a one-story structure of reinforced concrete construction with a flat roof, decorative cornice and columns facing Seward Street, with a full concrete basement. It was constructed by B.M. Behrends, who came to Alaska to prospect for gold in 1887. He managed the store at this location and in 1896, he became the operator of the B.M. Behrends bank which operated until July 16, 2021. After the closure the building was placed on the market for $1,300,000 and sold within 30 days for $1,250,000. The buyers own several properties in the area, and stated that about $200,000 in HVAC repairs were needed to the building. The buyers purchased the building to add to their portfolio and do not have immediate plans for its use. The building has many large exterior windows and a modern interior that served as a bank branch. The building has a small parking area at the rear, accessed from Main Street.

Analysis: $1,250,000/11,376 SF = $110 SF

Confirmation: Goldstein Improvement Company and Carlton Smith, broker, by Julie Dinneen, MAI





The City and Borough of Juneau is not responsible and shall not be liable to the user for damages of any kind arising out of the use of data or information provided by the City and Borough of Juneau, including the installation of the data or information, its use, or the results obtained from its use. ANY DATA OR INFORMATION PROVIDED BY THE City Borough of Juneau IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Data or information provided by the City Borough of Juneau shall be used and relied upon only at the user's sole risk, and the user agrees to indemnify and hold harmless the

COMPARABLE BUILDING SALE NO. ❷

Location: 225 Front Street, Juneau
Legal Description: Lot 1, Block 8, Juneau Townsite, JRD.
Sale Date: September 17, 2021
Grantor: R.H. Rentals LLC
Grantee: Southeastern Alaska Regional Health Consortium
Recording: SWD Deed 2021-005794
Price: $1,850,000 x 1.06 for broker's commission = $1,961,000
Terms: cash to seller

Building Size: 16,532 SF on two floors
Building Age: 1981 to 1991
Land Size: 11,300 SF
Access: Front Street and Shattuck Way
Zoning: MU/PD-1 parking district.
Utilities: water, sewer, power, phone
Soils/Topography: small area in crawl space can be impacted by very high tides to a small degree. There is a crawl space and 3,562 SF of concrete basement

Description: The building is on the National Register of Historic buildings. Built in 1897, the building housed Jorgenson's Hardware; the first store in Juneau devoted to hardware. Its architectural style is Late Victorian, and was placed on the registry in 1994. The building was occupied by Lyle's Hardware until 1995 and remodeled by Tom Neubauer in 1997 at a reported cost of $2 million. The building is a two-story structure with an irregular shape. It is supported by a partial concrete basement and by pilings. The wood framing systems includes beams and posts and wood decking and flooring. The roof is a metal gable type and 2/3 of it has been recently replaced. The exterior has horizontal wood siding and 65 windows in vinyl casements. Most of the windows are double hung style. When renovated, the building was taken down to the framing and built back up with new plumbing, electrical, insulation and finishes.

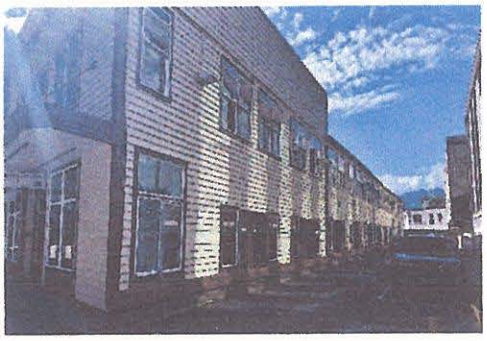
As the photos show, the wide hallways in the building capture a great deal of natural light, and tenant areas have window walls. The remodeling was done with the intention of creating a year-round center for businesses. The interior is brightly lit and is well oriented to natural light. The east wall of the building is windowless and lies close to surrounding buildings. The atrium provides stairwell or elevator access to the second floor and each level has a hallway that runs the length of the building. The wide hallways have carpeted floors, 4-inch-high wood baseboard painted white, window walls, suspended signs for tenants and entrances with wood doors.

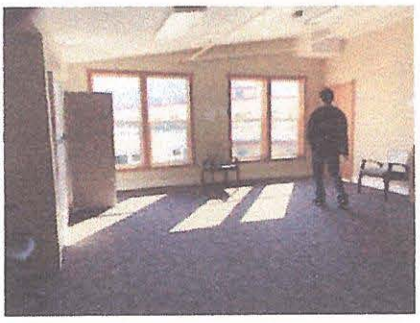
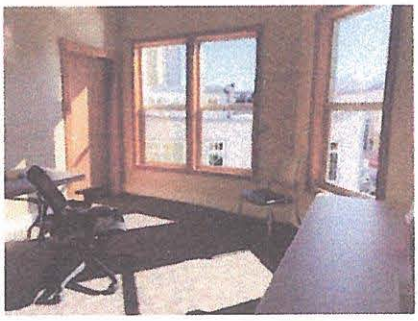
The public restrooms are located on the second floor and include a men's and women's restroom off an interior hallway with recessed lighting and tiled interiors. All plumbing is to code and is found in the public restrooms and in many tenant areas. Several tenant areas have plumbing for kitchens, clinic sinks, etc. The building has a 500-gallon fuel tanks and an oil-fired heating system. As shown in the photographs, there are several

ceiling mounted heating units on both levels. There are 65 argon filled, high energy efficient windows that were installed in 1997. The windows are in vinyl casements and are bronze tinted. Exterior doors with automatic locks were installed in 2012. The doors are locked and unlocked by computer. The tenant doors are good quality wood doors with wood trim.

The building has a passenger elevator and there is a shaft in place that could accommodate a second elevator, if every needed. The basement includes both a concrete area used for storage and shop uses as well as dirt/rock floor where pilings can be seen driven into the ground.

Analysis: $1,961,000 / 16,532 SF = **$119 SF**
Confirmation: Rich Harris, seller, by Julie Dinneen, MAI











COMPARABLE BUILDING SALE NO. 3

Location: 174 South Franklin Street, Juneau
Legal Description: Lot 9 and a fraction of Lot 10, Block 81, Tidelands Addition to the Townsite of Juneau, JRD.
Sale Date: December 31, 2019
Grantor: MacKinnon, Eric, Kathleen and John
Grantee: The Emporium Mall LLC
Recording: SWD Deed 2019-005923
Price: $1,600,000
Terms: cash to seller

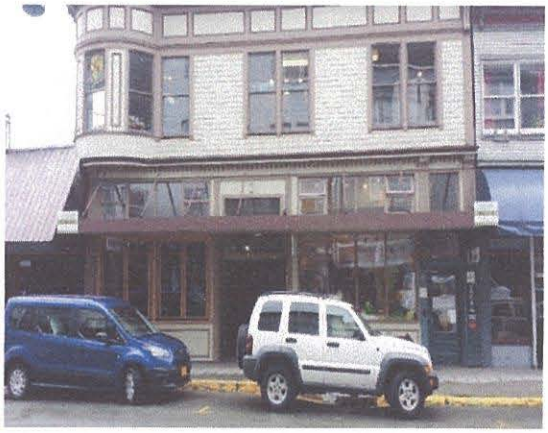
Building Size: 19,160 SF used by buyer and seller
Building Age: 1901 with many upgrades.
Land Size: 7,665 SF
Access: Willoughby Avenue
Zoning: MU/PD-1 parking district.
Utilities: water, sewer, power, phone
Soils/Topography: moderate in topography with good soils

Description: This building has historical significance as it was the Alaska Steam Laundry building when constructed in 1901. It is of Late Victorian style with a prominent turret that has a conical roof. The laundry was on the ground floor and residences and offices were on the second level. On the AHRS archives, this historical building is Jun-018.

The building has been upgraded over the years and has a mix of restaurant, retail, commercial uses and services uses. The second level is accessed from interior stairs. The broker indicated that the building was 98% full during the marketing period, but was under-performing because many leases were at below market rates. The property took about three years to sell. The buyer is a contractor/investor in Juneau and saw upside potential. He purchased at $200,000 under the asking price as he felt the building's deferred maintenance was that amount. The buyer and seller used the NRA as the assessor's information on the building was not accurate. The building has a Shattuck Way entrance and a S. Franklin Street entrance. In early 2019, the Shattuck Way commercial sign business tenant area was opened up and significantly improved to create retail spaces with windows and entrances on this side of the building.

Analysis: $1,600,000 / 19,160 SF = **$84 SF**
Confirmation: Tracy Ricker, broker, by Julie Dinneen, MAI







Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances, unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable.
- No responsibility is assumed for such conditions, or for arranging of engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state and local
- environmental regulations and laws, unless noncompliance is stated, defined and considered in this appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been, or can be obtained or renewed, for any use on which the value estimate in this report is based.
- It is assumed that the utilization of the land and improvements, if any, lie within the boundaries or property lines of the property described, and that there is no encroachment or trespass unless noted in the report.
- Unless otherwise stated in t his report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on, or in, the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials, may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose, or by any person other than the party to whom it is addressed without the written consent of the appraiser, and, in any event, only with proper written qualification, and, only in its entirety.

- The appraiser herein by reason of this appraisal in not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

  Neither all, nor any part of the contents of this report (especially any conclusions as to value, the Identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media

QUALIFICATIONS OF APPRAISER

PROFESSIONAL QUALIFICATIONS

JULIE C. DINNEEN, MAI

2061 S. Clayton Street
Denver, CO. 80210

(303) 579-3589
juliedinneen@hotmail.com

EDUCATION

Bachelor of Science, Economics, Lewis & Clark College. Portland, Oregon, 1981

PROFESSIONAL AFFILIATIONS

APPRAISAL INSTITUTE - Member Appraisal Institute #7898
STATE OF ALASKA – Certified General Real Estate Appraiser #AA90

EMPLOYMENT HISTORY

1993-Present
Julie Dinneen Company – Sole Proprietor
Fee Appraisal Shop with a wide variety of assignments in Southeast Region of Alaska

1991-1993
Manager of Juneau Office - Real Estate Services Corporation
Fee Appraisal Shop with a wide variety of assignments in Southeast Region

1989-1993
Associate Appraiser in Anchorage Office – Real Estate Services Corporation
Fee Appraisal Shop with a wide variety of assignments in Southcentral Alaska

1988-1989
Associate Appraiser in San Francisco Office – Arthur Gimmy International
Extensive travel in western states, predominantly skilled nursing facility assignments

1982-1988
Associate Appraiser in Anchorage Office – Shorett & Riely
Fee Appraisal Shop with a wide variety of assignments in Southcentral Alaska

1981-1982
Research Assistant in Portland Office – Curtis, MacKenzie & Slocum

References
Available Upon Request

ASSESSOR MATERIAL

Appeal 2022-0157

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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

GOLDSTEIN IMPROVEMENT COMPANY INC
130 SEWARD ST STE 001
JUNEAU AK 99801

Meeting of Board of Equalization (BOE) and Presentation of Real Property Appeal	
Date of BOE	Wednesday, June 29, 2022
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	June 15, 2022
Parcel Identification	1C070A040010
Property Location	201 SEWARD ST
Appeal No.	APL20220157
Sent to Email Address:	gregadler@mac.com

ATTENTION OWNER

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

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to city.clerk@juneau.org Attn.: Assessment Appeal} by **4:00 PM Wednesday, June 22, 2022** and will be included in the packets for the Board so the members have an opportunity to review the materials before the hearing.

Your Board of Equalization packet will be ready for you to pick up in the Clerk's office after **2:00 PM Thursday, June 23, 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**

CITY AND BOROUGH OF JUNEAU

ASSESSOR OFFICE

APPEAL #2022-0157

2022 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION June 29, 2022

Appellant: Goldstein / Greg Adler

Location: 214/216 Second St & 201/205/209/217 Seward St

Parcel No.: 1C070A040010

Property Type: Commercial – Retail, Restaurant and Apartments

Appellant's basis for appeal: excessive, unequal, and improper

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	<not provided>	$ 866,565	$ 866,565
Buildings:	<not provided>	$ 627,564	$ 627,564
Total:	**$ 875,000**	**$ 1,494,129**	**$ 1,494,129**

Subject Photo



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OVERVIEW

The subject is a downtown commercial property with 1 story and 2 story building sections and a parking lot.

Subject Characteristics:

- Land
  - 12,282 SF lot
    - 3,400 SF of which is unpaved parking
  - Developed lot
  - Located within the downtown business district

- Building
  - 8,825 SF GBA
    - 7516.5 SF 1st level
    - 1309 SF 2nd level

SUBJECT PHOTOS



From Seward St

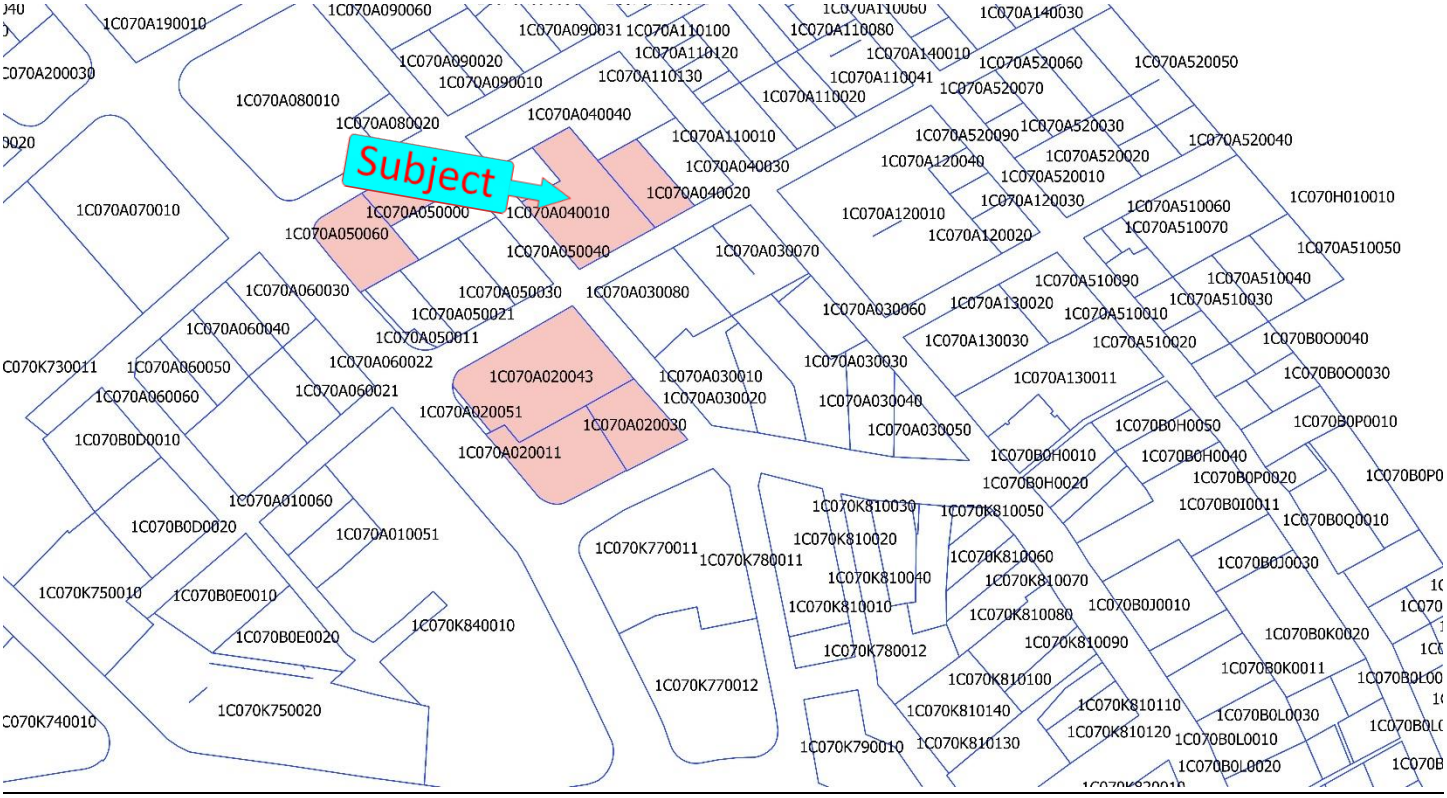
2nd floor apartments

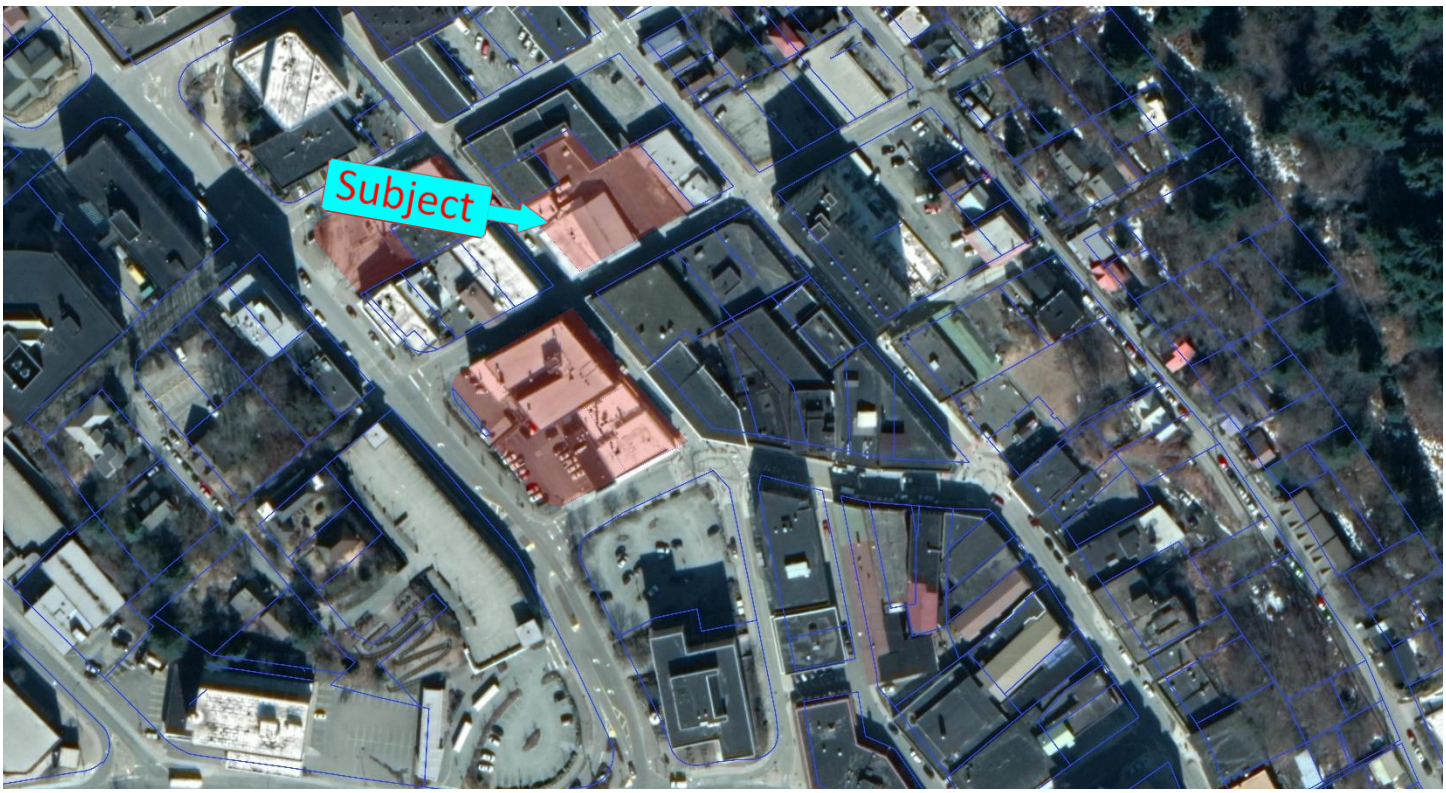
	From corner of 2nd St & Seward St
	From 2nd St

	Back Parking lot
	Back Parking lot

AREA MAP & AERIAL

The salmon shaded parcels are the 6 Goldstein appeals.





ASSESSED VALUES

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

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

LAND

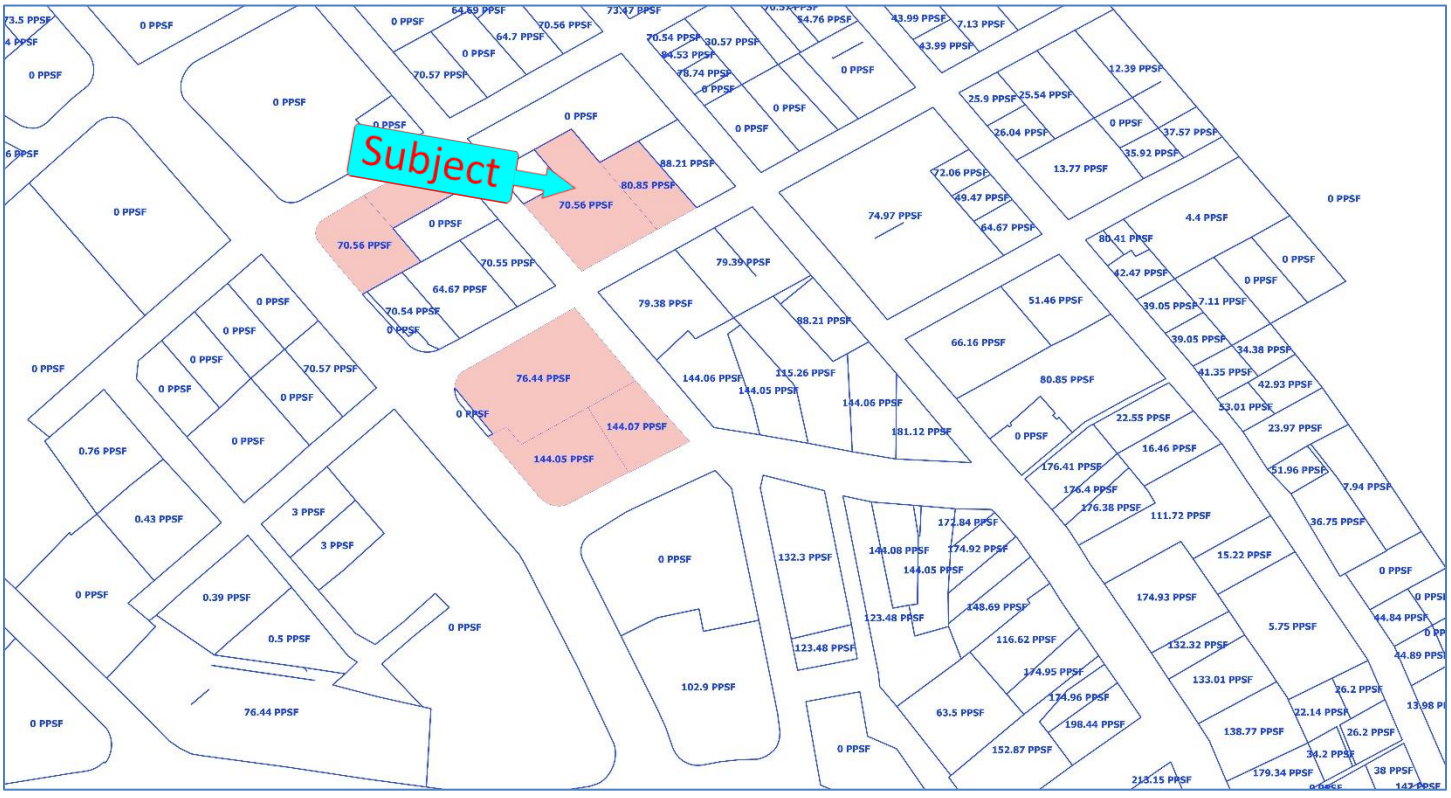
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation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

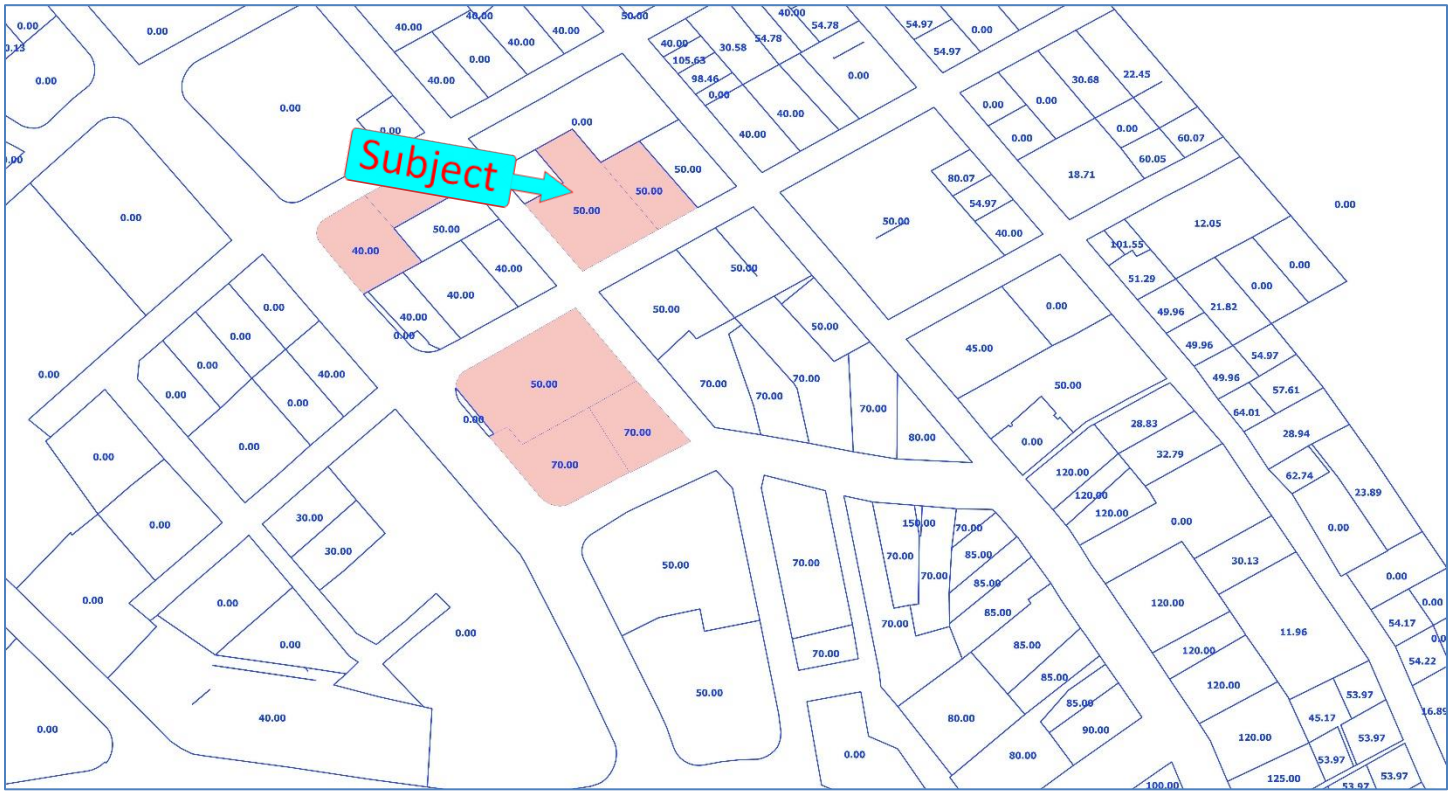
The subject parcel's land value is equitable and is not excessive.

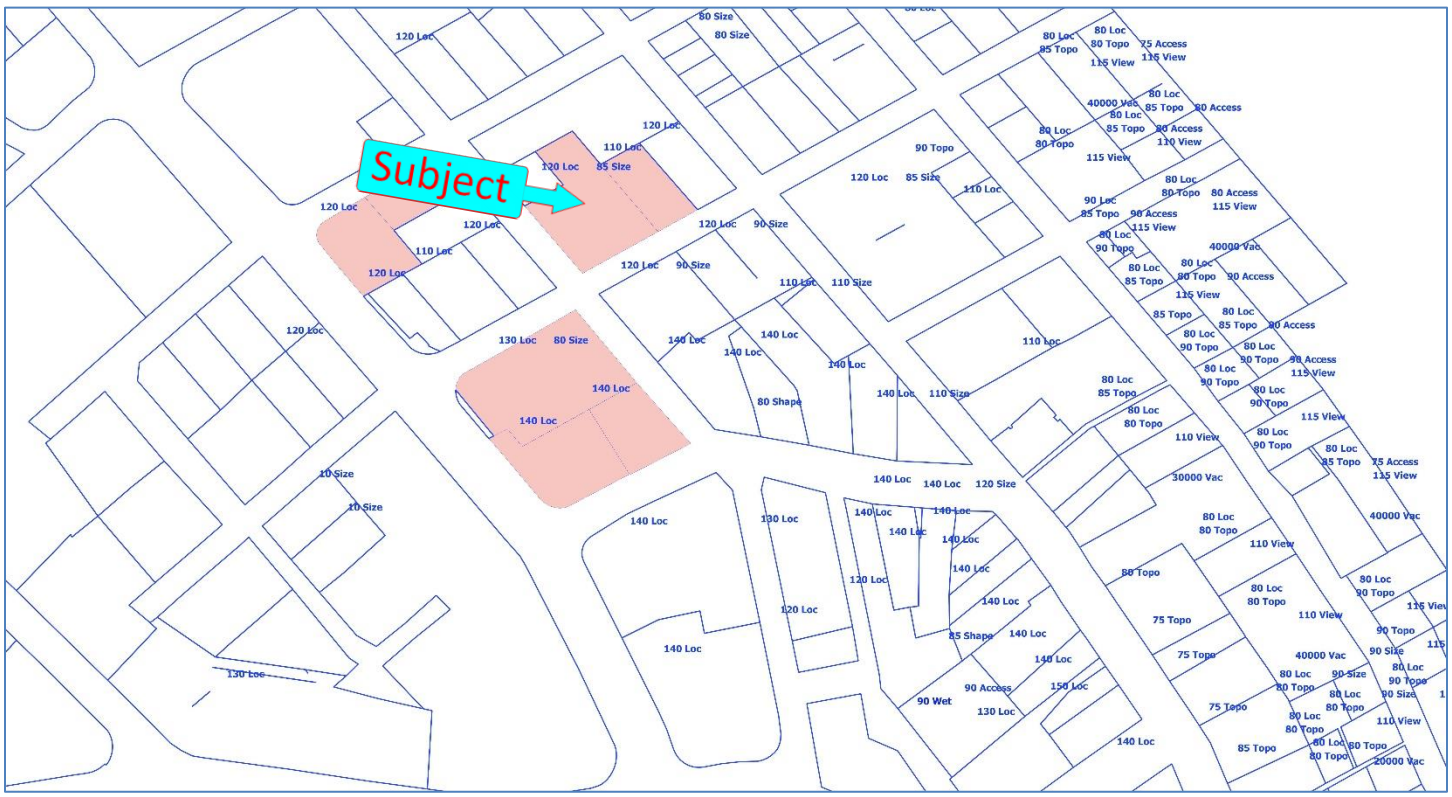
Land Characteristics:

- 12,282 SF lot
    - 3,400 SF of which is unpaved parking
- Developed lot
- Located within the downtown business district

Land Values




Subject


Subject

BUILDING(S)

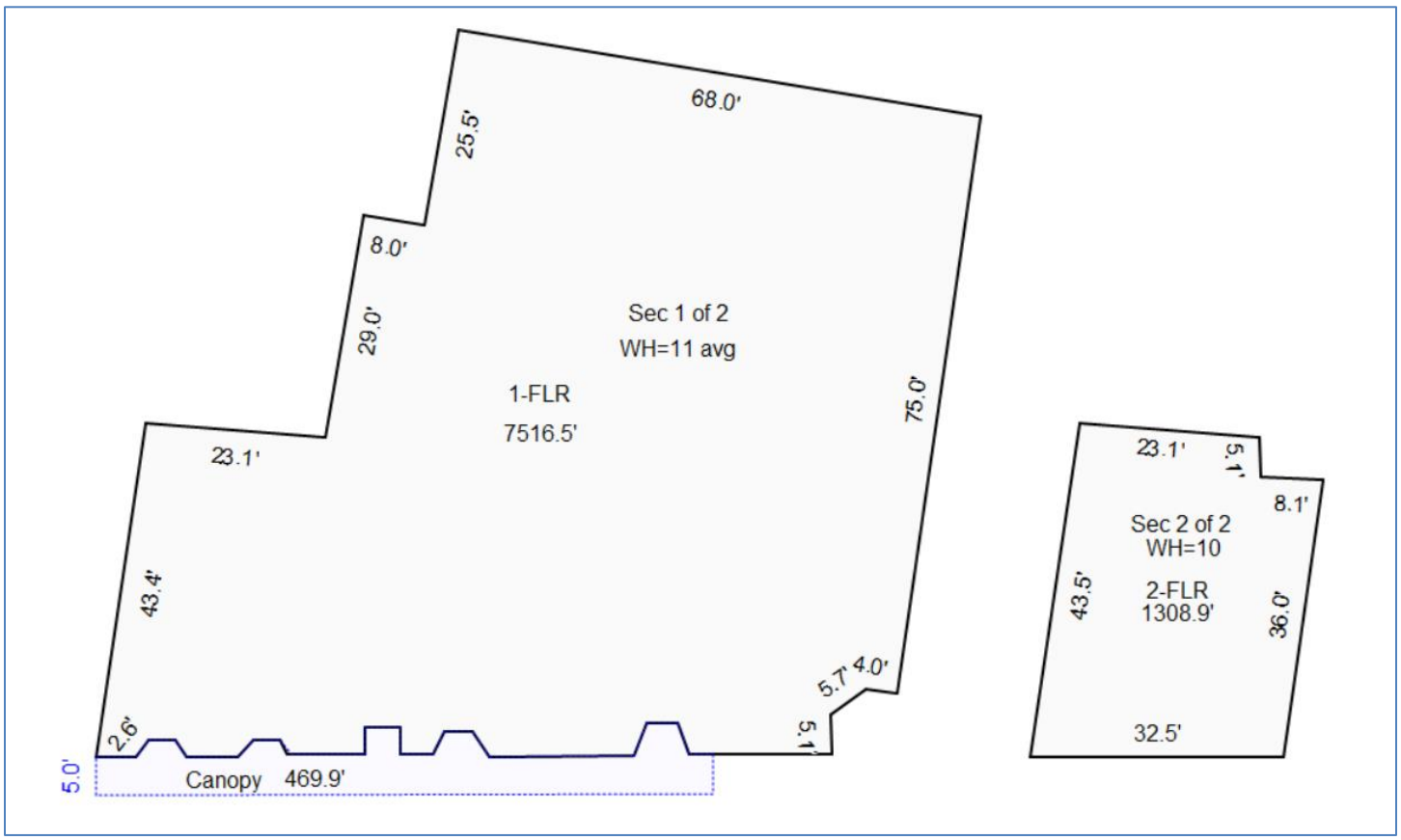
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 8,825 SF GBA
  - 7516.5 SF 1st level
  - 1309 SF 2nd level

Sketch of Improvements:



COST REPORT

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

The cost report matches the building value from 2018. For 2022 the downtown building values were reduced by 2%.

Cost Report - Commercial

1298		Record	1
Parcel Code Number	**1C070A040010**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY INC**	**Number of Sections**	1
Parcel Address	**201 SEWARD ST**	**Perimeter**	402
Effective Year Built	1990	**Class**	D
Year Built	1900	**Height**	
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	8,825.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		8825		68.49		604,407
Exterior Wall	Stud -Metal Siding	8825	100%	12.83		113,225
Exterior Wall	Stud Walls-Wood Siding	8825				
Heating & Cooling	Heating & Cooling	8825		611.00		611
Heating & Cooling	Hot Water	8825	100%	7.57		66,805
Architect Fee		8825		6.60		58,245
Sprinklers	Dry Sprinklers	9295		4.21		39,132
Fire Alarm System		8825		1.46		12,885
Sub Total						$895,309.23

Local Multiplier	1.43	[X]	$1,280,292.00
Current Multiplier	1.02	[X]	$1,305,898.00
Neighborhood Multiplier		[X]	$1,305,898.00
Depreciation - Physical	52.00	[-]	$679,067.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$626,831.00
Cost to Cure			
Neighborhood Adjustment			
Replacement Cost less Depreciation			$626,831

Miscellaneous Improvements

Miscellaneous Improvement	Canopy 01.31.2018 P	[+]	13,300

Total Improvement Value $640,100

INCOME APPROACH

The income approach was not the basis for setting most of the assessed value for 2022. The appellant did not submit P&L information for the Review process.

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

1C070A040010
GOLDSTEIN IMPROVEMENT COMPANY INC
201 SEWARD ST
JUNEAU TOWNSITE BL 4 LTS 1 2 & 7 FR

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$866,565.00	$13,300.00	$614,264.00	$1,494,129.00
2021	$884,250.00	$13,300.00	$626,800.00	$1,524,350.00
2020	$589,500.00	$13,300.00	$626,800.00	$1,229,600.00
2019	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2018	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2017	$614,100.00		$578,100.00	$1,192,200.00
2016	$614,100.00		$578,100.00	$1,192,200.00
2015	$614,100.00		$578,100.00	$1,192,200.00
2014	$614,100.00		$578,100.00	$1,192,200.00
2013	$614,100.00		$578,100.00	$1,192,200.00
2012	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2011	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2010	$614,100.00	$0.00	$652,200.00	$1,266,300.00

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.

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 appeal process, placing a higher priority on uniformity within existing models rather than uniformity with the whole which is being addressed through separate processes. Based on current assessment levels for this neighborhood the full market value for this property, which the BOE may adopt, would be 1,573,761.

Additional Details:

- The appellant states that their assessed value is excessive.
  - We find that, based on analysis of market sales, the value it is not excessive.
- The appellant states that their value is unequal.
  - We find that it was valued with the same methodology as other properties.
- The appellant states that their property is valued improperly.
  - The parcel was valued using proper methodology.
- 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 has submitted thousands of pages of paper copy and many electronic document files.
  - We have reviewed all of this material and find no basis for a reduction of their assessed value.

Also of note is that the BOE reviewed this property last year and upheld the value and that even though the sales indicate that the downtown values have continued to increase the downtown assessments were decreased by 2% this year in order to achieve greater uniformity in the commercial property values.

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 $1,494,129 is warranted and ask that the BOE uphold the assessed value.

Addendum A - Communications

See separate document.

Addendum B – Additional Response Details

See separate document.

APPELLANT MATERIAL

Appeal 2022-0155

CITY AND BOROUGH OF JUNEAU

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

Petition for Review / Correction of Assessed Value Real Property	
Assessment Year	2022
Parcel ID Number	1C070A040020
Name of Applicant	GOLDSTEIN IMPROVEMENT CO.
Email Address	gregadler@mac.com

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	1C070A040020		
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY		
Primary Phone #	310-612-1312	Email Address	gregadler@mac.com
Physical Address	224 Second Street	Mailing Address	Greg Adler
	Juneau, AK		426 East Rustic Road
			Santa Monica, CA 90402

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

- [x] My property value is excessive/overvalued
- [x] My property value is unequal to similar properties
- [x] 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:

Please see the attached Documentation, including a Summary, Reasoning and Arguments and Appraisal

Have you attached additional information or documentation? [x] Yes [ ] No

Values on Assessment Notice:

Site	$397,124	Building	$	Total	$397,124

Owner's Estimate of Value:

Site	$Fairness	Building	$Fairness	Total	$295,000

Purchase Price of Property:

Price	$	Purchase Date	

Has the property been listed for sale? [ ] Yes [x] *No (if yes complete next line)*

Listing Price	$	Days on Market	

Was the property appraised by a licensed appraiser within the last year? [x] Yes [ ] No *(if yes provide copy of appraisal)*

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

Signature	Date March 31, 2022

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

PARCEL #: _____ **APPEAL #:** _____ **DATE FILED:** _____

Appraiser to fill out			
Appraiser		Date of Review	
Comments:			

Post Review Assessment					
Site	$	Building	$	Total	$
Exemptions	$				
Total Taxable Value	$				

APPELLANT RESPONSE TO ACTION BY ASSESSOR

I hereby ☐ **Accept** ☐ **Reject** the following assessment valuation in the amount of $_____

If rejected, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.

Appellant's Signature _____ Date: _____

Appellant Accept Value	☐ Yes	☐ No *(if no skip to Board of Equalization)*
Govern Updated	☐ Yes	☐ No
Spreadsheet Updated	☐ Yes	☐ No
Corrected Notice of Assessed Value Sent	☐ Yes	☐ No

BOARD OF EQUALIZATION

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

Contact Us: CBJ Assessors Office			
Phone/Fax	**Email**	**Website**	**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

MARKET VALUE APPRAISAL
224 SECOND STREET
JUNEAU, ALASKA
JDC FILE NO. 2021-27D

As of November 20, 2021

PREPARED FOR:

Martin Jannol, PC
8383 Wilshire Boulevard
Suite 663
Beverly Hills, CA 90211

BY:

JULIE DINNEEN COMPANY
Julie C. Dinneen, MAI
302 W. Chester Street
Lafayette, CO 80026

JULIE DINNEEN COMPANY
REAL ESTATE APPRAISALS

March 25, 2022

Martin Jannol, PC
8383 Wilshire Boulevard
Suite 663
Beverly Hills, CA
90211

RE: Market Value Appraisal of 224 Second Street, Juneau, Alaska. JDC File No. 2021-27D.

Dear Mr. Jannol:

At your request, I have completed an appraisal of the above referenced real estate, which is in Juneau. The purpose of this appraisal is to determine the market value of the property for purpose of in-house work product by the owner, Goldstein Improvement Company. The property was inspected on July 20, of 2021 and the report was completed over the ensuing months. The effective date of the appraisal is November 20, 2021.

This report has been completed in conformance with the appraisal reporting standards formulated by the Uniform Standards of Professional Practice (USPAP) as formulated by the Appraisal Foundation.

Based upon my research and analysis, I have formed the opinion that the market value of the fee interest in the subject property, in as-is condition, is **$295,000.**

Respectfully Submitted,

Julie C. Dinneen, MAI

302 WEST CHESTER STREET, LAFAYETTE, CO. 80026
(303) 579-3589

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Sales Comparison Approach. 27

ADDENDA

Subject Property Information
Land Sale Comparisons
Assumptions and Limiting Conditions
Qualifications of Appraiser

CERTIFICATE OF APPRAISAL

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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

— I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

— I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

— my engagement in this assignment was not contingent upon developing or reporting predetermined results.

— my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

— my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice.*

.— I have made a personal inspection of the property that is the subject of this report.

Julie C Dinneen

Julie C. Dinneen, MAI

APPRAISAL REPORT

Purpose of the Appraisal

This appraisal estimates market value of the fee interest in the subject property, which is a vacant lot used for parking. The purpose of the report is for in-house asset valuation.

Type of Report and Intended User

The intended user of this appraisal is the Goldstein Improvement Company.

Date of the Appraisal

The effective date of the appraisal is November 20, 2021.

Identification of Subject Property

The physical address of the subject property is 224 Second Street. The legal description of the subject property is Lot 3, Block 4, Juneau Townsite, Juneau Recording District, State of Alaska.

Property Rights Appraised

This valuation reflects the market value of the fee interest in the subject property.

Definition of Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer whereby:

1. *Buyer and seller are typically motivated.*
2. *Both parties are well informed or well advised, and acting in what they consider their best interests;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

Source: Title 12, Code of Federal Regulations, Part 34, Subpart C (Office of the Comptroller of the Currency Final Rule on Real Estate Appraisals, Section 34.42.

Scope of the Appraisal

The extent to which the property was inspected: The subject property was inspected on July 22, 2021.

The type and extent of data researched:

Economic reports for the Southeast Alaska were read for this appraisal. The downtown Juneau market was studied for comparable rental data and building sales and listings. In this process, property owners, real estate brokers, tenants, and buyers and sellers of commercial properties were interviewed.

The type of analysis applied:

The approach to value that is relevant to this appraisal is the Sales Comparison Approach.

Exposure Period

An opinion based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Marketing Period

The marketing period is the amount of time it takes generally comparable properties in the competing marketplace to sell. The subject is a vacant interior lot on 2nd Street in the downtown core that is used for parking. Land sales in the subject property's neighborhood are few as the area is built-up. Comparable properties are seldom marketed openly and tend to sell by word of mouth. Some of the sales or negotiations that have taken place have involved public entities including the City and Borough of Juneau and the Mental Health Trust.

For the subject lot, which is a relatively small parcel, if placed on the market for sale, a reasonable exposure and marketing period would be within 12 months.

Assessment Data

The 2021 assessment of the subject property is as follows:

1C070A040020	Land	Improvements	Total	2021 Taxes
	$405,300	$0	$405,300	$4,280

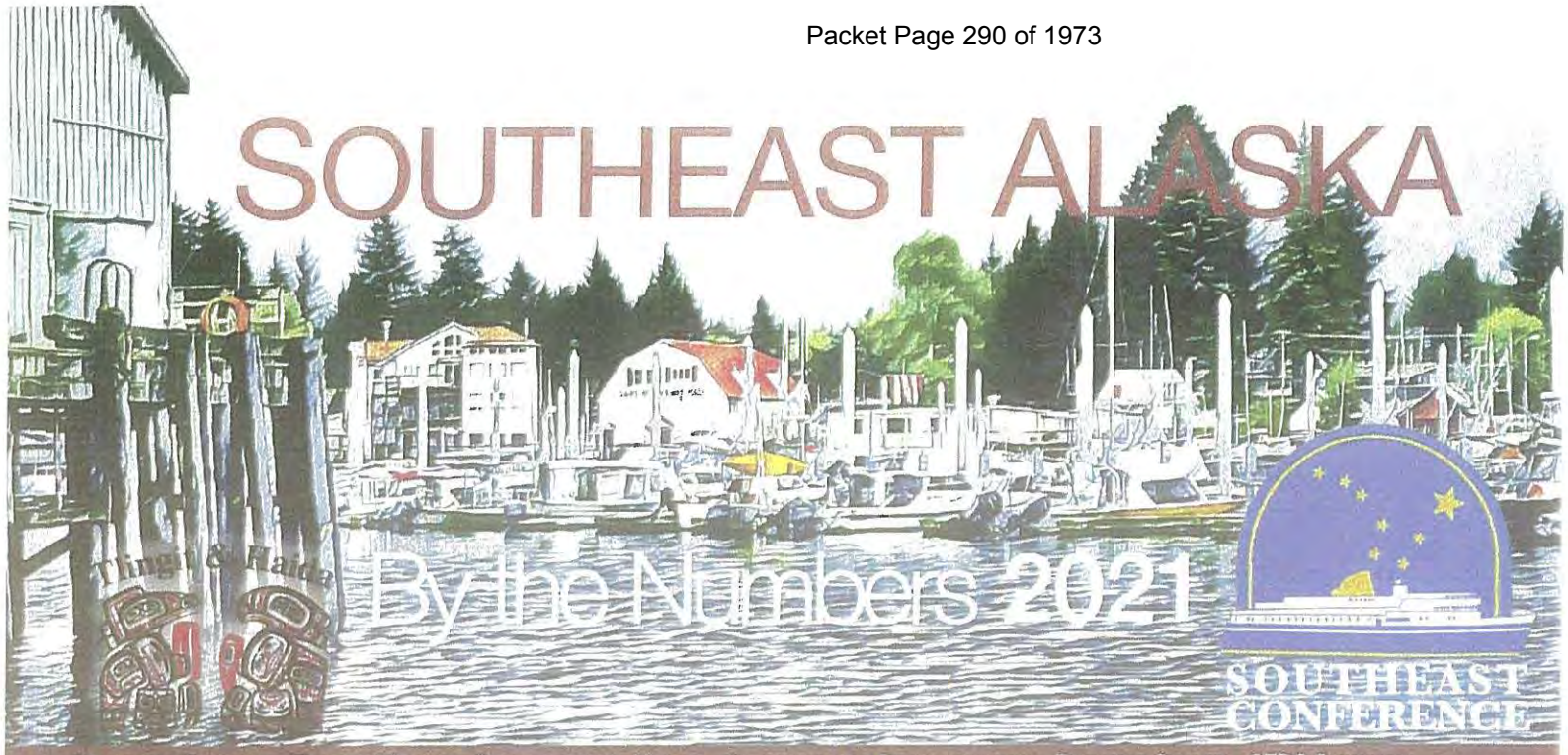
The subject property is in a service area with a mill rate of 10.56 for FY 2021. This is a decrease from the 2020 mill rate of 10.66.

Ownership History

Title to the subject is vested in the Goldstein Improvement Company who acquired the property in November of 2003 from the International Brotherhood of Electrical Engineers Local 1547 by Warranty Deed 2003-011950. There has not been a transfer of ownership over the past five years.

Southeast Alaska Economy

The most recent publication regarding the economy of the region was completed in September 2021 by Rain Coast Data and is a Southeast Conference Publication. The conference was held in Haines in September of 2021. Southeast Alaska By the Numbers 2021 is included in the following section.



SEAFOOD PAGE 4 | TOURISM PAGE 5 | TIMBER, MINING PAGE 6 | CONSTRUCTION, HEALTH PAGE 7 | GOVERNMENT PAGE 8 | DEMOGRAPHICS PAGE 9 | BUSINESS SURVEY PAGE 13 | CEDS SUMMARY PAGE 15

CHANGES 2019 TO 2020



THE LABOR FORCE DECREASED BY 5,910 JOBS TO 40,187 JOBS, -13%



TOTAL WAGES DECREASED BY $190 MILLION TO $2.16 BILLION, -8%



TOTAL PASSENGER ARRIVALS DECREASED BY 89% TO 191,000 (INCLUDES RESIDENTS)



STATE JOBS DECREASED BY 267 JOBS, -6%



BY AUGUST 2021, 61% OF SOUTHEAST RESIDENTS WERE FULLY VACCINATED



POUNDS OF SEAFOOD LANDED IN THE REGION DECREASED BY 100 MILLION POUNDS, -48%

SOUTHEAST ALASKA'S ECONOMY

2020 Jobs and wages grew in the first quarter of 2020, but for the remainder of the year the COVID-19 pandemic ravaged the Southeast Alaska economy. Over the year as a whole the region lost nearly 6,000 jobs and $190 million in total wages. Private sector wages were down by 13% over 2019. The visitor industry was particularly devastated. An expected 1.4 million cruise ship passengers dwindled to just 48 on the region's smallest cruise ships. Total jobs in the visitor sector were cut by 45%, for a loss of 3,800 year-round-equivalent jobs while tourism wages fell by $119 million.

On top of the pandemic Southeast Alaska experienced one of its worst fishing seasons on record. Dismal harvest levels were compounded by reduced prices, as global restaurant closures gutted seafood demand. The 2020 regional seafood catch was 63% below 10-year averages in terms of pounds landed, and 55% lower in terms of value, even when adjusted for inflation.

Federal relief proved to be a critical stabilizing force. Communities and businesses received more than a half billion in aid in the form of grants and loans. Nearly a third of businesses said they would have closed permanently without this influx of cash. Still, there were some bright spots in 2020. Federal and construction employment were both up, and the average regional wage increased by 5%.

2021 Southeast Alaska is headed into a prolonged period of economic recovery as regional business leaders are finding ways to succeed in a volatile but improving business climate. Through mid-July there had been tremendous optimism that the Fall of 2021 would bring a return to normalcy. However, the highly contagious Delta variant coupled with declining vaccination rates has meant that infection rates are going up, instead of down, threatening gains in health and economic advancement.

Despite setbacks, there has been positive economic news. A federal act allowed cruise ships to return to Southeast Alaska in 2021, suspending the Passenger Vessel Services Act temporarily and permitting approximately 10% of a typical cruise season to occur in 2021. The salmon harvest is coming in well above the record lows of 2020 – especially pink and sockeye, seafood prices are significantly higher, and processing jobs are way up. The 2020 US Census showed overall population growth for the region during the past decade.

While these are tumultuous times, the resources of the region are extraordinary. Southeast Alaska has a productive ocean, valuable minerals, beautiful scenery, world-class recreation opportunities, and its most important resource – the tenacity of Southeast Alaskans, organizations, and communities.

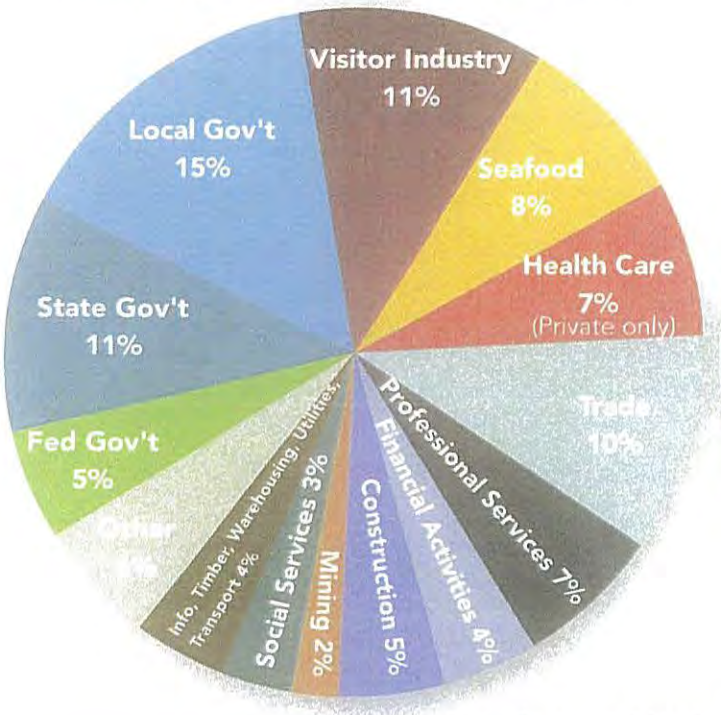
The Whole **Southeast Alaska Economy** 2020

In 2020, Southeast Alaska lost nearly 6,000 year-round equivalent jobs and $190 million in workforce earnings compared to 2019.

Annual Average Jobs

40,187 Jobs

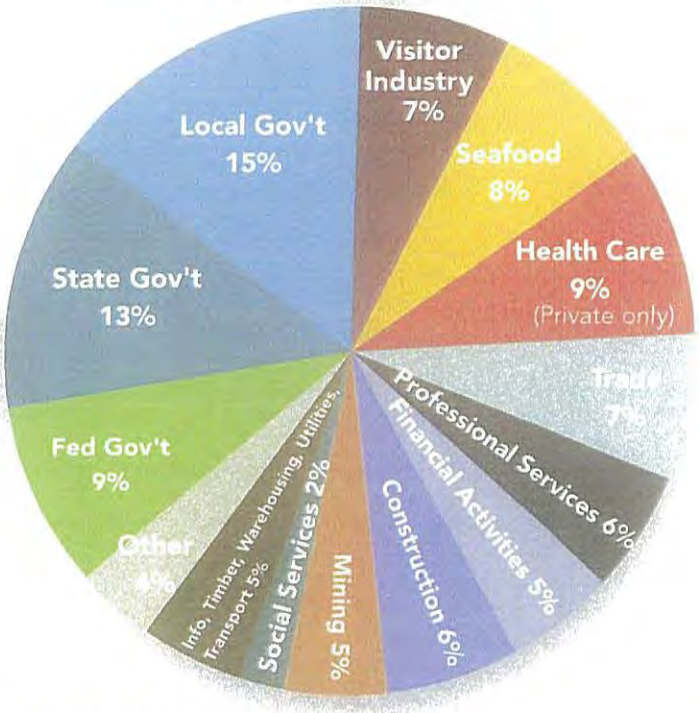
DOWN 5,910 JOBS IN 2020 -13%



Employment Earnings

$2.16 Billion Workforce Earnings

DOWN $189.7 MILLION -8%



2020 Southeast Alaska Employment Earnings

	Employment Related Earnings			Employment Numbers			
	Wages (2020)	Self-Employment Earnings (est.)	Total Earnings	Annual Average Employment (2020)	Self-Employed (est.)	Total Employment	Change 2019 to 2020
Government (includes Coast Guard)	$727,921,874	$61,055,378*	**$788,977,252**	11,856	645*	12,501	-493
Visitor Industry	$132,209,534	$20,459,468	**$152,669,002**	4,023	576	4,599	-3,795
Seafood Industry	$62,894,498	$107,722,240	**$170,616,738**	1,284	2,021	3,305	-438
Trade: Retail and Wholesale	$123,884,718	$24,031,000	**$147,915,718**	3,607	524	4,131	-341
Health Care Industry (private only)	$177,697,626	$14,808,180	**$192,505,806**	2,674	252	2,926	-99
Construction Industry	$95,005,835	$38,999,000	**$134,004,835**	1,362	584	1,946	43
Financial Activities	$57,840,241	$54,349,824	**$112,190,065**	1,038	737	1,775	-58
Professional and Business Services	$79,291,373	$43,487,000	**$122,778,373**	1,503	1222	2,725	-216
Mining Industry	$102,946,071	$307,000	**$103,253,071**	855	6	861	-73
Social Services	$42,046,690	$3,977,000	**$46,023,690**	1,175	179	1,354	-60
Information (publishing, broadcasting, telecom.)	$19,918,962	$1,179,093	**$21,098,055**	383	48	431	-104
Timber Industry	$18,337,876	$1,824,974	**$20,162,850**	272	49	321	-51
Warehousing, Utilities, & Non-Visitor Transport	$48,744,126	$13,267,922	**$62,012,048**	820	163	983	6
Other	$57,419,864	$23,795,533	**$81,215,397**	1,507	821	2,328	-232
Total	**$1,746,159,288**	**$409,263,612**	**$2,155,422,900**	**32,359**	**7,828**	**40,187**	**-5,910**

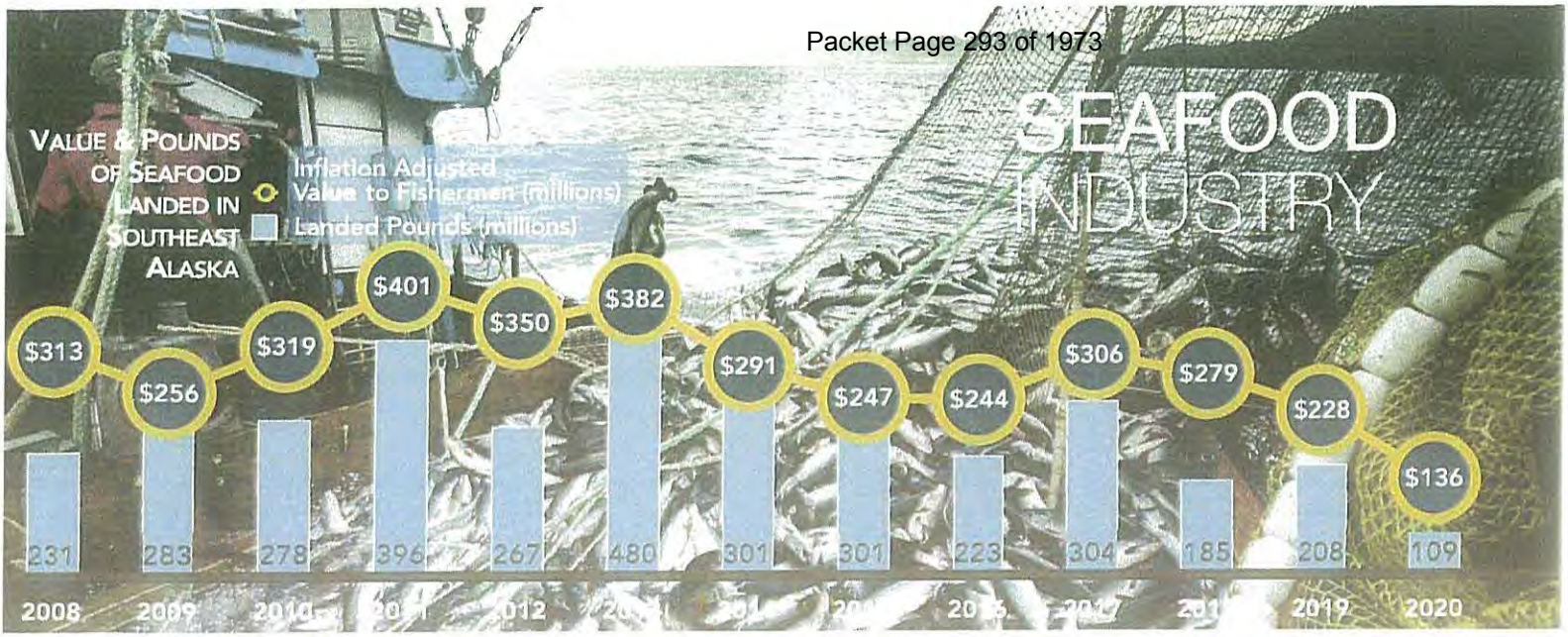
Sources: Alaska Department of Labor Employment & Wage data; (latest available) US Census Nonemployer (self-employment) Statistics; Active Duty Military Population, ADOL.
*These cells in Government refer to active duty Coast Guard personnel employment and wages, and not self-employment data.**Notes: Seafood Industry** includes animal aquaculture, fishing & seafood product preparation, and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic). **Timber** includes forestry and logging support activities for forestry, and wood product manufacturing.

CHANGE IN THE LAST YEAR: 2019 to 2020

Table tracks key Southeast indicators over the past year, along with associated changes.

DEMOGRAPHICS	2020	2019	% CHANGE 2019-2020	CHANGE 2019-2020
Population [1]	71,946	72,373	-0.6%	-427
Ages 70 and older [2]	7,260	6,940	5%	320
Under Age 10 [2]	8,289	8,555	-3%	-266
Twenty-somethings [2]	7,931	8,340	-5%	-409
K-12 School District Enrollment [3]	10,683	11,344	-6%	-661
GENERAL ECONOMIC CONDITIONS				
Total Labor Force (jobs, includes self-employed & USCG) [1,5,6]	40,187	46,097	-13%	-5,910
Total Job Earnings [1, 5, 6]	$2.15 billion	$2.35 billion	-8%	-$190 million
Total Private Sector Payroll [1, 6]	$1.37 billion	$1.56 billion	-13%	-$198 million
Average Annual Wage [1]	$53,635	$50,873	5%	$2,761
Annual Unemployment Rate [1]	8.3%	5.2%	3.1%	3.1%
TOP ECONOMIC SECTORS	**2020**	**2019**	**% CHANGE**	**CHANGE**
GOVERNMENT	PUBLIC SECTOR: 37% OF ALL EMPLOYMENT EARNINGS			
Total Government Employment [1, 5]	12,501	12,994	-3.8%	-493
Federal Employment [1, 5] (8% of all employment earnings)	2,074	2,032	2.1%	42
State Employment [1] (14% of all job earnings)	4,438	4,705	-5.7%	-267
City and Tribal Employment [1] (14% of all job earnings)	5,989	6,257	-4.3%	-268
Total Government Payroll (includes USCG) [1, 5]	$789 million	$780.7 million	1.1%	$8.3 million
Total State of Alaska Payroll	$278.9 million	$284 million	-1.8%	-$5.1 million
VISITOR INDUSTRY	KEY INDUSTRY: 7% OF ALL EMPLOYMENT EARNINGS			
Total Visitor Industry Employment [1, 6]	4,599	8,394	-45%	-3,795
Total Visitor Industry Wages/Earnings [1, 6]	$152,669,002	$271,608,580	-44%	-$119 million
Total Southeast Alaska Passenger Arrivals	191,138	1,787,345	-89%	-1,596,207
Cruise Passengers [10]	48	1,331,600	-100%	-1,331,552
Total Air Passenger Arrivals from Outside SE [11]	188,443	444,217	-58%	-255,774
Total AMHS Passengers from Outside SE [12]	2,647	11,528	-77%	-8,881
COMMERCIAL FISHING & SEAFOOD INDUSTRY	KEY INDUSTRY: 8% OF ALL EMPLOYMENT EARNINGS			
Total Seafood Employment (includes fishermen) [1, 6]	3,305	3,743	-12%	-438
Total Seafood Employment Earnings [1, 6]	$170,616,738	$238,027,072	-28%	-$67 million
Value of Seafood Processed [7]	$270,914,859	$422,042,543	-36%	-$151 million
Pounds Landed (commercial seafood whole pounds by SE residents) [8]	108,772,607	208,340,000	-48%	-100 million
Estimated Gross Earnings (ex-vessel value of pounds landed) [8]	$135,971,839	$228,312,316	-40%	-$92 million
HEALTH CARE INDUSTRY (PUBLIC & PRIVATE HEALTH)	KEY INDUSTRY: 12% OF ALL EMPLOYMENT EARNINGS			
Health Care Employment [1, 6]	3,675	3,836	-4.2%	-161
Health Care Wages [1, 6]	$248,616,809	$242,049,223	2.7%	$6.6 million
MARITIME ECONOMY (Includes employment from all industries)	KEY INDUSTRY: 13% OF ALL EMPLOYMENT EARNINGS			
Private Maritime plus USCG Employment [1,5,6]	4,968	6,544	-24%	-1,576
Private Maritime plus USCG Wages [1,5,6]	$289,144,738	$403,353,410	-28%	-$114.2 million
OTHER SELECTED STATISTICS	**2020**	**2019**	**% CHANGE**	**CHANGE**
Construction Employment [1, 6] (6% all employment earnings)	1,946	1,903	2%	43
Mining Employment [1] (5% of all employment earnings)	861	934	-8%	-73
Timber Employment [1]	321	372	-14%	-51
Price of Gold [7]	$1,769	$1,392	27%	$377
Total Southeast AMHS Ridership [12]	38,596	135,388	-72%	-96,792
Cost of Living: Consumer Price Index [1]	226.2	228.7	-1.1%	-3
Housing Starts: Housing Permitted /Completed [4,1]	130	259	-50%	-129
Avg. Daily Volume ANS Oil Production (mbbls/day) [14]	479,531	489,771	-2%	-10,240
Annual Avg. Domestic Crude WTI Oil Prices (in $/Barrel) [14]	$41.67	$65.49	-36%	-$24

Sources: [1]Alaska Department of Labor (ADOL); [2]ADOL Southeast Alaska Population by Age; [3]Alaska Department of Education and Early Development; [4]Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; [5]US Coast Guard; [6]US Census Nonemployer (self-employment) Statistics and estimates based on business climate surveys; [7]Kitco Metals Inc.; [8]ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; [10]Cruise Line Agencies of Alaska; [11]US Bureau of Transportation Statistics (RITA); [12]Alaska Marine Highway System data; [14]Alaska Department of Revenue Crude Oil and Natural Gas Prices.



Seafood Industry

3,743 Annualized Jobs in 2019

DOWN 438 JOBS IN 2020

EARNINGS DOWN BY 28%

2020 The Southeast Alaska 2020 seafood harvest was one of the worst on record. Compared to data over the past 10 years, the 2020 catch was 63% below average in terms of pounds landed, and 55% lower in terms of total value. Lower pink salmon harvest returns were primarily to blame. Reduced seafood prices – due to the shutdown of the global restaurant sector, as well as impacts of the US-China trade war – coincided devastatingly with one of the lowest salmon catches in more than 40 years. Processors spent millions on mitigation measures, further impacting ex-vessel prices and reducing workforce levels.

Fishermen caught nearly 100 million fewer pounds of pink salmon than they did, on average, between 2010 and 2019 (-78%); and 52 million fewer pounds of chum (-60%).

The 2020 catch value of $136 million was less than half of the inflation-adjusted 10-year average value of $305 million. Generally, fishermen reported that they had never worked so hard to earn so little in 2020.

While the total volume of crab harvested in 2020, especially for Dungeness, was significantly above average, the total value of the catch was still markedly below 2019 values.

In 2020, the five salmon species represented just 40% of the regional seafood catch by ex-vessel value. Halibut, black cod, and crab accounted for nearly half of total catch value in 2020. Typically, the majority of the statewide catch of Chinook, coho, chum, shrimp, Dungeness crab, and the dive fisheries occurs in Southeast Alaska.

KEY ECONOMIC DRIVER

The regional seafood industry (including commercial fishing and seafood processing) generated 3,300 annual regional jobs and $171 million in earnings in 2020, making up 8% of jobs and earnings in the region. This represents a loss of more than 400 jobs compared to 2019, and a loss of 1,000 seafood sector jobs since 2015.

In 2020, shore-based seafood facilities in Southeast Alaska processed 76 million pounds of seafood, with a wholesale value of $271 million. This represents a 50% decrease in seafood pounds processed compared to 2019, and a $151 million decline in the value of processed product. While currently a small part of the larger seafood economy, efforts to develop a mariculture sector for shellfish and seaweeds continue to expand.

2021 The 2021 harvest to date has been a considerable improvement over 2020. Seafood processing jobs are up by 11%. In ASMI's August 24, 2021 update, Sockeye and Coho harvests are above 2020, Chum and King harvests remain similar, and a massive pink harvest far exceeds expectations. Significantly higher seafood prices have also helped make 2021 a better year.

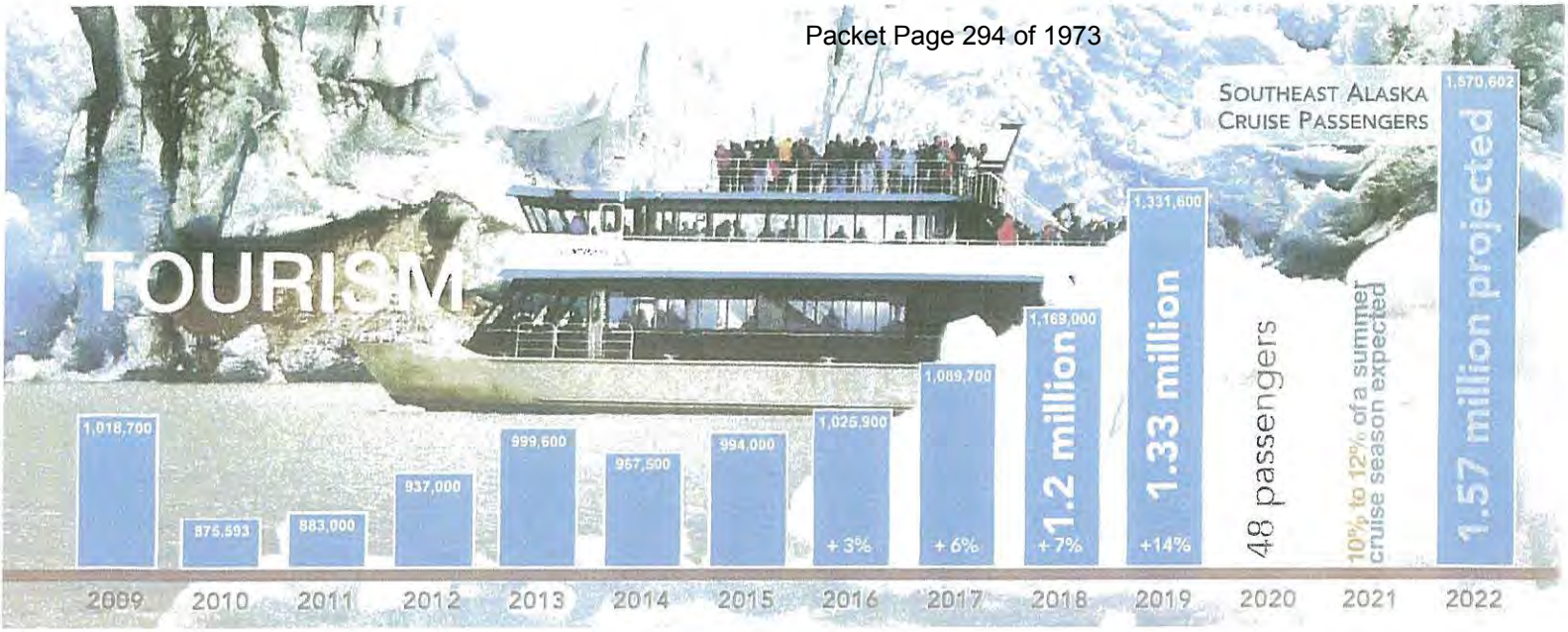


While the sector faces uncertainty due to changing ocean conditions, tariffs, state budget cuts, and global farmed seafood competition, this season's higher prices, increased jobs, and the potential for a huge pink salmon return are all good news for the regional seafood industry.

THE 2020 SOUTHEAST CATCH

Species	10-year avg. pounds landed	2020 pounds landed	Change from 10-year avg.
Pink Salmon	127,149,205	28,357,689	-78%
Sockeye Salmon	6,356,304	2,330,899	-63%
Chum Salmon	86,626,657	34,784,994	-60%
Coho Salmon	16,711,752	7,383,065	-56%
Chinook	3,458,793	2,467,056	-29%
Herring	24,319,336	1,754,254	-93%
Halibut	6,998,796	6,800,425	-3%
Crab	4,663,317	7,772,985	67%
Black Cod	9,519,259	9,661,862	1%
All Other	8,604,749	7,459,378	-13%
Pounds	294.4 million	108.8 million	-63%
Value	$304.7 million	$136 million	-55%

Sources: Combination of ADOL Employment and Wage data; US Census Nonemployer (self-employment) Statistics; ADF&G Seafood Production of Shorebased Plants in Southeast Alaska; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. Weekly Alaska Salmon Harvest Updates are produced for ASMI by McKinley Research. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Photo**: By Chris Miller.



Visitor Industry

8,350 Annualized Jobs
$272 Million in Wages in 2019

Down 3,795 Jobs in 2020

2020 The 2020 visitor season was like no other. Few tourists arrived in the region, and those who did found reduced opportunities to leave their money here. However, because the visitor industry includes all hotels, which were highly utilized for quarantining - especially by the mining sector - and restaurants, which quickly pivoted to take-out menus and services, employment levels were perhaps not as hard hit as they could have been. Total jobs in the visitor sector were cut by 45%, for a loss of 3,795 year-round-equivalent jobs. Wages fell by $119 million, a drop of 44% compared to 2019.

In 2020, just 191,000 air, ferry, and cruise passengers (including residents) arrived in Southeast Alaska from outside the region. Airline passenger traffic from outside the region decreased by 58%, cruise ship traffic was reduced by 100%, and ferry passengers from outside the region fell by 77% due to the continued dramatic decreases in AMHS funding and service (see page 10).

Tourists had been expected to spend nearly $800 million across Southeast Alaska communities in the summer of 2020, and the visitor sector had been set to surpass the state and municipal sectors to become the largest wage provider in the region overall. Instead, those working in the visitor industry earned $153 million in 2020—just 7 percent of all regional employment income, compared to 12 percent the year before. The average annualized wage in the visitor sector was $33,195, the lowest of any industry.

2020 Cruise Ship Season Cancelled

In 2020, 43 cruise ships were scheduled to visit the region, carrying 1.41 million passengers on 606 voyages. Two of the region's smallest cruise ships with 48 combined passengers set sail in 2020, while the remainder were cancelled, due to a prohibition of cruise ships passing through Canada.

Business Leaders Survey

In April of 2021, leaders in the visitor sector reported on how their businesses were fairing:

- Tourism businesses reported that revenue was down by **62%** since the pandemic began.
- **One-third** reported they would have needed to close permanently without the financial assistance made available through federal relief programs.
- **50%** were struggling to pay bills, rent, or mortgage.
- **31%** of tourism leaders said they remain vulnerable to closure.

2021 ### Increasing Jet Passengers

While arriving air passengers decreased by 56% in 2020, by June 2021 passenger arrivals were up by 50% across the region compared to the first half of 2020, with June-only traffic up 260% above June 2020.

Cruise Ships Return

Large cruise ships returned to the region for the first time in 21 months in July of 2021, thanks to a federal act temporarily suspending the Passenger Vessel Services Act and allowing cruise ships to bypass Canada. The 79 expected port calls will provide Southeast Alaska with the equivalent of one-tenth of a typical tourism season.

2021 Cruise Schedule

Total ships	8
Total voyages planned	79
Total projected passengers	10% to 12% of a full season
Weeks of service	16
First ship	July
Last ship	Mid-October

2022 In 2022 if ships sail at normal capacity, they are projected to bring more than 1.5 million cruise ship passengers to Southeast Alaska, and account for 90% of all tourists in the region. Developing enough capacity to serve this number of visitors after two years of little to no tourism will be a significant challenge for regional businesses. Projected passengers for 3 of the region's largest ports of call are below:

2022 Cruise Projections

Community	Projected Voyages	Projected Passengers
Juneau	639	1,570,602
Ketchikan	598	1,401,387
Skagway	474	1,203,139

Sources: Cruise Lines International Association Alaska. Combination of ADOL Employment and Wage data and US Census Nonemployer (self-employment) Statistics; Alaska Visitors Statistics Program (AVSP) VII; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System; Cruise Line Agencies of Alaska; Juneau International Airport Passenger Statistics. **Note:** In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies. **Photo Credit:** Allen Marine





Timber Industry

372 Annualized Jobs in 2019

DOWN 51 JOBS IN 2020

WAGES DOWN BY 10%

2020 These have not been good years for the regional timber industry. Timber jobs decreased by 14% in 2020 to 321 annualized workers and total wages dropped by 10%. Most of the region's timber jobs are now concentrated on Prince of Wales Island, home to Viking Lumber, the last remaining mid-sized sawmill in Southeast Alaska.

Southeast timber jobs peaked at 3,543 annual average jobs in 1991 and have fallen by 91% since that time.

In October of 2020, the Alaska Roadless Rule exemption was briefly reinstated. Had this change been implemented the Tongass National Forest would have been exempted from the 2001 regulation protecting roadless areas in national forests nationally, making higher levels of regional timber available for harvesting.

2021 In July of 2021, the US Department of Agriculture reversed this earlier decision, restoring the 2001 Roadless Rule in the Tongass, and announcing a new "Southeast Alaska Sustainability Strategy" aimed at ending large-scale old growth timber sales in the Tongass and refocusing US Forest Service management on forest restoration, recreation, climate, wildlife habit, and watershed improvements.

In 2021 the Sealaska Corporation, which had played a major role in the region's timber economy for 42 years, announced a transition away from the logging industry to focus on ocean-based food and tourism opportunities.

Timber industry employment will continue to contract. While there are some continued opportunities for timber sales in Asia, tariffs imposed by China on imports of Alaska spruce logs have made it difficult to negotiate agreements. Moreover, operators across the region continue to face constant environmental litigation, further disrupting harvest operations.

Mining Industry

934 Annualized Jobs in 2019

WAGES UP BY 9%

2020 Mining saw the largest increase in wages of any sector across the region in 2020, growing by 9%. While mining industry employment in the region was technically down, this was mostly due to how jobs are counted. Shift change protocols were reconfigured in response to COVID-19 safety precautions. Longer schedules were developed in early 2020, leading to an undercount in workers in some months. There were 861 annual average mining jobs in Southeast Alaska, with a payroll of $103 million. The average annual mining wage was $120,000 in 2020, more than double the overall regional wage of $53,635.

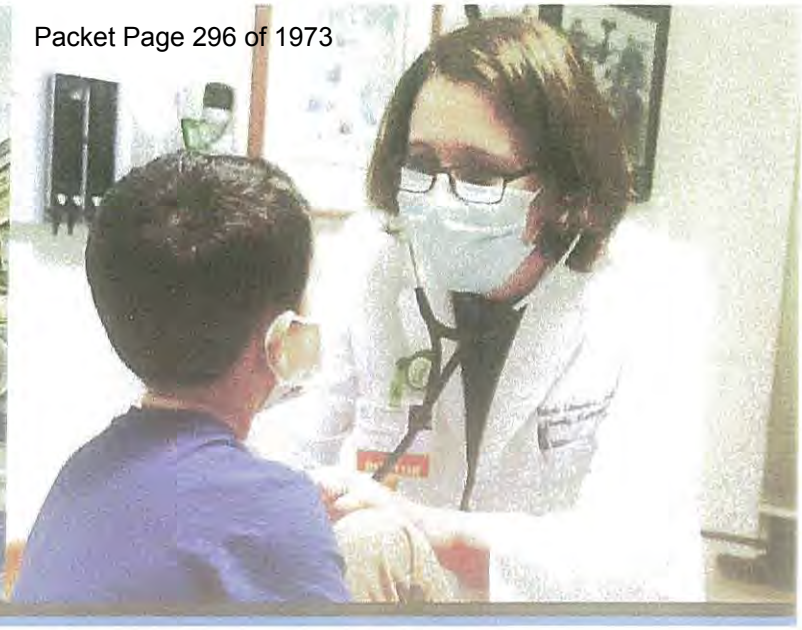
Three mines in the region account for nearly all mining employment. Hecla Greens Creek is one of the largest silver mines in the world, Coeur Alaska's Kensington Mine is exclusively a gold mine, and the Dawson Mine is a smaller gold and silver project on Prince of Wales. In 2020, Greens Creek had a record production of 10.5 million ounces of silver and 56,814 tons of zinc. Kensington achieved a near record production of 124,867 ounces of gold. There are several mining exploration projects underway including Palmer in Haines, Herbert Gold in Juneau, Bokan Mountain and Niblack, both on Prince of Wales. Mining exploration activity in the region was notably down in 2020 due to pandemic limitations.

2021 In August 2021, Hecla Greens Creek had 450 full-time permanent employees (+10 from 2020), and Coeur Alaska Kensington had a staff of 383 (-3 from 2020). Dawson Mine reported 40 full time workers. Metal prices, which rise in response to economic turmoil, have been strong. Higher precious metals values provide ongoing optimism for this sector.



Sources: ADOL Employment and Wage data; Kitco Metals Inc; Coeur Mining Inc. Annual Report; Hecla Mining Company Annual Report. U.S. International Trade Commission. **Photo credits:** Tessa Axelson and Michael Penn.





Construction Industry

1,903 Annualized Jobs in 2019

JOBS UP 43 IN 2020, WAGES UP BY 2%

2020 For the first time in seven years construction employment was up in 2020. Jobs in this sector increased by 43 workers, a two percent increase due to the prioritization of construction projects during the pandemic. Construction workers in the region earned $134 million in 2020, an increase of two percent over the previous year. Construction was a larger portion of the overall regional economy in 2020, rising from four percent of all workforce earnings to six, helping to stabilize the larger economy.

Housing construction was down in 2020 by 50%, as only 130 new units were permitted or completed across the region, compared to 259 in 2019.

2021 Early data shows that construction jobs in the first half of 2021 were up substantially - by nine percent. Tourism projects helped drive this increase. Recently completed tourism projects include a gondola and dock in Hoonah, a new dock and facility at Ward Cove, the new Sitka Sound Cruise Terminal, and the Juneau Archipelago project. As the tourism industry restarts in the region, so do plans for future tourism projects. Federally-funded projects and tourism infrastructure developments have become the focus of current and future construction efforts. Due to budget constraints, state- and municipally-funded construction projects have mostly waned. Cuts in state spending led to the reduction of large-scale construction projects across the region.

The federal Infrastructure Investment and Jobs Act, which has not yet passed, is expected to include funding for projects in Southeast Alaska. In the meantime, the federal CARES Act waived matching funds for some projects, making large infrastructure grants more accessible for local municipalities. There remains some uncertainty moving forward in the construction/engineering sector, as firms are busy but will not yet have future project certainty until the federal infrastructure bill passes.

Health Care Industry

3,836 Annualized Jobs in 2019

JOBS DOWN 150 IN 2020 WAGES UP BY 3%

2020 Health care became the nation's top priority in 2020, as well as the region's. Southeast Alaska's 3,675 public and private healthcare workers comprised 9% of the regional workforce in 2020, earning 12% ($249 million) of all wages. Regional health care employment fell by 150 annualized jobs in 2020. Despite a drop in jobs, total earnings for the industry increased by 3%. Wages have been increasing to attract workers. The region was already facing a shortage of health care workers pre-pandemic due to an aging populace and growing patient volumes. With the advent of COVID-19, the demand for health care workers intensified nationally and globally, making it even more difficult for the region to attract and compete for workers.

The region's largest health care provider, SouthEast Alaska Regional Health Consortium (SEARHC) has been expanding services across the region. The newly-constructed Wrangell Medical Center opened in 2021, in Petersburg the Oceanside Dental Clinic and Mountainside Behavioral Health recently opened; in Juneau the Ethel Lund Medical Center received an extensive remodel and the new Mountainside Urgent Care opened; and in Sitka an agreement was reached with the Indian Health Service to begin construction on a new state-of-the-art regional facility.

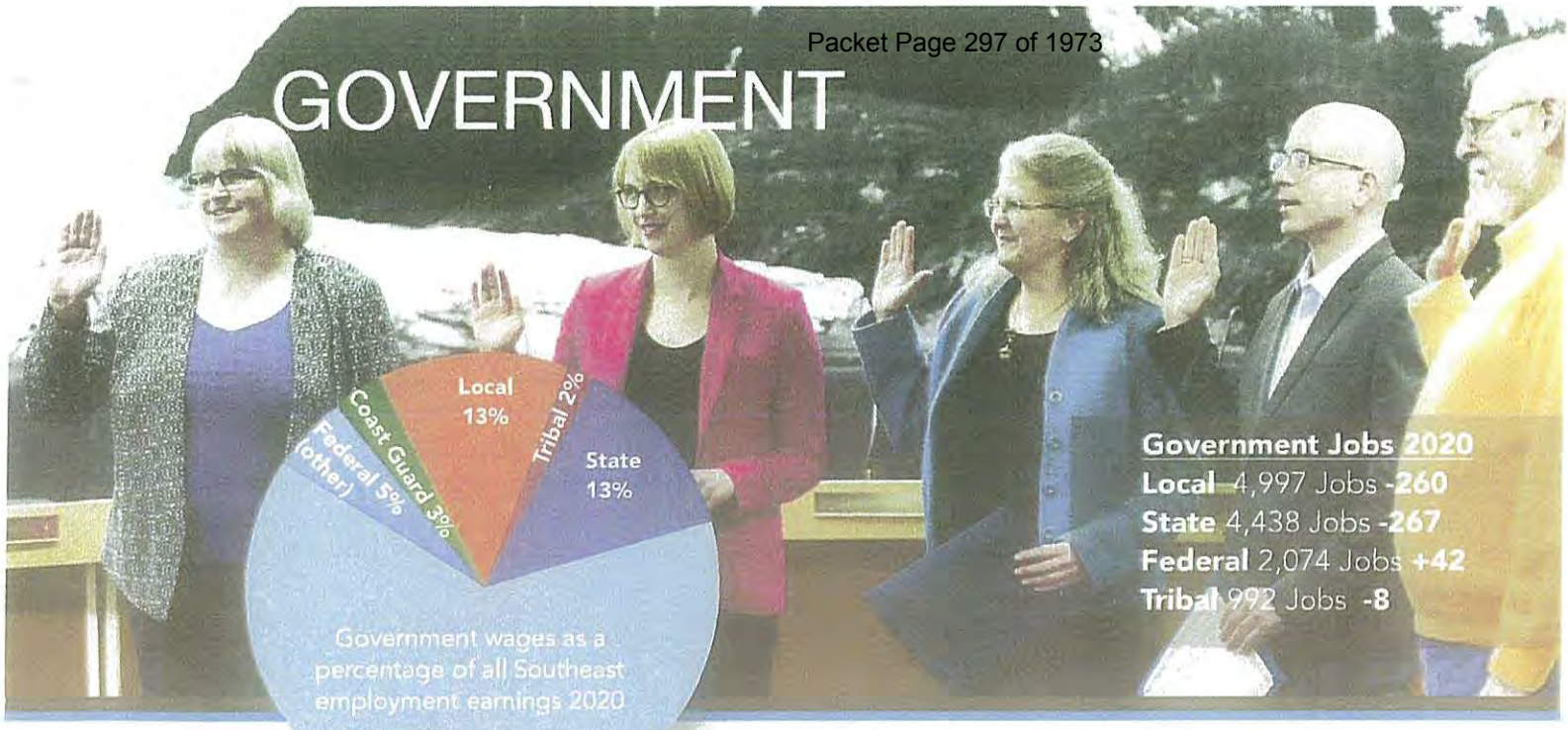
2021 Early data indicates that health care jobs are down incrementally in 2021, by 0.5%. This tracks with larger trends. Nationally and regionally health care worker vacancies have been increasingly harder to fill as the pandemic continues. Southeast health care institutions have shown a high level of readiness in the face of the COVID-19 crisis.

Southeast Alaska Health Care Employment Wages
(in millions)



Sources: Combination of Alaska Department of Labor Employment and Wage data and US Census Nonemployer (self-employment) Statistics; State of Alaska. **Photography credits:** SEARHC and Sander Schijvens.

GOVERNMENT



Government

12,994 Annualized Jobs in 2019

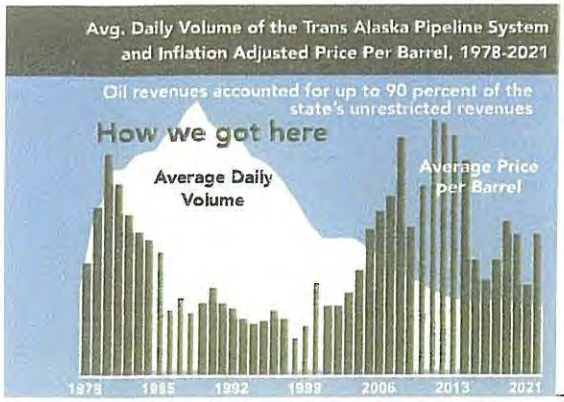
Down 493 Jobs in 2020

Wages up by 1%

2020 Government wages made up 31% (12,501) of the region's jobs in 2020, and 37% of all regional employment earnings ($789 million) and acted as a significant economic stabilizer to the region, as private wages fell by 13%. Overall public sector wages actually grew by $8 million in 2020, an increase of one percent, although government jobs were down by 4%,

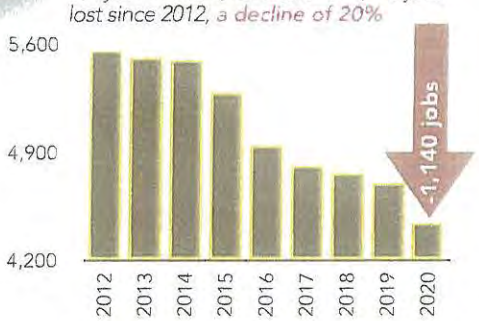
State Government Losses

For the past eight years, the region has struggled with the impacts of decreased State government employment and spending. The state remains the region's most important economic sector, providing 13% of all regional wages. From 2012 to 2020, state jobs have fallen by 20%, a decline



Southeast State Jobs

State jobs in the region are down for the 8th year in a row, for a total of 1,140 jobs lost since 2012, a decline of 20%



of 1,140 annualized workers. **Comparatively, outside Southeast, just 12.5% of State jobs have been cut.**

State Budget Crisis

Even before COVID-19, Alaska's budget was in a state of crisis due to declining oil production and prices. Historically, oil accounted for up to 90% of the state unrestricted general fund; currently, oil provides less than 25 percent.

The State of Alaska has operated in deficit mode for the past eight years, using $18.8 billion in savings to cover budget gaps since FY14, leaving these accounts almost entirely depleted. Alaska is the only state in the US without broad-based taxes like a sales or personal income tax.

However, there is some good news for State coffers. The Alaska Permanent Fund ended the fiscal year with a total value of nearly $81.1 billion, 24% higher than it did at the start of the year.

Local Government

Local government employment was down by 268 jobs, a 5% loss in 2020. Tribal government jobs remained flat. Total local wages increased by one percent.

Federal Government

In a reversal of long-term trends, the federal government added 42 jobs in 2020, an increase of two percent while wages increased by one percent, mostly due to the addition of federal census workers. Federal jobs in 2020 remain 650 below 2004 levels.

With such significant pandemic revenue losses, the saving grace for Southeast Alaska was the $576.2 million in federal COVID-19 relief funds that were directed toward the region in the form of grants and loans. Relief funding has been a critical support for regional households, businesses, service providers, and communities during the COVID-19 crisis.

SE COVID-19 Relief

Community	CARES $
Juneau Borough	$206,770,278
Ketchikan Borough	$126,280,581
Sitka Borough	$78,347,023
Petersburg Borough	$36,201,167
Skagway Municipality	$34,584,659
Prince of Wales-Hyder	$29,253,805
Haines Borough	$21,617,152
Wrangell Borough	$14,899,910
Hoonah-Angoon Census Area	$14,566,737
Yakutat Borough	$6,489,640
Non-specific	$7,219,051
Southeast Total	$576.2 mill

Sources: ADOL Employment and Wage data; Alaska Department of Revenue Crude Oil Prices. Alaska Office of Management Budget. Photo of the Juneau Assembly by Juneau Empire.



US Census Population Change 2010 to 2020

Community	2010	2020	Change
Juneau Borough	31,275	32,255	3%
Ketchikan Borough	13,477	13,948	3%
Sitka Borough	8,881	8,458	-5%
Petersburg Borough	3,203	3,398	6%
Wrangell Borough	2,369	2,127	-10%
Haines Borough	2,508	2,080	-17%
Metlakatla	1,405	1,454	3%
Skagway Borough	968	1,240	28%
Craig	1,201	1,036	-14%
Hoonah	760	931	23%
Klawock	755	720	-5%
Yakutat Borough	662	662	0%
Gustavus	442	655	48%
Kake	557	543	-3%
Thorne Bay	471	476	1%
Hydaburg	376	380	1%
Angoon	459	357	-22%
Naukati Bay	113	142	26%
Coffman Cove	176	127	-28%
Tenakee Springs	131	116	-11%
Pelican	88	98	11%
Klukwan	95	87	-8%
Whale Pass	31	86	177%
Port Alexander	52	78	50%
Hollis	112	65	-42%
Hyder	87	48	-45%
Port Protection	48	36	-25%
Kasaan	49	30	-39%
Edna Bay	42	25	-40%
Elfin Cove	27	24	-11%
Game Creek	18	23	28%
Point Baker	15	12	-20%
Remainder	811	569	-30%
Total	71,664	72,286	1%

2020

2020 marked the 6th consecutive year of population decline in Southeast Alaska. In 2020, regional births exceeded deaths by 170, and 795 more people moved away than moved into the region.

US Census 2020 Results

The 10-year US Census numbers, released in August 2021, show a one percent overall increase of 622 new residents over the last decade. The region's share of the state population shrank incrementally by 0.2%. Juneau gained 980 people and Ketchikan added 471. Gains over the last decade were most significant percentage-wise in Gustavus +48% and Skagway +28%. The most significant 10-years losses, according to the US Census, took place in Haines -428, Sitka - 423, and Wrangell -242. The census shows the region has become more diverse. The Alaska Native population grew from 23% to 26% of all residents, for a total of 18,500 Alaska Native residents (+1,100).

The Median Age is Now 40+

Southeast has the state's oldest residents. Since 2010, the most pronounced demographic shift has been the aging of the population. During that period, the 60-plus population grew by 5,600 people, a 48% increase over 2010 due to aging in place. A quarter of people in the region are now age 60 or older. The median age of every borough is 40 or older, with the notable exception of Juneau. In the Haines and the Hoonah-Angoon census areas the median age is 48.6. The median age of Southeast is 4.5 years older than the state as a whole.

School Enrollment Down

In 2020, enrollment was down by 6% across the region. While K-12 enrollment increased regionally in 2019, the mostly online 2020 pandemic school year reduced public school population by 661 students as parents chose homeschooling programs, many of which did not direct funds to local school districts. Wrangell saw the highest percentage loss at 41%. Juneau lost 569 students, a decline of 12% — but gained more than half of those back during the first week of school in 2021, according to early data. A loss of funding allocation due to the loss of students enrolled in regional school districts could impact the financial position of regional schools.

The elements that created population losses in recent years, most notably the reduction of state jobs and services, have been exacerbated by the 2020 COVID economy. Pandemic conditions will likely lead to further population decline.

Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area; Alaska Population Projections.
Photography credit: Heather Holt

Loss of **Regional Jobs**

Annual Employment Change by SE Community
2019 to 2020 (Self-employment excluded)

Jobs plummeted across the region in 2020, as expected. By far the hardest hit community was Skagway, which lost nearly half of all annualized jobs (-48%). Haines, Hoonah, and Klukwan each lost approximately a quarter of all jobs; while Ketchikan, Sitka, Angoon, and Gustavus lost between 13 to 15%.

While some communities, such as Skagway and Haines, lost a similar percentage of wages and jobs, people in communities like Juneau and Petersburg earned a similar level of overall wages to 2019, despite significant job decreases in 2020.

Yakutat defied pandemic trends, adding both jobs and wages in 2020.

This analysis excludes self-employment data, which is not made available below the borough/census area level. Still, tracking change in labor figures is an important way to track overall workforce changes in a community.

Juneau Borough	17,957	15,872	$938.1	-1%	-12%
Ketchikan Borough	7,398	6,286	$329.9	-8%	-15%
Sitka Borough	4,311	3,751	$193.0	-7%	-13%
Prince of Wales	1,525	1,432	$62.8	-3%	-6%
Petersburg Borough	1,282	1,237	$55.2	0%	-4%
Skagway Borough	1,080	563	$26.6	-43%	-48%
Haines Borough	1,029	773	$31.4	-25%	-25%
Wrangell Borough	824	725	$32.4	-8%	-12%
Metlakatla	505	497	$23.9	1%	-2%
Hoonah SSA	431	328	$14.0	-13%	-24%
Yakutat Borough	280	298	$16.2	22%	6%
Gustavus SSA	204	177	$8.3	-8%	-13%
Kake	168	162	$5.5	2%	-4%
Angoon SSA	154	133	$3.6	-12%	-14%
Hyder	52	51	$2.9	-2%	-2%
Klukwan	51	38	$0.8	-3%	-25%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section. **Notes:** The Hoonah sub-subarea (SSA) includes Pelican and Elfin Cove. The Angoon SSA includes Tenakee Springs. Prince of Wales includes the Hollis SSA, Thorne Bay SSA and Hydaburg. An SSA is the smallest unit for which the Quarterly Census of Employment and Wages is analyzed. Photo: John Hyde.

Ferry connectivity, which has long been identified as the most vulnerable element of the regional economy, had already been significantly reduced pre-pandemic. The Alaska Marine Highway System (AMHS) ferried 262,931 individuals in the region in 2012. By 2019, that figure had dropped by 49%. Deferred and reduced maintenance led to ships being removed from service. In February 2020, the system shut down all but one ferry, leaving some communities without access to groceries. COVID-19 travel challenges came on top of these already existing limitations, further reducing the number of sailings and travelers to 38,596, a 71% decrease from 2019.

Lack of vaccine adoption, paired with the Delta variant, remains an economic, societal, and health care challenge. Despite an early lead in vaccination rates, Southeast Alaska and the state have slowed substantially. As of August 2021, less than two-thirds of the region has been fully vaccinated, and some areas, like Wrangell and Prince of Wales, remained at approximately one-half, similar to the national average. Alaska as a whole lags behind.



AMHS Ridership in Southeast



Vaccinations

Southeast Vaccination Rates 2021

Juneau	67%
Skagway	67%
Yakutat plus Hoonah-Angoon	65%
Sitka	64%
Haines	61%
Ketchikan	55%
Petersburg	53%
Prince of Wales	53%
Wrangell	52%
Total Southeast	**62%**
Total Alaska	45%
Total US	52%

Source: AMHS. Photo by Villame Kaulatu.

NEIGHBORHOOD

The subject is located in the core area of downtown Juneau with boundaries of the State of Alaska Capitol Building to the north, Franklin Street to the east, the waterfront to the south, and the Willoughby District to the west.

With the completion of the new floating cruise ship docks in 2016, embarking and disembarking positions of the cruiseships moved closer to the central downtown area. The result was such that the walking patterns of passengers off the ships, which had previously been heavily oriented to South Franklin Street, had now included the Shattuck Way, Seward Street, and Front Street area of downtown.

South of Eastaugh Way in the downtown area, developments are typically oriented to the cruiseship industry and typically include retail stores, often with apartments on the upper levels. When the tourist season ends, this part of downtown Juneau becomes very quiet, as nearly all stores shut down.

Within two to three blocks of the subject are the Alaska State Office Building and State Courthouse, the State of Alaska Capitol Building, and the Legislative Office Building. The people working at these locations frequent the downtown area. This neighborhood offers an interesting blend of restaurants, services, galleries, breweries, distilleries, cafes and coffee shops, as well as trendy boutique clothes stores.

The Triangle Building at 114 S. Franklin sold to Skagway Jeweler a few years ago and longtime tenants have relocated as rents reportedly were significantly increased. The 1928 building is iconic but reportedly needs upgrading. Near to the Triangle Building, the Hellenthal Building, originally designed for theatre uses, and more recently a bank branch and movie theatre, is now the home of the Hellenthal Loft Apartments, new retail shops on Front Street, and the Devils Club Brewery. 154 S. Franklin Street and 249 Front Street were purchased and operate as trendy bars and pubs.

The Walter Soboleff Center was completed in 2015 and is a three-story mixed use building of 30,000 SF with a LEED Gold certification and a design that incorporates native Alaskan culture and art. The building has frontage on Shattuck Way, Seward and Front Streets. Across Seward Street and conforming to the style of this building is the Sealaska Heritage Arts Complex. This project increases public safety and is intended to draw more visitors to the core of downtown. It will be a cultural experience and gathering place for the public and for tourists with 6,000 SF of plaza area. Underneath it is underground parking for the Sealaska Plaza office building.

Retail Market in Downtown Area

There are few vacancies of retail spaces in the downtown market that are advertised for lease. There are four newer retail spaces at the rear of the Emporium Building on Shattuck Way. Improvements were made to this west side to create four new rental spaces now occupied by Barnaby Brewing, Sequence Board Shop, First Impressions

Salon and Juneau Food Tours located at 165-167 Shattuck Way. At 116 Seward Street, a vacant space has been spoken for and will open as Tease Salon in February of 2022. The space was rented at its asking rate of $1.89 SF plus power.
A four-unit condominium development on Seward Street, called the Sommers on Seward, has rented and/or sold two of the three retail units which are each just over 1,300 SF in size. The middle unit is available for sale or for lease. The walk up second level office is available for sale and the seller will include plans to convert it to residential units.

Office Space Sector

There is a wide variety of office space in the downtown area, including mid-rise buildings with elevators, low rise buildings with walk up offices and offices located in older residential buildings.

The subject's broad neighborhood includes many publicly owned office buildings, predominantly owned by the State of Alaska, which are located near to the Alaska State Capitol and Courthouse buildings at the corner of Main and 4th Streets. The Federal offices are located in the Willoughby District to the west, as are the three office buildings at 400-410 Willoughby and SLAM.

The SLAM (State Library and Archives Museum) was renovated and expanded over a two-year period in the Willoughby District on Whittier Street. Upon completion of this project in 2016, office space was freed up in other State-owned buildings in the area. Reacting to State budget cuts and to the completion of the SLAM project, many State agencies were downsized, and the metrics (space per employee) used by the State was decreased, which resulted in less office space required.

The Legislative Council recently to accept the Juneau Community Foundation's donation of the Assembly Building located at 211 Fourth Street in Juneau to the Legislature's Capitol complex. With this gift, the complex now totals five adjacent buildings. The Assembly Building will be refurbished once the House-Senate committee Legislative Council determines the best use of the facility, which could include legislative housing, consolidation of legislative offices not located in the complex, and leased space for private entities. The building sold for $1,250,000 which equates to $52 SF of GBA.

The 400 – 410 Willoughby Buildings are located in the subject's neighborhood and include 95,454 SF GBA. This office complex, has been significantly impacted by State of Alaska downsizing and is now approximately 65% occupied by State agencies. In 2019, DEC renewed their lease in the 410 Willoughby Building for 10 years, incentivized by a renovation of the space at a cost of over $2 million for their 22,270 SF space. This complex has recently sold and the buyers, The Tlingit and Haida Council, intend to occupy at least half of the vacant space. The sale price for this complex was $15,000,000.

In the Michael J. Burns building at 801 W. 10th Street, the State Department of Revenue vacated 17,212 SF within the past year, and the Department of Education reduced its leased area by over 3,000 SF this past year. Their term ends in June of 2022 and this agency decided not to renew. A request for 14,000 SF of office space has been sent out by the State of Alaska recently to accommodate this agency in Juneau. Private sector leasing of 4,100 SF has taken place in this building on the ground level. With the exit of the Department of Education, this building will be one-third vacant.
The Sealaska Plaza office building is fully occupied, as is the Senate Building; both are served by elevators and are in the core downtown. The Goldstein Building has 1,715 SF of vacant office space which is 4.8% of the office area in the building. It is noteworthy that 73% of the vacant space is committed for, with a lease beginning on February 1 of 2022. Its upper four floors are offices and three state agencies occupy 48% of the area on these floors. In the 431 N. Franklin Street office building, HS&S recently renewed for an additional five years. The rate is $1.98 SF full service and moderate repairs/upgrades are required by the landlord.

Carlton Smith, a commercial real estate broker with a downtown office, posted the following blog on his website that pertains to offices. "Since the eighties and nineties, office lease rates have been essentially dictated by the State and Federal governments, with rates that government was willing to pay. This stable market lasted for three decades until oil revenues dropped drastically. Today, office leasing in Juneau has segmented itself by lease renewals of larger spaces with parking, mid-sized spaces with less parking, and smaller spaces downtown in backfill locations with poor visibility. Overall, the shortage of new space options has now resulted in rates that have remained flat since 2015. We predict that the future of lease rates in Juneau will begin to reflect real differences in the areas that feature different access and appeal to the agencies involved. Even with moderate job loss, we see lease rates staying steady because construction of new office space is still not feasible due to the high cost of land, labor and materials."

Apartments

n Craigslist, several furnished apartments are available for rent until April 2022; all are located on South Franklin Street. It is typical during the off season for seasonal furnished apartments to be listed for rent. There are few listings for conventional apartments in the downtown area at this writing.

City and Borough of Juneau Projects

The neighborhood benefits from a multi-year rebuild of downtown streets including reconstruction of North Franklin Street from Front Street to Second Street, and the upgrading of Front Street with new light poles, asphalt, sidewalk and pedestrian crossing work and storm drain installation. The CBJ Planning Commission is proposing parking code revisions which include reorganization, establishing a "Town Center" parking standard, revised parking district boundaries and allowing parking waivers downtown.

DESCRIPTION OF SUBJECT SITE

Site

The subject site is shown on several exhibits in this section. This is rectangular site with 50 feet of frontage on 2nd Street and a depth of 98 feet for a total land area of 4,913 SF.

Topography and Soils

A review of the contour map for the broad neighborhood indicates that Seward Street, from 4th Street south to Front Street, is a modestly sloping hillside. The subject site is level in topography and its soil conditions are compacted gravel. The site was well drained at the date of inspection.

Access

Seward Street is a north/south street in the downtown core that allows for southbound traffic only. Seward Street, at its south end, accesses Egan Drive which provides access out of the downtown area and on to the northbound expressway or to Marine Way which becomes South Franklin Street and then Thane Road, a two-lane paved road as it leaves the downtown area and ends south of town.

Front Street is an eastbound paved street in the downtown core that intersects with Main Street, Seward Street, Shattuck Way and Franklin Street.

In the past several years, street improvements have been completed in the core area along Franklin Street between Admiral Way and Second street, and along the length of Front Street. This work included asphalt and sidewalk removal, replacement of light poles, storm drain installation and improvements to pedestrian crossings.

There is on street parking on these streets with a two-hour limit during business hours.

Utilities

Underground water, sewer, power and phone lines serve the downtown area. Cellular service is widely available in Juneau.

Easements

Across 224 2nd Street is a perpetual access easement allowing access to the parking area at the north end of the subject site.



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Zoning

The subject is zoned MU – Mixed Use. This zoning classification accommodates a mix of appropriate commercial and residential uses. MU zoning reflects the existing downtown development pattern and is intended to maintain the stability of the downtown area.

Downtown Parking Districts

As a following exhibit shows, the subject is located in the PD-1 parking district. The PD-1 and PD-2 parking districts were adopted when zoning regulations were changed to apply parking requirements in the downtown area. When parking requirements were enacted for downtown zones, the PD-1 and PD-2 overlay zones were adopted to reduce the impact of this change on downtown properties.

In the PD-1 district, there is no parking requirement for any change of use of an existing structure, and the requirement for new construction is reduced to 60% of the normal standard. As a following exhibit illustrates, the subject is located in a PD-1 parking district.

Within the PD-2 district, parking requirements are reduced to 30% of the normal standard.

The CBJ Planning Commission, reported in May of this year that it is considering proposed changes to parking laws, giving special consideration to Downtown Juneau with the goal of improving the viability of downtown development. The proposed revision includes the following. The Case No. is AME2021 0003 and is ongoing as of the last Planning Commission in September.

- Establish a "Town Center" parking district to replace the existing Parking District 1 and 2. The required number of spaces would be reduced to 60 percent for "Town Center" parking.
- Parking Waivers Downtown – Until this revision, properties in the parking districts were not eligible to apply for waivers.
- "Town Center" map revision – Current downtown parking district boundaries are expanded to include the following:

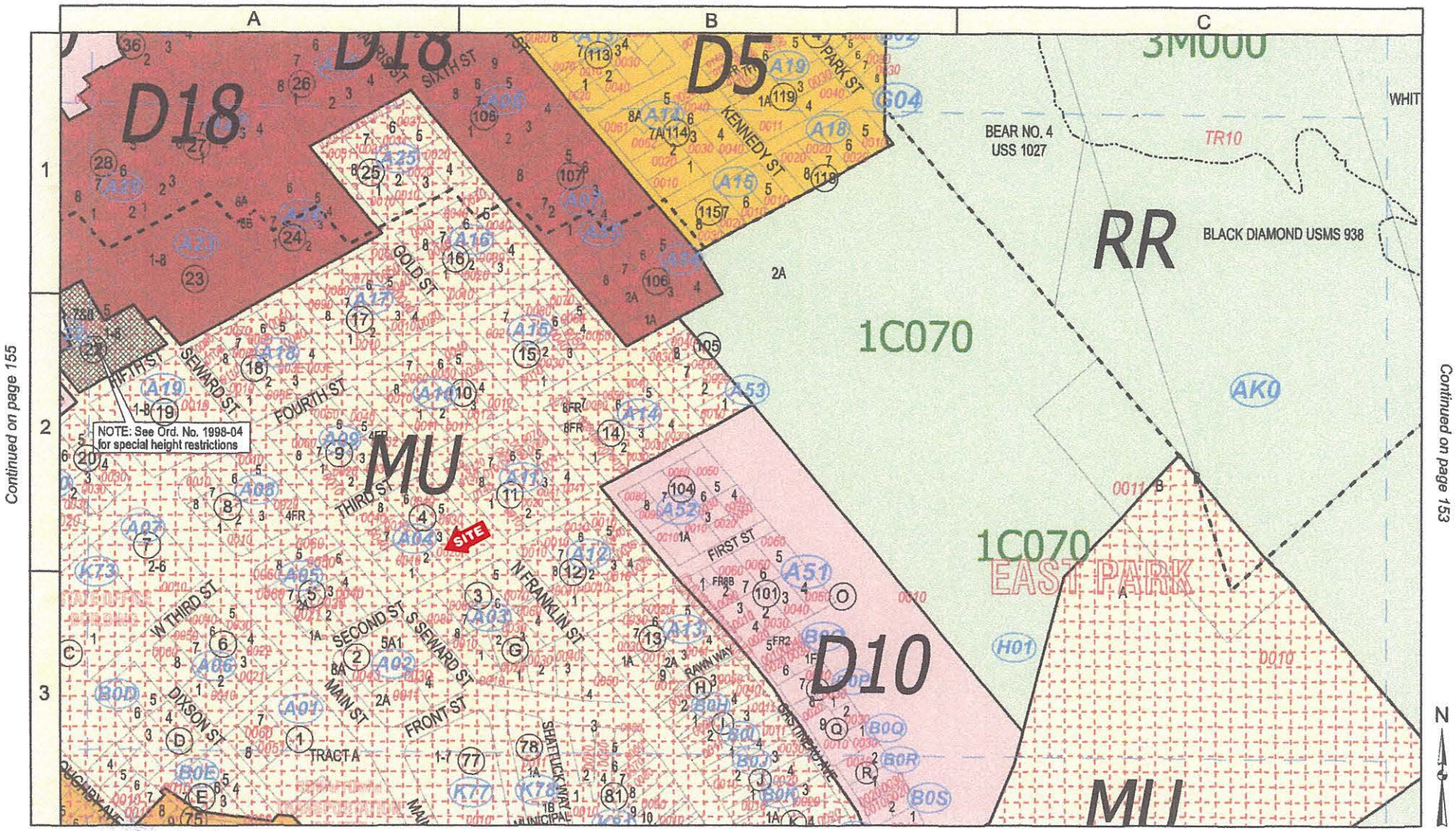
  One block uphill from the current boundary on 5th Street

  The waterfront from the AJ dock to the 10th Street Bridge

  The Flats area that includes the Federal Building, Parkshore

  Condominiums, and Mountainview Apartments

Continued on page 152



Juneau Downtown Historic District

The subject is located just outside of this district, as shown on a following exhibit. The Juneau Downtown Historic District encompasses the historic commercial heart of the city. It extends along South Franklin Street, from the cruise terminal in the south to Second Street in the north, and westward along Second and Front Streets to Main Street. The district border is the south side of 2nd Street and the subject property lies on the north side of 2nd Street.

This area was the center of Juneau's economic activity from its founding in 1880 as a gold mining camp, through its growth into an urbanized area in the early 20th century, including its eventual designation as the territorial capital in 1906.

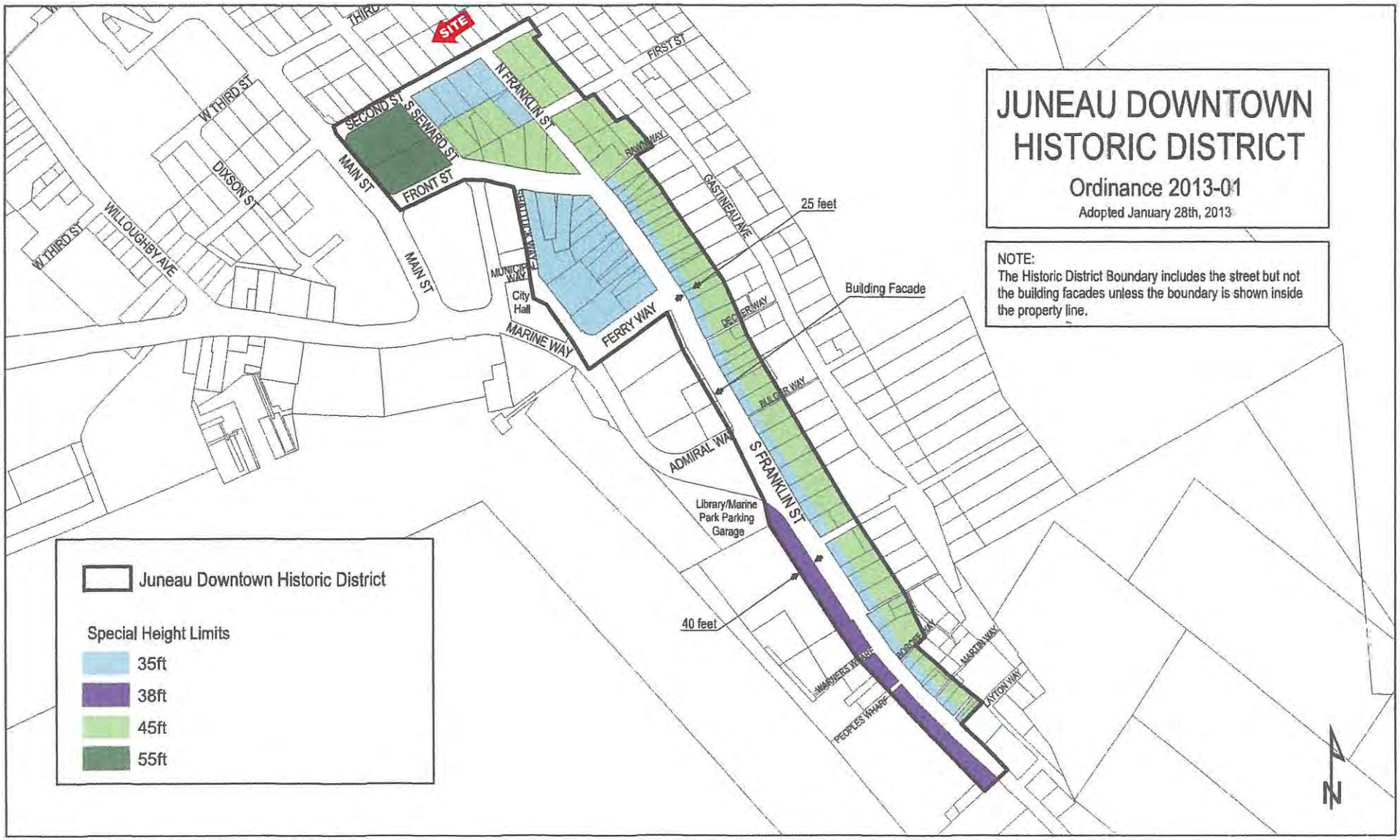
The Juneau downtown buildings are an excellent representation of early twentieth century commercial architecture in small Pacific Coast communities. Late Victorian, late 19th and Early 20th Century American Movements, and Modern Movement architectural styles are represented by building in the Juneau Downtown Historic District which is listed on the National Register of Historic Places.

Hazardous Waste Issues

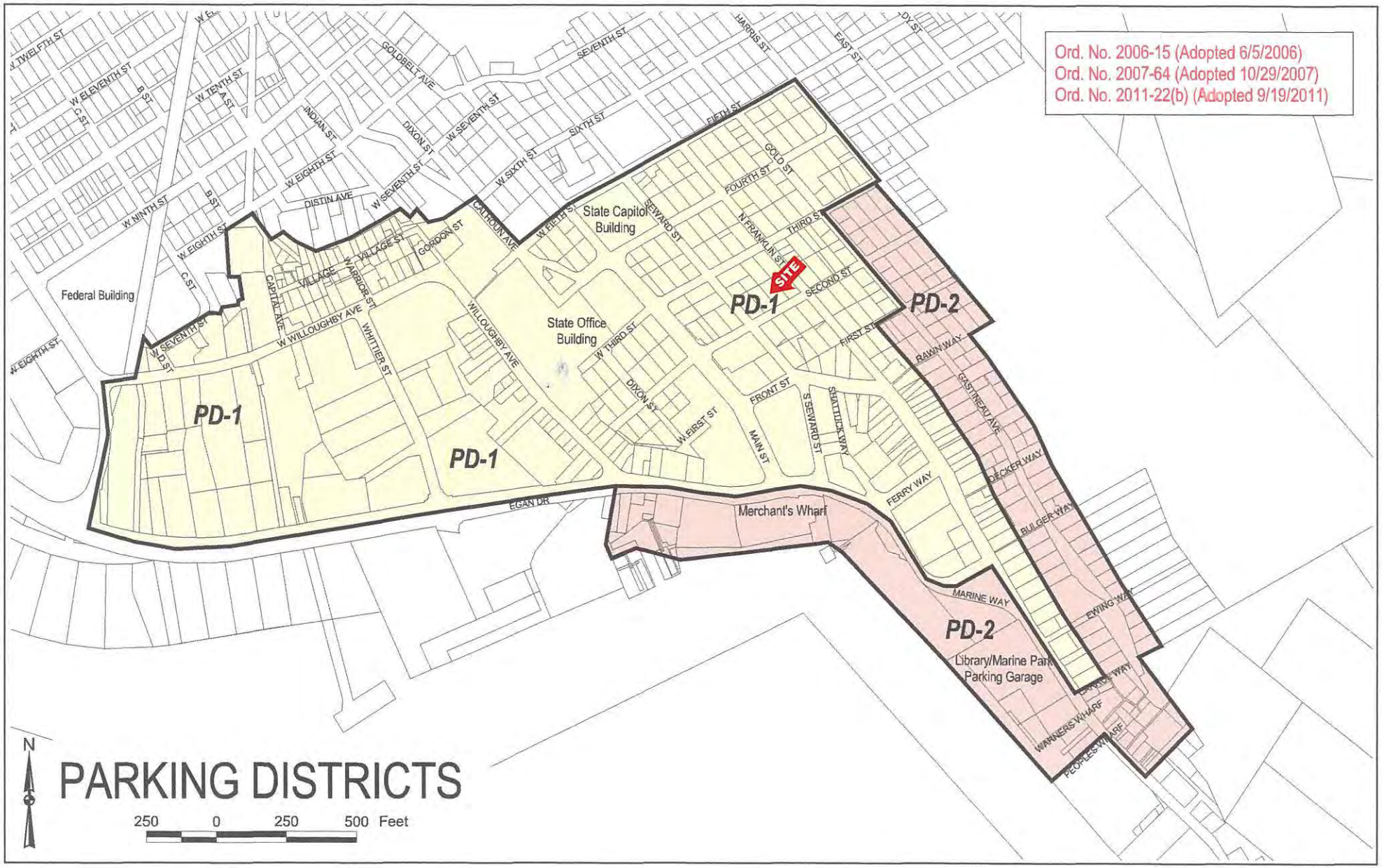
None were observed and it is assumed that none exist.

Flood Plain

A review of the CBJ FEMA 2013 mapping, the subject is not in flood plain.



Project Source: F:\gis_work\Quinn\Projects\CDD\historic boundary adjustment.mxd


Ord. No. 2006-15 (Adopted 6/5/2006)
Ord. No. 2007-64 (Adopted 10/29/2007)
Ord. No. 2011-22(b) (Adopted 9/19/2011)
PD-1
PD-2
SITE
State Capitol Building
State Office Building
Federal Building
Merchant's Wharf
Library/Marine Park Parking Garage
EGAN DR
W WILLOUGHBY AVE
WILLOUGHBY AVE
SEWARD ST
MAIN ST
FRONT ST
FERRY WAY
MARINE WAY
N FRANKLIN ST
SECOND ST
THIRD ST
FIRST ST
FOURTH ST
FIFTH ST
SIXTH ST
SEVENTH ST
W SEVENTH ST
W EIGHTH ST
W NINTH ST
W TENTH ST
W ELEVENTH ST
W TWELFTH ST
GOLDBELT AVE
DIXON ST
INDIAN ST
DISTIN AVE
CATHOLIN AVE
GORDON ST
VILLAGE ST
WARRIOR ST
CAPITAL AVE
WHITTIER ST
W FIRST ST
W THIRD ST
SEALTH WAY
DECKER WAY
BULGER WAY
EWING WAY
RAWN WAY
GASTINEAU AVE
WARNERS WHARF
PEOPLES WHARF
N
PARKING DISTRICTS
250 0 250 500 Feet
10/14/2011



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View Northeasterly along 2nd Street at Subject



Southerly View across at Subject Property

HIGHEST AND BEST USE

The definition of highest and best use is as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

As-Vacant

If vacant and unimproved, the subject site, zoned MU would be suitable for a mix of uses that are successful in this area, including retail, restaurants, coffee shops, year-round businesses that serve both locals and tourists, and offices.

Market conditions to not warrant new construction at this writing, given the impact of COVID-19 on the economy, as well as state budget issues. Further compounding these issues is the spike in construction costs, in large part stemming from the pandemic. New construction is not economically feasible at this writing.

While surface parking is an interim use of the subject site, it does not reflect a highest and best use.

The subject property is valued using the Sales Comparison Approach. Sales of generally similar sites in the downtown area will be relied upon to value the subject property.

SALES COMPARISON APPROACH

The sales comparison approach is a process by which comparable properties that have sold or are for sale, are compared to the subject property. The rationale behind this approach is based upon the principle of substitution, and assumes that a typical buyer, investor or user would not pay more to buy the subject property than she/he would to buy a comparable substitute property.

The following land comparisons are located in the broad neighborhood and reflect the most recent sales of generally comparable land parcels. Additional details to each sale are included in the Addenda.

Land Sale No. 1 is the sale of 213 Front Street, where the Walter Soboleff building is now located. This site had been improved with a turn of the century building that was destroyed by a fire, leaving a vacant site for many years in the core area, referred to as "the pit".

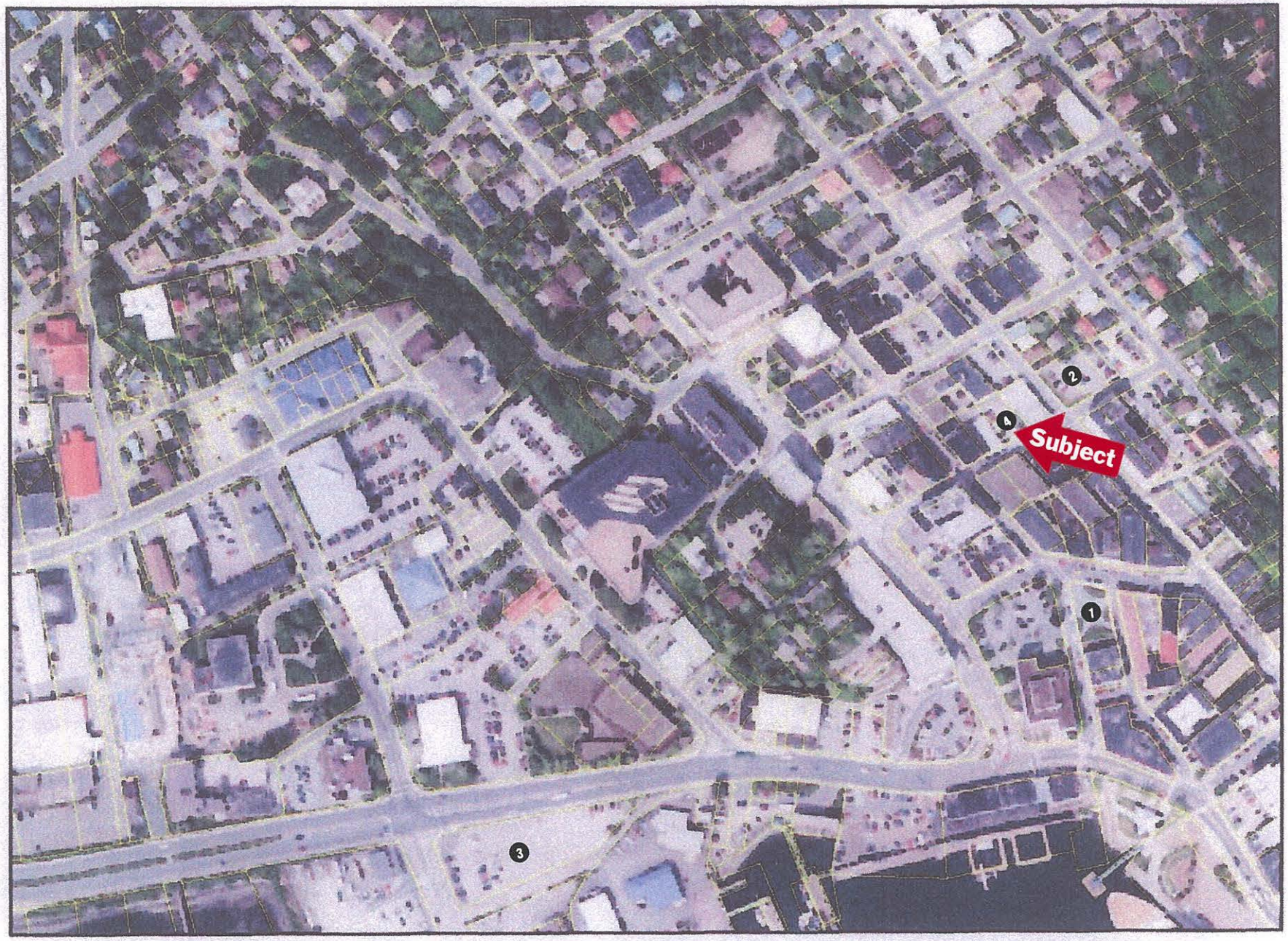
The site was purchased by Sealaska Corporation in August of 2010 for $850,000. It is zoned MU and is in the PD-1 parking district. The 9,471 SF site has frontage on Shattuck Way, Front Street, and Seward Street. This sale indicates a price per square foot of land area of $89.75 SF.

Land Sale No. 2 reflects the November 2016 contract to purchase the CBJ North Franklin Parking Lot where there is paid parking for 23 stalls. The sloping topography and slightly irregular shape limited the number of stalls on this site. To boost downtown housing, CBJ sought developers for the purchase of this site. The intended buyer was Seattle based firm that had expertise in building affordable urban apartment buildings.

The contract price offered was based on an appraisal done for the CBJ at $530,000 or $40 SF for the 13,261 SF site. The intent of the buyer was to develop affordable urban housing without on-site parking. This negotiation did not close as the developer could not create a development plan that was financially feasible. The sale had been scheduled to close in May of 2018. The time period was extended an additional nine months but did not result in a sale.

Land Sale No. 3 reflects the December 2016 agreement between the State of Alaska Mental Health Authority and Develop Juneau NOW LLC for a site located between the Coast Guard Station and Egan Drive. The sale of this 42,550 SF closed in 2017 for this MU zoned site. The buyer intention was to build a three-story mixed use building above a heat pump district heating facility that relies on saltwater.

This site is located in the PD-2 parking district, which requires that the developer meet the normal parking standard. The price paid for the site was $1,300,000 or $30.55 SF.



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Land Sale No. 4 is the January 2021 sale of the subject property. The site was owned by Southeastern Newspapers Company LLC, which was in the process of selling its Juneau real estate holdings. The site was not openly marketed for sale. The seller and the buyer, Goldstein Improvement Company, were both very knowledgeable of the marketplace, negotiated the price of $286,000 for the 4,913 SF lot which equates to $58.21 SF. The buyer will rent surface parking on this site until it is developed to its highest and best use. The buyer acquired this site for future development. This transaction did not include a broker's involvement.

Conclusions of Land Sale Comparisons

The four land sales range in price from $31 to $90 SF after making adjustments to two sales for a broker's commission. Three of the sales are in the subject's immediate neighborhood and range in size from 4,913 SF to 9,471 SF, have the same zoning and are in the same PD-1 parking district. These three sales indicate a range of value of $41 to $90 SF.

The high end reflects a sale at Front and Shattuck Streets, which is a superior, corner location. Sale No. 3 is a short distance away from the downtown core and is a 42,550 SF site zoned MU/PD-2. It sold for $31 SF (rounded). If developed, parking would need to be provided to meet the parking code. While useful for informational purposes, this sale is not a good indicator for the subject property.

Placing most weight on the range of $41 to $90 SF, and considering that the subject is superior to Sale No. 2 and inferior to Sale No. 1, market value is estimated at $60 SF or **$295,000.**

SALES COMPARISON APPROACH - SUMMARY GRID

	SUBJECT	LAND SALE NO. 1	LAND SALE NO. 2	LAND SALE NO. 3	LAND SALE NO. 4
	224 2ND STREET JUNEAU	213 FRONT STREET JUNEAU	310-324 2ND STREET JUNEAU	SEC WHITTIER & EGAN DRIVE JUNEAU	224 2nd STREET JUNEAU
SALE PRICE		$ 850,000	$ 513,000	$ 1,300,000	$ 286,000
ADJUST FOR COMMISSION		N/A	$ 543,780	N/A	$ 303,160
SALE DATE		Aug-10	Nov-16	Dec-16	Jan-21
SIZE OF PROPERTY IN SQ. FEET	4,913	9,471	13,261	42,550	4,913
ZONING	MU zone/PD-1 Parking District	MU zone/PD-1 Parking District	MU zone/PD-1 Parking District	MU/PD-2 Parking District	MU zone/ PD-1 Parking District
PRICE SQ.FT. INDICATOR		$ 90	$ 41	$ 31	$ 62

ESTIMATED SQ.FT. VALUE	$ 60
APPLIED TO LAND AREA	4,913
INDICATED VALUE	294,780
ROUNDED	$ 295,000

ADDENDA

LAND SALE COMPARISON NO. 1

Location: 213 Front Street, Juneau

Legal Description: Lot 1A, Block 7, Plat 3-9W, JRD
Sale Date: August 17, 2010
Grantor: Thomas Huntington, Hugh Grant, Jeffrey Grant, Gerald Grant, David Grant
Grantee: Sealaska Corporation
Recording: SWD 2010-004530
Price: $850,000
Terms: cash to seller

Land Size: 9,471 SF
Access: Front Street and Shattuck Way
Zoning: MU, in PD-1 Parking District
Utilities: water, sewer, power located underground
Soils/Topography: gentle roll down from highway to water. Mature trees and good rock and dirt floor.

Description: This corner site in the core downtown was improved with an older building that was destroyed by a fire. The C.W. Young building was constructed in 1896 and operated as a hardware store and warehouse until fire destroyed it in 2004. Clearing of this site after the fire left a parcel that was below grade – it was referred to as "The Pit". The site remained in this condition until it sold. The site was acquired for the development of the Walter Soboleff Cultural Center, a three story building with a full basement containing 28,000 SF. Front Street is a one way west bound street and Shattuck is a one way south bound street.

SP/SF: $850,000/9,471 SF = $89.75 SF
Confirmation: Hugh Grant by Julie Dinneen, MAI



The City and Borough of Juneau is not responsible and shall not be liable to the user for damages of any kind arising out of the use of data or information provided by the City and Borough of Juneau, including the installation of the data or information, its use, or the results obtained from its use. ANY DATA OR INFORMATION PROVIDED BY THE City Borough of Juneau IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Data or information provided by the City Borough of Juneau shall be used and relied upon only at the user's sole risk, and the user agrees to indemnify and hold harmless the City Borough of Juneau, its officials, officers and employees from any liability arising out of the use of the data/information provided. NOT FOR ENGINEERING PURPOSES.

N

LAND SALE COMPARISON No. 2

Location: 310 Second Street – 324 Second Street, CBD

Legal Description: Lots 1, Lot 2, SW ½ of Lot 3 and SE 20 feet of Lot 8 of Block 11, Juneau Townsite
Sale Date: 11/2016 contract to purchase
Grantor: City and Borough of Juneau
Grantee: Eagle Ventures LLC
Recording: n/a
Price: $530,000
Terms: cash to seller

Land Size: 13,261 SF - generally rectangular
Access: borders North Franklin Street and Second Street, both one-way paved city streets in CBD. Curb cut is presently on Second Street
Zoning: MU – mixed use, allowing up to 60 units per acre
Parking District: PD-1
Utilities: water, sewer, power, phone
Soils/Topography: slopes up from North Franklin and then levels off. Surface parking lot at sale date with 23 parking stalls. Lot is owned and operated by CBJ.

Description: The purchase price was based on an appraisal completed for CBJ which determined the highest and best use of the site was to develop a low rise building, mixed use building with mostly apartments and some retail. CBJ solicited developers who were interested in building primarily multifamily residential units meet a perceived need for this type of housing downtown.

The intended buyer is Seattle based and has developed urban apartments successfully in that market. There was no development plan initially, however the general plan was to build multifamily units with no on site parking. This aspect of the plan has created some controversy within the community. The developer has requested an extension of nine months which would place the finalization of this agreement to late 2018.

Analysis: $530,000/ 13,261 SF = $40 SF

Confirmation: Tracey Ricker, Ricker Real Estate Consulting LLC by Julie C. Dinneen, MAI





LAND SALE COMPARISON NO. 3

Location: Downtown Juneau between Egan Drive and U.S. Coast Guard Station near intersection of Whittier Street and Egan Drive.

Legal Description: Lot C2A Plat 2017-22, JRD
Sale Date: December 2016 - negotiated contract
Grantor: Alaska Mental Health Trust Authority
Grantee: Develop Juneau Now LLC
Recording: QCD 2017-003695, 8/24/2017
Price: $1,300,000
Terms: cash to seller

Land Size: 42,550 SF
Access: Whittier Street (65 ft. wide) and Heat Street (37 feet wide). 369 feet of frontage on Egan Drive but no curb cuts at present.

Zoning: MU – Mixed Use
Utilities: water, sewer, power, phone
Soils/Topography: level and paved, at grade with streets.

Description: This level site is located on Whittier Street between Egan Drive and the Coast Guard Buoy Dock. There is a lighted intersection at the Whittier and Egan streets. Operating as Develop Juneau Now LLC, Keith Comstock plans to build North America's first seawater heat pump district heating facility. The building alone will cost $12 million to $15 million, and that's before the heat pump technology and infrastructure build-out is factored in. The nearly 30,000 SF, three-story facility will also include commercial retail space, several offices and nine "showcase, high-quality apartments," according to Paul Voelckers, president of MRV Architects, the firm designing the building. The design of the building is still subject to change; if the economics pencil out, Comstock might add a fourth floor with more apartments, Voelckers said. The schematics for the building show a parking lot with 53 spaces.

Analysis: $1,300,000/42,550 SF = $30.55 SF

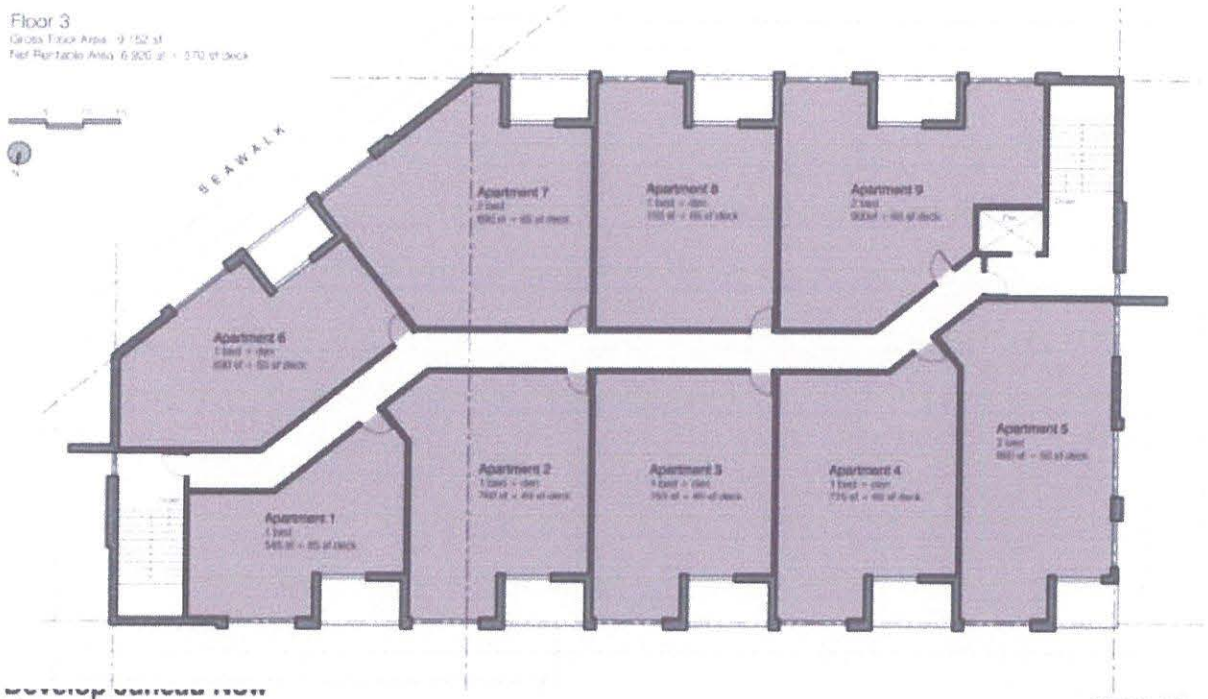
Confirmation: Published data in Juneau Empire, and Tracey Ricker, of Ricker Real Estate Consulting LLC by Julie C. Dinneen, MAI



Mixed Use Project

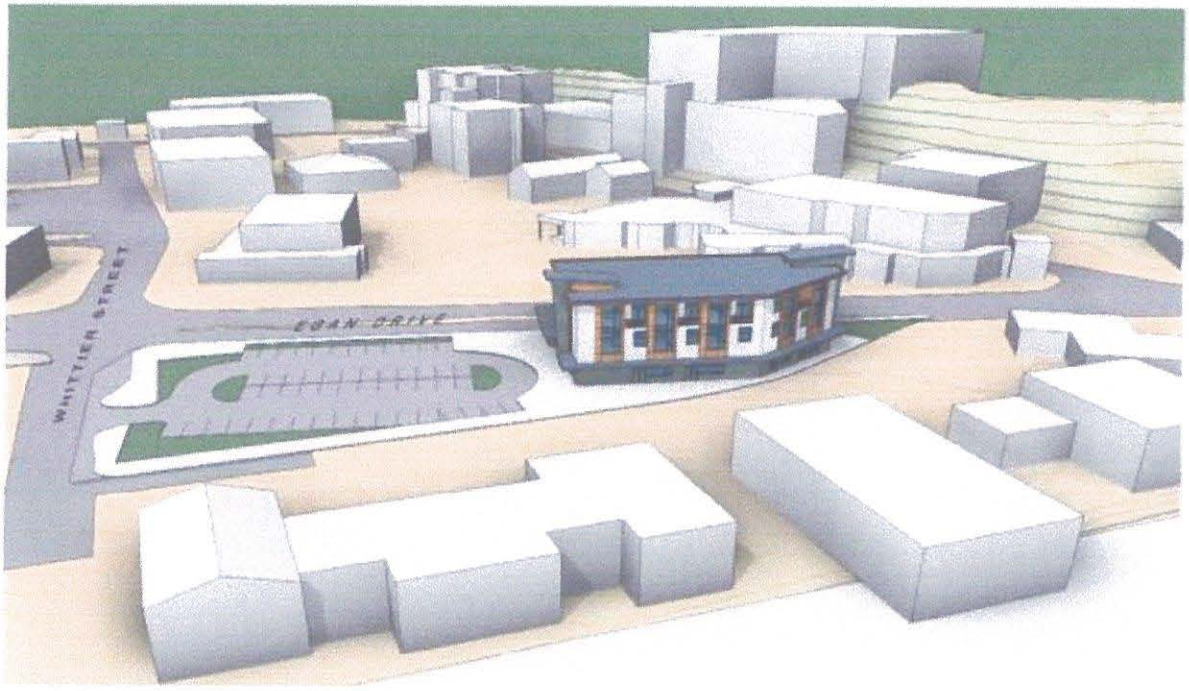
MRV Architects

Floor 3



Mixed Use Project

MRV Architects



LAND SALE COMPARISON NO. 4

Location: 224 2nd Street, Juneau

Legal Description: Lot 3, Block 4, Juneau Townsite, JRD
Sale Date: January 14, 2021
Grantor: Southeastern Newspapers Company, LLC
Grantee: Goldstein Improvement Company
Recording: SWD 2021-000060
Price: $286,000
Terms: cash to seller

Land Size: 4,913 SF
Access: 2nd Street
Zoning: MU, in PD-1 Parking District
Utilities: water, sewer, power located underground
Soils/Topography: level, compacted dirt/gravel

Description: This is an interior site located between Seward and Franklin Streets, on the north side. The seller owned the nearby Alaska Power and Light Building as well as this site that was used for parking. The owners were in the process of selling their Juneau real estate holdings.

There is a perpetual easement on this site that allows for access from the street to the rear of Lot 2 Block 4. The buyer of this lot owns the buildings and land on Lot 2 Block 4 and acquired the site for future development.

2nd Street is a one way east bound street with curbs, lights and sidewalks. Franklin Street is a one way north bound street and Seward Street is a one way south bound street.

The buyer will use the lot for interim parking until such time as development is feasible. The buyer and seller negotiated privately for this lot. It was not advertised for sale.

SP/SF: $286,000/4,913 SF = $58.21 SF
Confirmation: Daniel Glidmann with buyers, by Julie Dinneen, MAI

Recorder's Office - Document Display

Document: 2021-000060-0

District:	101 - Juneau				
Document Year:	2021	Number:	000060	Suffix:	0
Date and Time Recorded:	01/05/2021 09:50 AM				
Pages:	3				
Index:	D - DEEDS				See Index Codes
Description:	STAT WARRANTY DEED				

Parties

TYPE	NAME
Grantor	SOUTHEASTERN NEWSPAPERS COMPANY LLC
Grantee	GOLDSTEIN IMPROVEMENT COMPANY

Legal Descriptions

Lot: 3 *Block:* 4
Plat: JT

Comments

ERECORDED DOCUMENT

All information has been displayed.

Documents are entered in nonsequential batches. Temporary document number gaps may exist in current data.

If you identify a possible indexing error (typo, reversed names, etc) or can not locate the record you are trying to find please Contact Us

All documents are provided as a public service for your convenience. Updates and corrections occur on a daily basis; however, the State of Alaska shall not incur any liability for errors or omissions with respect to the information provided on this web site.

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Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances, unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable.
- No responsibility is assumed for such conditions, or for arranging of engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state and local
- environmental regulations and laws, unless noncompliance is stated, defined and considered in this appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been, or can be obtained or renewed, for any use on which the value estimate in this report is based.
- It is assumed that the utilization of the land and improvements, if any, lie within the boundaries or property lines of the property described, and that there is no encroachment or trespass unless noted in the report.
- Unless otherwise stated in t his report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on, or in, the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials, may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose, or by any person other than the party to whom it is addressed without the written consent of the appraiser, and, in any event, only with proper written qualification, and, only in its entirety.

- The appraiser herein by reason of this appraisal in not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

  Neither all, nor any part of the contents of this report (especially any conclusions as to value, the Identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media

QUALIFICATIONS OF APPRAISER

PROFESSIONAL QUALIFICATIONS

JULIE C. DINNEEN, MAI

2061 S. Clayton Street
Denver, CO. 80210

(303) 579-3589
juliedinneen@hotmail.com

EDUCATION

Bachelor of Science, Economics, Lewis & Clark College. Portland, Oregon, 1981

PROFESSIONAL AFFILIATIONS

APPRAISAL INSTITUTE - Member Appraisal Institute #7898
STATE OF ALASKA – Certified General Real Estate Appraiser #AA90

EMPLOYMENT HISTORY

1993-Present
Julie Dinneen Company – Sole Proprietor
Fee Appraisal Shop with a wide variety of assignments in Southeast Region of Alaska

1991-1993
Manager of Juneau Office - Real Estate Services Corporation
Fee Appraisal Shop with a wide variety of assignments in Southeast Region

1989-1993
Associate Appraiser in Anchorage Office – Real Estate Services Corporation
Fee Appraisal Shop with a wide variety of assignments in Southcentral Alaska

1988-1989
Associate Appraiser in San Francisco Office – Arthur Gimmy International
Extensive travel in western states, predominantly skilled nursing facility assignments

1982-1988
Associate Appraiser in Anchorage Office – Shorett & Riely
Fee Appraisal Shop with a wide variety of assignments in Southcentral Alaska

1981-1982
Research Assistant in Portland Office – Curtis, MacKenzie & Slocum

References
Available Upon Request

ASSESSOR MATERIAL

Appeal 2022-0155

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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

GOLDSTEIN IMPROVEMENT COMPANY
130 SEWARD ST STE 001
JUNEAU AK 99801

Meeting of Board of Equalization (BOE) and Presentation of Real Property Appeal	
Date of BOE	Wednesday, June 29, 2022
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	June 15, 2022
Parcel Identification	1C070A040020
Property Location	224 SECOND ST
Appeal No.	APL20220155
Sent to Email Address:	gregadler@mac.com

ATTENTION OWNER

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

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to city.clerk@juneau.org Attn.: Assessment Appeal} by **4:00 PM Wednesday, June 22, 2022** and will be included in the packets for the Board so the members have an opportunity to review the materials before the hearing.

Your Board of Equalization packet will be ready for you to pick up in the Clerk's office after **2:00 PM Thursday, June 23, 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**

CITY AND BOROUGH OF JUNEAU

ASSESSOR OFFICE

APPEAL #2022-0155

2022 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION June 29, 2022

Appellant: Goldstein / Greg Adler

Location: 224 Second St

Parcel No.: 1C070A040020

Property Type: Commercial – Parking lot

Appellant's basis for appeal: excessive, unequal, and improper

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	$ 295,000	$ 397,214	$ 397,214
Buildings:	$ 0	$ 0	$ 0
Total:	**$ 295,000**	**$ 397,214**	**$ 397,214**

Subject Photo



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OVERVIEW

The subject is a commercial property that is currently utilized as a parking lot.

Subject Characteristics:

- Land
  - 4,913 SF lot
- Building
  - None

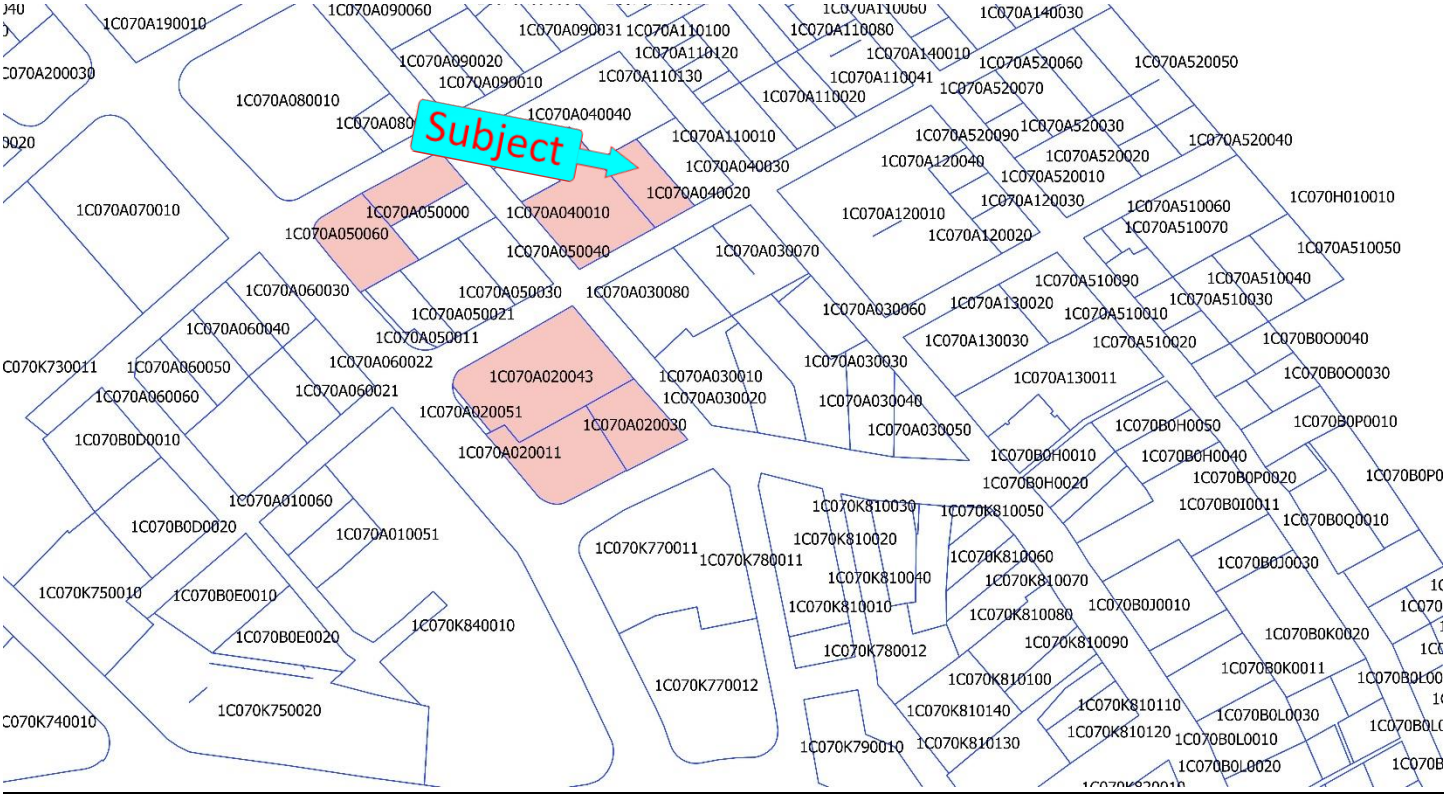
SUBJECT PHOTOS

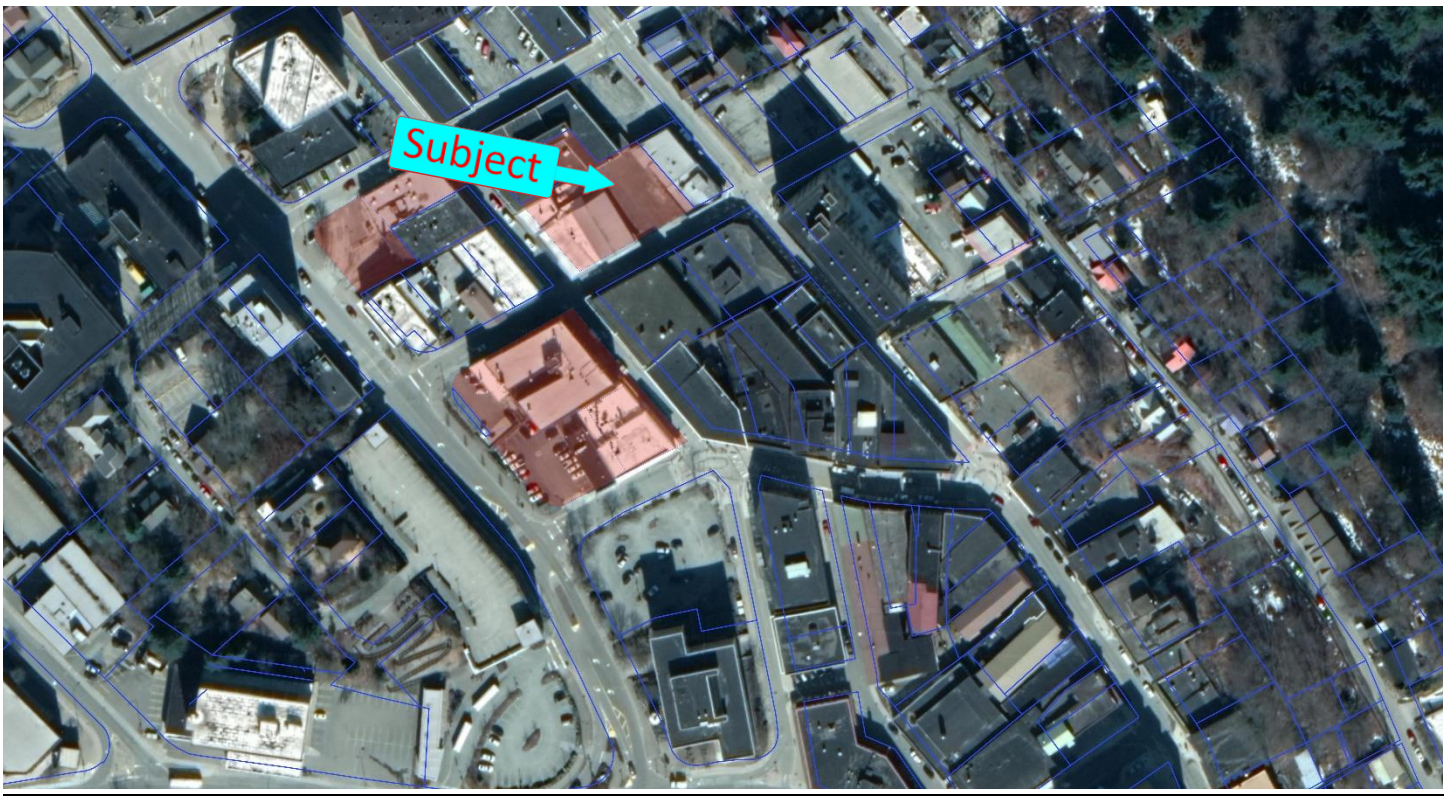
	Front

	Back alcove (on separate parcel owned by same appellant)
	From back looking toward Second St

AREA MAP & AERIAL

The salmon shaded parcels are the 6 Goldstein appeals.





ASSESSED VALUES

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

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

LAND

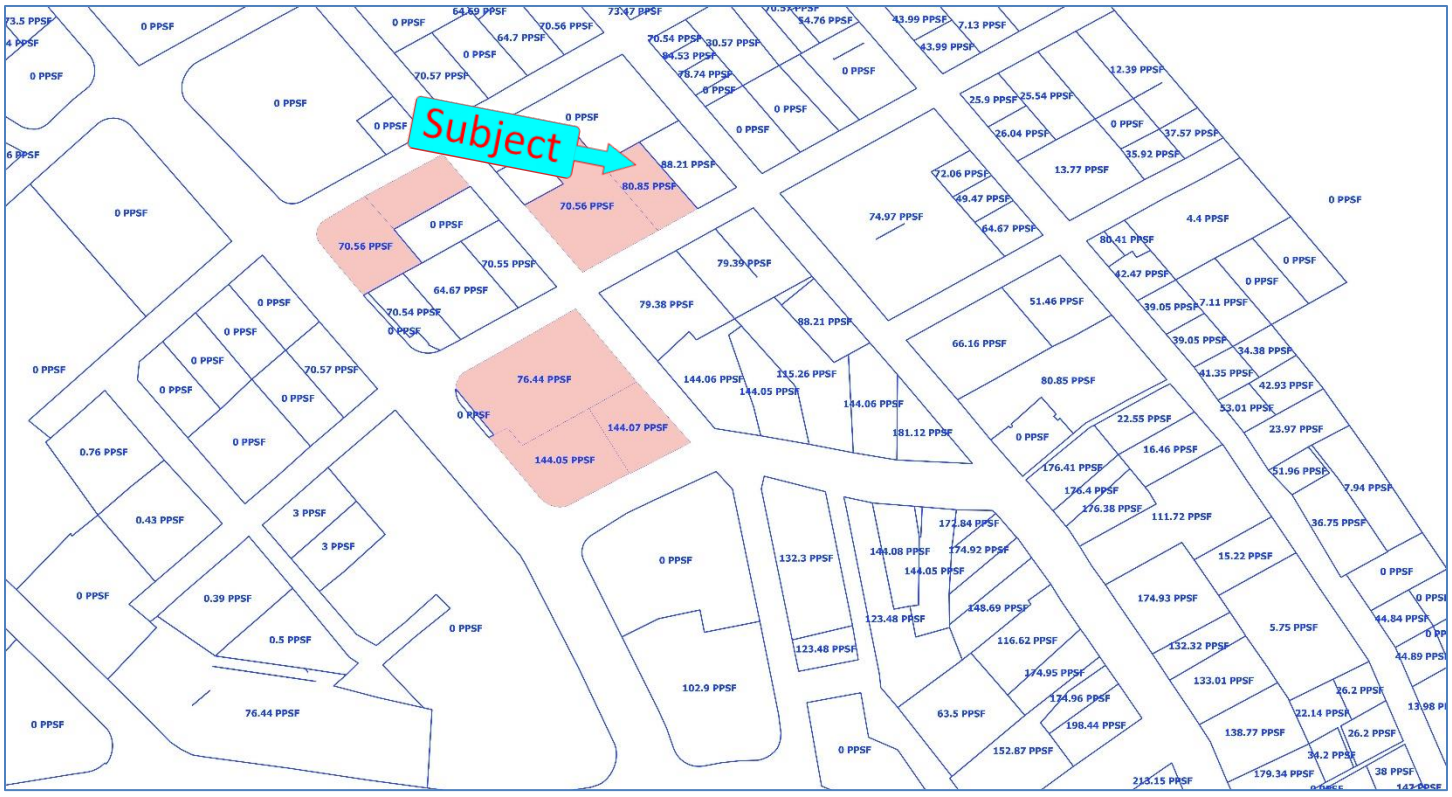
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation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

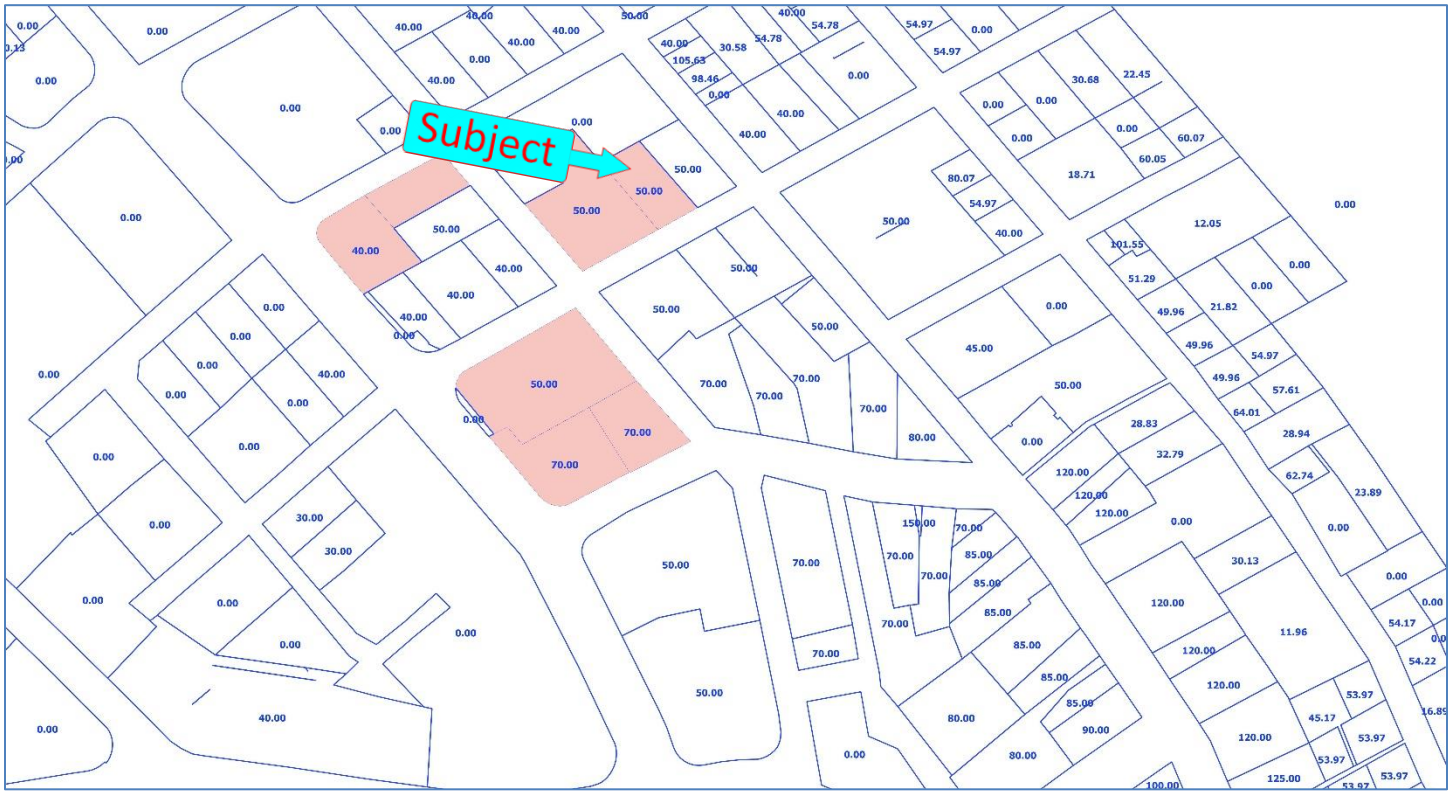
The subject parcel's land value is equitable and is not excessive.

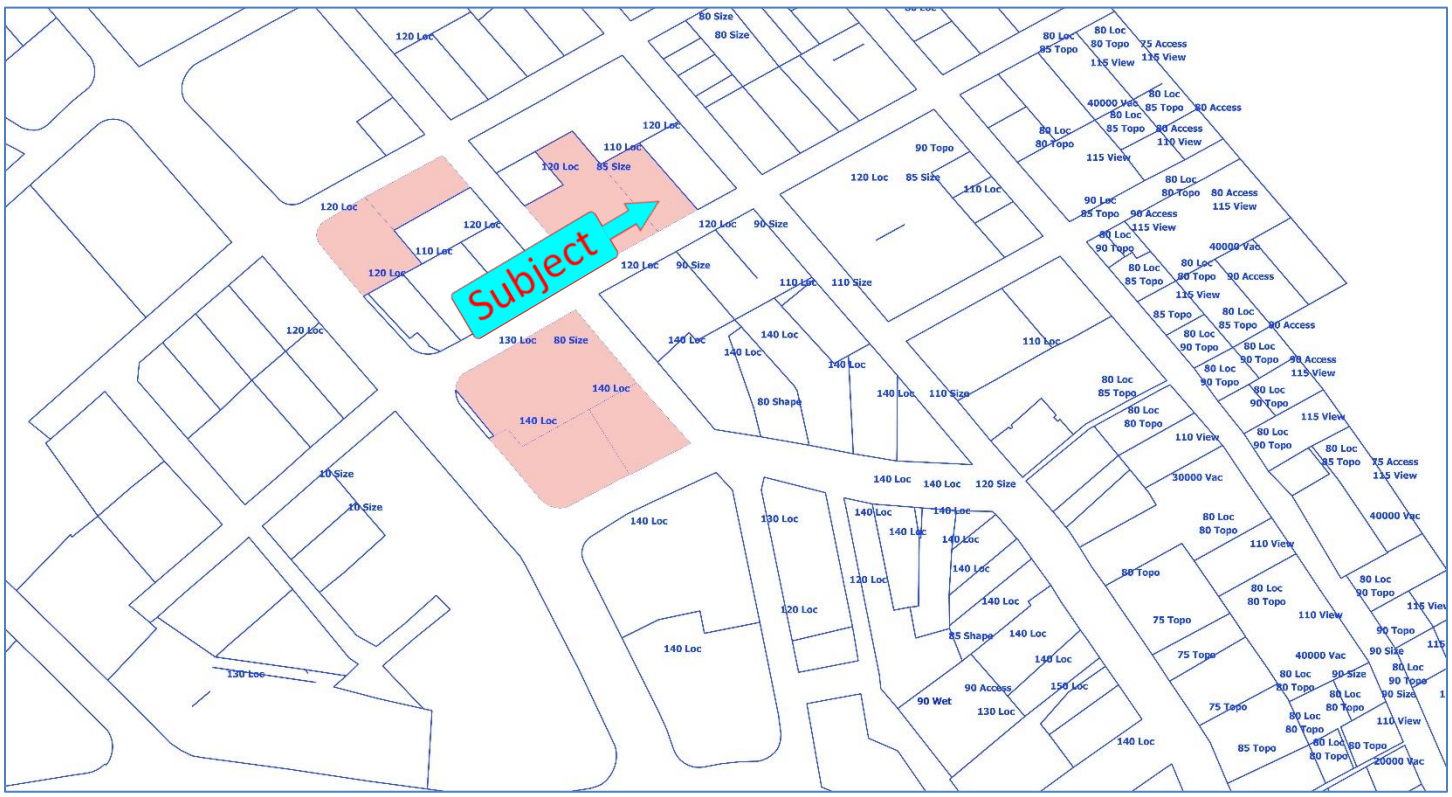
Land Characteristics:

- 4,913 SF lot

Land Values




Subject


Subject

BUILDING(S)

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

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- None

COST REPORT

The cost report is not applicable as this parcel has no buildings.

INCOME APPROACH

The income approach was not the basis for setting most of the assessed value for 2022. The appellant did not submit P&L information for the Review process.

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

1C070A040020
GOLDSTEIN IMPROVEMENT COMPANY
224 SECOND ST
JUNEAU TOWNSITE BL 4 LT 3

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$397,194.00			$397,194.00
2021	$405,300.00			$405,300.00
2020	$270,200.00			$270,200.00
2019	$245,700.00			$245,700.00
2018	$245,700.00			$245,700.00
2017	$246,000.00			$246,000.00
2016	$246,000.00			$246,000.00
2015	$246,000.00			$246,000.00
2014	$246,000.00			$246,000.00
2013	$246,000.00			$246,000.00
2012	$246,000.00	$0.00	$0.00	$246,000.00
2011	$246,000.00	$0.00	$0.00	$246,000.00
2010	$246,000.00	$0.00	$0.00	$246,000.00

SUMMARY

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

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

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

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 appeal process, placing a higher priority on uniformity within existing models rather than uniformity with the whole which is being addressed through separate processes. Based on current assessment levels for this neighborhood the full market value for this property, which the BOE may adopt, would be 418,384.

Additional Details:

- The appellant states that their assessed value is excessive.
  - We find that, based on analysis of market sales, the value it is not excessive.
- The appellant states that their value is unequal.
  - We find that it was valued with the same methodology as other properties.
- The appellant states that their property is valued improperly.
  - The parcel was valued using proper methodology.
- 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 has submitted thousands of pages of paper copy and many electronic document files.
  - We have reviewed all of this material and find no basis for a reduction of their assessed value.

Also of note is that the BOE reviewed this property last year and upheld the value and that even though the sales indicate that the downtown values have continued to increase the downtown assessments were decreased by 2% this year in order to achieve greater uniformity in the commercial property values.

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 $397,194 is warranted and ask that the BOE uphold the assessed value.

Addendum A - Communications

See separate document.

Addendum B – Additional Response Details

See separate document.

APPELLANT MATERIAL

Appeal 2022-0131

SUPPLEMENTAL APPEAL

CITY AND BOROUGH OF JUNEAU

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

Petition for Review / Correction of Assessed Value Real Property	
Assessment Year	2022
Parcel ID Number	1C070A050060
Name of Applicant	GREGORY ADLER
Email Address	gregadler@mac.com

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	Identification # 1C070A050060; JUNEAU TOWNSITE BL 5 LTS 5, 7 & 8		
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY		
Primary Phone #	310-612-1312	Email Address	gregadler@mac.com
Physical Address	234 Seward Street Juneau AK	Mailing Address	426 East Rustic Road
			Santa Monica, CA 90402

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

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

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

The specific reasons and evidence are provided in the Attached Supplemental Appeal (55 pages).

Have you attached additional information or documentation? [ ] Yes [ ] No

Values on Assessment Notice:

Site	$864,064	Building	$1,683,454	Total	$2,547,520

Owner's Estimate of Value:

Site	$587,800	Building	$417,477	Total	$1,005,277

Purchase Price of Property:

Price	$1,250,000	Purchase Date	11/15/2021

Has the property been listed for sale? [x] Yes [ ] No *(if yes complete next line)*

Listing Price	$1,495,000	Days on Market	5 1/2 months

Was the property appraised by a licensed appraiser within the last year? [ ] Yes [x] 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: Gregory Adler Date: March 30, 2022

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

PARCEL #: _____ **APPEAL #:** _____ **DATE FILED:** _____

Appraiser to fill out			
Appraiser		Date of Review	
Comments:			
Post Review Assessment			
Site $	Building $	Total $	
Exemptions $			
Total Taxable Value $			

APPELLANT RESPONSE TO ACTION BY ASSESSOR

I hereby ☐ **Accept** ☐ **Reject** the following assessment valuation in the amount of $_____

If rejected, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.

Appellant's Signature _____ Date: _____

Appellant Accept Value	☐ Yes ☐ No *(if no skip to Board of Equalization)*
Govern Updated	☐ Yes ☐ No
Spreadsheet Updated	☐ Yes ☐ No
Corrected Notice of Assessed Value Sent	☐ Yes ☐ No

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

Contact Us: CBJ Assessors Office			
Phone/Fax	**Email**	**Website**	**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

2d SUPPLEMENTAL APPEAL - 2d

CITY AND BOROUGH OF JUNEAU

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

Petition for Review / Correction of Assessed Value Real Property	
Assessment Year	2022
Parcel ID Number	1C070A050060
Name of Applicant	GREGORY ADLER
Email Address	gregadler@mac.com

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	Identification # 1C070A050060; JUNEAU TOWNSITE BL 5 LTS 5, 7 & 8		
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY		
Primary Phone #	310-612-1312	Email Address	gregadler@mac.com
Physical Address	234 Seward Street Juneau AK	Mailing Address	426 East Rustic Road Santa Monica, CA 90402

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

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

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

The specific reasons and evidence are provided in the Attached Supplemental Appeal (55 pages).

Have you attached additional information or documentation? [ ] Yes [ ] No

Values on Assessment Notice:

Site	$864,064	Building	$1,683,454	Total	$2,547,520

Owner's Estimate of Value:

Site	$587,800	Building	$417,477	Total	$1,005,277

Purchase Price of Property:

Price	$1,250,000	Purchase Date	11/15/2021

Has the property been listed for sale? [x] Yes [ ] No *(if yes complete next line)*

Listing Price	$1,495,000	Days on Market	5 1/2 months

Was the property appraised by a licensed appraiser within the last year? [ ] Yes [x] 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: Gregg Adler

Date: ~~March 30, 2022~~ March 31, 2022

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

PARCEL #: _____ **APPEAL #:** _____ **DATE FILED:** _____

Appraiser to fill out			
Appraiser		Date of Review	
Comments:			
Post Review Assessment			
Site: $	Building $	Total $	
Exemptions $			
Total Taxable Value $			

APPELLANT RESPONSE TO ACTION BY ASSESSOR

I hereby ☐ **Accept** ☐ **Reject** the following assessment valuation in the amount of $_____

If rejected, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.

Appellant's Signature _____ Date: _____

Appellant Accept Value	☐ Yes ☐ No *(if no skip to Board of Equalization)*
Govern Updated	☐ Yes ☐ No
Spreadsheet Updated	☐ Yes ☐ No
Corrected Notice of Assessed Value Sent	☐ Yes ☐ No

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

Contact Us: CBJ Assessors Office			
Phone/Fax	**Email**	**Website**	**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

APPEAL

Radical Break from the Law

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RADICAL ERROR CHART: OVER CHARGES/OVER-ASSESSMENTS BY JUNEAU ASSESSOR

2022

PARCEL #	ASSESSOR VALUE	APPRAISER VALUE	OVER-ASSESSED AMOUNT	ACTUAL A/V RATIO % (1)	ASSESSOR OVER-VALUED PROPERTY BY %
1C070A02011	2,063,831	850,000	1,213,831	2,063,831 850,000	2.4X
1C070A020030	1,929,966	1,200,000	729,966	1,929,966 1,200,000	1.6X
1C0701040020	397,194	295,000	102,194	397,194 295,000	1.4X
1C070A040010	1,494,129	875,000	619,129	1,494,129 875,000	1.7X
1C070A040043	6,592,909	4,750,000	1,842,909	6,592,909 4,750,000	1.4X

"(1)-The A/V Ratio represents the ratio expressed by dividing the municipal assessed value (A) by the market price (V), and is representative of the weighted mean ratio of real property only." [Alaska Taxable 2021 Report, p.28]

RADICAL ERROR: OVER CHARGES/OVER-ASSESSMENTS BY JUNEAU ASSESSOR TOTALS: $4,508,029

MILL RATE: 10.56

COMMERCIAL PROPERTY OWNER TOTAL GROSSLY EXCESSIVE TAXATION: $47,605

RADICAL ERROR CHART: OVER CHARGES/OVER-ASSESSMENTS BY JUNEAU ASSESSOR

2020

PARCEL #	ASSESSOR VALUE	APPRAISER VALUE	OVER-ASSESSED AMOUNT	ACTUAL A/V RATIO % (1)	ASSESSOR OVER-VALUED PROPERTY BY %
1C070A02011	1,572,900	850,000	722,900	1,572,900 850,000	1.9X
1C070A020011	1,639,600	1,200,000	439,600	1,639,600 1,200,000	1.4X
1C0701040020	270,200	295,000	<24,800>	270,200 295,000	.92X
1C070A040010	1,229,600	875,000	354,600	1,229,600 875,000	1.4X
1C070A040043	6,210,768	4,750,000	1,460,768	6,210,768 4,750,000	1.3X

"(1)-The A/V Ratio represents the ratio expressed by dividing the municipal assessed value (A) by the market price (V), and is representative of the weighted mean ratio of real property only." [Alaska Taxable 2021 Report, p.28]

RADICAL ERROR: OVER CHARGES/OVER-ASSESSMENTS BY JUNEAU ASSESSOR TOTALS: $2,953,068

MILL RATE: 10.56

COMMERCIAL PROPERTY OWNER TOTAL GROSSLY EXCESSIVE TAXATION: $31,184

>>>>WITH NO BASIS FOR INCREASING COMMERCIAL PROPERTY VALUES, WITH 2020 COMMERCIAL PROPERTY VALUES LOWER THAN ASSESSED VALUES, THE ASSESSOR AT THE VERY LEAST MUST RETURN TO 2020 ASSESSED COMMERCIAL PROPERTY VALUES.

RADICAL ERROR CHART: OVER-ASSESSMENTS BY JUNEAU ASSESSOR BY SQUARE FEET

2022

PARCEL #	ASSESSOR VALUE: $/SQUARE FEET	APPRAISER VALUE: $/SQUARE FEET	DIFFERENCE
1C070A02030	186	116	70
1C070A020010	169	99	70
1C0701040020	81	60	21
1C070A040043	136	98	38
1C070A040011	485	202	285

Our property is "excessive/overvalued," "unequal to similar properties," and "improperly/incorrectly" as valued by the Assessor by the following clear and convincing proof:

The Assessor must use the following steps in assessing property:

Step 1- The Assessor MUST collect data from many sources, not just Disclosure Statements from Buyers or Listings (See Alaska Taxable 2021 Report, Volume LXI, January 2022, Part 3 Property Taxation, Assessment Statistics and Ratio Studies, pp. 25-28, it states "[the local assessor must] *Collect sales data from all sources such as recorders' offices, realtors, developers and bankers." (p.25)*

Step 2- Include all Market Sales, Assessment Report-Commercial Overview-Interim, City and Borough, For Assessment Year 2022, Assessment Dated (Effective Valuation Date): January 1, 2022 Assessment Procedures,Sales Validation and Verification, Addendum C, see below

Step 3-Use the following Ratio to determine if the Assessed Value is Market Value (from the citation in Step 1 above):

ASSESSED VALUE
SALES PRICE/APPRAISED VALUE

Step 4-Assessed Value=Sales Price/Appraised Value must be true because of Step 5 below

Step 5- Alaska Statute 29.45.060 states, "Full and True Value (a) The assessor shall assess property at its full and true value as of January 1 of the assessment year....The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and prevailing general price levels."

The Assessor's Office failed to follow Steps 1-5 above in numerous and flagrant ways without regard for commercial property owners, including giving lip service to the plight of the property owners during a Pandemic and jacking up assessed values in 2021 and 2022 with no stopping in sight.

For instance,

1. **The Assessor must use Market Sales**
2. **On January 1**
3. **The Assessor cannot go back in time**
4. **Historically, assessments were made each year by the Assessor**
5. **There is no history of under-assessment**
6. **No tax shift occurred (See Alaska Taxable 202 Report, Volume LX January 2021, Table 2, Summary of Assessed Values, p. 27 states, "City and Borough of Juneau Reported A/V Ratio 97%. (1) The A/V Ratio represents the ratio expressed by dividing the municipal assessed value (A) by market price (V), and is representative of the weighted mean ratio of real property." In 2020, Juneau property sales matched assessed values 97% of the time and was the highest in the State. There is no basis for higher assessments.**
7. **The Assessor has a duty to collect data from many sources, not just Disclosure Statements from Buyers or Listings (See Alaska Taxable 2021 Report, Volume LXI, January 2022, pp. 25-28, it states "[the local assessor must] *Collect sales data from all sources such as recorders' offices, realtors, developers and bankers." (p.25)***
8. **The Assessor cannot exclude market sales**
9. **The Assessor with so few market sales, cannot exclude market sales that "skew" or "lower" the value of commercial property values. The BIG POINT is to include all market sales to obtain accurate values**

Addendum C - Sales Validation Policy

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.

Based on the numerous and flagrant failure of the Assessor's Office to follow the above Steps 1-5, there is no basis to increase Assessed Commercial Property values in Juneau, Alaska.

The policies the Assessor uses to determine commercial property values are Anti-Commercial Property Owners. These policies are designed to rig and manipulate market data. Common sense must prevail here because the Assessor's Office must not be allowed to violate public policy, local and state laws and the U.S. Constitution.

Therefore, 2021 and 2022 City and Borough of Juneau commercial property tax assessments must be overturned.

An ombudsman must be appointed to oversee the Assessor's Office to ensure that public and commercial property owners are protected against naked power grabs and ensured a fair system of taxation exists for all citizens of Juneau.

Summary of Over-Assessment

Steps 1-5 not followed by the Juneau Assessor

Juneau Commercial Property Sales Ratios not 1:1

Juneau Commercial Property Appraisal Ratios not 1:1

Assessor Modeling Rigs, Manipulates and Violates the Law

No Basis for Using Modeling Because the Sales and Appraisal Ratios are in line or over-assess property in 2020

Assessor Actions: Manipulation of Market Sales in 2021 and 2022 is Plainly Wrong By Clear and Convincing Proof Based On the Evidence

History of Assessor Over-Assessment at the Assessor's Office

Appoint An Ombudsman to Oversee the Assessor's Office

The Assembly Must Act to Ensure Compliance with the Written Policies of the Assessor's Office, Local Laws, State Statutes and Laws

The Assessor's Office Actions Constitute An Unlawful "Taking" Without Just Compensation Thereby Violating the Constitution

Commercial Property Owner's Rights to Due Process Have Been Violated by the Assessor's Office Under the Constitution

Identification No. 1C070A040010 **Address: 201,205,209,213,217,221 Seward Street & 216 Second Street**

Legal Description: Juneau Townsite BL 4 LT 1,2 & 7 FR

Assessor Value: $ 1,494,129

Cap Rate: 7.75%

Square Feet: 8,825

Range Appraised Market Sales Price/SF: $84-110*

Appraised Market Sales Price/SF: $105*

Assessor Sales Price/SF: $169*

Income Approach to Value: $860,000

Sales Comparison Approach to Value: $930,000

Appraiser Value: $875,000 Appraised Value/SF: $ 99

SALES RATIO'S:

Assessor Sales Ratio:	$1,494,129 / $875,000	=1.7X
2020 Assessor Ratio:	$ 1,229,600 / $ 875,000	=1.4X
2022 ASSESSOR RATIO: @ FULL & TRUE VALUE JANUARY 1	$ 875,000 / $ 875,000	=1X

OVER-ASSESSED BY: $ 619,129

THEREFORE, THE ASSESED VALUE MUST BE $875,000. THE 2022 ASSESSOR IS WAY OUT OF LINE. CAPITALIZATION RATES MUST NOT BE USED UNDER ALASKA LAW AND STATUTES. BUT AT THE VERY LEAST, IF CAP RATES ARE USED BY THE ASSESSOR THEY MUST NOT BE TAINTED.

THERE IS NO HISTORY OF UNDER-ASSESSMENT ON THE FACE OF THE FACTS. IN FACT, THERE ARE YEARS OF OVER-ASSESSMENT.

*-ASSESSOR VALUE AT $169/SF IS A GROSS ABUSE OF POWER.

CITY AND BOROUGH OF JUNEAU
JUNEAU
ALASKA'S CAPITAL CITY
OFFICE OF THE ASSESSOR

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

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

IDENTIFICATION # 1C070A040010 JUNEAU TOWNSITE BL 4 LT 1, 2 & 7	REAL PROPERTY VALUE SITE: $866,565 BLDG: $627,564
PROPERTY TAX YEAR 2022	TOTAL REAL PROPERTY VALUE $1,494,129
MAILING DATE 3/8/2022	TOTAL EXEMPT $0
APPEAL FILING DEADLINE 4/7/2022	TOTAL TAXABLE $1,494,129
B.O.E. MEETING DATE 5/5/2022	ADDRESS SERVICE REQUESTED
*** IMPORTANT ***	To: GOLDSTEIN IMPROVEMENT COMPANY INC 130 SEWARD ST STE 001 JUNEAU, AK 99801
Please review the back of this notice for information regarding your valuation and the appeal procedure. Make sure you keep this notice for your records. Please contact us if your mailing address is incorrect.	

*** THIS IS NOT A TAX BILL ***

City and Borough of Juneau
Assessment History Report

1C070A040010
GOLDSTEIN IMPROVEMENT COMPANY INC
201 SEWARD ST
JUNEAU TOWNSITE BL 4 LTS 1 2 & 7 FR

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$866,565.00	$13,300.00	$614,264.00	$1,494,129.00
2021	$884,250.00	$13,300.00	$626,800.00	$1,524,350.00
2020	$589,500.00	$13,300.00	$626,800.00	$1,229,600.00
2019	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2018	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2017	$614,100.00		$578,100.00	$1,192,200.00
2016	$614,100.00		$578,100.00	$1,192,200.00
2015	$614,100.00		$578,100.00	$1,192,200.00
2014	$614,100.00		$578,100.00	$1,192,200.00
2013	$614,100.00		$578,100.00	$1,192,200.00
2012	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2011	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2010	$614,100.00	$0.00	$652,200.00	$1,266,300.00

Reserve Allowance – this allowance is a fund that builds up to be used as needed for replacement of short-lived items such as boilers, roofs, carpet, etc. It is not commonly an expense item in a profit and loss statement provided by owners. RealtyRates provides information regarding reserve allowance requirements (see table in Addenda). The ranges are $.35 - $.90 SF/YR for offices and $.35 - $1.10 SF for retail uses. Considering the number of upgrades and repairs to this building in recent years, a $.40 SF reserve allowance is reasonable.

Capitalization of Net Income

The following table summarizes capitalization rates from sales of commercial properties in Juneau.

Sale Comparison	Sale Date	Cap Rate	Use & Comments
3100 Channel Drive Juneau	June 2020	7.37%	Good quality office building with 20% warehouse built originally for Juneau Empire. At sale date, was mostly occupied by tenants.
5360-5368 Commercial Blvd. Juneau	May 2018	7.85%	Mixed use commercial bldg. of steel frame and metal construction with office, apartment, service, and shop uses
Willo Park 10002 Glacier Highway Juneau	April 2019	7.54%	Established State office tenant under new 10-year lease. Building has been fully occupied for many years.
3225 Hospital Drive, Juneau	July 2021	7.00%	Fully occupied office and medical building in good condition
8390 Airport Boulevard, Juneau	August 2021	6.90%	Fully occupied office, retail service building in good condition
225 Front Street, Juneau	September 2021	8.07%	Renovated two story bldg. in downtown Juneau in good condition Purchased by dominant tenant

RealtyRates is a national service that quarterly provides investment criteria that pertain to investment grade properties in the United States of all types. While not highly applicable to the Juneau market, which has few properties that would be considered investment grade, this publication does provide an indicator of national trends with respect to capitalization rates and other financing criterion.

The 4Q report relies on third quarter data. The composite capitalization rate of 8.77% is down from a year ago at 8.94% based upon a decrease of 31 basis points in treasury rates and no change in equity dividend rates.

The composite capitalization rate for the office sector was 8.16% in 2020 and is currently 8.25%. The restaurant sector 2020 rate was 10.81% and is currently 10.86%. The retail sector rate for 2020 was 8.58% and is now 8.60%. For apartments, the 2020 rate was 7.50% and is now 7.57%.

The tables from this survey that support the above indicators are included in the Addenda. Below are the surveyed rates for each sector noted above, indicating the low, high and average "Surveyed" capitalization rates for each sector:

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.75% is considered reasonable.

As shown, this rate applied to the projected NOI, the market value by this approach is **$860,000.**

SALES COMPARISON APPROACH - SUMMARY GRID

	SUBJECT PROPERTY	BUILDING SALE NO. 1	BUILDING SALE NO. 2	BUILDING SALE NO. 3
	CHARLIE GOLDSTEIN BUILDING	450 N. 34TH ST., PARK	1ST AVENUE SOUTH	TASK FORCE BUILDING
	701 221 SEWARD & 216 2ND ST.	BREAD	BREAD	172 S. FRANKLIN STREET
SALE PRICE		$ 1,250,000	$ 1,950,000	$ 1,020,000
BROKER COMMISSION ADJUSTMENT		N/A	$ 2,078,470	N/A
AGE OF CONSTRUCTION	1960 with upgrades	1914 with upgrades	1977/2009	1908 with upgrades
SALE DATE		Nov-21	Sep-21	Dec-21
GROSS BUILDING AREA	9,025	11,976	16,512	14,160
BASEMENT	no	yes	partial	no
EFFICIENCY	90%		64%	estimated at 80%
SALE PRICE/SF		$ 110	$ 119	$ 84
BUILDING TYPE	1 & 2 story wood frame	masonry and glass bank building	WF construction, many wood bays	WF construction, two story
USE & LAYOUT	retail/retail/service/1 apt	walk-up Comm'l station next to Subway to west to bus stop	elevator, no parking 1 flr with further expansion	walk-up Retail, service & office use
OVERALL CONDITION	good	good	good	average, needs roof $200,000 in work
ZONING	DT1	DT1	DT1	DT1
SITE AREA	12,000	12,000	12,000	7,125
LAND TO BUILDING RATIO	1.33	1.00	0.73	0.50

PER SQUARE FOOT INDICATOR	$	105
APPLIED TO SUBJECT AREA	$	948,225
INDICATED VALUE	$	948,225
ROUNDED	$	930,000

Summary of Sales Comparison Approach

The three sale comparisons indicate a range of $84 SF to $110 SF after being adjusted for differences in the value of the land component. Based upon this range, a market value estimate for the subject property of $105 SF is well supported, indicating a conclusion by this approach of **$930,000.**

APPEAL

Turn of the Century Recording by Charles Goldstein, Alaskan pioneer, Founder of the Goldstein Improvement Company:

"I was a small potato with no capital trying to compete with six well established companies: Kohler & James, a million dollar concern, Decker Bros, B.M. Behrends Company, Martin Bros, Van Gaskin and Louie Levi. There were going to teach me a lesson, especially the biggest operator, Kohler & James. I had to turn into cash the furs I bought each day to a resident fur buyer who was stationed here most of the time, and bought from the stores as agent for Hibbard and Stewart. He always found out from the other stores what was being paid for the furs and would squeeze me to a very small margin.

I hung on and didn't complain...

I told him I knew he had been skinning me..."

EVIDENCE AND SPECIFIC REASONS SUPPORTING APPEAL OF PROPERTY TAXES BECAUSE MY PROPERTY VALUE IS EXCESSIVE/OVERVALUED, IS UNEQUAL TO SIMILAR PROPERTIES AND AND VALUED IMPROPERLY/INCORRECTLY, AS FOLLOWS:

Assessor Policy

Assessed Value is not a product of a wayward "Assessor's Property Tax Regulatory Scheme" run amok by an algorithm.

The Standard on Mass Appraisal of Real Property, Approved 2017 (See Exhibit K)(also See Exhibits L,M & N) is the accepted professional resource for understanding mass appraisal method's.

The best practice and "Preferred Approach" with the Mass Appraisal Method is the Sales Approach. In Exhibit K, p. 8, Section 4.2 The Cost Approach, it states, The cost approach is more reliable for newer structures. The Key Bank building was constructed in 1914. Exhibit I confirms the workings of the Cost Approach has not worked for the Juneau Assessor, as Michael Dahle's email to me March 22, 2022 (See Exhibit I) sets out how different cost approach software was used and depreciation was not properly accounted over the years. His email recounts what a "mess" the Cost Approach has been for the Juneau Assessor.

Under Section 4.3 it states, The Sales Comparison Approach is the "Preferred Approach" in valuing commercial and industrial property.

On p. 9, Section 4.6.4, it states The Income Approach is not appropriate because of repurposing the Key Bank building and

insufficient data as the building was sold "As-Vacant." Further, it states the Sales Comparison Approach is most akin to single-property appraisal applications and has the advantage of being easily explained.

We do not have any explanation of how the Juneau Assessor Model was used. "Most models are used only to make adjustments to the selected comparables."

This section cautions that algorithms can be "biased."

It is settled law to use the Sales Approach to Value with the Mass Appraisal Method. The Cost Approach is best used with newer properties, personal property and fixtures. The Income Approach may be used with a knowable income stream. Our property was sold to be re-purposed. The bank design and vaults are obsolete. It is considerable expense to demolish the bank vaults, obsolete portions of the building and dispose of them at the dump that charges by weight and spend large sums of money to bring the building to current commercial standards.

The Juneau Assessor's Office and the State of Alaska Assessor's office stated to me the purpose of making "A considerable adjustment to the value of commercial land" was that the prior Juneau Assessor did not raise property assessments for five (5) to ten (10) years. The prior Assessor used the Cost Approach. It is unconscionable to believe commercial land doubled in value from 2020 to 2021 because our property was assessed in 2020 and lowered; or over five (5) to ten (10) years in Juneau.

Moreover, the Assessor has made a "substantial error" in assigning any assessed value to Miscellaneous Value (See paragraph entitled MISCELLANEOUS VALUE on page 17 herein this Appeal. We

are entitled to be repaid by the Assessor for the Years 2018-2022 at $54,400 x 4 Years=$217,600 x Mill Rate of 10.56 (See Exhibit C) in the amount of $ 2,297.86.

On its face, the Miscellaneous Value Error establishes that Assessor has acted in BAD FAITH with its APPEAL PROCCESS.

THE NOTICE WE RECEIVED (See Exhibit B, City and Borough of Juneau Assessment Card) ON THE ASSESSMENT CARD DOES NOT MENTION THE MISCELLANEOUS VALUE ASSESSMENT!

WE ARE ONLY ABLE TO KNOW OF THE MISCELLANEOUS VALUE BECAUSE I REQUESTED AND RECEIVED A HISTORY OF ASSESSMENTS ON OUR PROPERTY (See Exhibit I).

IT IS UNCONSCIONABLE TO BE LEFT IN THE DARK. THE ASSESSOR CONDUCT IS THE SAME RESPECTING THE METHODOLOGY THEY EMPLOY BEHIND CLOSED DOORS.

The Assessor stated the blanket reassessment was to equalize the assessment of commercial and residential property. They stated commercial property owners did not pay their fair share of property taxes and this unfairly burdened residential property owners who paid more. By clear and convincing proof this paragraph substantiates we have overpaid our property taxes and are entitled to a refund. Is this Miscellaneous Value inclusion a common practice of the Assessor to take without just compensation?

I see no evidence to support this proposition.

Our property by clear and convincing evidence does not fall into the stated policy objective of the Assessor.

The policy of the Assessor is wrong, overbroad, unreliable and not a best practice of appraisers in the United States.

Our land value was assessed for ten (10) years at or above fair market value. For reference purposes, 2011 to 2019 our land was assessed at $612,300; in 2020, at $587,800; in 2021, at $881,700; and in 2022, at $864,066.

In Michael Dahle's email to me on March 22, 2022 he states, his office used the "Govern Method" to value our property in 2020 at $587,800 (See Exhibit I). By his own admission, our property was overvalued for ten (10) years. The facts prove the Assessor's policy of "Substantial growth in property valuations" is a fiction. During Covid our commercial land did not increase by double or over a five (5) to ten (10) year period. The Assessor's behavior is troubling at best.

Noteworthy, is that the Assessor fails to differentiate office/retail space from basement space. The building is assessed at 12,245 SF. The basement is 5,359 SF and much of it not usable. Should the assessment be made of 6,886 SF not 12,245 SF?

Therefore, I question not only the methodology of the Assessor but the raw data the Assessor is utilizing to input for their Govern Method. The Cost Approach, Income Approach, Sale Approach and Govern Method of the City must value the basement at a lower rate than the first floor and second floor. And the first floor must be treated differently from the second floor. Surely, this adjustment should have been made during an inspection.

Please see the News Release (See Exhibit F) from the City and Borough of Juneau dated June 15, 2021 entitled, BUDGET. In part, it says "...Despite being faced with a deficit, the Assembly maintained all essential city services while lowering the property tax rate to 10.56

mills. Even with the lower property tax rate, CBJ will collect approximately $3.0 million more in property tax revenue in FY22 as a result of a substantial growth in property valuations, including a considerable adjustment to the value of commercial land. The Assembly still needed to draw from savings to cover a remaining budgetary shortfall.

[The imposition by the Assessor of artificial "Substantial Growth" "In property valuations" runs counter to the market suffering from Covid shutdowns and a dead leasing market reported by real estate broker Carlton Smith]

[The unilateral actions of the Assessor's Office are oppressive].

The Assembly also restored $6.9 million of temporary reductions to the Capital Improvement Plan that were made in FY21 to balance the budget, including the $3.3 million Augustus Brown Pool deferred maintenance project."

The headline of the News Release is, "Juneau Assembly passes Budget reducing the property tax rate." Is that the story?

An alternative accurate headline suggested to me is, "City Devises Fake Regulatory Property Tax Scheme to Impose New Tax Burden of $3 million dollars on Small Group of Commercial Property Owners and Calls It a Gift to Fund the Augustus Brown Pool Improvements of $3.3 million dollars."

Therefore, by clear and convincing evidence the Assessor burdened a limited group: Commercial Property Owners

Said Commercial Property Owners were selected to pay for improvements to the Augustus Brown Pool. The imposition of this tax

is unrelated to the "police powers" of the City and fails to include all citizens and therefore constitutes a taking without just compensation.

Why were Commercial Property Owners selected to unburden the City Budget Shortfall?

Arguably, the Assembly wanted to appear as effective good planners during a stressful budget time.

Secondly, unless I am missing something, it is bad public policy to lower the tax rate when you are trying to collect more tax revenue except for politically expedient reasons.

In hearings and in phone conversations, the Assessor is not under oath to tell the truth.

Michael Dahle of the Assessor's Office graciously sent me our property historical records, as below. By clear and convincing evidence our property was assessed and taxed for more than ten (10) years at or higher than fair market value.

City and Borough of Juneau
Assessment History Report

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$884,065.00	$54,400.00	$1,629,054.00	$2,547,520.00
2021	$881,700.00	$54,400.00	$1,662,300.00	$2,598,400.00
2020	$587,800.00	$54,400.00	$1,662,300.00	$2,304,500.00
2019	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2018	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2017	$612,300.00		$1,680,000.00	$2,292,300.00
2016	$612,300.00		$1,680,000.00	$2,292,300.00
2015	$612,300.00		$1,680,000.00	$2,292,300.00
2014	$612,300.00		$1,680,000.00	$2,292,300.00
2013	$612,300.00		$1,680,000.00	$2,292,300.00
2012	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2011	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00

After all, a property exposed in an open market (5 1/2 months) to willing buyers and sellers at arms length and sold is the long-held standard for setting Assessed Value under the Mass Appraisal Method.

Marketing the Key Bank Building

Key Bank (See Exhibit R) selected the Carlton Smith Company, a real estate broker with over thirty (30) years of local brokerage experience, to sell a "As-Vacant" building "As Is."

"As-Vacant"-no occupants or current user or known income stream.

"As Is"-Buyer accepts the obsolete old building with a broken mechanical costing approximately $200,000, known conditions and unknown conditions.

Carlton listed the property on his website, placed ads in the Juneau Empire, placed large For Sale signs on the building and reached out to regional brokers providing them with sales information. It is his practice to not place the list price of a property on ads in most cases to generate more phone calls. This has been his practice for 30 years. He showed the building over ten (10) times. He worked with a cooperating broker, Roger Porto, to sell the building. Robert Porto showed the building many times. He exposed the property to the market and it sold 5 ½ months after putting it for sale. They were two competing offers to purchase the building. The building was marketed as vacant because Key Bank had closed the bank branch. The building was not sold as an investment with the income stream being marketed. It was marketed as needing reinvestment and improvements and repurposing to a new tenant(s). Carlton has stated this was not a distressed sale. Carlton reported

leasing was at a standstill in Juneau do to Covid and remains so today. He compared the Assembly building which was put up for sale originally for $2,100,000 and a very long time later sold for approximately $750,000. Key Bank and Carlton positioned the building to be sold in a timely manner. Please include the Assembly Building as a comparable sales property.

Subject Property

Sale Price: $102.08 Assessed Value: $212.20

Comparable Sales:

234 Seward Street	$102.08/SF
101 North Franklin	$37.21/SF
108 South Franklin	$61.42/SF
200 Seward Street	$210/SF
134 North Franklin Street	$200/SF
714 Front Street	$183.10/SF*
318 Willoughby	$50.88/SF

In short, our purchase price (See Exhibit A-D) is in line with fair market value at $102.08. The assessed value is an excessive taking (See Exhibits F, G and H) by the Assessor.

The Assessor cannot *willy nilly* declare our property purchase an "Outlier Sale" without substantial supporting evidence using best accepted appraisal practices. We must restrain the Assessor from using improper appraisal methods to the detriment of commercial property owners and exposing the City and Borough of Juneau to liability.

Our property has been over assessed for more than ten (10) years.

<u>The Key Bank Building Brief Value History</u>

ASKING PRICE: $ 1,495,000 (June, 2021)

PURCHASE PRICE (Nov., 2021): $1,250,000

10-YEAR ASSESSED CAMA VALUE (est.): $2,300,000

2019 Assessed Land Value: $612,300

2020 Assessed Land Value: $587,800

2021 Assessed Land Value: $881,700

2022 Assessed Land Value: $864,066

On its face, our building has been over-assessed, and the prior Assessor exercised restraint to not overburden commercial property owners.

In accordance with the stated policy objectives of the Assessor's Office, by clear and convincing evidence there is no justification to set our property at a higher rate than the sale price.

WISHFUL STATEMENT THAT SHOULD APPEAR ON THE JUNEAU ASSESSOR'S WEBSITE REGARDING PROPERTY VALUE:

Model 1

SALES PRICE ALONG WITH OTHER FACTORS AND ADJUSTMENTS GO INTO MODELING. OUR ASSESSMENT MODEL IS AVAILABLE ON OUR WEBSITE.

Model 2 (Juneau Assessor Model)

Yet, in your letter to us and the public dated November 29, 2021 you state,

THE SALES DATA YOU PROVIDE WILL BE COMPILED WITH ALL OTHER SALES DATA IN ORDER TO DETERMINE ASSESSED VALUES USING STATISTICAL ANALYSIS. ***[Our property was excluded]***

THE ASSESSED VALUE FOR YOUR PROPERTY WILL NOT BE BASED SOLELY ON YOUR SALE PRICE AND IS NOT LIKELY TO BE THE SAME AS THE SALE PRICE. ***[This creates a false narrative because the assessed value should be close to the sale price with adjustments, if necessary]***

In conversations I have learned that the Seller, Key Bank, set the purchase price after determining they did not want the Key Bank Building sitting on the market without a sale for a long period of time.

Key Bank's decision-making reflects the true condition of the Juneau commercial real estate sub-market as the Assessor well knows: There are few sales of similar commercial property in downtown Juneau. The Assessor told me 13 out of 74 commercial property sales were disclosed to the Assessor in 2021. I can only assume the Assessor has not done their best to collect data.

Moreover, the Juneau Assessor practice of declaring our commercial property an "Outlier Sale," excluding it from the "Assessor's Property Tax Regulatory Scheme" and failing to use the Sales Approach as a place to find the Assessed Value is contrary to the best practices of assessors.

MAJOR FACTS CONTRARY TO OUTLIER SALE:

KEY BANK SOLD US THIS PROPERTY-A SOPHISTICATED BANKER AND REAL ESTATE ADVISOR *PROFESSIONALLY-QUALIFIED* TO ACCEPT THE BEST OFFER OF $1,250,000-KEY BANK WAS VERY HAPPY WITH THE SALE PRICE ACCORDING TO KAREN SNYDER OF KEY BANK AND FELT THEY RECEIVED A GOOD PRICE FOR THE BUILDING.

CARLTON SMITH, REAL ESTATE BROKER, PRODUCED A BROKER OPINION OF VALUE IN MAY, 2021 TO KEY BANK OF $1,495,000

KEY BANK IS A MOTIVATED SELLER-THIS IS NOT A DISTRESSED SALE

OUR ALL CASH OFFER WAS ATTRACTIVE TO KEY BANK BECAUSE THEY DID NOT HAVE TO INCLUDE A LOAN CONTINGENCY IN THE TRANSACTION. A LOAN CONTINGENCY MAY HAVE EXTENDED THE TRANSACTION DURATION AND MAY NOT HAVE BEEN OBTAINABLE FROM THE SECOND BUYER. OUR CASH OFFER WAS HIGHER THAN THE BACKUP OFFER, THEREFORE NO ADJUSTMENT TO THE SALE PRICE IS WARRANTED.

FLASH, FLASH, FLASH>>>>OUR TRANSACTION IS THE FAIR MARKET VALUE>>>> NOT TO MANY BUYERS, PRICE YOUR PROPERTY RIGHT TO GET IT SOLD>>>>Assessor Michael Dahle said in a phone call to me if he was still in the commercial property business he would have bought the Key Bank building because it was a great deal. The

question is not whether he would have bought the building at $1,250,000, but would he have bought the building at $2,600,000?

THERE ARE CHARACTERISTICS IN ARMS LENGTH REAL ESTATE TRANSACTIONS WHERE THE ADJUSTMENT TO VALUE MECHANISM IS A BEST PRACTICE.

OUR PROPERTY WAS BUILT IN 1914, THEREFORE IT HAS A SHORTENED LIFESPAN AND THE ASSESSED VALUE SHOULD BE ADJUSTED DOWNWARD.

If Model 1 above was used by the Assessor's Office, which is the accepted assessor method pursuant to Exhibits E and K, the Assessor would have used his toolbox to adjust the sale price accordingly because Key Bank is a motivated seller. There motivation was to avoid the costs of maintaining and operating a vacant building. Arguably, Key Bank wanted to avoid the same fate that has occurred to other commercial property owners, not selling (e.g. Assembly Building), in the small downtown commercial marketplace of Juneau.

Key Bank was no more motivated than other sellers who make a decision to sell property and want to move on and not incur further costs which come out of the selling price in the end.

Arguably, the Key Bank sale does not require any adjustment to Sales Price from the Assessor because Key Bank was motivated to sell. It takes a motivated Seller and motivated Buyer to consummate a sale.

By clear and convincing evidence, the Assessor has over-assessed the fair market values of commercial property in downtown Juneau for years.

ADJUST THE ASSESSOR MODEL: IT IS OVERBROAD AND WE HAVE ALREADY PAID OUR FAIR SHARE OF PROPERTY TAXES OVER THE YEARS.

CONCLUSION: THE POLICY OF THE ASSESSOR'S OFFICE IS OVERBROAD AND DOES NOT APPLY TO OUR PROPERTY.

ADJUST THE ASSESSOR MODEL: FEW COMMERCIAL SALES COMPARABLES. THEREFORE, EXCLUDING A SALE IS A DELICATE PROPOSITION.

ADJUST THE ASSESSOR MODEL: A WILLING SELLER WILL REDUCE THE SALES PRICE TO MAKE A SALE (COMPARE THE DOWNWARD TREND OF THE ASSEMBLY BUILDING OVER TIME AND OTHERS).

ADJUST THE ASSESSOR MODEL: HOW CAN YOU HAVE AN EFFICIENT MODEL WHEN EXCLUDING COMPARABLE COMMERCIAL PROPERTY? BY EXCLUDING OUR COMMERCIAL PROPERTY, OTHER COMMERCIAL PROERTY OWNERS ARE HARMED AND THE ASSESSOR MODEL IS NOT REPRESENTATIVE OF THE DOWNTOWN JUNEAU COMMERCIAL MARKET.

THE SALE PRICE WAS WEIGHTED DOWN BY THE FOLLOWING FACT: KEY BANK WANTED TO AVOID CARRYING THE PROPERTY WITH REAL ESTATE TAXES AND OPERATING AND MAINTAINING A VACANT BUILDING FOR A LONG PERIOD OF TIME. KEY BANK WAS MOTIVATED TO SELL THE BUILDING. THERE ARE NOT MANY BUYERS IN DOWNTOWN JUNEAU. YOU NEED A WILLING BUYER AND KEY BANK WAS CONCERNED NONE WOULD EMERGE IF THE SALE PRICE WAS TOO HIGH. THEREFORE, THE SALE PRICE WAS NOT AN ANOMOLY WHEN CONSIDERED APPRAISERS ADJUST FOR THE "AS-VACANT" AND "AS-IS" CONDITION OF OUR PROPERTY.

CONCLUSION: THE KEY BANK SALE MUST BE RELIED UPON BY THE ASSESSOR USING THE SALES APPROACH IN HIS MODEL.

MAJOR FACT: THE ASSESSOR MODEL IS FLAWED AND THE POLICY BEHIND IT IS UNRELIABLE.

ADJUST THE ASSESSOR MODEL: JUNEAU IS A SMALL TOWN, WITH A STAGNANT ECONOMY, WITH NO ROAD ACCESS OUTSIDE, WHERE INTEREST RATES HAVE BEEN HISTORICALLY LOW, WITH VERY LITTLE INFLATION AND APPRECIATION OF PROPERTY. WITHOUT EVIDENCE TO THE CONTRARY, WE ARGUE THAT THE PRIOR JUNEAU ASSESSOR WAS CORRECT IN NOT RAISING ASSESSMENTS.

THE ASSEMBLY IS FACING BUDGET SHORTFALLS BECAUSE OF THE PANDEMIC, THEREFORE THEY ARE INFORMED BUSINESS IS BAD, PEOPLE ARE WORKING FROM HOME, STORES ARE CLOSED, VACATED OR JUST GETTING BY AND THIS OBVIOUSLY IMPACTS INCOME. WITH INCOME DOWN TO BUSINESS OWNERS, IN A CITY WITH NO ROAD, THAT YOU CAN ACCESS ONLY BY BOAT OR PLANE WHICH EITHER ARE NOT OPERATING OR OPERATING AT A VERY REDUCED CAPACITY, IMPACTS INCOME IN A SUBSTANTIAL WAY AND SHOULD BE CONSIDERED IN ANY ASSESSOR MODEL.

Problem

ON ITS FACE, THE ASSESSOR, FINANCE OFFICE AND ASSEMBLY ACT AGAINST THE CONSTITUTION BY TARGETING A SMALL GROUP OF PROPERTY OWNERS TO RAISE REVENUE FOR IMPROVEMENTS FOR ALL CITIZENS OF JUNEAU WITHOUT JUSTIFICATION.

Sales reflect real values. A sale is not an "outlier sale" because it skews the Assessor's Model OUT OF RANGE. It is bad faith and

punitive to exclude sales that are Market Sales. In this case, the model is prima facie wrong. Our so-called "Outlier Sale" is the market and the Assessor's Model is an "Outlier Model." An "Outlier Model" does not follow customary and standard assessor procedure such as using the Sales Approach in your model. Why does the Assessor's office wish to destroy the property owners in the business community.

Does the Assessor and Finance Office have an appreciation for how hard the Juneau business commercial property owners and residential owners have worked to own property and rely on consistency to make assumptions about continuing to operate their business. Switching from the Coast Approach to the Goven Method and other methods by Assessor prevents us from being able to forecast our commercial property taxes.

THE ASSESSOR MUST REACH OUT TO COMMERCIAL PROPERTY OWNERS AND DEVISE A FAIR COMMERCIAL PROPERTY TAX ASSESSMENT SCHEME WITH THE HELP OF THE ASSEMBLY.

NOW THAT DATA IS AVAILABLE, THE ASSESSOR REFUSES TO USE IT.

USE THE SALES PRICE, AS FOLLOWS:

We have a Pro Forma Model and estimated our taxes before we purchased the Key Bank property and provided the same to the Assessor when we disclosed our sales price in a timely manner. We estimated the assessed value as follows:

Sale Price; $1,250,000
Furnishings, Fixtures & Equipment: <$17,085>
Closing Fee: <$300>
Recording: <$40>
Assessed Value: $1,232,575
Property Tax Assessed Estimate Rate: 1.1%
Forecasted Property Tax Bill: $13,558

2022 Assessed Value: $2,547,520
Site: $864,066
BLDG: $1,683,454
Millage Rate: $10.56 per $1,000 of property value
Estimated Assessor Property Tax Bill: $ 26,902

Never in our wildest forecasting did we expect to pay double our estimate of taxes at 1.1%. Our forecast was $13,558 in property taxes. Our property tax bill is $$$$$$$$$.

PROPERTY VALUE IS EXCESSIVE/OVERVALUED-No one better equipped to establish the fair market value than the EXPERT! Key Bank is the expert on lending and financial matters. They exposed the property to the open market. Two buyers emerged. An arms- length transaction was done between a willing buyer and willing seller. This is a textbook example of fair market value! Redress this wrong regulatory scheme and use the sales price to determine value. Our property assessment is excessive and overvalued by about double what it should be.

PROPERTY VALUE IS UNEQUAL TO SIMILAR PROPERTIES-The Assessor determine without justification our property is an "Outlier Sale." It is not an "Outlier Sale." The sale price reflects the value. The property was unfairly excluded from the "Assessor's Property Tax Regulatory Scheme" because this is the wrong methodology to use for the Key

Bank Building and other historic buildings in Juneau. The Sales Approach is universally agreed to be the best practice with the Mass Appraisal Method and best for treating similar property equally.

PROPERTY IS VALUED IMPROPERLY/INCORRECTLY-The Assessor cannot arbitrarily double the assessed value of our property when the Assessor used the Cost Approach one (1) year earlier to establish lower commercial property values. The commercial property values did not increase by double in one (1) during Covid. The City regulatory scheme is improper and must be voided. The correct assessed value for our property $1,232,575.

MISCELLANEOUS VALUE-INAPPROPRIATE ASSESSMENT IN ERROR

$54,400 IS ATTRIBUTED TO MISCELLANEOUS VALUE. IT IS EXPLAINED BY THE ASSESSOR TO ME, AS FOLLOWS:

a. The Storage Area-Included in the 12,245 SF the Assessor uses. Illegal to double assess.
b. The Canopy-Does not exist as SF.
c. An Enclosed Porch-Does not add to SF and actually reduces SF; wrong to assess
d. The Vault-should not be included as part of 12,245 SF already; obsolete; not usable as we contemplate and prepare for repurposing the building; cost to demolish and disposal should be subtracted from assessment at Twenty-five Thousand Dollars ($25,000).

THE MISCELLANEOUS VALUE ASSESSMENTS CONSTITUTES CLEAR ERROR AND MUST BE REFUNDED TO US.

The Assessor has made a "substantial error" in assigning any assessed value to Miscellaneous Value. We are entitled to be REFUNDED by the

Assessor for the Years 2018-2022 at $54,400 x 4 Years=$217,600 x Mill Rate of 10.56 (See Exhibit C) in the amount of $ 2,297.86

FAIR MARKET VALUE=$1,232,575
Less: Cost to Remove Vaults <$25,000>
ADJUSTED FAIR MARKET VALUE=$1,207,575

SUMMARY

The City and Borough of Juneau "Assessor's Property Tax Regulatory Scheme" of increasing property assessments without due process is a violation of section 1983 of the constitution and constitutes a taking without just compensation to all property owners similarly situated.

The "Assessor's Property Tax Regulatory Scheme" is designed on its face to shift the tax burden from all citizens to a small group of commercial property owners. The small group of commercial property owners is paying to renovate the Augustus Brown Pool at $3.3 million dollars. I love the pool and swim in it often. My great grandfather, Charlie Goldstein, donated to its original construction. But, it is not within the accepted "police powers" of the City to place this tax burden on a small group of commercial property owners alone. The pool renovations must be paid for by all citizens. Commercial property owners must have their assessed property values returned to 2020 levels and/or in accordance with the Sales Approach.

The City and Borough of Juneau by their own news releases and admissions reports:

Business during the 2020-2022 pandemic was down in Juneau a city you must arrive at via airplane or boat. During the pandemic many people traveled by car. This was not possible for Juneau. Large cruise ship business was lost. Tourism was way down. Tourists were not flying. Sales tax revenues were way down. The City attested business was down, income was down, tourism was down, visitor traffic was down, large cruise ship traffic was down, stores were closed or barely hanging on, restaurants went of business, people were out of the office, trends shifted and remote work is more prevalent causing office vacancies.

What did the Assessor Office do?

THEY CREATED (*EMPHASIS ADDED*) a fairy tale of "A SUBSTANTIAL GROWTH IN PROPERTY VALUATIONS…."

THEY CREATED (*EMPHASIS ADDED*) a fairy tale of "A CONSIDERABLE ADJUSTMENT TO THE VALUE OF COMMERCIAL LAND."

Amen, the City brags about taking rights away from a small group of community-minded commercial property-owning citizens.

Reality dictates the Assessor must make substantial lower property adjustments across the board to property assessments using the Sales Approach.

The City proudly promoted they reduced the tax rate. Now, it is time to promote lower the assessed property values based on a Sales Approach. Our property was never under assessed.

There is a tax burden to be shared by all citizens of Juneau not just property owners.

My family have been proud owners of property in Juneau for over 100 years and the tax you impose may very well impact our family for another 100 years which would come to more than we paid for the property.

FINAL SUMMARY

It is a best and widely accepted practice to use the Sales Approach with the Mass Appraisal Method (See Exhibits E, K-P).

The Cost Approach may be used for newer buildings, personal property and fixtures. Downtown Juneau consists mainly of historic commercial property. The Cost Approach is not a best practice to use here (See Exhibits O and P).

The Income Approach may be used where there is a reliable method to capture an income stream. Where a building is sold to be re-purposed there is no known income stream and considerable cost to upgrade the build from obsolescence to market conditions.

By clear and convincing proof the Assessor's model is a mistake and fails to use widely accepted best practices when determining value.

The Cost Approach to value has misrepresented the value of the Key Bank Building for over ten (10) years.

The Sales Approach to Value with the Mass Appraisal Method is settled as a matter of law and results in a value of:

$1,250,000

Additional adjustments to value we propose as:

Sale Price; $1,250,000
Furnishings, Fixtures & Equipment: <$17,085>
Closing Fee: <$300>
Recording: <$40>
Assessed Value: $1,232,575
Less: Miscellaneous Value <$2,297.86>
Less: Mechanical Repairs & Cost to Cure <$200,000>
Less: Vault Removal <$25,000>

Adjusted Assessed Value: $1,005,277

Repurposing the building, bringing the building from obsolete to current market conditions requires expense.

THE ASSESSOR'S OFFICE MUST BE INSTRUCTED TO USE THE SALES APPROACH TO VALUE WITH THE MASS APPRAISAL METHOD AND RECALCULATE ASSESSED COMMERCIAL PROPERTY VALUES FROM JANUARY 1, 2021 AND ROLLBACK COMMERCIAL PROPERTY ASSESSED VALUES IN ACCORDANCE WITH THE SALES APPROACH.

Rejoinder: On March 22, 2022 I received a friendly email from Michael Dahle, Assessor, City and Borough of Juneau. He has a section entitled, General Question (See Exhibit J, p.2), which indicates to me he agrees with the Final Summary. He asks will another bank occupy the space or will you repurpose the building. Therefore, he cannot use the Income Approach because on January 1 he did not know the use or type of tenant for the building. He knows the building was built in 1914 and remodeled in 2007-08 and has a shortened lifespan therefore the Cost Approach should not be used. Therefore, he must use the Sales Approach because we have a sale from a willing buyer and willing seller at arms length completing a transaction in the open market where the property was exposed through many channels.

IN ACCORDANCE WITH "ALASKA STATUTE 29.45.110. FULL VALUE AND TRUE VALE. (a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS

29.45.060, and 29.45.230.The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and prevailing general price levels."

AS A MATTER OF LAW, THE SALES APPROACH MUST BE

USED WITH THE MASS APPRAISAL METHOD OR ANY ASSESSOR METHOD.

[THIS ALASKA STATUTE DOES NOT SAY USE THE COST APPROACH OR INCOME APPROACH.]

A PLAIN READING OF THIS STATUE EXPOSES THAT THE ASSESSOR HAS NOT FOLLOWED ALASKA STATUTE 29.45.110 IN THE LAST TEN (10) YEARS OR IN VALUING THE KEY BANK BUILDING THIS YEAR, AS FOLLOWS:

A. VALUE OF KEY BANK BUILDING ON JANUARY 1, 2022-SALE ON NOVEMBER 15, 2021 AT $1,250,000
B. FULL AND TRUE VALUE-YES; COMPETING OFFERS. OFFERRED FOR SALE AT $1,495,00
C. ESTIMATED PRICE THE PROPERTY WOULD BRING-SEE THE CLOSING STATEMENT
D. OPEN MARKET-SEE MARKETING HEREIN
E. UNDER THE PREVAILING MARKET CONDITIONS-YES; COVID HAS SHIFTED VALUES PERMANENTLY WITH CHANGED COMMERCIAL BEHAVIORS. THE ASSESSOR'S GENERAL QUESTION, IN EXHIBIT I, IS A MUSING ABOUT THE REAL ESTATE MARKET SUPPORTING THE PROPOSITION WE HAVE A GOOD CHANCE OF REPLACING KEY BANK WITH A NEW A BANK TENANT. TO DATE, THIS HAS NOT BEEN THE CASE.
F. WILLING SELLER AND WILLING BUYER-KEY BANK AND GOLDSTEIN IMPROVEMENT FIT THIS DESCRIPTION AS HEREIN

G. CONVERSANT WITH THE PROPERTY-KEY BANK IS A REAL ESTATE EXPERT AND GOLDSTEIN IMPROVEMENT COMPANY HAS OWNED AND MANAGED SIMILAR COMMERCIAL PROPERTY NEAR THE SUBJECT PROPERTY

H. PREVAILING GENRAL PRICE LEVELS-THE LEASING MARKET IS WEAK PER CARLTON SMITH

THEREFORE, THE ASSESSOR MUST RETURN TO FOLLOWING ALASKA STATUTE 29.45.110 AND BE INSTRUCTED TO REASSESS COMMERCIAL PROPERTY UNDER THIS STANDARD.

EXHIBITS

A Disclosure of Purchase Price to Assessor; FF&E; Closing Statement

B City and Borough of Juneau Assessment Card

C CBJ Mill Rate

D Mandatory Disclosure Letter from City and Borough of Juneau Letter Dated November 29, 2021

E Alaska Statute 29.45.110 Full and True Value **(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230.The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and prevailing general price levels."**

F News Release from City and Borough of Juneau, Budget, June 15, 2021

G Sintra, Inc v City of Seattle

H Supreme Court Allows Immediate Filing of 1983 Claims for Takings Clause Violations

I Michael Dahle Email to Greg Adler dated March 21, 2022

J Michael Dahle Email to Greg Adler dated March 22, 2022

K **Standard on Mass Appraisal of Real Property, IAAO, International Association of Assessing Officers, 2017. Entire text. In particular, paragraph 4.3 The Sales Comparison Approach is the "Preferred Approach" when using the Mass Appraisal Method**

L State of Washington, Homeowner's Guide to Mass Appraisal

M Chapter 2, Mass Appraisal Module Topics and Objectives, Assessment Administration Law, Procedures and Valuation, Rev. 01/22

N Mass Appraisal models are commonly based on the sales comparison approach

O The Cost Approach to Value is the Method of Valuation Used Most Often to Value Assessable personal property and fixtures

P The Cost Approach to Value is Best Used When The Property in Question is Newer

Q Sales Comparables to Subject Property From California Title Company

R Key Bank Grabs Servicer Title from Wells Fargo Bank; Key Bank Dominant Master Server in the United States Commercial MBS Market; Key Bank Expert and Uniquely Qualified to Provide Real Estate Valuation Services and Financial Advice

S Costs to Cure: Mechanical and Related Work ($225,000) and Functional Obsolescence to Remove, Dispose and Repair Vault Areas ($25,000)

EXHIBIT A

CHICAGO TITLE INSURANCE COMPANY

Chicago Title Insurance Company
1111 Superior Ave, Suite 600
Cleveland, OH 44114-2541
Phone: 216-696-1275 Fax: 216-696-8107

Settlement Statement

Estimated Date of Closing November 15, 2021
Disbursement Date: November 15, 2021
Order Number: 2137280348
Escrow Officer: Linda Podojil
Buyer: Goldstein Improvement Company, an Alaska Corporation
426 East Rustic Road
Santa Monica, CA 90402
Seller: KeyBank National Association, a national banking association
100 Public Square, Suite 600
Cleveland, OH 44113
Lender:
Property: 234 Seward Street
Juneau, AK 99801

Seller Debit	Seller Credit		Buyer Debit	Buyer Credit
		Sale Price		
	1,250,000.00	Purchase Price	1,250,000.00	
		Deposits		
		Earnest money deposit		50,000.00
		Additional deposit in escrow		1,204,097.50
		Commissions		
30,750.00		Commission to Jones Lang Lasalle		
32,370.00		Commission to The Carlton Smith Company		
		Prorations/Adjustments		
	3,458.28	Prorate Taxes- Parcel 1C070A050060 46 days @ 75.18 per day at $27,439.10 11/16/21-01/01/22	3,458.28	
66.26		Prorate Water 15 days @ 4.417 per day at $132.51 11/01/21-11/15/21		66.26
132.51		Credit Water 10-1-2021 to 11-1-2021		132.51
		Title Charges		
400.00		Closing Fee	300.00	
3,407.00		Owner's Policy Premium		
50.00		Deed prep Fee		
400.00		Additional parcel Search Fee (need invoice)		
		Recording Charges		
		Deed Recording Fee to Alaska Escrow and Title Insurance Agency, Inc.	40.00	
150.00		Declaration Recording Fee to Alaska Escrow and Title Insurance Agency, Inc.		

Settlement Statement

APPROVED AND ACCEPTED
The undersigned has/have carefully reviewed the Master Statement and to the best of its/his/her/their knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on its/his/her/their account or by it/him/her/them in this transaction. The undersigned further certifies that it/she/he/they has/have received a copy of the Master Statement.

BUYER

Goldstein Improvement Company, an Alaska Corporation

BY: _____

Its: Vice-President

SELLER

KeyBank National Association, a national banking association

BY: _____
Diane Mannarino
Vice President

To the best of my knowledge, the Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Chicago Title Insurance Company

BY: _____
Chicago Title Insurance Company

Settlement Statement

Seller Debit	Seller Credit		Buyer Debit	Buyer Credit
		Miscellaneous Charges		
132.51		Pay Water Bill to City and Bureau of Juneau		
67,858.28	1,253,458.28	**Subtotals**	1,253,798.28	1,254,296.27
1,185,600.00		**Balance Due TO Seller/Buyer**	**497.99**	
1,253,458.28	1,253,458.28	**Totals**	1,254,296.27	1,254,296.27

See signature page to follow

Settlement Statement

APPROVED AND ACCEPTED

The undersigned has/have carefully reviewed the Master Statement and to the best of its/his/her/their knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on its/his/her/their account or by it/him/her/them in this transaction. The undersigned further certifies that it/she/he/they has/have received a copy of the Master Statement.

BUYER

Goldstein Improvement Company, an Alaska Corporation

BY: _____

Its: Vice-President

SELLER

KeyBank National Association, a national banking association

BY: _____

Diane Mannarino
Vice President

To the best of my knowledge, the Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Chicago Title Insurance Company

BY: _____

Chicago Title Insurance Company

KEY BANK BUILDING-FURNISHINGS, FIXTURES AND EQUIPMENT

234 SEWARD STREET, JUNEAU ALASKA

The following furnishings, fixtures and equipment are in good condition and do not show excessive wear and tear:

Carpet-$2500
Light fixtures-$2,000
Table-$500 (1)
File cabinet-$50 (1)
Wood bookcase-$100 (2)
Credenza-$600 (12)
Office desk large w/ glass top-$7,000 (7)
Chairs-$200 (8)
Chairs ergonomic-$600 (6)
Conference table oval-$2,100 (3)
Conference table chairs-$450 (18)
Round kitchen table-$75
Kitchen table chairs-$50 (2)
Formal chairs-$850 (17)
Trash cans-$10 (10)

Totals-$17,085.

Therefore,

Purchase Price-	**$1,250,000**
Furnishings, Fixtures & Equipment-	**<$17,085>**
Closing Fee-	**<$300>**
Recording-	**<$40>**
Sales Price-	**$1,232,575**

KEY BANK BUILDING-FURNISHINGS, FIXTURES AND EQUIPMENT

234 SEWARD STREET, JUNEAU ALASKA

The following furnishings, fixtures and equipment are in good condition and do not show excessive wear and tear:

Carpet-$2500
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Conference table chairs-$450 (18)
Round kitchen table-$75
Kitchen table chairs-$50 (2)
Formal chairs-$850 (17)
Trash cans-$10 (10)

Totals-$17,085.

CHICAGO TITLE INSURANCE COMPANY

1111 Superior Ave, Suite 600
Cleveland, OH 44114-2541
Phone: 216-696-1275 / Fax: 216-696-8107

Goldstein Improvement Company, an Alaska Corporation
426 East Rustic Road
Santa Monica, CA 90402

Date: December 6, 2021
Escrow No.: 2137280348
Buyer(s): Goldstein Improvement Company, an Alaska Corporation
Seller(s): KeyBank National Association, a national banking association
Property: 234 Seward Street
Juneau, AK 99801

Dear Goldstein Improvement Company, an Alaska Corporation:

In connection with the above captioned escrow transaction, enclosed herewith please find the following:

- Original FIRPTA Certificate
- Original Quitclaim Bill of Sale

If you should have any questions or concerns, please do not hesitate to contact me.

Thank you for using Chicago Title Insurance Company.

Sincerely,

Linda M. Podojil

Linda Podojil
Commercial Escrow Officer, AVP
Linda.Podojil@CTT.com

Enclosure(s)

FIRPTA CERTIFICATE

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations). To inform GOLDSTEIN IMPROVEMENT COMPANY, an Alaska corporation (the "Transferee"), that withholding of tax is not required upon the disposition of a U.S. real property interest by KEYBANK NATIONAL ASSOCIATION, a national banking association (the "Transferor"), Transferor, being first duly sworn, hereby certifies the following:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder).

2. Transferor's U.S. taxpayer identification is 34-0797057.

3. Transferor's office address is:

127 Public Square
Cleveland, Ohio 44114

4. Transferor is not a disregarded entity as defined in § 301.7701-3 of the Income Tax Regulations.

Transferor understands that this Certificate, as required by §1.1445-2-(b)(2)(iii) of the Income Tax Regulations, may be disclosed to the Internal Revenue Service by Buyer and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury the undersigned declare that the undersigned has examined this Certificate and to the best of the knowledge and belief of the undersigned, it is true, correct and complete, and the undersigned further declares that the undersigned has the authority to sign this document on behalf of Transferor.

Dated: November 15, 2021.

KEYBANK NATIONAL ASSOCIATION, a national banking association

By: Diane Mannarino
Diane Mannarino, Vice President

QUITCLAIM BILL OF SALE

KEYBANK NATIONAL ASSOCIATION, a national banking association ("Seller"), in consideration of TEN DOLLARS ($10.00), receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and quitclaim to **GOLDSTEIN IMPROVEMENT COMPANY**, an Alaska corporation ("Buyer"), all of Seller's right, title and interest in all fixtures and personal property located on the real property described on Exhibit A (the "Personal Property").

ALL OF THE PERSONAL PROPERTY IS SOLD AND TRANSFERRED HEREUNDER "AS-IS, WHERE-IS" AND WITHOUT WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS, AND ALL SUCH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED AND EXCLUDED.

[Signatures appear on following page.]

IN WITNESS WHEREOF, Seller has executed this instrument as of November 15, 2021.

SELLER:

KEYBANK NATIONAL ASSOCIATION, a national banking association

By: Diane Mannarino
Diane Mannarino, Vice President

EXHIBIT A

Description of the Real Property

Lots 5, 7 and 8, Block 5, Townsite of Juneau, Juneau Recording District, First Judicial District, State of Alaska.

Excepting Therefrom that portion conveyed to the State of Alaska by deed recorded September 10, 1971 in Book 98 at Page 350.

EXHIBIT B

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

OFFICE OF THE ASSESSOR

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

IDENTIFICATION # 1C070A050060	REAL PROPERTY VALUE
JUNEAU TOWNSITE BL 5 LTS 5, 7 & 8	SITE: $864,066 BLDG: $1,683,454
PROPERTY TAX YEAR 2022	TOTAL REAL PROPERTY VALUE $2,547,520
MAILING DATE 3/8/2022	TOTAL EXEMPT $0
APPEAL FILING DEADLINE 4/7/2022	TOTAL TAXABLE $2,547,520
B.O.E. MEETING DATE 5/5/2022	ADDRESS SERVICE REQUESTED

*** IMPORTANT ***

Please review the back of this notice for information regarding your valuation and the appeal procedure. Make sure you keep this notice for your records. Please contact us if your mailing address is incorrect.

To:
GOLDSTEIN IMPROVEMENT COMPANY

426 E RUSTIC RD
SANTA MONICA, CA 90402

*** THIS IS NOT A TAX BILL ***

NOTICE OF ASSESSED VALUE

ATTENTION OWNER:

1. This card is your annual notice of the Assessor's determination of the fair market value of your property as of January 1, of the current tax year. Taxes are calculated on this assessed value times the millage rate. The millage rate is set by the Assembly by June 15 of each year.
2. If you find that the estimate of value contains errors or omissions, you must file a petition with the Assessor's Office for a review.
3. If you and the Assessor cannot agree as to value, you have the right of appeal to the **Board of Equalization (BOE)**. In order to appeal, you must file a written petition to appear before the BOE. Petitions are available at the Assessor's Office and must be filed with the Assessor on or before the BOE filing deadline on the front of this card. State statute provides that the appellant bears the burden of proof. You must provide any verifiable information you have that would support your basis for appeal. The BOE will be held at the City and Borough Assembly Chambers, 155 South Seward Street on the date shown on the front of this card.
4. If you have any questions, or need assistance, please stop by the Assessor's Office in Room 114 of the Municipal Building at 155 South Seward Street, Juneau, or call at (907) 586-5215. Please use the Identification Number on the other side of this card when referring to this property.

TAX BILLS MAILED JULY 1st TAXES DUE SEPTEMBER 30th

EXHIBIT C

CBJ Mill Rate

The adopted operating mill levy for FY22 is 9.36 mills, a decrease over FY21 of 0.10 mills. The FY22 debt service mill levy is 1.20 mills, flat over FY21. This brings the total FY22 mill levy to 10.56, which is a reduction of 0.10 mills from FY21.

The CBJ has three overlapping taxing areas (Areawide, Roaded and Fire) plus a separate debt service mill levy. Property may be subject to taxation based on one, two, or all three of these levies, plus the debt service mill levy. Approximately 90.2% of taxable property is subject to the combined overlapping mill levy for the three taxing areas. A levy of one mill, assessed borough-wide, generates approximately $5.4 million in property tax revenues.

Understanding the mill rate: One mill is equal to one tenth of one percent (0.1%). In terms of dollars, one mill equals $1 per thousand dollars in taxable property value. The current mill rate is 10.56. That means that for every $1,000 in taxable property value, there is a tax of $10.56.

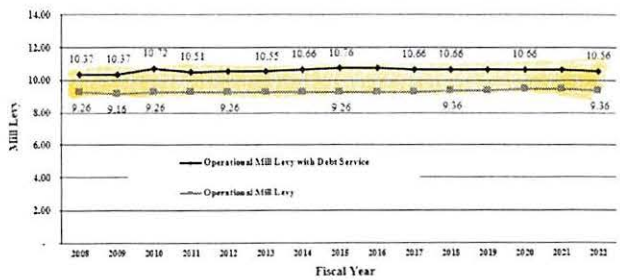
In 1995, the CBJ voters approved a 12-mill operational property tax levy restriction on taxable property. This means that the City Assembly cannot raise the mill rate above 12 mills ($12 for every $1,000 in taxable property value) to support general government operations. This restriction does not apply to tax levies for the debt service on general obligation bonds. Debt service is the amount required to cover the repayment of interest and principal on voter-approved bonds and is in addition to the operational mill levy.

Applying the mill rate: This example assumes $300,000 in taxable property, located in all three operational areas (Areawide, Roaded, and Fire Service).

- $300,000 (property value) = 300 (number of thousands) x $1,000
- 300 (number of thousands) x 10.56 (total mill rate) = $3,168 (annual property tax)
- Of that $3,168 in property tax:
  - $2,808 per year or $234 per month helps support all aspects of local government including schools, police, fire protection, roads and sidewalks, libraries, parks, recreational opportunities, public transportation, etc.
  - $360 per year or $30 per month pays for the voter-approved bonds

Mill Levy

	FY19	FY20	FY21	Adopted FY22
Operational				
Areawide	6.70	6.70	6.70	6.60
Roaded Service Area	2.30	2.45	2.45	2.45
Capital City Fire/Rescue	0.36	0.31	0.31	0.31
Total Operational	**9.36**	**9.46**	**9.46**	**9.36**
Debt Service	1.30	1.20	1.20	1.20
Total Mill Levy	**10.66**	**10.66**	**10.66**	**10.56**
Mill Change	–	–	–	(0.10)
% Change	–	–	–	(0.01)



© 2001-2022 City and Borough of Juneau

what is the millage rate in juneau alaska

All Images Videos News More Anytime

How much is the average real estate tax in Juneau Alaska?

The typical annual real estate tax payment **in the** borough **is** $1,595. **Juneau is the** capital city of **Alaska**, but it's only reachable by plane or boat. **The** city **is** hemmed **in** by **the** Coast Mountains, which limits **the** amount of space that's available.

smartasset.com › taxes › alaska-property-tax-calculator

Alaska Property Tax Calculator - SmartAsset

juneau.org › finance › sales-tax

Finance – CBJ Mill Rate – City and Borough of Juneau

The current mill **rate** is 10.56. That means that for every $1,000 in taxable property value, there is a tax of $10.56. In 1995, the CBJ voters approved a 12-mill operational property tax levy...

doa.alaska.gov › dof › travel

January 2021, E-Travel News, Travel - Alaska

Beginning on January 1, 2021, the standard **mileage rate** for the use of a car (also vans, pickups or panel trucks) will decrease to $0.56 per mile driven for business use. The following reference...

People also ask

How much is the average real estate tax in Juneau Alaska?

What is the average property tax rate in Kenai Alaska?

What does 30 a mill mean in Alaska?

A mill **is** equal to $1 of tax for every $1,000 **in** assessed value. So, for example, if your home **is** worth $100,000 and your total mill **rate is** 30, your tax will be $3,000. **The** table below shows tax rates and average annual payments for all **Alaska** municipalities and boroughs that collect property tax.

Alaska Property Tax Calculator - SmartAsset
smartasset.com/taxes/alaska-property-tax-calculator

See all results for this question

How are property taxes determined in Alaska?

www.labor.alaska.gov › wc › bulletins

REFERENCE - Alaska

Effective January 1, 2020, the mileage reimbursement rate when using a privately owned vehicle within Alaska is **$0.575 per mile.** See the revised Alaska Department of Administration POV Rat...

smartasset.com › taxes › alaska-property-tax-calculator

Alaska Property Tax Calculator - SmartAsset

The average effective property tax **rate** in the Kenai Peninsula Borough is just 0.67%, which is quite low. The typical annual real estate tax payment in the borough is $1,595. **Juneau** City and...

Related searches

- **wisconsin property tax mill rates projectelimination0.55**
- what is the millage rate in juneau alaska **today**
- what is the millage rate in juneau alaska **2020**
- what is the millage rate in juneau alaska **2019**
- what is the millage rate in juneau alaska **map**
- millage rate **definition**
- what is **a** millage rate

EXHIBIT D

CITY AND BOROUGH OF JUNEAU
Address: 155 Municipal Way, Juneau, AK 99801
Phone: 907-586-5215, Fax: 907-586-4520

Date: November 29,2021

GOLDSTEIN IMPROVEMENT COMPANY
426 E RUSTIC RD
SANTA MONICA CA 90402

RE: Mandatory Disclosure

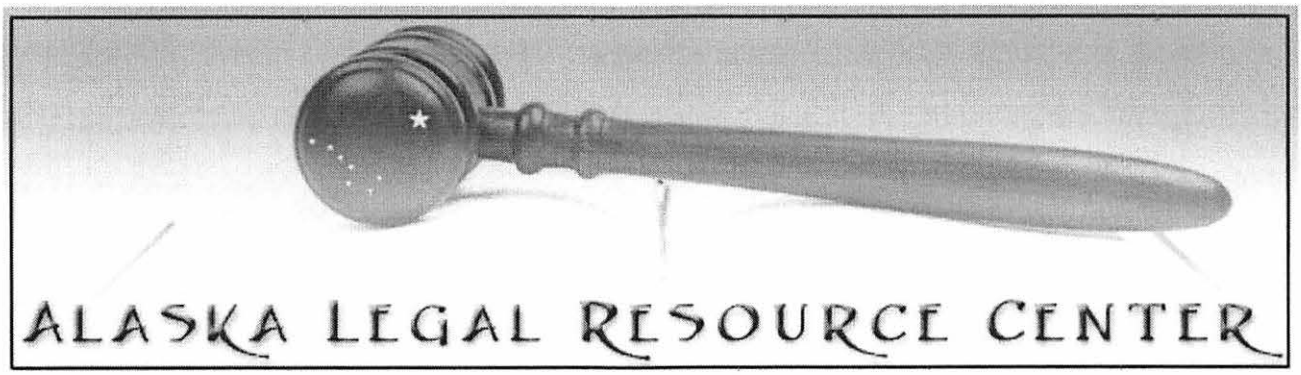
Dear GOLDSTEIN IMPROVEMENT COMPANY

You are receiving this letter because you recently purchased property in the City and Borough of Juneau. On October 26, 2020 the City and Borough Assembly voted to require mandatory disclosure of sale prices of property. This law requires those who purchase property in the City and Borough of Juneau to disclose to the Assessors office how much they paid for their property. There are exceptions to the requirement to disclose the sale price of your property. These exceptions include sales that are not typical market value transactions wherein the sale price is likely lower than it would be if the previous owner had sold the property to someone else. Exceptions also include situations such as sales between close family members, sales between associated business, sales for delinquent taxes or assessments, and sales that constitute a gift. The enclosed form includes a full list of the exceptions. If your transaction was a result of one of these circumstances, please identify which, then sign and return the form to our office. If your transaction does not fall into one of the specific categories you are required to complete the whole form, sign it and return it to our office.

Please complete the enclosed form and return it to the Assessor office by email at Assessor.Office@juneau.org, fax (907) 586-5215, mail or in person. You can also complete the form electronically by going to Juneau.org/finance/assessor-forms choosing Ownership Record Update Forms, then Disclosure Form Buyer.

The price you paid for your property will remain confidential. Only the date of the transaction will be included in the information available to the public. The sales data you provide will be compiled with all other sales data in order to determine assessed values using statistical analysis. The assessed value for your property will not be based solely on your sale price and is not likely to be the same as the sale price.

EXHIBIT E



Case Law

Statutes, Rules & Regulations

Constitutions

Miscellaneous

Search

Bright Solutions IT Help & Forensics (907)338-8188

Touch N' Go Desktop In/Out Board

Alaska Statutes.

Title 29. Municipal Government

Chapter 45. Municipal Taxation

Section 110. Full and True Value.

previous: Section 105. Errors in Taxation Procedures.
next: Section 120. Returns.

AS 29.45.110. Full and True Value.

(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060 , and 29.45.230. The full and true value is the estimated price that

the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

(b) Assessment of business inventories may be based on the average monthly method of assessment rather than the value existing on January 1. The method used to assess business inventories shall be prescribed by the governing body.

(c) In the case of cessation of business during the tax year, the municipality may provide for reassessment of business inventories using the average monthly method of assessment for the tax year rather than the value existing on January 1 of the tax year, and for reduction and refund of taxes. In enacting an ordinance authorized by this section, the municipality may prescribe procedures, restrictions, and conditions of assessing or reassessing business inventories and of remitting or refunding taxes.

(d) The provisions of this subsection apply to determine the full and true value of property that qualifies for a low-income housing credit under 26 U.S.C. 42:

(1) when the assessor acts to determine the full and true value of property that qualifies for a low-income housing credit under 26 U.S.C. 42, instead of assessing the property under (a) of this section, the assessor shall base assessment of the value of the property on the actual income derived from the property and may not adjust it based on the amount of any federal income tax credit given for the property; for property the full and true value of which is to be determined under this paragraph, to secure an assessment under this subsection, an owner of property that qualifies for the low-income housing credit shall apply to the assessor before May 15 of each year in which the assessment is desired; the property owner shall submit the application on forms prescribed by the assessor and shall include information that may reasonably be required to determine the entitlement of the applicant;

(2) the governing body of the municipality shall determine by ordinance whether the full and true value of all property within the municipality that first qualifies for a low-income housing credit under 26 U.S.C. 42 on and after January 1, 2001 shall be exempt from the requirement of assessment under (1) of this subsection; thereafter, for property that first qualifies for a low-income housing credit under 26 U.S.C. 42 on and after January 1, 2001 and that, by ordinance, is exempt from the requirement of mandatory assessment under (1) of this subsection, the governing body

(A) may determine, by parcel, whether the property shall be assessed under (a) of this section or on the basis of actual income derived from the property without adjustment based on the amount of any federal income tax credit given for the property, as authorized by (1) of this subsection; and

(B) may not, under (A) of this paragraph, change the manner of assessment of the parcel of property if debt relating to the property incurred in conjunction with the property's qualifying for the low-income housing tax credit remains outstanding.

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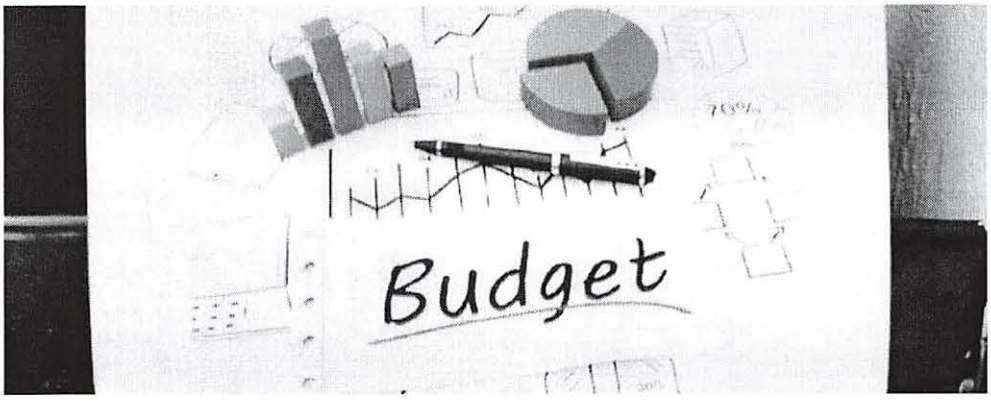
Note to HTML Version:

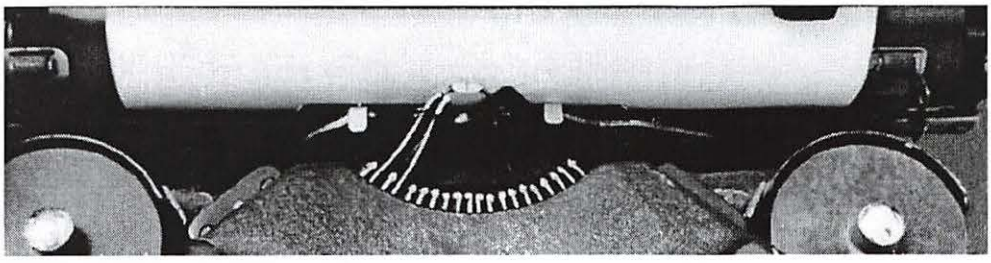
This version of the Alaska Statutes is current through December, 2007. The Alaska Statutes were automatically converted to HTML from a plain text format. Every effort has been made to ensure their accuracy, but this can not be guaranteed. *If it is critical that the precise terms of the Alaska Statutes be known,*

it is recommended that more formal sources be consulted. For statutes adopted after the effective date of these statutes, see, Alaska State Legislature If any errors are found, please e-mail Touch N' Go systems at E-mail. We hope you find this information useful.

This page has been updated: 04/23/2015 14:25:52

EXHIBIT F





Juneau Assembly passes budget reducing the property tax rate

June 15, 2021 – News

After two months of budget work by the Assembly Finance Committee, the Juneau Assembly passed the Fiscal Year 2022 budget at Monday night's Regular Assembly Meeting. The Assembly voted to lower the property tax rate from 10.66 mills to 10.56 mills – the lowest property tax rate since 2013. The new budget, which begins July 1, expands the Assembly's support for childcare services and also restores money to the Capital Improvement Plan, including improvements to the Augustus Brown Pool.

The $420.9 million budget includes reduced projections of sales tax revenues and cruise ship passenger fees in anticipation of limited large cruise ship visitation this current summer. To offset these depressed revenues, the budget utilizes CBJ's $12.8 million allocation of federal stimulus funds from the American Rescue Plan Act to replace lost revenues in FY21 and FY22. Application of this federal aid to offset lost revenues in FY21 reduced the anticipated $2.8 million deficit to zero, and in FY22 reduces the projected $15.8 million deficit to $5.9 million.

Despite being faced with a deficit, the Assembly maintained all essential city services while lowering the property tax rate to 10.56 mills. Even with the lower property tax rate, CBJ will collect approximately $3.0 million more in property tax revenue in FY22 as a result of a substantial growth in property valuations, including a considerable adjustment to the value of commercial land. The Assembly still needed to draw from savings to cover a remaining budgetary shortfall.

The Assembly also restored $6.9 million of temporary reductions to the Capital Improvement Plan that were made in FY21 to balance the budget, including the $3.3 million Augustus Brown Pool deferred maintenance project.

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EXHIBIT G

JUSTIA

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Sintra, Inc. v. City of Seattle

119 Wn.2d 1 (1992)

829 P.2d 765

SINTRA, INC., ET AL, Appellants, v. THE CITY OF SEATTLE, ET AL, Respondents.

No. 57029-9.

The Supreme Court of Washington, En Banc.

May 14, 1992.

Richard B. Sanders, for appellants.

Mark H. Sidran, City Attorney, and Miriam Reed, Assistant, for respondents.

Ronald J. Zumbrun, Edward J. Connor, Jr., John M. Groen, and Ben J. Gantt, Jr., on behalf of Pacific Legal Foundation, amicus curiae for appellants.

DURHAM, J.

In this land use action, we are asked to decide for the first time the impact of federal civil rights actions on our takings jurisprudence. Increasingly, this court is called upon to resolve disputes

concerning land use regulation, and the trend is likely to continue. A body of cogent, workable rules upon which regulators and landowners alike can rely is essential to the task.

*6 In 1989, this court affirmed a holding of contempt against the City of Seattle for enforcement of the Housing Preservation Ordinance (HPO) after it had been ruled invalid by the Superior Court. R/L Assocs., Inc. v. Seattle, 113 Wn.2d 402, 411, 780 P.2d 838 (1989). Once again, we are asked to review the actions of the City in a similar situation. Plaintiffs, Sintra, Inc., and its shareholders, Keith and Patty Hamack and Arthur and Susan Stanley (Sintra), appeal an order dismissing on summary judgment all of their claims against Seattle and four of its employees. Sintra claims that the City violated Sintra's federal rights to substantive due process and just compensation for a taking of its property, and that it is entitled to damages under 42 U.S.C. § 1983. We reverse the summary judgment in favor of the City and remand for further proceedings.

In September 1984, Sintra purchased the Larned Hotel on Westlake Avenue near downtown Seattle. The building was in an advanced state of disrepair and was almost vacant. The previous owners were unable to find new tenants for the building, despite their repeated attempts.

Sintra intended to renovate the building, and put retail shops on the ground floor and a bed and breakfast on the upper two floors. The building was purchased for $670,000 $120,000 down and an installment note payable over 3 years. The terms of the financing were not favorable, but Sintra was unable to obtain alternative financing. After relocating the few remaining tenants, Sintra learned that an adult entertainment business might be moving into the adjacent building, and it became apprehensive about the possibilities for developing a bed and breakfast.

When the adult entertainment establishment opened its doors in July 1985, Sintra tried to sell the building. Sintra hired real estate broker Wade Cole, but his attempts were unsuccessful. Sintra and Cole also searched diligently for someone to develop low income housing at the building. In the meantime, Sintra defaulted on its installment note, and ceased making payments.

*7 Eventually, Sintra concluded that the only profitable use to be made of the building was to convert it to a ministorage warehouse. On October 29, 1985, Sintra applied to the City for a master use permit for that purpose. Sintra was informed that a housing demolition fee of $219,840 would be required under the HPO for the change of use.[1] Seattle Municipal Code (SMC) 22.210.

Sintra applied for a variance from the HPO fee on November 6, 1985. On November 12, 1985, the sellers accelerated the note. The parties dispute the ensuing course of events. The City claims that Sintra failed to provide requested information until August 1986. Sintra, however, claims that

despite repeated requests, the City failed to make any recommendation concerning relief until September 1986. The record supports Sintra's allegations of a continuing course of requests to the City to hasten the process. Many letters were directed to the Department of Community Development (DCD). At every turn, Sintra informed the City of its financial hardship and its desire to resolve the situation. Moreover, a memo from a city employee to David Moseley of DCD written in January 1986 indicates that a ministorage warehouse would be acceptable. Nevertheless, no recommendation was given. In a meeting with Sintra and its lawyers in March 1986, when Moseley was questioned about his reasons for delaying action, he responded: "What are you going to do, sue us?"

Although the City continually acknowledged that the Larned was entirely unsuitable for housing, it insisted that the HPO fee must be paid. In addition, the City required Sintra to show that any endeavor would be profitable if the HPO were not in effect.

*8 In the meantime, events occurring on a different front became relevant. In July 1986, King County Superior Court found that the provisions of the HPO were an invalid tax unauthorized by statute. A permanent injunction was issued prohibiting the City from enforcing the HPO against another developer, San Telmo Associates. Although the decision was appealed, the City did not seek a stay of the injunction.

Finally, in September 1986, Moseley recommended that Sintra be granted conditional relief. Instead of simply waiving the HPO requirements, the conditional relief proposed by DCD would allow a variance for a ministorage warehouse, but would require full payment of the $219,840 fee if the use of the property were later changed. Sintra appealed, seeking a complete waiver of the fee. Defendant Holly Miller, Director of the City's Department of Construction and Land Use, adopted the recommendation given by Moseley in October 1986. Among the reasons given in a concurrent memo, a city employee noted that granting complete administrative relief would "establish an undesirable precedent". The memo also recognized that the City's law department recommended granting the variance and full relief from the fee.

Sintra appealed further to a hearing examiner, who reversed Miller's action and remanded. The examiner concluded that the conditional relief was not allowed under the SMC, but that Sintra should still be granted some form of partial relief so that it could use its property. Sintra did not appeal from this decision, which apparently was never carried out.

In April 1987, this court affirmed the trial court's order invalidating the housing replacement provisions of the HPO. San Telmo Assocs. v. Seattle, 108 Wn.2d 20, 25, 735 P.2d 673 (1987). We

held that those requirements amounted to an unauthorized tax, as opposed to a regulation on development. San Telmo, at 24. We reasoned that shifting the social cost of development from the public at large to individual developers was a tax to "accomplish desired public benefits which cost money ...'". San Telmo, at 24 (quoting *9 Hillis Homes, Inc. v. Snohomish Cy., 97 Wn.2d 804, 809, 650 P.2d 193 (1982)). Such a tax can only be levied when authorized by the Legislature; it is not a valid exercise of a city's police power. Moreover, under RCW 82.02.020, cities are expressly prohibited from taxing development. We also noted, in dicta, that the high fees involved could constitute a taking under the Washington Constitution. San Telmo, at 25.

On June 22, 1987, the City finally issued a change of use license and a master use permit to Sintra. But by then, Sintra claims, it was too late. The market opportunity was gone, and the building was in an advanced state of disrepair.

This court again considered the HPO in 1989, and struck down the tenant relocation provisions. R/L Assocs., Inc. v. Seattle, 113 Wn.2d 402, 409, 780 P.2d 838 (1989). There, we held that RCW 82.02.020 also prohibited the imposition of the costs associated with tenant relocation, since those requirements constituted an indirect charge on development. R/L Assocs., at 409. We declined to reach the issue of whether a taking had occurred, R/L Assocs., at 410, and also refused to consider the substantive due process claim because plaintiff had failed to plead it properly and had not argued it to the trial court. R/L Assocs., at 412.

In addition, this court found that the City's continued enforcement of the tenant assistance provisions after they had been ruled invalid by the Superior Court was contempt of court. R/L Assocs., at 411. In response to the City's claim that the injunction applied only to R/L, we noted:

[T]he City's argument would lead to the absurd conclusion that it is free to enforce the provisions of a facially invalid ordinance against the citizens of Seattle until and unless each aggrieved party brings its own action challenging the ordinance.... .... The City's decision to continue to enforce the HPO was deliberate. Two days after issuance of the injunction in this case, the City issued a news release that the city attorney had advised the Department of Construction and Land Use to continue to enforce the tenant relocation requirements. The *10 release stated that the City had been enjoined from enforcing this provision in one case. The courts need not tolerate this intentional violation of a valid judgment that prohibited the City from enforcing those provisions.

R/L Assocs., at 411.

Sintra filed this action in October 1988. It claimed damages under 42 U.S.C. § 1983 for deprivation

of its substantive due process rights and an unconstitutional taking. In addition, Sintra raised claims of inverse condemnation and wrongful interference with a business expectancy. It also requested attorney fees pursuant to 42 U.S.C. § 1988. In October 1989, in a separate action, the trial court rescinded the sale of the Larned as the remedy for misrepresentation. In the case at bar, cross motions for summary judgment were heard on February 2, 1990, and the trial court granted summary judgment to the City. Sintra appealed directly to this court.

INTRODUCTION

This case primarily involves an action against the City of Seattle (City) and several officials under 42 U.S.C. § 1983. Essentially, § 1983 provides remedies not otherwise available in tort as a matter of federal statutory law. Sintra asserts two underlying causes of action: First, that its rights under the Fifth Amendment and Const. art. 1, § 16 (amend. 9) were violated; that is, it claims that its property was taken for public use without just compensation. Second, Sintra claims that it was denied substantive due process by the enforcement of the HPO.

The ordinance, as explained above, has been declared invalid on previous occasions, and that issue is not before the court here. However, because our prior cases were based on statutory grounds, the constitutional questions raised by Sintra have not been addressed. Sintra now seeks reversal of the summary judgment entered in favor of all defendants so that it may proceed to trial on money damages for the losses it suffered from the prior enforcement of the HPO.[2]

*11 42 U.S.C. § 1983

[1-3] We begin with a review of the civil rights statute. Under 42 U.S.C. § 1983, a plaintiff may recover money damages if it can show that it has been deprived of some federal right. State courts have concurrent jurisdiction to hear and decide § 1983 claims. Kenneth B. Bley, Use of the Civil Rights Acts To Recover Money Damages for the Overregulation of Land, 14 Urb. Law. 223, 229 (1982). 42 U.S.C. § 1983 states:

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress.

There are only two essential elements in a § 1983 action: (1) the plaintiff must show that some person deprived it of a federal constitutional or statutory right; and (2) that person must have been

acting under color of state law. Parratt v. Taylor, 451 U.S. 527, 535, 68 L. Ed. 2d 420, 101 S. Ct. 1908 (1981); American Legion Post 32 v. Walla Walla, 116 Wn.2d 1, 12, 802 P.2d 784 (1991); Jordan v. Oakville, 106 Wn.2d 122, 134, 720 P.2d 824 (1986). A local government is a "person" for purposes of § 1983. Monell v. Department of Social Servs., 436 U.S. 658, 56 L. Ed. 2d 611, 98 S. Ct. 2018 (1978); Turngren v. King Cy., 104 Wn.2d 293, 311, 705 P.2d 258 (1985). Land use disputes, including takings claims, are an appropriate subject of § 1983 actions. Front Royal & Warren Cy. Indus. Park Corp. v. Front Royal, Va., 708 F. Supp. 1477, 1483 (W.D. Va. 1989).

To state a cause of action, then, a plaintiff need only allege that (1) defendant acted under color of state law, and *12 (2) defendant's conduct deprived plaintiff of rights protected by the Constitution or laws of the United States. Brower v. Wells, 103 Wn.2d 96, 105, 690 P.2d 1144 (1984). The language contained in Sintra's complaint is more than sufficient to state a cause of action.[3]

FEDERAL RIGHTS

[4] We have previously held that land use regulations which too drastically curtail property owners' use of their property either may cause a constitutional taking or may constitute a denial of substantive due process. Presbytery of Seattle v. King Cy., 114 Wn.2d 320, 329, 787 P.2d 907, cert. denied, 498 U.S. 911 (1990); Orion Corp. v. State, 109 Wn.2d 621, 747 P.2d 1062 (1987) (Orion II), cert. denied, 486 U.S. 1022 (1988). Presbytery set forth the appropriate analysis for claims of overly severe land use regulation and delineated the tests to be used under the alternative analyses.

[5] Under Presbytery, a court inquires, as a threshold matter, whether the challenged regulation safeguards the public interest in health, safety, the environment, or fiscal integrity. Presbytery, at 329. The court also asks if the regulation destroys one or more of the fundamental attributes of property ownership the right to possess, to exclude others, and to dispose of property. Presbytery, at 329-30 (citing Richard L. Settle, Regulatory Taking Doctrine in Washington: Now You See It, Now You Don't, 12 U. Puget Sound L. Rev. 339, 356 (1988-1989)). If no fundamental attribute of property is implicated, and the regulation protects the public *13 from a permissible harm, then a constitutional taking does not exist, but a substantive due process claim may still be available.

1. Takings Clause.

[6] Sintra claims that the HPO prevented economically viable use of its land, and that its property was thus taken without just compensation. The Fifth Amendment provides in part: "[N]or shall private property be taken for public use, without just compensation." The restriction is applied to the states through the Fourteenth Amendment. See Chicago, B. & Q.R.R. v. Chicago, 166 U.S. 226,

41 L. Ed. 979, 17 S. Ct. 581 (1897). The Washington Constitution provides the same right.[4] In addition to outright physical appropriation of property, a taking can be accomplished by overregulation. A taking by regulation is often called an inverse condemnation, because the condemnation is found by the court after it has already been implemented by the regulation. Compensation is nonetheless required under the constitution if the property was taken for public use.

In Presbytery of Seattle v. King Cy., supra, this court clarified regulatory takings analysis and made plain the necessary steps to show that a taking had occurred. We *14 employ the Presbytery framework here, and also refer to the rules set out by the United States Supreme Court in its 1987 trilogy of land use regulation cases: Nollan v. California Coastal Comm'n, 483 U.S. 825, 97 L. Ed. 2d 677, 107 S. Ct. 3141 (1987); First English Evangelical Lutheran Church v. County of Los Angeles, 482 U.S. 304, 96 L. Ed. 2d 250, 107 S. Ct. 2378 (1987); Keystone Bituminous Coal Ass'n v. DeBenedictis, 480 U.S. 470, 94 L. Ed. 2d 472, 107 S. Ct. 1232 (1987). This is for two reasons. First, the United States Constitution sets a minimum standard that prescribes that compensation must be given if a taking has occurred. Second, the issue before the court here concerns the deprivation of a federal right. State law may provide useful guidance in this determination, but federal law is ultimately controlling.[5]

[7] In Presbytery, this court identified a threshold inquiry, to be decided prior to application of a takings analysis. If the challenged regulation is merely an exercise of the police power to safeguard the public interest in health, safety, the environment, or fiscal integrity, it is not a taking. Presbytery, at 329. The regulation may be a taking, however, if it "goes beyond preventing a public harm [to] actually enhance [] a publicly owned right in property."[6] The City relies heavily on its argument that Sintra has not met this threshold. It claims that the HPO was "enacted to prevent a public harm displacement and homelessness of low-income tenants. By no stretch of the imagination did it enhance a publiclyowned interest in property." Brief of Respondent, at 37.

*15 A closer examination of the policies behind this threshold inquiry is necessary to resolve this question. The threshold test is designed to prevent undue chilling on legislative bodies' attempts to properly and carefully structure land use regulations which prevent public harms. Orion II, at 649. It is permissible for legislative bodies to wield police power to prevent activities which are similar to public nuisances. In Keystone, the Supreme Court discussed the difference between preventing harm and providing a benefit as follows:

Under our system of government, one of the State's primary ways of preserving the public weal is restricting the uses individuals can make of their property. While each of us is burdened somewhat

by such restrictions, we, in turn, benefit greatly from the restrictions that are placed on others.... Long ago it was recognized that "all property in this country is held under the implied obligation that the owner's use of it shall not be injurious to the community," and the Takings Clause did not transform that principle to one that requires compensation whenever the State asserts its power to enforce it. ... "[A] taking, is, in essence, a determination that the public at large, rather than a single owner, must bear the burden of an exercise of state power in the public interest," and we recognized that this question "necessarily requires a weighing of private and public interests."

(Footnotes and citations omitted.) Keystone, at 491-92. Thus, land use regulation in the nature of restricting nuisance-like activity is permissible. But regulations which enhance public interests, and go beyond preventing harmful activity, may constitute a taking.

[8] The regulatory scheme here goes beyond preventing harm. The HPO required that landowners who wished to alter the use of their property either replace the low-income housing or pay extremely high sums of money into a housing replacement fund. The harm sought to be prevented people standing on the street corner with nowhere to go was exceeded. The regulation required the improper additional step of providing new housing. Moreover, this burden was *16 unfairly allocated to individual property owners, rather than equally distributed among all citizens. This "goes beyond preventing a public harm". Presbytery, at 333.

[9] In our previous decisions involving the HPO, we have said as much. In characterizing the HPO as an invalid tax, this court said:

Requiring a developer either to construct low income housing or "contribute" to a fund for such housing gives the developer the option of paying a tax in kind or in money.... The City is ... shifting the public responsibility of providing such housing to a limited segment of the population. This shifting is a tax, and pursuant to RCW 82.02.020, it cannot be allowed.

San Telmo, 108 Wn.2d at 24. Certainly, a regulatory scheme which is later determined to be a tax surpasses the proper scope of the City's police power.[7] We, therefore, can determine, as a matter of law, that the HPO was not a proper exercise of the City's police power, and Presbytery's threshold requirements have been met here.

[10] Our inquiry does not end with this determination, however. A regulation effects a taking of private property if "it `does not substantially advance legitimate state interests, ... or denies an owner economically viable use of his land.'" Keystone, 480 U.S. at 485 (quoting Agins v. Tiburon, 447 U.S. 255, 260, 65 L. Ed. 2d 106, 100 S. Ct. 2138 (1980)); Nollan, 483 U.S. at 834. In

Presbytery, the court expounded on the precise application of this test.

First, if the regulation does not "substantially advance[] legitimate state interests", then it automatically constitutes *17 a taking. Presbytery, at 333; see Nollan, at 834-35. Here, the regulation must fairly be said to substantially advance a legitimate interest of the City in protecting its low income housing supply. If the regulation were valid, of course, the money raised could help to alleviate any housing shortage.

[11] The question of economic viability of this particular property is more troublesome.[8] To determine if the regulation's economic impact is excessive, and thus constitutes a taking, we have suggested three factors to consider. The court should consider: "(1) the economic impact of the regulation on the property; (2) the extent of the regulation's interference with investment-backed expectations; and (3) the character of the government action." (Footnotes omitted.) Presbytery, at 335-36; see also MacLeod v. County of Santa Clara, 749 F.2d 541, 545-49 (9th Cir.1984).

Our review of the record indicates that there are insufficient facts to evaluate either the first or second factor of the Presbytery analysis.[9] The extent of the economic impact of the HPO on Sintra's property is unclear. The City contends that any economic problems were of Sintra's own making, brought about by poor business decisions. Certainly, the extent that the regulation has interfered with the expectations of Sintra, as well as the question of whether those expectations were investment backed, has not been resolved, and is indeed hotly disputed. Again, the City claims that Sintra could not have found investors in its plan to turn the Larned into a ministorage warehouse, and never really expected to have a profitable business at that location. Sintra, however, argues *18 that at least it would not have lost its investment entirely had it been allowed to proceed, and claims to be able to produce expert opinions in support of its position.

The third consideration character of the government action has been resolved by our earlier cases. That action has previously been determined to be in the nature of a tax. San Telmo Assocs. v. Seattle, supra. A city may, in the proper exercise of its police powers, impose limitations on development through regulation. See Presbytery, at 336 n. 30. However, the HPO amounted to a cost-shifting device "under the guise of a regulation." San Telmo, 108 Wn.2d at 24. Thus, as above, the provisions of the HPO exceed the regulatory authority of the City. Without such authority, the government action here was essentially an appropriation. The third factor, then, indicates that a taking has occurred.

In sum, Sintra has shown that there are issues of material fact which must be resolved at trial. Thus, the order of the trial court granting summary judgment must be reversed. If Sintra is able to

show at trial that the economic burden placed on its property was so great that no viable use was available, then compensation for that taking is available. Presbytery, at 336.

[12] Even a temporary taking is compensable under the Fifth Amendment, and Sintra need not prove that the property remained unusable after the HPO was invalidated. First Lutheran, 482 U.S. at 319; Wheeler v. Pleasant Grove, 833 F.2d 267, 270-71 (11th Cir.1987). Because any taking occurred prior to Sintra obtaining a favorable rescission judgment against the original owners of its property, the City's argument that the result of Sintra's lawsuit against the sellers impacts our holding is incorrect. The City may therefore be liable to Sintra for a temporary taking. Damages would be measured from the time of the interference to the time the HPO was no longer enforced. First Lutheran, at 320-21.

[13] In addition, exhaustion of administrative remedies is necessary before a court can properly determine a takings claim. Estate of Friedman v. Pierce Cy., 112 Wn.2d 68, 80, *19 768 P.2d 462 (1989). If the government entity responsible for administering the regulation in question has not yet reached a final decision, the claim may be premature as a matter of federal law. Williamson Cy. Regional Planning Comm'n v. Hamilton Bank, 473 U.S. 172, 186, 87 L. Ed. 2d 126, 105 S. Ct. 3108 (1985). The Supreme Court has emphasized "an insistence on knowing the nature and extent of permitted development before adjudicating the constitutionality of the regulations that purport to limit it." MacDonald, Sommer & Frates v. County of Yolo, 477 U.S. 340, 351, 91 L. Ed. 2d 285, 106 S. Ct. 2561 (1986). This requirement was imposed in Presbytery as well, and the rule was established that a landowner must exhaust administrative procedures in an attempt to secure permission to use the property. Presbytery, at 339.

On the record before the court, it appears that Sintra was diligent in pursuing administrative avenues. Sintra applied for necessary permits, and requested a variance from the HPO. It appealed adverse decisions, and communicated regularly with city officials. Although the City claims that Sintra was offered the opportunity to develop and rejected it, administrative remedies were at least attempted, and Sintra was informed that a $219,000 fee would be required. Moreover, the City did not raise exhaustion as a defense at the trial court. It may well be that additional efforts would have been futile, in light of the particular facts and circumstances of this case. See Estate of Friedman, at 80-81. However, because the trial court has not yet had the opportunity to resolve these questions, we remand the issue.[10]

[14] In order for liability to arise under 42 U.S.C. § 1983, Sintra must also show that the takings claim is ripe for review. Under federal law, if a landowner fails to seek compensation through state judicial procedures, a takings claim *20 is said to be not yet ripe. Williamson, at 194; see also

Richard L. Settle, Regulatory Taking Doctrine in Washington: Now You See It, Now You Don't, 12 U. Puget Sound L. Rev. 339, 357 (1988-1989). That is, as a matter of federal law, just compensation has not been denied, and so no federal right is involved, until the state has denied a plaintiff's cause of action in inverse condemnation. Bateson v. Geisse, 857 F.2d 1300, 1306 (9th Cir.1988); Abbiss v. Delaware Dep't of Transp., 712 F. Supp. 1159, 1162 (D. Del. 1989).

The federal rule was set forth in Williamson:

If the government has provided an adequate process for obtaining compensation, and if resort to that process "yield[s] just compensation," then the property owner "has no claim against the Government" for a taking.... [I]f a State provides an adequate procedure for seeking just compensation, the property owner cannot claim a violation of the Just Compensation Clause until it has used the procedure and been denied just compensation.

(Citations omitted.) Williamson, 473 U.S. at 194-95. Here, the proper procedures and standards for a takings claim under state law are those set forth in Presbytery and explained above. Because we have been guided by federal law in our formulation, the inquiry is essentially the same. Nevertheless, the § 1983 claim here (a federal law claim) is unavailable to Sintra because it has not obtained a decision under state inverse condemnation law.

In sum, we hold that the regulation passes the threshold test of Presbytery, and should be subjected to a takings analysis under state law. We therefore remand for further proceedings, to examine whether the exhaustion requirement has been satisfied; and if so, to determine if a taking has in fact occurred, the time period of any taking, and appropriate damages.

2. Substantive Due Process.

[15] Sintra claims that the continued enforcement of the HPO after it had been declared invalid arbitrarily deprived it of its property, and thus violated its right to due process. The Fourteenth Amendment provides: "[N]or shall any state deprive any person of life, liberty, or property, without due *21 process of law". This clause is a limit on a state's ability to pass unreasonable or irrational laws which deprive individuals of property rights. The inquiry here is distinct from the takings analysis, and a separate standard is used. Nollan, at 834 n. 3. A substantive due process claim need not show that no viable use of the property remains, Herrington v. County of Sonoma, 834 F.2d 1488, 1498, 857 F.2d 567 (9th Cir.1987), cert. denied, 489 U.S. 1090 (1989), but rather that any interference with property rights was irrational or arbitrary. Usery v. Turner Elkhorn Mining Co., 428 U.S. 1, 15, 49 L. Ed. 2d 752, 96 S. Ct. 2882 (1976). There is no question that Sintra has a

property right which is implicated here. Instead, the issue centers around whether the HPO was a permissible regulation of that property.[11]

[16] To determine if a regulation results in a denial of due process, the court engages in a balancing test. We ask: "(1) whether the regulation is aimed at achieving a legitimate public purpose; (2) whether it uses means that are reasonably necessary to achieve that purpose; and (3) whether it is unduly oppressive on the landowner." Presbytery, 114 Wn.2d at 330; Orion II, 109 Wn.2d at 646-47; Lawton v. Steele, 152 U.S. 133, 38 L. Ed. 385, 14 S. Ct. 499 (1894).

The first part of the test is not seriously disputed. The HPO was designed to preserve low income housing units. It attempted to achieve that purpose by offering property owners the option of replacing lost units themselves or contributing financially to a housing replacement fund. This is a legitimate goal. The second part reasonable means is highly suspect given the manner in which the City conducted itself. However, we need not decide if the regulation violates substantive due process on that basis alone.

*22 [17] The oppressive nature of the regulation is itself violative of due process. In Presbytery, the court listed several nonexclusive factors which should be considered in determining if a regulation is unduly oppressive, such as the nature of the harm, the availability and effectiveness of less drastic measures, and the economic loss suffered by the property owner. Presbytery, at 331. Additional factors involve consideration of both the public's interests and those of the regulated landowner, and include:

On the public's side, the seriousness of the public problem, the extent to which the owner's land contributes to it, the degree to which the proposed regulation solves it and the feasibility of less oppressive solutions would all be relevant. On the owner's side, the amount and percentage of value loss, the extent of remaining uses, past, present and future uses, temporary or permanent nature of the regulation, the extent to which the owner should have anticipated such regulation and how feasible it is for the owner to alter present or currently planned uses.

Presbytery, at 331 (citing Stoebuck, San Diego Gas: Problems, Pitfalls and a Better Way, 25 Wash. U.J. Urb. & Contemp. L. 3, 33 (1983)).

In a strictly economic case, such as this one, certain of these factors are more relevant than others. In particular, Sintra's property cannot be singled out as contributing to the problem of homelessness in any pronounced way; the lack of low income housing was brought about by a great number of economic and social causes which cannot be attributed to an individual parcel of

property. Moreover, the harm here can be solved by fiscal measures that would be less drastic in regard to a particular landowner. Additionally, the entire burden of the regulation falls on landowners who wish to develop their land. The economic impact on Sintra is enormous. It was asked to pay a $219,000 fee to develop a $670,000 piece of property. As we have previously noted in regard to the HPO, this is "shifting the public responsibility of providing such housing to a limited segment of the population." San Telmo Assocs. v. Seattle, 108 Wn.2d 20, 24, 735 P.2d 673 (1987). A regulation with such an unbalanced impact violates due process.

*23 [18] When money damages are sought, however, as opposed to a judgment invalidating the ordinance, an additional requirement has been imposed. In discussing the availability of § 1983, we have said that "a land use decision `denies substantive due process only if it is invidious or irrational.'" R/L Assocs., Inc. v. Seattle, 113 Wn.2d 402, 412, 780 P.2d 838 (1989) (quoting Harding v. County of Door, 870 F.2d 430, 431 (7th Cir.1989)). Other courts have expressed the test differently, but conveyed essentially the same test. Relief is said to be available for § 1983 claims involving substantive due process only where there is a substantial infringement of state law prompted by animus directed at an individual or a group, or a "deliberate flouting of the law that trammels significant personal or property rights". Silverman v. Barry, 845 F.2d 1072, 1080 (D.C. Cir.), cert. denied, 488 U.S. 956 (1988). Arbitrary, irrational action on the part of regulators is sufficient to sustain a substantive due process claim under § 1983. Coniston Corp. v. Hoffman Estates, 844 F.2d 461, 467 (7th Cir.1988); Abbiss, 712 F. Supp. at 1164.

The City claims that it acted rationally,[12] and relies on the rule that it cannot be liable for money damages for the mere enforcement of an unconstitutional or void ordinance. R/L Assocs., at 412. In addition, the City argues that Sintra cannot show that it was singled out in any way. The City also claims that it was merely obeying city ordinances and acting on the advice of its attorney.

Sintra argues that the conduct complained of here was indeed irrational. Sintra first applied for a master use permit in October 1985, and was told in November 1985 that it would need a change of use license under the HPO, which it could obtain by payment of a $219,000 fee. In July 1986, the King County Superior Court entered a declaratory judgment holding that the HPO was invalid. Although the City did not seek a stay or order of supersedeas, it continued to *24 enforce the provisions of the HPO until this court affirmed that judgment in April 1987. Thus, at the time that conditional relief was offered to Sintra (September 1986), the HPO had already been found invalid.

In San Telmo, this court agreed that the HPO was invalid as an unauthorized tax. There was no statutory authority for such a tax and, in fact, such authority was precluded by a statute preventing any tax on the development of land. RCW 82.02.020; San Telmo, 108 Wn.2d at 23-24. The tenant

assistance provisions of the HPO were also found to be invalid by this court. R/L Assocs., at 409. In addition, we held that the City's continued enforcement of the tenant assistance provisions in the face of the superior court order was contempt of court. R/L Assocs., at 411.

We hold that Sintra may proceed on its § 1983 claim against the City. The reasoning we applied in R/L Associates could be applied here as well. Sintra argues that the City acted irrationally and invidiously, and "deliberatley flouted" the law, because it continued enforcement of an ordinance that it knew to be invalid. Intentional violations of court orders cannot be tolerated. Respect for the rule of law lies at the heart of due process, and disregard of that law by government can only be considered violative of that right. We are persuaded that Sintra's allegations merit further inquiry into the facts, and should not have been disposed of on summary judgment.

Thus, we reverse the trial court's award of summary judgment. We hold that, as a matter of law, the regulation violates the substantive due process test set forth in Presbytery. A determination of whether the City's conduct violated Sintra's due process rights under § 1983 is still required. Because this is a § 1983 action, money damages are available.[13] We remand the case for further proceedings in accordance with this opinion.

*25 INDIVIDUAL DEFENDANTS

[19, 20] The City argues that, as a matter of law, its individual employees are entitled to immunity from Sintra's claims. Local government bodies are not immune from a § 1983 suit merely because the alleged violation involves a discretionary decision or a governmental function. Turngren v. King Cy., 104 Wn.2d 293, 311, 705 P.2d 258 (1985). Absolute immunity is not available for administrative acts of local officials. Creekside Assocs., Inc. v. Wood Dale, 684 F. Supp. 201, 205-06 (N.D. Ill. 1988). However, qualified immunity has been found to exist. Government officials performing discretionary functions are shielded from all liability for civil damages if their "conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known." Harlow v. Fitzgerald, 457 U.S. 800, 818, 73 L. Ed. 2d 396, 102 S. Ct. 2727 (1982); Front Royal, 708 F. Supp. at 1480. The issue of immunity is a question of law. Mitchell v. Forsyth, 472 U.S. 511, 528, 86 L. Ed. 2d 411, 105 S. Ct. 2806 (1985).

The standard set forth in Harlow supplants the good faith standard previously applied. Cf. Wood v. Strickland, 420 U.S. 308, 322, 43 L. Ed. 2d 214, 95 S. Ct. 992 (1975); Harper v. State, 110 Wn.2d 873, 884, 759 P.2d 358 (1988), rev'd on other grounds, 494 U.S. 210, 108 L. Ed. 2d 178, 110 S. Ct. 1028 (1990). Qualified immunity is not available unless the government official can show that his or her conduct was objectively legally reasonable. Anderson v. Creighton, 483 U.S. 635, 641, 97 L.

Ed. 2d 523, 107 S. Ct. 3034 (1987). Thus, a subjective, good faith belief that the conduct complained of was not unconstitutional will not suffice to prove immunity; the defendant must show that his or her conduct was objectively reasonable.

[21] The determination of whether a particular right is "clearly established" is a complex one. Substantive due process claims have previously been found to be "well established" by the federal court. Bateson v. Geisse, 857 F.2d 1300, 1304-05 (9th Cir.1988); Creekside, at 206. But it is not clear *26 that this pronouncement ends our inquiry. The Supreme Court has addressed this very problem:

[T]he right the official is alleged to have violated must have been "clearly established" in a more particularized, and hence more relevant, sense: The contours of the right must be sufficiently clear that a reasonable official would understand that what he is doing violates that right. This is not to say that an official action is protected by qualified immunity unless the very action in question has previously been held unlawful, ... but it is to say that in the light of pre-existing law the unlawfulness must be apparent.

(Citations omitted.) Anderson, 483 U.S. at 640.

[22] There are insufficient facts on the record before us to decide if any or all of the individual defendants are entitled to qualified immunity.[14] A reasonable person should have known that enforcing the HPO in contravention of a court order prohibiting enforcement would constitute a denial of someone's rights. As outlined above, various city employees informed their superiors, defendants here, that relief should be granted in this case. In addition, Sintra consistently asserted that its rights were being violated by the City's actions, thus putting the defendants on notice that it intended to pursue those rights. But it is not at all clear what precise knowledge was held by the particular individuals. The City rests on its assertion that the conduct was reasonable, because the City's law department had recommended continued enforcement of the HPO. This single fact is not a sufficient basis for the immunity sought here. Because we are unable to determine if immunity is warranted here, we must remand this issue to the trial court.

We acknowledge the difficulty of the task: on remand, the trial court must determine, as a matter of law, if the individual defendants acted in an objectively reasonable way, and are therefore entitled to the protection of qualified immunity. That determination should be made on summary judgment. Harlow, 457 U.S. at 818. In doing so, the court *27 should be guided by the underlying principles expressed in Harlow:

By defining the limits of qualified immunity essentially in objective terms, we provide no license to lawless conduct. The public interest in deterrence of unlawful conduct and in compensation of victims remains protected by a test that focuses on the objective legal reasonableness of an official's acts. Where an official could be expected to know that certain conduct would violate statutory or constitutional rights, he should be made to hesitate; and a person who suffers injury caused by such conduct may have a cause of action. But where an official's duties legitimately require action in which clearly established rights are not implicated, the public interest may be better served by action taken "with independence and without fear of consequences."

(Footnotes and citations omitted.) Harlow, 457 U.S. at 819.

If the trial court decides that the individual defendants are not entitled to immunity, then the determination of whether the conduct at issue here violated the substantive due process rights of Sintra must be decided at trial. That does not necessarily entail a verdict in Sintra's favor, however. Again, to obtain a favorable verdict, Sintra must show first, that the regulation was violative of due process, and second, that the conduct here was irrational or invidious.

We have already determined that the regulation violated Sintra's due process rights. The remaining inquiry, then, is similar to that presented in considering immunity: whether the individual defendants acted irrationally. It may be that the question can only be settled by a factfinder. The reasonableness of the defendants' conduct can only be determined based on a clear understanding of the particular facts known by the individuals at any given time.[15]

OTHER CLAIMS

[23] Sintra also raised a claim of wrongful interference with a business expectancy. Although the City asserts that *28 the claim was not properly pleaded, the complaint and attached claim for damages provide a "short and plain statement of the claim". CR 8(a)(1). To make out a claim for wrongful interference, Sintra must prove:

1. The existence of a valid contractual relationship or business expectancy; 2. That defendants had knowledge of that relationship; 3. An intentional interference inducing or causing a breach or termination of the relationship or expectancy; 4. That defendants interfered for an improper purpose or used improper means; and 5. Resultant damages.

Pleas v. Seattle, 112 Wn.2d 794, 800, 804, 774 P.2d 1158 (1989).

Here, Sintra has made sufficient allegations to survive a motion for summary judgment. Sintra had

taken steps to convert its property into a ministorage warehouse, and had pursued necessary administrative procedures. Moreover, as explained above, there are many areas of disputed fact: the existence of a valid expectancy, the extent of the economic interference, the causal relationship between the City's interference and damages to Sintra, and the extent of such damages. In any event, the means employed by the City to prevent development of Sintra's property the enforcement of an invalid ordinance in the face of a court order were improper. We reverse the trial court's award of summary judgment on the wrongful interference claim.[16]

Finally, Sintra contends that if it prevails, it is entitled to reasonable attorney fees under 42 U.S.C. § 1988 and RCW 8.25.075(3). The trial court granted fees to the City. Since we hold that Sintra should be allowed to proceed, the award *29 of attorney fees to the City should be vacated. Any award of attorney fees should await resolution of the case. See, e.g., State v. Buckley, 18 Wn. App. 798, 801, 572 P.2d 730 (1977).

CONCLUSION

In sum, we hold the following:

1. The order of summary judgment in favor of the City is reversed, and Sintra may go forward on its claim of a taking without just compensation, or inverse condemnation. Moreover, we hold that the threshold requirements of Presbytery of Seattle v. King Cy., 114 Wn.2d 320, 329, 787 P.2d 907, cert. denied, 498 U.S. 911 (1990) have been met. However, because it is not yet ripe, the related claim under 42 U.S.C. § 1983 was properly dismissed. We remand for further proceedings consistent with our opinion.

2. The order of summary judgment in favor of the City is reversed on Sintra's claim against the City for a violation of substantive due process under 42 U.S.C. § 1983. We hold that the HPO violated substantive due process, and remand for a determination of whether the City's conduct was irrational or invidious.

3. The order of summary judgment dismissing Sintra's claims against individual defendants is reversed, and we remand for the trial court to consider whether qualified immunity attaches. Absent immunity, Sintra may proceed against the individual defendants for deprivation of its right to substantive due process under 42 U.S.C. § 1983.

4. We reverse the order for summary judgment in favor of defendants as it pertains to the wrongful interference claim.

5. We reverse the award of attorney's fees and costs to the City, and reserve any award of fees pending resolution of the remaining claims.

DORE, C.J., and BRACHTENBACH, DOLLIVER, ANDERSEN, SMITH, and GUY, JJ., concur.

*30 UTTER, J. (concurring)

Although I agree with the majority opinion, I write separately to develop more fully the application of the law of exhaustion, finality and ripeness to the 42 U.S.C. § 1983 takings claim and inverse condemnation claim in this case. Clarity and correct use of terminology is important in this complex area of the law. More is at stake than "mere jurisprudential fastidiousness." Wright, The Timing of Judicial Review of Administrative Decisions: The Use and Abuse of Overlapping Doctrines, 11 Am. J. Trial Advoc. 83 (1987).

I EXHAUSTION, FINALITY, AND RIPENESS

One commentator succinctly described the rationale behind the procedural requirements that must be satisfied before a takings claim can be considered:

The procedural hurdles that landowners and other regulated interests must clear to raise just compensation claims are a result of the unique nature of the clause. Under the just compensation clause, governments are not prohibited from taking private property; rather they are required to provide compensation when their actions constitute a taking. Thus, the Court treats as relevant whether there are administrative and judicial mechanisms through which landowners and other regulated interests may obtain approval for their desired use of their property or, failing that, receive proper compensation.

(Footnote omitted.) 1 S. Steinglass, Section 1983 Litigation in State Courts § 3.4(d)(1), at 3-35 (1989). In doctrinal terms, those procedural hurdles are ripeness, exhaustion of administrative remedies, and finality.

The doctrines of ripeness and exhaustion both deal with the timing of judicial review, and have similar purposes:

Both doctrines serve agency autonomy and judicial economy by allowing most administrative proceedings to conclude prior to judicial intervention and, by deferring intervention in this manner, courts allow agencies to perform their functions and assist their own later review of the agency's action.

Power, Help Is Sometimes Close at Hand: The Exhaustion Problem and the Ripeness Solution, 1987 U. Ill. L. Rev. 547, *31 612. In the past we have recognized that exhaustion and ripeness are related concepts. Estate of Friedman v. Pierce Cy., 112 Wn.2d 68, 76, 768 P.2d 462 (1989). When we considered an inverse condemnation action in Presbytery of Seattle v. King Cy., 114 Wn.2d 320, 339, 787 P.2d 907, cert. denied, 498 U.S. 911 (1990), we used the terms exhaustion and ripeness almost interchangeably. A third doctrine, finality, is related to ripeness and exhaustion: "Problems of finality are in the area where the law of exhaustion joins or overlaps with the law of ripeness." 4 K Davis, Administrative Law Treatise § 26:10, at 458 (2d ed. 1983). Finality is not so much a separate requirement as an element common to both exhaustion and ripeness. Power, 1987 U. Ill. L. Rev. at 618.

II THE SECTION 1983 CLAIM

Although absolute doctrinal clarity may not be necessary in all cases, it is important in a § 1983 claim that we carefully distinguish between these doctrines. In Williamson Cy. Regional Planning Comm'n v. Hamilton Bank, 473 U.S. 172, 87 L. Ed. 2d 126, 105 S. Ct. 3108 (1985), the United States Supreme Court grappled with these legal concepts in a case involving a § 1983 takings claim. The Court declined to reach the takings issue because the case was not yet ripe. The Court stated two reasons for the absence of ripeness:

Because respondent has not yet obtained a final decision regarding the application of the zoning ordinance and subdivision regulations to its property, nor utilized the procedures Tennessee provides for obtaining just compensation, respondent's claim is not ripe.

Williamson, 473 U.S. at 186. Thus, for a § 1983 case to be ripe, a plaintiff must seek a final administrative decision as well as pursue state procedures to obtain just compensation.

The Court, however, differentiated ripeness and finality from exhaustion of administrative remedies. The plaintiff claimed that it was not required to seek variances from regulations because its suit was based on § 1983, and there *32 is no requirement that a plaintiff exhaust administrative remedies in such a suit. Williamson, 473 U.S. at 192 (citing Patsy v. Board of Regents, 457 U.S. 496, 73 L. Ed. 2d 172, 102 S. Ct. 2557 (1982)). The Court, however, differentiated finality and exhaustion:

While the policies underlying the two concepts often overlap, the finality requirement is concerned with whether the initial decisionmaker has arrived at a definitive position on the issue that inflicts an actual, concrete injury; the exhaustion requirement generally refers to administrative and

judicial procedures by which an injured party may seek review of an adverse decision and obtain a remedy if the decision is found to be unlawful or otherwise inappropriate.

Williamson, 473 U.S. at 193.[17] The Court found that there was not a final agency decision because the plaintiff had not sought variances from the Commission. It stated, however, that finality would not have required appeals, for example, to the Board of Zoning Appeals. Williamson, 473 U.S. at 193.

Thus, when a plaintiff brings a § 1983 takings action, we should employ the 2-part test used in Williamson to determine whether the action is ripe: (1) Has there been final agency action on the application of the regulation? and (2) Has the plaintiff utilized state procedures for obtaining compensation? The majority correctly concludes that Sintra has not utilized state procedures for obtaining compensation. On that basis alone, this case is not ripe for purposes of § 1983. Therefore, we need not reach the issue of whether there was final agency action to resolve the § 1983 ripeness issue.

*33 III THE INVERSE CONDEMNATION CLAIM

There remains, however, Sintra's inverse condemnation claim. Unlike the § 1983 claim, it is appropriate for us to use the term "exhaustion of administrative remedies" in considering that claim. Moreover, we should not construe this term narrowly to mean only whether Sintra has pursued its administrative appeals, as the Court in Williamson did in the § 1983 context. Instead, the exhaustion inquiry should be "how far a party must pursue an administrative remedy before going to court". 4 K. Davis, Administrative Law Treatise § 25:1, at 350 (2d ed. 1983). The two reasons for the exhaustion doctrine we listed in Estate of Friedman v. Pierce Cy., 112 Wn.2d 68, 77-79, 768 P.2d 462 (1989) should be assessed in determining whether Sintra has exhausted its administrative remedies. First, we noted the policies favoring the doctrine of exhaustion. Those policies are to

(1) insure against premature interruption of the administrative process, (2) allow the agency to develop the necessary factual background on which to base a decision, (3) allow the exercise of agency expertise [in its area], (4) provide a more efficient process and allow the agency to correct its own mistake, and (5) insure that individuals are not encouraged to ignore [its] procedures by resort[ing] to the courts.

Estate of Friedman, 112 Wn.2d at 78 (quoting Orion Corp. v. State, 103 Wn.2d 441, 456-57, 693 P.2d 1369 (1985) (citing South Hollywood Hills Citizens Ass'n v. King Cy., 101 Wn.2d 68, 73-74,

677 P.2d 114 (1984))). The second reason, which is "at least as important" is that it is difficult to assess a takings claim when administrative remedies have not been exhausted. Estate of Friedman, 112 Wn.2d at 78. Issues central to the takings inquiry, such as the economic impact of the regulation, or its affect on investment backed expectations, may be impossible to assess if a plaintiff has not sought administrative relief and there is no final agency action. The trial court should consider the reasons we listed *34 in Estate of Friedman for the exhaustion doctrine when it considers the exhaustion issue.

JOHNSON, J., concurs with UTTER, J.

Reconsideration denied June 17, 1992.

NOTES

[1] The HPO contained provisions requiring developers to either replace any low income housing they destroyed, or to pay a fee, based on the number of units, into a housing replacement fund. Seattle Municipal Code (SMC) 22.210.050, former SMC 22.210.120(A)(4). It also contained provisions requiring owners to pay tenant relocation fees, as well as providing notice and protection against anticipatory eviction. SMC 22.210.080-.100. Only the housing replacement provisions are at issue here.

[2] In considering an appeal from an order of summary judgment, this court engages in the same inquiry as the trial court. Marincovich v. Tarabochia, 114 Wn.2d 271, 274, 787 P.2d 562 (1990). The court considers all facts submitted and all reasonable inferences from the facts in a light most favorable to the nonmoving party, here, Sintra. Marincovich, at 274. The motion should be granted only when there is no genuine issue of material fact, and, as a matter of law, the moving party is entitled to judgment. Wilson v. Steinbach, 98 Wn.2d 434, 437, 656 P.2d 1030 (1982).

[3] The complaint alleges that: "The defendants herein have violated the Civil Rights of the plaintiffs by acting under color of law to enforce the HPO against plaintiffs in contravention of the Fifth and Fourteenth Amendments to the United States Constitution and 42 U.S.C. 1983. Defendants have maliciously, recklessly and/or wantonly violated the constitutional rights of the plaintiffs by willfully enforcing an ordinance unconstitutional on its face even after the ordinance had been judicially declared invalid and/or continued enforcement had been permanently enjoined by judicial decree. Defendants have taken property from plaintiffs without Due Process nor have they paid Just Compensation." Clerk's Papers, at 7.

[4] Const. art. 1, § 16 (amend. 9) reads as follows:

"Private property shall not be taken for private use, except for private ways of necessity, and for drains, flumes, or ditches on or across the lands of others for agricultural, domestic, or sanitary purposes. No private property shall be taken or damaged for public or private use without just compensation having been first made, or paid into court for the owner, and no right-of-way shall be appropriated to the use of any corporation other than municipal until full compensation therefor be first made in money, or ascertained and paid into court for the owner, irrespective of any benefit from any improvement proposed by such corporation, which compensation shall be ascertained by a jury, unless a jury be waived, as in other civil cases in courts of record, in the manner prescribed by law. Whenever an attempt is made to take private property for a use alleged to be public, the question whether the contemplated use be really public shall be a judicial question, and determined as such, without regard to any legislative assertion that the use is public: Provided, that the taking of private property by the state for land reclamation and settlement purposes is hereby declared to be for public use."

[5] See also Comment, Taking Issue With Takings: Has the Washington State Supreme Court Gone Too Far?, 66 Wash. L. Rev. 545 (1991).

[6] A regulation may also be a taking if it destroys one or more of the fundamental attributes of property ownership the rights to possess, to dispose, or to exclude others. Presbytery, at 329-30; Nollan, 483 U.S. at 831. If an attribute of property is implicated, then it is likely that a taking has occurred. Presbytery, at 333 n. 21 (citing PruneYard Shopping Ctr. v. Robins, 447 U.S. 74, 64 L. Ed. 2d 741, 100 S. Ct. 2035 (1980)).

[7] Sintra relies on an alternative method of passing the threshold. If the public is actually provided with some use of the owner's land, such as an easement across it, a taking has almost certainly occurred. Nollan, at 831. This type of situation may properly be called an "exaction", as opposed to a "use", case. An analysis of an exaction case focuses on the nexus test set forth in Nollan. Nollan, at 841. Any conditions on development must serve the same purpose as the ban on development, or the regulation requiring those conditions will be a taking requiring compensation. Nollan, at 836-37. This type of inquiry is useful in determining if regulations which place conditions on development will be allowed. This is not an exaction case, however, because no physical invasion has been effected by the HPO. Thus, contrary to Sintra's arguments, the Nollan nexus test does not apply.

[8] A facial challenge is treated differently than one involving application of the regulation to specific property. Presbytery, at 333; Keystone, at 495. "[I]f the challenge to the regulation is a facial one, and if the landowner succeeds in showing that a regulation denies all economically

viable use of any parcel of regulated property, then a constitutional taking has occurred." Presbytery, at 335; cf. Robinson v. Seattle, 119 Wn.2d 34, 830 P.2d 318 (1992). This is a stricter standard than that used for as-applied challenges. Since a specific property is involved, this is an as-applied challenge to the HPO.

[9] Determining if a taking has occurred is a question of fact. Front Royal, 708 F. Supp. at 1484.

[10] The exhaustion issue is a question of law for the trial court to decide, although it does involve resolution of factual matters. Estate of Friedman, at 76. Additionally, even though this issue was not fully developed originally, it may be considered by the trial court on remand. Cf. Bennett v. Hardy, 113 Wn.2d 912, 918-19, 784 P.2d 1258 (1990).

[11] Exhaustion of administrative remedies is generally not required under § 1983. Patsy v. Board of Regents, 457 U.S. 496, 516, 73 L. Ed. 2d 172, 102 S. Ct. 2557 (1982). The particular exhaustion rules applied to the takings claim discussed above do not extend to the substantive due process claim. Moreover, unlike an action for just compensation under the takings clause, an action for a violation of substantive due process is ripe immediately (without regard to state remedies) because the harm occurs at the time of the violation. See Bateson v. Geisse, 857 F.2d 1300, 1303 (9th Cir.1988).

[12] The City also argues that Sintra did not plead irrational or invidious conduct, but this is incorrect. Sintra's allegation that the City and its employees acted willfully, wantonly and/or recklessly is sufficient.

[13] In Presbytery, this court held that the only remedy for a substantive due process violation in the land use context is the invalidation of the regulation. Presbytery, at 332. No § 1983 claims were considered by the court, however.

[14] Our decision here applies only to the substantive due process action. Individuals are not amenable to suit in inverse condemnation, and the § 1983 action has been resolved as it applies to the taking claim.

[15] Unlike the current case, in Robinson v. Seattle, 119 Wn.2d 34, 830 P.2d 318 (1992), the knowledge held by individuals is clearly on the record. Here, however, the only direct evidence in the record is a memo to David Moseley dated October 15, 1986, from a city employee noting that the ordinance had been "overruled" by the court.

[16] In a related matter, Sintra claims that an affidavit submitted to the trial court 3 days after the

summary judgment hearing should not have been considered. The affidavit explained the City's position regarding the tortious interference claim. It is within the discretion of the trial court to consider affidavits which are filed late. Rainier Nat'l Bank v. Inland Mach. Co., 29 Wn. App. 725, 730, 631 P.2d 389 (1981).

[17] The Court's categorical distinction between exhaustion and finality in Williamson is, however, questionable. The Court in Williamson unduly restricted the exhaustion of administrative remedies doctrine by limiting its exhaustion of administrative appeals. Power, Help Is Sometimes Close at Hand: The Exhaustion Problem and the Ripeness Solution, 1987 U. Ill. L. Rev. 547, 613 n. 294. A better approach is to recognize, as Professor Davis does, that finality is an aspect of both ripeness and exhaustion, and that issues of finality arise at the intersection of these two doctrines. 4 K. Davis, Administrative Law Treatise § 25:1, at 350, § 26:10, at 458 (2d ed. 1983).

EXHIBIT H

Supreme Court Allows Immediate Filing of §1983 Claims for Takings Clause Violations

Business Litigation Update
Date: July 09, 2019

Key Notes:

- Failure to exhaust state court remedies is no longer a bar to filing a federal Fifth Amendment claim.
- Section 1983 claims may be brought as soon as an unconstitutional taking occurs.

Property owners may now file a federal claim for a constitutional violation of property rights as soon as a government takes private property for public use without paying for it. On June 21, 2019, the Supreme Court of the United States reconsidered the issue of whether property owners have standing to bring Fifth Amendment §1983 claims in federal court at the time of a taking or must first exhaust their remedies in state court. In *Knick v. Township of Scott, Pennsylvania, et al.*, the Court overturned a decades-old exhaustion-of-state-litigation requirement and held that when a government violates the Takings Clause, a property owner has immediate standing to bring a §1983 action in federal court, even if the issue of just compensation has not been addressed by the state courts.

Under the old rule set forth in *Williamson County Regional Planning Comm'n v. Hamilton Bank of Johnson City*, which controlled the issue for approximately 35 years, when a government took a property owner's land, the property owner could not pursue an action in federal court until its property had been taken and it had exhausted all of its remedies to pursue just compensation in state court proceedings. However, in practice, a state court's resolution of a claim for just compensation under state law precludes any subsequent federal suits under the full faith and credit statute, as the Court recognized in *San Remo Hotel, L.P. v. City and County of San Francisco*, 545 U.S. 323 (2005). The *Knick* court concluded that the state-litigation requirement under *Williamson* and the subsequent preclusion trap recognized in *San Remo Hotel* imposed an impermissible burden on plaintiffs seeking to vindicate their rights under the Takings Clause and subjected them to hurdles not faced by plaintiffs seeking redress under other constitutional protections through §1983 litigation.

What does this mean for property owners going forward? The *Knick* decision restores the Fifth Amendment property rights to the same level of protection as other constitutional claims, which can be enforced in federal court as soon as an unconstitutional violation occurs. Under the previous *Williamson* framework, property owners affected by takings without just compensation provided in advance were forced to exhaust state court remedies – often in the form of procedurally complex inverse condemnation actions, essentially forcing condemning authorities to initiate formal proceedings – and then live with the results of any just compensation resolution in state court proceedings. Now, under *Knick*, property owners facing condemning authorities that are reluctant to come forward with a just compensation package or to initiate proper condemnation proceedings have an immediate right to seek redress in federal court from the moment the taking occurs.

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U.S. Supreme Court says yes to immediate takings claim

Articles, Real Estate Articles

In a big change affecting property owners, the U.S. Supreme Court has ruled that people whose land is taken for public use without payment may, as soon as the property is taken, file federal lawsuits for constitutional violations of property rights.

The high court revisited the question of whether property owners have standing to bring §1983 claims under the Fifth Amendment in federal court when a taking occurs, or if they must exhaust all state court remedies first.

The court in June overturned a long-standing requirement that property owners must pursue all options for compensation in state court before bringing federal claims, saying owners may bring claims right away even if state courts have not considered the issue of just compensation.

The old requirement had been in place for nearly 35 years. The new decision found that the rule made it too difficult for property owners to exercise their rights under the federal takings clause.

The court also said the rule presented unfair obstacles that did not exist for people looking to bring §1983 claims based on other constitutional protections.

The decision makes it much easier for property owners to sue for federal relief.

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U.S. SUPREME COURT SAYS YES TO IMMEDIATE TAKINGS CLAIM



U.S. Supreme Court Says Yes to Immediate Takings Claim

Hutchison & Steffen

In a big change affecting property owners, the U.S. Supreme Court has ruled that people whose land is taken for public use without payment may, as soon as the property is taken, file federal lawsuits for constitutional violations of property rights.

The high court revisited the question of whether property owners have standing to bring §1983 claims under the Fifth Amendment in federal court when a taking occurs, or if they must exhaust all state court remedies first.

The court in June overturned a long-standing requirement that property owners must pursue all options for compensation in state court before bringing federal claims, saying owners may bring claims right away even if

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state courts have not considered the issue of just compensation.

The old requirement had been in place for nearly 35 years. The new decision found that the rule made it too difficult for property owners to exercise their rights under the federal takings clause.

The court also said the rule presented unfair obstacles that did not exist for people looking to bring §1983 claims based on other constitutional protections.
The decision makes it much easier for property owners to sue for federal relief.

Go Back

Actual resolution of legal issues depends upon many factors, including variations of fact and state laws. This article is not intended to provide legal advice on specific subjects, but rather to provide insight into legal developments and issues. The reader should always consult with legal counsel before taking any action on matters covered by this article. Nothing herein should be construed to create or offer the existence of any attorney-client relationship.

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EXHIBIT I

From: **Michael Dahle** Michael.Dahle@juneau.org
Subject: RE: GOLDSTEIN IMPROVEMENT COMPANY-Forwarding Your News Release as Requested
Date: March 21, 2022 at 12:49 PM
To: Greg Adler gregadler@mac.com

Greg,

Thank you for forwarding the news item.

Attached is the assessment history for the "Key Bank" building property.

I will send more information regarding your other questions in an email to follow.

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

City and Borough of Juneau
Assessment History Report

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$864,066.00	$54,400.00	$1,629,054.00	$2,547,520.00
2021	$881,700.00	$54,400.00	$1,662,300.00	$2,598,400.00
2020	$587,800.00	$54,400.00	$1,662,300.00	$2,304,500.00
2019	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2018	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2017	$612,300.00		$1,680,000.00	$2,292,300.00
2016	$612,300.00		$1,680,000.00	$2,292,300.00
2015	$612,300.00		$1,680,000.00	$2,292,300.00
2014	$612,300.00		$1,680,000.00	$2,292,300.00
2013	$612,300.00		$1,680,000.00	$2,292,300.00
2012	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2011	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2010	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2009	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2008	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2007	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2006	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2005	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2004	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2003	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2002	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2000	$496,000.00	$0.00	$787,300.00	$1,283,300.00

EXHIBIT J

From: Michael Dahle Michael.Dahle@juneau.org
Subject: RE: GOLDSTEIN IMPROVEMENT COMPANY-Forwarding Your News Release as Requested
Date: March 22, 2022 at 3:20 PM
To: Greg Adler gregadler@mac.com
Cc: Mary Hammond mary.hammond@juneau.org

Greg,

In regards to your question about the $54,400 miscellaneous category on the assessed value. The cost approach that was done in 2018 was done within our CAMA (Computer Assisted Mass Appraisal) system. Previous cost reports also used the Marshall & Swift valuation tables but were performed in a different software. With the current CAMA software some items related to a building end up in the miscellaneous category. In your case the items included in that section include a storage area, the canopy, an enclosed porch and the vault.

You asked what model was used to value your property.

Land
The land value was set in 2005 at 612,300 based on a per SF model. It was decreased by 4% on 07/01/2019 by Robin Potter to a land model in Govern, our CAMA system, of $40 per SF with a 20% locational adjustment which appears to be for the corner influence. (12,245 * 40 * 1.2 = 587,800)

In reviewing the sales as part of the analysis for setting commercial property values as of 01/01/2021 it was apparent that our commercial values were under market. As a first step towards addressing this a trending was applied for the AY2021 values. For most properties that meant a 50% increase to the land portion of the value. For improved properties that resulted in a 20% increase to the value on average.

Your property received that trend. (587,800 + 50% = $881,700)

For assessment year 2022 a 2% decrease was applied to properties in the downtown area. That was applied to both the land and the building components. The decrease to downtown commercial properties was applied even though the sales indicated that we were not overvalued in that area. It was applied in our effort to improve the uniformity of commercial subgroup valuation levels.

For the land portion this meant a reduction to $864,066. (881,700 – 2% = $864,066)

I have reviewed the base rate and locational adjustment applied to this property and it is uniform with surrounding properties.

Building
The building value is based on a cost report done in 2018 in Govern per an inspection. Within Govern it splits the value into two segments, the main building and miscellaneous components such as a storage area, the vault, etc. (1,662,300 + 54,400 = $1,716,700)

The 2% reduction was applied to the main building segment. (1,662,300 – 2% = $1,629,054)

The miscellaneous segment did not change for AY2022.

I have also attached a current cost report on the building. This is based on the last routine inspection which was done in 2018. The effective year built and amount of depreciation seems high based on the building having been remodeled in 2007 and 2008 and on my observations from the times I have walked by the building, however, we certainly will take a look at the items detailed in the appraisal. Also of note is that when the building was remodeled in 2007 and 2008 no change was made to the building value as should have happened.

The valuation history is included again below.

In regards to the outlier classification, that refers not to the sale per se but to the sales position within each data set of the analysis process. Part of the analysis of each data set includes a step to determine if any of the data points in the set are an outlier. For a particular sale, whether or not it is considered an outlier can change from one data set to another. In one set it may be an outlier while in another set it may not be an outlier.

This is the definition of an outlier that we use:

> 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.

General Question:
Have you explored at all whether another bank may be interested in a downtown location or whether you are thinking you will need to repurpose the building? From the quick research that I have done I have seen mixed signals. Some of the statements that I have seen are that there still are some branch closings but it has slowed from prior years, some banks have announced plans to open a significant number of new branches, half of the banks surveyed had plans to open new branches, closures are connected to less profitable regions, that the branch is not going away but how they deliver services is changing, and that the very significant number of people still physically going into the bank branches provides a tremendous opportunity to banks if they will capitalize on it.

Branch density is declining but branches remain the predominant factor in new accounts and customer retention so it is mainly the closing of duplicate or overlapping branches that have seen closure.

The next tenants of closed branches were indicated as follows:

7.5% other banks
26% stores
19% restaurants
17% health clinics
10.5% fitness
7.5% other financial services

The average time to sell was 9.5 months and the time to sublease just over a year.

I think that addresses all of the questions that you have asked so far that weren't answered directly in our conversations.
Sincerely,

Michael Dahle

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

CITY AND BOROUGH OF JUNEAU

3/21/2022 4:06:21PM Page 1

Cost Report - Commercial

1309		Record	1
Parcel Code Number	1C070A050060	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	234 SEWARD ST	Perimeter	391
Effective Year Built	1987	Class	B
Year Built	1914	Height	
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Bank	Total Area	6,608.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		6608		171.00		1,129,968
Exterior Wall	Concrete, Formed	6608		22.30		147,358
Heating & Cooling	Heating & Cooling	6608		613.00		613
Heating & Cooling	Hot Water	6608		13.00		85,904
Architect Fee		6608		7.30		48,238
Sprinklers	Sprinklers	11698		4.06		47,494
Fire Alarm System		6608		1.46		9,648
Basement	Unfinished	4630		57.00		263,910
Sub Total						$1,733,133.36
Local Multiplier				1.43	[X]	$2,478,381.00
Current Multiplier				1.13	[X]	$2,800,571.00
Neighborhood Multiplier					[X]	$2,800,571.00
Depreciation - Physical				34.00	[-]	$952,194.00

Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$1,848,377.00
Cost to Cure			
Neighborhood Adjustment			
Replacement Cost less Depreciation			$1,848,377

Miscellaneous Improvements

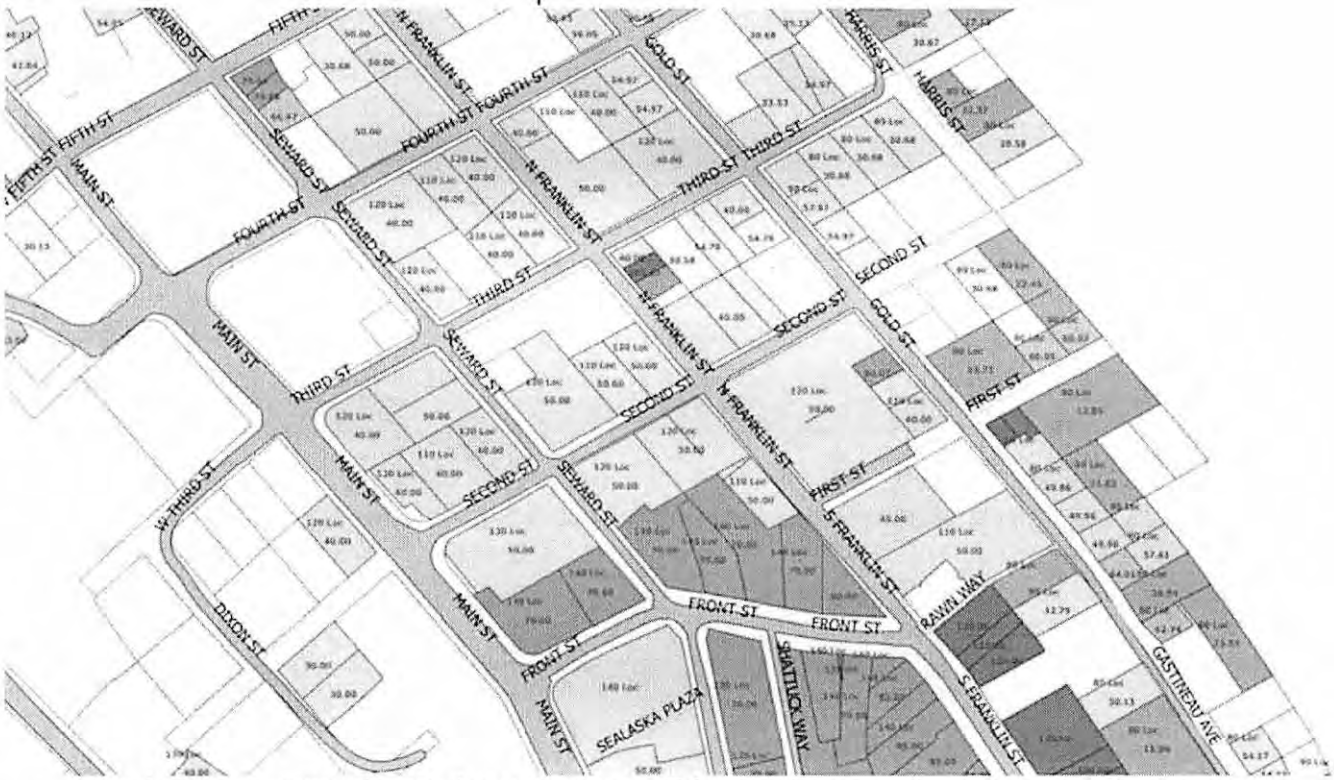
Miscellaneous Improvement	STORAGE 2.1.2018 PE	[+]	3,800
Miscellaneous Improvement	CANOPY 2.1.2018 PER	[+]	13,400
Miscellaneous Improvement	ENCLOSED PORCH 2.1.	[+]	2,200
Miscellaneous Improvement	VAULT 2.1.2018 PER	[+]	35,000
Total Improvement Value			$1,902,800

City and Borough of Juneau
Assessment History Report

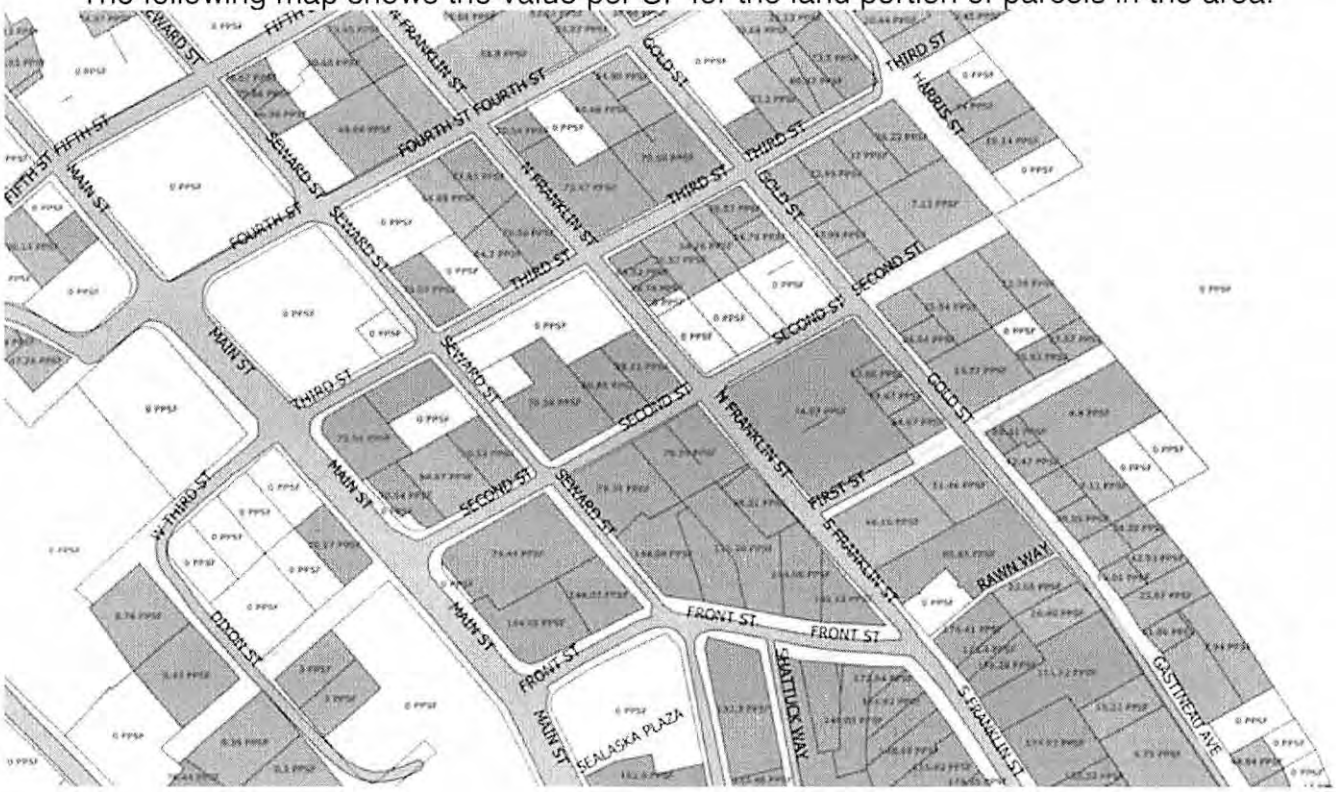
1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
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2002	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2000	$496,000.00	$0.00	$787,300.00	$1,283,300.00

The map below illustrates the base rate and the location adjustment percentages from the underlying valuation model. Note that other adjustments such as size, shape and others are not shown on this map.



The following map shows the value per SF for the land portion of parcels in the area.



-----Original Message-----
From: Michael Dahle

EXHIBIT K

STANDARD ON
Mass Appraisal of Real Property

A criterion for measuring fairness, quality, equity and accuracy

(Approved July 2017)

IAAO
INTERNATIONAL ASSOCIATION of ASSESSING OFFICERS
Valuing the World

Standard on Mass Appraisal of Real Property

Approved July 2017

International Association of Assessing Officers

This standard replaces the January 2012 *Standard on Mass Appraisal of Real Property* and is a complete revision. The 2012 *Standard on Mass Appraisal of Real Property* was a partial revision that replaced the 2002 standard. The 2002 standard combined and replaced the 1983 *Standard on the Application of the Three Approaches to Value in Mass Appraisal*, the 1984 *Standard on Mass Appraisal*, and the 1988 *Standard on Urban Land Valuation.* IAAO assessment standards represent a consensus in the assessing profession and have been adopted by the Executive Board of IAAO. The objective of IAAO standards is to provide a systematic means by which concerned assessing officers can improve and standardize the operation of their offices. IAAO standards are advisory in nature and the use of, or compliance with, such standards is purely voluntary. If any portion of these standards is found to be in conflict with the *Uniform Standards of Professional Appraisal Practice (USPAP)* or state laws, *USPAP* and state laws shall govern.

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Standard on Mass Appraisal of Real Property

1. Scope

This standard defines requirements for the mass appraisal of real property. The primary focus is on mass appraisal for ad valorem tax purposes. However, the principles defined here should also be relevant to CAMAs (CAMAs) (or automated valuation models) used for other purposes, such as mortgage portfolio management. The standard primarily addresses the needs of the assessor, assessment oversight agencies, and taxpayers.

This standard addresses mass appraisal procedures by which the fee simple interest in property can be appraised at market value, including mass appraisal application of the three traditional approaches to value (cost, sales comparison, and income). Single-property appraisals, partial interest appraisals, and appraisals made on an other-than-market-value basis are outside the scope of this standard. Nor does this standard provide guidance on determining assessed values that differ from market value because of statutory constraints such as use value, classification, or assessment increase limitations.

Mass appraisal requires complete and accurate data, effective valuation models, and proper management of resources. Section 2 introduces mass appraisal. Section 3 focuses on the collection and maintenance of property data. Section 4 summarizes the primary considerations in valuation methods, including the role of the three approaches to value in the mass appraisal of various types of property. Section 5 addresses model testing and quality assurance. Section 6 discusses certain managerial considerations: staff levels, data processing support, contracting for reappraisals, benefit-cost issues, and space requirements. Section 7 discusses reference materials.

2. Introduction

Market value for assessment purposes is generally determined through the application of mass appraisal techniques. Mass appraisal is the process of valuing a group of properties as of a given date and using common data, standardized methods, and statistical testing. To determine a parcel's value, assessing officers must rely upon valuation equations, tables, and schedules developed through mathematical analysis of market data. Values for individual parcels should not be based solely on the sale price of a property; rather, valuation schedules and models should be consistently applied to property data that are correct, complete, and up-to-date.

Properly administered, the development, construction, and use of a CAMA system results in a valuation system characterized by accuracy, uniformity, equity, reliability, and low per-parcel costs. Except for unique properties, individual analyses and appraisals of properties are not practical for ad valorem tax purposes.

3. Collecting and Maintaining Property Data

The accuracy of values depends first and foremost on the completeness and accuracy of property characteristics and market data. Assessors will want to ensure that their CAMA systems provide for the collection and maintenance of relevant land, improvement, and location features. These data must also be accurately and consistently collected. The CAMA system must also provide for the storage and processing of relevant sales, cost, and income and expense data.

3.1 Overview

Uniform and accurate valuation of property requires correct, complete, and up-to-date property data. Assessing offices must establish effective procedures for collecting and maintaining property data (i.e., property ownership, location, size, use, physical characteristics, sales price, rents, costs, and operating expenses). Such data are also used for performance audits, defense of appeals, public relations, and management information. The following sections recommend procedures for collecting these data.

3.2 Geographic Data

Assessors should maintain accurate, up-to-date cadastral maps (also known as assessment maps, tax maps, parcel boundary maps, and property ownership maps) covering the entire jurisdiction with a unique identification number for each parcel. Such cadastral maps allow assessing officers to identify and locate all parcels, both in the field and in the office. Maps become especially valuable in the mass appraisal process when a geographic information system (GIS) is used. A GIS permits graphic displays of sale prices, assessed values, inspection dates, work assignments, land uses, and much more. In addition, a GIS permits high-level analysis of nearby sales, neighborhoods, and market trends; when linked to a CAMA system, the results can be very useful. For additional information on cadastral maps, parcel identification systems, and GIS, see the *Standard on Manual Cadastral Maps and Parcel Identifiers* (IAAO 2016b), *Standard on Digital Cadastral Maps and Parcel Identifiers* (IAAO 2015), *Procedures and Standards for a Multipurpose Cadastre* (National Research Council 1983), and *GIS Guidelines for Assessors* (URISA and IAAO 1999).

3.3 Property Characteristics Data

The assessor should collect and maintain property characteristics data sufficient for classification, valuation, and other purposes. Accurate valuation of real property by any method requires descriptions of land and building characteristics.

3.3.1 Selection of Property Characteristics Data

Property characteristics to be collected and maintained should be based on the following:

- Factors that influence the market in the locale in question
- Requirements of the valuation methods that will be employed
- Requirements of classification and property tax policy
- Requirements of other governmental and private users
- Marginal benefits and costs of collecting and maintaining each property characteristic

Determining what data on property characteristics to collect and maintain for a CAMA system is a crucial decision with long-term consequences. A pilot program is one means of evaluating the benefits and costs of collecting and maintaining a particular set of property characteristics (see Gloudemans and Almy 2011, 46–49). In addition, much can be learned from studying the data used in successful CAMAs in other jurisdictions. Data collection and maintenance are usually the costliest aspects of a CAMA. Collecting data that are of little

importance in the assessment process should be avoided unless another governmental or private need is clearly demonstrated.

The quantity and quality of existing data should be reviewed. If the data are sparse and unreliable, a major recanvass will be necessary. Data that have been confirmed to be reliable should be used whenever possible. New valuation programs or enhancements requiring major recanvass activity or conversions to new coding formats should be viewed with suspicion when the existing database already contains most major property characteristics and is of generally good quality.

The following property characteristics are usually important in predicting residential property values:

Improvement Data

- Living area
- Construction quality or key components thereof (foundation, exterior wall type, and the like)
- Effective age or condition
- Building design or style
- Secondary areas including basements, garages, covered porches, and balconies
- Building features such as bathrooms and central air-conditioning
- Significant detached structures including guest houses, boat houses, and barns

Land Data

- Lot size
- Available utilities (sewer, water, electricity)

Location Data

- Market area
- Submarket area or neighborhood
- Site amenities, especially view and golf course or water frontage
- External nuisances, (e.g., heavy traffic, airport noise, or proximity to commercial uses).

For a discussion of property characteristics important for various commercial property types, see *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, chapter 9).

3.3.2 Data Collection

Collecting property characteristics data is a critical and expensive phase of reappraisal. A successful data collection program requires clear and standard coding and careful monitoring through a quality control program. The development and use of a data collection manual is essential to achieving accurate and consistent data collection. The data collection program should result in complete and accurate data.

3.3.2.1 Initial Data Collection

A physical inspection is necessary to obtain initial property characteristics data. This inspection can be performed either by appraisers or by specially trained data collectors. In a joint approach, experienced appraisers make key subjective decisions, such as the assignment of construction quality class or grade, and data collectors gather all other details. Depending on the data required, an interior inspection might be necessary. At a minimum, a comprehensive exterior inspection should be conducted. Measurement is an important part of data collection.

3.3.2.2 Data Collection Format

Data should be collected in a prescribed format designed to facilitate both the collecting of data in the field and the entry of the data into the computer system.

A logical arrangement of the collection format makes data collection easier. For example, all items requiring an interior inspection should be grouped together. The coding of data should be as objective as possible, with measurements, counts, and check-off items used in preference to items requiring subjective evaluations (such as "number of plumbing fixtures" versus "adequacy of plumbing: poor, average, good"). With respect to check-off items, the available codes should be exhaustive and mutually exclusive, so that exactly one code logically pertains to each observable variation of a building feature (such as structure or roof type). The data collection format should promote consistency among data collectors, be clear and easy to use, and be adaptable to virtually all types of construction. Specialized data collection formats may be necessary to collect information on agricultural property, timberland, commercial and industrial parcels, and other property types.

3.3.2.3 Data Collection Manuals

A clear, thorough, and precise data collection manual is essential and should be developed, updated, and maintained. The written manual should explain how to collect and record each data item. Pictures, examples, and illustrations are particularly helpful. The manual should be simple yet complete. Data collection staff should be trained in the use of the manual and related updates to maintain consistency. The manual should include guidelines for personal conduct during field inspections, and if interior data are required, the manual should outline procedures to be followed when the property owner has denied access or when entry might be risky.

3.3.2.4 Data Accuracy Standards

The following standards of accuracy for data collection are recommended.

- Continuous or area measurement data, such as living area and exterior wall height, should be accurate within 1 foot (rounded to the nearest foot) of the true dimensions or within 5 percent of the area. (One foot equates to approximately 30 centimeters in the metric system.) If areas, dimensions, or volumes must be estimated, the property record should note the instances in which quantities are estimated.
- For each objective, categorical, or binary data field to be collected or verified, at least 95 percent of the coded entries should be accurate. Objective, categorical, or binary data characteristics include such attributes as exterior wall material, number of full bathrooms, and waterfront view. As an example, if a data collector captures 10 objective, categorical, or binary data items for 100 properties, at least 950 of the 1,000 total entries should be correct.
- For each subjective categorical data field collected or verified, data should be coded correctly at least 90 percent of the time. Subjective categorical data characteristics include data items such as quality grade, physical condition, and architectural style.
- Regardless of specific accuracy requirements, consistent measurement is important. Standards including national, local and regional practices exist to support consistent measurement. The standard of measurement should be documented as part of the process. (American Institute of Architects 1995; Marshall & Swift Valuation Service 2017; International Property Measurement Standards Coalition n.d.; Building Owners and Managers Association International 2017)

3.3.2.5 Data Collection Quality Control

A quality control program is necessary to ensure that data accuracy standards are achieved and maintained. Independent quality control inspections should occur immediately after the data collection phase begins and may be performed by jurisdiction staff, project consultants,

auditing firms, or oversight agencies. The inspections should review random samples of finished work for completeness and accuracy and keep tabulations of items coded correctly or incorrectly, so that statistical tests can be used to determine whether accuracy standards have been achieved. Stratification by geographic area, property type, or individual data collector can help detect patterns of data error. Data that fail to meet quality control standards should be recollected.

The accuracy of subjective data should be judged primarily by conformity with written specifications and examples in the data collection manual. The data reviewer should substantiate subjective data corrections with pictures or field notes.

3.3.3 Data Entry

To avoid duplication of effort, the data collection form should be able to serve as the data entry form. Data entry should be routinely audited to ensure accuracy.

Data entry accuracy should be as close to 100 percent as possible and should be supported by a full set of range and consistency edits. These are error or warning messages generated in response to invalid or unusual data items. Examples of data errors include missing data codes and invalid characters. Warning messages should also be generated when data values exceed normal ranges (e.g., more than eight rooms in a 1,200-square-foot residence). The warnings should appear as the data are entered. When feasible, action on the warnings should take place during data entry. Field data entry devices provide the ability to edit data as it is entered and also eliminate data transcription errors.

3.3.4 Maintaining Property Characteristics Data

Property characteristics data should be continually updated in response to changes brought about by new construction, new parcels, remodeling, demolition, and destruction. There are several ways of updating data. The most efficient method involves building permits. Ideally, strictly enforced local ordinances require building permits for all significant construction activity, and the assessor's office receives copies of the permits. This method allows the assessor to identify properties whose characteristics are likely to change, to inspect such parcels on a timely basis (preferably as close to the assessment date as possible), and to update the files accordingly.

Another method is aerial photography, which also can be helpful in identifying new or previously unrecorded construction and land use. Some jurisdictions use self-reporting, in which property owners review the assessor's records and submit additions or corrections. Information derived from multiple listing sources and other third-party vendors can also be used to validate property records.

Periodic field inspections can help ensure that property characteristics data are complete and accurate. Assuming that most new construction activity is identified through building permits or other ongoing procedures, a physical review including an on-site verification of property characteristics should be conducted at least every 4 to 6 years. Reinspections should include partial remeasurement of the two most complex sides of improvements and a walk around the improvement to identify additions and deletions. Photographs taken at previous physical inspections can help identify changes.

3.3.5 Alternative to Periodic On-site Inspections

Provided that initial physical inspections are timely completed and that an effective system of building permits or other methods of routinely identifying physical changes is in place, jurisdictions may employ a set of digital imaging technology tools to supplement field reinspections with a computer-assisted office review. These imaging tools should include the following:

- Current high-resolution street-view images (at a sub-inch pixel resolution that enables quality grade and physical condition to be verified)
- Orthophoto images (minimum 6-inch pixel resolution in urban/suburban and 12-inch resolution in rural areas, updated every 2 years in rapid-growth areas or 6–10 years in slow-growth areas)
- Low-level oblique images capable of being used for measurement verification (four cardinal directions, minimum 6-inch pixel resolution in urban/suburban and 12-inch pixel resolution in rural areas, updated every 2 years in rapid-growth areas or 6–10 years in slow-growth areas).

These tool sets may incorporate change detection techniques that compare building dimension data (footprints) in the CAMA system to georeferenced imagery or remote sensing data from sources (such as LiDAR [light detection and ranging]) and identify potential CAMA sketch discrepancies for further investigation.

Assessment jurisdictions and oversight agencies must ensure that images meet expected quality standards. Standards required for vendor-supplied images should be spelled out in the Request for Proposal (RFP) and contract for services, and images should be checked for compliance with specified requirements. For general guidance on preparing RFPs and contracting for vendor-supplied services, see the *Standard on Contracting for Assessment Services* [IAAO 2008].

In addition, appraisers should visit assigned areas on an annual basis to observe changes in neighborhood condition, trends, and property characteristics. An on-site physical review is recommended when significant construction changes are detected, a property is sold, or an area is affected by catastrophic damage. Building permits should be regularly monitored and properties that have significant change should be inspected when work is complete.

3.4 Sale Data

States and provinces should seek mandatory disclosure laws to ensure comprehensiveness of sale data files. Regardless of the availability of such statutes, a file of sale data must be maintained, and sales must be properly reviewed and validated. Sale data are required in all applications of the sales comparison approach, in the development of land values and market-based depreciation schedules in the cost approach, and in the derivation of capitalization rates or discount rates in the income approach. Refer to *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 2) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011 chapter 2) for guidelines on the acquisition and processing of sale data.

3.5 Income and Expense Data

Income and expense data must be collected for income-producing property and reviewed by qualified appraisers to ensure their accuracy and usability for valuation analysis (see Section 4.4.). Refer to *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 2) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, chapter 2) for guidelines addressing the collection and processing of income and expense data.

3.6 Cost and Depreciation Data

Current cost and depreciation data adjusted to the local market are required for the cost approach (see Section 4.2). Cost and depreciation manuals and schedules can be purchased from commercial services or created in-house. See *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 4) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, 180–193) for guidelines on creating manuals and schedules.

4. Valuation

Mass appraisal analysis begins with assigning properties to use classes or strata based on highest and best use, which normally equates to current use. Some statutes require that property be valued for ad valorem tax purposes at current use regardless of highest and best use. Zoning and other land use controls normally dictate highest and best use of vacant land. In the absence of such restrictions, the assessor must determine the highest and best use of the land by analyzing the four components—legally permissible, physically possible, appropriately supported, and financially feasible—thereby resulting in the highest value. Special attention may be required for properties in transition, interim or nonconforming uses, multiple uses, and excess land.

4.1 Valuation Models

Any appraisal, whether single-property appraisal or mass appraisal, uses a model, that is, a representation in words or an equation of the relationship between value and variables representing factors of supply and demand. Mass appraisal models attempt to represent the market for a specific type of property in a specified area. Mass appraisers must first specify the model, that is, identify the supply and demand factors and property features that influence value, for example, square feet of living area. Then they must calibrate the model, that is, determine the adjustments or coefficients that best represent the value contribution of the variables chosen, for example, the dollar amount the market places on each square foot of living area. Careful and extensive market analysis is required for both specification and calibration of a model that estimates values accurately. Mass appraisal models apply to all three approaches to value: the cost approach, the sales comparison approach, and the income approach.

Valuation models are developed for defined property groups. For residential properties, geographic stratification is appropriate when the value of property attributes varies significantly among areas and each area is large enough to provide adequate sales. It is particularly effective when housing types and styles are relatively uniform within areas. Separate models are developed for each market area (also known as economic or model areas). Subareas or neighborhoods can serve as variables in the models and can also be used in land value tables and selection of comparable sales. (See *Mass Appraisal of Real Property* [Gloudemans 1999, 118–120] or *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, 139–143] for guidelines on stratification.) Smaller jurisdictions may find it sufficient to develop a single residential model.

Commercial and income-producing properties should be stratified by property type. In general, separate models should be developed for apartment, warehouse/industrial, office, and retail properties. Large jurisdictions may be able to stratify apartment properties further by type or area or to develop multiple models for other income properties with adequate data.

4.2 The Cost Approach

The cost approach is applicable to virtually all improved parcels and, if used properly, can produce accurate valuations. The cost approach is more reliable for newer structures of standard materials, design, and workmanship. It produces an estimate of the value of the fee simple interest in a property.

Reliable cost data are imperative in any successful application of the cost approach. The data must be complete, typical, and current. Current construction costs should be based on the cost of replacing a structure with one of equal utility, using current materials, design, and building standards. In addition to specific property types, cost models should include the cost of individual construction components and building items in order to adjust for features that differ from base specifications. These costs should be incorporated into a construction cost manual and related computer software. The software can perform the valuation function, and the manual, in addition to providing documentation, can be used when nonautomated calculations are required.

Construction cost schedules can be developed in-house, based on a systematic study of local construction costs, obtained from firms specializing in such information, or custom-generated by a contractor. Cost schedules should be verified for accuracy by applying them to recently constructed improvements of known cost. Construction costs also should be updated before each assessment cycle.

The most difficult aspects of the cost approach are estimates of land value and accrued depreciation. These estimates must be based on non-cost data (primarily sales) and can involve considerable subjectivity. Land values used in the cost approach must be current and consistent. Often, they must be extracted from sales of improved property because sales of vacant land are scarce. Section 4.5 provides standards for land valuation in mass appraisal.

Depreciation schedules can be extracted from sales data in several ways. See *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 4) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, 189–192).

4.3 The Sales Comparison Approach

The sales comparison approach estimates the value of a subject property by statistically analyzing the sale prices of similar properties. This approach is usually the preferred approach for estimating values for residential and other property types with adequate sales.

Applications of the sales comparison approach include direct market models and comparable sales algorithms (see *Mass Appraisal of Real Property* [Gloudemans 1999, chapters 3 and 4], *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, chapters 4 and 6], and the *Standard on Automated Valuation Models (AVMs)* [IAAO 2003]). Comparable sales algorithms are most akin to single-property appraisal applications of the sales comparison approach. They have the advantages of being familiar and easily explained and can compensate for less well-specified or calibrated models, because the models are used only to make adjustments to the selected comparables. They can be problematic if the selected comparables are not well validated or representative of market value. Because they predict market value directly, direct market models depend more heavily on careful model specification and calibration. Their advantages include efficiency and consistency, because the same model is directly applied against all properties in the model area.

Users of comparable sales algorithms should be aware that sales ratio statistics will be biased if sales used in the ratio study are used as comparables for themselves in model development. This problem can be avoided by (1) not using sales as comparables for themselves in modeling or (2) using holdout or later sales in ratio studies.

4.4 The Income Approach

In general, for income-producing properties, the income approach is the preferred valuation approach when reliable income and expense data are available, along with well-supported income multipliers, overall rates, and required rates of return on investment. Successful application of the income approach requires the collection, maintenance, and careful analysis of income and expense data.

Mass appraisal applications of the income approach begin with collecting and processing income and expense data. (These data should be expressed on an appropriate per-unit basis, such as per square foot or per apartment unit.) Appraisers should then compute normal or typical gross incomes, vacancy rates, net incomes, and expense ratios for various homogeneous strata of properties. These figures can be used to judge the reasonableness of reported data for individual parcels and to estimate income and expense figures for parcels with unreported data. Actual or

reported figures can be used as long as they reflect typical figures (or typical figures can be used for all properties).

Alternatively, models for estimating gross or net income and expense ratios can be developed by using actual income and expense data from a sample of properties and calibrated by using multiple regression analysis. For an introduction to income modeling, see *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 3) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, chapter 9). The developed income figures can be capitalized into estimates of value in a number of ways. The most direct method involves the application of gross income multipliers, which express the ratio of market value to gross income. At a more refined level, net income multipliers or their reciprocals, overall capitalization rates, can be developed and applied. Provided there are adequate sales, these multipliers and rates should be extracted from a comparison of actual or estimated incomes with sale prices (older income and sales data should be adjusted to the valuation date as appropriate). Income multipliers and overall rates developed in this manner tend to provide reliable, consistent, and readily supported valuations when good sales and income data are available. When adequate sales are not available, relevant publications and local market participants can be consulted.

4.5 Land Valuation

State or local laws may require the value of an improved parcel to be separated into land and improvement components. When the sales comparison or income approach is used, an independent estimate of land value can be made and subtracted from the total property value to obtain a residual improvement value. Some computerized valuation techniques provide a separation of total value into land and building components.

Land values should be reviewed annually. At least once every 4 to 6 years the properties should be physically inspected and revalued. The sales comparison approach is the primary approach to land valuation and is always preferred when sufficient sales are available. In the absence of adequate sales, other techniques that can be used in land appraisal include allocation, abstraction, anticipated use, capitalization of ground rents, and land residual capitalization. (See *Mass Appraisal of Real Property* [Gloudemans 1999, chapter 3] or *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, 178–180].)

4.6 Considerations by Property Type

The appropriateness of each valuation approach varies with the type of property under consideration. Table 1 ranks the relative usefulness of the three approaches in the mass appraisal of major types of properties. The table assumes that there are no major statutory barriers to using all three approaches or to obtaining cost, sales, and income data. Although relying only on the single best approach for a given type of property can have advantages in terms of efficiency and consistency, the use of two or more approaches provides helpful cross-checks and flexibility and can thus produce greater accuracy, particularly for less typical properties.

Table 1. Rank of typical usefulness of the three approaches to value in the mass appraisal of major types of property

Type of Property	Cost Approach	Sales Comparison Approach	Income Approach
Single-family residential	2	1	3
Multifamily residential	3	1, 2	1, 2
Commercial	3	2	1
Industrial	1, 2	3	1, 2
Nonagricultural land	–	1	2
Agricultural[a]	–	2	1
Special-purpose[b]	1	2, 3	2, 3

[a] Includes farm, ranch, and forest properties.

[b] Includes institutional, governmental, and recreation properties.

4.6.1 Single-Family Residential Property

The sales comparison approach is the best approach for single-family residential property, including condominiums. Automated versions of this approach are highly efficient and generally accurate for the majority of these properties. The cost approach is a good supplemental approach and should serve as the primary approach when the sales data available are inadequate. The income approach is usually inappropriate for mass appraisal of single-family residential properties, because most of these properties are not rented.

4.6.2 Manufactured Housing

Manufactured or *mobile* homes can be valued in a number of ways depending on the local market and ownership status. Often mobile homes are purchased separately and situated on a rented space in a mobile home park. In this case the best strategy is to model the mobile homes separately from the land. At other times mobile homes are situated on individual lots and bought and sold similar to stick-built homes. Particularly in rural areas they may be intermixed with stick-built homes. In these cases, they can be modeled in a manner similar to that for other residential properties and included in the same models, as long as the model includes variables to distinguish them and recognize any relevant differences from other homes (e.g., mobile homes may appreciate at a rate different from that for stick-built homes).

4.6.3 Multifamily Residential Property

The sales comparison and income approaches are preferred in valuing multifamily residential property when sufficient sales and income data are available. Multiple regression analysis (MRA) and related techniques have been successfully used in valuing this property type. Where adequate sales are available, direct sales models can be used. MRA also can be used to calibrate different portions of the income approach, including the estimation of market rents and development of income multipliers or capitalization rates. As with other residential property, the cost approach is useful in providing supplemental valuations and can serve as the primary approach when good sales and income data are not available.

4.6.4 Commercial and Industrial Property

The income approach is the most appropriate method in valuing commercial and industrial property if sufficient income data are available. Direct sales comparison models can be equally effective in large jurisdictions with sufficient sales. When a sufficient supply of sales data and income data is not available, the cost approach should be

applied. However, values generated should be checked against available sales data. Cost factors, land values, and depreciation schedules must be kept current through periodic review.

4.6.5 Nonagricultural Land

The sales comparison approach is preferred for valuing nonagricultural land. Application of the sales comparison approach to vacant land involves the collection of sales data, the posting of sales data on maps, the calculation of standard unit values (such as value per square foot, per front foot, or per parcel) by area and type of land use, and the development of land valuation maps or computer-generated tables in which the pattern of values is displayed. When vacant land sales are not available or are few, additional benchmarks can be obtained by subtracting the replacement cost new less depreciation of improvements from the sale prices of improved parcels. The success of this technique requires reliable cost data and tends to work best for relatively new improvements, for which depreciation is minimal.

Another approach is a *hybrid* model decomposable into land and building values. Although these models can be calibrated from improved sales alone, separation of value between land and buildings is more reliable when both vacant and improved sales are available.

4.6.6 Agricultural Property

If adequate sales data are available and agricultural property is to be appraised at market value, the sales comparison approach is preferred. However, most states and provinces provide for the valuation of agricultural land at use value, making the sales comparison approach inappropriate for land for which market value exceeds use value. Thus, it is often imperative to obtain good income data and to use the income approach for agricultural land. Land rents are often available, sometimes permitting the development and application of overall capitalization rates. Many states and provinces have soil maps that assign land to different productivity classes for which typical rents can be developed. Cost tables can be used to value agricultural buildings.

4.6.7 Special-Purpose Property

The cost approach tends to be most appropriate in the appraisal of special-purpose properties, because of the distinctive nature of such properties and the general absence of adequate sales or income data.

4.7 Value Reconciliation

When more than one approach or model is used for a given property group, the appraiser must determine which to use or emphasize. Often this can be done by comparing ratio study statistics. Although there are advantages to being consistent, sometimes an alternative approach or method is more reliable for special situations and atypical properties. CAMA systems should allow users to document the approach or method being used for each property.

4.8 Frequency of Reappraisals

Section 4.2.2 of the *Standard on Property Tax Policy* (IAAO 2010) states that current market value implies annual assessment of all property. Annual assessment does not necessarily mean, however, that each property must be re-examined each year. Instead, models can be recalibrated, or market adjustment factors derived from ratio studies or other market analyses applied based on criteria such as property type, location, size, and age.

Analysis of ratio study data can suggest groups or strata of properties in greatest need of physical review. In general, market adjustments can be highly effective in maintaining equity when appraisals are uniform within strata and recalibration can provide even greater accuracy. However, only physical reviews can correct data errors and, as stated in Sections 3.3.4 and 3.3.5, property characteristics data should be reviewed and updated at least every 4 to 6 years. This can be accomplished in at least three ways:

- Reinspecting all property at periodic intervals (i.e., every 4 to 6 years)
- Reinspecting properties on a cyclical basis (e.g., one-fourth or one-sixth each year)
- Reinspecting properties on a priority basis as indicated by ratio studies or other considerations while still ensuring that all properties are examined at least every sixth year

5. Model Testing, Quality Assurance, and Value Defense

Mass appraisal allows for model testing and quality assurance measures that provide feedback on the reliability of valuation models and the overall accuracy of estimated values. Modelers and assessors must be familiar with these diagnostics so they can evaluate valuation performance properly and make improvements where needed.

5.1 Model Diagnostics

Modeling software contains various statistical measures that provide feedback on model performance and accuracy. MRA software contains multiple sets of diagnostic tools, some of which relate to the overall predictive accuracy of the model and some of which relate to the relative importance and statistical reliability of individual variables in the model. Modelers must understand these measures and ensure that final models not only make appraisal sense but also are statistically sound.

5.2 Sales Ratio Analyses

Regardless of how values were generated, sales ratio studies provide objective, bottom-line indicators of assessment performance. The IAAO literature contains extensive discussions of this important topic, and the *Standard on Ratio Studies* (2013) provides guidance for conducting a proper study. It also presents standards for key ratio statistics relating to the two primary aspects of assessment performance: level and uniformity. The following discussion summarizes these standards and describes how the assessor can use sales ratio metrics to help ensure accurate, uniform values.

5.2.1 Assessment Level

Assessment level relates to the overall or general level of assessment of a jurisdiction and various property classes, strata, and groups within the jurisdiction. Each group must be assessed at market value as required by professional standards and applicable statutes, rules, and related requirements. The three common measures of central tendency in ratio studies are the median, mean, and weighted mean. The *Standard on Ratio Studies* (2013) stipulates that the median ratio should be between 0.90 and 1.10 and provides criteria for determining whether it can be concluded that the standard has not been achieved for a property group. Current, up-to-date valuation models, schedules, and tables help ensure that assessment levels meet required standards, and values can be statistically adjusted between full reappraisals or model recalibrations to ensure compliance.

5.2.2 Assessment Uniformity

Assessment uniformity relates to the consistency and equity of values. Uniformity has several aspects, the first of which relates to consistency in assessment levels between property groups. It is important to ensure, for example, that residential and commercial properties are appraised at similar percentages of market value (regardless of the legal assessment ratios that may then be applied) and that residential assessment levels are consistent among neighborhoods, construction classes, age groups, and size groups. Consistency among property groups can be evaluated by comparing measures of central tendency calculated for each group.

Various graphs can also be used for this purpose. The *Standard on Ratio Studies* (IAAO 2013) stipulates that the level of appraisal for each major group of properties should be within 5 percent of the overall level for the jurisdiction and provides criteria for determining whether it can be concluded from ratio data that the standard has not been met.

Another aspect of uniformity relates to the consistency of assessment levels within property groups. There are several such measures, the preeminent of which is the coefficient of dispersion (COD), which represents the average percentage deviation from the median ratio. The lower the COD, the more uniform the ratios within the property group. In addition, uniformity can be viewed spatially by plotting sales ratios on thematic maps.

The *Standard on Ratio Studies* (IAAO 2013) provides the following standards for the COD:

- Single-family homes and condominiums: CODs of 5 to 10 for newer or fairly similar residences and 5 to 15 for older or more heterogeneous areas
- Income-producing properties: CODs of 5 to 15 in larger, urban areas and 5 to 20 in other areas
- Vacant land: CODs of 5 to 20 in urban areas and 5 to 25 in rural or seasonal recreation areas
- Rural residential, seasonal, and manufactured homes: CODs of 5 to 20.

The entire appraisal staff must be aware of and monitor compliance with these standards and take corrective action where necessary. Poor uniformity within a property group is usually indicative of data problems or deficient valuation procedures or tables and cannot be corrected by application of market adjustment factors.

A final aspect of assessment uniformity relates to equity between low- and high-value properties. Although there are statistical subtleties that can bias evaluation of price-related uniformity, the IAAO literature (see particularly *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, 385–392 and Appendix B] and the *Standard on Ratio Studies* [IAAO 2013]) provides guidance and relevant measures, namely, the price-related differential (PRD) and coefficient of price-related bias (PRB).

The PRD provides a simple gauge of price-related bias. The *Standard on Ratio Studies* (IAAO 2013) calls for PRDs of 0.98 to 1.03. PRDs below 0.98 tend to indicate assessment progressivity, the condition in which assessment ratios increase with price. PRDs above 1.03 tend to indicate assessment regressivity, in which assessment ratios decline with price.

The PRB indicates the percentage by which assessment ratios change whenever values double or are halved. For example, a PRB of −0.03 would mean that assessment levels fall by 3 percent when value doubles. The *Standard on Ratio Studies* calls for PRBs of −0.05 to +0.05 and regards PRBs outside the range of −0.10 to +0.10 as unacceptable.

Because price is observable only for sale properties, there is no easy correction for the PRB, which is usually due to problems in valuation models and schedules. Sometimes other ratio study diagnostics will provide clues. For example, high ratios for lower construction classes may indicate that base rates should be reduced for those classes, which should in turn improve assessment ratios for low-value properties.

5.3 Holdout Samples

Holdout samples are validated sales that are not used in valuation but instead are used to test valuation performance. Holdout samples should be randomly selected with a view to obtaining an adequate sample while ensuring that the number of sales available for valuation will provide reliable results for the range of properties that must be valued (holdout samples of 10 to 20 percent are typical). If too few sales are available, later sales can be validated and used for the same purpose. (For a method of using sales both to develop and test valuation models, see "The Use of Cross-validation in CAMA Modeling to Get the Most Out of Sales" (Jensen 2011).

Since they were not used in valuation, holdout samples can provide more objective measures of valuation performance. This can be particularly important when values are not based on a common algorithm as cost and MRA models are. Manually assigning land values, for example, might produce sales ratio statistics that appear excellent but are not representative of broader performance for both sold and unsold properties. Comparable sales models that value a sold property using the sale of a property as a comparable for itself can produce quite different results when tested on a holdout group.

When a new valuation approach or technique is used for the first time, holdout sales can be helpful in validating use of the new method. In general, however, holdout samples are unnecessary as long as valuation models are based on common algorithms and schedules and the value assigned to a sale property is not a function of its price. Properly validated later sales can provide follow-up performance indicators without compromising the number of sales available for valuation.

5.4 Documentation

Valuation procedures and models should be documented. Appraisal staff should have at least a general understanding of how the models work and the various rates and adjustments made by the models. Cost manuals should be current and contain the rates and adjustments used to value improvements by the cost approach. Similarly, land values should be supported by tables of rates and adjustments for features such as water frontage, traffic, and other relevant influences. MRA models and other sales comparison algorithms should document final equations and should be reproducible, so that rerunning the model produces the same value. Schedules of rental rates, vacancy rates, expense ratios, income multipliers, and capitalization rates should document how values based on the income approach were derived.

It can be particularly helpful to prepare a manual, booklet, or report for each major property type that provides a narrative summary of the valuation approach and methodology and contains at least the more common rates and adjustments. Examples of how values were computed for sample properties can be particularly helpful. The manuals serve as a resource for current staff and can be helpful in training new staff or explaining the valuation process to other interested parties. Once prepared, the documents should be updated when valuation schedules change or methods and calculation procedures are revised.

5.5 Value Defense

The assessment office staff must have confidence in the appraisals and be able to explain and defend them. This confidence begins with application of reliable appraisal techniques, generation of appropriate valuation reports, and review of preliminary values. It may be helpful to have reports that list each parcel, its characteristics, and its calculated value. Parcels with unusual characteristics, extreme values, or extreme changes in values should be identified for subsequent individual review. Equally important, summary reports should show average values, value changes, and ratio study statistics for various strata of properties. These should be reviewed to ensure the overall consistency of values for various types of property and various locations. (See the *Uniform Standards of Professional Appraisal Practice*, Standards Rule 6-7, for reporting requirements for mass appraisals [The Appraisal Foundation 2012–2013].)

The staff should also be prepared to support individual valuations as required, preferably through comparable sales. At a minimum, staff should be able to produce a property record and explain the basic

approach (cost, sales comparison, or income) used to estimate the value of the property. A property owner should never be told simply that "the computer" or "the system" produced the appraisal. In general, the staff should tailor the explanation to the taxpayer's knowledge and expertise. Equations converted to tabular form can be used to explain the basis for valuation. In all cases, the assessment office staff should be able to produce sales or appraisals of similar properties in order to support (or at least explain) the valuation of the property in question. Comparable sales can be obtained from reports that list sales by such features as type of property, area, size, and age. Alternatively, interactive programs can be obtained or developed that identify and display the most comparable properties.

Assessors should notify property owners of their valuations in sufficient time for property owners to discuss their appraisals with the assessor and appeal the value if they choose to do so (see the *Standard on Public Relations* [IAAO 2011]). Statutes should provide for a formal appeals process beyond the assessor's level (see the *Standard on Assessment Appeal* [IAAO 2016a]).

6. Managerial and Space Considerations

6.1 Overview

Mass appraisal requires staff, technical, and other resources. This section discusses certain key managerial and facilities considerations.

6.2 Staffing and Space

A successful in-house appraisal program requires trained staff and adequate facilities in which to work and meet with the public.

6.2.1 Staffing

Staff should comprise persons skilled in general administration, supervision, appraisal, mapping, data processing, ~~and secretarial~~ and clerical functions. Typical staffing sizes and patterns for jurisdictions of various sizes are illustrated in *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, 22–25). Staffing needs can vary significantly based on factors such as frequency of reassessments.

6.2.2 Space Considerations

The following minimum space standards are suggested for managerial, supervisory, and support staff:

- *Chief assessing officer (e.g., Assessor, director)*—a private office, enclosed by walls or windows extending to the ceiling, of 200 square feet (18 to 19 square meters)
- *Management position (e.g., chief deputy assessor, head of a division in a large jurisdiction, and so on)*—a private office, enclosed by walls or windows extending to the ceiling, of 170 square feet (15 to 16 square meters)
- *Supervisory position (head of a section, unit, or team of appraisers, mappers, analysts, technicians, or clerks)*—a private office or partitioned space of 150 square feet (14 square meters)
- *Appraisers and technical staff*—private offices or at least partitioned, quiet work areas of 50 to 100 square feet (5 to 10 square meters), not including aisle and file space, with a desk and chair
- *Support staff*—adequate workspace, open or partitioned, to promote intended work functions and access.

In addition, there should be adequate space for

- File storage and access
- Training and meetings
- Mapping and drafting
- Public service areas
- Printing and photocopy equipment
- Library facilities.

6.3 Data Processing Support

CAMAs require considerable data processing support.

6.3.1 Hardware

The hardware should be powerful enough to support applications of the cost, sales comparison, and income approaches, as well as data maintenance and other routine operations. Data downloading, mass calculations, GIS applications, and Web support tend to be the most computer-intensive operations. Processing speed and efficiency requirements should be established before hardware acquisition. Computer equipment can be purchased, leased, rented, or shared with other jurisdictions. If the purchase option is chosen, the equipment should be easy to upgrade to take advantage of technological developments without purchasing an entirely new system.

6.3.2 Software

CAMA software can be developed internally, adapted from software developed by other public agencies, or purchased (in whole or in part) from private vendors. (Inevitably there will be some tailoring needed to adapt externally developed software to the requirements of the user's environment.) Each alternative has advantages and disadvantages. The software should be designed so that it can be easily modified; it should also be well documented, at both the appraiser/user and programmer levels.

CAMA software works in conjunction with various general-purpose software, typically including word processing, spreadsheet, statistical, and GIS programs. These programs and applications must be able to share data and work together cohesively.

Security measures should exist to prevent unauthorized use and to provide backup in the event of accidental loss or destruction of data.

6.3.2.1 Custom Software

Custom software is designed to perform specific tasks, identified by the jurisdiction, and can be specifically tailored to the user's requirements. The data screens and processing logic can often be customized to reflect actual or desired practices, and the prompts and help information can be tailored to reflect local terminology and convention.

After completing the purchase or license requirements, the jurisdiction should retain access to the program source code, so other programmers are able to modify the program to reflect changing requirements.

The major disadvantages of custom software are the time and expense of writing, testing, and updating. Particular attention must be paid to ensuring that user requirements are clearly conveyed to programmers and reflected in the end product, which should not be accepted until proper testing has been completed. Future modifications to programs, even those of a minor nature, can involve system administrator approval and can be a time-consuming, costly, and rigorous job. (See *Standard on Contracting for Assessment Services* [IAAO 2008].)

6.3.2.2 Generic Software

An alternative to custom software is generic software, of which there are two major types: vertical software, which is written for a specific industry, and horizontal software, which is written for particular applications regardless of industry. Examples of the latter include database, spreadsheet, word processing, and statistical software. Although the actual instruction code within these programs cannot be modified, they typically permit the user to create a variety of customized

templates, files, and documents that can be processed. These are often referred to as commercial off-the-shelf software (COTS) packages.

Generic vertical software usually requires modification to fit a jurisdiction's specific needs. In considering generic software, the assessor should determine

- System requirements
- The extent to which the software meets the agency's needs
- A timetable for implementation
- How modifications will be accomplished
- The level of vendor support
- Whether the source code can be obtained.

(See Standard on Contracting for Assessment Services [IAAO 2008].)

Horizontal generic software is more flexible, permitting the user to define file structures, relational table layout, input and output procedures, including form or format, and reports. Assessment offices with expertise in such software (which does not imply a knowledge of programming) can adapt it for

- Property (data) file maintenance
- Market research and analysis
- Valuation modeling and processing
- Many other aspects of assessment operations.

Horizontal generic software is inexpensive and flexible. However, it requires considerable customization to adapt it to local requirements. Provisions should be made for a sustainable process that is not overly dependent on a single person or resource.

6.4 Contracting for Appraisal Services

Reappraisal contracts can include mapping, data collection, data processing, and other services, as well as valuation. They offer the potential of acquiring professional skills and resources quickly. These skills and resources often are not available internally. Contracting for these services not only can allow the jurisdiction to maintain a modest staff and to budget for reappraisal on a periodic basis, but also makes the assessor less likely to develop in-house expertise. (See the *Standard on Contracting for Assessment Services* [IAAO 2008].)

6.5 Benefit-Cost Considerations

6.5.1 Overview

The object of mass appraisal is to produce equitable valuations at low costs. Improvements in equity often require increased expenditures.

Benefit-cost analysis in mass appraisal involves two major issues: policy and administration.

6.5.2 Policy Issues

An assessment jurisdiction requires a certain expenditure level simply to inventory, list, and value properties. Beyond that point, additional expenditures make possible rapid improvements in equity initially, but marginal improvements in equity diminish as expenditures increase. At a minimum, jurisdictions should budget to meet statutory requirements and the performance standards contained in the *Standard on Ratio Studies* (IAAO 2013) and summarized in Section 5.2.

6.5.3 Administrative Issues

Maximizing equity per dollar of expenditure is the primary responsibility of assessment administration. To maximize productivity, the assessor and managerial staff must effectively plan, budget, organize, and control operations and provide leadership. This must be accomplished within the office's legal, fiscal, economic, and social environment and constraints (Eckert, Gloudemans, and Kenyon 1990, chapter 16).

7. Reference Materials

Reference materials are needed in an assessment office to promote compliance with laws and regulations, uniformity in operations and procedures, and adherence to generally accepted assessment principles and practices.

7.1 Standards of Practice

The standards of practice may incorporate or be contained in laws, regulations, policy memoranda, procedural manuals, appraisal manuals and schedules, standard treatises on property appraisal and taxation (see section 6.2). Written standards of practice should address areas such as personal conduct, collection of property data, coding of information for data processing. The amount of detail will vary with the nature of the operation and the size of the office.

7.2 Professional Library

Every assessment office should have access to a comprehensive professional library that contains the information staff needs. A resource library may be digital or physical and should include the following:

- Property tax laws and regulations
- IAAO standards
- Historical resources
- Current periodicals
- Manuals and schedules
- Equipment manuals and software documentation.

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EXHIBIT L

WASHINGTON STATE DEPARTMENT OF REVENUE

Homeowner's Guide to Mass Appraisal

JULY 2014

The 39 counties in the State of Washington collectively perform appraisals on millions of real property parcels each year for property tax assessment purposes. In order to accomplish this, most county assessors currently use mass appraisal methods that analyze properties grouped by similar market influences and characteristics rather than by performing individual appraisals on each parcel every year. Due to the large numbers of properties that need to be valued each year, individual appraisal of each parcel is not financially or logistically possible in most assessment jurisdictions. In addition, this method of appraisal provides more uniformity in taxation for taxpayers. Because of greater standardization in the valuation process together with improved consistency in the work of appraisers, similar homes in similar neighborhoods should receive similar market adjustments. The benefit to taxpayers is the knowledge that they are being treated the same as other property owners.

All Counties in the State of Washington perform annual valuation

In 2009, the Legislature enacted SSB 5368, which provided that by January 1, 2014, all counties in the State of Washington will be required to revalue all real property on an annual basis.

Annual revaluation is intended to result in greater uniformity and consistency in property tax assessments and a more equal distribution of property taxes among property owners within a jurisdiction. One of the key components of annual valuations is the use of the mass appraisal process instead of a single property appraisal.

Valuation and Physical Inspection for Annual Revaluation

There is sometimes confusion between the valuation of a property and the physical inspection of a property. State law requires that all property be valued annually and physically inspected at least once every six years. Property that is not inspected in a given assessment year is analyzed, and the values are updated through the use of statistics based on annual market data. Homeowners should let the assessor's office know of changes which have occurred to their property, such as remodeling, additions, or removal of detached structures from the parcel. This ensures that the assessor's office has an accurate property profile from which to determine the current market value.

Continues...










Individual Appraisal vs. Mass Appraisal

An individual appraisal requires the use of comparable sales which are similar to the subject property. For a valuation analysis of a single subject property, as of a given date, sales are identified that best represent the subject property. An example of this is a fee appraisal based on comparable sales that is typically required by the bank when a homeowner refinances his loan. In addition to sales, cost and income information may also be used to determine assessed value. To accomplish the task of analyzing thousands of parcels each year to determine the current market value for assessment purposes, county assessors utilize a method of appraisal called "mass appraisal".

Mass appraisal is defined as "the systematic appraisal of groups of properties as of a given date using standardized procedures and statistical testing." *It involves analyzing data collected in mass quantities, developing statistics from the data, and applying the results to large numbers of properties. Groups of sales are used to provide value indications for large populations of properties.

Mass appraisal applies the same appraisal principles as an individual appraisal, but applies these principles to groups of properties rather than an individual property. For example, a mass appraisal may be conducted for a group of properties through analyzing areas that are affected by similar economic influences, such as homes that are located near an airport. Another example would be analyzing similar types of properties, such as good quality homes over 5,000 square feet in size.

For annual revaluation using mass appraisal techniques, the assessor statistically analyzes groups of sold properties to determine the annual update of values. Conducting annual review and updates to assessed values is required to ensure assessed values are representative of true and fair value (market value) as of January 1 of any given year. State law requires that assessed values reflect 100 percent of true and fair market value. If the assessor determines there is a change in value, the property owner will receive a change of value notice each year.

Mass Appraisal Models

In simple terms, mass appraisal is a mathematical formula created to represent and compare property characteristics that contribute to value for a group of properties. These may include items such as square footage, quality of construction, lot size, or view. These characteristics become "variables" when placed in the mathematical model. Variables in the model correspond to property characteristics and allow for comparisons and adjustments when there are differences between properties. Through the calculation process, the model accounts for variations between properties included in the mass appraisal of a group of properties.

For example, the condition of a home might be rated as excellent, good, average, fair, or poor condition. In order to represent this in a mass appraisal model, a number is assigned to those items ranking them from one to five, with excellent condition being a five. This allows property characteristics to be represented in a mathematical formula, assigning a value to each of these condition rankings. The chart below shows an example of the condition ranking and possible adjustments which might be associated with it.

Condition	Ranking	*Dollar Adjustment
Excellent	5	+$3500
Good	4	+$2000
Average	3	0
Fair	2	-$1000
Poor	1	-$2500

*These amounts are used as examples of adjustments to the base (average condition) with actual adjustments determined by market analysis.

Continues...





Other characteristics, which are identified as important contributors to value, can also be represented in this manner in order to calculate a total value for each property. This valuation is compared to the group of current sales in the same area. Models are "calibrated" or adjusted to reflect what the sales are indicating in the market place. This process of mass appraisal creates a consistent, uniform methodology for analyzing properties which is equitable to property owners because all properties within a category of properties are being treated in the same manner.

The mass appraisal model is tested by statistical analysis of sales as compared to assessed value of those sold properties. This includes an analysis of the AS (Assessment/Sales) ratio of the sales in a geographical area or property category. This ratio, expressed as a percentage, is an expression of the level of assessed value as compared to the current sales price of that property.

For example, a property is assessed at $92,000 and sold for $100,000. The AS (Assessment/Sales) ratio is expressed as 92,000/100,000 or 92%.

The property is being assessed at 92% of market value. Washington law requires that property be assessed at 100% of market value. A ratio study indicating a level of assessment at less than 100% would be an indication that the assessor may need to statistically update values. In annual revaluation sales are analyzed as a group and a single property analysis is no longer performed. Groups of properties are valued based on the sales and other data in the market area. These valuations are statistically tested for accuracy and equity. Individual appraisals are not done on each individual property. Counties may provide homeowners with information that includes the neighborhood sales used in the mass appraisal of their property for that year's property tax assessment.

Property Owners Questions About New Assessed Values

If a property owner questions their new assessed value, the first step should include contacting the county assessor's office to verify that the county records include the correct information about the owner's property. The next step would include reviewing sales and other information used by the assessor in the mass appraisal process. The assessor will generally have sales information available in their office or through a county website. A property owner may bring recent neighborhood sales to the attention of the assessor for consideration. The assessor's office may review those sales in relation to their neighborhood sales analysis to confirm that their assessments are within a reasonable range of value compared to the sales.

** Robert J Gloudemans, The Mass Appraisal of Real Property (Chicago: International Association of Assessing Officers, 1999), 1.*

For more information, please call the Property Tax Division at (360) 534-1400.

Visit our website at http://dor.wa.gov

Department of Revenue
Washington State

For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711.

This material is intended for general information purposes and does not alter or supersede any administrative regulations or rulings issued by the Department of Revenue.

Prepared by the Taxpayer Services Division
07/14 PTFS0080

EXHIBIT M

CHAPTER 2
MASS APPRAISAL MODULE
TOPICS AND OBJECTIVES

A. TOPICS

1. Definition of "Market Value" and "Mass Appraisal."
2. Types of information needed to generate a sales file.
3. Types of information needed to generate property values.
4. Types of statistical analyses needed to gage assessment levels and equity.
5. Types of valuation systems for residential, commercial and industrial properties.
6. The details of reassessment programs.

B. OBJECTIVES

1. Participants will understand what determines "Market Value" and how a "Mass Appraisal" is done.
2. Participants will understand what information needs to be included in the sales file.
3. Participants will understand what information is needed to generate property values.
4. Participants will understand the different types of statistical analyses and what they measure.
5. Participants will understand the differences in the types of valuation systems used to value all real property.
6. Participants will understand what is expected of them in undergoing a reassessment program.

CHAPTER 2
MASS APPRAISAL MODULE

1.0 OVERVIEW AND DEFINITIONS

1.1 Property Valuation

The primary responsibility of assessors is to value all real and personal property in their municipality each year for tax assessment purposes.

Every five years, these valuations must be reviewed by the Department of Revenue (DOR) and certified as meeting legal standards. Valuations in years between this five year certification must also meet legal standards, but they are not certified by DOR.

1.2 Market Value

Assessors are required by Massachusetts law to assess all real and personal property at its fair cash value as of January 1 each year.[1] Fair cash value means fair market value, which is the price a willing buyer and a willing seller would settle upon in an open market transaction.[2]

To determine market value, assessors must evaluate a number of factors that impact the amount a willing buyer and seller would agree to, including:

- **Sales** – The time, volume, and price of sales for the same type of property in the general area.
- **Location** – The location of the property.
- **Supply and demand** – The number of properties available for sale relative to the number of buyers seeking them.

1.3 Mass Appraisal

Mass appraisal is defined as the use of standardized procedures for collecting data and appraising property to ensure that all properties within a municipality are valued uniformly and equitably. It is the process of valuing a group of properties as of a given date, using common data, employing standardized methods and conducting statistical tests to ensure uniformity and equity in the valuations.

Assessors use mass appraisal procedures and techniques when determining the fair cash value of properties in their municipalities.

2.0 SALES DATA

2.1 Sales Information

Assessors must gather and analyze property sales data in order to conduct a mass appraisal program. The sales prices of comparable properties that sold in close proximity to the assessment date are the primary indicators of property values in a municipality.

2.2 Sales Identification

Assessors should use a variety of sources to identify all of the real property sales that occurred in their communities.

2.2.1 Registry of Deeds

The registry of deeds generally sends to each of the communities in its jurisdiction, copies of new deeds recorded each month with their book and page numbers shown on the copies. The registry information will generally list all of the real estate included in each sale and disclose the selling price.

2.2.2 Real Estate Transfer Publications

Periodicals like *Bankers and Tradesman* regularly publish information about real estate sales transactions, setting out selling prices, names of buyers and sellers, and property classes and uses.*Multiple Listing Service* is also used by many assessors to research sales data.

2.2.3 Newspaper Articles

Newspapers frequently contain real estate sections with information about real estate transactions.

2.2.4 Local Real Estate Brokers

Real estate brokers generally have information about property sales. Frequently, they can provide distinctive information, such as what was included in a sale.

2.2.5 Bank and Estate Appraisers

Bank and estate appraisers may also have information about a community's sales market.

2.3 Sales Selection

The validity of a sales analysis depends on the identification and selection of arms-length sales.

2.3.1 Arms-Length Sales

An arms-length sale is a transfer of property ownership between:

- A willing seller not under compulsion to sell, and
- A willing buyer not under compulsion to buy.

The transaction is between two unrelated parties, each of which is reasonably knowledgeable of market conditions and under no pressure to buy or sell. The property should be exposed to the market for a reasonable period of time.

A sale is not considered arms-length if there is some special situation that does not reflect market value. Examples of sales not usually considered indicative of market value include sales involving any of the following circumstances:

- **Family sales** - Sales between family members, involving reduced or nominal prices.

- **Foreclosure sales** - Sales involving properties foreclosed by a bank or another lending institution where the creditors are trying to make the best of a bad bargain and willing to sell property at whatever they can get to mitigate their loss.

- **Paper transactions** - Transfers involving businesses reassigning assets for bookkeeping purposes.

- **Donations** - Sales to charitable, educational or religious organizations that involve or are tantamount to donations.

- **Court ordered sales** – Sales ordered by a court that are tantamount to no more than the buyout price between the former co-owners, *e.g.*, a property settlement as part of a divorce.

2.3.2 Sales Verification

Assessors can use a number of methods to determine if a sale involved any special circumstances. These methods include:

- **Sales questionnaires** – Questionnaires are sent to new property owners asking them for details about the sale and if any special circumstances were present.

- **Property visits**– A visit can be made to the property shortly after the sale to interview the new owner about any special circumstances and to inspect the property to determine its condition at the time of sale.

- **Interviews or phone calls** - The seller can also be interviewed in person or by phone, as can any real estate agents, appraisers, or other third parties who may have knowledge of the the sale and the details surrounding it.

2.3.3 Sales Database and Maps

After verifying arms-length sales, assessors should create a sales database containing information about each sale property.

The database should include a photograph of each property depicting the physical condition of the property at the time of sale.

Also included as part of the database should be a set of property maps showing the location of all arms-length sales. Sales maps are a valuable tool for identifying market trends within the municipality. The maps should provide the following information:

- Locations of sale parcels.
- Sale prices.
- Sale dates.
- Property types, *e.g.,* single family home, residential lot, etc.

3.0 TAX MAPS

3.1 Land Valuation Tool

Assessors must prepare tax maps that locate and provide essential land area information about every real property in their municipality. In mass appraisal programs, tax maps are essential to the development and application of a land valuation schedule with accurate measures of market value, such as square footage, front footage and site. The maps must be updated annually to reflect changes in parcel configurations.

3.2 Parcel Identification System

Tax maps establish a unique identification number for each parcel of real estate. Most mapping systems identify the parcels by map-lot number or map-block-lot number. Each map is numbered. If the maps also contain divisions, they are called blocks and are identified by a different number. A unique number is then assigned to each parcel.

3.3 Parcel Information

Tax maps must accurately delineate every parcel and display its land area, based on the legal description in the deed or other title document. All roadways should be displayed and identified by name.

Maps that include the following information about each parcel enable assessors to more precisely analyze market influences:

- **Frontage and depth** - Road frontages and property depth measurements on tax maps assist assessors determine conformity to zoning by-laws and development potential.

- **Zoning, improvements and topography** - Boundaries of zoning areas, diagrams, or footprints of buildings and other improvements, and topographical data also assist assessors in determining conformity to other land use regulations, such as wetlands protection laws and local by-laws.

4.0 PROPERTY INVENTORY DATA

4.1 Property Record Card

Assessors must collect and maintain data on each parcel of real, and item of personal property. Accurate property data is essential for developing uniform valuations of comparable properties in a mass appraisal program. This data is usually referred to as a property inventory or property record card.

4.2 Real Property Descriptive Data

Property inventories for real property parcels should include the following information about ownership and physical characteristics that may affect valuation:

- **Ownership history** – The current and prior owners, acquisition dates and title references.
- **Land information** – Acreage, frontage and other data needed to apply the land valuation system.
- **Building measurements** – The precise external measurements for each structure on the property in order to calculate usable or living areas.
- **Construction quality** – The quality of the craftsmanship of the builder and the worth and durability of the materials used in the construction of each building and other structure.
- **Story heights** - The story height of each section of all buildings in order to calculate living area above the first floor.
- **Style** -The style of the building, *e.g.*, colonial, ranch, cape, etc.
- **Construction date** – The date of construction of each building, *i.e.*, its age.
- **Current condition** – The current physical condition of every building, *i.e.*, its degree of maintenance.
- **Other amenities** – All other amenities of a property that affect the property's market value, such as additional bathrooms, central air conditioning, garages, in-ground swimming pools, sheds and barns.

- **Moderating features** - Any features or characteristics that diminish the property's value, such as easements, nuisances and rights-of-way.

4.3 Property Inspections

Assessors must conduct a periodic, cyclical inspection program to continuously inspect properties to verify and update existing data. The time period depends on a number of factors, such as quality of the original data collection effort, the absence of data on certain characteristics needed to accurately measure market trends in a new valuation system, the frequency of property renovation and remodeling and the level of property reinspections. Generally, DOR certification guidelines require that all real properties be inspected at least once every 10 years and each personal property account should be inspected at least once every 5 years.

4.3.1 Community-wide Data Collection ("Full Measure and List")

A program to recollect all exterior and interior data at one time, *i.e.* a full measure and list program, usually takes place during a relatively short period of time, such as one calendar year. A full measure and list program is time consuming and generally requires the hiring of extra temporary staff or a revaluation company.

4.3.2 Cyclical Data Collection

Assessors using a cyclical program continually check their data over a set period, depending on property turnover in their community and their resources. This data collection procedure spreads costs over a longer period and minimizes the need for additional staff.

4.4 New Construction Data

Assessors must collect data on properties that have had new construction, alterations or demolitions each year and update their property inventory records to reflect the physical status of each parcel as of January 1, or June 30 if the municipality has accepted a local option reflecting the physical status of real property as of June 30 assessed on January 1.[3]

4.4.1 Building Permits

Assessors should make arrangements to receive copies of all building and demolition permits issued in the municipality so they can identify and collect the following construction data:

- New structures.
- Additions to existing structures.
- Renovations and other remodeling.

4.4.2 Partial Construction Valuation

Assessors must determine the percentage of completion of any new construction on the status date. That percentage is applied to the estimated

value of the structure as completed. That amount is then added to the land value to determine the property's valuation for the year.

Example

For fiscal year 1, a new house is 60% complete. The parcel's valuation equals the land value plus 60% of the full value of the house as completed.

For fiscal year 2, an additional 20% of the construction is completed. The parcel's valuation equals the land value plus 80% of the full value of the house as completed.

For fiscal year 3, the house is completed. The parcel's valuation equals the land value plus the completion value of the house.

4.5 Property Data Conversions

When a municipality changes valuation systems, assessors must include as a component of their mass appraisal program a full field review of every parcel. This is required by DOR reassessment program guidelines regardless of whether a new data collection program is being conducted or existing data is being used. The purpose is to ensure the data has been accurately captured and the new valuations are uniform.

4.5.1 Drive-by Inspection or Desktop Review

To perform a full field review, assessors should first conduct a drive-by inspection of all properties, checking building style, quality and condition and examining other visible data characteristics. The Bureau of Local Assessment (BLA) will consider a community's request for a desktop review of the data from a conversion provided certain criteria are met as found in DOR's certification standards.

4.5.2 Physical Inspection

For all properties appearing to have numerous discrepancies in their visible data, assessors must conduct a physical inspection.

4.6 Data Quality Analysis

A data quality analysis is a tool to determine the quality of the existing property data and assess the scope of data collection or verification required as part of a mass appraisal program. Properties are selected at random for inspection and a complete check of all of the information in the existing database is made.

4.6.1 Sample Method and Size

The sample should consist of a randomly selected two to five percent of all properties, and should be representative of all the typical property attributes, in the municipality. The sample should include:

- **Neighborhoods** - Representative properties from all the community's typical neighborhoods.

- **Property types** - Representative properties from each of the residential, commercial and industrial property classes. Within each class, the sample should contain buildings of all styles, types of construction and age.

4.6.2 Property Data Comparison

The preferred method for inspecting properties and comparing the results is to use blank property record cards and measure and list each property as if it were a new data collection.

An alternative method is to conduct a data verification inspection and mark discrepancies on the existing property record cards at the time of inspection.

4.6.3 Sample Classification

The first step in analyzing the results of the data quality study is to classify the reviewed properties into the following four categories:

- **None** - Properties with no discrepancies found between the existing data and the data obtained upon reinspection.

- **Drive-by inspection** - Properties for which a field review would have identified the discrepancies found, *i.e.*, discrepancies are for features such as building style, quality of construction, condition and/or story height.

- **Exterior measurement** - Properties for which an exterior measurement would have been required to identify the discrepancies found.

- **Interior inspection** - Properties for which an interior inspection would have been required to identify the discrepancies found, *i.e.*, discrepancies are for features such as an extra bathroom or fireplace or a finished living area in a basement or attic that was believed to be unfinished.

4.6.4 Statistical Analysis

A statistical analysis must be completed to evaluate the results of the data quality study.

Step 1 **Compute Dollar and Percentage Impact of Discrepancies**

- For each property, calculate the dollar difference between the existing assessed value and the value the property would have had if the data had been accurate.
- For each property, determine the percentage difference by dividing the dollar difference by the existing value.

Example

Assessed valuation	**$100,000**
Valuation with accurate data	**$115,000**
Dollar difference	**$15,000**
Percentage difference	**15%**
	(15,000 ÷ 100,000)

Step 2 **Calculate Mean Dollar and Percentage Difference**

- For the entire sample, and for each of the discrepancy categories identified in Section 4.6.3 above, calculate the mean dollar and mean percentage difference.
- The mean for each is the average difference and is calculated by adding the difference for each property and dividing that total by the number of properties.

Step 3 **Calculate Median Dollar and Percentage Difference**

- For the entire sample, and for each of the discrepancy categories identified in Section 4.6.3 above, calculate the median dollar and median percentage difference.
- The median for each is found by arraying the differences from high to low (or low to high) and locating the midpoint, with an equal number located above and below.

4.6.5 Corrective Action

The results must be evaluated to determine whether corrective actions are needed.

- **Median over 10%** - Assessors should conduct a full data collection program if the median in any category, class or type of property is greater than 10 percent.

- **Median between 5% and 10%** - Assessors should begin a three or six year, cyclical inspection program.

- **Median below 5%** - Assessors should continue ongoing maintenance and carry out a six or 10 year, cyclical inspection program.

5.0 MARKET ANALYSIS

5.1 Analysis Period

Once arms-length sales have been identified and verified, assessors must conduct a sales analysis to determine assessment level and uniformity. An analysis is conducted before beginning a mass appraisal program to compare the level and uniformity of existing assessments with the current market and identify the valuation adjustments that need to be made. Once the program is complete, another analysis is conducted to ensure that the resulting values comply with DOR certification standards of fair cash value.

Taxes for a fiscal year are assessed as of the January 1st preceding the fiscal year. January 1 is the effective date of the analysis since assessors are to determine the value of properties as of that date. The sales analysis should be based on sales that occurred during the preceding calendar year.

Example

January 1, 2022 is the assessment date for fiscal year 2023, which begins on July 1, 2022. Calendar year 2021 sales are analyzed for fiscal year 2023.

5.2 Sample Size

Assessors must include all valid arms-length sales that occurred in the analysis period. In the example above, all valid sales that took place in calendar year 2021 would be used.

5.2.1 Minimum Sample

The sample should be at least two percent of the number of parcels in the class, or 10 sales in the class, whichever is greater. For residential properties, a separate analysis should be conducted for each of the following:

- Single-family homes.
- Condominiums.
- Two-family homes.
- Three-family homes.
- Apartment buildings (4 units and above).
- Residential vacant land.

5.2.2 Insufficient Sample

If the sample is less than two percent, or 10 sales, the assessors should include an additional 12 months of sales in the analysis in order to obtain an adequate sample. The additional months can be from either the year before the base year, or the six months before and the six months after the base year. The time period used must be the same for all classes analyzed that require an additional year.

Example

Calendar year 2021 sales of apartment buildings are insufficient. The assessors use the last 6 months of 2020 and the first 6 months of 2022 to obtain an adequate sample. The sales study for any other class requiring sales in a second year such as single-family homes, condominiums, two-family homes, three-family homes or residential vacant land, must also include sales from those months.

5.3 Time Adjustments

Assessors may need to adjust the sales prices forward or backward to the assessment date before conducting the analysis if the real estate market is changing at a dramatic pace. This is only one method of determining the time adjustment. Other methods may be obtained from IAAO's publication, *Property Appraisal & Assessment Administration.*

5.3.1 Inflation/Deflation Rate

To determine a proper adjustment, assessors should first compute the sales/assessment ratio for earlier months of sales.

S/A Ratio Example

An analysis of s/a ratios for 2021 sales shows that:

- **January sales were, on average 100% of the current assessments.**
- **July sales were on average, 95% of the current assessments.**
- **December sales were, on average 90% of the current assessments.**

Deflation occurred at a 10% rate over the year.

$$\frac{90\% - 100\%}{100\%} = -10\% \text{ (decrease)}$$

5.3.2 Monthly Trend Factor

Adjustments in the sales price are made by computing a monthly adjustment factor. The factor is calculated by dividing the annual inflation rate by 12 months.

Example

Deflation occurred at a 10% rate over the year. The monthly adjustment factor is .83% (10 ÷ 12).

- **October sales occurred 3 months before the assessment date and are adjusted by - 2.5% (-.83 x 3).**
- **May sales occurred 8 months before the assessment date and are adjusted by – 6.67% (-.83 x 8).**

5.4 Ratio Studies

Ratio studies can be used to analyze existing assessments by (1) assessment level and (2) assessment uniformity. Assessment level measures the degree to which the assessments approximate current market value. Assessment uniformity measures the degree to which properties in the same class or subclass are assessed at the same percentage of current market value.

5.4.1 Assessment Level

5.4.1.1 Assessment/Sales Ratio

Assessment level is determined by calculating the median assessment/sales ratio (ASR) for the class or subclass being analyzed. The first step is to calculate the ASR for each property in the sample. The ASR is calculated by dividing the current assessed valuation of the property by the sales price.

An ASR of 1.00 represents 100% market value. An ASR below 1.00 indicates the property is assessed for less than its market value. An ASR above 1.00 indicates the property is assessed for more than its market value.

Example
A property assessed at $100,000 sold for $135,000. The ASR is .74 (100,000 ÷ 135,000). This property's assessment is below market value, *i.e.*, is 74% of its market value.

5.4.1.2 Median Assessment/Sales Ratio

The median ASR is then calculated for the municipality, class or subclass being analyzed. The median is generally a better measurement of assessment level than the mean (average) because it is not swayed by outlying sales.

Step 1	**Calculate ASRs** • Compute the ASR for each sale in sample.
Step 2	**Calculate Median ASR** • Array the ASRs from high to low (or low to high). • The median is the midpoint, with an equal number of ASRs located above and below.

5.4.2 Assessment Uniformity

Assessment uniformity is determined by calculating the coefficient of dispersion (COD) for the class or subclass being analyzed. The COD

measures how sales prices for properties within the sample vary from the median ASR.

Step 1	**Calculate Absolute Deviation from Median**
	• Compute the amount by which the ASR for each sale in the sample deviates from the median ASR, *e.g.*, if the median ASR is .97 (97%), the deviations for sales with ASRs of .95 and .99 would both be .02.
	• The deviation for the sale or sales that established the median should be calculated and included.
	  • If 1 sale determined the median, the deviation for that sale would be 0.
	  • If 2 sales determined the median, one at .96 and the other at .98, resulting in a median of .97, the deviations for both sales would be .01.

Step 2	**Calculate Average Absolute Deviation from Median** • Add the absolute deviations of each sale in the sample. • Divide the total by the number of sales. **Example** **The total of absolute deviations for a sample of 25 sales is 2.56 (256%). The average absolute deviation is (2.56 ÷ 25) which equals .102 or 10.2%**
Step 3	**Calculate the Coefficient of Dispersion** • Divide the average absolute deviation by the median ASR. • Multiply that quotient by 100. **Example** **The average absolute deviation is 10.2%. The median ASR is 97%. The COD is (.102 ÷ .97 x 100) which equals 10.5**

5.5 Certification Statistical Standards

5.5.1 ASR and COD Standards

For certification, the sales analysis must indicate the following mass appraisal standards of assessment level and uniformity for each type of property for which there is a sufficient sales sample:

Type	Use Classes	Median ASR (Range)	COD (Maximum)
Single-family	101	90-110%	10%
Condominiums	102	90-110%	10%
Two-family	104	90-110%	12%
Three-family	105	90-110%	12%
Apartments	111-112	90-110%	15%
Vacant Land	130-132	90-110%	20%
Commercial	300s	90-110%	20%
Industrial	400s	90-110%	20%
Mixed Use	013-031	90-110%	20%

5.5.2 ASR Differential

Certification standards also require that the difference in the median ASR of the residential subclass with the largest number of parcels and the median ASR of any other subclass of residential property should be five percent or less. The difference in the median ASR of the residential class use code with the largest number of parcels and the median ASR of any other class should be 5% or less, but the median may not go below 90% or above 110%.

Example

The largest or predominate residential class is single-family homes and has a median ASR of 97%. All other residential classes would be required to have a median ASR of 92% to 102% to meet certification standards.

5.6 Sales Stratification

Assessors can and should stratify sales in a residential class into subgroups in order to more precisely identify the factors influencing market value. Subgroups can be based on such factors as:

- Neighborhood.
- Building style.
- Building grade.
- Building age.
- Selling price.

The median ASR and COD should be calculated for each subgroup. The median for each subgroup should fall within five percent of the median of the corresponding residential use class. The COD for each subgroup should be within the range allowed for the class.

6.0 VALUATION METHODOLOGIES

6.1 Valuation Systems

Communities should already have a valuation system in place, commonly referred to as a Computer Assisted Mass Appraisal (CAMA) System. These systems have the ability to apply market changes to all comparable properties within the municipality.

6.1.1 Adjustment of Existing Valuation System

Sales analyses and other market data are used to identify what adjustments need to be made to the existing valuation system for improvements and land. This typically involves updating the CAMA system valuation models, such as land, cost, and depreciation tables. Adjusting these tables maintains the integrity of the existing system because the values of all comparable properties would change at the same rate.

Examples

The existing land valuation schedule would be adjusted if the source of dispersion appears to be neighborhood differences.

The existing building valuation models, base cost tables or depreciation schedules would be adjusted if the source of dispersion appears to be a specific style or age of property.

6.1.2 Trending or Factoring Existing Valuations

In some cases, sales analyses may be used to adjust the assessments of a group of properties by a uniform percentage, rather than adjusting the CAMA system valuation models. This approach is effective when the underlying data is current and accurate and when separate trending factors are developed for comparable properties (such as by location, age, style, etc.) that appreciated or depreciated in value at the same rate. It may be an inappropriate appraisal technique where values have been previously factored and applying another factor would magnify underlying inequities.

Example

Sales of homes in a particular neighborhood indicate an ASR of 90%. The current valuations of all homes in a particular neighborhood are increased by 10%.

6.2 Residential Property

The sales comparison approach *or "market approach"* is most often relied upon to value residential properties.

However, it's important to remember that when using a mass appraisal system, the **unique components of an individual property** have to be identified and valued, such as number of bathrooms, heating system, finished basement, etc. Within the database, there are pricing tables. These tables provide a base price per square foot for each style and grade of a dwelling. There are also tables used to identify the unique attributes of an individual property that are applied to help fine tune the value.

Usually this is calculated applying the **replacement cost new of the structures, less the depreciation and adding in the *market value* of the land. "RCNLD "is a common acronym used to describe Replacement Cost New Less Depreciation."** Thus, the **total value will equal RCNLD of the building(s) plust the Land Value.** Quite often, assessors will refer to this approach in CAMA as applying "Market Adjusted Cost", but essentially, they are relying on the market sales for the valuation model.

Example

Subject property is a 20-year-old, 2,000 square feet (SF) single family home.

Updated construction costs are $175/SF. The RCN = $250,000 (2,000SF x $125/SF).

Updated depreciation tables indicate a 20-year-old home has lost 10% of its value.

RCNLD = $225,000 [250,000 – 25,000 (10% of 250,000)].

Residential house lot market value is $175,000.

Final value is $400,000 (225,000 (RCNLD) + 175,000(Land Value)).

6.3 Vacant and Improved Land

The approach to valuing vacant and improved land depends on the sales database. The most reliable method is to analyze sales of vacant, raw land. Additionally, a land residual analysis should be conducted. This method subtracts the value of all improvements on a parcel from its sales price leaving an indicated land value. The results of both approaches should support the adjustments the assessors make to existing land valuation schedules for all classes to ensure that their application reflects current market value.

Example

A single-family home sells for $300,000.

The RCNLD = $200,000.

The residual or indicated land value is $100,000.

6.4 Commercial and Industrial Property

Commercial and industrial properties are bought and sold on investor expectations. In valuing these properties, adjustments are specific to the approaches to value that were used to determine their original base values.

Certification guidelines require that assessors use at least two valuation methods to estimate the values of all investment properties.

The three methods used to value commercial and industrial properties are:

6.4.1 Cost Approach

This method calculates the current cost to replace the building, adjusts for depreciation due to age or condition and adds a separately determined land value.

Example

Subject property is a 10-year-old, 20,000 SF office building.

Updated construction costs for this type of structure are $50/SF.

The RCN = $1,000,000 (20,000SF x 50/SF).

Updated depreciation tables indicate a 10-year-old office building has lost 10% of its value.

RCNLD = $900,000 [1,000,000 – 100,000 (10% of 1,000,000)].

Commercial land value is $200,000.

Final value is $1,100,000 (900,000 + 200,000).

6.4.2 Income Approach

This method requires the assessor to estimate the rental income from a property and capitalize that income into an estimate of current value. The approach recognizes that potential buyers demand property because they anticipate a future income stream. Assessors should collect current information on a community and regional level about rents, income, expenses, financing rates and terms and other data needed to develop capitalization rates. The necessary information can be obtained from a questionnaire, interviews with taxpayers, or from third party sources.

The formula that relates income to value under this approach is:

Value (V) = Income (I) ÷ Capitalization Rate (R).

Example

Subject property is expected to provide a perpetual net income of $50,000 a year.

The rate of return on investments of similar safety is 10%.

Final value is $500,000 (50,000 ÷ .10).

6.4.3 Market Approach

This method analyzes recent commercial and industrial sales to develop units of value. These unit values may then be applied to comparable non-sold properties. Sales from surrounding communities with comparable

property bases and market influences may also be used for analytical purposes.

Example

A 40,000 SF office building sells for $3,000,000.

The dollar per square foot unit of value is $75/SF (3,000,000 ÷ 40,000SF).

7.0 REASSESSMENT PROGRAMS AND WORKPLANS

7.1 Interim Years

Assessors must value all property at fair cash value as of January 1 each year. In the years between the five year certification review of their assessments, this means they must adjust valuations to reflect changes in the tax base due to new construction, alterations, demolitions or other physical changes. They must also monitor the market and, if there has been a change in market conditions, adjust their valuations as needed, so that all property valuations reflect current fair cash value.

7.1.1 Valuation Adjustment Plan

Assessors may undertake or complete a valuation adjustment program in years between their five year certification review without the prior review or approval of BLA. Appropriate analytical and appraisal methods must be used to develop any valuation adjustments. Once the program is completed, the new valuations must be equitable and consistent within and between all property classes, *i.e.*, they must meet the same mass appraisal measures of assessment level and uniformity as required for certification. See Section 5.5 above.

Example

Initial analysis indicates the following ASRs for subclasses of residential properties:

- **75% Single family.**
- **70% Condominiums.**
- **95% Vacant land.**
- **96% Two-family.**

Assessors must adjust single family and condominium valuations. After adjustments are made, all residential subclasses must have ASRs between 90-110% and the ASRs must be within 5% of each other.

Assessors must prepare and retain documentation supporting the new valuations. This documentation might include, for example, income, expense and capitalization rate analyses, sales ratio studies or any other data

that support the type and extent of the valuation changes made by the assessors.

7.1.2 Valuation Adjustment Report

Assessors must report the results of their analyses to BLA whether or not any valuation adjustments are made. The report is made on the form LA-15 "Interim Year Adjustment Report" in Gateway (see page 2-23). It should be submitted as early as possible during the tax rate process, but must be received by the time the Form LA-4 "Assessment/Classification Report" is submitted.

7.2 Certification Year

Assessors must develop a reassessment program for meeting certification requirements and submit a workplan to accomplish it to BLA.

7.2.1 Evaluate Current Capability

Assessors must thoroughly evaluate the resources available to them to complete a reassessment program, including the following:

7.2.1.1 CAMA System

The current CAMA system must be evaluated to determine if it has the capability to maintain the database, update the current valuation tables and produce required certification documentation.

7.2.1.2 Personnel

A reassessment program requires a substantial amount of time and labor. Assessors must determine if they have sufficient, qualified personnel to complete the program in-house in a timely manner. In-house personnel must have the appraisal knowledge, training and experience, and working knowledge of the CAMA system required to complete assigned tasks.

7.2.1.3 Professional Assistance

Assessors may contract for professional assistance if they determine that in-house resources are not sufficient to complete all or portions of the program. Assessors may select from a wide range of data processing, appraisal, consulting or other professional services to revalue property, update an existing valuation system or otherwise assist them. Assessors are legally responsible for ensuring that valuations meet legal standards even if professional assistance is used.

If the plan includes any professional assistance, assessors should review procurement procedures and standards with their procurement officer and municipal counsel. The Uniform Procurement Act[4] covers procurement of professional services

generally, but the specific bidding procedures that apply depend on the type and value of the contract. Additional information is available from the Office of the Inspector General at **www.mass.gov/ig**. There may also be local bidding provisions that apply.

Assessors should consider a number of factors in addition to cost when choosing a contractor, including the contractor's:

- Familiarity with the municipality and area.
- Familiarity with the CAMA system used.
- Experience working with municipalities of similar size and complexity.
- Performance record.

7.2.1.4 Budget

Assessors must review the financial resources needed to implement and complete the program, prepare a program budget and request any additional funds needed. Funds should be appropriated two years in advance of the year certification is scheduled.

7.2.2 Prepare Workplan

Assessors must determine the program components needed to meet certification standards based on their analysis of market trends, data quality, CAMA system capability and BLA certification directives.

They must then prepare and submit a workplan in Gateway (see page 2-24) to document program components, personnel and timetable. The workplan is a valuable tool that allows assessors to:

- Define specific project tasks.
- Manage their limited human and financial resources.
- Monitor the progress of the program.

The workplan submitted to BLA includes following:

- Data maintenance and valuation system information.
- Program data collection, valuation and field review components for all property classes and who is responsible for completing them, in-house personnel or a contractor.
- Public disclosure activities (Individual impact notices required for certification only for full revaluation programs, *i.e.*, new data collection and valuation system, or, to second-home owners).
- Appropriation status.
- Schedule for completing major steps in certification process. BLA will not accept a workplan unless a work schedule with projected completion dates is submitted.

For their own monitoring purposes, assessors should prepare a more detailed projectworkplan based on realistic estimates of the necessary work and time needed to complete it.

---

[1] G.L. c. 59, § 38.

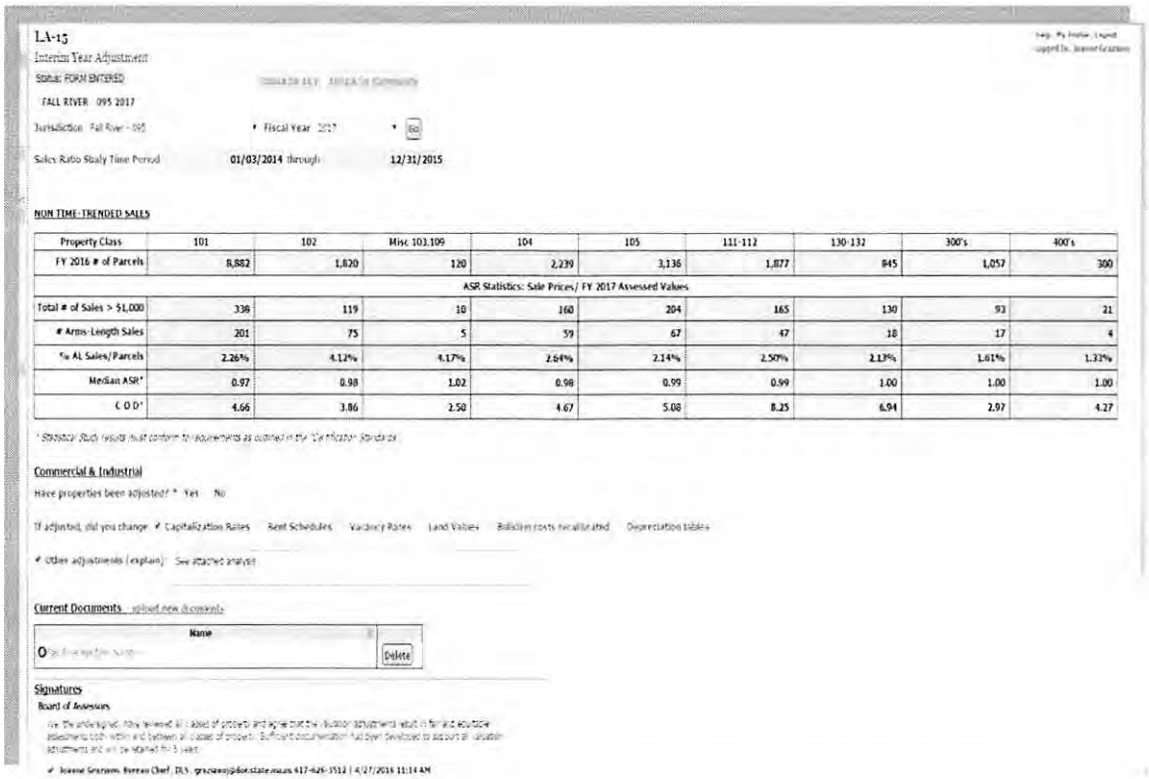
[2] *Boston Gas Company v. Assessors of Boston,* 334 Mass. 549 (1956) defines fair cash value as "fair market value, which is the price an owner willing but not under compulsion to sell ought to receive from one willing but not under compulsion to buy."

[3] G.L. c. 59, § 2A(a), as added by St. 1989, c. 653, § 40.

[4] G.L. c. 30B.

LA15 Interim Year Review

The LA15 is located on the LA3 Tab in Gateway. To complete the submission process for the Interim Year Adjustment program, you must go to the **LA15** form. The Parcel Counts for the LA15 will be auto filled from prior year's LA4. Statistics will display. This form is not available to Certification communities.



LA-15

Interim Year Adjustment

Status: FORM ENTERED

FALL RIVER 095 2017

Jurisdiction Fall River - 095 * Fiscal Year 2017 * Go

Sales Ratio Study Time Period 01/03/2014 through 12/31/2015

NON TIME-TRENDED SALES

Property Class	101	102	Misc 103,109	104	105	111-112	130-132	300's	400's
FY 2016 # of Parcels	8,882	1,820	120	2,239	3,136	1,877	845	1,057	300
ASR Statistics: Sale Prices/ FY 2017 Assessed Values									
Total # of Sales > $1,000	336	119	10	160	204	165	130	93	21
# Arms-Length Sales	201	75	5	59	67	47	18	17	4
% AL Sales/Parcels	2.26%	4.12%	4.17%	2.64%	2.14%	2.50%	2.13%	1.61%	1.33%
Median ASR*	0.97	0.98	1.02	0.98	0.99	0.99	1.00	1.00	1.00
C O D*	4.66	3.86	2.50	4.67	5.08	8.25	6.94	2.97	4.27

* Statistical Study results must conform to requirements as outlined in the "LA Notice" Standards

Commercial & Industrial

Have properties been adjusted? * Yes No

If adjusted, did you change * Capitalization Rates Rent Schedules Vacancy Rates Land Values Building costs recalibrated Depreciation tables

* Other adjustments (explain): See attached analysis

Current Documents upload new documents

Name	
O	Delete

Signatures

Board of Assessors

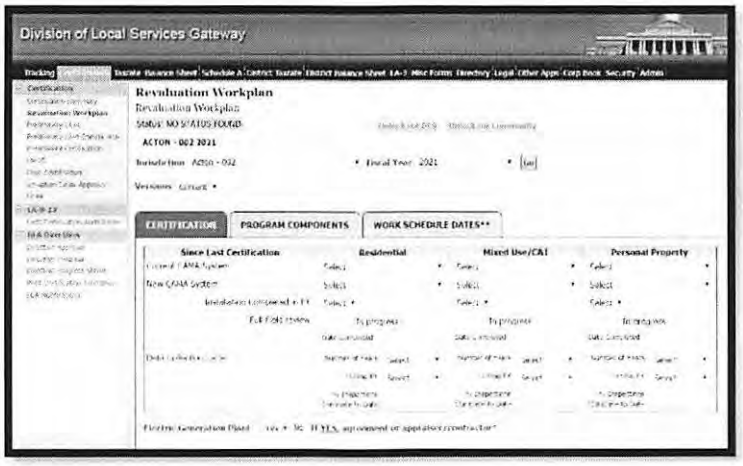
I/we, The undersigned, have reviewed all classes of property and agree that the valuation adjustments result in fair and equitable assessments both within and between all classes of property. Sufficient documentation has been developed to support all valuation adjustments and will be retained for 3 years.

* Joanne Graziano, Bureau Chief, DLS, graziano@dor.state.ma.us, 617-626-2512 | 4/27/2016 11:14 AM

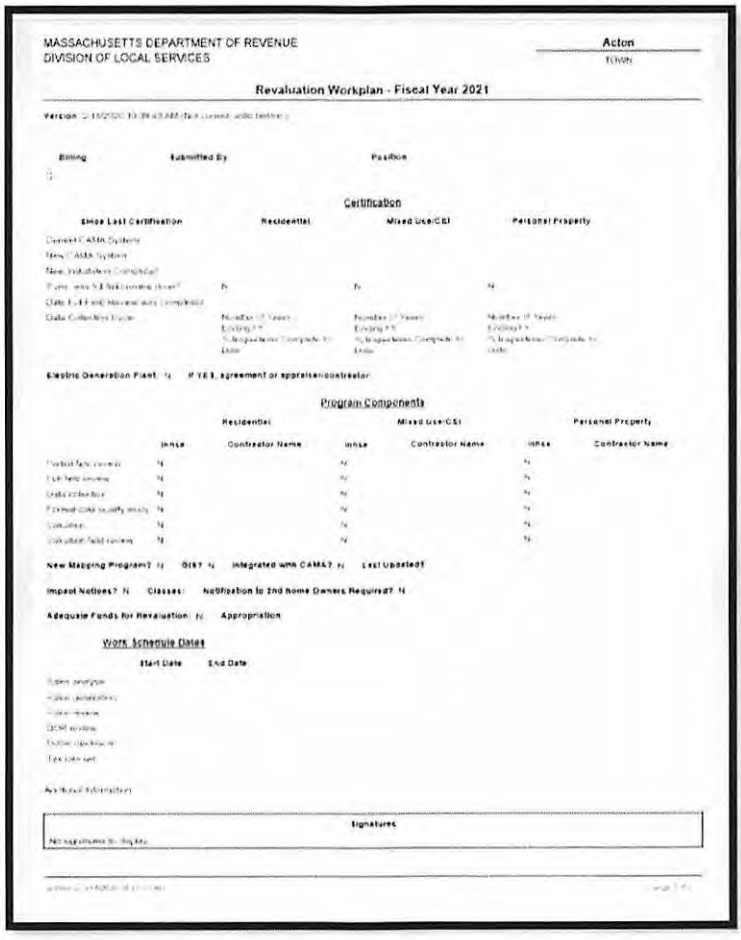
After reviewing the resulting sales statistics for compliance with program requirements, and answering the questions pertaining to the C & I updates, if ready for formal submission, the majority of the Board of Assessors (or its authorized designee) should save and sign and submit the form at the bottom of the screen.

Note: Reviewing C&I adjustments, "No" is the default (no adjustments.) When you click Yes, all the boxes become active.

I. Revaluation Workplan is submitted in Gateway:



Printed version .pdf



MASSACHUSETTS DEPARTMENT OF REVENUE
DIVISION OF LOCAL SERVICES

Acton
TOWN

Revaluation Workplan - Fiscal Year 2021

Version:

Entry	Submitted By	Position

Certification

Since Last Certification	Residential	Mixed Use/CAI	Personal Property
Current CAMA System			
New CAMA System			
New Valuations Completed			
Date Full and Interim Cycle Completed			
Data Collection Done	Number of Years: Existing? % Inspected/Remeasured/Complete to Date:	Number of Years: Existing? % Inspected/Remeasured/Complete to Date:	Number of Years: Existing? % Inspected/Remeasured/Complete to Date:

Electric Generation Plant: N If YES, agreement or appraiser/contractor:

Program Components

	Residential		Mixed Use/CAI		Personal Property	
	In-House	Contractor Name	In-House	Contractor Name	In-House	Contractor Name
Physical data collection	N		N		N	
Exterior data review	N		N		N	
Data collection	N		N		N	
Personal data quality study	N		N		N	
Calculation	N		N		N	
Calculation field review	N		N		N	

New Mapping Program? N GIS? N Integrated with CAMA? N Last Updated?

Impact Notices? N Classes: Notification to 2nd home Owners Required? N

Adequate Funds for Revaluation: N Appropriation

Work Schedule Dates

	Start Date	End Date
Sales analysis		
Value determination		
Value review		
BOA review		
Notice distribution		
Tax rate set		

Additional Information:

Signatures

No signatures on file.

MASS APPRAISAL
ADDITIONAL RESOURCES

The following are additional resources on Mass Appraisal produced by DLS that are available on our website: **www.mass.gov/dls**.

- ***DLSLAW Library*** – A searchable data base of current DLS Informational Guideline Releases (IGRs), Local Finance Opinions (LFOs) and Bulletins that is accessed by clicking the "Search DLSLAW Library" link appearing under "Public Reports and Databases" on the **DLS Gateway** login page.

- ***Certification Standards (Guidelines for Development of a Minimum Reassessment Program)(April 2019)*** - Explains requirements for developing reassessment programs that will result in fair cash values meeting triennial certification requirements. Addresses sales analyses, property inspections, valuation methodologies and public disclosure programs. **Supplements the course handbook.**

- ***Property Type Classification Codes, Non-Arms Length Codes and Sales Report Spreadsheet Specifications (April 2019)*** - Guidelines that establish coding system assessors must use in designating usage classification of property and documenting sales analysis. **Supplements the course handbook.**

- ***Guidelines for Annual Assessment and Allocation of Tax Levy*** – Annual Informational Guideline Release (IGR) that details standards and procedures for annually determining property tax assessments, including five-year certification, classifying property according to use and allocating the tax levy among the property classes.

- ***In-house Revaluation Cost-Benefit Analysis (March 2003)*** – Provides framework for local assessors to evaluate the activities required to complete an in-house revaluation program and determine the associated costs.

EXHIBIT N

mass appraisal method and the cost approach

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Mass appraisal is commonly used to compute real estate tax. There are three traditional real estate valuation methods: the sales comparison approach, income approach, and the cost approach. Mass appraisal models are commonly based on the sales comparison approach.

www.sciencedirect.com/science/article/pii/S1568494609002579

The mass appraisal of the real estate by computational ...

People also ask

What are mass appraisal models?

What is the cost approach to valuation?

What is the most accurate mass appraisal method?

What is the difference between fee and mass appraisal?

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Mass Appraisal: Definition & Process - Study.com

Mass appraisal models use all three approaches to value: the **cost approach, the sales comparison approach** and **the income approach.** Many use a computer-assisted assessment...

www.iaao.org › StandardOnMassAppraisal

Standard on - IAAO

Mass appraisal requires complete and accurate data, effective valuation models, and proper management of resources. Section 2 introduces **mass appraisal.** Section 3 focuses on the...

File Size: 249kB Page Count: 13

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Market Approach Methods for Mass Appraisal | Gunnison Cou...

It is generally impractical in mass appraisal due to the quantity of sales to individually analyze each attribute adjustment. **Market-Adjusted** Cost Approach Method. **Market-Adjusted Cost**...

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Valuation models and approaches for Computer Assisted Mass...

Feb 10, 2021 · Mass appraisal models apply to all three approaches to value: the cost approach, the **sales comparison approach,** and **the income approach.** The Cost Approach. It is applica...

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GEORGIA DEPARTMENT OF REVENUE

Georgia Department of Revenue, Cost Approach to Value Revised 8-17-2019 6 | Page The Mass Appraisal Process **"Mass Appraising" connotes accurately the appraisal of a large number** ...

Author: GHilton Created Date: 8/17/2021 3:26:41 PM

www.douglas.co.us › assessor › market-approach

Market Approach methods for Mass Appraisal - Douglas Count...

Market Approach methods for Mass Appraisal. Colorado State Statutes [39-1-103 (5) (a) and (8) (a)] require all county Assessors to value residential real property solely by the market approach...

Related searches

- cost approach appraisal **example**
- cost approach appraisal **calculator**
- **income** approach appraisal **form example**
- appraisal cost approach **formula**
- **income valuation** approach **formula**
- **sales comparison** approach **vs** cost approach
- the cost approach **to value**
- cost approach **in real estate**

EXHIBIT O

www.boe.ca.gov › info › vppf

Lesson 1 - Overview (Valuation of Personal Property and Fixtur...

The Cost Approach **to value** is the method of valuation used most often to value assessable personal property and fixtures. This is because the cost approach lends itself to mass appraisal...

www.sjcad.org › data › _uploaded

last review. Mass Appraisal Appraised Value and the Tax Rate

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Lesson 1 – Overview (Valuation of Personal Property and Fixtures)

Using Assessors' Handbook Section 581 (Equipment Index, Percent Good, and Valuation Factors)

Appraisal Training: Self-Paced Online Learning Session

Introduction | Lesson 1 | Lesson 2 | Lesson 3 | Lesson 4 | Lesson 5 | Lesson 6 | Lesson 7 | Summary | Exam

This lesson is intended as an introduction to the topic and discusses the following:

- The definitions of personal property and fixtures, and other terms used throughout this learning session.
- The cost approach to valuation and the mass appraisal method for valuation of personal property and fixtures
- The Board of Equalization's role in promoting uniform assessment, and
- Use of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*

Open All | Close All

Definitions

The Cost Approach to Valuation

Uniformity of Assessment

Use of Assessors' Handbook Section 581

Next Lesson

Taxpayers' Rights Advocate

EXHIBIT P

- Property value = $35,000 ($50 X 2,000) - (25% x ($50 x2,000)))
- Property value = $35,000 + $100,000 - (25% x $100,000)
- Property value = $35,000 + $100,000 - $25,000
- Property value = $115,000

Electric utility stocks

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These businesses generally follow the economic cycle of expansion and recessions.

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These companies provide things you rely on every day, including: food, cleaning and household products.

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Learn the risks and how to evaluate companies in the nascent industry.

When is the cost approach best used?

As you might guess, the cost approach is best used when the property in question is newer. That way, it's easier to find the figures for cost new and there's less to estimate where depreciation is concerned.

Unfortunately, the more the property ages, the more guesswork is involved, and it becomes harder to find a valuation using this approach.

Notably, the cost approach is also well-suited for properties that are either underimproved or overimproved, as those types of properties will likely not be good candidates for the sales comparison approach and would need an appraiser to take a look at their unique features. Special use property, like churches and libraries, also falls into this category.

The bottom line

The cost approach may not be the most commonly used method of real estate valuation. However, when a building is newer or there aren't many comparable properties on the market, it can be extremely useful. With that in mind, use this as your guide to understanding the cost approach. Armed with this knowledge, you should have a better understanding of how to value properties in which you intend to invest.

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CHAPTER 2: PERCENT GOOD FACTORS

Percent good factors may be used in conjunction with the index factors to estimate reproduction cost new less normal depreciation.

MACHINERY AND EQUIPMENT PERCENT GOOD FACTORS

Table 4, *Machinery and Equipment Percent Good Factors*, is designed to assist the appraiser in estimating reproduction cost new less normal depreciation of commercial and industrial equipment in conjunction with index factors as discussed in Chapter 1.[5] This table was derived using the "individual method" of computation. The rationale and the mathematics of the methods of computation are explained in Assessors' Handbook Section 582, *Explanation of the Derivation of Equipment Percent Good Factors*.

The rate of return used to compute the factors shown in Table 4 is calculated annually and is shown at the top of the table. The column headings represent the average service life expectancy of the equipment under consideration. Each column contains the percent good factor for the corresponding age.[6] No minimum percent good factor is intended in this table. If the County Assessor uses a minimum percent good factor, it must be determined in a supportable manner.[7]

[5] Separate percent good tables are provided for construction mobile equipment (Table 5) and agricultural mobile equipment (Table 6).
[6] Life expectancies are derived from the R-3 survivor curve.
[7] Revenue and Taxation Code section 401.16(b).

TABLE 4: MACHINERY AND EQUIPMENT PERCENT GOOD FACTORS

Individual Properties—Average Service Life—4.25% Rate ofReturn

Year																							Year
Acq'd	AGE	3	4	5	6	7	8	9	10	11	12	13	14	15	17	18	20	22	25	30	35	40	AGE	Acq'd
2020	1	66	75	**80**	84	86	88	90	**91**	92	93	93	94	**94**	95	96	**96**	97	**97**	**98**	**98**	**99**	1	**2020**
2019	2	37	51	**61**	68	72	76	79	**82**	84	85	87	88	**89**	91	91	**92**	93	**95**	**96**	**97**	**97**	2	2019
2018	3	16	31	**43**	52	59	65	69	**72**	75	78	80	82	**83**	86	87	**88**	90	**92**	**94**	**95**	**96**	3	2018
2017	4	6	16	**28**	38	47	53	59	**63**	67	70	73	75	**77**	81	82	**84**	86	**89**	**92**	**93**	**95**	4	2017
2016	5		8	**17**	26	35	43	49	**54**	59	63	66	69	**71**	76	77	**80**	83	**86**	**89**	**92**	**93**	5	2016
2015	6		3	**9**	17	25	33	40	**46**	51	55	59	62	**66**	70	73	**76**	79	**83**	**87**	**90**	**92**	6	2015
2014	7			**5**	10	17	24	31	**38**	43	48	52	56	**60**	65	68	**72**	75	**80**	**85**	**88**	**91**	7	2014
2013	8			**1**	6	11	18	24	**30**	36	41	46	50	**54**	60	63	**68**	72	**76**	**82**	**86**	**89**	8	2013
2012	9				3	7	12	18	**24**	29	35	40	44	**48**	55	58	**63**	68	**73**	**80**	**84**	**88**	9	2012
2011	10					4	9	13	**18**	23	29	34	39	**43**	50	54	**59**	64	**70**	**77**	**82**	**86**	10	2011
2010	11					1	6	10	**14**	19	23	28	33	**38**	45	49	**55**	60	**67**	**75**	**80**	**84**	11	2010
2009	12						3	7	**11**	15	19	24	28	**33**	41	44	**51**	56	**63**	**72**	**78**	**83**	12	2009
2008	13							4	**8**	11	15	19	23	**28**	36	40	**47**	53	**60**	**69**	**76**	**81**	13	2008
2007	14							1	**5**	9	12	15	20	**24**	32	36	**43**	49	**57**	**67**	**74**	**79**	14	2007
2006	15								**3**	6	10	13	16	**20**	28	32	**39**	45	**53**	**64**	**72**	**78**	15	2006
2005	16								**1**	4	7	10	13	**17**	24	28	**35**	41	**50**	**61**	**69**	**76**	16	2005
2004	17									2	5	8	11	**14**	21	24	**31**	38	**47**	**58**	**67**	**74**	17	2004
2003	18										3	6	9	**12**	17	21	**28**	34	**44**	**56**	**65**	**72**	18	2003
2002	19										1	4	7	**9**	15	18	**25**	31	**40**	**53**	**63**	**70**	19	2002
2001	20											2	5	**8**	13	16	**22**	28	**37**	**50**	**61**	**68**	20	2001
2000	21												3	**6**	11	13	**19**	25	**34**	**48**	**58**	**66**	21	2000
1999	22												2	**4**	9	12	**17**	23	**32**	**45**	**56**	**64**	22	1999
1998	23													**2**	8	10	**15**	20	**29**	**42**	**53**	**62**	23	1998
1997	24													**1**	6	8	**13**	18	**26**	**40**	**51**	**61**	24	1997
1996	25														4	6	**11**	16	**24**	**37**	**49**	**58**	25	1996
1995	26														2	5	**10**	14	**22**	**34**	**47**	**57**	26	1995
1994	27														1	4	**9**	12	**20**	**32**	**44**	**54**	27	1994
1993	28															2	**7**	11	**18**	**30**	**42**	**53**	28	1993
1992	29															1	**5**	9	**16**	**28**	**40**	**50**	29	1992
1991	30																**4**	8	**14**	**26**	**37**	**48**	30	1991
1990	31																**3**	6	**13**	**24**	**35**	**46**	31	1990
1989	32																**1**	5	**12**	**22**	**33**	**44**	32	1989
1988	33																	4	**10**	**20**	**31**	**42**	33	1988
1987	34																	2	**9**	**18**	**29**	**40**	34	1987
1986	35																	1	**8**	**17**	**28**	**38**	35	1986
1985	36																		**6**	**16**	**25**	**37**	36	1985
1984	37																		**5**	**14**	**24**	**35**	37	1984
1983	38																		**4**	**13**	**22**	**33**	38	1983
1982	39																		**3**	**12**	**21**	**31**	39	1982
1981	40																		**1**	**11**	**20**	**30**	40	1981

No Minimum Percent Good Intended

This table is intended for use in the mass appraisal of equipment and fixtures when determining value for taxation purposes. However, relevant data pertinent to the assessment of a specific property should always be reviewed and considered.

EXHIBIT Q

Property Profile

Property Data

Site Address:
234 SEWARD ST
JUNEAU, AK 99801-1236
Mail Address:
PO BOX 9222
COPPELL, TX 75019-9240
Primary Owner (s):
KEY BANK OF ALASKA

APN: 1C070-A05-0060
Census Tract: 000500
Housing Tract Number:
Legal Block/Lot: LOT:5, 6, 7 BLOCK:5
Legal Description: JUNEAU TOWNSITE BL 5 LTS 5, 6 & 7
Subdivision:
Property County JUNEAU COUNTY
Vesting:

Property Characteristics

Bedrooms: 0
Baths (F/H): 0 / 0
Total Rooms: 0
Zoning: MU
Number of Stories:

Year Built: 1914
Use Code: COMMERCIAL (NEC)
Number of Units:
Building Style:

SQFT:
Lot Size: 12245
Garage: ()
Coords: 58.301439137771, -134.409051647053

Sale & Loan Information

Transfer Date:
Transfer Value: $0.00
First Loan Amt: $0.00

Seller:
Cost/Sq Feet: $0.00
Lender:

Document:
Title Company:

Assessed & Tax Information

Assessed Value: $2,598,400.00
Land Value: $881,700.00
Improvement Value: $1,716,700.00

Percent Improvement: 66.07%
Tax Amount: $27,439.10
Delinquent Year:

Homeowner Exemption:
Tax Rate Area:
Tax Year: 2021

Sales Comparables

Update Comps

(1) 214 FRONT, JUNEAU, AK 99801-1228

APN: 1C070A030020 Keep ☑

Beds: Baths (H/F): /0
Square Feet: 11435 Sq. Ft.
Year Built: 1900
Use Code: COMMERCIAL (NEC)
Document Number: 2021.1808

Lot Size: 5287 SQFT
Assessed Value: $1,638,450.00
Proximity: 0.08 miles
Owner (s): VIKING HOLDINGS LLC

Transfer Date: 3/22/2021
Transfer Value: $2,093,750.00
First Loan: $1,675,000.00
Cost/SQFT: 183.10
Subdivision: JUNEAU

(2) 318 WILLOUGHBY, JUNEAU, AK 99801-1723

APN: 1C060-K68-0050 Keep ☑

Beds: Baths (H/F): /0
Square Feet: 5463 Sq. Ft.
Year Built: 1925
Use Code: COMMERCIAL (NEC)
Document Number: 2021.7729

Lot Size: 4314 SQFT
Assessed Value: $741,500.00
Proximity: 0.15 miles
Owner (s): PARKER TRENT PARKER LOREN

Transfer Date: 12/17/2021
Transfer Value: $277,970.00
First Loan: $209,000.00
Cost/SQFT: 50.88
Subdivision: TIDELANDS ADD

Property Profile

Property Data

Site Address:
234 SEWARD ST
JUNEAU, AK 99801-1236
Mail Address:
PO BOX 9222
COPPELL, TX 75019-9240
Primary Owner (s):
KEY BANK OF ALASKA

APN: 1C070-A05-0060
Census Tract: 000500
Housing Tract Number:
Legal Block/Lot: LOT:5, 6, 7 BLOCK:5
Legal Description: JUNEAU TOWNSITE BL 5 LTS 5, 6 & 7
Subdivision:
Property County JUNEAU COUNTY
Vesting:

Property Characteristics

Bedrooms: 0
Baths (F/H): 0 / 0
Total Rooms: 0
Zoning: MU
Number of Stories:

Year Built: 1914
Use Code: COMMERCIAL (NEC)
Number of Units:
Building Style:

SQFT:
Lot Size: 12245
Garage: ()
Coords: 58.301439137771, -134.409051647053

Last Sale Information

Transfer Date:
Transfer Value: $0.00
First Loan Amt: $0.00

Seller:
Cost/Sq Feet: $0.00
Lender:

Document:
Title Company:

Assessed & Tax Information

Assessed Value: $2,598,400.00
Land Value: $881,700.00
Improvement Value: $1,716,700.00

Percent Improvement: 66.07%
Tax Amount: $27,439.10
Delinquent Year:

Homeowner Exemption:
Tax Rate Area:
Tax Year: 2021

Property Profile

Property Data

Site Address:
211 4TH ST #305
JUNEAU, AK 99801-1172
Mail Address:
5302 COMMERCIAL BLVD
JUNEAU, AK 99801-7214
Primary Owner (s):
ASSEMBLY PROPERTY LLC

APN: 1C070-A09-0060
Census Tract: 000500
Housing Tract Number:
Legal Block/Lot: LOT:6 BLOCK:9
Legal Description: JUNEAU TOWNSITE BL 9 LT 6 FR, 7 & 8
Subdivision:
Property County JUNEAU COUNTY
Vesting:

Property Characteristics

Bedrooms: 0
Baths (F/H): 0 / 0
Total Rooms: 0
Zoning: MU
Number of Stories:

Year Built: 1932
Use Code: OFFICE BUILDING
Number of Units:
Building Style:

SQFT: 23840
Lot Size: 9809
Garage: ()
Coords: 58.3020723133318, -134.409036331867

Sale & Loan Information

Transfer Date:
Transfer Value: $0.00
First Loan Amt: $0.00

Seller: SCHMIDT AUSTYN H
Cost/Sq Feet: $0.00
Lender:

Document:
Title Company:

Assessed & Tax Information

Assessed Value: $1,484,500.00
Land Value: $706,200.00
Improvement Value: $778,300.00

Percent Improvement: 52.43%
Tax Amount: $15,676.33
Delinquent Year:

Homeowner Exemption:
Tax Rate Area:
Tax Year: 2021

Sales Comparables

Update Comps

(1) 612 WILLOUGHBY, JUNEAU, AK 99801-1732 APN: 1C060K700011 Keep ☑

Beds: Baths (H/F): /0
Square Feet: 4250 Sq. Ft.
Year Built: 1971
Use Code: OFFICE BUILDING
Document Number: 2021.3759

Lot Size: 8223 SQFT
Assessed Value: $809,800.00
Proximity: 0.36 miles
Owner (s): JUNEAU ECONOMIC DEVELOPMENT COUNCIL

Transfer Date: 6/2/2021
Transfer Value: $625,000.00
First Loan: $500,000.00
Cost/SQFT: 147.06
Subdivision:

Sales Comparables

Update Comps

(1) 612 WILLOUGHBY, JUNEAU, AK 99801-1732

APN: 1C060K700011 **Keep** ☑

Beds: Baths (H/F): /0
Square Feet: 4250 Sq. Ft.
Year Built: 1971
Use Code: OFFICE BUILDING
Document Number: 2021.3759

Lot Size: 8223 SQFT
Assessed Value: $809,800.00
Proximity: 0.36 miles
Owner (s): JUNEAU ECONOMIC DEVELOPMENT COUNCIL

Transfer Date: 6/2/2021
Transfer Value: $625,000.00
First Loan: $500,000.00
Cost/SQFT: 147.06
Subdivision:

Sales Comp Summary

Sales Comp Map



Sales Comp Summary

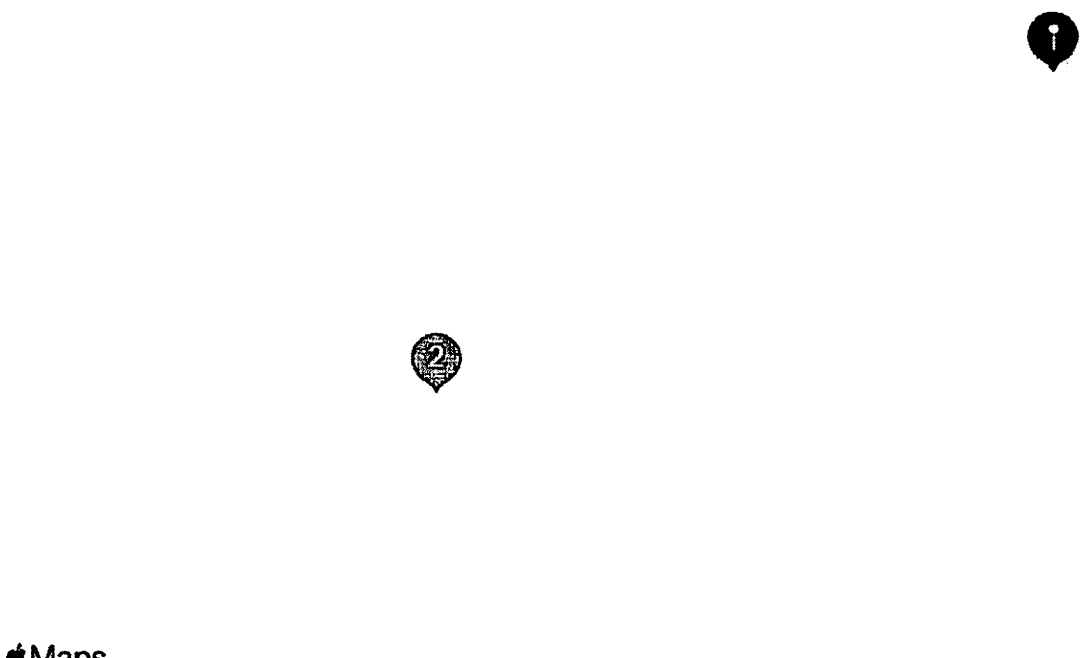
Characteristic	Low	Average	High
Sale Price	$625,000	$625,000	$625,000
Listed Price	$625,000	$625,000	$625,000
Assessed Value	$809,800	$809,800	$809,800
Square Footage	4,250	4,250	4,250
Cost/Sq Feet	$147.06	$147.06	$147.06
Bedrooms	0	0	0
Bathrooms	0	0	0
Year Built	1971	1971	1971
Lot Size	8,223	8,223	8,223

Street View

Street View

Sales Comp Summary

Sales Comp Map



Sales Comp Summary

Characteristic	Low	Average	High
Sale Price	$277,970	$1,185,860	$2,093,750
Listed Price	$277,970	$1,185,860	$2,093,750
Assessed Value	$741,500	$1,189,975	$1,638,450
Square Footage	5,463	8,449	11,435
Cost/Sq Feet	$50.88	$116.99	$183.1
Bedrooms	0	0	0
Bathrooms	0	0	0
Year Built	1900	1913	1925
Lot Size	4,314	4,801	5,287

Aerial Map


View larger map
Memorial Peace Park
3rd St
Seward St
3rd St
KeyBank ATM
Seward St
3rd St
William Spear Design
Gift shop
V's Cellar
Mad Hatters Empo
Google
Map data ©2022 Imagery ©2022

Aerial Map


View larger map
Memorial Peace Park
3rd St
Seward St
3rd St
KeyBank ATM
Seward St
3rd St
William Spear Design
Gift shop
V's Cellar
Mad Hatters Empo
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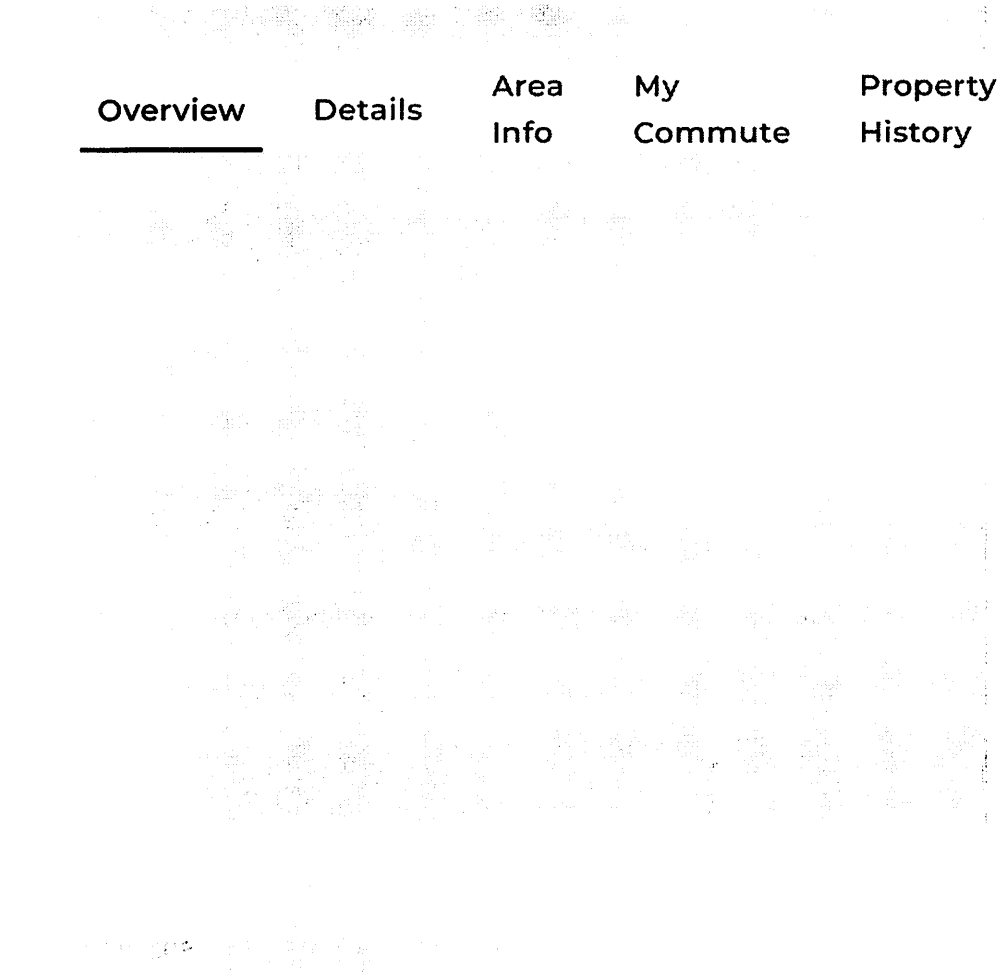
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Pedestrian friendly

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214 FRONT ST

JUNEAU, AK 99801

$1,379,400

(ESTIMATED)

—	—	—	11,435
BEDROOMS	TOTAL BATHS	FULL BATHS	SQUARE FEET

I'm Interested

0.12	1900	OFF MARKET	
ACRES	YEAR BUILT	STATUS	MLS#

Details

Year Built **1900**	Parking **No Info**	Price / Sq Ft **$121**	HOA **No Info**
Cooling **No Info**	Heating **No Info**	On Website **No Info**	Acres **0.1214**

FIRST NAME

LAST NAME

EMAIL ADDRESS

PHONE (OPTIONAL)

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Living Area

11,435 SqFt.

Building And Construction

Property Type

Commercial

Exterior And Lot

Total Acres

0.1214

Additional Info

Building SqFt

Tax Amount

VIEW ALL

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EXHIBIT R

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THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION

Key Grabs Servicer Title From Wells

After 10 years as the dominant master servicer in the U.S. commercial MBS market, **Wells Fargo** gave up the lead to **KeyBank** last year amid a retreat from the single-borrower sector.

Wells' volume of servicing assignments fell 26% to $30.8 billion of conduit and single-borrower deals, even as total new issuance in the U.S. jumped 26% from the previous year, according to **Commercial Mortgage Alert's** CMBS Database. The bank's market share shrank to 32.1% from 54.7%.

Key filled much of the void, with its full-year tally surging 87% to $35.1 billion and its market share growing to 36.6% from 24.6%. Third-place **Midland Loan Services** also capitalized on Wells' pullback, fielding $29.6 billion of assignments — a 92% increase from its 2018 total. The **PNC** unit's market share shot up to 30.8%, from 20.2%, putting it within spitting distance of Wells.

Wells' conduit business declined only marginally. But its share of the single-borrower market fell dramatically, to just $8.9 billion of deals from $18.3 billion in 2018. The reason: As issuers of floating-rate transactions began amending their deal documents last year to address the pending phase-out of Libor, Key and Midland signaled their willingness to play a lead role in managing the transition. Wells took more of a wait-and-see approach.

As a result, Wells was named master servicer for just one of the 21 floating-rate deals that priced in the second half. Floating-rate issues accounted for nearly two-thirds of the single-borrower CMBS deals in 2019.

Wells executive vice president **Alan Kronovet** said the bank remains committed to the CMBS market, but acknowledged uncertainty about the roles master servicers will play in converting floating-rate securities to a new benchmark ahead of Libor's demise at the end of next year. "We want to make sure we are operationally ready for the Libor transition, to be sure the documentation effectively manages the transition and that we manage that operational risk," he said. "I can't speak to how others view it, but for us it is a concern."

Bryan Nitcher, head of commercial-mortgage servicing and asset management at Key, said the bank's rise to the top of the league table is the result of a plan it put in place three years ago to become the dominant player in the single-borrower market. "Our focus was on delivering quality customer service, consistent execution, technology solutions and effective data delivery to our partners and clients," he said. "We collaborate with the attorneys to examine and define the impact of language [in deal documents], and were able to get comfortable with our role" in the Libor transition.

Key owned a whopping 64% of the single-borrower market last year.

Midland focuses more on servicing conduit deals, which have larger "floats," or reserves, and throw off more interest income, said executive vice president **Stacey Berger.** CMBS servicing is "a complicated business that has a lot of operational risk and interest-rate risk," Berger said. "We are happy about where we are in the marketplace, and we do expect 2020 to be up volume-wise. We're generally optimistic about where the market will play out this year and next."

Until 2019, Wells commanded more than 50% of the servicing market every year since the market crash, with Key and Midland splitting most of the balance. Wells' slide began in the first half of last year, with Key in first place at midyear, Midland in second and Wells in third. But when conduit issuance exploded in the fourth quarter, Wells picked up a big chunk of the business — enough to bump Midland to third place in the full-year ranking.

Loan servicing is largely a fixed-cost operation, so the non-agency CMBS sector has long been dominated by a few players that benefit from economies of scale when bidding for assignments. They seek to generate returns on the "float," including interest earned on reserves and on loan payments held briefly before being forwarded to bondholders.

Wells continues to be the most-active servicer of securitizations issued by **Freddie Mac,** with a 34.2% market share, up from 33.1% a year earlier. Midland was second with a 26.6% share, followed by Key (22.3%). Freddie, whose 2019 issuance volume totaled $70.1 billion, handled servicing responsibilities for 16.9% of its own deals.

Wells also held on to a big lead among servicers of commercial real estate CLOs, which experienced explosive growth last year. The bank earned league-table credit for 36.9% of the $19.2 billion market, followed by No. 2 **SitusAMC** (20.6%) and No. 3 Key (13.1%). ❖

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RANKINGS

Master Servicers for CMBS and CLOs Issued in 2019

US CMBS

		Conduit/ Pooled ($Mil.)	Single Borrower ($Mil.)	2019 Total ($Mil.)	No. of Deals	Market Share (%)	2018 Total ($Mil.)	No. of Deals	Market Share (%)	'18-'19 % Chg.
1	KeyBank	$5,943.5	$29,151.7	**$35,095.3**	81	36.6	$18,757.8	48	24.6	87.1
2	Wells Fargo	21,960.1	8,852.7	**30,812.8**	65	32.1	41,775.7	84	54.7	-26.2
3	Midland Loan Services	22,140.1	7,430.6	**29,570.7**	66	30.8	15,376.6	40	20.2	92.3
4	NCB	493.9	0.0	**493.9**	6	0.5	399.8	6	0.5	23.6
	TOTAL	**50,537.7**	**45,435.0**	**95,972.7**	**139**	**100.0**	**76,309.8**	**121**	**100.0**	**25.8**

Freddie Mac CMBS

		2019 Total ($Mil.)	No. of Deals	Market Share (%)	2018 Total ($Mil.)	No. of Deals	Market Share (%)	'18-'19 % Chg.
1	Wells Fargo	$23,963.3	23	34.2	$23,035.1	21	33.1	4.0
2	Midland Loan Services	18,614.9	20	26.6	17,614.5	17	25.3	5.7
3	KeyBank	15,651.1	15	22.3	16,215.1	15	23.3	-3.5
4	Freddie Mac	11,872.0	22	16.9	12,678.8	25	18.2	-6.4
	TOTAL	**70,101.4**	**80**	**100.0**	**69,543.5**	**78**	**100.0**	**0.8**

CRE CLOs

		2019 Total ($Mil.)	No. of Deals	Market Share (%)	2018 Total ($Mil.)	No. of Deals	Market Share (%)	'18-'19 % Chg.
1	Wells Fargo	$7,103.8	11	36.9	$5,756.0	11	41.5	23.4
2	SitusAMC	3,967.1	5	20.6	3,531.5	4	25.5	12.3
3	KeyBank	2,515.6	4	13.1	1,033.3	3	7.4	143.5
4	Trimont Real Estate	1,484.9	2	7.7	830.4	2	6.0	78.8
5	Arbor Multifamily	1,285.0	2	6.7	560.0	1	4.0	129.5
6	Midland Loan Services	778.2	1	4.0	1,000.0	1	7.2	-22.2
7	C-III Asset Management	687.2	1	3.6	514.2	1	3.7	33.6
8	Greystone Servicing	600.0	1	3.1	300.0	1	2.2	100.0
9	Northmarq Capital	500.0	1	2.6	0.0	0	0.0	
10	A10 Capital	320.0	1	1.7	0.0	0	0.0	
	RED Mortgage Capital	0.0	0	0.0	350.0	1	2.5	-100.0
	TOTAL	**19,241.8**	**29**	**100.0**	**13,875.4**	**25**	**100.0**	**38.7**

TAX PAYMENT INFORMATION: Payments may be made by check, credit card, or Electronic Check payment (ACH).

Taxpayers have the option of paying both installments when the first installment is due. Each installment must be paid by 5:00 p.m. or U.S. postmarked by December 10 or April 10 to avoid penalties. If such dates fall on a Saturday, Sunday or legal holiday, the time of delinquency is 5:00 p.m. on the next business day.

PAYMENT BY CHECK: Taxes are payable at the County Treasurer-Tax Collector's Office between the hours of 8:00 a.m. and 5:00 p.m., Saturdays, Sundays and holidays excepted, or by mail. Two party checks, partial payments, or payments for more than taxes indicated on the tax bill will not be accepted; submit only the exact amount due. **All checks must be drawn on a US Bank in US dollars and made payable to Harry E. Hagen, Treasurer-Tax Collector.**

PAY BY CREDIT CARD OR ELECTRONIC CHECK:

Can only be made by phone or online at www.sbtaxes.org.

Online: www.sbtaxes.org
By Phone: (805) 724-3008 or Toll Free (877) 399-8089

Electronic Payments are subject to a convenience fee charged by the service provider. Please see website for complete details.

NON-NEGOTIABLE INSTRUMENTS: A special handling fee of $40 will be added for all non-negotiable payments, including checks, electronic checks and/or credit card payments, along with the appropriate penalties.

SUPPLEMENTAL TAXES: Supplemental Tax Bills are in addition to the regular property tax bill. Supplemental taxes are determined in accordance with Article XIIIA of the California Constitution, which generally requires reappraisal of property whenever a change in ownership occurs or new construction occurs (Rev. & Tax Code 75.51).

DELINQUENT PRIOR YEAR TAXES: If a year appears under the heading titled "DELINQUENT PRIOR YEAR TAXES" on your tax bill, it is an indication of delinquent taxes for a prior year. To determine the amount necessary to redeem, contact the office of the Treasurer-Tax Collector, or visit our website at www.sbtaxes.org.

LIEN DATE: Taxes are levied and become a lien on real property, as it exists at 12:01 a.m. on January 1. Subsequent removal or change of ownership does not relieve the real estate tax lien.

INFORMATION COPY OF TAX BILL: If "Information Copy" appears on the front of the tax bill, the tax statement for this property was requested by a mortgage company, bank, or other lending agency. An information copy provides you with a duplicate of your current secured property tax statement for your records. If you believe that the bill was incorrectly requested and you wish to pay the taxes, please include the attached payment stub(s) with your remittance.

ESCAPE ASSESSMENTS: Escape assessments are the responsibility of the person owning, claiming, possessing, or controlling the property on the lien date for EACH bill. If your escape assessment tax bill is over $500 an installment payment plan can be setup. Please contact the Treasurer-Tax Collector if you want to setup an installment plan. (California R&T Code sec. 4837.5)

TAX BILLS ARE MAILED TO THE LATEST ADDRESS ON THE COUNTY CLERK-RECORDER-ASSESSOR'S ROLL. Failure to receive a tax bill does not relieve the taxpayer of the liability. If taxes are unpaid, it will be necessary, as provided by law to pay (a) delinquency penalties, (b) costs, (c) redemption penalties, (d) redemption fee.

ASSESSED VALUE: Examine the property description carefully to be sure that all of your property is noted and correctly described. All matters pertaining to assessments must be directed to the County Clerk-Recorder-Assessor's Office. Santa Barbara (805) 568-2550 Santa Maria (805) 346-8310

ASSESSMENT REVIEW PROCEDURE: If you disagree with the assessed value as shown on the tax bill you have the right to an informal assessment review by contacting the County Clerk-Recorder-Assessor's Office **(805) 568-2550**. If the taxpayer and the assessor are unable to reach an agreement through the informal review, the taxpayer has the right to file an application for a reduction assessment with the County Assessment Appeals Board or the Board of Equalization, as applicable. The filing period is July 2 through November 30. If the bill is an escape assessment or other assessments made by the assessor outside the regular assessment period, an appeal may be filed within 60 days from the date of the assessment notice. Forms are available from the Clerk of the Assessment Appeals Board, 105 E. Anapamu Street, Room 407, Santa Barbara, CA 93101, at https://www.countyofsb.org/ceo/cob/assessmentappeals.sbc or by phoning (805) 568-2240.

HOMEOWNER'S, WELFARE, PUBLIC AGENCY, AND VETERANS' EXEMPTIONS: Contact the County Clerk-Recorder-Assessor's office for information. Santa Barbara (805) 568-2550 Santa Maria (805) 346-8310.

HOMEOWNER'S EXEMPTION REQUIREMENTS: If you filed a claim for the Homeowner's Property Tax Exemption, you declared under penalty of perjury that you are the owner of this property and that it is your principal place of residence. You are required by law to terminate this claim if either or both of the following events occur prior to 12:01 a.m. January 1, 2021: (1) ownership of the property transfers to another party, (2) your principal place of residence changes to another location. If you are not eligible for the exemption as of 12:01 a.m. January 1, 2021, you must notify the County Clerk-Recorder-Assessor's Office, in writing, on or before December 10, 2021, or you will be subject to payment of the amount of taxes the exemption represents plus applicable penalties and interest. If you have questions regarding the Homeowner's Exemption, please contact the County Clerk-Recorder-Assessor's Office. Santa Barbara (805) 568-2550 Santa Maria (805) 346-8310

LANDLORD/TENANTS RIGHTS: See Santa Barbara County Code Chapter 44 at https://www.countyofsb.org/ceo/cob/code.sbc or contact Santa Barbara County Counsel at (805) 568-2950

RIGHT TO FARM: See County Code Chapter 3-23 at www.countyofsb.org or the Santa Barbara County Agricultural Commissioner's Office website at http://www.agcommissioner.com

EXEMPTION FOR A QUALIFIED SPECIAL TAX: If a school district in Santa Barbara County provides for an exemption for a qualified special tax pursuant to subdivision (b) of Section 50079 of the Government Code and contracts or enters into an agreement with the County to collect the qualified special tax within the district, information indicating that school district parcel tax exemption information is available on the tax collector's Internet website: www.sbtaxes.org.

IMPORTANT REMINDERS

Property Tax Postponement for Senior Citizens, Blind, or Disabled Persons - The State Controller's Office (SCO) administers the Property Tax Postponement (PTP) program, which allows eligible homeowners to postpone payment of current-year property taxes on their primary residence. PTP applications are accepted from October 1 to February 10 each year.

Go to the SCO website at www.ptp.sco.ca.gov for more information. If you have any questions, call (800) 952-5661 or email postponement@sco.ca.gov.

SEND THIS STUB WITH YOUR SECOND INSTALLMENT PAYMENT

PRINT ADDRESS CHANGE AND CHECK BOX ON REVERSE

Owner's Name

Permanent Mailing Address

City/State/Zip

Owner's Signature (required for address change)

PLEASE LIST ALL ADDITIONAL PARCELS

RANKINGS

Special Servicers for US CMBS Issued in 2019

		Conduit/ Pooled ($Mil.)	Single Borrower ($Mil.)	2019 Total ($Mil.)	No. of Deals	Market Share (%)	2018 Total ($Mil.)	No. of Deals	Market Share (%)	'18-'19 % Chg.
1	Midland Loan Services	$16,761.3	$5,872.8	**$22,634.1**	54	23.6	$13,509.8	39	17.7	67.5
2	SitusAMC	1,727.7	13,566.6	**15,294.2**	44	15.9	362.6	1	0.5	4,118.3
3	KeyBank	5,645.4	7,690.7	**13,336.1**	40	13.9	10,341.6	29	13.6	29.0
4	LNR Partners	10,877.7	1,364.2	**12,241.9**	41	12.8	11,848.3	36	15.5	3.3
5	Rialto Capital	11,272.5	390.0	**11,662.5**	42	12.2	8,572.3	29	11.2	36.0
6	Aegon USA Realty	365.0	7,795.1	**8,160.1**	13	8.5	11,888.3	40	15.6	-31.4
7	CWCapital Asset Management	1,757.1	4,025.8	**5,782.8**	28	6.0	7,651.2	26	10.0	-24.4
8	Trimont Real Estate	281.5	3,174.9	**3,456.4**	12	3.6	1,502.9	4	2.0	130.0
9	Wells Fargo	74.7	950.0	**1,024.7**	3	1.1	6,869.2	32	9.0	-85.1
10	C-III Asset Management	856.0	0.0	**856.0**	4	0.9	0.0	0	0.0	
11	NCB	493.9	0.0	**493.9**	6	0.5	399.8	6	0.5	23.6
12	Pacific Life	425.0	0.0	**425.0**	5	0.4	0.0	0	0.0	
13	Cohen Financial	0.0	305.0	**305.0**	1	0.3	700.3	6	0.9	-56.4
14	Berkadia	0.0	300.0	**300.0**	1	0.3	0.0	0	0.0	
	Torchlight Loan Services	0.0	0.0	**0.0**	0	0.0	2,663.5	14	3.5	-100.0
	TOTAL	**50,537.7**	**45,435.0**	**95,972.7**	**139**	**100.0**	**76,309.8**	**121**	**100.0**	**25.8**



Overview

Running a middle market company is complex. We understand. At Key, we leverage our extensive industry expertise to deliver relevant, actionable and tailored solutions for middle market companies. Our Relationship Managers engage the entire bank to determine your needs and develop solutions. We are a team of experts working on your behalf. Our ideas- and solutions-based approach is backed by best-in-class products and services, including Key's comprehensive capital markets, investment banking and wealth management capabilities.

- Loans & Lines of Credit
- Commercial Payments
- Equipment Finance
- Asset-Based Lending

The Key Difference



KeyBank's integrated approach addresses your needs across four interconnected areas: Manage, Safeguard, Finance, Plan. By developing a comprehensive game plan tailored to your unique goals, we help you take advantage of every opportunity.

Safeguard Your Business

Manage Your Cash

Finance Your Future

Plan Your Financial Strategies

Articles & Whitepapers


Client success story: ACES at Chase


High note at end of 2021 muted by inflation, supply chain, and labor challenges


Middle market enters expansion mode after one year of pandemic impacts

Webinars & Videos


KeyBanc Capital Markets Industrial Forum: Preparing For & Executing a Liquidity Event


Preparing for the LIBOR Transition

Experts



Joseph Markey

East Regional Sales Executive

Send an Email



Skip Watson

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Laurie Muller-Girard

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Gary Quenneville

Upstate New York/Western PA Regional Sales Executive

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Mergers & Acquisitions

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EXHIBIT S

From: Daniel glidmann@gmail.com
Subject: Fwd: Behrends Bank Mechanical Repairs
Date: March 21, 2022 at 6:25 PM
To: Gregg Adler gregadler@mac.com

Sent from my iPhone

Begin forwarded message:

From: Richard Behrends <behrendsmech@gci.net>
Date: March 21, 2022 at 3:53:58 PM AKDT
To: Daniel Glidmann <glidmann@gmail.com>
Subject: Behrends Bank Mechanical Repairs

Good afternoon Daniel,

The estimated cost to replace the unit on the roof and associated ductwork, to fix the controls, and replace the condenser, coil, and piping for the unit in the basement is: $190,000.00.
Does not include electrical, hoisting, lifting, or roof repairs.

Thanks
Dick

Richard Behrends
President
Behrends Mechanical, Inc.
PO Box 020347
Juneau, AK 99802
Phone: 907.780.6766
Cell: 907.723.7892
Fax: 907.780.6063

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TO: GOLDSTEIN IMPROVEMENT COMPANY
FROM: DANIEL GLIDMAN
DATE: MARCH 21, 2022
RE: KEY BANK MECHANICAL RELATED WORK

I ESTIMATE THE ELECTRICAL, HOISTING, LIFTING AND ROOF REPAIRS TO BE APPROXIMATELY $35,000.

ASSESSOR MATERIAL

Appeal 2022-0131

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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

GOLDSTEIN IMPROVEMENT COMPANY
426 E RUSTIC RD
SANTA MONICA CA 90402

Meeting of Board of Equalization (BOE) and Presentation of Real Property Appeal	
Date of BOE	Wednesday, June 29, 2022
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	June 15, 2022
Parcel Identification	1C070A050060
Property Location	234 SEWARD ST
Appeal No.	APL20220131
Sent to Email Address:	gregadler@mac.com

ATTENTION OWNER

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

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to city.clerk@juneau.org Attn.: Assessment Appeal} by **4:00 PM Wednesday, June 22, 2022** and will be included in the packets for the Board so the members have an opportunity to review the materials before the hearing.

Your Board of Equalization packet will be ready for you to pick up in the Clerk's office after **2:00 PM Thursday, June 23, 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**

CITY AND BOROUGH OF JUNEAU

ASSESSOR OFFICE

APPEAL #2022-0131

2022 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION June 29, 2022

Appellant: Goldstein / Greg Adler

Location: 234 Seward St

Parcel No.: 1C070A050060

Property Type: Commercial

Appellant's basis for appeal: excessive, unequal, and improper

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	$ 587,800	$ 864,064	$ 864,064
Buildings:	$ 417,477	$ 1,683,454	$ 1,683,454
Total:	**$ 1,005,277**	**$ 2,547,520**	**$ 2,547,520**

Subject Photo



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OVERVIEW

The subject is a 6,608 SF commercial building, which was previously utilized as a bank, and a parking lot.

Subject Characteristics:

- Land
  - 12,245 SF lot
- Building
  - 6,608 SF (GBA)
    - 4,275 SF 1st level
    - 2,332 SF 2nd level
  - 4,630 SF Unfinished basement

SUBJECT PHOTOS

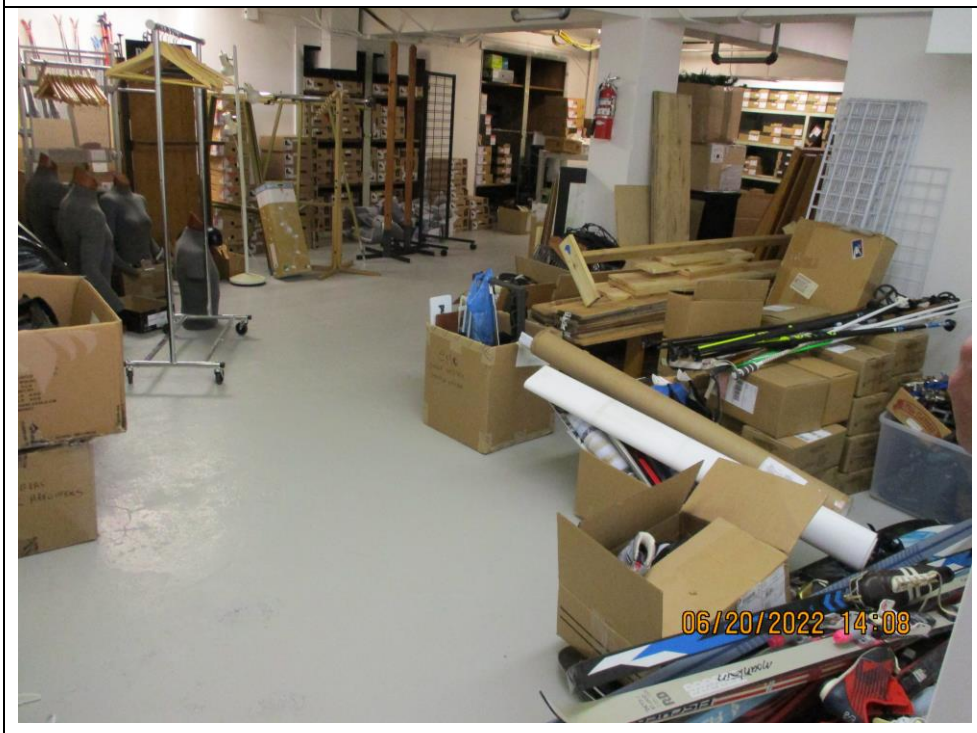


Exterior- Front & Side

	Exterior- Back & Side
	Back & Parking

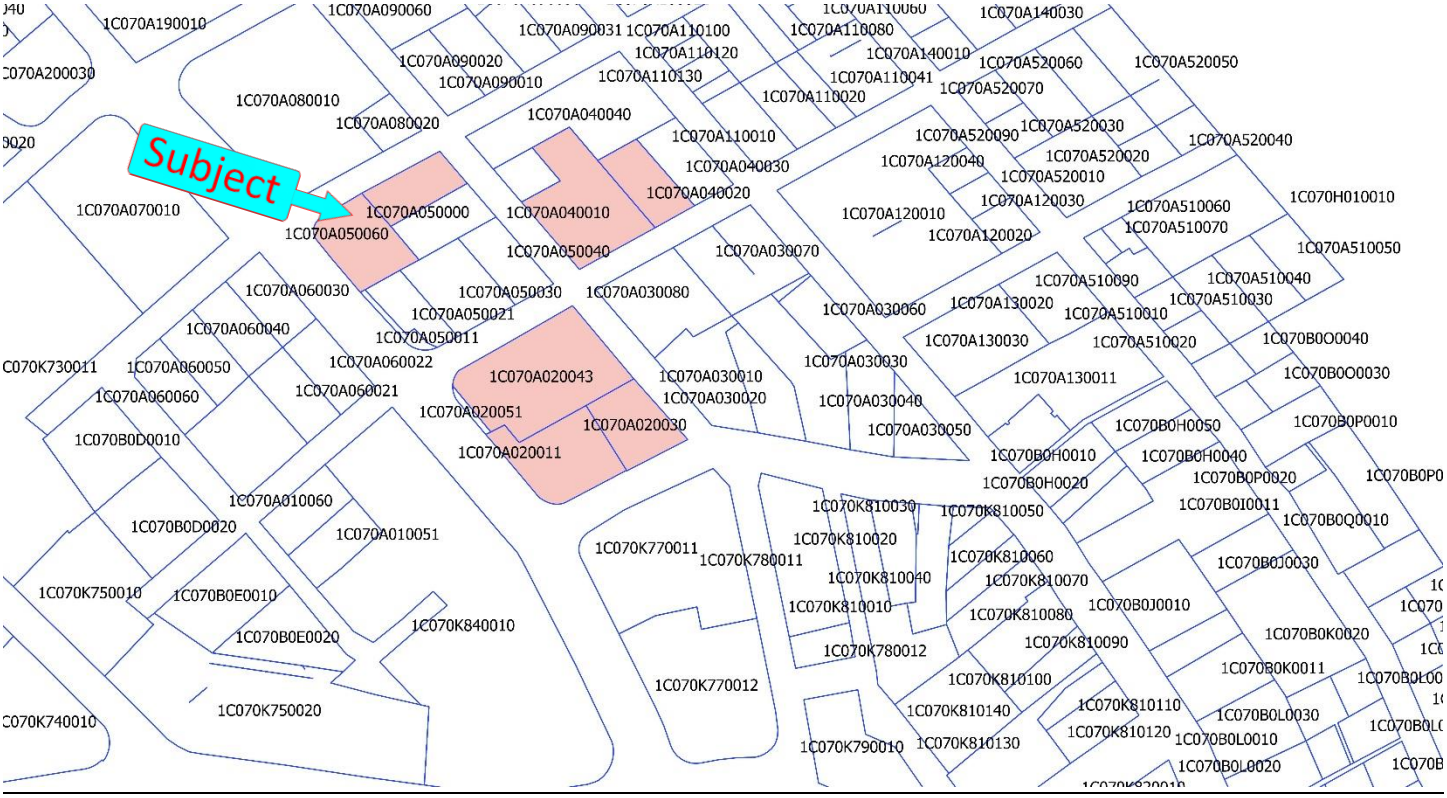
	Parking
	1st floor

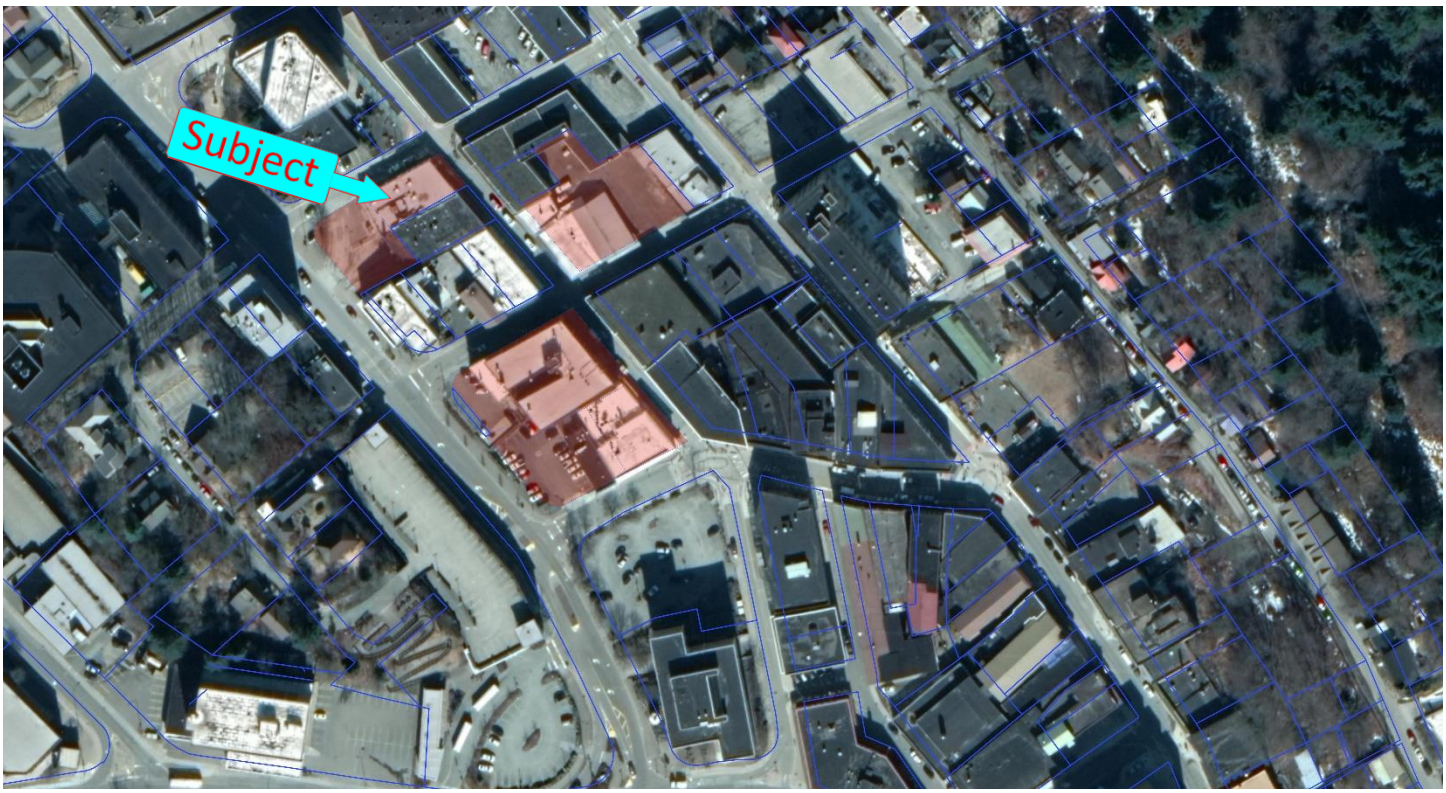
	2nd floor / mezzanine
	Kitchen

	Basement
	Basement

AREA MAP & AERIAL

The salmon shaded parcels are the 6 Goldstein appeals.





ASSESSED VALUES

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

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

LAND

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

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

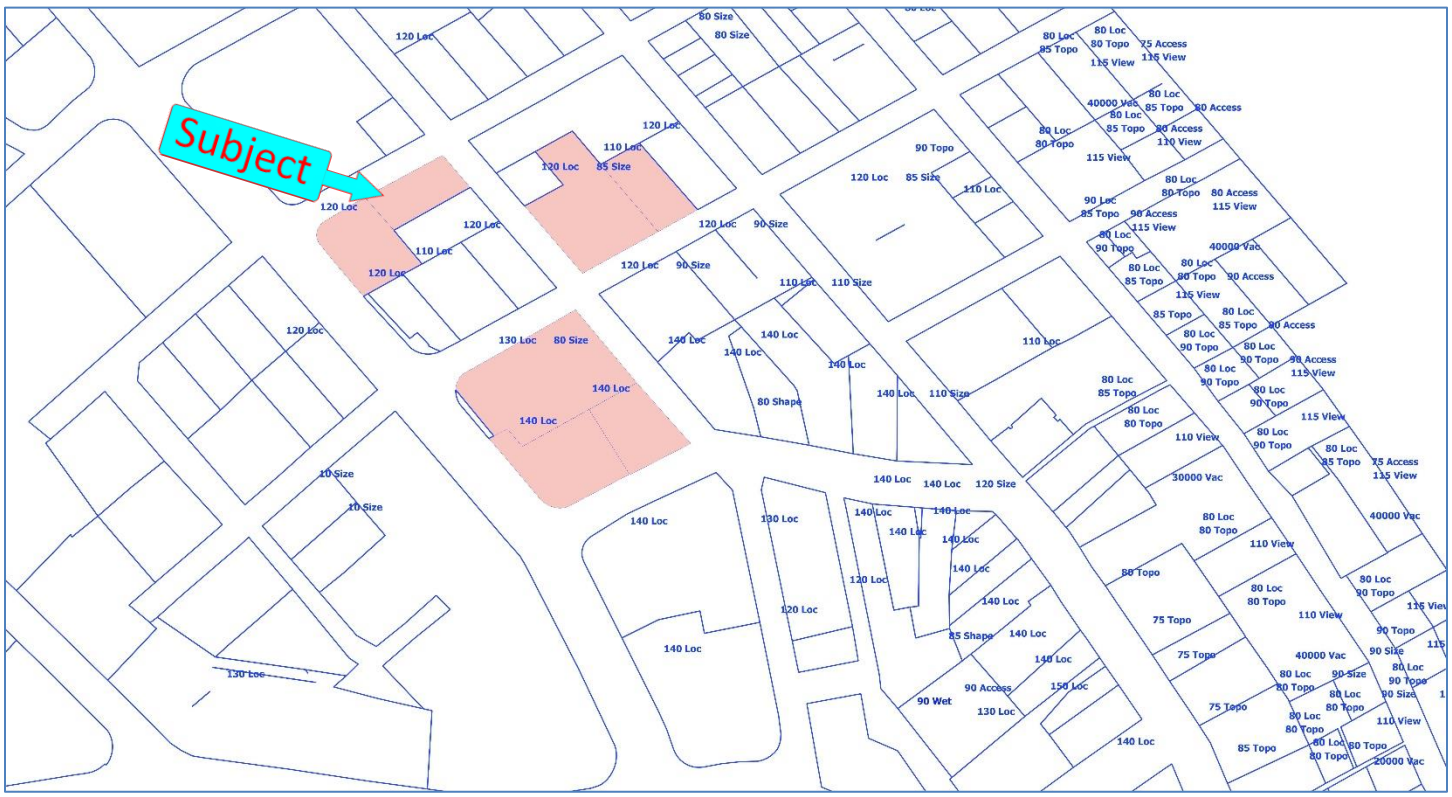
Land Characteristics:

- 12,245 SF lot
- Developed lot
- Located within the downtown business district

Land Values




Subject


Subject

BUILDING(S)

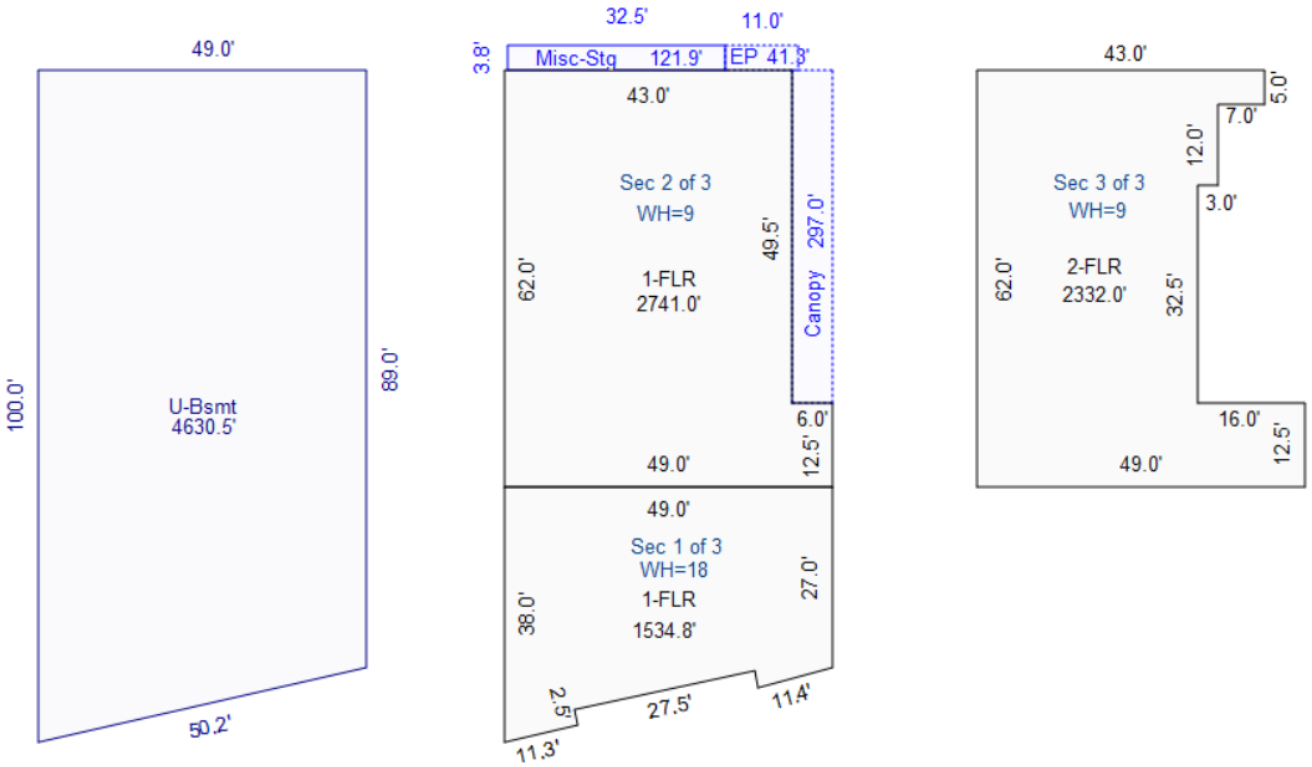
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 6,608 SF (GBA)
  - 4,275 SF 1st level
  - 2,332 SF 2nd level
- 4,630 SF Unfinished basement

Sketch of Improvements:



COST REPORT

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

The cost report matches the building value from 2018. For 2022 the downtown building values were reduced by 2%.

Cost Report - Commercial

1309		Record	1
Parcel Code Number	**1C070A050060**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**234 SEWARD ST**	**Perimeter**	391
Effective Year Built	1986	**Class**	B
Year Built	1914	**Height**	
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Bank	**Total Area**	6,608.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		6608		159.01		1,050,738
Exterior Wall	Concrete, Formed	6608		20.67		136,572
Heating & Cooling	Heating & Cooling	6608		613.00		613
Heating & Cooling	Hot Water	6608		12.00		79,296
Architect Fee		6608		7.30		48,238
Sprinklers	Sprinklers	11698		3.74		43,751
Fire Alarm System		6608		1.46		9,648
Basement	Unfinished	4630		52.58		243,445
Sub Total						$1,612,301.18
Local Multiplier					1.43 [X]	$2,305,591.00
Current Multiplier					1.03 [X]	$2,374,759.00
Neighborhood Multiplier					[X]	$2,374,759.00
Depreciation - Physical					30.00 [-]	$712,428.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$1,662,331.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$1,662,331

Miscellaneous Improvements			
Miscellaneous Improvement	STORAGE 2.1.2018 PE	[+]	3,800
Miscellaneous Improvement	CANOPY 2.1.2018 PER	[+]	13,400
Miscellaneous Improvement	ENCLOSED PORCH 2.1.	[+]	2,200
Miscellaneous Improvement	VAULT 2.1.2018 PER	[+]	35,000
Total Improvement Value			$1,716,700

INCOME APPROACH

The income approach was not the basis for setting most of the assessed value for 2022. The appellant did not submit P&L information for the Review process.

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

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$864,066.00	$54,400.00	$1,629,054.00	$2,547,520.00
2021	$881,700.00	$54,400.00	$1,662,300.00	$2,598,400.00
2020	$587,800.00	$54,400.00	$1,662,300.00	$2,304,500.00
2019	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2018	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2017	$612,300.00		$1,680,000.00	$2,292,300.00
2016	$612,300.00		$1,680,000.00	$2,292,300.00
2015	$612,300.00		$1,680,000.00	$2,292,300.00
2014	$612,300.00		$1,680,000.00	$2,292,300.00
2013	$612,300.00		$1,680,000.00	$2,292,300.00
2012	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2011	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2010	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00

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.

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 appeal process, placing a higher priority on uniformity within existing models rather than uniformity with the whole which is being addressed through separate processes. Based on current assessment levels for this neighborhood the full market value for this property, which the BOE may adopt, would be 2,683,294.

Additional Details:

- The appellant states that their assessed value is excessive.
  - We find that, based on analysis of market sales, the value it is not excessive.
- The appellant states that their value is unequal.
  - We find that it was valued with the same methodology as other properties.
- The appellant states that their property is valued improperly.
  - The parcel was valued using proper methodology.
- 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 has submitted thousands of pages of paper copy and many electronic document files.
- We have reviewed all of this material and find no basis for a reduction of their assessed value.

Also of note is that the BOE reviewed this property last year and upheld the value and that even though the sales indicate that the downtown values have continued to increase the downtown assessments were decreased by 2% this year in order to achieve greater uniformity in the commercial property values.

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 $2,547,520 is warranted and ask that the BOE uphold the assessed value.

Addendum A - Communications

See separate document.

Addendum B – Additional Response Details

See separate document.

COMMON DOCUMENTS BETWEEN APPELLANT AND ASSESSOR

SOME MAY BE DUPLIATED EARLIER IN THE PACKET

AY2022 Property Assessment Guide

Updated: 2022-06-14

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Assessment Overview

Property Taxes

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

Property Assessments

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

Assessed Values versus Taxes

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

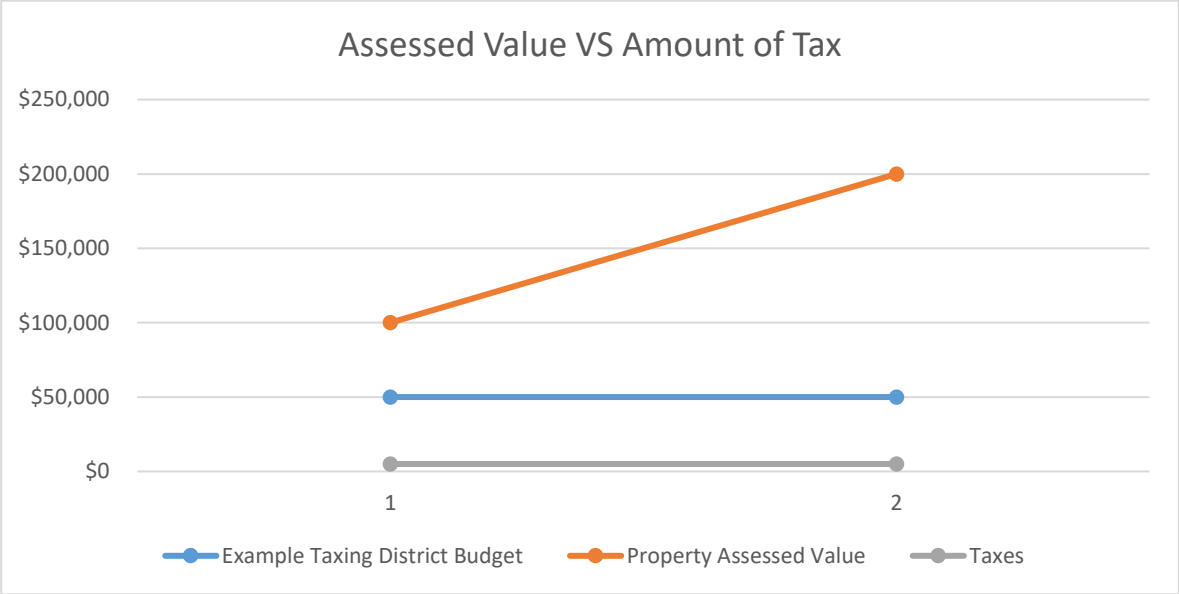
Examples:

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

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

Assessed Value -vs- Amount of Tax

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



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

- Sales validation is critical. Sales data is foundational to everything that we do.
- All sales are considered.
- Only some sales are deemed to be a market sale.
- Of those that are market sales we only have prices on some of them. While a mandatory disclosure ordinance took effect in November 2020, we have, so far, not seen much of an increase in the disclosure rate.
- Generally we get sales prices on about 35 to 40% of the commercial sales.
- The word "considered" is also sometimes used to refer to the sales that were "included" in the ratio studies as a market sale.
- The guidelines for sales validation and the validation processes are critical. Maintaining standards in the sales validation process is critical.
- All of what we do in the area of valuations is dependent on the quality and accuracy of the sales data. Having good, clean, accurate sales data is critical.
- The sales validation and verification processes are continual and ongoing.

- 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 / Exhange
    - 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 applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making 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

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

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)	

Coefficients (0=Normal Distribution)	
Kurtosis	-0.1117
Skewness	-0.1857
Alt.Cyhelsky's Skew	0.0417
Alt.Pearson's Skew	0.3040

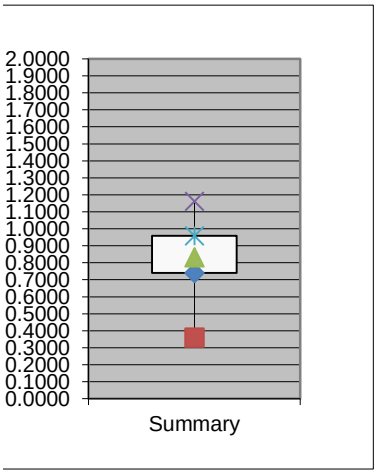
Trending Factors

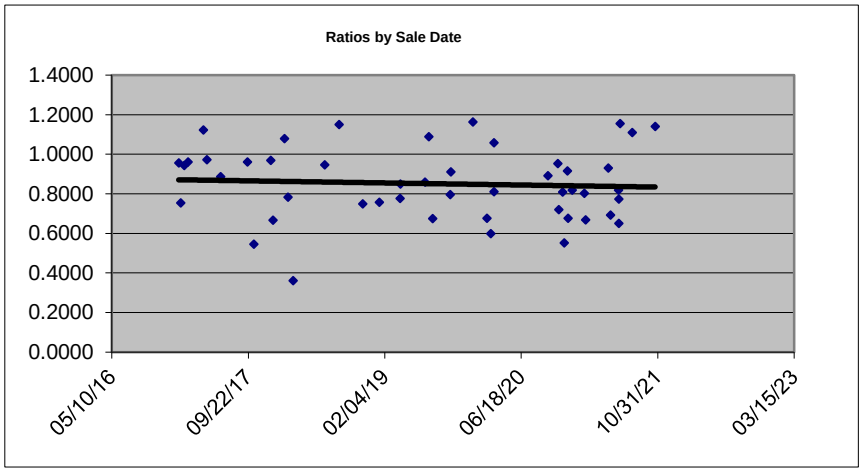
0.85	Target Level
0.9986	Factor on Mean
1.0207	**Factor on Median**
1.0079	Factor on Weighted Mean

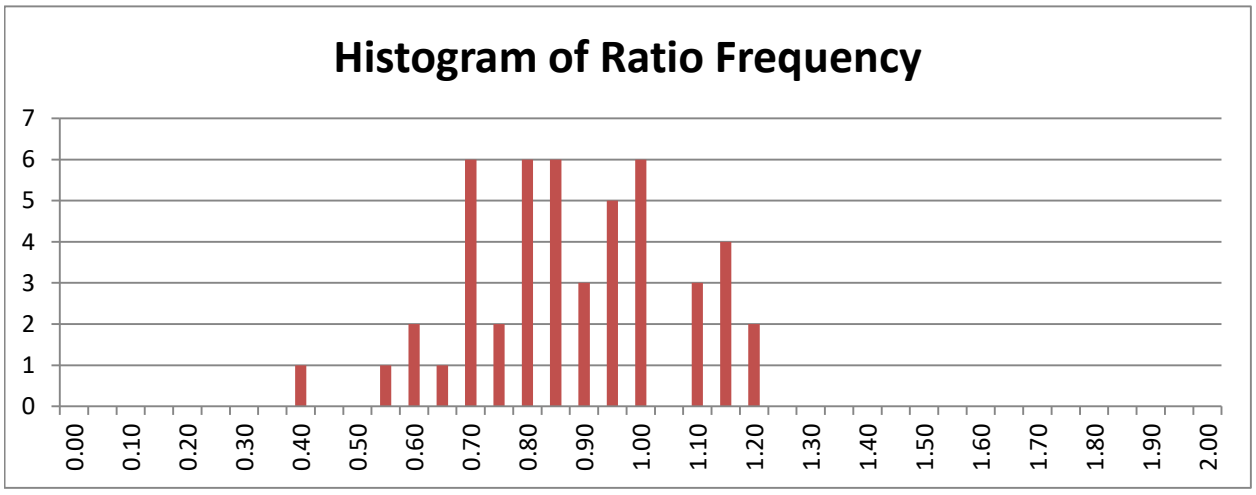
Normal / Skewed Distribution Evaluation

-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.







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

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	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 S	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 & A	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 LIMITEI	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		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 GR(	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 JU	21	JDCC_C_24
5B1401050100	12/22/20	479,138	**489,253**	399,789	0	HONSINGER DR	GSA LLC	17	SVLY_C
5B1201410060	02/05/21	371,000	**377,802**	302,940	0	COMMERCIAL BLVI	LINKUP ALASKA LLC	17	LMNC_C
4B1601050010	02/09/21	160,000	**162,898**	108,800	2274	INDUSTRIAL BLVD	SHEILA GOOD & JAMES	30	RVYC_C_24
5B1501050040	05/03/21	1,300,000	**1,317,550**	1,224,918	8717	MALLARD ST	PETE J THIBODEAU & R	30	SVLY_C
5B15011121E0	05/11/21	325,000	**329,243**	227,766	2211	JORDAN AVE	STEVEN M TORRENCE &	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

Review of Particular Sales

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

Questions & Answers

- Grandfathered Uses – Do they end with the sale of a property?
    - Not necessarily. The rights to a non-conforming use usually transfer with the sale. If a continued use is not permitted it is often considered a "taking" and the property owner must be compensated.
- Highest & Best Use
    - This is a key principle
    - The four "tests" are physical, legal, financial and maximal
    - While some aspects involve legal definitions or financial comparison the interpretation of all of the factors is often very subjective.
- Is there a set format and cap rate for an income approach?
    - There is no one set format when it comes to income approaches. It is common, when used for property tax assessment purposes, that the following expenses are excluded: property taxes, depreciation, debt service, income taxes, capital improvements, owner business expenses and replacement reserves. Those factors can vary considerably from one investor or property owner to another. Excluding them produces a more consistent model that reflects the market overall. Note that items such as the cap rate need to be developed or calibrated for each specific model structure. Different models may arrive at different NOI amounts, different cap rates, different standard expense percentages, etc. due to what income or expenses are included or excluded.
    - For the income approach our model 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?

Attachment A: 2022 Assessment Report

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

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Introductory Message for 2022

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

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

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

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)

Commercial

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	

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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

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

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)	

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

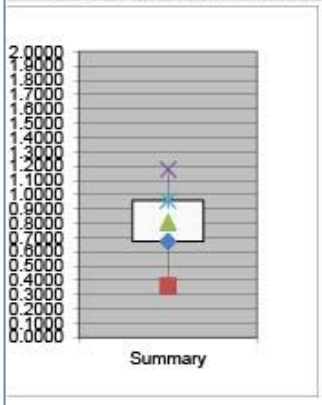
Trending Factors

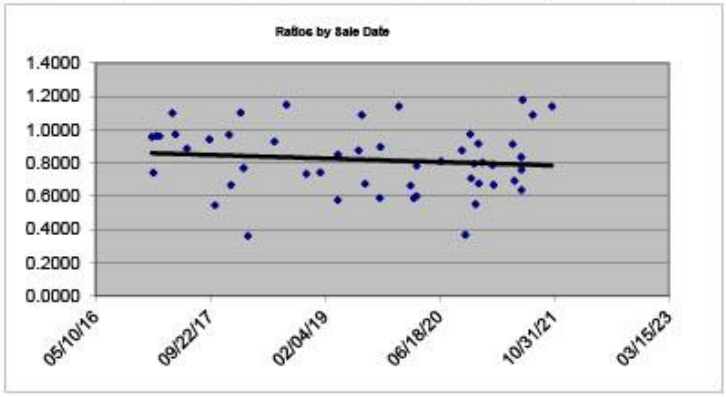
1.00	Target Level
1.2215	Factor on Mean
1.2411	**Factor on Median**
1.4625	Factor on Weighted Mean

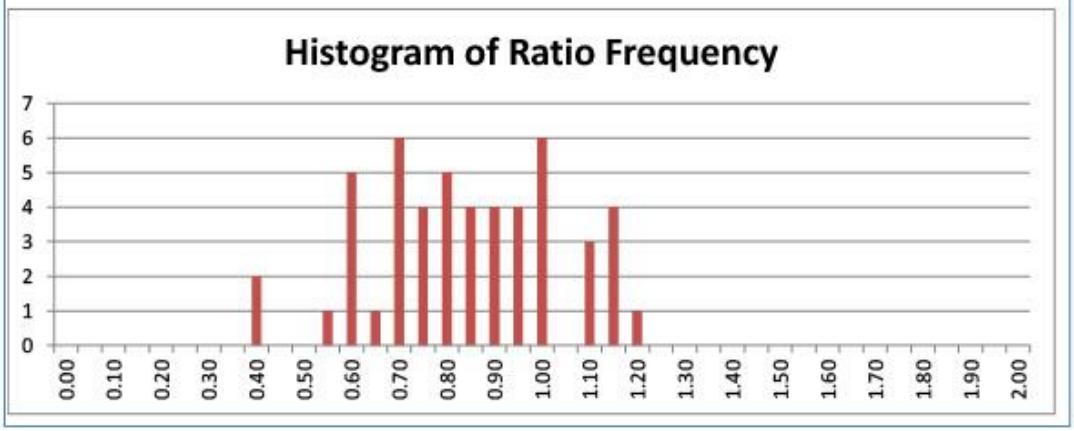
Normal / Skewed Distribution Evaluation

-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.







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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

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

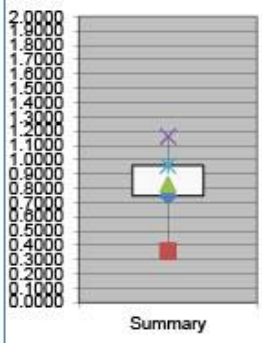
Statistics

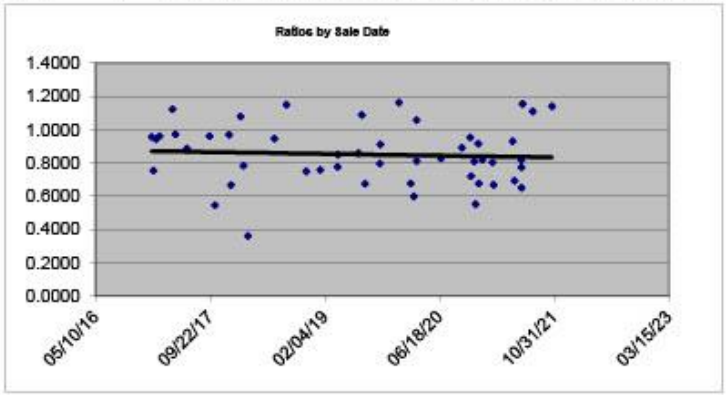
49	Count	(Number of Records with Ratio)
0.3594	Minimum Ratio	
1.1616	Maximum Ratio	
0.8022	Range	
0.8507	**Mean**	(This is the average ratio for your sample.)
0.8265	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.8398	Weighted Mean	
1.5487	Sum of the 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)	

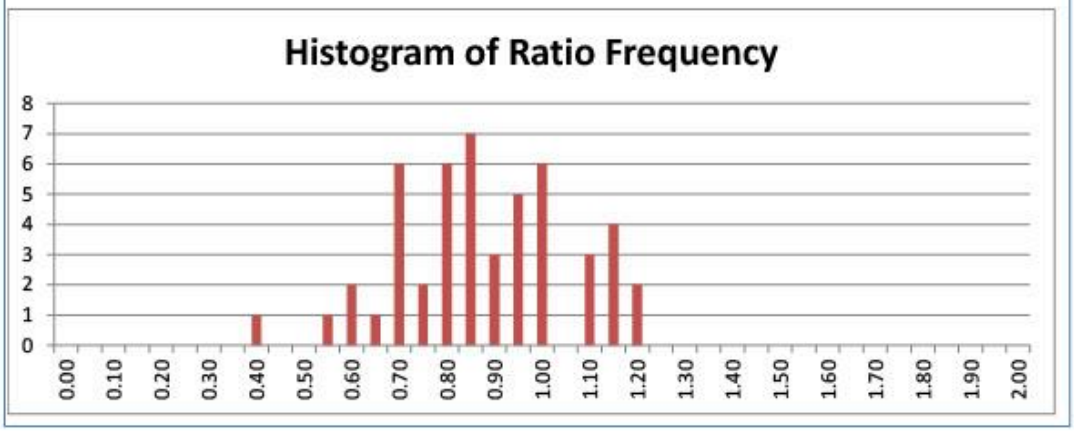
Coefficients (0=Normal Distribution)	
Kurtosis	#DIV/0!
Skewness	#DIV/0!
Alt.Cyhelsky's Skew	0.0612
Alt.Pearson's Skew	0.4033

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.	







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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

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Commercial

Market Trend

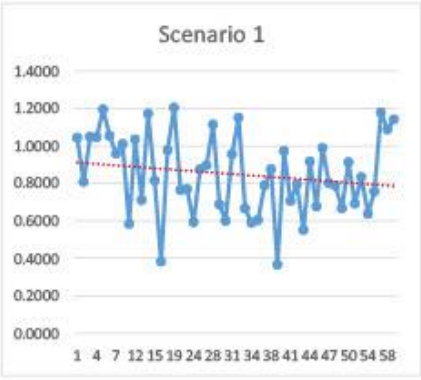
For Market Trend we reviewed the sales from the past 5 years and again tested various trend rates. We applied a trend of 5% for 2017, 2018 and 2019; a trend of 3% for 2020 and a trend of 2% for 2021. The middle "Scenario 2" in the chart below illustrates that trending. The trending that we applied was, 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.)

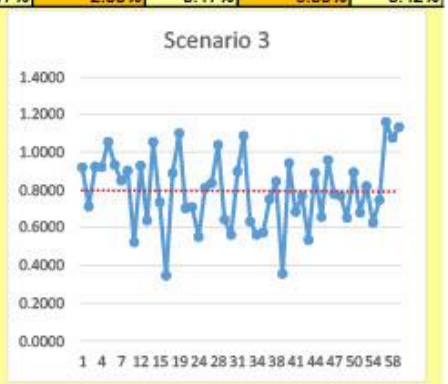
In the charts below, the three sales with high ratios in the last 6 months are high not because of a market change but because of other known issues with those sales. Also note that no trending was applied when we were analyzing the boathouse class of properties.

- 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.

		Scenario 1		Scenario 2		Scenario 3	
5 Yr. Back	2017	2.00%	0.17%	5.00%	0.42%	5.00%	0.42%
4 Yr. Back	2018	2.00%	0.17%	5.00%	0.42%	5.00%	0.42%
3 Yr. Back	2019	2.00%	0.17%	5.00%	0.42%	5.00%	0.42%
2 Yr. Back	2020	2.00%	0.17%	3.00%	0.25%	5.00%	0.42%
1 Yr. Back	2021	2.00%	0.17%	2.00%	0.17%	5.00%	0.42%







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Commercial

Data Set Counts

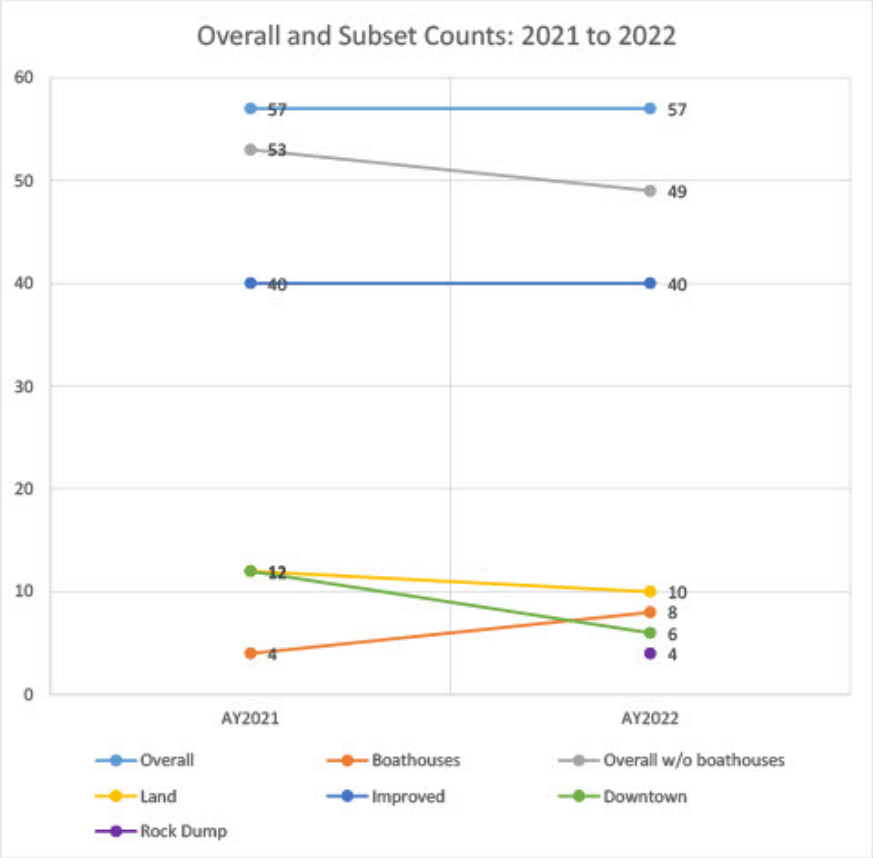
The following chart shows the dataset counts by Class and/or Subgroup.

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	Starting Point		Ending Point	
Class / Subgroup	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.

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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.

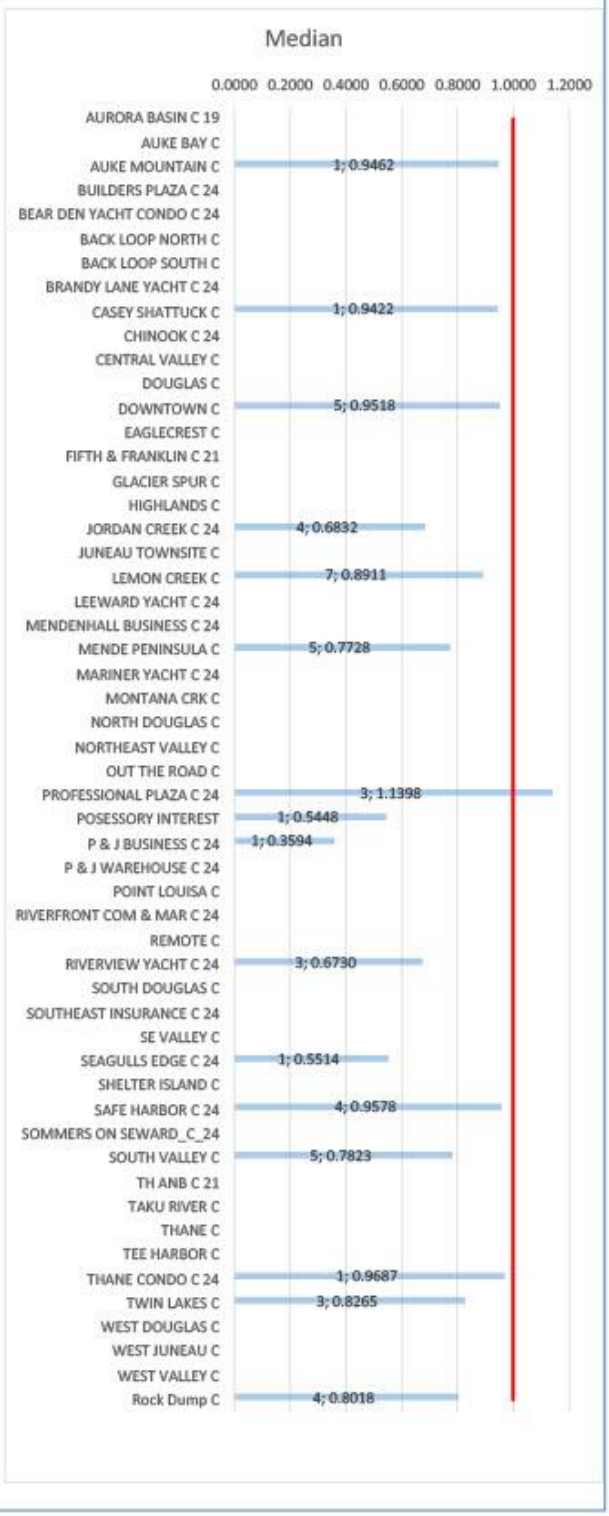
Commercial

Neighborhood Statistics

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

Commercial Neighborhood Summary

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



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Residential

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

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

Statistics
Current

1007	Count	(Number of Records with Ratio)
0.7360	Minimum Ratio	
1.1930	Maximum Ratio	
0.4570	Range	
0.9570	**Mean**	(This is the average ratio for your sample.)
0.9565	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.9616	Weighted Mean	
7.2748	Sum of the Square of Deviations	
0.0671	AAD	
0.0850	Standard Deviation	
7.0134	**COD**	(Good indicator of confidence level.)
8.8855	**COV**	
0.9953	**PRD- Price-Related or Factor Differential**	
	(PRD s/b between 0.98 & 1.03, IAAO)	
	(PRD over 1=Regressive)	

Coefficients (0=Normal Distribution)	
Kurtosis	#DIV/0!
Skewness	#DIV/0!
Alt.Cyhelsky's Skew	0.0050
Alt.Pearson's Skew	0.0177

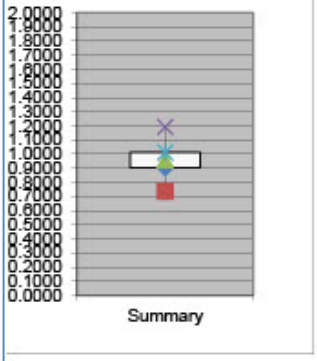
Trending Factors

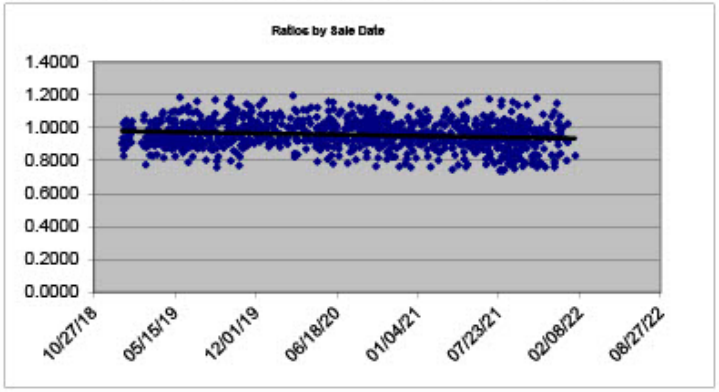
0.85	Target Level
0.8882	Factor on Mean
0.8886	**Factor on Median**
0.8839	Factor on Weighted Mean

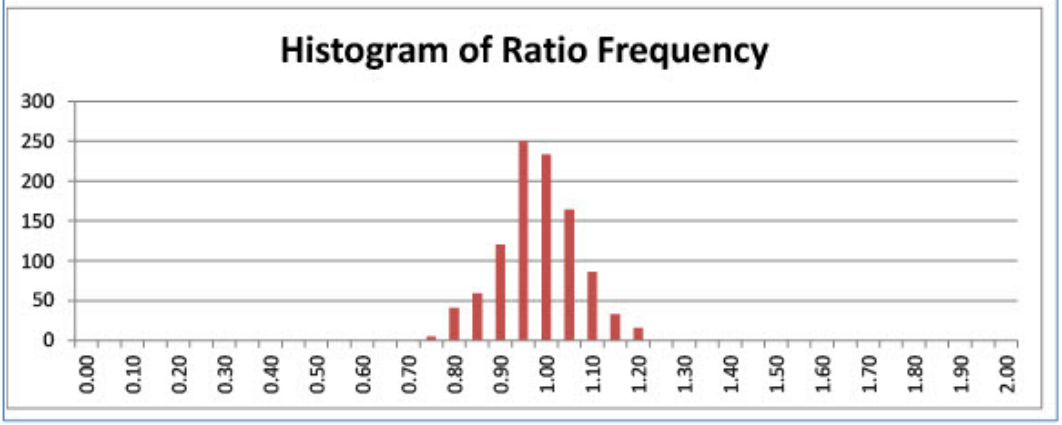
Normal / Skewed Distribution Evaluation

-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.







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.

AY2022- Residential, After Adjustments, Trended
Summary Report

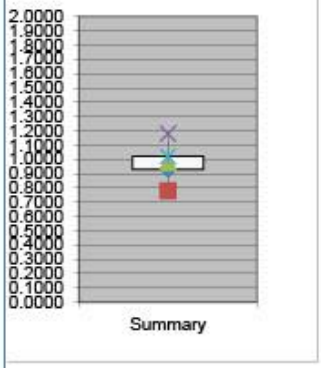
IAAO Standards for COD	
SFR	15.0 or less
SFR-newer/homog	10.0 or less
Income Properties	20.0 or less
Income-Urban area	15.0 or less
Vacant Land	20.0 or less

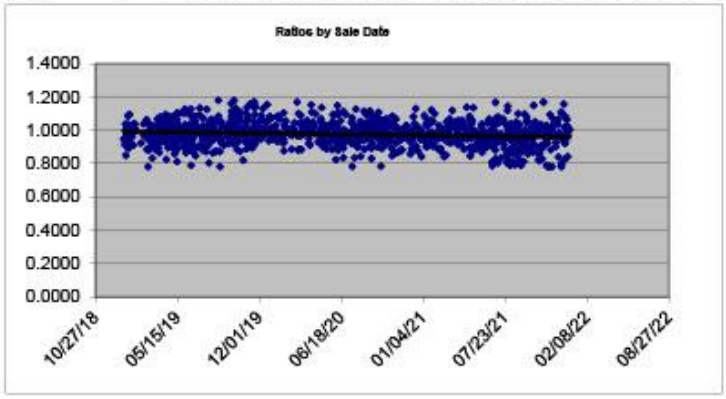
Statistics Current		
1040	Count	(Number of Records with Ratio)
0.7792	Minimum Ratio	
1.1807	Maximum Ratio	
0.4015	Range	
0.9752	**Mean**	(This is the average ratio for your sample.)
0.9748	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.9751	Weighted Mean	
5.5631	Sum of the Square of Deviations	
0.0567	AAD	
0.0732	Standard Deviation	
5.8171	**COD**	(Good indicator of confidence level.)
7.5035	**COV**	
1.0001	**PRD- Price-Related or Factor Differential**	
	(PRD s/b between 0.98 & 1.03, IAAO)	
	(PRD over 1=Regressive)	

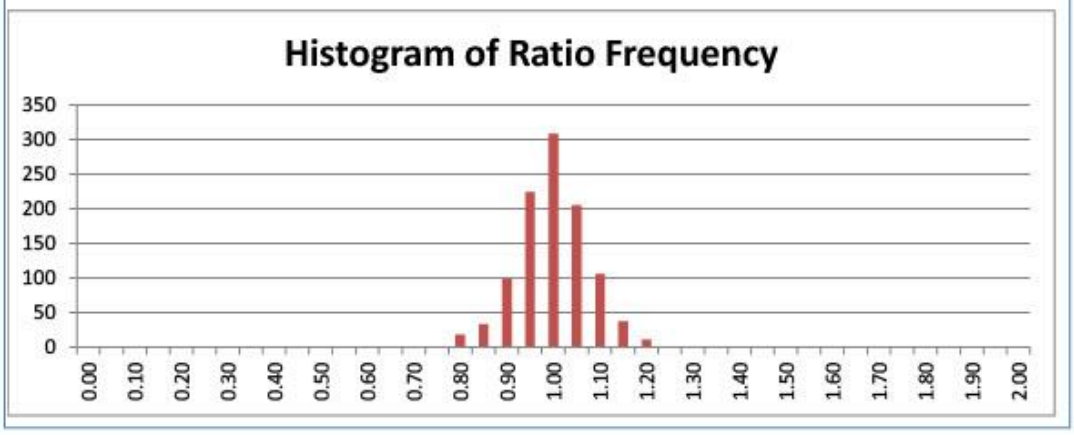
Coefficients (0=Normal Distribution)	
Kurtosis	#DIV/0!
Skewness	#DIV/0!
Alt.Cyhelsky's Skew	0.0096
Alt.Pearson's Skew	0.0173

Trending Factors	
0.85	Target Level
0.8716	Factor on Mean
0.8720	**Factor on Median**
0.8717	Factor on Weighted Mean

Normal / Skewed Distribution Evaluation	
-0.0004	Differential Mean to Median
525	Number of data points below the mean.
515	Number of data points above the mean.
*Note- # below/above works on data sets up to 5,000 pts.	







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

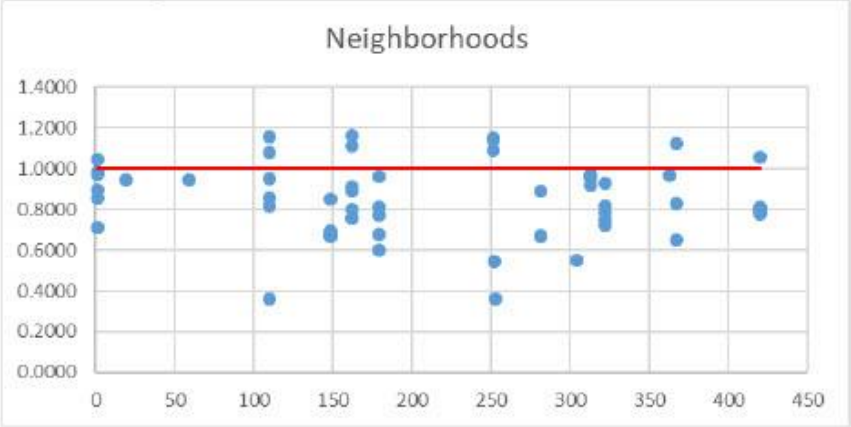
In doing the analysis we looked at subtypes or submarkets to determine if any type of property needed to be excluded from the general adjustment. Influences that we looked at included date ranges, price ranges, property types/use classifications and market areas (neighborhoods). We hope to add more categories 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.

Commercial

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

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



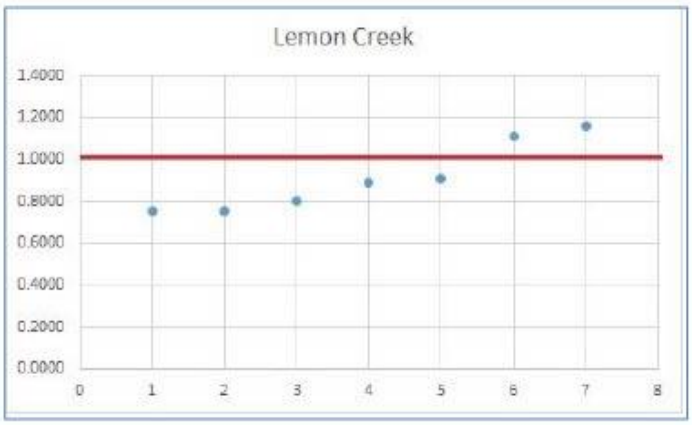
The following scatter diagrams show the distribution of the ratios within particular neighborhoods. The numbers in the horizontal (x) axis of these diagrams is simply a sale count number and they arrayed in ratio order.

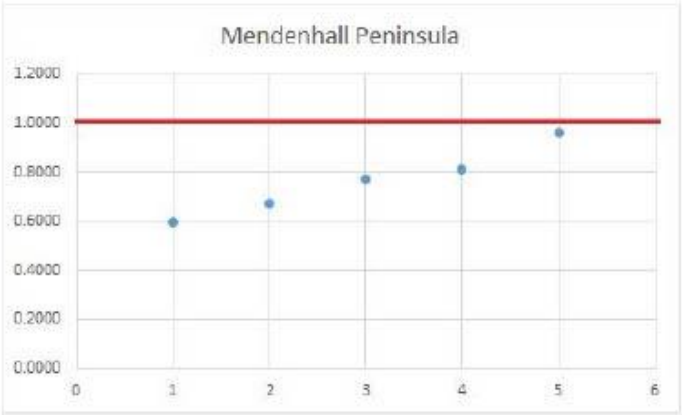




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Commercial







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Commercial

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



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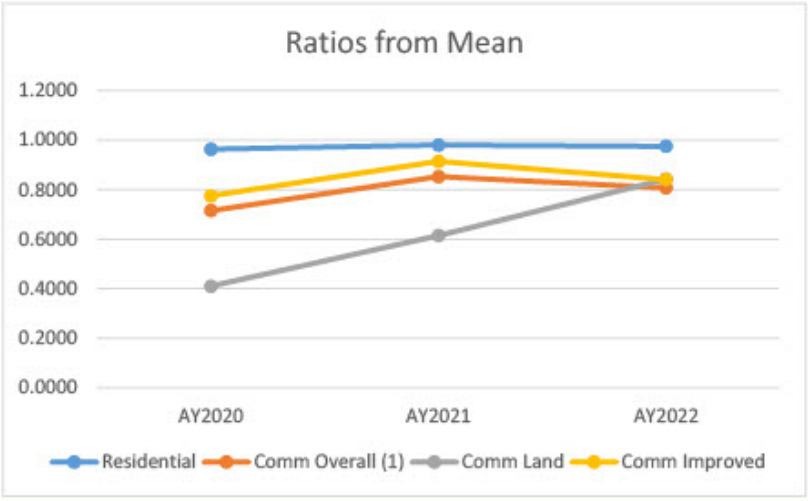
The chart below shows the change from 2020 to 2022.

Commercial & Residential

Ratios from the Mean

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

(1) Does not include boathouses.



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Commercial

Commercial Market Information

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

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

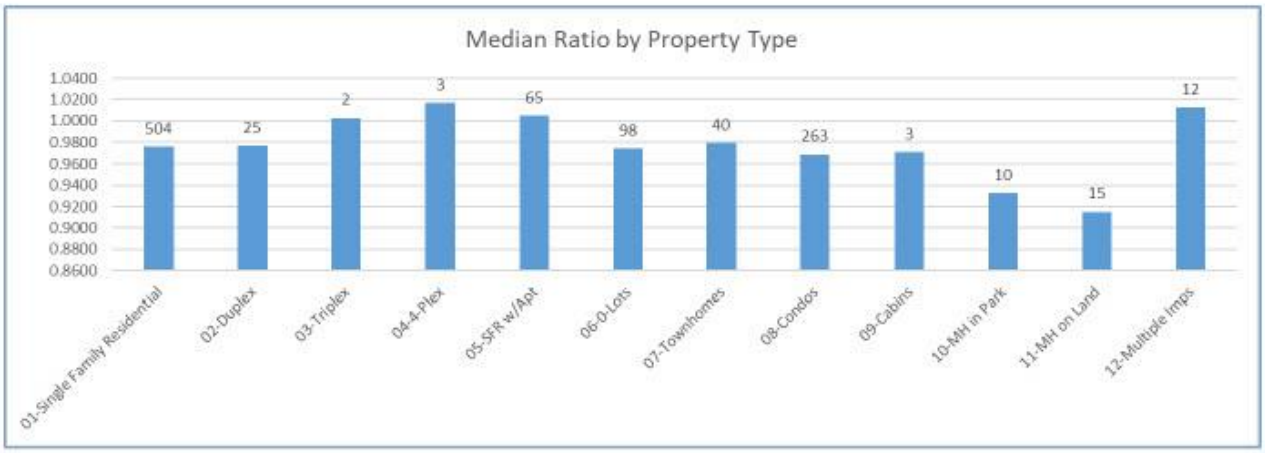


20

Residential

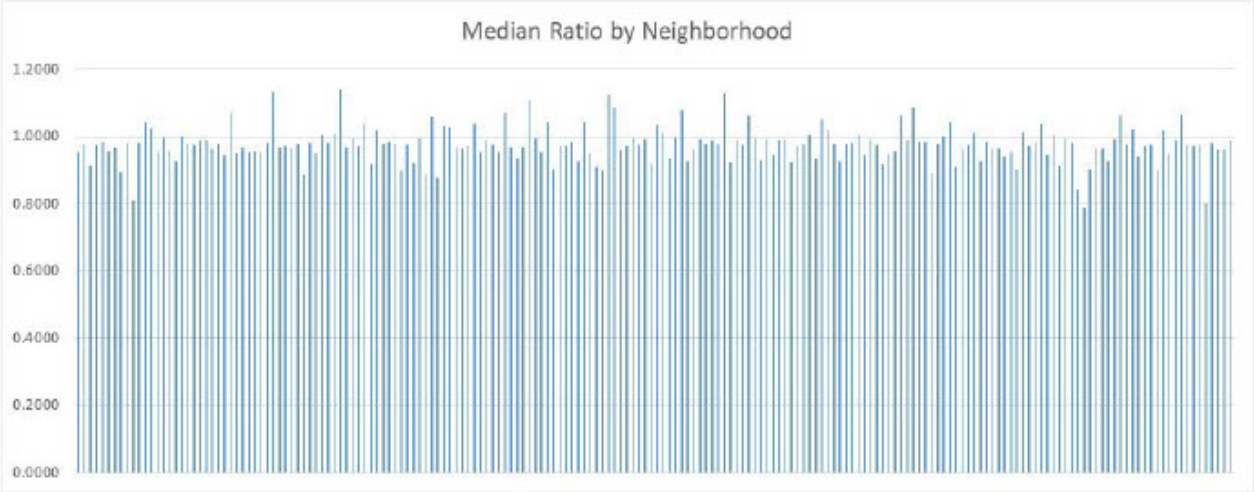
The following charts are from the audit analysis AFTER the calibration adjustments.

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.



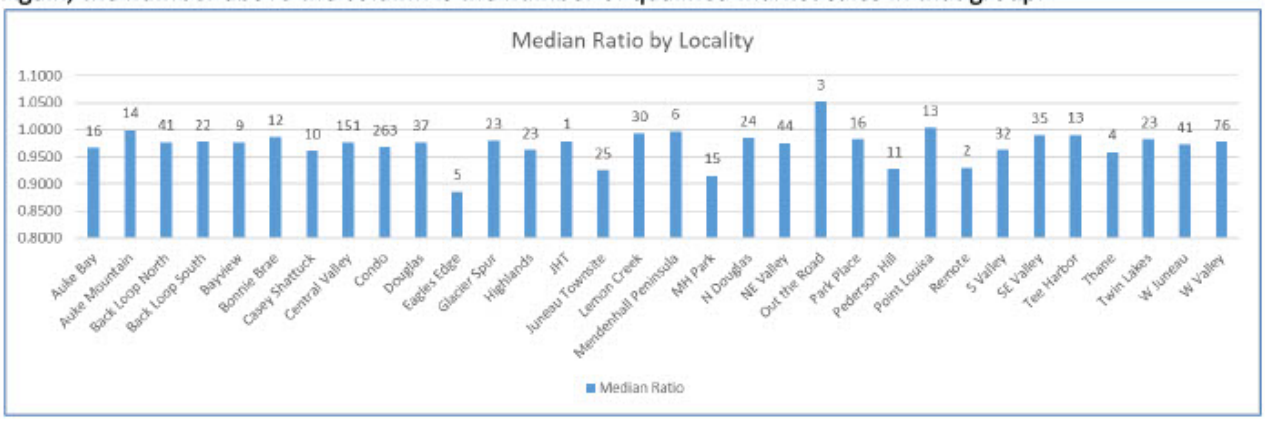


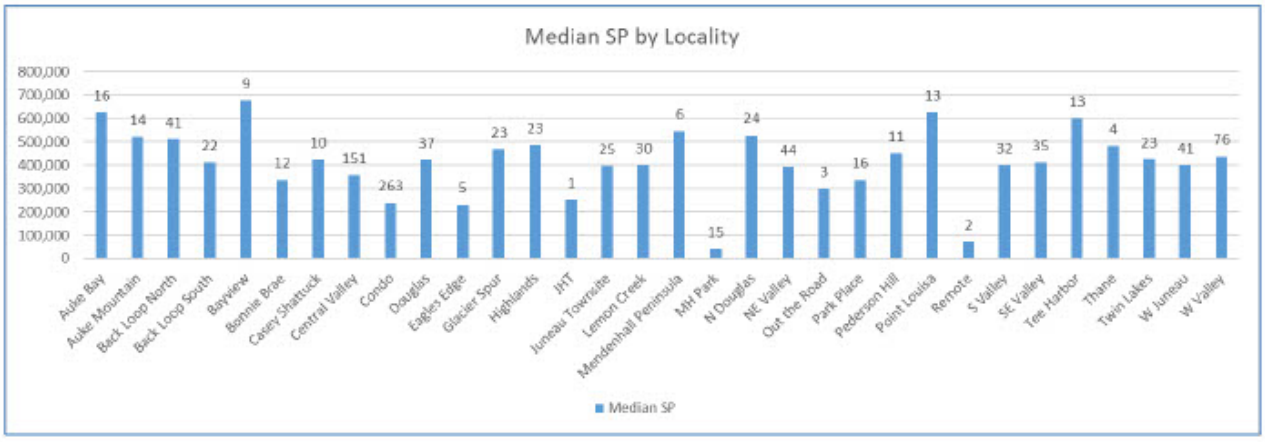
Residential



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%	865
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

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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
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 & /	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 LIMITEI	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 P	17	RKDP_C
5B1201000060	10/04/19	2,205,832	2,345,228	2,135,104	5245	GLACIER HWY	PETRO 49 INC	24	LMNC_C
5B1201300110	12/24/19	225,000	236,688	274,941	1783	ANKA		17	LEMON CREEK C
4B1701080020	02/13/20	800,000	837,756	565,539	10012	CRAZY HORSE DR	RPA INVESTMENTS	24	MNDP_C
4B1701090056	02/28/20	1,567,000	1,638,995	980,577	10009	CRAZY HORSE DR	R & L LEASING INC	17	MNDP_C
1C110K120140	03/10/20	378,818	395,875	320,200	0	MILL ST	BONNELL 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 GR(	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 JU	21	JDCC_C_24
5B1401050100	12/22/20	479,138	489,253	399,789	0	HONSINGER DR	GSA LLC	17	SVLY_C
5B1201410060	02/05/21	371,000	377,802	302,940	0	COMMERCIAL BLVI	LINKUP ALASKA LLC	17	LMNC_C
4B1601050010	02/09/21	160,000	162,898	108,800	2274	INDUSTRIAL BLVD	SHEILA GOOD & JAMES	30	RVYC_C_24
5B1501050040	05/03/21	1,300,000	1,317,550	1,224,918	8717	MALLARD ST	PETE J THIBODEAU & R	30	SVLY_C
5B15011121E0	05/11/21	325,000	329,243	227,766	2211	JORDAN AVE	STEVEN M TORRENCE /	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 PROI	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

AY2022 Ending Point Studies	Potential	Used	Notations
Class / Subgroup			
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.

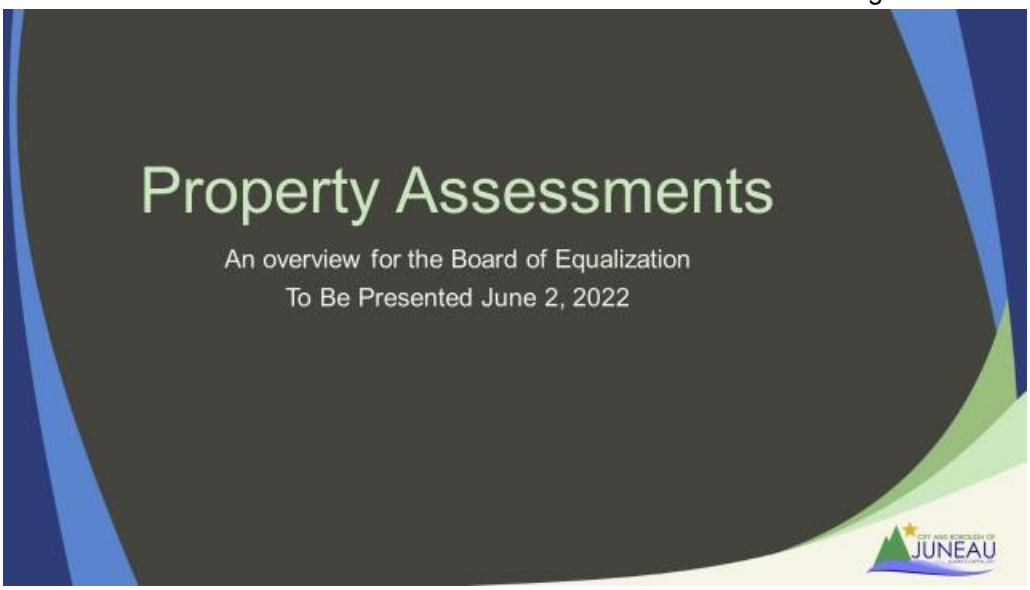
Addendum D – CBJ Determination of Full and True Value

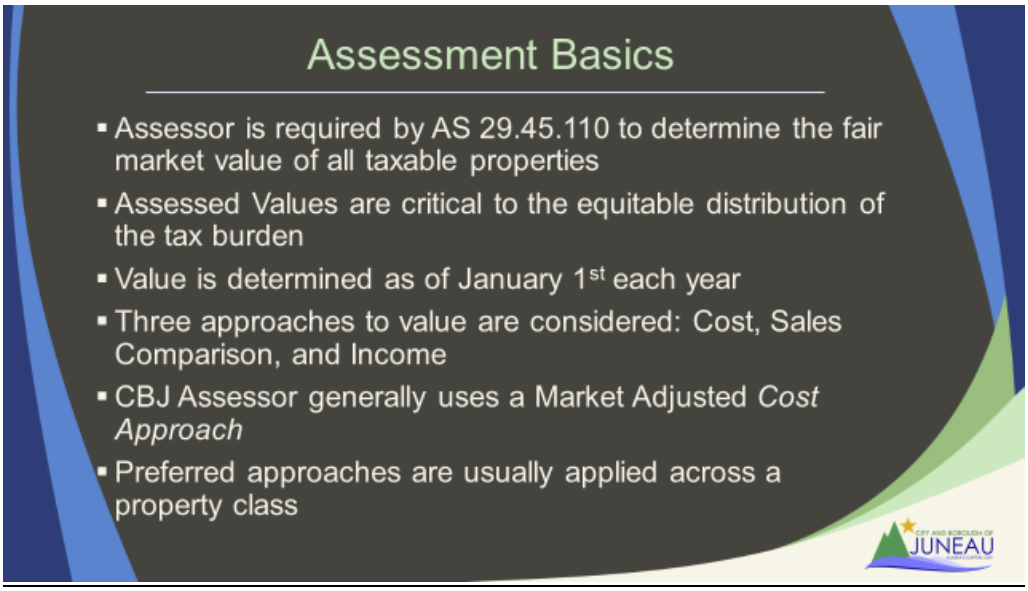
CBJ 15.05.100 Determination of full and true value:
Property shall be assessed at its full and true value in money, as of January 1 of the assessment year. In determining the full and true value of property in money, the person making the return, or the assessor, as the case may be, shall not adopt a 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)

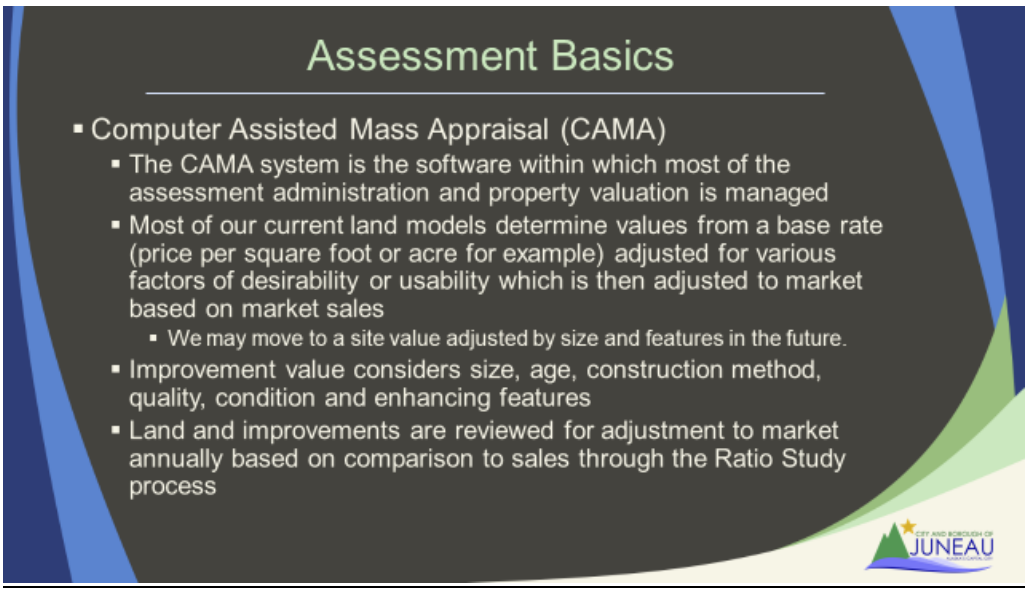
State law reference(s)—Full and true value, AS 29.45.110.

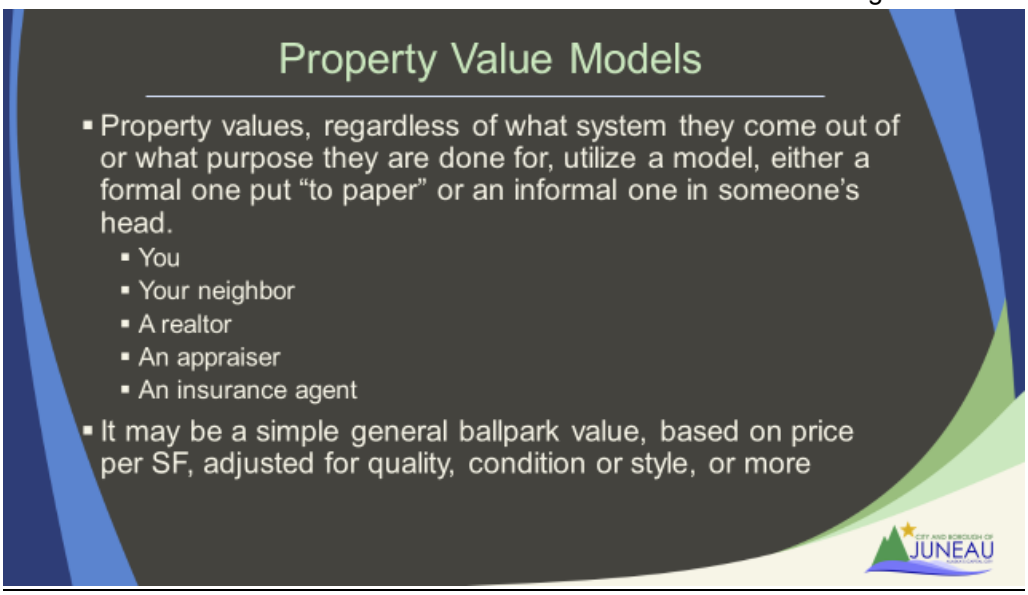
Attachment B: BOE Training

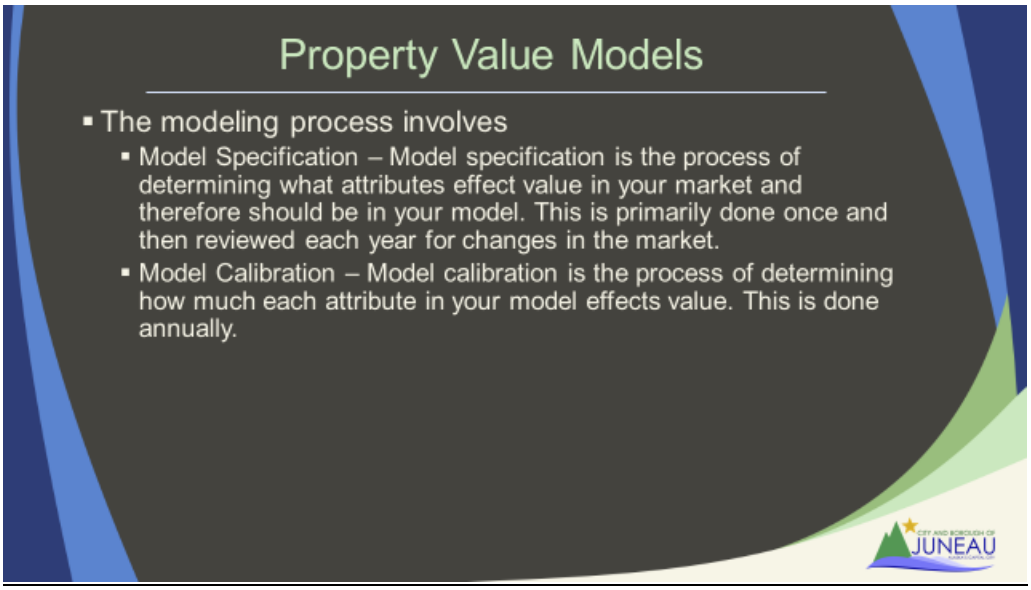
There is some duplication of information between the Guide and Attachments A and B, however, we felt it was best to present the documents in their entirety. They do both present additional information from the Guide.

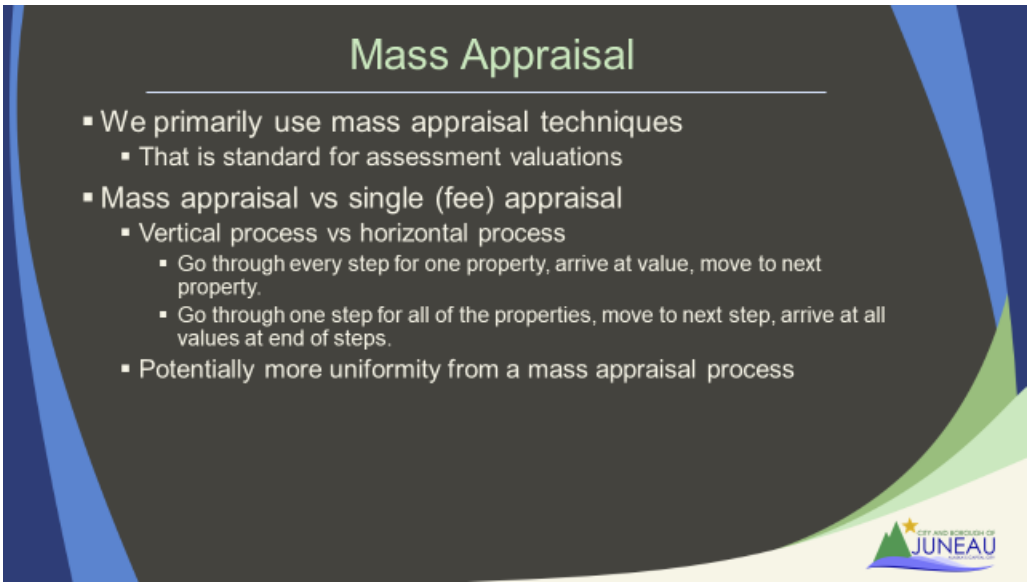

Property Assessments
An overview for the Board of Equalization
To Be Presented June 2, 2022
JUNEAU

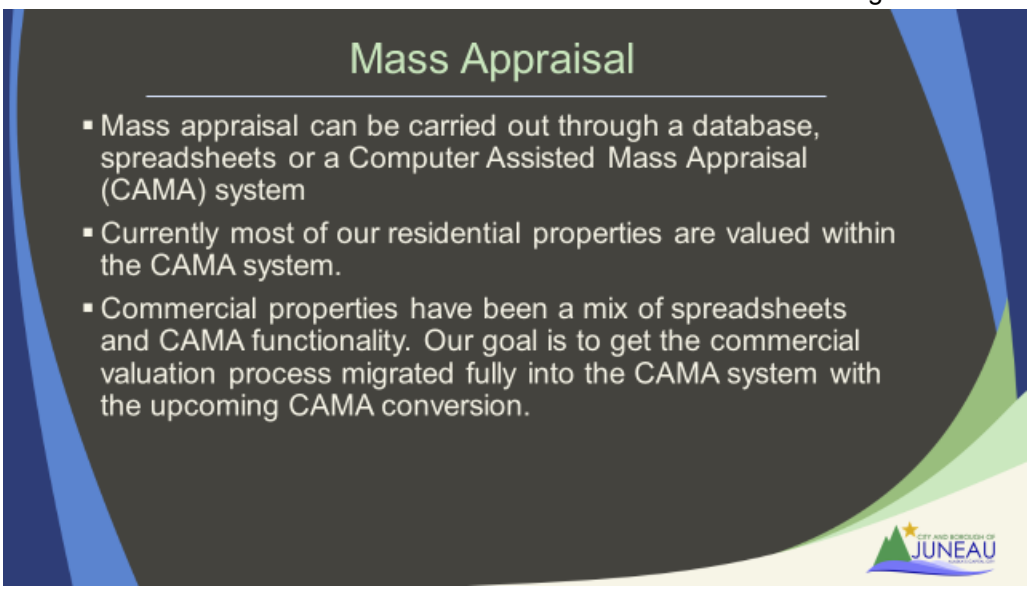

Assessment Basics
Assessor is required by AS 29.45.110 to determine the fair market value of all taxable properties
Assessed Values are critical to the equitable distribution of the tax burden
Value is determined as of January 1st each year
Three approaches to value are considered: Cost, Sales Comparison,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

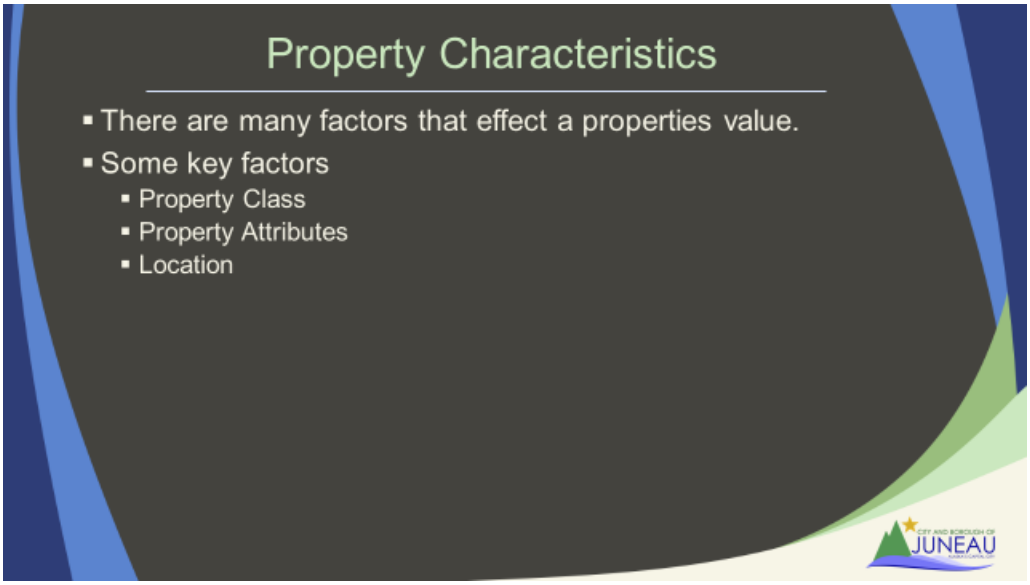

Assessment Basics
Computer Assisted Mass Appraisal (CAMA)
The CAMA system is the software within which most of the assessment administration and property valuation is managed
Most of our current land models determine values from a base rate (price per square foot or acre for example) adjusted for various 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
JUNEAU


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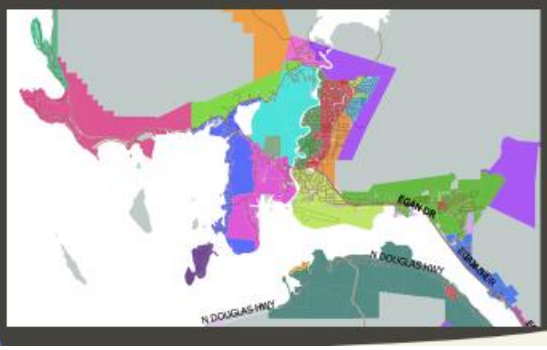

Property Characteristics
Property Classes
Major Classification: Residential & Commercial
Within Residential
SFR
Rapt
Mimp
Zero-Lot
Condos & Townhouses
Plexes
Manufactured Homes
Within Commercial
Retail
Office
Medical
Hotel
Industrial
Others
JUNEAU

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

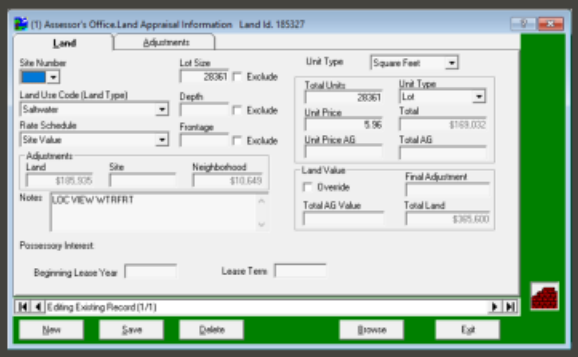
- Generation within the CAMA
  - Primarily utilizing a table structure, percentage adjustments (factors) and dollar adjustments. This is the preferred method for most properties.
- Mass appraisal outside of the CAMA such as with a spreadsheet
  - Sometimes, due to CAMA system limitations or other factors, 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.

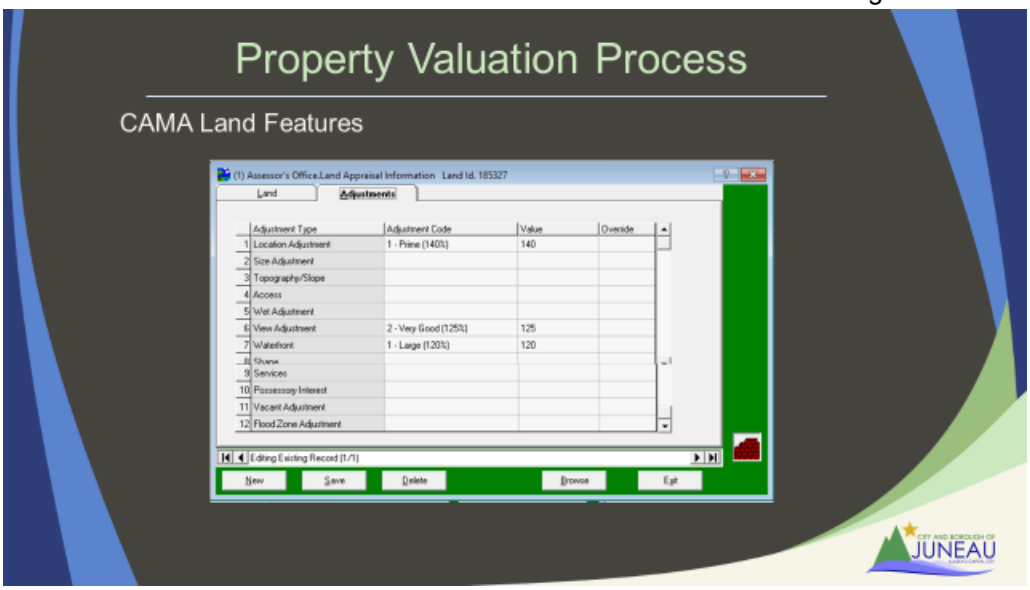
Property Valuation Process

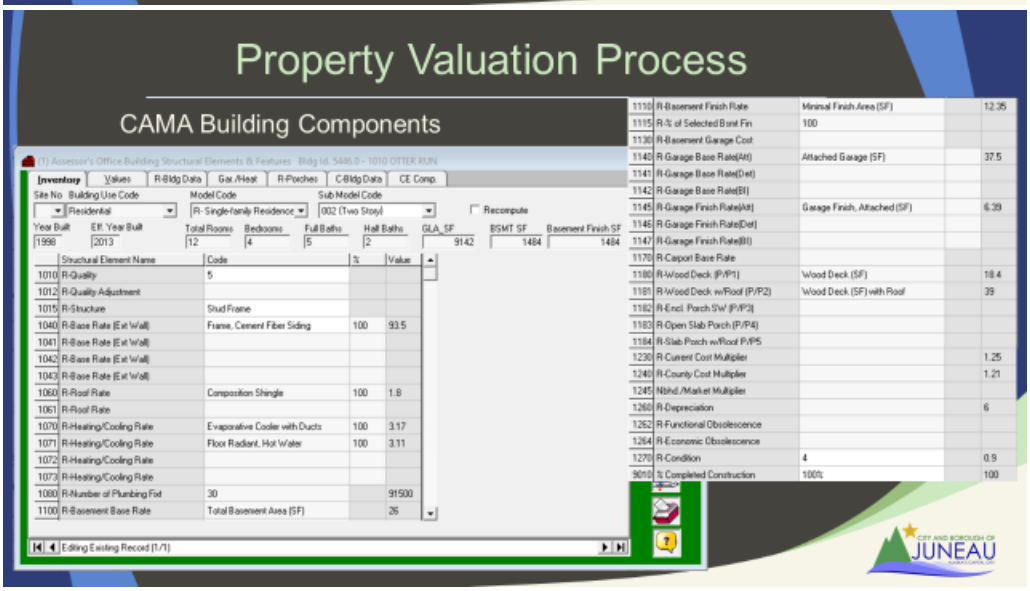
Let's look at how application of these principles looks within our CAMA system.

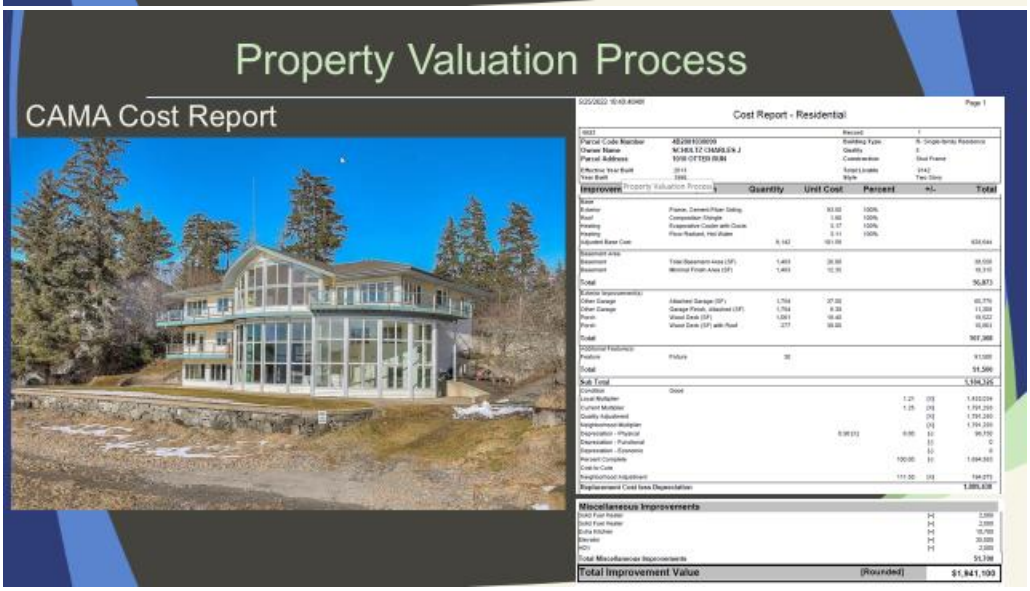
Property Valuation Process

CAMA Land Screen

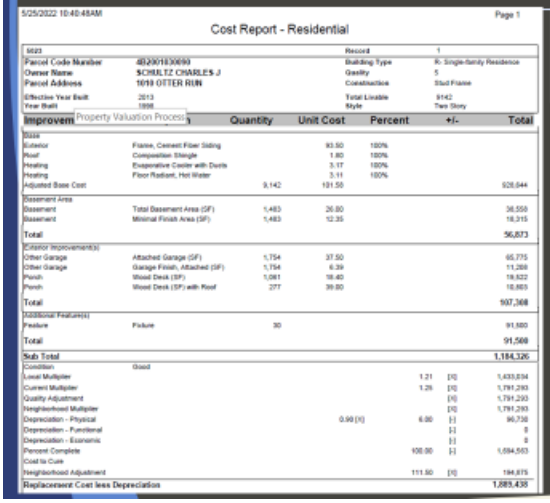



Property Valuation Process
CAMA Land Features
(1) Assessor's Office.Land Appraisal Information Land Id. 185327
Land
Adjustments
Adjustment Type
Adjustment Code
Value
Override
1 Location Adjustment
1 - Prime (140%)
140
2 Size Adjustment
3 Topography/Slope
4 Access
5 Wet Adjustment
6 View Adjustment
2 - Very Good (125%)
125
7 Waterfront
1 - Large (120%)
120
8 Shape
9 Services
10 Possessory Interest
11 Vacant Adjustment
12 Flood Zone Adjustment
Editing Existing Record (1/1)
New
Save
Delete
Browse
Exit
JUNEAU


Property Valuation Process
CAMA Building Components
Inventory
Values
R-Bldg Data
Gar./Heat
R-Porches
C-Bldg Data
CE Comp.
Site No
Building Use Code
Model Code
Sub Model Code
Residential
R - Single-family Residence
002 (Two Story)
Recompute
Year Built
Eff. Year Built
Total Rooms
Bedrooms
Full Baths
Half Baths
GLA_SF
BSMT SF
Basement Finish SF
1998
2013
12
4
5
2
9142
1484
1484
Structural Element Name
Code
%
Value
1010 R-Quality
5
1012 R-Quality Adjustment
1015 R-Structure
Stud Frame
1040 R-Base Rate (Ext Wall)
Frame, Cement Fiber Siding
100
93.5
1041 R-Base Rate (Ext Wall)
1042 R-Base Rate (Ext Wall)
1043 R-Base Rate (Ext Wall)
1060 R-Roof Rate
Composition Shingle
100
1.8
1061 R-Roof Rate
1070 R-Heating/Cooling Rate
Evaporative Cooler with Ducts
100
3.17
1071 R-Heating/Cooling Rate
Floor Radiant, Hot Water
100
3.11
1072 R-Heating/Cooling Rate
1073 R-Heating/Cooling Rate
1080 R-Number of Plumbing Fixt
30
91500
1100 R-Basement Base Rate
Total Basement Area (SF)
26
1110 R-Basement Finish Rate
Minimal Finish Area (SF)
12.35
1115 R-% of Selected Bsmt Fin
100
1130 R-Basement Garage Cost
1140 R-Garage Base Rate(Att)
Attached Garage (SF)
37.5
1141 R-Garage Base Rate(Det)
1142 R-Garage Base Rate(BI)
1145 R-Garage Finish Rate(Att)
Garage Finish, Attached (SF)
6.39
1146 R-Garage Finish Rate(Det)
1147 R-Garage Finish Rate(BI)
1170 R-Carport Base Rate
1180 R-Wood Deck (P/P1)
Wood Deck (SF)
18.4
1181 R-Wood Deck w/Roof (P/P2)
Wood Deck (SF) with Roof
39
1182 R-Encl. Porch SW (P/P3)
1183 R-Open Slab Porch (P/P4)
1184 R-Slab Porch w/Roof P/P5
1230 R-Current Cost Multiplier
1.25
1240 R-County Cost Multiplier
1.21
1245 Nbhd./Market Multiplier
1260 R-Depreciation
6
1262 R-Functional Obsolescence
1264 R-Economic Obsolescence
1270 R-Condition
4
0.9
9010 % Completed Construction
100%
100
Editing Existing Record (1/1)
JUNEAU


Property Valuation Process
CAMA Cost Report
Cost Report - Residential
Improvement
Quantity
Unit Cost
Percent
+/-
Total
Miscellaneous Improvements
Total Improvement Value
(Rounded)
$1,941,100

Property Valuation Process


5/25/2022 10:40:48AM Page 1

Cost Report - Residential

1023					Record	1	
Parcel Code Number	4B2301130090				Building Type	R- Single-family Residence	
Owner Name	SCHULTZ CHARLES J				Quality	5	
Parcel Address	1019 OTTER RUN				Construction	Stud Frame	
Effective Year Built	2013				Total Livable	9142	
Year Built	1998				Style	Two Story	
Improvem	Property Valuation Process		Quantity	Unit Cost	Percent	+/-	Total
Base							
Exterior	Frame, Cement Fiber Siding			93.50	100%		
Roof	Composition Shingle			1.80	100%		
Heating	Evaporative Cooler with Ducts			3.17	100%		
Heating	Floor Radiant, Hot Water			3.11	100%		
Adjusted Base Cost			9,142	101.55			928,644
Basement Area							
Basement	Total Basement Area (SF)		1,483	26.80			36,550
Basement	Minimal Finish Area (SF)		1,483	12.35			18,315
Total							56,873
Exterior Improvement(s)							
Other Garage	Attached Garage (SF)		1,754	37.50			65,775
Other Garage	Garage Finish, Attached (SF)		1,754	6.39			11,208
Porch	Wood Deck (SF)		1,081	18.40			19,922
Porch	Wood Deck (SF) with Roof		277	30.80			8,503
Total							107,368
Additional Feature(s)							
Feature	Fixture		30				91,500
Total							91,500
Sub Total							1,184,326
Condition	Good						
Local Multiplier						1.21 [X]	1,433,034
Current Multiplier						1.26 [X]	1,791,293
Quality Adjustment						[X]	1,791,293
Neighborhood Multiplier						[X]	1,791,293
Depreciation - Physical					0.99 [X]	5.00 [-]	90,730
Depreciation - Functional						[-]	0
Depreciation - Economic						[-]	0
Percent Complete						100.00 [=]	1,684,563
Cost to Cure							
Neighborhood Adjustment						111.50 [X]	194,875
Replacement Cost less Depreciation							1,885,438

Miscellaneous Improvements

Solid Fuel Heater	[+]	2,000
Solid Fuel Heater	[+]	2,000
Extra Kitchen	[+]	10,700
Elevator	[+]	36,000
HOV	[+]	2,000
Total Miscellaneous Improvements		51,700
Total Improvement Value	[Rounded]	$1,941,100



Analysis

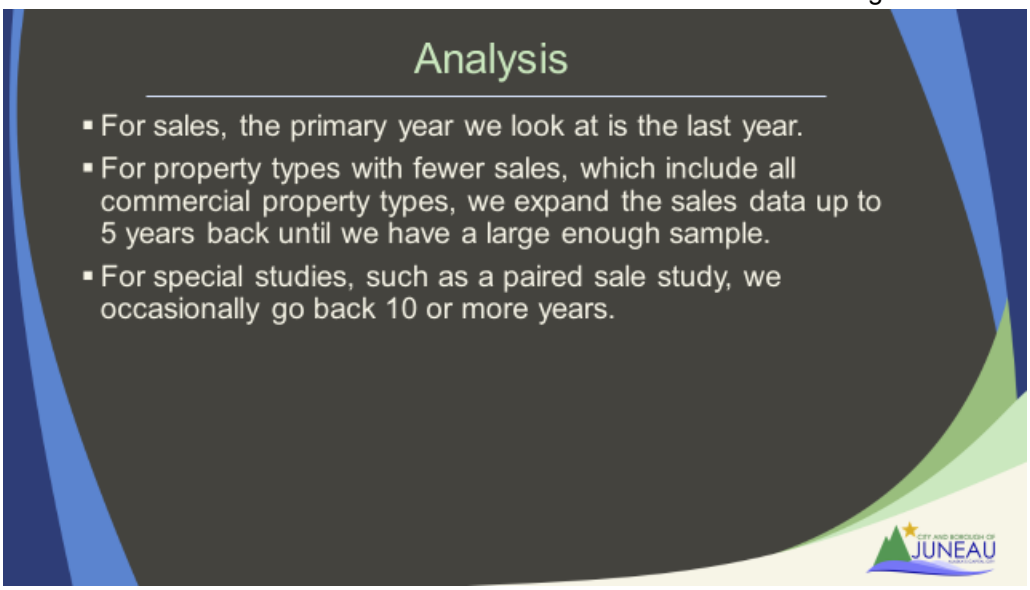
- The basis or foundation for model specification and model calibration, for our values reflecting the market is the analysis.

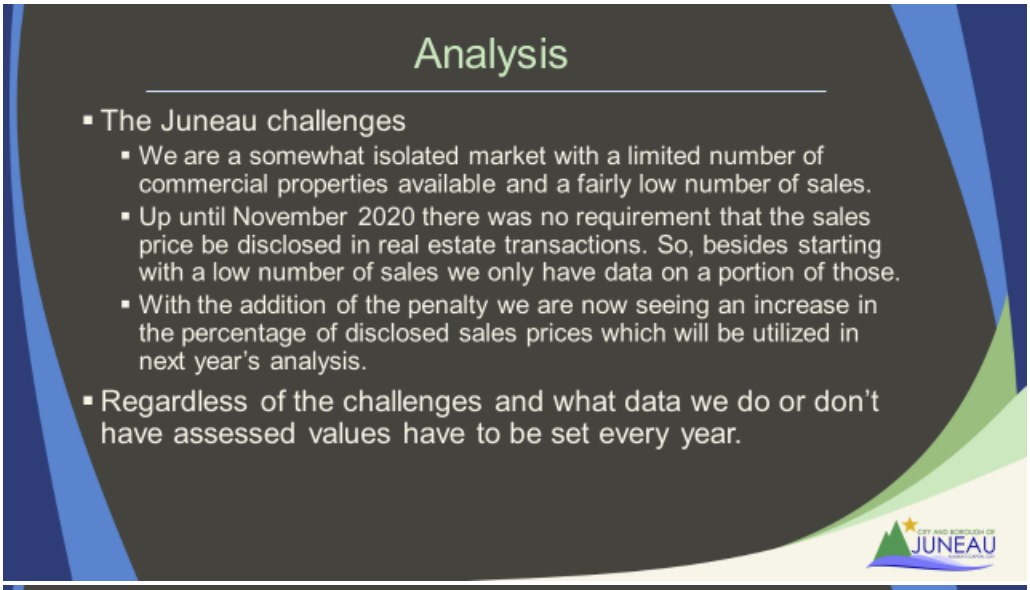


Analysis

- 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.
JUNEAU


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.
JUNEAU


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
JUNEAU

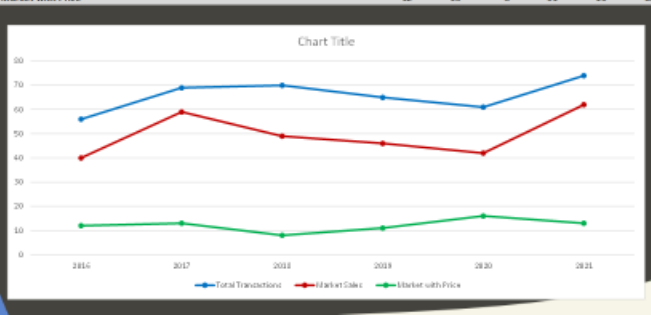
The Juneau Market

- 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.

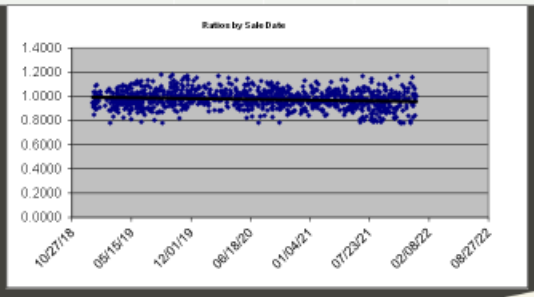
Year	2016	2017	2018	2019	2020	2021
Total Transactions	56	69	70	65	61	74
Market Sales	40	59	49	46	42	62
Market with Price	12	13	8	11	16	13



Residential Ratio Study 2022

Assessed Values as % of Sales Prices

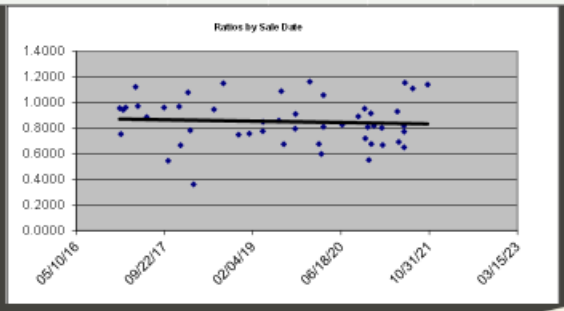
Prior/After	Lowest	Mean	Median	Highest	COD
Prior to 2022 adjustments	73.60%	95.70%	95.65%	119.30%	7.013%
After 2022 adjustments	77.92%	97.52%	97.48%	118.07%	5.817%



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

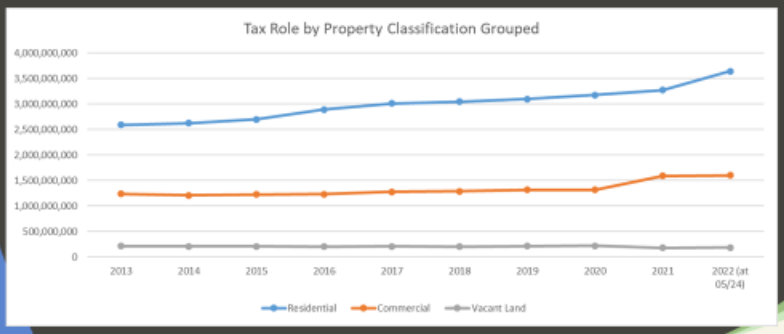
- Prior to 2022 adjustments
  - Commercial property was assessed at a median of 80.57% of sales price (81.87% mean)
- Commercial adjustments made in 2021
  - 2% increase to land value
  - 2% increase to building value
  - 2% decrease to downtown values
  - 35% increase to Rock Dump area land values
- 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

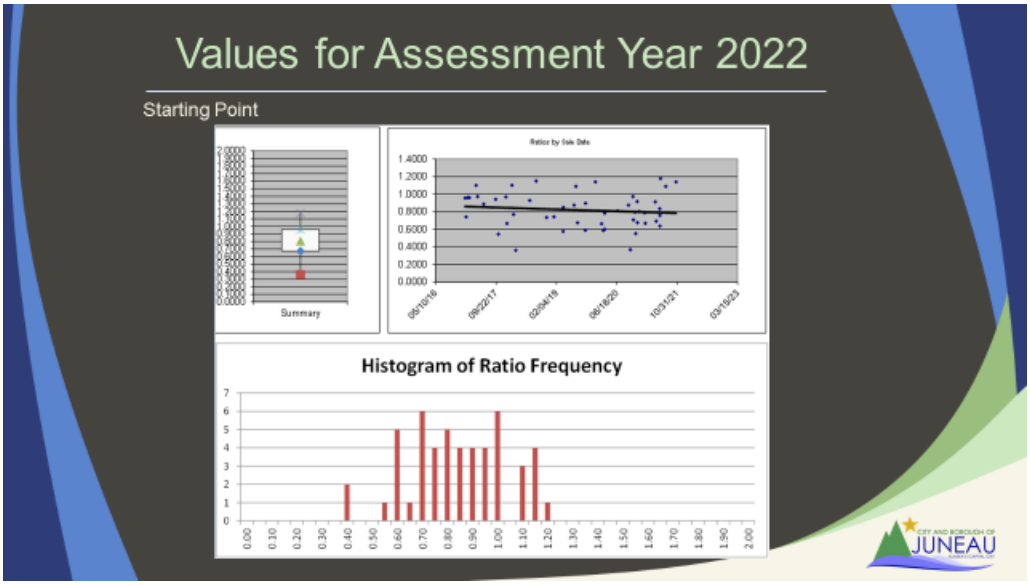
Statistics		
50	Count	(Number of Records with Ratio)
0.3594	Minimum Ratio	
1.1779	Maximum Ratio	
0.8185	Range	
0.8187	**Mean**	(This is the average ratio for your sample.)
0.8057	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6837	Weighted Mean	
1.9165	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)	

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.	



Values for Assessment Year 2022

Ending Point

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

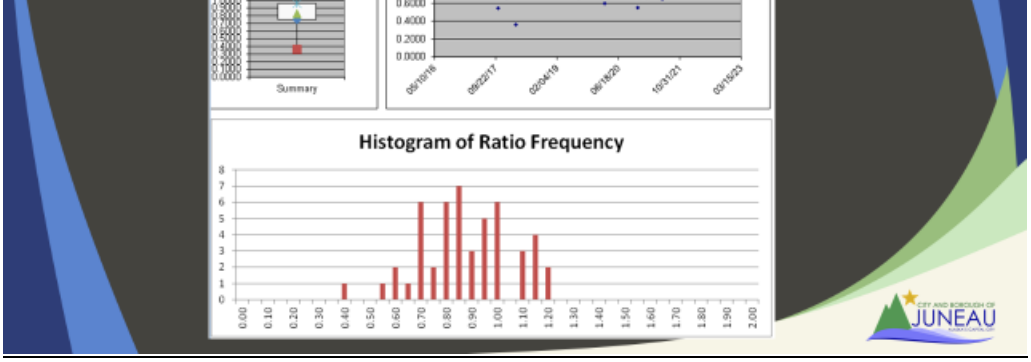
Statistics		
49	Count	(Number of Records with Ratio)
0.3594	Minimum Ratio	
1.1616	Maximum Ratio	
0.8022	Range	
0.8507	**Mean**	(This is the average ratio for your sample.)
0.8265	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.8398	Weighted Mean	
1.5487	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

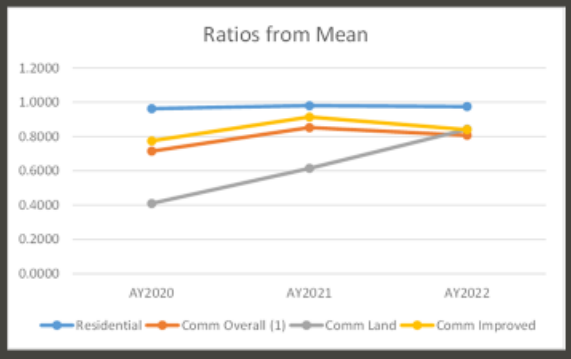
Trending Factors	
1.00	Target Level
1.1755	Factor on Mean
1.2099	**Factor on Median**
1.1908	Factor on Weighted Mean

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.



Values for Assessment Year 2022

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



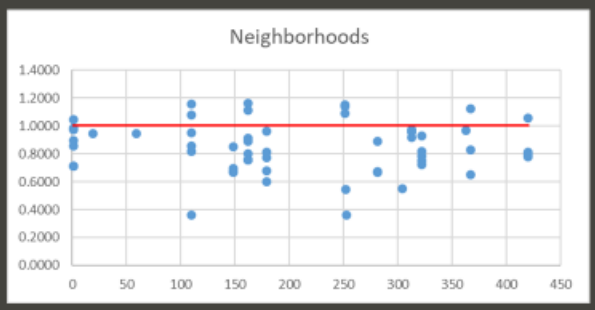
Values for Assessment Year 2022

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



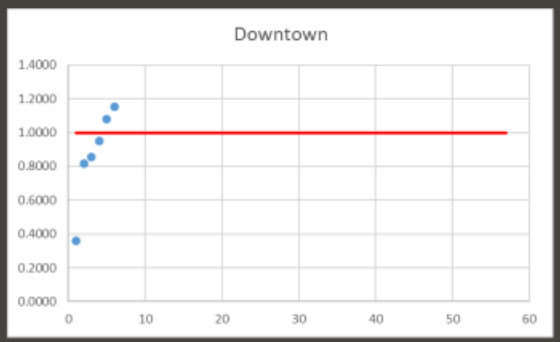
Values for Assessment Year 2022

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



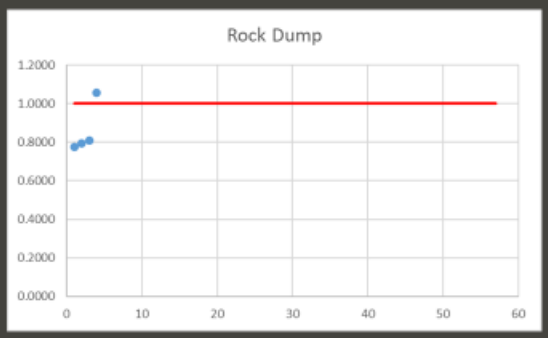
Values for Assessment Year 2022

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



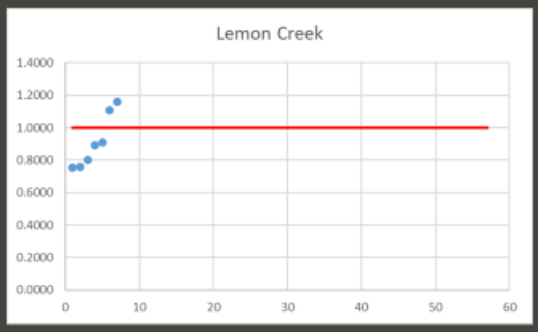
Values for Assessment Year 2022

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



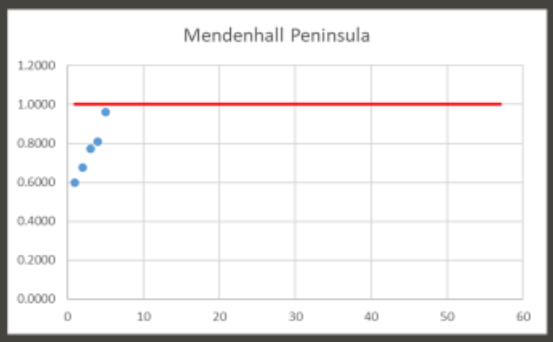
Values for Assessment Year 2022

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



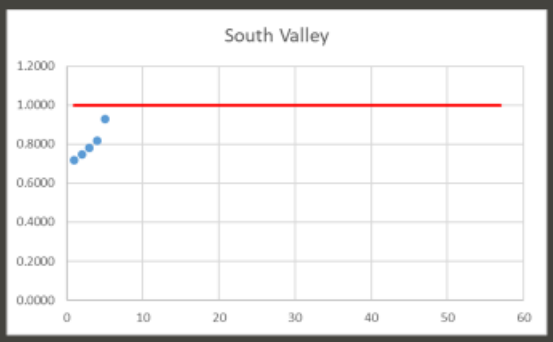
Values for Assessment Year 2022

- 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	Opionion 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

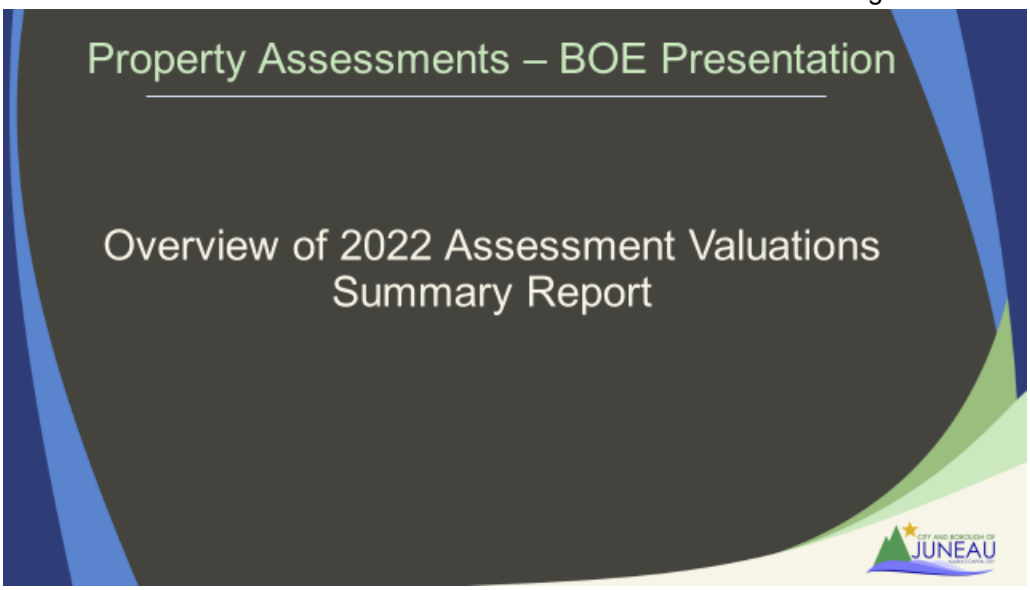
Covid-19

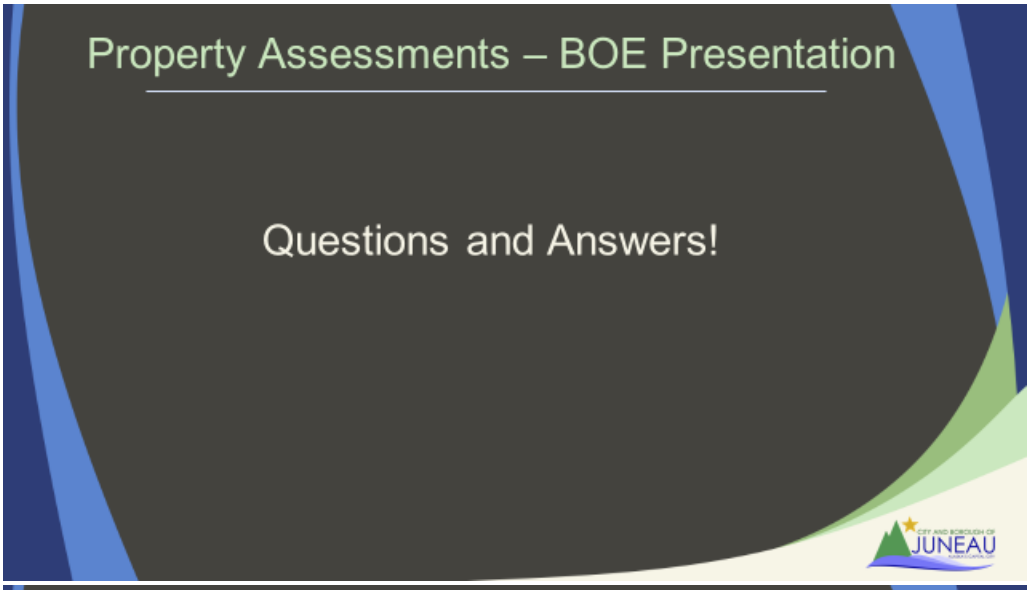
Assessed Values In The Midst Of A Pandemic

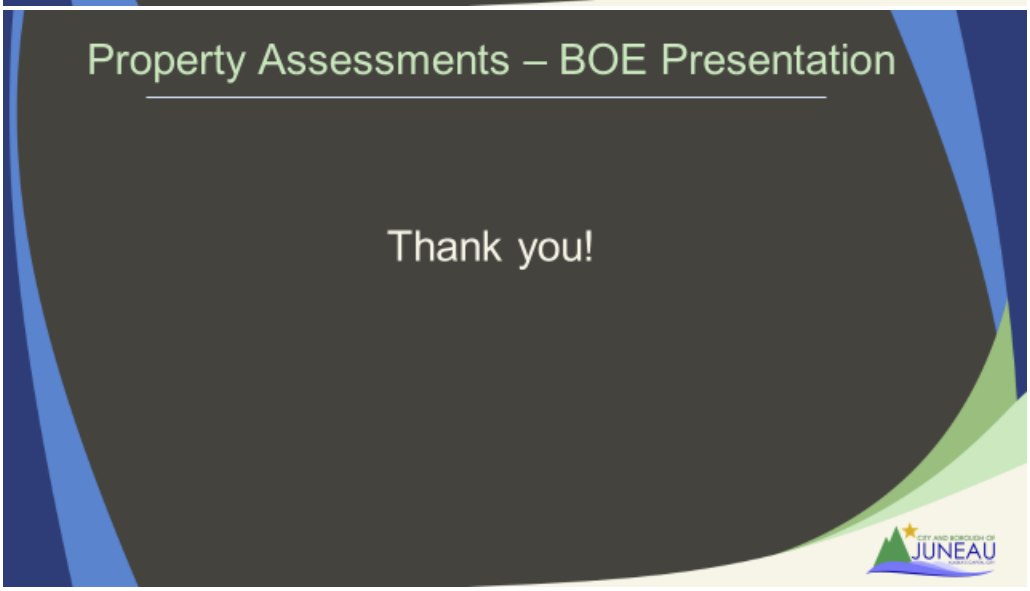
- We recognize and are sympathetic to the fact that the past years have been difficult for some businesses in Juneau. Some businesses have seen drastic reductions in revenue. At the same time, other businesses have had good years.
- In the midst of that, what State statutes require of us is to determine 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
JUNEAU


Property Assessments – BOE Presentation
Questions and Answers!
JUNEAU


Property Assessments – BOE Presentation
Thank you!
JUNEAU

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Monday, March 21, 2022 8:51 AM
To: Michael Dahle
Subject: Email Exchange

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

Michael,

Here is my email so you may send me information.

Thank you,

Greg Adler

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Monday, March 21, 2022 11:27 AM
To: Michael Dahle
Subject: GOLDSTEIN IMPROVEMENT COMPANY-Forwarding Your News Release as Requested
Attachments: City and Borough of Juneau News Release.pdf

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

Michael,

Thank you for speaking with me earlier today.

Attached please find the City and Borough of Juneau News Release dated June 15, 2021.

Briefly the article says,

1. Headline-Assembly reduces the tax rate
2. Even with the lower tax rate,
    a. CBJ collected $3 million more dollars in property tax revenue
    b. Substantial growth in property valuations
    c. Considerable adjustment to the value of of commercial land
3. $3million dollars used for
    a. $3.3 million for Augustus Brown Pool deferred maintenance and
    b. $6.9 million dollars to restore temporary reductions to the Capital Improvement Plan

In summary, arguably the city raised property taxes $3 million dollars and spent it for deferred maintenance on the pool. This constitutes a taking without just compensation. This type of expense does not relate to the police power of the state, but rather is a special expenditure that all citizens not just property owners should pay.

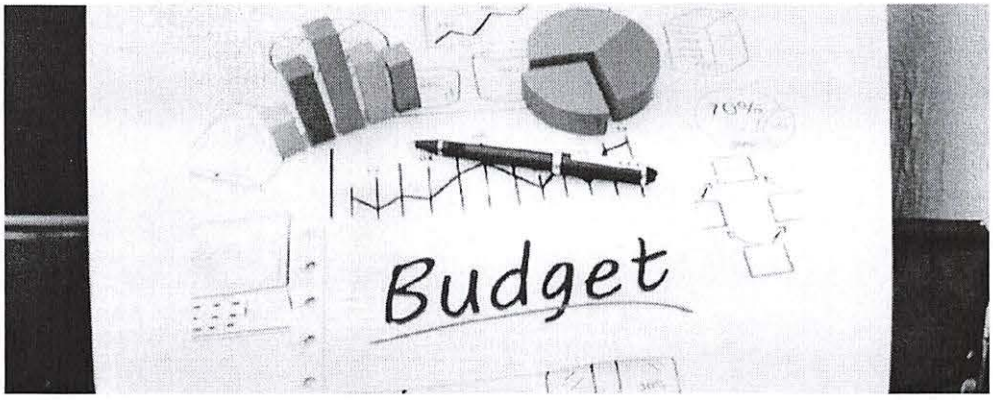
Thanks for your help,

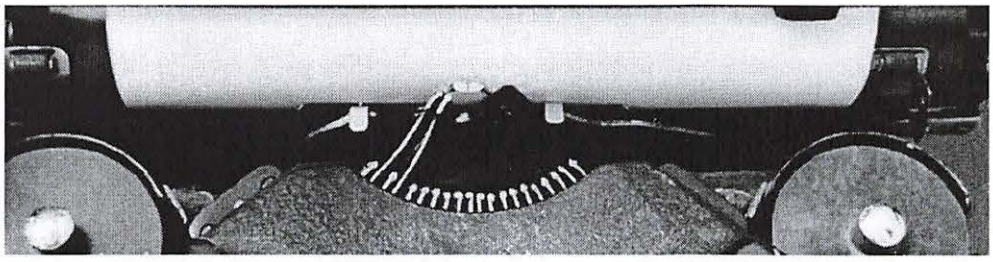
Look forward to receiving your materials soon.

Greg Adler

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

COVID-19
CURRENT CORONAVIRUS INFORMATION





Juneau Assembly passes budget reducing the property tax rate

June 15, 2021 – News

After two months of budget work by the Assembly Finance Committee, the Juneau Assembly passed the Fiscal Year 2022 budget at Monday night's Regular Assembly Meeting. The Assembly voted to lower the property tax rate from 10.66 mills to 10.56 mills – the lowest property tax rate since 2013. The new budget, which begins July 1, expands the Assembly's support for childcare services and also restores money to the Capital Improvement Plan, including improvements to the Augustus Brown Pool.

The $420.9 million budget includes reduced projections of sales tax revenues and cruise ship passenger fees in anticipation of limited large cruise ship visitation this current summer. To offset these depressed revenues, the budget utilizes CBJ's $12.8 million allocation of federal stimulus funds from the American Rescue Plan Act to replace lost revenues in FY21 and FY22. Application of this federal aid to offset lost revenues in FY21 reduced the anticipated $2.8 million deficit to zero, and in FY22 reduces the projected $15.8 million deficit to $5.9 million.

Despite being faced with a deficit, the Assembly maintained all essential city services while lowering the property tax rate to 10.56 mills. Even with the lower property tax rate, CBJ will collect approximately $3.0 million more in property tax revenue in FY22 as a result of a substantial growth in property valuations, including a considerable adjustment to the value of commercial land. The Assembly still needed to draw from savings to cover a remaining budgetary shortfall.

The Assembly also restored $6.9 million of temporary reductions to the Capital Improvement Plan that were made in FY21 to balance the budget, including the $3.3 million Augustus Brown Pool deferred maintenance project.

For more information, contact Finance Director Jeff Rogers at 723-6907 or jeff.rogers@juneau.org.

City and Borough Of Juneau
155 S. Seward Street, Juneau AK 99801
Phone: 907.586.5240
Fax: 907.586.5385

Mary Hammond

From: Michael Dahle
Sent: Monday, March 21, 2022 11:49 AM
To: 'Greg Adler'
Subject: RE: GOLDSTEIN IMPROVEMENT COMPANY-Forwarding Your News Release as Requested
Attachments: 1C070A050060- 234 Seward St- Key Bank Bldg Assessment History.pdf

Greg,

Thank you for forwarding the news item.

Attached is the assessment history for the "Key Bank" building property.

I will send more information regarding your other questions in an email to follow.

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

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From: Greg Adler <gregadler@mac.com>
Sent: Monday, March 21, 2022 11:27 AM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: GOLDSTEIN IMPROVEMENT COMPANY-Forwarding Your News Release as Requested

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

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Michael,

Thank you for speaking with me earlier today.

Attached please find the City and Borough of Juneau News Release dated June 15, 2021.

Briefly the article says,

1. Headline-Assembly reduces the tax rate
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c. Considerable adjustment to the value of of commercial land

3. $3million dollars used for
   a. $3.3 million for Augustus Brown Pool deferred maintenance and
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In summary, arguably the city raised property taxes $3 million dollars and spent it for deferred maintenance on the pool. This constitutes a taking without just compensation. This type of expense does not relate to the police power of the state, but rather is a special expenditure that all citizens not just property owners should pay.

Thanks for your help,

Look forward to receiving your materials soon.

Greg Adler

City and Borough of Juneau
Assessment History Report

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$864,066.00	$54,400.00	$1,629,054.00	$2,547,520.00
2021	$881,700.00	$54,400.00	$1,662,300.00	$2,598,400.00
2020	$587,800.00	$54,400.00	$1,662,300.00	$2,304,500.00
2019	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
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2002	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2000	$496,000.00	$0.00	$787,300.00	$1,283,300.00

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Tuesday, March 22, 2022 7:17 AM
To: Michael Dahle
Subject: Key Bank Building Question re Misc Value

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

Michael,

Thank you for the historical records.

I do not know what Misc Value of $54,400 represents?

Please explain what this represents from 2018.

Thank you,

Greg

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Tuesday, March 22, 2022 9:01 PM
To: Michael Dahle
Subject: Re: GOLDSTEIN IMPROVEMENT COMPANY-Forwarding Your News Release as Requested

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

Michael,

Thank you for your email.

At present, the Key Bank building is vacant.

Have a nice evening.

Greg Adler

> On Mar 22, 2022, at 3:20 PM, Michael Dahle <Michael.Dahle@juneau.org> wrote:
>
> Greg,
>
> In regards to your question about the $54,400 miscellaneous category on the assessed value. The cost approach that was done in 2018 was done within our CAMA (Computer Assisted Mass Appraisal) system. Previous cost reports also used the Marshall & Swift valuation tables but were performed in a different software. With the current CAMA software some items related to a building end up in the miscellaneous category. In your case the items included in that section include a storage area, the canopy, an enclosed porch and the vault.
>
> You asked what model was used to value your property.
>
> Land
> The land value was set in 2005 at 612,300 based on a per SF model. It was decreased by 4% on 07/01/2019 by Robin Potter to a land model in Govern, our CAMA system, of $40 per SF with a 20% locational adjustment which appears to be for the corner influence. (12,245 * 40 * 1.2 = 587,800)
>
> In reviewing the sales as part of the analysis for setting commercial property values as of 01/01/2021 it was apparent that our commercial values were under market. As a first step towards addressing this a trending was applied for the AY2021 values. For most properties that meant a 50% increase to the land portion of the value. For improved properties that resulted in a 20% increase to the value on average.
>
> Your property received that trend. (587,800 + 50% = $881,700)
>
> For assessment year 2022 a 2% decrease was applied to properties in the downtown area. That was applied to both the land and the building components. The decrease to downtown commercial

properties was applied even though the sales indicated that we were not overvalued in that area. It was applied in our effort to improve the uniformity of commercial subgroup valuation levels.

For the land portion this meant a reduction to $864,066. (881,700 – 2% = $864,066)

I have reviewed the base rate and locational adjustment applied to this property and it is uniform with surrounding properties.

Building
The building value is based on a cost report done in 2018 in Govern per an inspection. Within Govern it splits the value into two segments, the main building and miscellaneous components such as a storage area, the vault, etc. (1,662,300 + 54,400 = $1,716,700)

The 2% reduction was applied to the main building segment. (1,662,300 – 2% = $1,629,054)

The miscellaneous segment did not change for AY2022.

I have also attached a current cost report on the building. This is based on the last routine inspection which was done in 2018. The effective year built and amount of depreciation seems high based on the building having been remodeled in 2007 and 2008 and on my observations from the times I have walked by the building, however, we certainly will take a look at the items detailed in the appraisal. Also of note is that when the building was remodeled in 2007 and 2008 no change was made to the building value as should have happened.

The valuation history is included again below.

In regards to the outlier classification, that refers not to the sale per se but to the sales position within each data set of the analysis process. Part of the analysis of each data set includes a step to determine if any of the data points in the set are an outlier. For a particular sale, whether or not it is considered an outlier can change from one data set to another. In one set it may be an outlier while in another set it may not be an outlier.

This is the definition of an outlier that we use:

> 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.”
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> 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.

General Question:
Have you explored at all whether another bank may be interested in a downtown location or whether you are thinking you will need to repurpose the building? From the quick research that I have done I have seen mixed signals. Some of the statements that I have seen are that there still are some branch closings but it has slowed from prior years, some banks have announced plans to open a significant

number of new branches, half of the banks surveyed had plans to open new branches, closures are connected to less profitable regions, that the branch is not going away but how they deliver services is changing, and that the very significant number of people still physically going into the bank branches provides a tremendous opportunity to banks if they will capitalize on it.

Branch density is declining but branches remain the predominant factor in new accounts and customer retention so it is mainly the closing of duplicate or overlapping branches that have seen closure.

The next tenants of closed branches were indicated as follows:
7.5% other banks
26% stores
19% restaurants
17% health clinics
10.5% fitness
7.5% other financial services

The average time to sell was 9.5 months and the time to sublease just over a year.

I think that addresses all of the questions that you have asked so far that weren't answered directly in our conversations.
Sincerely,

Michael Dahle
Deputy Assessor
City & Borough of Juneau
907-586-5215 ext. 4036
907-586-4520 (Fax)
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<image001.png>

<image012.jpg>
<image013.jpg>
<image014.jpg>
The map below illustrates the base rate and the location adjustment percentages from the underlying valuation model. Note that other adjustments such as size, shape and others are not shown on this map.<image015.jpg>
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<image016.jpg>

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Thanks for your help,

Look forward to receiving your materials soon. Greg Adler

Mary Hammond

From: Michael Dahle
Sent: Tuesday, March 22, 2022 2:21 PM
To: Greg Adler
Cc: Mary Hammond
Subject: RE: GOLDSTEIN IMPROVEMENT COMPANY-Forwarding Your News Release as Requested

Greg,

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907-586-5215 ext. 4036
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Michael.Dahle@juneau.org

3/21/2022 4:06:21PM Page 1

Cost Report - Commercial

1309		Record	1
Parcel Code Number	1C070A050060	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	234 SEWARD ST	Perimeter	391
Effective Year Built	1987	Class	B
Year Built	1914	Height	
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Bank	Total Area	6,608.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		6608		171.00		1,129,968
Exterior Wall	Concrete, Formed	6608		22.30		147,358
Heating & Cooling	Heating & Cooling	6608		613.00		613
Heating & Cooling	Hot Water	6608		13.00		85,904
Architect Fee		6608		7.30		48,238
Sprinklers	Sprinklers	11698		4.06		47,494
Fire Alarm System		6608		1.46		9,648
Basement	Unfinished	4630		57.00		263,910
Sub Total						$1,733,133.36
Local Multiplier					1.43 [X]	$2,478,381.00
Current Multiplier					1.13 [X]	$2,800,571.00
Neighborhood Multiplier					[X]	$2,800,571.00
Depreciation - Physical					34.00 [-]	$952,194.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$1,848,377.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$1,848,377

Miscellaneous Improvements

Miscellaneous Improvement	STORAGE 2.1.2018 PE	[+]	3,800
Miscellaneous Improvement	CANOPY 2.1.2018 PER	[+]	13,400
Miscellaneous Improvement	ENCLOSED PORCH 2.1.	[+]	2,200
Miscellaneous Improvement	VAULT 2.1.2018 PER	[+]	35,000

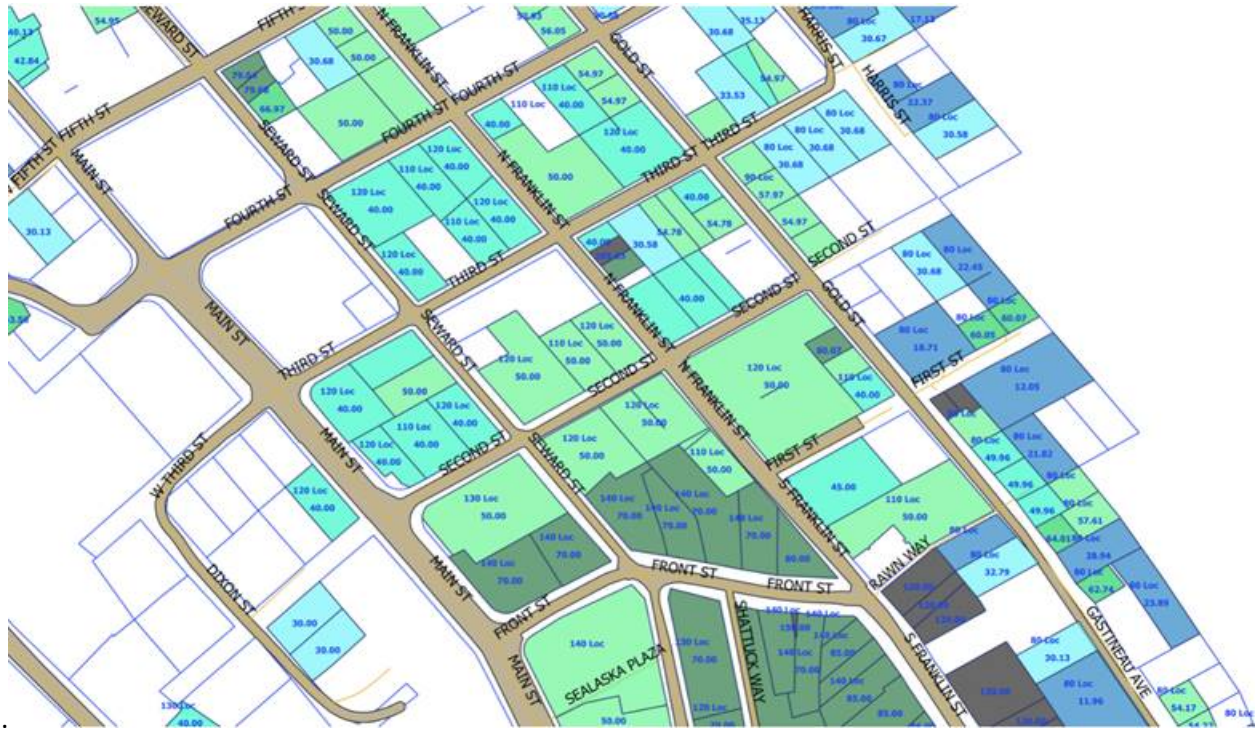
Total Improvement Value $1,902,800

City and Borough of Juneau
Assessment History Report

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

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Look forward to receiving your materials soon. Greg Adler

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Wednesday, March 23, 2022 12:34 PM
To: Michael Dahle
Subject: Goldstein Improvement Company

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

Michael,

Can you please send me 10 years historical assessments for the Goldstein Improvement Properties,

1C070A020011 JUNEAU TOWNSITE BL 2 LT 2A
1C070A020030 JUNEAU TOWNSITE BL 2 LT 3 FR & 4
1C070A040010 JUNEAU TOWNSITE BL 4 LT 1,2 &7 FR
1C070A020043 JUNEAU TOWNSITE BL 2 LT 5A1
1C070A050040 JUNEAU TOWNSITE BL 5 LET 4
1C070A040020 JUNEAU TOWNSITE BL 4 LT 3
1C070A040010 JUNEAU TOWNSITE BL 4 LT 1,2
1C070A040010 JUNEAU TOWNSITE BL 4 LT1,2 & 7
1CO70A020030 JUNEAU TOWNSITE BL 2 LT 3 FR
1C070A020030 JUNEAU TOWNSITE BL 2 LT 3 FR & 4
1D050L280130 CHANNEL HEIGHTS II BL B LT 31
1D050L270130 CHANNEL HEIGHTS II BL B LT 6

THANK YOU,

GREG ADLER

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Wednesday, March 23, 2022 3:29 PM
To: Michael Dahle
Subject: Goldstein Improvement Company-Key Bank

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

Michael,

Thank you for help.

I FedExed our Appeal to you.

The delivery date is Monday.

Greg

Sent from my iPhone

Mary Hammond

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Sent: Wednesday, March 23, 2022 11:34 PM
To: Michael Dahle
Subject: Re: Goldstein Improvement Company

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

Thank you

Sent from my iPhone

> On Mar 23, 2022, at 5:02 PM, Michael Dahle <Michael.Dahle@juneau.org> wrote:
>
> Greg,
>
> Here are the histories.
>
> *Michael Dahle*
> Deputy Assessor, City & Borough of Juneau
> 907-586-5215 ext. 4036

City and Borough of Juneau
Assessment History Report

1C070A020011
GOLDSTEIN IMPROVEMENT COMPANY
122 FRONT ST
JUNEAU TOWNSITE BL 2 LT 2A

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALU
2022	$1,567,167.00		$496,664.00	$2,063,831.0
2021	$1,599,150.00		$506,800.00	$2,105,950.0
2020	$1,066,100.00		$506,800.00	$1,572,900.0
2019	$1,087,900.00		$506,800.00	$1,594,700.0
2018	$1,087,900.00		$506,800.00	$1,594,700.0
2017	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.0
2016	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.0
2015	$1,087,900.00	$3,000.00	$498,400.00	$1,589,300.0
2014	$1,087,900.00		$495,800.00	$1,583,700.0
2013	$1,087,900.00		$495,800.00	$1,583,700.0
2012	$1,087,900.00	$0.00	$495,800.00	$1,583,700.0
2011	$1,087,900.00	$0.00	$495,800.00	$1,583,700.0
2010	$1,087,900.00	$0.00	$421,400.00	$1,509,300.0

City and Borough of Juneau
Assessment History Report

1C070A020030
GOLDSTEIN IMPROVEMENT COMPANY
110 SEWARD ST
JUNEAU TOWNSITE BL 2 LTS 3 FR & 4

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VAL
2022	$967,848.00	$27,100.00	$935,018.00	$1,929,966.0
2021	$987,600.00	$27,100.00	$954,100.00	$1,968,800.0
2020	$658,400.00	$27,100.00	$954,100.00	$1,639,600.0
2019	$671,800.00	$27,100.00	$954,100.00	$1,653,000.0
2018	$671,800.00	$27,100.00	$954,100.00	$1,653,000.0
2017	$671,800.00	$38,100.00	$933,500.00	$1,643,400.0
2016	$671,800.00	$38,100.00	$933,500.00	$1,643,400.0
2015	$671,800.00	$38,100.00	$965,100.00	$1,675,000.0
2014	$671,800.00		$834,300.00	$1,506,100.0
2013	$671,800.00		$834,300.00	$1,506,100.0
2012	$671,800.00	$0.00	$834,300.00	$1,506,100.0
2011	$671,800.00	$0.00	$834,300.00	$1,506,100.0
2010	$671,800.00	$0.00	$762,400.00	$1,434,200.0

City and Borough of Juneau
Assessment History Report

1C070A020043
GOLDSTEIN IMPROVEMENT COMPANY
119 SECOND ST
JUNEAU TOWNSITE BL 2 LT 5A1

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALU
2022	$1,216,278.00	$29,700.00	$5,346,931.00	$6,592,909.0
2021	$1,241,100.00	$29,700.00	$5,456,052.00	$6,726,852.0
2020	$827,400.00	$29,700.00	$5,353,668.00	$6,210,768.0
2019	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.0
2018	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.0
2017	$795,600.00		$5,774,100.00	$6,569,700.0
2016	$795,600.00		$5,774,100.00	$6,569,700.0
2015	$795,600.00		$5,774,100.00	$6,569,700.0
2014	$795,600.00		$5,774,100.00	$6,569,700.0
2013	$795,600.00		$5,774,100.00	$6,569,700.0
2012	$795,600.00	$0.00	$4,812,200.00	$5,607,800.0
2011	$795,600.00	$0.00	$4,812,200.00	$5,607,800.0
2010	$795,600.00	$0.00	$4,812,200.00	$5,607,800.0

City and Borough of Juneau
Assessment History Report

1C070A040010
GOLDSTEIN IMPROVEMENT COMPANY INC
201 SEWARD ST
JUNEAU TOWNSITE BL 4 LTS 1 2 & 7 FR

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALU
2022	$866,565.00	$13,300.00	$614,264.00	$1,494,129.0
2021	$884,250.00	$13,300.00	$626,800.00	$1,524,350.0
2020	$589,500.00	$13,300.00	$626,800.00	$1,229,600.0
2019	$614,100.00	$13,300.00	$626,800.00	$1,254,200.0
2018	$614,100.00	$13,300.00	$626,800.00	$1,254,200.0
2017	$614,100.00		$578,100.00	$1,192,200.0
2016	$614,100.00		$578,100.00	$1,192,200.0
2015	$614,100.00		$578,100.00	$1,192,200.0
2014	$614,100.00		$578,100.00	$1,192,200.0
2013	$614,100.00		$578,100.00	$1,192,200.0
2012	$614,100.00	$0.00	$652,200.00	$1,266,300.0
2011	$614,100.00	$0.00	$652,200.00	$1,266,300.0
2010	$614,100.00	$0.00	$652,200.00	$1,266,300.0

City and Borough of Juneau
Assessment History Report

1C070A040020
GOLDSTEIN IMPROVEMENT COMPANY
224 SECOND ST
JUNEAU TOWNSITE BL 4 LT 3

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALU
2022	$397,194.00			$397,194.0
2021	$405,300.00			$405,300.0
2020	$270,200.00			$270,200.0
2019	$245,700.00			$245,700.0
2018	$245,700.00			$245,700.0
2017	$246,000.00			$246,000.0
2016	$246,000.00			$246,000.0
2015	$246,000.00			$246,000.0
2014	$246,000.00			$246,000.0
2013	$246,000.00			$246,000.0
2012	$246,000.00	$0.00	$0.00	$246,000.0
2011	$246,000.00	$0.00	$0.00	$246,000.0
2010	$246,000.00	$0.00	$0.00	$246,000.0

City and Borough of Juneau
Assessment History Report

1C070A050040
GOLDSTEIN IMPROVEMENT COMPANY
200 SEWARD ST
JUNEAU TOWNSITE BL 5 LT 4

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALU
2022	$346,626.00	$14,300.00	$595,350.00	$956,276.0
2021	$353,700.00	$14,300.00	$607,500.00	$975,500.0
2020	$235,800.00	$14,300.00	$607,500.00	$857,600.0
2019	$245,700.00	$14,300.00	$607,500.00	$867,500.0
2018	$245,700.00	$14,300.00	$607,500.00	$867,500.0
2017	$246,000.00		$411,200.00	$657,200.0
2016	$246,000.00		$411,200.00	$657,200.0
2015	$246,000.00		$411,200.00	$657,200.0
2014	$246,000.00		$411,200.00	$657,200.0
2013	$246,000.00		$411,200.00	$657,200.0
2012	$246,000.00	$0.00	$573,200.00	$819,200.0
2011	$246,000.00	$0.00	$573,200.00	$819,200.0
2010	$246,000.00	$0.00	$573,200.00	$819,200.0

City and Borough of Juneau
Assessment History Report

1D050L270130
GOLDSTEIN IMPROVEMENT COMPANY
3180 PIONEER AVE
CHANNEL HEIGHTS II BL B LT 6

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALU
2022	$160,500.00		$597,500.00	$758,000.0
2021	$160,500.00		$524,100.00	$684,600.0
2020	$154,400.00		$567,900.00	$722,300.0
2019	$154,400.00		$566,200.00	$720,600.0
2018	$155,800.00		$554,100.00	$709,900.0
2017	$148,470.00		$550,349.00	$698,819.0
2016	$156,600.00		$544,900.00	$701,500.0
2015	$143,000.00		$544,900.00	$687,900.0
2014	$138,600.00		$592,200.00	$730,800.0
2013	$138,600.00		$560,700.00	$699,300.0
2012	$100,000.00	$0.00	$633,500.00	$733,500.0
2011	$100,000.00	$0.00	$566,500.00	$666,500.0
2010	$100,000.00	$0.00	$566,500.00	$666,500.0

City and Borough of Juneau
Assessment History Report

1D050L280130
GOLDSTEIN IMPROVEMENT COMPANY
FOSTER AVE
CHANNEL HEIGHTS II BL B LT 31

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALU
2022	$121,000.00			$121,000.0
2021	$121,000.00			$121,000.0
2020	$121,000.00			$121,000.0
2019	$121,000.00			$121,000.0
2018	$115,200.00			$115,200.0
2017	$115,200.00			$115,200.0
2016	$76,600.00			$76,600.0
2015	$76,600.00			$76,600.0
2014	$76,600.00			$76,600.0
2013	$76,600.00			$76,600.0
2012	$60,000.00	$0.00	$0.00	$60,000.0
2011	$60,000.00	$0.00	$0.00	$60,000.0
2010	$60,000.00	$0.00	$0.00	$60,000.0

-----Original Message-----
From: Greg Adler <gregadler@mac.com>
Sent: Wednesday, March 23, 2022 12:34 PM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Goldstein Improvement Company

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

_____

Michael,

Can you please send me 10 years historical assessments for the Goldstein Improvement Properties,

1C070A020011 JUNEAU TOWNSITE BL 2 LT 2A
1C070A020030 JUNEAU TOWNSITE BL 2 LT 3 FR & 4
1C070A040010 JUNEAU TOWNSITE BL 4 LT 1,2 &7 FR
1C070A020043 JUNEAU TOWNSITE BL 2 LT 5A1
1C070A050040 JUNEAU TOWNSITE BL 5 LET 4
1C070A040020 JUNEAU TOWNSITE BL 4 LT 3

1C070A040010 JUNEAU TOWNSITE BL 4 LT 1,2
1C070A040010 JUNEAU TOWNSITE BL 4 LT1,2 & 7
1CO70A020030 JUNEAU TOWNSITE BL 2 LT 3 FR
1C070A020030 JUNEAU TOWNSITE BL 2 LT 3 FR & 4
1D050L280130 CHANNEL HEIGHTS II BL B LT 31
1D050L270130 CHANNEL HEIGHTS II BL B LT 6

THANK YOU,

GREG ADLER

Mary Hammond

From: Michael Dahle
Sent: Wednesday, March 23, 2022 4:02 PM
To: Greg Adler
Cc: Mary Hammond
Subject: RE: Goldstein Improvement Company

Greg,

Here are the histories.

Michael Dahle
Deputy Assessor, City & Borough of Juneau
907-586-5215 ext. 4036

City and Borough of Juneau
Assessment History Report

1C070A020011
GOLDSTEIN IMPROVEMENT COMPANY
122 FRONT ST
JUNEAU TOWNSITE BL 2 LT 2A

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$1,567,167.00		$496,664.00	$2,063,831.00
2021	$1,599,150.00		$506,800.00	$2,105,950.00
2020	$1,066,100.00		$506,800.00	$1,572,900.00
2019	$1,087,900.00		$506,800.00	$1,594,700.00
2018	$1,087,900.00		$506,800.00	$1,594,700.00
2017	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2016	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2015	$1,087,900.00	$3,000.00	$498,400.00	$1,589,300.00
2014	$1,087,900.00		$495,800.00	$1,583,700.00
2013	$1,087,900.00		$495,800.00	$1,583,700.00
2012	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2011	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2010	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00

City and Borough of Juneau
Assessment History Report

1C070A020030
GOLDSTEIN IMPROVEMENT COMPANY
110 SEWARD ST
JUNEAU TOWNSITE BL 2 LTS 3 FR & 4

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$967,848.00	$27,100.00	$935,018.00	$1,929,966.00
2021	$987,600.00	$27,100.00	$954,100.00	$1,968,800.00
2020	$658,400.00	$27,100.00	$954,100.00	$1,639,600.00
2019	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2018	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2017	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2016	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2015	$671,800.00	$38,100.00	$965,100.00	$1,675,000.00
2014	$671,800.00		$834,300.00	$1,506,100.00
2013	$671,800.00		$834,300.00	$1,506,100.00
2012	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2011	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2010	$671,800.00	$0.00	$762,400.00	$1,434,200.00

City and Borough of Juneau
Assessment History Report

1C070A020043
GOLDSTEIN IMPROVEMENT COMPANY
119 SECOND ST
JUNEAU TOWNSITE BL 2 LT 5A1

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$1,216,278.00	$29,700.00	$5,346,931.00	$6,592,909.00
2021	$1,241,100.00	$29,700.00	$5,456,052.00	$6,726,852.00
2020	$827,400.00	$29,700.00	$5,353,668.00	$6,210,768.00
2019	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2018	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2017	$795,600.00		$5,774,100.00	$6,569,700.00
2016	$795,600.00		$5,774,100.00	$6,569,700.00
2015	$795,600.00		$5,774,100.00	$6,569,700.00
2014	$795,600.00		$5,774,100.00	$6,569,700.00
2013	$795,600.00		$5,774,100.00	$6,569,700.00
2012	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2011	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2010	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00

City and Borough of Juneau
Assessment History Report

1C070A040010
GOLDSTEIN IMPROVEMENT COMPANY INC
201 SEWARD ST
JUNEAU TOWNSITE BL 4 LTS 1 2 & 7 FR

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$866,565.00	$13,300.00	$614,264.00	$1,494,129.00
2021	$884,250.00	$13,300.00	$626,800.00	$1,524,350.00
2020	$589,500.00	$13,300.00	$626,800.00	$1,229,600.00
2019	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2018	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2017	$614,100.00		$578,100.00	$1,192,200.00
2016	$614,100.00		$578,100.00	$1,192,200.00
2015	$614,100.00		$578,100.00	$1,192,200.00
2014	$614,100.00		$578,100.00	$1,192,200.00
2013	$614,100.00		$578,100.00	$1,192,200.00
2012	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2011	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2010	$614,100.00	$0.00	$652,200.00	$1,266,300.00

City and Borough of Juneau
Assessment History Report

1C070A040020
GOLDSTEIN IMPROVEMENT COMPANY
224 SECOND ST
JUNEAU TOWNSITE BL 4 LT 3

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$397,194.00			$397,194.00
2021	$405,300.00			$405,300.00
2020	$270,200.00			$270,200.00
2019	$245,700.00			$245,700.00
2018	$245,700.00			$245,700.00
2017	$246,000.00			$246,000.00
2016	$246,000.00			$246,000.00
2015	$246,000.00			$246,000.00
2014	$246,000.00			$246,000.00
2013	$246,000.00			$246,000.00
2012	$246,000.00	$0.00	$0.00	$246,000.00
2011	$246,000.00	$0.00	$0.00	$246,000.00
2010	$246,000.00	$0.00	$0.00	$246,000.00

City and Borough of Juneau
Assessment History Report

1C070A050040
GOLDSTEIN IMPROVEMENT COMPANY
200 SEWARD ST
JUNEAU TOWNSITE BL 5 LT 4

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$346,626.00	$14,300.00	$595,350.00	$956,276.00
2021	$353,700.00	$14,300.00	$607,500.00	$975,500.00
2020	$235,800.00	$14,300.00	$607,500.00	$857,600.00
2019	$245,700.00	$14,300.00	$607,500.00	$867,500.00
2018	$245,700.00	$14,300.00	$607,500.00	$867,500.00
2017	$246,000.00		$411,200.00	$657,200.00
2016	$246,000.00		$411,200.00	$657,200.00
2015	$246,000.00		$411,200.00	$657,200.00
2014	$246,000.00		$411,200.00	$657,200.00
2013	$246,000.00		$411,200.00	$657,200.00
2012	$246,000.00	$0.00	$573,200.00	$819,200.00
2011	$246,000.00	$0.00	$573,200.00	$819,200.00
2010	$246,000.00	$0.00	$573,200.00	$819,200.00

City and Borough of Juneau
Assessment History Report

1D050L270130
GOLDSTEIN IMPROVEMENT COMPANY
3180 PIONEER AVE
CHANNEL HEIGHTS II BL B LT 6

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$160,500.00		$597,500.00	$758,000.00
2021	$160,500.00		$524,100.00	$684,600.00
2020	$154,400.00		$567,900.00	$722,300.00
2019	$154,400.00		$566,200.00	$720,600.00
2018	$155,800.00		$554,100.00	$709,900.00
2017	$148,470.00		$550,349.00	$698,819.00
2016	$156,600.00		$544,900.00	$701,500.00
2015	$143,000.00		$544,900.00	$687,900.00
2014	$138,600.00		$592,200.00	$730,800.00
2013	$138,600.00		$560,700.00	$699,300.00
2012	$100,000.00	$0.00	$633,500.00	$733,500.00
2011	$100,000.00	$0.00	$566,500.00	$666,500.00
2010	$100,000.00	$0.00	$566,500.00	$666,500.00

City and Borough of Juneau
Assessment History Report

1D050L280130
GOLDSTEIN IMPROVEMENT COMPANY
FOSTER AVE
CHANNEL HEIGHTS II BL B LT 31

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$121,000.00			$121,000.00
2021	$121,000.00			$121,000.00
2020	$121,000.00			$121,000.00
2019	$121,000.00			$121,000.00
2018	$115,200.00			$115,200.00
2017	$115,200.00			$115,200.00
2016	$76,600.00			$76,600.00
2015	$76,600.00			$76,600.00
2014	$76,600.00			$76,600.00
2013	$76,600.00			$76,600.00
2012	$60,000.00	$0.00	$0.00	$60,000.00
2011	$60,000.00	$0.00	$0.00	$60,000.00
2010	$60,000.00	$0.00	$0.00	$60,000.00

-----Original Message-----
From: Greg Adler <gregadler@mac.com>
Sent: Wednesday, March 23, 2022 12:34 PM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Goldstein Improvement Company

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

_____

Michael,

Can you please send me 10 years historical assessments for the Goldstein Improvement Properties,

1C070A020011 JUNEAU TOWNSITE BL 2 LT 2A
1C070A020030 JUNEAU TOWNSITE BL 2 LT 3 FR & 4
1C070A040010 JUNEAU TOWNSITE BL 4 LT 1,2 &7 FR
1C070A020043 JUNEAU TOWNSITE BL 2 LT 5A1
1C070A050040 JUNEAU TOWNSITE BL 5 LET 4
1C070A040020 JUNEAU TOWNSITE BL 4 LT 3

1C070A040010 JUNEAU TOWNSITE BL 4 LT 1,2
1C070A040010 JUNEAU TOWNSITE BL 4 LT1,2 & 7
1CO70A020030 JUNEAU TOWNSITE BL 2 LT 3 FR
1C070A020030 JUNEAU TOWNSITE BL 2 LT 3 FR & 4
1D050L280130 CHANNEL HEIGHTS II BL B LT 31
1D050L270130 CHANNEL HEIGHTS II BL B LT 6

THANK YOU,

GREG ADLER

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 24, 2022 6:19 AM
To: Michael Dahle
Subject: Goldstein Improvement Company-Misc Value
Attachments: Goldstein Improvement-Misc Value.pdf; ATT00001.htm

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

Michael,

Please see the attached Goldstein Improvement Company properties with Miscellaneous Value Assessed.

Please provide an explanation and documentation of each assessment.

Thank you,

Greg

City and Borough of Juneau
Assessment History Report

1C070A020030
GOLDSTEIN IMPROVEMENT COMPANY
110 SEWARD ST
JUNEAU TOWNSITE BL 2 LTS 3 FR & 4

Please explain

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$967,848.00	$27,100.00	$935,018.00	$1,929,966.00
2021	$987,600.00	$27,100.00	$954,100.00	$1,968,800.00
2020	$658,400.00	$27,100.00	$954,100.00	$1,639,600.00
2019	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2018	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2017	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2016	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2015	$671,800.00	$38,100.00	$965,100.00	$1,675,000.00
2014	$671,800.00		$834,300.00	$1,506,100.00
2013	$671,800.00		$834,300.00	$1,506,100.00
2012	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2011	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2010	$671,800.00	$0.00	$762,400.00	$1,434,200.00

City and Borough of Juneau
Assessment History Report

1C070A020011
GOLDSTEIN IMPROVEMENT COMPANY
122 FRONT ST
JUNEAU TOWNSITE BL 2 LT 2A



YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$1,567,167.00		$496,664.00	$2,063,831.00
2021	$1,599,150.00		$506,800.00	$2,105,950.00
2020	$1,066,100.00		$506,800.00	$1,572,900.00
2019	$1,087,900.00		$506,800.00	$1,594,700.00
2018	$1,087,900.00		$506,800.00	$1,594,700.00
2017	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2016	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2015	$1,087,900.00	$3,000.00	$498,400.00	$1,589,300.00
2014	$1,087,900.00		$495,800.00	$1,583,700.00
2013	$1,087,900.00		$495,800.00	$1,583,700.00
2012	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2011	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2010	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00

City and Borough of Juneau
Assessment History Report

1C070A050040
GOLDSTEIN IMPROVEMENT COMPANY
200 SEWARD ST
JUNEAU TOWNSITE BL 5 LT 4

Please explain

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$346,626.00	$14,300.00	$595,350.00	$956,276.00
2021	$353,700.00	$14,300.00	$607,500.00	$975,500.00
2020	$235,800.00	$14,300.00	$607,500.00	$857,600.00
2019	$245,700.00	$14,300.00	$607,500.00	$867,500.00
2018	$245,700.00	$14,300.00	$607,500.00	$867,500.00
2017	$246,000.00		$411,200.00	$657,200.00
2016	$246,000.00		$411,200.00	$657,200.00
2015	$246,000.00		$411,200.00	$657,200.00
2014	$246,000.00		$411,200.00	$657,200.00
2013	$246,000.00		$411,200.00	$657,200.00
2012	$246,000.00	$0.00	$573,200.00	$819,200.00
2011	$246,000.00	$0.00	$573,200.00	$819,200.00
2010	$246,000.00	$0.00	$573,200.00	$819,200.00

City and Borough of Juneau
Assessment History Report

1C070A020043
GOLDSTEIN IMPROVEMENT COMPANY
119 SECOND ST
JUNEAU TOWNSITE BL 2 LT 5A1

Please explain

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$1,216,278.00	$29,700.00	$5,346,931.00	$6,592,909.00
2021	$1,241,100.00	$29,700.00	$5,456,052.00	$6,726,852.00
2020	$827,400.00	$29,700.00	$5,353,668.00	$6,210,768.00
2019	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2018	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2017	$795,600.00		$5,774,100.00	$6,569,700.00
2016	$795,600.00		$5,774,100.00	$6,569,700.00
2015	$795,600.00		$5,774,100.00	$6,569,700.00
2014	$795,600.00		$5,774,100.00	$6,569,700.00
2013	$795,600.00		$5,774,100.00	$6,569,700.00
2012	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2011	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2010	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00

City and Borough of Juneau
Assessment History Report

1C070A040010
GOLDSTEIN IMPROVEMENT COMPANY INC
201 SEWARD ST
JUNEAU TOWNSITE BL 4 LTS 1 2 & 7 FR

Please Explain

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$866,565.00	$13,300.00	$614,264.00	$1,494,129.00
2021	$884,250.00	$13,300.00	$626,800.00	$1,524,350.00
2020	$589,500.00	$13,300.00	$626,800.00	$1,229,600.00
2019	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2018	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2017	$614,100.00		$578,100.00	$1,192,200.00
2016	$614,100.00		$578,100.00	$1,192,200.00
2015	$614,100.00		$578,100.00	$1,192,200.00
2014	$614,100.00		$578,100.00	$1,192,200.00
2013	$614,100.00		$578,100.00	$1,192,200.00
2012	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2011	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2010	$614,100.00	$0.00	$652,200.00	$1,266,300.00

Mary Hammond

From: Michael Dahle
Sent: Thursday, March 24, 2022 1:45 PM
To: 'Greg Adler'
Cc: Mary Hammond
Subject: RE: Goldstein Improvement Company-Misc Value

Greg,

Here are the miscellaneous improvements.

1C070A020030

Miscellaneous Improvements		
Canopy		[+]

1C070A020011
No longer has a miscellaneous improvement value. It looks like this is what they were applying it for back in 2017.

Miscellaneous Improvements		
Miscellaneous Improvement	Built-in appliances	[+]

1C070A050040

Miscellaneous Improvements		
Miscellaneous Improvement	Canopy 01.31.2018 P	[+]

1C070A020043

Miscellaneous Improvements		
Canopy		[+]

1C070A040010

Miscellaneous Improvements		
Canopy		[+]

Michael Dahle
Deputy Assessor, City & Borough of Juneau
907-586-5215 ext. 4036
Michael.Dahle@juneau.org

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 24, 2022 6:19 AM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Goldstein Improvement Company-Misc Value

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

Michael,

Please see the attached Goldstein Improvement Company properties with Miscellaneous Value Assessed.

Please provide an explanation and documentation of each assessment.

Thank you,

Greg

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 24, 2022 4:07 PM
To: Michael Dahle
Subject: Re: Goldstein Improvement Company-Misc Value

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

Michael,

Would you be so kind to send me the Comparable Sale of the Assembly Building with square feet and any adjustments.

Thank you,

Greg Adler

> On Mar 24, 2022, at 2:45 PM, Michael Dahle <Michael.Dahle@juneau.org> wrote:
>
> Greg,
>
> Here are the miscellaneous improvements.
>
> 1C070A020030
> <image003.jpg>
>
> 1C070A020011
> No longer has a miscellaneous improvement value. It looks like this is what they were applying it for back in 2017.
> <image005.jpg>
>
> 1C070A050040
> <image008.jpg>
>
> 1C070A020043
> <image010.jpg>
>
> 1C070A040010
> <image015.jpg>
>
> *Michael Dahle*
> Deputy Assessor, City & Borough of Juneau
> 907-586-5215 ext. 4036
> Michael.Dahle@juneau.org

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 24, 2022 6:19 AM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Goldstein Improvement Company-Misc Value

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

Michael,

Please see the attached Goldstein Improvement Company properties with Miscellaneous Value Assessed.

Please provide an explanation and documentation of each assessment.

Thank you,

Greg

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Friday, March 25, 2022 12:01 PM
To: Michael Dahle
Subject: Assembly Building and Key Bank Building

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

Michael,

Wondering out loud about something—

You report the Assembly Building, the Assessor "received indication of a sale price of $1,250,000."

What does this mean?

I heard the Assembly Building sold for $750,000. The asking price was in this neighborhood when we looked at it to buy.

Hypothetical Scenario:

Assembly Building sold for $750,000 was marked up to transfer to legislature and receive a higher gift deduction value at $1,250,000.

Assessor used this hypothetical scenario to justify the value of the Key Bank Building. We bought it for $1,250,000 and assessed at $2,600,000.

Assembly Building-23,840 SF/$750,000=$31.46 or, 23,840 SF/$1,250,000=$52.43

Key Bank Building-12,245 SF/$$1,250,000=$102.08 or 12,245 SF/$2,600,000=$212.33

Just wondering, does this look right to you?

Please add this email to our Appeal.

Thanks,

Greg

Mary Hammond

From: Jillian Olson
Sent: Friday, March 25, 2022 1:12 PM
To: gregadler@mac.com
Cc: Michael Dahle; Mary Hammond
Subject: Assessment History Report
Attachments: 1C070A020011.pdf; 1C070A020030.pdf; 1C070A020043.pdf; 1C070A050040.pdf; 1D050L270130.pdf; 1D050L280130.pdf; 1C070A040010.pdf; 1C070A040020.pdf

Mr. Adler,
Please see the attached as requested. Let me know if there's anything else you may need.
Thank you.

Properties:
1C070A020011
1C070A020030
1C070A020043
1C070A040010
1C070A040020
1C070A050040
1D050L270130
1D050L280130

Jillian Olson

Assessors Office
Administrative Assistant II
155 S. Seward Street
Juneau, Alaska 99801
(907) 586-5215 ext 4034

Mary Hammond

From: Jillian Olson
Sent: Friday, March 25, 2022 2:26 PM
To: Mary Hammond; Michael Dahle
Subject: FW: Assessment History Report

From: Greg Adler <gregadler@mac.com>
Sent: Friday, March 25, 2022 2:01 PM
To: Jillian Olson <Jillian.Olson@juneau.org>
Subject: Re: Assessment History Report

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

Jillian,

Thank you.
The Assembly Building sold for $850,000 prior to the sale on 8/20/2021 at $1,250,000 as reported to me by Michael.

Please provide the supporting documentation on the 1st sale of the Assembly Building.

It is common knowledge there are few commercial sales, therefore why exclude sales that are Market Sales such as the Key Bank Building and Assembly Building?

I cannot accept that they are outside your statistical range.

They are the exact sales an assessor would use in market analysis.

It appears the assessor is plainly wrong on this point.

Please send the Assembly 1st sale.

Also, if you have any documentation to support an across the board five percent (5%) increase when in inflation and wages were increasing over the prior ten years at approximately 1.5%.

Moreover, our purchase of the Key Bank Building was not "Confidential." We disclosed the information in a timely manner to the Assessor and it was not provided in your statistics.

Thanks for your help and explanations,

GREG ADLER

> On Mar 25, 2022, at 2:12 PM, Jillian Olson <Jillian.Olson@juneau.org> wrote:
>
> Mr. Adler,
> Please see the attached as requested. Let me know if there's anything else you may need.

Thank you.

Properties:
1C070A020011
1C070A020030
1C070A020043
1C070A040010
1C070A040020
1C070A050040
1D050L270130
1D050L280130

Jillian Olson

Assessors Office
Administrative Assistant II
155 S. Seward Street
Juneau, Alaska 99801
(907) 586-5215 ext 4034

<image001.gif>

<1C070A020011.pdf><1C070A020030.pdf><1C070A020043.pdf><1C070A050040.pdf><1D050L270130.pdf><1D050L280130.pdf><1C070A040010.pdf><1C070A040020.pdf>

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Friday, March 25, 2022 8:27 AM
To: Michael Dahle
Subject: Goldstein Improvement Company Properties

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

Michael,

Regarding all Goldstein Improvement Properties, please clarify all Mass Aopraisals Methods used and various data sets and models used to value the properties.

Please separate your response by year so I understand why the values were lowered in 2020 and raised in 2021 and 2022.

Also, why were some values unchanged. Also, why property assessments raised and lowered. Also, how depreciation was accounted for each year.

Thanks

Greg

Sent from my iPhone

Mary Hammond

From: Michael Dahle
Sent: Friday, March 25, 2022 11:38 AM
To: 'Greg Adler'
Cc: Mary Hammond
Subject: RE: Goldstein Improvement Company Properties
Attachments: 2022 Annual Assessment Report 202203a- Overview- Commercial- Interim.pdf; 2021 Summary Report- Commercial 20210528a.pdf

Greg,

I have attached reports regarding the commercial valuations for 2021 and 2022. The 2022 report is an interim report as the confidentiality clause still applied to some of the sale prices. That will expire on 03/28 so a final copy of the report will be released on 03/29 that includes all of the sales prices.

I will have our administrative assistant scan the property record cards for these properties and email them to you so watch for that separate email.

In regards to the 2020 land value changes, I would have to do more research but most of those small variations were due to refinements that the previous assessor made prior to leaving in order to move more of the commercial models into the CAMA system.

Michael Dahle
Deputy Assessor, City & Borough of Juneau
907-586-5215 ext. 4036
Michael.Dahle@juneau.org

-----Original Message-----
From: Greg Adler <gregadler@mac.com>
Sent: Friday, March 25, 2022 8:27 AM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Goldstein Improvement Company Properties

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

_____

Michael,

Regarding all Goldstein Improvement Properties, please clarify all Mass Aopraisals Methods used and various data sets and models used to value the properties.

Please separate your response by year so I understand why the values were lowered in 2020 and raised in 2021 and 2022.

Also, why were some values unchanged. Also, why property assessments raised and lowered. Also, how depreciation was accounted for each year. Thanks, Greg (sent from my iphone)

Finance
Department

Assessor Division

155 S Seward St.

Juneau AK 99801

(907)586-5215

Assessment Report- Commercial Overview- Interim

City and Borough of Juneau

For Assessment Year 2022

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

2022 Report Date: March 23, 2022

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Introductory Message for 2022

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

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

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

Valuation Summary

Assessment Process Overview

Sales Data Procedures

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

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

Model Specification & Calibration Procedures

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

Three Approaches to Value

Cost Approach – is calibrated through trends in costs.
Sales Comparison Approach – utilizes market sales.
Income Approach – utilizes standard rates and/or individual property data.

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

Analysis and Valuation Overview

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

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

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

Summary of Performance Tests and Measures (Statistics)

Ratios, COD, & COV

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

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

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

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

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

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

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)	

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

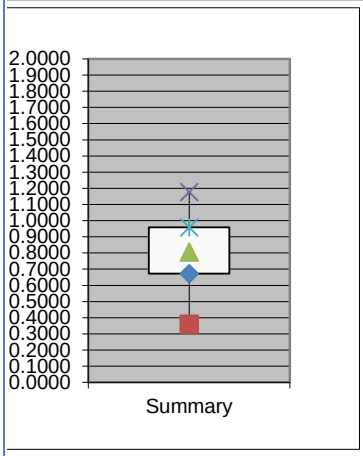
Trending Factors

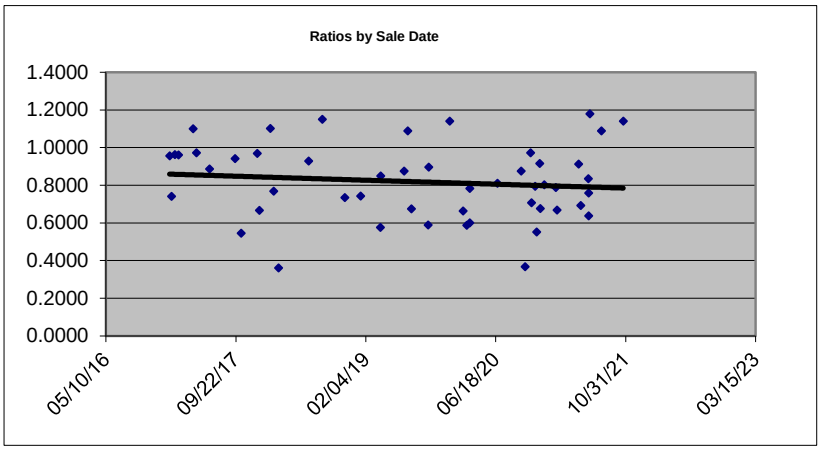
1.00	Target Level
1.2215	Factor on Mean
1.2411	**Factor on Median**
1.4625	Factor on Weighted Mean

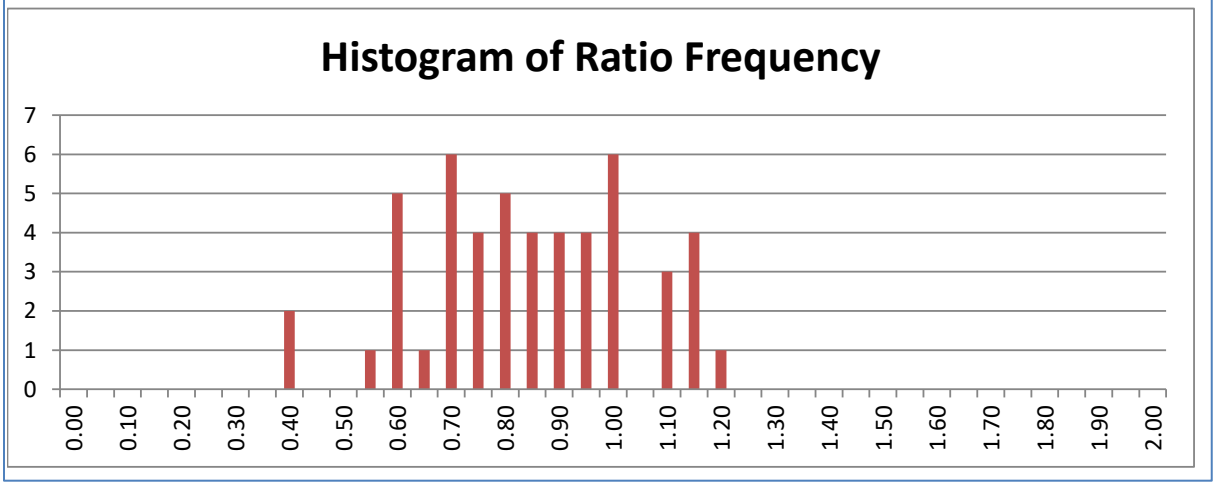
Normal / Skewed Distribution Evaluation

-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.







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

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

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)	

Coefficients (0=Normal Distribution)	
Kurtosis	#DIV/0!
Skewness	#DIV/0!
Alt.Cyhelsky's Skew	0.0612
Alt.Pearson's Skew	0.4033

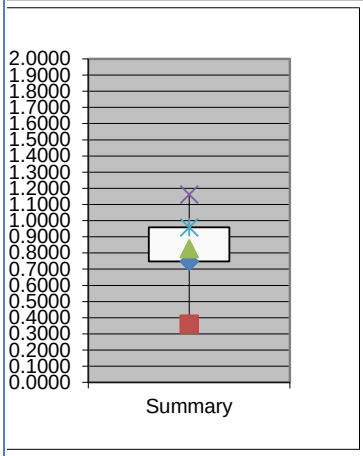
Trending Factors

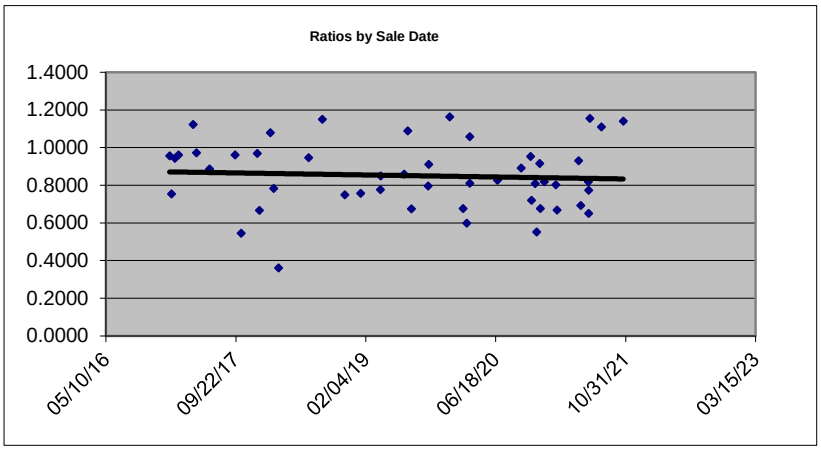
1.00	Target Level
1.1755	Factor on Mean
1.2099	**Factor on Median**
1.1908	Factor on Weighted Mean

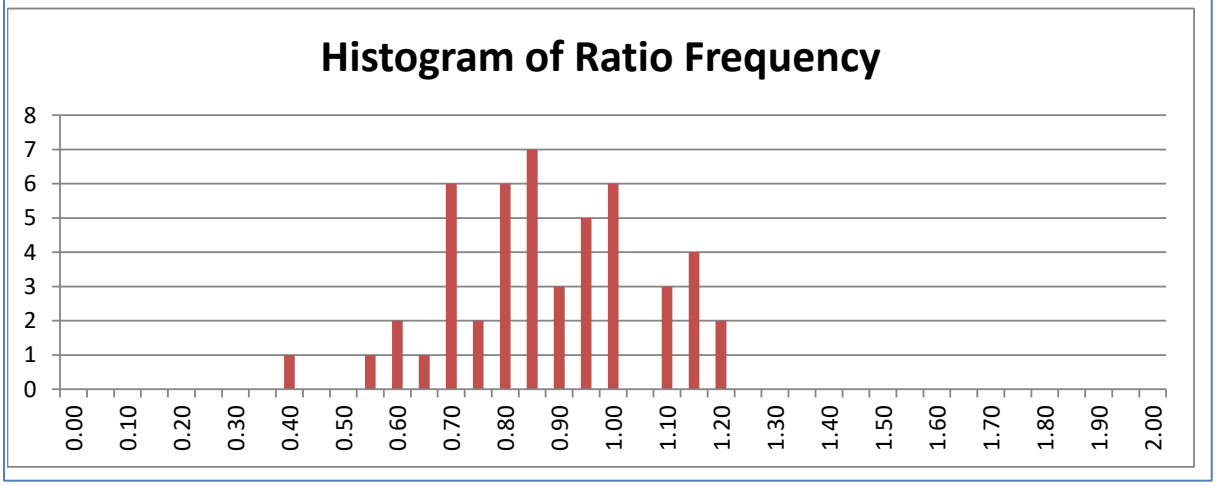
Normal / Skewed Distribution Evaluation

-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.







Market Trend

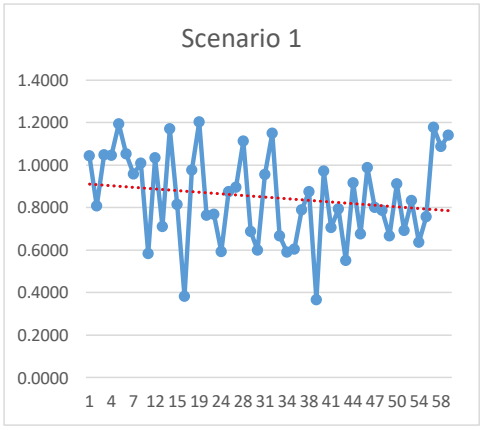
For Market Trend we reviewed the sales from the past 5 years and again tested various trend rates. We applied a trend of 5% for 2017, 2018 and 2019; a trend of 3% for 2020 and a trend of 2% for 2021. The middle "Scenario 2" in the chart below illustrates that trending. The trending that we applied was,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

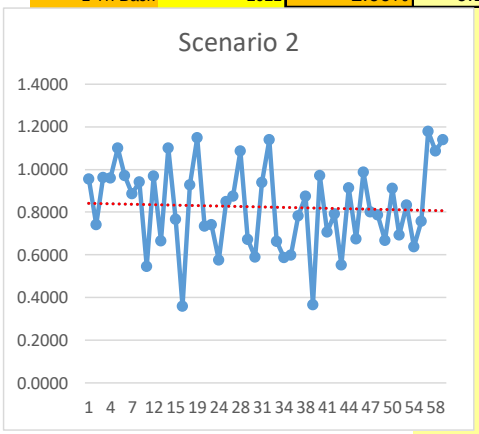
To maintain the same assessment level for commercial property we would have had to apply a 5% increase across the board. Applying an overall increase of 2% is more conservative and as a result we fell behind the market a little more and ended up with a lower level of assessment. However, while being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

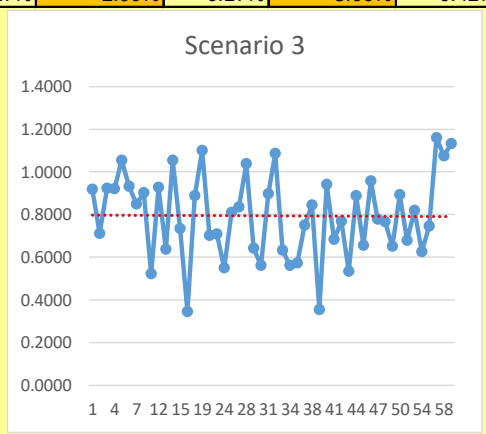
In the charts below, the three sales with high ratios in the last 6 months are high not because of a market change but because of other known issues with those sales. Also note that no trending was applied when we were analyzing the boathouse class of properties.

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

			Scenario 1		Scenario 2		Scenario 3
5 Yr. Back	2017	2.00%	0.17%	5.00%	0.42%	5.00%	0.42%
4 Yr. Back	2018	2.00%	0.17%	5.00%	0.42%	5.00%	0.42%
3 Yr. Back	2019	2.00%	0.17%	5.00%	0.42%	5.00%	0.42%
2 Yr. Back	2020	2.00%	0.17%	3.00%	0.25%	5.00%	0.42%
1 Yr. Back	2021	2.00%	0.17%	2.00%	0.17%	5.00%	0.42%







Data Set Counts

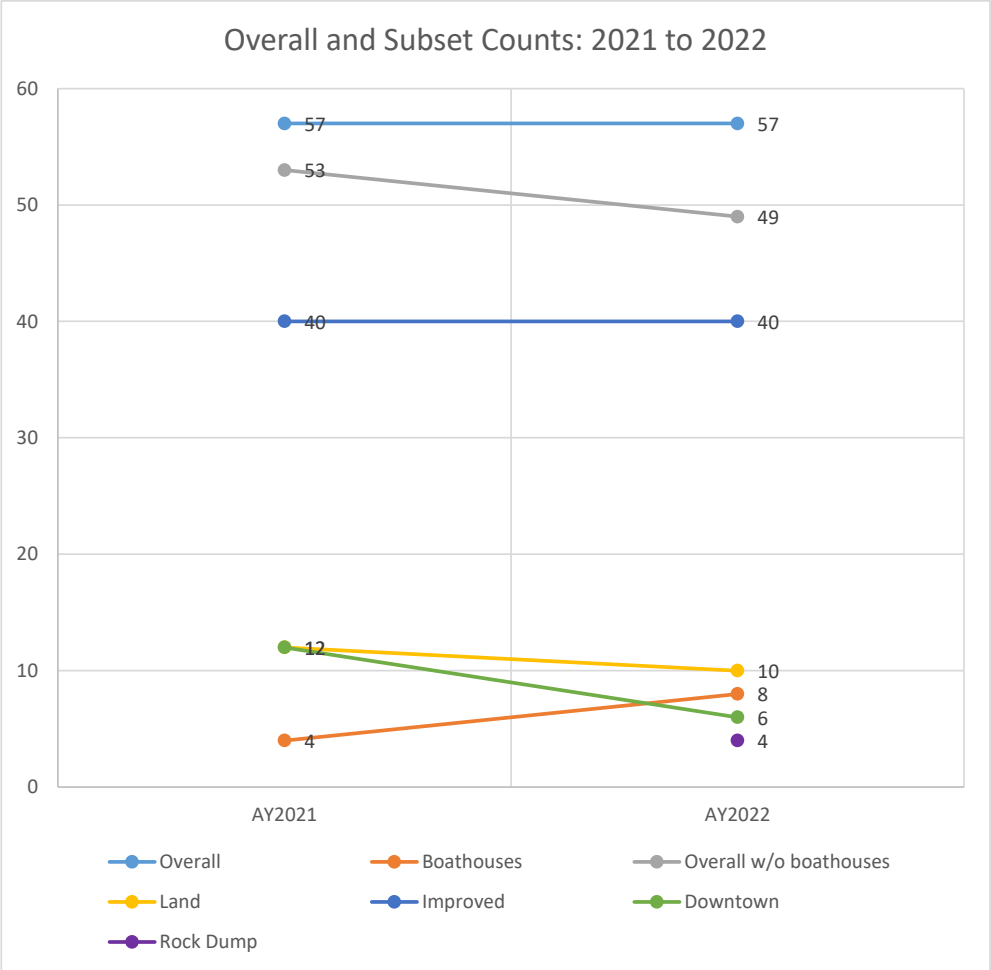
The following chart shows the dataset counts by Class and/or Subgroup.

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	Starting Point		Ending Point	
Class / Subgroup	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.”

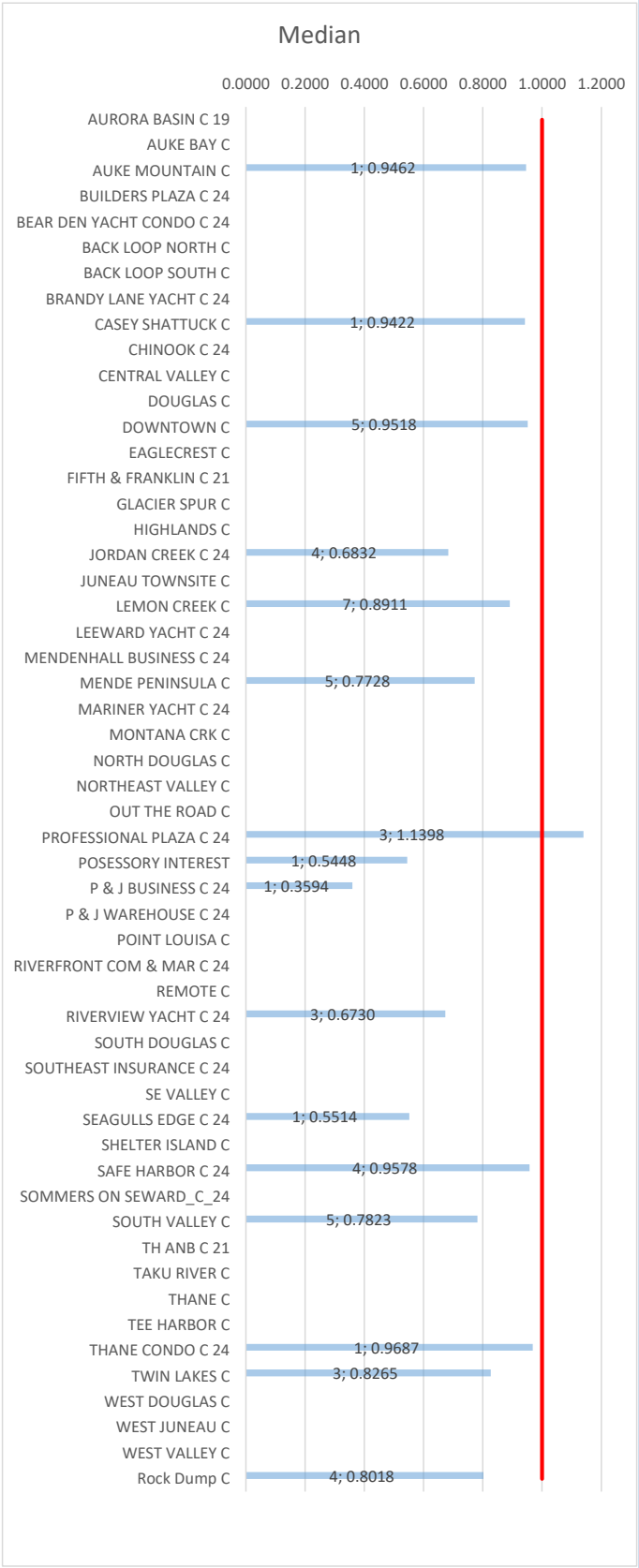
For each study a decision must be made whether or not to include outliers. As a general rule outliers are not included in normal studies but may be included in a special study such as where you are specifically looking at the impact of the outliers.

Neighborhood Statistics

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

Commercial Neighborhood Summary

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



Overview Reconciliation & Conclusions

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

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

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

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

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

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

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

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

Submarkets, Stratifications and Characteristics Adjustments

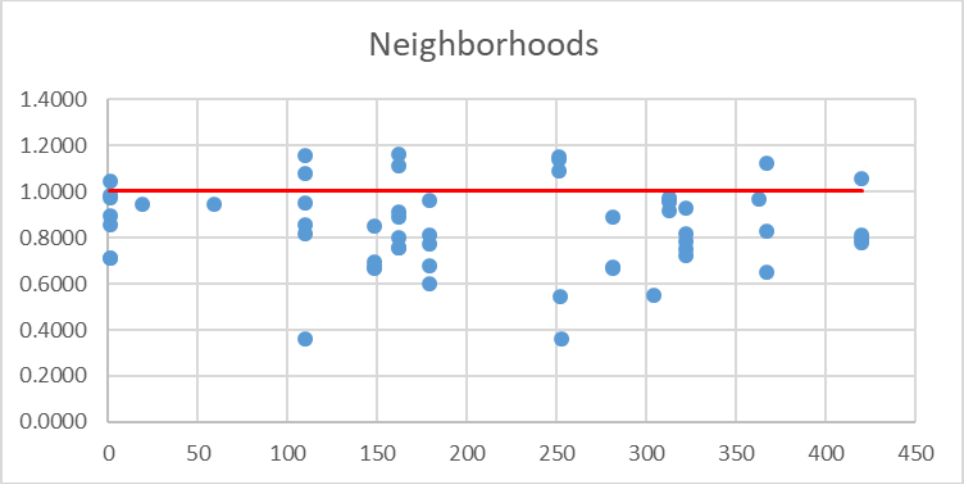
Commercial Properties

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

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

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

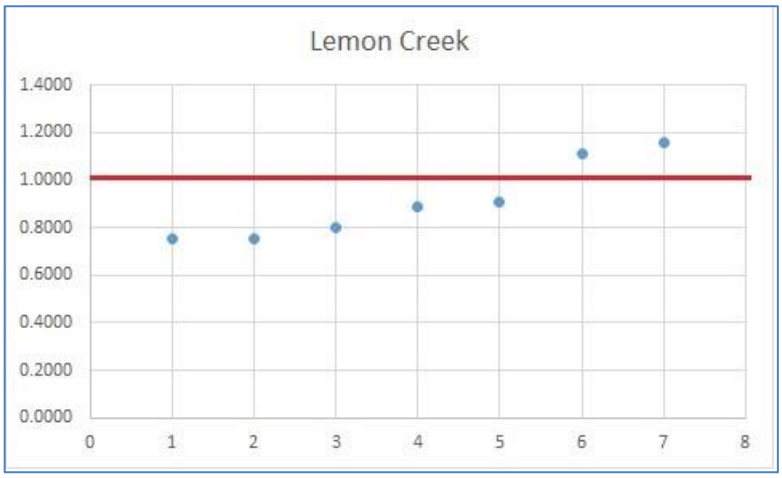
The scatter diagram below shows the distribution of ratios by neighborhood, with each column being a separate neighborhood. The numbers along the horizontal (x) axis are neighborhood code numbers. The red line is the target of market value.



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






Lemon Creek
1.4000
1.2000
1.0000
0.8000
0.6000
0.4000
0.2000
0.0000
0
1
2
3
4
5
6
7
8


Mendenhall Peninsula
1.2000
1.0000
0.8000
0.6000
0.4000
0.2000
0.0000
0
1
2
3
4
5
6


South Valley
1.0000
0.9000
0.8000
0.7000
0.6000
0.5000
0.4000
0.3000
0.2000
0.1000
0.0000
0
1
2
3
4
5
6

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

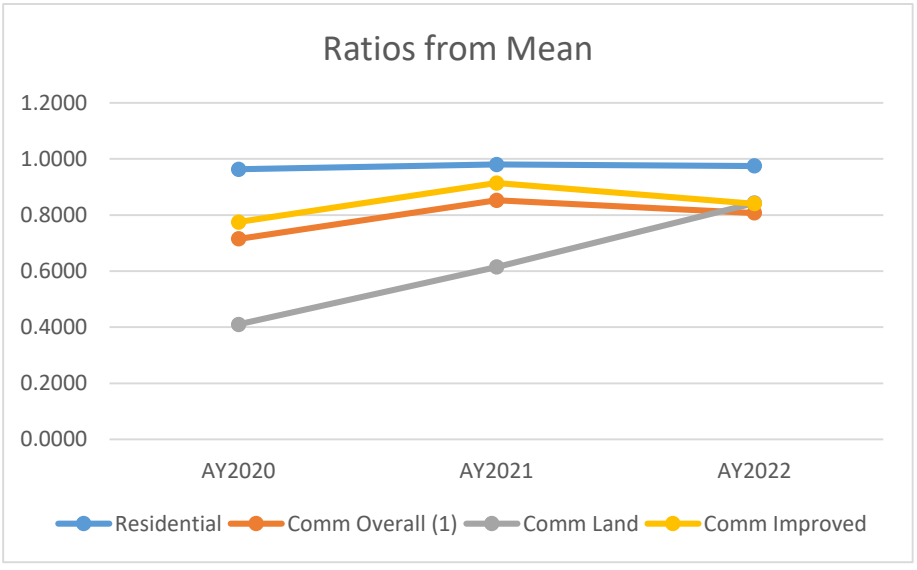


The chart below shows the change from 2020 to 2022.

Ratios from the Mean

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

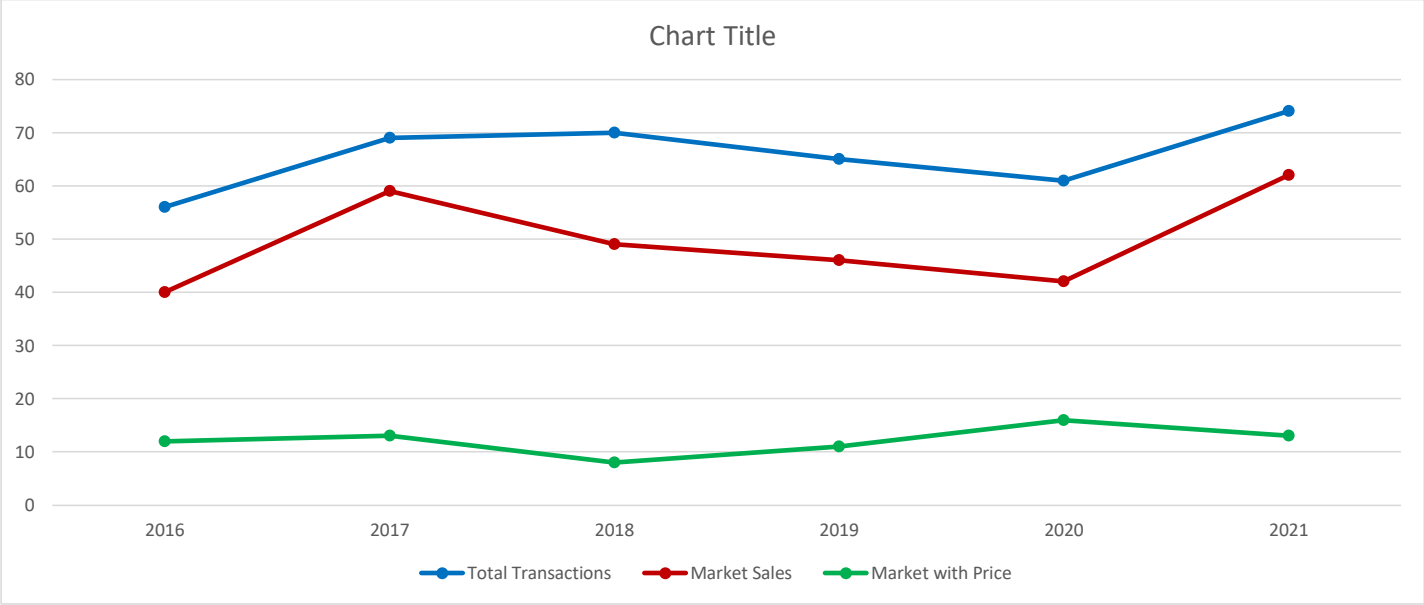
(1) Does not include boathouses.



Commercial Market Information

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

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



General Reconciliation & Conclusions Summary

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

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

Addendum A – Commercial Sales List

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

Parcel Num	Sale Date	Sale Price	Trended SP	AV Total	Number	Street	Buyer	Use Type	Neighborhood
4B1701090228	01/10/17	150,000	**180,250**	172,300	10011	CRAZY HORSE		30	SAFE HARBOR C 24
5B1201060140	01/18/17	1,400,000	**1,680,778**	1,265,423	5720	CONCRETE WAY	ALCOR LANDS LLC	24	LMNC_C
1C030C280080	01/30/17	930,000	**1,114,967**	1,050,560	712	W TWELFTH ST	712 W 12TH ST LLC	21	CASH_C
4B1701090223	02/14/17	150,000	**179,521**	172,300	10011	CRAZY HORSE DR	BENTON AND MEIER M	30	SHRC_C_24
7B0901030071	04/11/17	1,540,000	**1,831,103**	2,054,226	3161	CHANNEL DR	FRONTIER PROPERTIES	21	TWLKS_C
4B1701090226	04/24/17	130,000	**154,339**	149,800	10011	CRAZY HORSE DR	PAUL J THOMAS & AM/	30	SHRC_C_24
4B1601050030	06/13/17	104,000	**122,749**	108,800	2274	INDUSTRIAL		30	RIVERVIEW YACHT C
1C020K01E220	09/07/17	32,000	**37,387**	26,500	1435	HARBOR		19	AURORA BASIN C 19
1C020K01E230	09/07/17	32,000	**37,387**	26,500	1435	HARBOR WAY	BLAKE RIDER	19	ABBC_C_19
4B1601010040	09/19/17	750,000	**875,000**	839,562	2450	INDUSTRIAL BLVD	BAD DOG INVESTMENT	24	MNDP_C
3B1501020030	10/12/17	65,000	**75,626**	41,200	1669	CREST ST	CITY AND BOROUGH O	24	PINT_C
1C110K150900	12/13/17	160,000	**184,778**	179,000	125	MILL ST	ALASKA SUSTAINABLE S	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 & /	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 LIMITED	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 P	17	RKDP_C
5B1201000060	10/04/19	2,205,832	**2,345,228**	2,135,104	5245	GLACIER HWY	PETRO 49 INC	24	LMNC_C
5B1201300110	12/24/19	225,000	**236,688**	274,941	1783	ANKA		17	LEMON CREEK C
4B1701080020	02/13/20	800,000	**837,756**	565,539	10012	CRAZY HORSE DR	RPA INVESTMENTS	24	MNDP_C
4B1701090056	02/28/20	1,567,000	**1,638,995**	980,577	10009	CRAZY HORSE DR	R & L LEASING INC	17	MNDP_C
1C110K120140	03/10/20	378,818	**395,875**	320,200	0	MILL ST	BONNELL DEVELOPMEI	17	RKDP_C
1C110K120051	03/10/20	612,788	**640,380**	676,800	0	EASTAUGH WAY	EASTAUGH WAY LLC	17	RKDP_C
1C020K01E300	06/23/20	17,500	**18,135**	26,500	1435	HARBOR WAY	RESOURCE INC & ROGE	19	ABBC_C_19
7B0901030031	06/25/20	9,744,050	**10,095,918**	8,344,671	3100	CHANNEL DR	SOUTHEAST ALASKA RE	24	TWLKS_C
5B1201300110	09/24/20	300,000	**308,558**	274,941	1783	ANKA ST	MICHAEL HULL & ANGE	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 GR(	17	SVLY_C
4B1701020020	11/17/20	650,000	**665,618**	538,254	10011	GLACIER HWY	ALASKA ON POINT PRO	24	MNDP_C
5B1201060260	11/23/20	486,000	**497,435**	274,300	5719	CONCRETE WAY	SETH M KOCH	21	SGEC_C_24
4B1701090218	12/04/20	Confidential	**Confidential**	145,000	10011	CRAZY HORSE DR	JEFF CARPENTER & GIN	30	SHRC_C_24
5B15011107E0	12/07/20	Confidential	**Confidential**	234,498	2221	JORDAN AVE	FAMILY PROMISE OF JU	21	JDCC_C_24
5B1401050100	12/22/20	479,138	**489,253**	399,789	0	HONSINGER DR	GSA LLC	17	SVLY_C
5B1201410060	02/05/21	371,000	**377,802**	302,940	0	COMMERCIAL BLVI	LINKUP ALASKA LLC	17	LMNC_C
4B1601050010	02/09/21	160,000	**162,898**	108,800	2274	INDUSTRIAL BLVD	SHEILA GOOD & JAMES	30	RVYC_C_24
5B1501050040	05/03/21	Confidential	**Confidential**	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	Confidential	**Confidential**	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	Confidential	**Confidential**	187,578	10155	JENSINE ST	KURT S TVENTEN & RU	30	MNDP_C
1C060K700011	06/16/21	Confidential	**Confidential**	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 L	18	LMNC_C
1C020K01E240	09/14/21	Confidential	**Confidential**	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	Confidential	**Confidential**	2,547,520	234	SEWARD ST	GOLDSTEIN IMPROVEN	24	DWNTN_C

Addendum B – Count Variations

Commercial

Dataset Count Variations

AY2022 Ending Point Studies	Potential	Used	Notations
Class / Subgroup			
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	



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
-

<u>Sales Verification</u>

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.

AY 2021 Summary Report - CBJ Commercial Property Valuations

Broad Brush Overview

We are in the process of a major review of the valuation models, the assessed values and the assessment level for all Juneau commercial properties.

A brief background. By State law we are to value properties at market value. Information that is looked at in determining market value includes sales prices, construction costs, income and expenses, lease rates, and capitalization rates.

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. Up until late this last year 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.

It would seem that those challenges resulted in assessed values for commercial properties, on a whole, not being increased for the past 10 or more years causing the commercial property assessed values to lag behind the market. This caused a tax shift. A tax shift occurs when the tax burden that should be paid by one party is shifted to being paid by another party. In this case the shift was from commercial properties onto residential properties.

To rectify this tax shift the commercial property assessed values must be brought up to market. This means that commercial properties will see increases that should have occurred in smaller increments for the past 10 plus years being applied in a few years. Because the increases will represent multi-year corrections they may seem to be significant increases.

This first year we are addressing the land component. Next year we will refine the land adjustments and also start making adjustments to the improvement portion of the commercial values.

As a commercial property owner you can help improve the assessed values of Juneau's commercial property!

The more sales, market and lease information we can gather the better our basis for market 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 we occasionally go back 10 or more years.

It would be helpful if you would provide information on commercial property sales or purchases that you have made as well as rental, lease and income and expense information.

Thank you for any information you provide.

Assessed Values In The Midst Of A Pandemic

We recognize and are sympathetic to the fact that the past year has been difficult for some businesses in Juneau. Some businesses have seen drastic reductions in revenue, in some cases almost a complete elimination of revenue. At the same time, other businesses had a good year in 2020.

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.

Compounding Circumstances

Compounding this situation is the fact that it has become recognized and documented that most of the commercial assessed values have not changed in ten plus years while the actual market values have increased during that time. So, we need to take steps to correct that neglect.

Analysis Conclusions

A lot of work was done this year cleaning up the commercial property sales data. There is still more work to be done but good progress was made. That resulted in us having 57 market sales from the past 5 years for which we had sales prices.

Below is a table that summarizes some of 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 properties are undervalued. This analysis compares 01/01/2020 assessed values to 01/01/2021 market value.

Property Class	*Count*	*Mean*	*Median*
Commercial Land	12	0.4095	0.3928
Commercial Improved Properties (Core Types)	35	0.7748	0.8112
Commercial Properties Overall	57	0.7149	0.7411
Residential Properties (for class equity comparison)	1025	0.9629	0.9653

Adjustments To Assessed Values

If we were a larger jurisdiction with thousands of sales and hundreds of sales in particular subsets, then we could make more drastic changes to correct the imbalance between residential and commercial properties more quickly but with limited sales we need to be a little more cautious.

Over the next few years we will 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).

This year will just be a first step. For most properties the increase will be applied to just the land component. For some classes of properties that have no land component or only a token land value, the increase will be applied to the buildings. This will bring all commercial properties closer to market. Next year we will take another step towards parity with residential properties. This will likely involve a further increase in land and, at least in some cases, a reduction in the building component.

The adjustment being applied this year will result in a 50% increase in the land component for most commercial properties. On average this results in a 20% increase to commercial property values. One class of properties, boathouses, will actually see a 20% reduction this year.

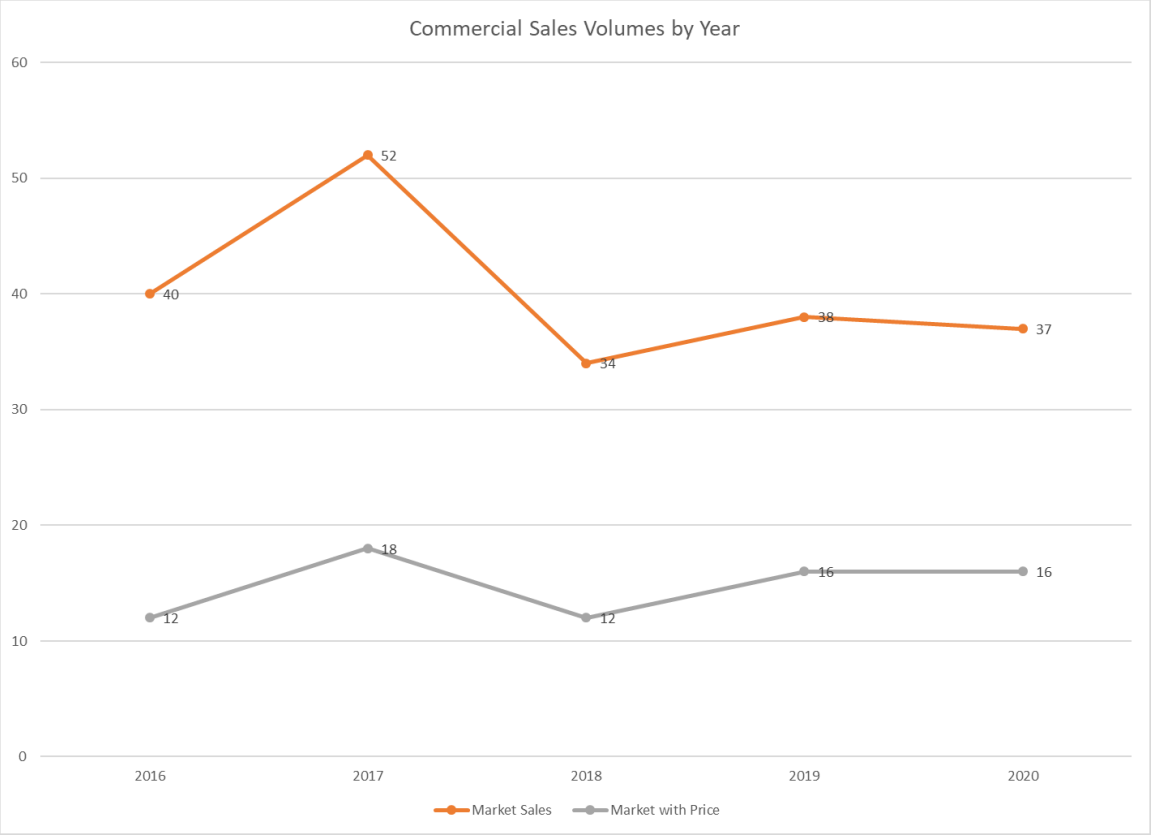
Future Refinements

In the coming years we will be:

- Refining the valuation models for all of the commercial property types- retail, office, medical, industrial, etc.
- Refining the locational adjustments
- Refining the value adjustments for things like quality, condition and other attributes.

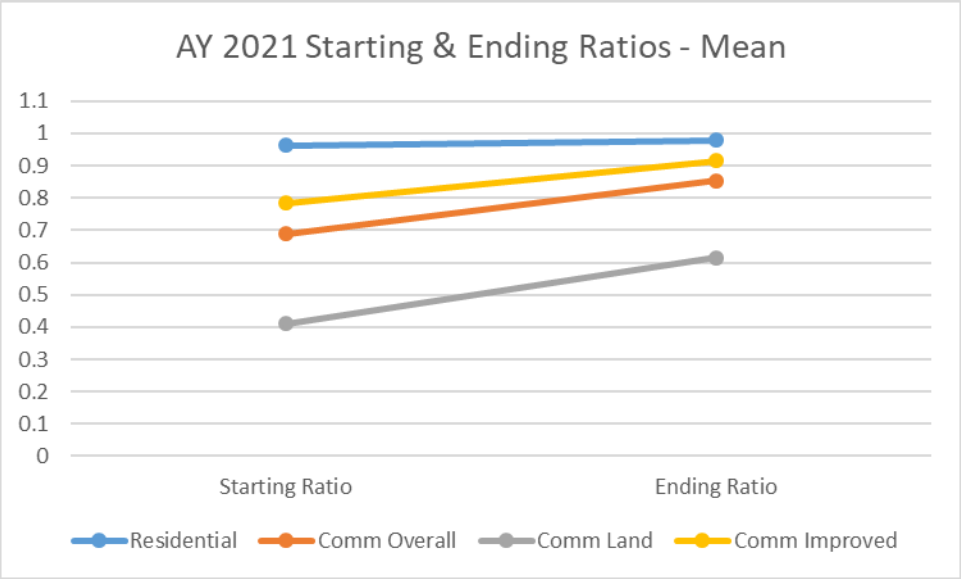
Charts & Maps

This first chart shows the number of sales per year in two groups- market sales and market sales for which we know the sales price. You can see that the sales volume held steady through 2020 in spite of the pandemic.



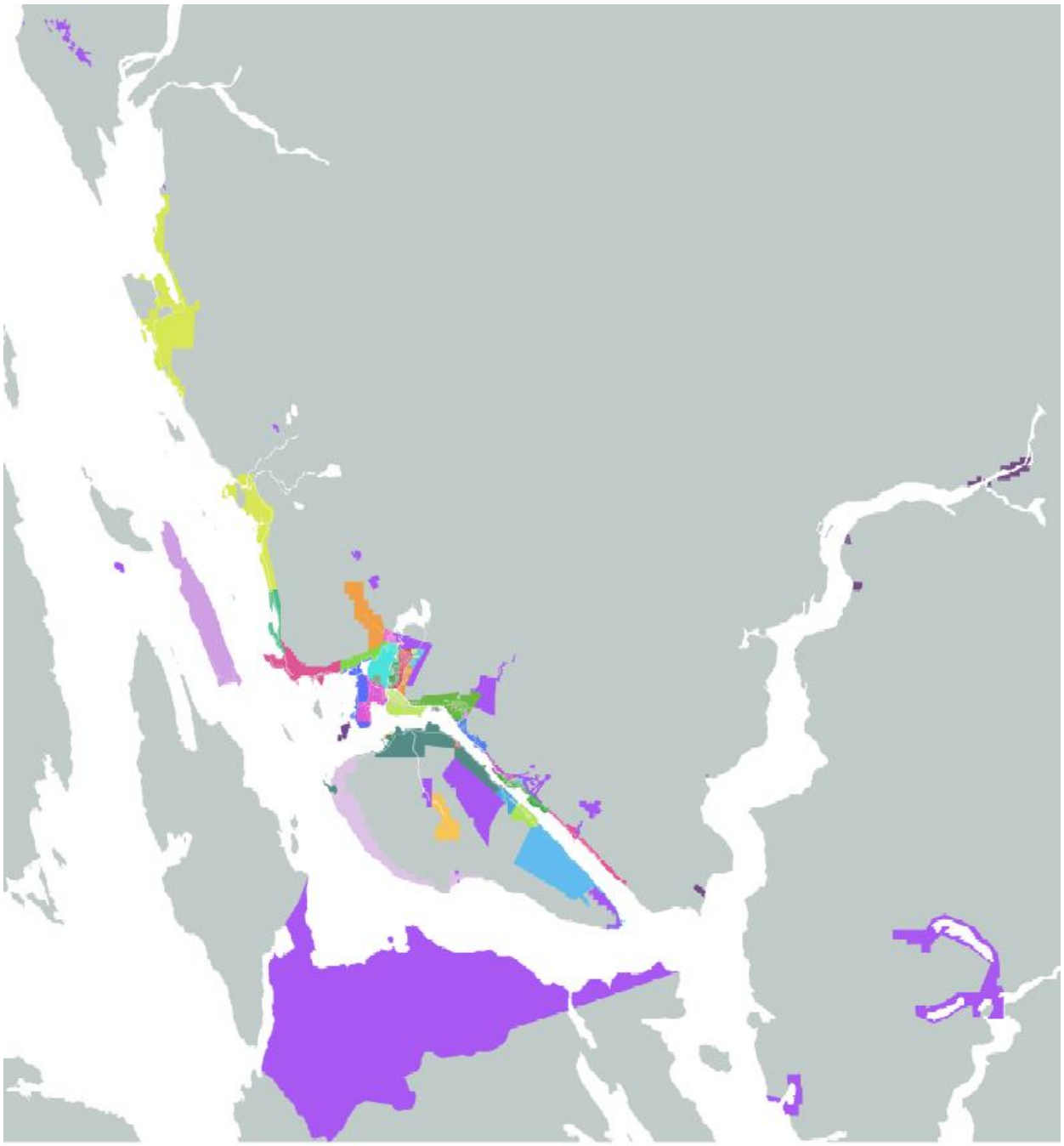
The next chart (below) shows the change in total assessed values by classification over the past 8 years. It includes both new construction and market trend increases. You can see that the residential assessed values have been increased each year while the land assessments and commercial assessments have remained flat. Economic data from the same time period would suggest that over the past 8 years the actual market value of residential property, land and commercial property have all actually increased.





This chart shows the ratios based on Assessment Year 2020 (Starting Ratio) and the results of our adjustments for the Assessment Year 2021 (Ending Ratio). Note that the adjustments we made brought the commercial valuations closer to, but not up to, the residential assessment level. Still lagging far behind is commercial land valuations.

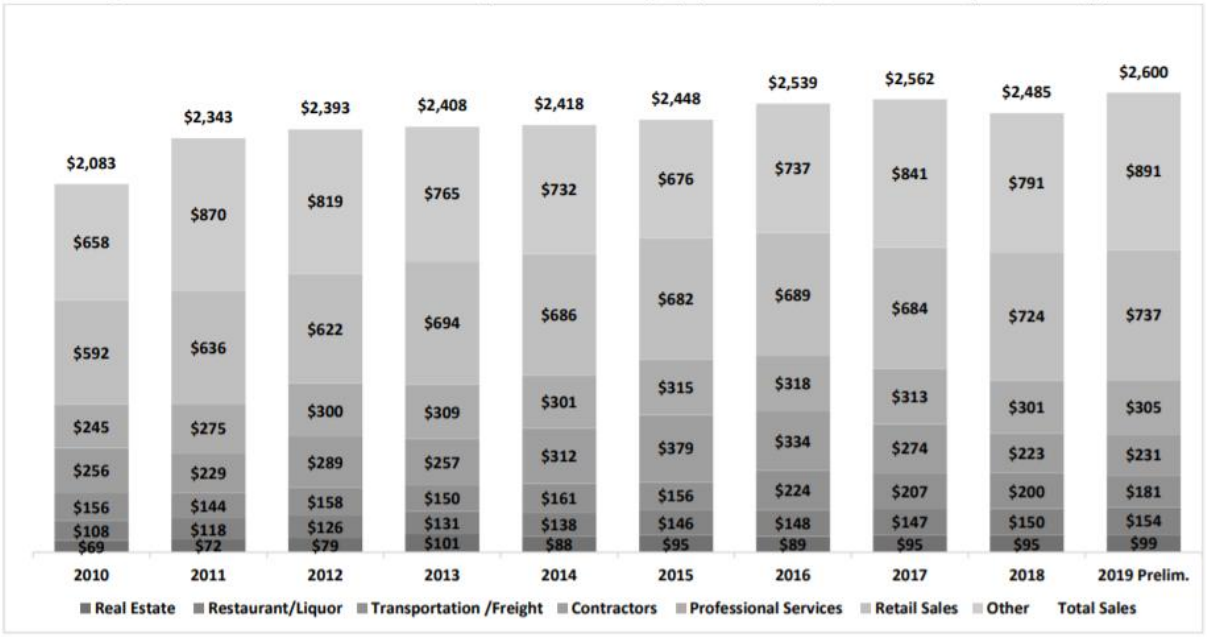
The following map shows Market Areas (Neighborhoods) utilized in the Assessment process. Market Areas are one of the adjusting factors.



Market Areas - Borough Wide

The next chart is from the JEDC Economic Indicators Report 2020 and shows the growth in sales over the past 10 years.

Figure 52: Business Sales in Juneau by Business Category (in Millions), 2010– 2019 (Preliminary)



Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, July 1, 2018- June 30, 2019, Statistical Section. **Note:** "Other" category includes mineral sales, wholesale equipment, food suppliers, and fuel companies.

Next we have a summary report of the analysis. The first Summary shows the data for commercial properties prior to this years adjustments and the second summary report shows the data after the corrections that were applied this year.

AY2021- Comm- Set 2- 20210316- No19- All, 5 Yr, 5% Trend

Summary Report

Statistics			
Current			
54	Count	(Number of Records with Ratio)	
0.1959	Minimum Ratio		
1.1908	Maximum Ratio		
0.9950	Range		
0.6879	**Mean**	(This is the average ratio for your sample.)	
0.7286	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)	
0.5418	Weighted Mean		
2.3448	Sum of the Square of Deviations		
0.1720	AAD		
0.2103	Standard Deviation		
23.6036	**COD**	(Good indicator of confidence level.)	
30.5772	**COV**		
1.2696	**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	-0.3111
Skewness	-0.2814
Alt.Cyhelsky's Skew	-0.1481
Alt.Pearson's Skew	-0.5808

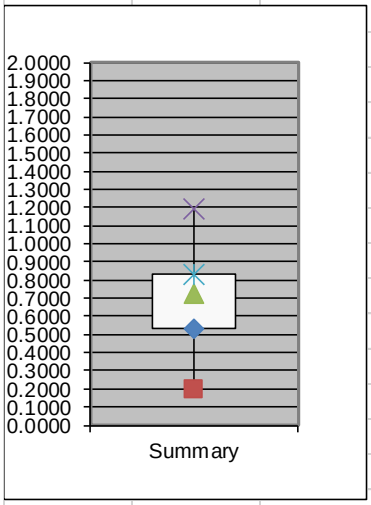
Trending Factors

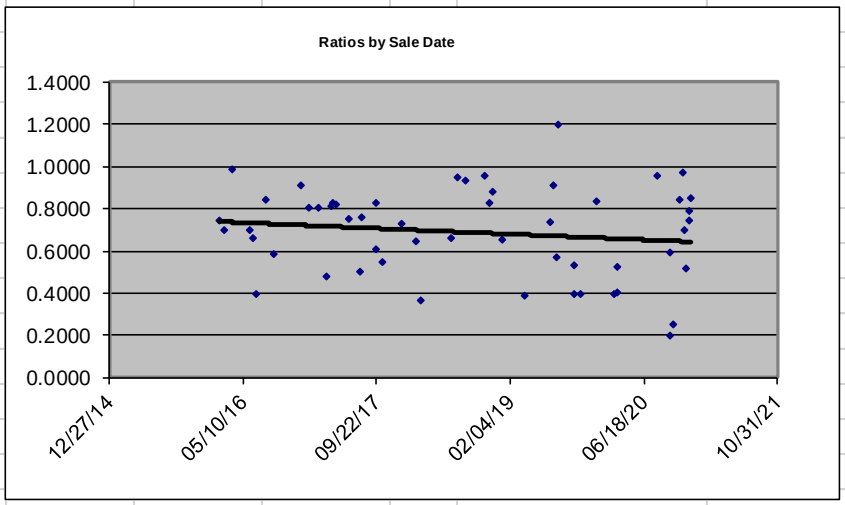
0.98	Target Level
1.4246	Factor on Mean
1.3450	**Factor on Median**
1.8087	Factor on Weighted Mean

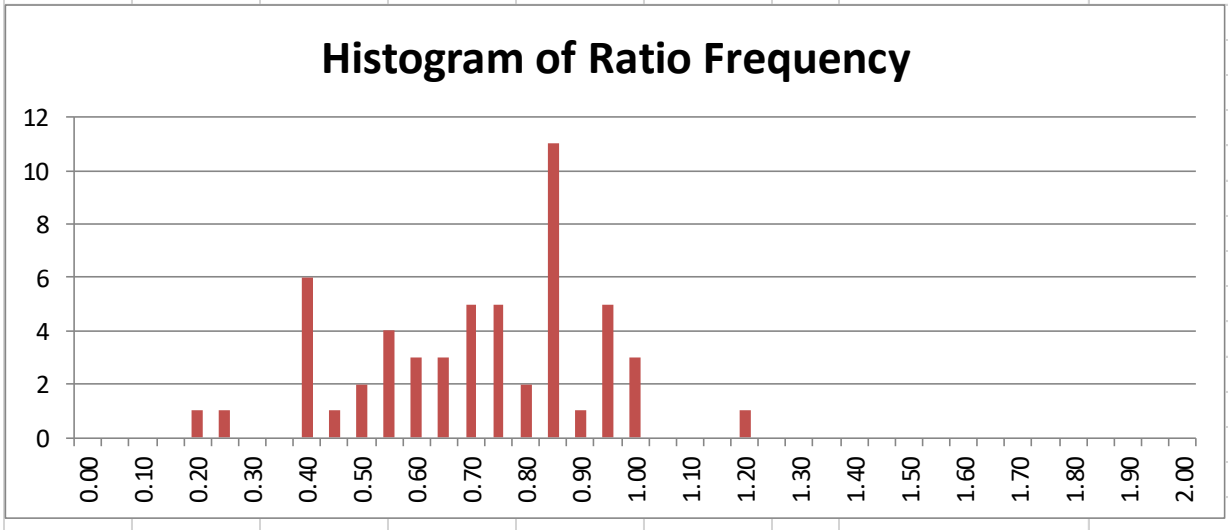
Normal / Skewed Distribution Evaluation

0.0407	Differential Mean to Median
23	Number of data points below the mean.
31	Number of data points above the mean.

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







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

Summary Report

		IAAO Standards for COD	
Statistics		SFR	15.0 or less
Current		SFR-newer/homog	10.0 or less
53	Count (Number of Records with Ratio)	Income Properties	20.0 or less
0.2932	Minimum Ratio	Income-Urban area	15.0 or less
1.4091	Maximum Ratio	Vacant Land	20.0 or less
1.1159	Range		
0.8526	**Mean** (This is the average ratio for your sample.)		
0.8853	**Median** (This is the mid-point value for your sample. Preferred measure of central tendency.)		
0.6981	Weighted Mean		
3.0313	Sum of the Square of Deviations		
0.1908	AAD		
0.2414	Standard Deviation	**Coefficients (0=Normal Distribution)**	
21.5490	**COD** (Good indicator of confidence level.)	**Kurtosis**	-0.0245
28.3180	**COV**	**Skewness**	0.0181
1.2214	**PRD- Price-Related or Factor Differential**	Alt.Cyhelsky's Skew	-0.0943
	(PRD s/b between 0.98 & 1.03, IAAO)	Alt.Pearson's Skew	-0.4059
	(PRD over 1=Regressive)		

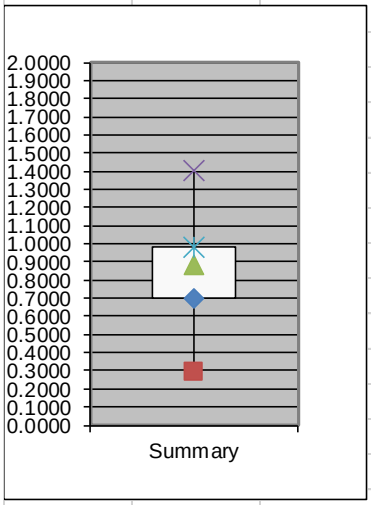
Trending Factors

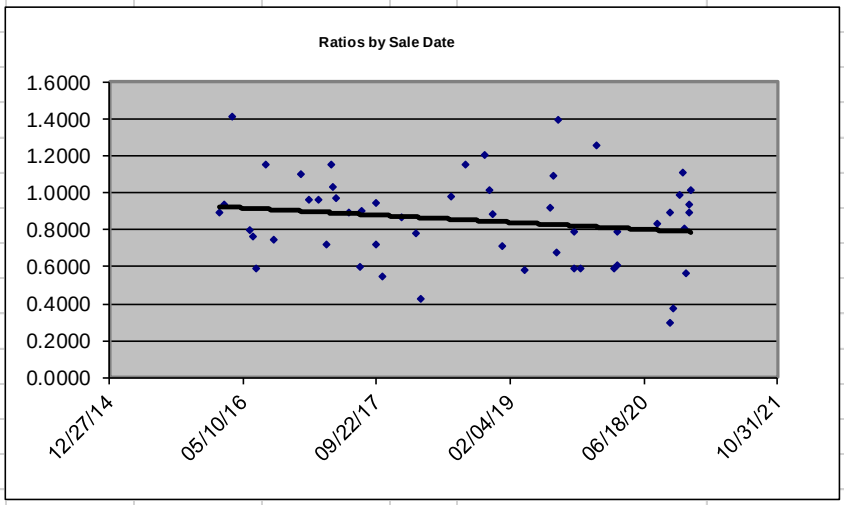
0.85	Target Level
0.9969	Factor on Mean
0.9601	**Factor on Median**
1.2176	Factor on Weighted Mean

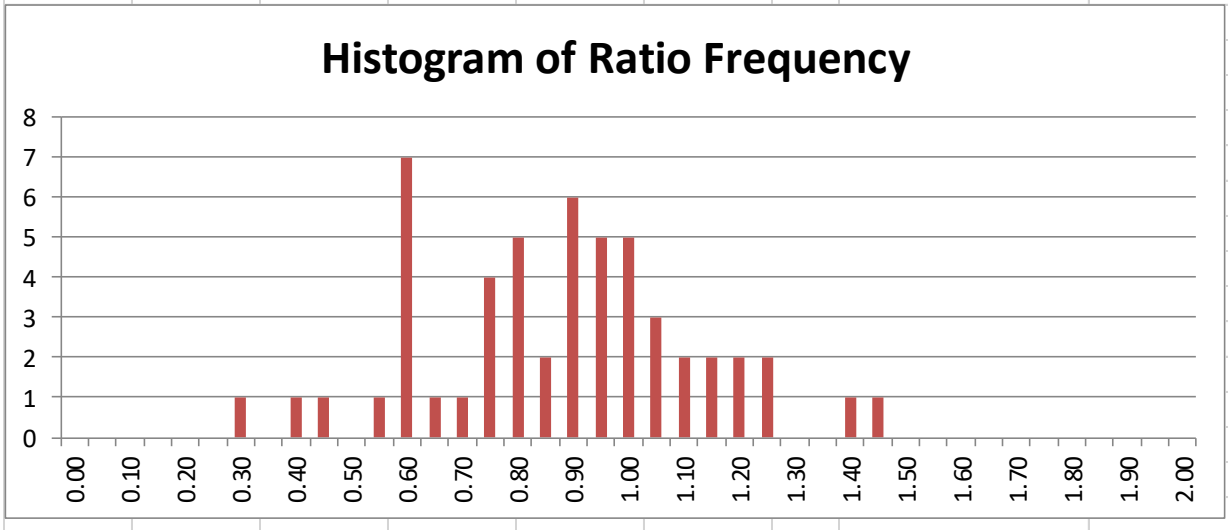
Normal / Skewed Distribution Evaluation

0.0327	Differential Mean to Median
24	Number of data points below the mean.
29	Number of data points above the mean.

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







Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Friday, March 25, 2022 12:23 PM
To: Michael Dahle
Subject: Re: Goldstein Improvement Company Properties

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

Michael,

Thank you for your Reports.

Under "Market Trend," p. 7, where does "the indicated actual market trend is 5% for each of the 5 years" come from?

Thanks,

Greg

> On Mar 25, 2022, at 12:38 PM, Michael Dahle <Michael.Dahle@juneau.org> wrote:
>
> Greg,
>
> I have attached reports regarding the commercial valuations for 2021 and 2022. The 2022 report is an interim report as the confidentiality clause still applied to some of the sale prices. That will expire on 03/28 so a final copy of the report will be released on 03/29 that includes all of the sales prices.
>
> I will have our administrative assistant scan the property record cards for these properties and email them to you so watch for that separate email.
>
> In regards to the 2020 land value changes, I would have to do more research but most of those small variations were due to refinements that the previous assessor made prior to leaving in order to move more of the commercial models into the CAMA system.
>
> Michael Dahle
> Deputy Assessor, City & Borough of Juneau
> 907-586-5215 ext. 4036
> Michael.Dahle@juneau.org
>
> -----Original Message-----
> From: Greg Adler <gregadler@mac.com>
> Sent: Friday, March 25, 2022 8:27 AM
> To: Michael Dahle <Michael.Dahle@juneau.org>
> Subject: Goldstein Improvement Company Properties

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

Michael,

Regarding all Goldstein Improvement Properties, please clarify all Mass Aopraisals Methods used and various data sets and models used to value the properties.

Please separate your response by year so I understand why the values were lowered in 2020 and raised in 2021 and 2022.

Also, why were some values unchanged. Also, why property assessments raised and lowered. Also, how depreciation was accounted for each year.

Thanks

Greg

Sent from my iPhone
<2022 Annual Assessment Report 202203a- Overview- Commercial- Interim.pdf><2021 Summary Report- Commercial 20210528a.pdf>

Mary Hammond

From: Michael Dahle
Sent: Friday, March 25, 2022 10:01 AM
To: 'Greg Adler'
Cc: Mary Hammond
Subject: RE: Goldstein Improvement Company-Misc Value

Greg,

Here is the information we have on the Assembly Building.

Owner: Alaska State Legislature
AY2022 AV: Exempt
Last Sale Date: 08/20/2021
Last Sale Price: Gifted to legislature
Prior Sale Date: 08/20/2021
Prior Sale Price: Unverified at the time of the AY2022 analysis but since then we have received indication of a sale price of $1,250,000.
SF: 23,840

Michael Dahle
Deputy Assessor, City & Borough of Juneau
907-586-5215 ext. 4036
Michael.Dahle@juneau.org

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 24, 2022 4:07 PM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Re: Goldstein Improvement Company-Misc Value

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

Michael,

Would you be so kind to send me the Comparable Sale of the Assembly Building with square feet and any adjustments.

Thank you,

Greg Adler

> On Mar 24, 2022, at 2:45 PM, Michael Dahle <Michael.Dahle@juneau.org> wrote:
>
> Greg,
>
> Here are the miscellaneous improvements.

1C070A020030
<image003.jpg>

1C070A020011
No longer has a miscellaneous improvement value. It looks like this is what they were applying it for back in 2017.
<image005.jpg>

1C070A050040
<image008.jpg>

1C070A020043
<image010.jpg>

1C070A040010
<image015.jpg>

Michael Dahle
Deputy Assessor, City & Borough of Juneau
907-586-5215 ext. 4036
Michael.Dahle@juneau.org

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 24, 2022 6:19 AM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Goldstein Improvement Company-Misc Value

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

Michael,

Please see the attached Goldstein Improvement Company properties with Miscellaneous Value Assessed.

Please provide an explanation and documentation of each assessment.

Thank you,

Greg

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Friday, March 25, 2022 10:27 AM
To: Michael Dahle
Subject: Re: Goldstein Improvement Company-Misc Value

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

I have information the prior sale was at $850,000?

On Mar 25, 2022, at 11:01 AM, Michael Dahle <Michael.Dahle@juneau.org> wrote:

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Owner: Alaska State Legislature
AY2022 AV: Exempt
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Last Sale Price: Gifted to legislature
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Prior Sale Price: Unverified at the time of the AY2022 analysis but since then we have received indication of a sale price of $1,250,000.
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907-586-5215 ext. 4036
Michael.Dahle@juneau.org

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1C070A020030
<image003.jpg>

1C070A020011
No longer has a miscellaneous improvement value. It looks like this is what they were applying it for back in 2017.
<image005.jpg>

1C070A050040
<image008.jpg>

1C070A020043
<image010.jpg>

1C070A040010
<image015.jpg>

Michael Dahle
Deputy Assessor, City & Borough of Juneau
907-586-5215 ext. 4036
Michael.Dahle@juneau.org

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 24, 2022 6:19 AM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Goldstein Improvement Company-Misc Value

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

Michael,

Please see the attached Goldstein Improvement Company properties with Miscellaneous Value Assessed.

Please provide an explanation and documentation of each assessment.
Thank you, Greg

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Tuesday, March 29, 2022 5:01 PM
To: Michael Dahle
Subject: Appeal-Supplemental KEY BANK BUILDING (234 Seward Street)
Attachments: 20211115_2022 Filing Deadline Thursday April 7, 2022.pdf; Supplemental Appeal-234 Seward Street.docx

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

Michael,

Attached please find a Supplemental Appeal for Goldstein Improvement Company.

Please confirm receipt and attach it to our First Appeal submittal which you received today.

Please confirm receipt of the Appeal and Supplemental Appeal.

Thank you for your help,

Greg Adler
310-612-1312

SUPPLEMENTAL APPEAL

CITY AND BOROUGH OF JUNEAU

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

Petition for Review / Correction of Assessed Value Real Property	
Assessment Year	2022
Parcel ID Number	1C070A050060
Name of Applicant	GREGORY ADLER
Email Address	gregadler@mac.com

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	Identification # 1C070A050060; JUNEAU TOWNSITE BL 5 LTS 5, 7 & 8		
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY		
Primary Phone #	310-612-1312	Email Address	gregadler@mac.com
Physical Address	234 Seward Street Juneau AK	Mailing Address	426 East Rustic Road
			Santa Monica, CA 90402

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

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

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

The specific reasons and evidence are provided in the Attached Supplemental Appeal (55 pages).

Have you attached additional information or documentation? [ ] Yes [ ] No

Values on Assessment Notice:

Site	$864,064	Building	$1,683,454	Total	$2,547,520

Owner's Estimate of Value:

Site	$587,800	Building	$417,477	Total	$1,005,277

Purchase Price of Property:

Price	$1,250,000	Purchase Date	11/15/2021

Has the property been listed for sale? [x] Yes [ ] No *(if yes complete next line)*

Listing Price	$1,495,000	Days on Market	5 1/2 months

Was the property appraised by a licensed appraiser within the last year? [ ] Yes [x] 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: Gregory Adler Date: March 30, 2022

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

PARCEL #: _____ **APPEAL #:** _____ **DATE FILED:** _____

Appraiser to fill out			
Appraiser		Date of Review	
Comments:			
Post Review Assessment			
Site $	Building $	Total $	
Exemptions $			
Total Taxable Value $			

APPELLANT RESPONSE TO ACTION BY ASSESSOR

I hereby ☐ **Accept** ☐ **Reject** the following assessment valuation in the amount of $_____

If rejected, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.

Appellant's Signature _____ Date: _____

Appellant Accept Value	☐ Yes ☐ No *(if no skip to Board of Equalization)*
Govern Updated	☐ Yes ☐ No
Spreadsheet Updated	☐ Yes ☐ No
Corrected Notice of Assessed Value Sent	☐ Yes ☐ No

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

Contact Us: CBJ Assessors Office			
Phone/Fax	**Email**	**Website**	**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

SUPPLEMENT TO APPEAL

After receiving your "Assessment Report-Commercial Overview-Interim, City and Borough of Juneau, For Assessment Year 2022, Assessment Date (Effective Valuation Date): January 1, 2022, 2022 Report Date: March 23, 2022 I submit this Supplement to My Appeal.

The crux of this Appeal is that the Juneau Assessor office failed to follow its own Sales Validation Policy, Addendum C which defines Market Sale. The last sentence of the policy states:

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

Sales and Appraisal ratio's determine "Full and True Value." "Full and True Value is considered to be 100% of Market Value." Market Value is the Sales Price.

The Sales Ratio for the Key Bank Building sale is double what it should be, therefore the Assessed Value must be reduced.

Assessed Value	***$2,547,520***
Sales Price	***$1,250,000***

A more than 100% increase in Assessed Value is oppressive.

The "Full and True Value" of our property is the Sales Price. The Market Value is $1,250,000. In accordance with Alaska Statute 29.45.060 the Assessed Value of this property on January 1 was $1,250,000.

By Clear and Convincing Evidentiary Proof Under Alaska Law the Assessor's Actions Constitute a Taking Without Just Compensation and are a Denial of Due Process Under the Law

The Juneau Assessor must use Sales Price and Prevailing General Price Levels to determine Assessed Value of Commercial Property

Sales Validation and Verification to the Assessment Procedures must be used

The Assessor does not use Sales Validation

There exists Assessor bias

The Sales Data the Assessor inputs into his "Algorithm Models" are tainted

The Assessor's "Algorithm Models" must be rejected because they are LAX

Assessed Values must return to 2020 assessed values

The Assessor Value to Sales Price Value Ratio proves commercial property values are overvalued more than 100%

Commercial Property Values have been over-assessed for 10 years

The Assembly Building 1st Sale and Key Bank Building Sale are <u>not</u> "Outlier Sales."

The Assembly Building 1st Sale and Key Bank Building Sale are "Market Sales."

The Assembly Building 1st Sale and Key Bank Building Sale represent the BEST and fit the exact parameters of a Market Sale.

It is only by manipulating data that the Assessor construes these sales as "outlier sales."

Nothing could be further from the truth that these two sales are "outlier sales."

The Juneau Assessor robs commercial property owners of their livelihood by over-assessment, lack of ability to forecast and the promise of further assessed property value increases.

These wrongful actions by the Juneau Assessor depresses business activity in Juneau.

In 2020, Juneau property sales were matched to assessed value.

Over the last ten (10) years the CPI-U in Alaska was 1.5-2%. The CPI-U is the Prevailing General Price Levels the Assessor is required to use in his "Algorithm Model"

Juneau Prevailing General Price Levels annually were not 5% over ten years

Over the last ten (10) years Juneau business sales did not increase by 5% annually or 50% over 10 years, but were varied and went down in some years.

The Standard on Mass Appraisal of Real Property, Approved 2017 states algorithms can be "Biased."

The "Algorithm Models" used by the Juneau Assessor are "Biased."

To employ "Biased" "Algorithm Models" during a Pandemic is unscrupulous under any standard.

The Juneau Assembly must not use increased commercial property revenue, about $3 million dollars, to make "Improvements," such as the Augustus Brown Swimming Pool, because such outlays are against the "Public Purpose."

There is no doubt the Juneau Assessor's conduct is against the law and constitutes a taking.

REJECT "BIASED" ALGORITHM MODELS!

In March this year, Appraiser Julie Dinneen Company provided a Summary Grid Using the Sales Comparison Approach which must be adopted, as follows:

SALES COMPARISON APPROACH - SUMMARY GRID

	SUBJECT PROPERTY SIMPSON BUILDING 200-222 SEWARD STREET		BUILDING SALE NO. 1 SM BERRENDS BANK JUNEAU		BUILDING SALE NO. 2 225 FRONT STREET JUNEAU		BUILDING SALE NO. 3 WILLO PARK OFFICE 10002 GLACIER HIGHWAY		BUILDING SALE NO. 4 GOLD CREEK PROF. BLDG 800 GLACIER AVENUE	
SALE PRICE		$		1,250,000	$	1,963,000	$	2,100,000	$	1,100,000
ADJUST FOR COMMISSION			N/A		$	2,078,660	N/A		N/A	
AGE OF CONSTRUCTION	1946				turn of century/remodel 2009		1983		1976	
SALE DATE			Nov-21		Sep-21		Apr-19		Dec-16	
ABOVE GRADE BUILDING AREA		10,050		11,376		14,532		19,634		10,018
BASEMENT	4,504		full concrete basement		3,562 SF		none		7,947 SF below grade parking	
SALE PRICE PER SQ. FT. - ABOVE GRADE		$		110	$	110	$	107	$	110
BUILDING TYPE	2 sty masonry , walk up		reinforced concrete		WF construction, many windows		WF construction, 2 office levels		2 story WF construction	
USE & LAYOUT	rest/retail/offices		walk up. Corner location		elevator, no parking		and 4th floor mechanical/storage		with elevator	
			needs $200k in work to building		2 flrs offc/service space		elevator serviced. Heating and ventilation			
OVERALL CONDITON	good		average plus		good		good		average to average plus	
ZONING	MU		MU		MU		LC		MU2	
SITE AREA		4,913		12,245		11,300		54,513		18,944
LAND TO BUILDING RATIO		0.49		1.08		0.68		2.78		1.89

PER SQUARE FOOT INDICATOR	$	105
APPLIED TO ABOVE GRADE AREA		10,050
INDICATED VALUE	$	1,055,250
ROUNDED	$	1,055,000

JULIE DINNEEN COMPANY

Assessor Value

The Assessed Value=$2,547,520
Above Grade Building Area=11,376
Per Square Foot Indicator=$224

Sale Price

Sale Price=$1,250,000
Above Grade Building Area=11,376
Per Square Foot Indicator=$110

Appraised Value by Julie Dinneen As Above

Appraised Sale Price=$ 1,194,480
Above Grade Building Area=11,376
Appraised Sales Comparison Approach Per Square Foot Indicator=$105

Assessor Sales Ratio:

$2,547,520 >>>100%
$1,250,000

The Sales Ratio at over 100% shows the Assessed Value is more than double the Sales Price. This proves the Assessor Value is out of line and needs to be lowered.

In conclusion, the Juneau Assessor's unilateral "Tainted Algorithm Models" are contrary to well-established methods of assessment. By statute the Juneau Assessor has failed to use Sale Price and Prevailing General Price Levels to determine value. The Juneau Assessor has designed "ALGORITHM MODELS" that are unfair, inaccurate and oppressive. By clear and convincing proof herein the Assessor has acted against well-established assessor principles to over-assess commercial property. The Juneau Assessor's Office must be rebuked and the Key Bank Building must be assessed following Alaska law at the Sale Price of $1,250,000 less adjustments or $1,005,277.

Prior unfair assessments in 2021 and this 2022 must be refunded to commercial property owners.

EVIDENCE AND SPECIFIC REASONS SUPPORTING APPEAL OF PROPERTY TAXES BECAUSE MY PROPERTY VALUE IS EXCESSIVE/OVERVALUED, IS UNEQUAL TO SIMILAR PROPERTIES AND AND VALUED IMPROPERLY/INCORRECTLY, AS FOLLOWS:

Lawful Model: The Assembly Building 1st Sale and Key Bank Building Sale are PRISTINE MARKET SALES in accordance with the intent of the Alaska Legislature and statutes because they are:

1. **Sales**
2. **At Prevailing General Price Levels**

Tainted Algorithm Model: The properties the assessor uses in his model as "MARKET SALES-NOT" *FAIL* the intent of the Alaska Legislature and Statutes, because they are:

1. **Assessed Values**
2. **Not At Prevailing General Price Levels**

Alaska Statute 29.45.060 states, "Full and True Value (a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230.The full and true value is the estimated

price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and prevailing general price levels."

Lawful Model: The assessor is required by law to follow this model.

Tainted Algorithm Model: "MARKET SALES-NOT" MODEL AND IMPROPER MODEL. This improper model is against the intent and laws of the Alaska Legislature. "Manipulating Model," using different non-market sales as subsets no matter how inputted corrupts Sales because it doesn't use Sales it uses Artificial High Assessed Property Values that are inputted as Fifty Percent (50%) above Market Value. They do not reflect "Prevailing General Price Levels." The two excluded sales comparables, The Key Bank Building and The Assembly Building 1st Sale, set the base and not the misidentified Assessed Property Values inputted into Models. The two comparable sales look out of place, but it is the other way around and the Assessor must be instructed to use 2020 property values as his base.

Yes, the assessor excludes the Assembly Building 1st Sale and Key Bank Building Sale from the Tainted Algorithm Model without justification.

The "Assessment Report-Commercial Overview-Interim, City and Borough of Juneau, For Assessment Year 2022, Assessment Date (Effective Valuation Date): January 1, 2022, 2022 Report Date: March 23, 2022, p.16, Addendum A-Commercial Sales List 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 and it excludes the Assembly Building 1st sale and reports the Key Bank Building as "Confidential" and excludes it.

The Alaska Taxable 2021 Report, from the State of Alaska, sets forth the standard for the Juneau Assessor to follow in collecting sales data, as follows,

"Collect sales data from all sources such as recorders' offices, realtors, developers and bankers."

Even though buyers of property have a duty to disclose sales prices, the Assessor is required to look beyond their reporting as above.

The assessor reported to me most sales have gone unreported by Buyers. Therefore, the Assessor knows or should have known he has a duty to undertake a reasonable investigation of sales and a duty to disclose those sales to the public and include them in his Tainted Algorithm Model.

I have obtained three (3) sales easily. They are as follows:

A. Assembly Building 1st from an appraiser;
B. Assembly Building 2nd from the assessor;
C. Key Bank Building from us.

On March 24, 2022, I asked Michael Dahle, Juneau Assessor,

"Would you be so kind to send me the Comparable Sale(s) of the Assembly Building with square feet and any adjustments."

He sent one (1) sale. The Assembly Building 2nd Sale. This sale was a gift. It says,

Last Sale Date: 08/20/2021
Last Sale Price: Gifted to legislature
Prior Sale Date: 08/20/2021
Prior Sale Price: Unverified at the time of the AY2022 analysis but since then we have received indication of a sale price of $1,250,000.

Michael Dahle knew or should have known of the Assembly Building 1st Sale and failed to disclose it. He also should have told me the Assessor designated this Sale an "Outlier Sale." It is not an "Outlier Sale."

***On the same day I sought the Sale Price of the* Assembly Building 1st Sale*, I received the information* as follows:**

Listed for Sale: May 29, 2015
Listing Sale Price: $2,650,000
Listing Price/SF: $ 111.16
Days For Sale on Market: 1,240
Last List Price: $850,000
Size: 23,840 Square Feet
Price/SF: $35.65
Sale Price: $ 750,000
Sale Date: 4/1/2019
Price/SF: $31.46

***On the same day I sought the Sale Price of the <u>Assembly Building 2nd Sale</u>, I received the information* as follows:**

Listed for Sale: February 13, 2021
Sale Date: August 20, 2021
Sale Price: $ 1,250,000
<u>Price/SF: $ $52.43</u>

Broker Details: This was an arms-length transaction. Multiple offers were received on the property. Backup offer was at $ 1,150,000. Good marketing helped sell the property.



Comments: This is the sale of a multi-tenant office in Juneau. The building required a sprinkler system that would cost an additional $100,000. Thus, this was added to the sale price of $750,000 for an analysis price of $850,000.* At the time of sale, the building had significant vacancy with no reliable income or expenses. The buyers plan on spending $900,000 to remodel the building into an apartment. However, in order to remodel the building into apartments, the buyer will have to acquire a conditional use permit to change the use to office.

THE ASSEMBLY BUILDING 1ST SALE AND THE KEY BANK BUILDING SALE ARE GOOD MARKET COMPARABLES AND SHOULD NEVER HAVE BEEN EXCLUDED FROM THE ASSESSOR'S ALGORITHM!

SALE PRICE AVERAGE OF THE TWO BUILDINGS=$41.95

There are serious breaches going on at the Assessor's Office, as follows:

1. **The Assessor knew or should have known he has a duty to collect sales per the above Alaska Taxable 2021 Report and breached his duty**
2. **The Assessor failed to collect data; or**
3. **The Assessor collected both of the Assembly Building sales comparables and acting in bad faith chose not to disclose the first Assembly Building sale to me.**
4. **I believe it is common knowledge the Assembly Building sold for $750,000, therefore to knowingly exclude it constitutes a breach of fiduciary duty, is an abuse of authority and was done in bad faith with the intention to keep commercial property values artificially high**

5. **The Juneau Assessor complains of a lack of sales data. Yet two (2) market sales above are in plain sight as Sales at "*prevailing general price levels*" AND**
6. **To not Report the Assembly Building 1st Sale and Key Bank Building Sale constitutes market manipulation by the Assessor's office.**
7. **The Juneau Assessor complained to me the Key Bank Building sale skewed his results and were outside his statistical modeling and were thereby identified as "Outlier Sales." Such a statement shows an utter disregard for the State of Alaska definition of "Outlier Sale." According to the State of Alaska there are two kinds of "Outlier Sales": Namely, Explained and Unexplained.**

   (a) "Explained Outlier Sale-A sale that occurs of an improved piece of property but the assessed value may represent only the vacant land due to construction occurring after the assessment was made, causing the ratio to be low."

   (b) "Unexplained Outlier Sale-One that may have included property other than the real property being analyzed."

8. **What the Juneau Assessor calls an "Outlier Sale" re The Key Bank Building and Assembly Building 1st Sale are beyond clear and convincing evidence a "Market Sale."**
9. **The Assessor has arbitrarily excluded two (2) market sales and both are the norm in any computer modeling.**
10. **If the Tainted Algorithm Model does not result in an Assessed Value close to the Sale Price and Prevailing General Price Levels, then ON ITS FACE the model must be adjusted with delicate professional skill to embrace the Sale Price and Prevailing General Price Levels or discarded.**

Let's compare the definition of "Outlier " in the Alaska Taxable 2021 Report from the State of Alaska, p. 26 and the "Outlier Explanation" in the "Assessment Report-Commercial Overview-Interim, City and Borough of Juneau, For Assessment Year 2022, Assessment Date (Effective Valuation Date): January 1, 2022, 2022 Report Date: March 23, 2022, p. 9.

This comparison is like comparing apples to oranges because the Juneau definition does not follow Alaska State law.

State of Alaska Definition:

3. Compile Usable Data (Continued)

c. Array ratios so outliers can be pin-pointed. Typically, outliers fall into two categories, explained and unexplained. An example of an explained outlier is a sale that occurs of an improved piece of property but the assessed value may represent only the vacant land due to construction occurring after the assessment was made, causing the ratio to be low. An example of an unexplained ratio is one that may have included property other than the real property being analyzed.

Juneau Report Definition:

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.

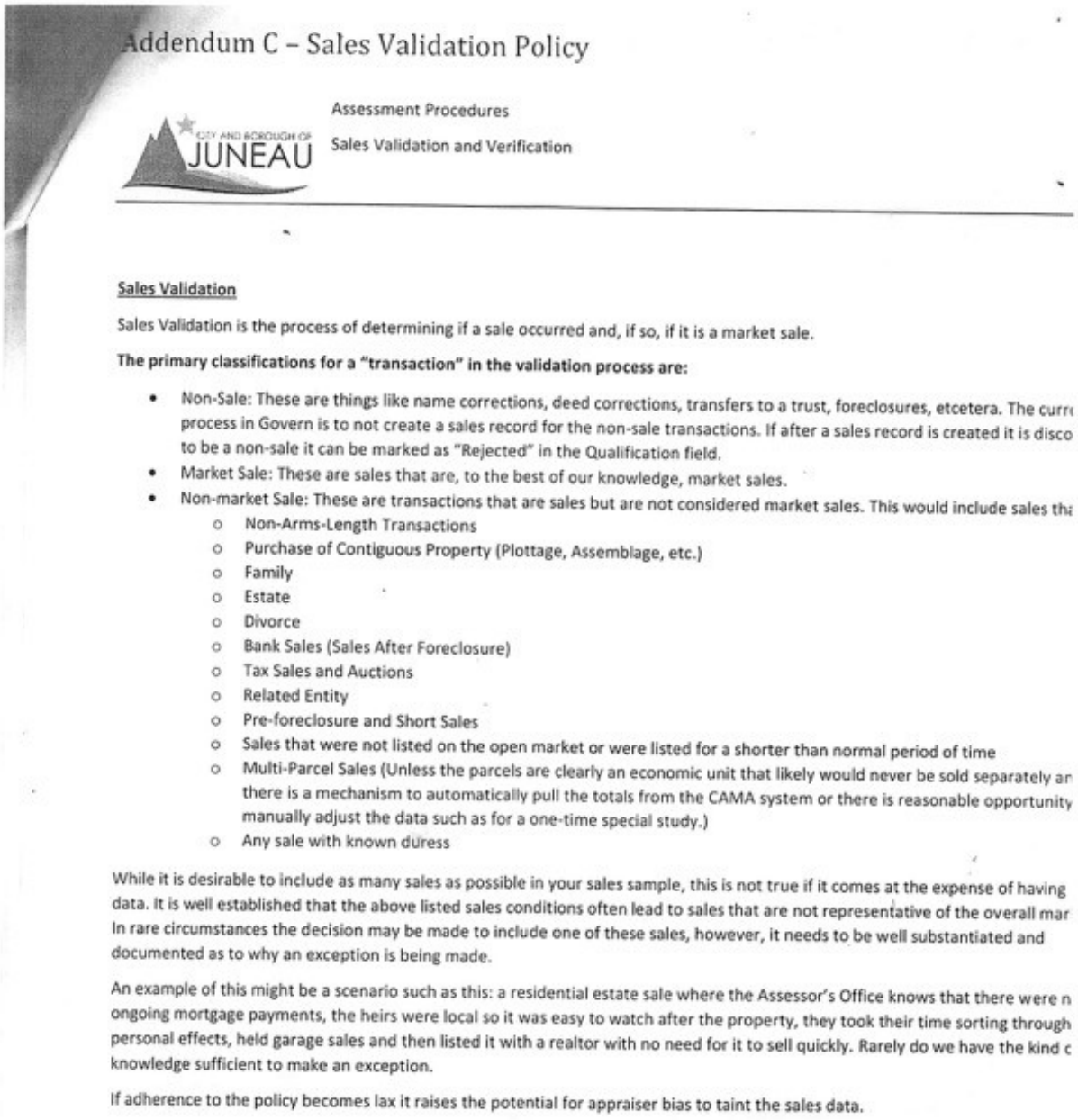
Under the "Assessment Report-Commercial Overview-Interim, City and Borough of Juneau, For Assessment Year 2022, Assessment Date (Effective Valuation Date): January 1, 2022, 2022 Report Date: March 23, 2022, p. 9., Addendum C-Sales Validation Policy the following is true:

Market Sale: The Assembly Building 1st Sale 4/1/2019

Non-Market (Gift) Sale: The Assembly Building 2nd Sale Dated 8/202021 (Gift to Legislature)

Market Sale: The Key Bank Building Sale Dated November 15, 2021

The Juneau Assessor Sales Validation Policy, Addendum C is CRUX OF THIS APPEAL and set forth as:



Addendum C – Sales Validation Policy

CITY AND BOROUGH OF JUNEAU

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 curr process in Govern is to not create a sales record for the non-sale transactions. If after a sales record is created it is disco 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 th
  - 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 ar there is a mechanism to automatically pull the totals from the CAMA system or there is reasonable opportunity 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 data. It is well established that the above listed sales conditions often lead to sales that are not representative of the overall mar 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 n ongoing mortgage payments, the heirs were local so it was easy to watch after the property, they took their time sorting through 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 c 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.

In Conclusion, the Key Bank Building and Assembly Building 1st are not "Outlier Sales."

The "Juneau Outlier Explanation" completely disregards the State policy. The State policy is clearly stated. *The Juneau policy contravenes State policy and is designed to subvert the State policy and create an obtuse mathematical formula to undermine market sales.*

The "Juneau Outlier Explanation" must be rejected on its face because it allows the Juneau Assessor undue power to define a market sale. The Assessor abuses this discretion!

The Addendum C clearly states, in its LAST SENTENCE, what happens when the Assessor does not follow the Sales Validation and Verification to the Assessment Procedures,

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

The Juneau Assessor by clear and convincing proof has violated their own stated rules regarding assessing commercial property, as set forth below:

1. **At best, "LAX" adherence to Sales Validation; at worst, intentional manipulation of the Sales Validation Procedure. A detail analysis of the Assembly Building 1st Sale and Key Bank Building sale establish beyond any doubt that they are "Market Sales." Please see the data regarding these sales herein.**
2. **The appraiser is "BIASED" against market sale comparable properties at variance with their contrived models**

3. **The subsets of groups the assessor assembles to establish their so-called "Assessed value" are contrary to "Market sales" and must be rejected**
4. **The Juneau Assessor has manipulated all of the commercial property assessed values higher so naturally true "market sales" would be at variance of "Manipulated Sales."**
5. **A better name for Assessed Value is "Manipulated Sales."**
6. **The Assessor's "MARKET SALES-NOT" have no place in the assessment or Tainted Algorithm Model. The Assessor's Tainted Algorithm Model is full of only over-assessed commercial property. Commercial property sales must returned to 2020 levels because there is no basis for Fifty Percent (50%) increases as CPI-U during this 10-year period has been about 1 ½ % to 2%.**
7. **Juneau Property is assessed at approximately at 96% of sale prices. Therefore, there is no imbalance.**

THE JUNEAU ASSESSOR DID NOT ADHERE TO HIS OWN SALES VALIDATION POLICY.

RATHER, THE ASSESSOR INTENTIONALLY VIOLATES THE SALES VALIDATION POLICY TO CREATE A WORLD OF HIGH-ASSESSED COMMERCIAL PROPERTY VALUES.

The Assessor is not acting in the public interest by maintaining the current Assessor regulatory scheme even if they use different model sets.

ACROSS THE BOARD ASSESSED VALUES ARE WRONG.

THE JUNEAU ASSESSOR USES PROPERTY (LAND) VALUES THAT HAVE INCREASED EVERY YEAR BY FIVE PERCENT (5%) FOR TEN YEARS. THEREFORE, ARGUES A FIFTY

PERCENT (50%) INCREASE IN ASSESSED VALUE IS TIMELY. THIS MANUFACTURED ASSESSOR POLICY IS UNSUBSTANTIATED AND NOT TRUE.

PLEASE SEE THE HISTORY OF CPI FOR ALASKA WHICH IS APPROXIMATELY 1 ½-2% ANNUALLY DURING SAID TEN-YEAR PERIOD. CPI REPRESENTS THE "PREVAILING GENERAL PRICE LEVELS" IN ACCORDANCE WITH *Alaska Statute 29.45.060*, as follows:

CONSUMER PRICE INDEX (CPI)

Consumer Price Index for Urban Alaska (formerly Municipality of Anchorage) and the U.S.
Not Seasonally Adjusted – All Items – Urban Consumers
1960-Present

Note: the percent change is from the same period of the previous year.

Calculate inflation and deflation with our CPI Calculators

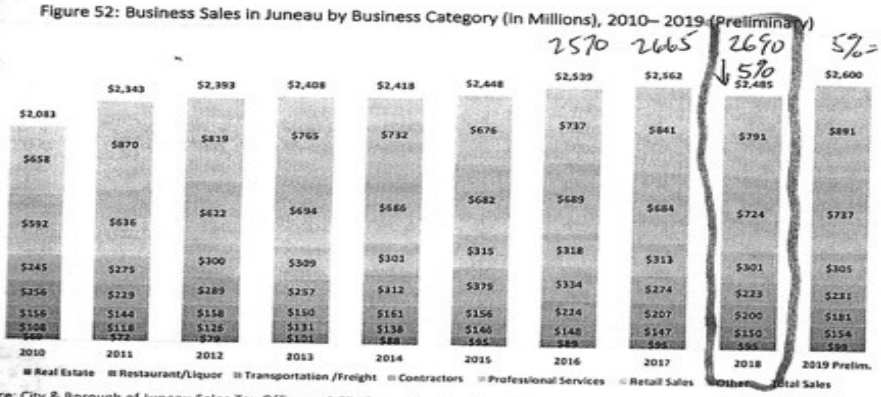
Downloadable CSV text file

	Urban Alaska		U.S.	
Year	Annual	Percent Change	Annual	Percent Change
2021	237.188	4.9	270.970	4.7
2020	226.153	-1.1	258.811	1.2
2019	228.676	1.4	255.657	1.8
2018	225.545	3.0	251.107	2.4
2017	218.873	.5	245.120	2.1
2016	217.830	.4	240.007	1.3
2015	216.909	.5	237.017	.1
2014	215.805	1.6	236.736	1.6
2013	212.381	3.1	232.957	1.5
2012	205.916	2.2	229.594	2.1
2011	201.427	3.2	224.939	3.2
2010	195.144	1.8	218.056	1.6
2009	191.744	1.2	214.537	-.4
2008	189.497	4.6	215.303	3.8
2007	181.237	2.2	207.342	2.8
2006	177.300	3.2	201.600	3.2
2005	171.800	3.1	195.300	3.4
2004	166.700	2.6	188.900	2.7
2003	162.500	2.7	184.000	2.3
2002	158.200	1.9	179.900	1.6

Further, see Business Sales reported by the Assessor Office which clearly over a ten-year period were not five percent (5%) per year. For example, Year 2018 business sales were <u>down</u> five percent (5%), as follows:

e next chart is from the JEDC Economic Indicators Report 2020 and shows the growth in sales over the past 10 ears.

Figure 52: Business Sales in Juneau by Business Category (In Millions), 2010– 2019 (Preliminary)



Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, July 1, 2018- June 30, 2019, Statistical Section. Note: "Other" category includes mineral sales, wholesale equipment, food suppliers, and fuel companies.

SALES NOT UP 5%

2022 2019 2016 2013
2021 2018 2015 2012
2020 2017 2014

Next we have a summary report of the analysis. The first Summary shows the data for commercial properties prior to this years adjustments and the second summary report shows the data after the corrections that were applied this year.

In 2020, the Alaska Taxable 2020 Report, Volume LX, published January 2021, Table 4A, p. 29, Local Assessments vs Full Values Real Property shows the ratio of Juneau Real Property Locally Assessed as compared to the Real Property Full Value was 96.5%. Therefore, there is no basis for an increase in assessed commercial property.

Please see Table 4A, as follows:

Table 4A
Local Assessments vs Full Values Real Property

The following three Tables, 4A, 4B & 4C, list the municipal assessed value compared to the full value. Table 4A compares real property, Table 4B compares personal property, and Table 4C compares the total of real and personal property. Cities in Boroughs not included.

Municipality	Real Property Locally Assessed (1)	Real Property Full Value (2)	Ratio (3)
Municipality of Anchorage	$31,904,271,312	$35,841,189,330	89.0%
Bristol Bay Borough	$199,874,750	$241,026,601	82.9%
Fairbanks North Star Borough	$7,890,654,591	$9,107,343,756	86.6%
Haines Borough	$376,224,100	$390,982,126	96.2%
City and Borough of Juneau	$4,742,808,985	$4,914,556,399	96.5%
Kenai Peninsula Borough	$6,666,423,400	$8,274,746,028	80.6%
Ketchikan Gateway Borough	$1,515,368,100	$1,599,522,739	94.7%
Kodiak Island Borough	$1,298,329,669	$1,403,582,185	92.5%
Matanuska Susitna Borough	$9,990,968,845	$11,125,494,852	89.8%
North Slope Borough	$848,257,562	$985,051,300	86.1%
Petersburg Borough	$331,665,200	$409,866,351	80.9%
City and Borough of Sitka	$1,126,204,000	$1,351,470,081	83.3%
Municipality of Skagway	$359,410,580	$437,398,321	82.2%
City and Borough of Wrangell	$158,912,300	$200,855,572	79.1%
City and Borough of Yakutat	$52,209,900	$57,593,414	90.7%
Cordova	$229,526,625	$259,528,070	88.4%
Craig	$112,074,600	$116,241,837	96.4%
Dillingham	$164,980,887	$200,952,951	82.1%
Nenana	$16,815,131	$17,501,177	96.1%
Nome	$312,895,701	$355,442,122	88.0%
Pelican	$11,573,047	$12,686,962	91.2%
Unalaska	$446,657,475	$502,741,466	88.8%
Valdez	$289,422,150	$399,881,787	72.4%
Whittier	$47,155,800	$48,015,273	98.2%
Total (24)	$69,092,684,710	$78,253,670,701	88.3%

Note: Real property is not assessed in areas outside taxing jurisdictions. The totals in this table exclude values for unorganized areas of the state, and exclude values for municipalities which do not levy a property tax.

(1) Actual assessed value of property taxed at the city/borough level.

(2) The full value of real and personal property that can be taxed under state law as equalized by the Office of the State Assessor according to standards defined in Attorney General Opinion No. 18, 1962. This includes the value of all municipal assessed values plus the value of any optional exemptions.

(3) The relationship between the actual municipal assessed values and the Department's full value determination, expressed as a percentage. This ratio is calculated using both the municipal assessment ratio plus the addition of optionally exempted property.

Also, in Alaska Taxable 2021 Report, Volume LXI, published January, 2022, Table 6, Full Value Determination Summary Ten Year History the Percentage Change of ten years averaged 2.56%.

Therefore, there is no basis for the Juneau Assessor's Claim that commercial values rose Five Percent (5%) per year for ten (10) years.

There simply is no evidence to support the Assessor's assumption when the State of Alaska chart shows a 2.56% increase each year. This chart does show that the Juneau Assessor's increase of commercial property assessed is clearly wrong.

Table 6, Full Value Determination Summary, Ten Year History, as follows:

Table 6
Full Value Determination Summary
Ten Year History

This table summarizes the state's full and true value figures for the past ten years. The table shows annual percentage changes for municipal full values and state assessed properties.

January 1, Year	Municipal Full Value	Percentage Change	Oil & Gas Assessed Value	Percentage Change	Total Full Value	Percentage Change
2011	$75,147,226,600	1.51%	$23,822,182,550	-0.89%	$98,969,409,150	0.92%
2012	$77,004,643,600	2.47%	$24,491,683,690	2.81%	$101,496,327,290	2.55%
2013	$78,810,024,000	2.34%	$28,649,650,040	16.98%	$107,459,674,040	5.88%
2014	$81,248,307,300	3.09%	$27,389,657,890	-4.40%	$108,637,965,190	1.10%
2015	$83,131,396,100	2.32%	$28,619,657,360	4.49%	$111,751,053,460	2.87%
2016	$87,520,474,200	5.28%	$27,710,225,430	-3.18%	$115,230,699,630	3.11%
2017	$88,715,549,400	1.37%	$28,358,292,110	2.34%	$117,073,841,510	1.60%
2018	$89,275,118,700	0.63%	$28,179,150,120	-0.63%	$117,454,268,820	0.32%
2019	$90,984,293,009	1.91%	$28,476,560,040	1.06%	$119,460,853,049	1.71%
2020	$95,587,456,856	5.06%	$28,991,424,380	1.81%	$124,578,881,236	4.28%
2021	$97,636,034,953	2.14%	$28,203,212,240	-2.72%	$125,839,247,193	1.01%

Municipal Full Value — The full and true value of all property taxable under state law (AS 29.45); this includes property exempted by local option.

State Assessed Full Value — The value of oil & gas exploration, production and transportation property as determined by the Dept. of Revenue (AS 43.56).

Total Full Value — The full and true value of all property taxable under Alaska Statutes 29.45 and 43.56, as determined by the Department under standards defined in Attorney General Opinion No. 18, 1962.

Table 2

The A/V ratios and CODs in this table are supplied by local assessment officials, and reviewed by the Office of the State Assessor.

Municipality	Locally Assessed Real Property	Locally Assessed Personal Property	State Assessed Oil & Gas Property	Total Assessed	Reported A/V Ratio % (1)	Reported COD (2)
Municipality of Anchorage	$31,904,271,312	$2,647,971,942	$152,044,560	$ 34,704,287,814	0.96	5.82
Bristol Bay Borough	$199,874,750	$197,799,838	$0	$ 397,674,588	0.84	13.65
Fairbanks North Star Borough	$7,890,654,591	$0	$720,267,520	$ 8,610,922,111	0.96	6.69
Fairbanks	N/A	N/A	$46,339,740	$ 46,339,740		
Haines Borough	$376,224,100	$0	$0	$ 376,224,100	0.98	8.22
City and Borough of Juneau	$4,742,808,985	$374,225,444	$0	$ 5,117,034,429	0.97	6.45
Kenai Peninsula Borough	$6,666,423,400	$307,927,426	$1,493,428,710	$ 8,467,779,536	0.94	12.33
Kenai	N/A	N/A	$53,200,820	$ 53,200,820		
Ketchikan Gateway Borough	$1,515,368,100	$60,724,600	$0	$ 1,576,092,700	0.95	9.24
Kodiak Island Borough	$1,298,329,669	$157,498,073	$0	$ 1,455,827,742	0.93	9.96
Matanuska Susitna Borough	$9,990,968,845	$56,075,491	$7,903,480	$ 10,054,947,816	0.94	9.82
Wasilla	N/A	N/A	$446,290	$ 446,290		
Palmer	N/A	N/A	$185,130	$ 185,130		
North Slope Borough	$848,257,562	$0	$21,562,678,020	$ 22,410,935,582	0.89	9.39
Petersburg Borough	$331,665,200	$0	$0	$ 331,665,200	0.81	21.12
City and Borough of Sitka	$1,126,204,000	$43,861,340	$0	$ 1,170,065,340	0.87	11.85
Municipality of Skagway	$359,410,580	$0	$0	$ 359,410,580	0.84	14.78
City and Borough of Wrangell	$158,912,300	$0	$0	$ 158,912,300	0.79	5.88
City and Borough of Yakutat	$52,209,900	$0	$0	$ 52,209,900	0.91	9.37
Total Borough Assessed Value	$67,461,583,294	$3,846,084,154	$23,936,322,290	$95,243,989,738		
Municipality	**Locally Assessed Real Property**	**Locally Assessed Personal Property**	**State Assessed Oil & Gas Property**	**Total Assessed**	**Reported A/V Ratio % (1)**	**Reported COD (2)**
Cordova	$229,526,625	$0	$8,989,820	$238,516,445	0.88	9.11
Craig	$112,074,600	$0	$0	$112,074,600	1.00	8.95
Dillingham	$164,980,887	$39,277,816	$0	$204,258,703	0.83	8.61
Nenana	$16,815,131	$2,933,642	$0	$19,748,773	0.96	8.74
Nome	$312,895,700	$42,114,556	$0	$355,010,256	0.88	8.92
Pelican	$11,573,047	$181,221	$0	$11,754,268	0.91	6.19
Unalaska	$446,657,475	$247,850,814	$0	$694,508,289	0.89	6.91
Valdez	$289,422,150	$0	$1,950,652,640	$2,240,074,790	0.83	10.48
Whittier	$47,155,800	$62,508,768	$1,478,040	$111,142,608	0.98	6.12
Total Cities Assessed Value	$1,631,101,415	$394,866,817	$1,961,120,500	$3,987,088,732		
Unorganized Borough Assessed Value	$0	$0	$3,093,981,590	$3,093,981,590		
Statewide Value of Assessed Property*	$69,092,684,709	$4,240,950,971	$28,991,424,380	$102,325,060,060		

The ASSESSMENT STATISTICS AND RATIO STUDIES, Alaska Taxable 2021 Report, Volume LX, published January 2022 is the "BIG TEST" of the fairness commercial property values. These studies "measure the level and uniformity of assessments…." "The ratios can be used in tests to see if unequal taxation exists and how, and if, assessments need to be adjusted."

"There are two types of ratio studies: Sales ratio studies and appraisal ratio studies. The sales ratio study is commonly used in Alaska."

These ratio's determine "Full and True Value." "Full and True Value is considered to be 100% of Market Value."

The ASSESSMENT STATISTICS AND RATIO STUDIES, Alaska Taxable 2020 Report, Volume LX, published January 2021 is as follows,

ASSESSMENT STATISTICS AND RATIO STUDIES

Local assessors have a legal, professional and ethical responsibility to uniformly value all property within their jurisdiction. They must also make sure all values on the assessment roll represent "full and true value" in accordance with AS 29.45.110.

Assessment ratio studies measure the level and uniformity of assessments and can be further used to analyze assessed values in and among jurisdictions. The ratios can be used in tests to see if unequal taxation exists and how, and if, assessments need to be adjusted. There are two types of ratio studies: sales ratio studies and appraisal ratio studies. The sales ratio study is commonly used in Alaska and is the method discussed here.

A sales ratio is simply the correlation of the assessed value of recently sold properties to their respective sales prices. This correlation is expressed as a ratio. In order for the ratios to be meaningful, all sales need to be verified and the time frame for accepting sales should be predetermined. To obtain the ratio, a simple mathematical equation is used where the numerator is the assessed value and the denominator is the sales price:

$$\frac{\text{ASSESSED VALUE}}{\text{SALES PRICE}} = \text{RATIO}$$

For example, if a residence assessed at $90,000 sells for $100,000, the correlation or ratio of assessed value to the sales price is 90%.

$$\frac{\$90,000}{\$100,000} = 90\%$$

If this ratio were typical of all assessed values in the jurisdiction, the assessor would need to adjust all the assessments upwards to reflect the "full and true value." Full and true value is considered to be 100% of market value.

Preparation of a Sales Ratio Study

1. Assemble Sales Data

    a. Collect sales data from all sources such as recorders' offices, realtors, developers and bankers.

    b. Verify sales data by contacting the seller, buyer, realtor or banker. Verification by two of the contacts is preferred.

2. Select Samples

    a. Check disbursement of sales to insure uniform coverage of total areas and try to avoid collecting too much information from any one single area to the exclusion of other areas.

    b. Restrict selections to individual classes of property, i.e., residential, commercial, industrial, vacant, and farm land.

3. Compile Usable Data

    a. Correlate usable sales information into a usable listing by class.

    b. Divide current assessed values by sales price to obtain individual ratios.

3. Compile Usable Data (Continued)

c. Array ratios so outliers can be pin-pointed. Typically, outliers fall into two categories, explained and unexplained. An example of an explained outlier is a sale that occurs of an improved piece of property but the assessed value may represent only the vacant land due to construction occurring after the assessment was made, causing the ratio to be low. An example of an unexplained ratio is one that may have included property other than the real property being analyzed.

4. Compute Statistical Data

Computation of the mean, median and weighted mean ratios describe the general levels of assessment. The weighted mean is computed by dividing the sum of all assessed values by the sum of all sales prices. This ratio is used by the Office of the State Assessor for calculating the full and true value due to the weighting of each sample by its total dollar amount, thus giving the same weighting to each dollar of the transaction regardless of the sale price.

Uses of Ratio Studies

Sales ratio studies are commonly used in state equalization and/or full value determinations. Typically, the weighted mean ratio is used to determine the full value, for the reason stated previously. The local assessor can use the studies to determine the level of assessments and internal equity or to show areas which may need further analysis.

Sales Ratio Example		
Assessed Value	**Sales Price**	**Ratio**
$100,000	$106,000	94.34%
$106,000	$100,000	106.00%
$107,000	$109,000	98.17%
$125,000	$132,000	94.70%
$130,000	$127,000	102.36%
$122,500	$122,500	100.00%
$140,000	$141,000	**99.29%** [1]
$830,500	$837,500	**99.16%** [2]

Mean (Average) Ratio = 99.26%
[1] Median (Middle) Ratio = 99.29%
[2] Weighted Mean Ratio = 99.16%

Limitations of Use

Assessment ratio studies show the relation between market values and assessed values, and assessed values within and among areas. These studies may show inequities, if they exist; however, they do not correct inequities among individual properties. Once the determination is made that inequities exist, the assessor will take the necessary action to make the corrections, based upon the findings of the ratio study.

A sales ratio study is only as accurate as the information used. Care in selecting, screening, and verifying information is essential and should be of primary importance to the assessor. Without verified sales data, any interpretation of sales ratio studies will be of little use.

A study should not be overloaded with specific types of properties. Segregating by class (commercial, residential, industrial) and type (vacant, improved, water front) will allow for proper analysis of each class and type of property.

ASSESSMENT RATIO STUDIES

Appraisal Level

The overall level of appraisal, not necessarily assessments, should be within 10 percent of the legal level, that is, between 0.90 and 1.10. The reason for consideration of the appraisal level instead of the assessment level is that the granting of property tax exemptions is a political decision, not an appraisal decision, and does not affect the appraisal quality.

Appraisal Uniformity

The most commonly used measure of uniformity is the Coefficient of Dispersion (COD). The COD is based on the average absolute deviation from the median, expressed as a percentage. The COD is calculated by dividing the average absolute deviation by the median ratio and multiplying by 100 to convert the ratio to a percentage. The COD is a relative measure of dispersion which means that direct comparisons can be made between property groupings. With it, the assessor can measure the amount of dispersion around the typical level of assessment among different property groups.

- Single family residences: CODs should be 15.0 or less*
- Income producing properties: CODs should be 20.0 or less*
- Vacant land: CODs should be 25.0 or less*

* International Association of Assessing Officers (IAAO) Standard on Ratio Studies (2013) recommendations in which *current* market value is the legal basis of assessment.

Table 2

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Fairbanks North Star Borough	$7,890,654,591	$0	$720,267,520	$ 8,610,922,111	0.96	6.69
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Kodiak Island Borough	$1,298,329,669	$157,498,073	$0	$ 1,455,827,742	0.93	9.96
Matanuska Susitna Borough	$9,990,968,845	$56,075,491	$7,903,480	$ 10,054,947,816	0.94	9.82
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Palmer	N/A	N/A	$185,130	$ 185,130		
North Slope Borough	$848,257,562	$0	$21,562,678,020	$ 22,410,935,582	0.89	9.39
Petersburg Borough	$331,665,200	$0	$0	$ 331,665,200	0.81	21.12
City and Borough of Sitka	$1,126,204,000	$43,861,340	$0	$ 1,170,065,340	0.87	11.85
Municipality of Skagway	$359,410,580	$0	$0	$ 359,410,580	0.84	14.78
City and Borough of Wrangell	$158,912,300	$0	$0	$ 158,912,300	0.79	5.88
City and Borough of Yakutat	$52,209,900	$0	$0	$ 52,209,900	0.91	9.37
Total Borough Assessed Value	$67,461,583,294	$3,846,084,154	$23,936,322,290	$95,243,989,738		
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Dillingham	$164,980,887	$39,277,816	$0	$204,258,703	0.83	8.61
Nenana	$16,815,131	$2,933,642	$0	$19,748,773	0.96	8.74
Nome	$312,895,700	$42,114,556	$0	$355,010,256	0.88	8.92
Pelican	$11,573,047	$181,221	$0	$11,754,268	0.91	6.19
Unalaska	$446,657,475	$247,850,814	$0	$694,508,289	0.89	6.91
Valdez	$289,422,150	$0	$1,950,652,640	$2,240,074,790	0.83	10.48
Whittier	$47,155,800	$62,508,768	$1,478,040	$111,142,608	0.98	6.12
Total Cities Assessed Value	$1,631,101,415	$394,866,817	$1,961,120,500	$3,987,088,732		
Unorganized Borough Assessed Value	$0	$0	$3,093,981,590	$3,093,981,590		
Statewide Value of Assessed Property*	$69,092,684,709	$4,240,950,971	$28,991,424,380	$102,325,060,060		

Table 2 with clear and convincing evidence shows the Reported A/V Ratio for Juneau in 2020 was 97%! Therefore, there is not inequality and no basis for doubling commercial property assessed values.

If the A/V Ratio was 50%, there would be evidence to raise Assessed Values by double, however there is no evidence to support raising assessed values.

The A/V Ratios of the Key Bank Building is evidence to support lowering assessed commercial property assessments….not raising them! They are not "Outlier Sales." They are "Market Sales."

The end result of the wrong practices of the Juneau Assessor is a "Taking" from commercial property owners. The actions of the Juneau Assessor depresses business activity because commercial property is over-assessed and businesspersons making sounds decisions do not want to pay double taxation.

Businesspersons rely on certainty and there is no certainty that business costs can be forecasted and, in particular, because the Juneau Assessor reports further commercial property assessments are coming very soon forecasting business expenses is not possible. This practice is unlawful.

The Juneau Assessor wants to lower the tax rate and appear "good" in the public eye, and behind the scenes raise assessments to gouge commercial property owners.

It is an abuse of power to not roll back commercial property owners ASSESSMENTS (Land, Misc and Bldg Value) to 2020 LEVELS.

On its face, the Assessor reduced property taxes in 2020. This is prima facie evidence that defeats the Assessor position that Assessments were too high for the last ten (10) years.

It also shows the Assessor is depreciating commercial property which he has not done over the past ten (10) years.

Additionally, the Assessor's own business sales figures show business sales dropped five percent (5%) in 2018 and did not increase five percent (5%) across the board. Table 4A shows Juneau sales were occurring at 97% of Assessed Value. Table 6 shows a ten-year history of Municipal Full Value increasing at 2.56%.

The commercial property tax assessments in 2021 and 2022 are a penalty, unsupportable and wrong.

News releases, hearings, reports and newspapers from around the world and in Juneau, including the City and Borough of Juneau report the pandemic and some of the worst economic conditions in the history of Juneau e.g. no visitors, no big cruise ships, restaurants closed and going out of business, office workers working remotely, no business caused depression-era thinking and shut down of commercial life as Assessor knew it. Of course, some citizens of the United States chose to drive places but Juneau would not be one of them because there is no road into Juneau.

The Assessor must be enjoined from abusing its mission, statutes and laws and the well-known facts of the time.

We live in a world where "skinning" a small segment of the population (e.g. commercial property owners) for special improvement projects or "pork belly" is not permitted under the constitution.

This issue is ripe for a determination the federal courts.

Rather than continue down a path of illusions, with no supporting documentation, please do the right thing and roll back property taxes to 2020 levels and refund the $3 million dollars you have taken from commercial property owners.

The Alaska Taxable 2021 Report, p.7, states under The Legal Framework, Articles IX and X of the Alaska Constitution and Title 29 of the Alaska Statutes, that "No tax shall be levied …except for a public purpose."

Look at the News Release from the Legislature. Improving the swimming pool is not a "Public purpose." It is unlawful under the constitution and immoral governmental action to take from commercial property owners for governmental improvements that do not benefit the health and welfare of all citizens.

Commercial property owners do believe the Assessor is not acting in good faith.

How did property values double during a pandemic?

The assessor gives lip service to this difficult time and goes about its business to sock it to commercial property with more tax increases on the way.

Even if the assumptions the Assessor were correct, and they are not, the Assessor cannot return five (5) to ten (ten) years in the past and recapture property taxes. He must use the January 1 date of the year being assessed to assess value.

The Assessor has stated his reason for raising property assessments, particularly land values, is because land values have not been raised for five (5) to ten (10) years.

The facts are otherwise. Property assessed values were high already and the prior Assessor was aware of this fact and kept them high. The evidence shows high property assessed values over the last ten (10) years.

Arguably, if the Assessor appraised property values over the last ten (10) years he would have lowered the values as he did in 2020.

Property assessed values were not low. Property assessed values were too high!

The Assessor cannot continue to hide behind the "Models."

The assessments in 2021 and 2022 must be reconsidered through a "RECONCILATION APPROACH TO VALUE" with the good citizens, commercial property owners and residential property owners of Juneau.

FOR STARTERS, 2022 VALUES SHOULD BE RETURNED TO 2020 ASSESSED VALUES.

Moreover, using the Cost Approach to Value dictates that older, historic buildings be appropriately depreciated over time.

The history of the Assessment History Report states, the CAMA value went down from 2012 to 2013; was flat from 2013 to 2017; *increased from 2017 to 2018*; and lowered in 2022. The Land Value was flat from 2010 to 2019; lowered in 2020; and raised in 2021 and 2022.

The history of this property is contrary to the Assessor stated policy of redressing a low fixed assessed value over five (5) to ten (10) years justified and supported a DOUBLE INCREASE in the assessed value of our property.

There is no evidence to support an across the board increase of five percent (5%) over ten years or fifty percent (50%).

DOUBLE TAXATION BY ANY NAME IS ILLEGAL UNDER THE CONSTITUTION.

Assessment History Report:

Assessor Policy

Assessed Value is not a product of a wayward "Assessor's Property Tax Regulatory Scheme" run amok by an algorithm.

The Standard on Mass Appraisal of Real Property, Approved 2017 (See Exhibit K)(also See Exhibits L,M & N) is the accepted professional resource for understanding mass appraisal method's.

The best practice and "Preferred Approach" with the Mass Appraisal Method is the Sales Approach.

In Exhibit K, p. 8, Section 4.2 The Cost Approach, it states, The cost approach is more reliable for newer structures. This is a historic building. Exhibit I confirms the workings of the Cost Approach has not worked for the Juneau Assessor, as Michael Dahle's email to me March 22, 2022 (See Exhibit I) sets out how different cost approach software was used and depreciation was not properly accounted over the years. His email recounts what a "mess" the Cost Approach has been for the Juneau Assessor.

Under Section 4.3 it states, The Sales Comparison Approach is the "Preferred Approach" in valuing commercial and industrial property.

On p. 9, Section 4.6.4, it states The Income Approach is approach is appropriate where an established income stream is available for study. Further, it states the Sales Comparison Approach is most akin to single-property appraisal applications and has the advantage of being easily explained.

We do not have any explanation of how the Juneau Assessor Model was used. "Most models are used only to make adjustments to the selected comparables."

This section cautions that algorithms can be "biased."

It is settled law to use the Sales Approach to Value with the Mass Appraisal Method. The Cost Approach is best used with newer properties, personal property and fixtures. The Income Approach may be used with a knowable income stream. Our property was sold to be re-purposed. The bank design and vaults are obsolete. It is considerable expense to demolish the bank vaults, obsolete portions of the building and dispose of them at the dump that charges by

weight and spend large sums of money to bring the building to current commercial standards.

The Juneau Assessor's Office and the State of Alaska Assessor's office stated to me the purpose of making "A considerable adjustment to the value of commercial land" was that the prior Juneau Assessor did not raise property assessments for five (5) to ten (10) years. The prior Assessor used the Cost Approach. It is unconscionable to believe commercial land doubled in value from 2020 to 2021 because our property was assessed in 2020 and lowered; or over five (5) to ten (10) years in Juneau.

Moreover, the Assessor has made a "substantial error" in not depreciating Miscellaneous Value. We are entitled to be refunded by the Assessor for the Years not depreciated as shown above.

On its face, the Miscellaneous Value Error establishes that Assessor has not followed common and accepted Assessor practices.

THE NOTICE WE RECEIVED (See Exhibit B, City and Borough of Juneau Assessment Card) ON THE ASSESSMENT CARD DOES NOT MENTION THE MISCELLANEOUS VALUE ASSESSMENT!

WE ARE ONLY ABLE TO KNOW OF THE MISCELLANEOUS VALUE BECAUSE I REQUESTED AND RECEIVED A HISTORY OF ASSESSMENTS ON OUR PROPERTY (See Exhibit I).

IT IS UNCONSCIONABLE TO BE LEFT IN THE DARK. THE ASSESSOR CONDUCT IS THE SAME RESPECTING THE METHODOLOGY THEY EMPLOY BEHIND CLOSED DOORS.

The Assessor stated the blanket reassessment was to equalize the assessment of commercial and residential property. They stated

commercial property owners did not pay their fair share of property taxes and this unfairly burdened residential property owners who paid more. By clear and convincing proof this paragraph substantiates we have overpaid our property taxes and are entitled to a refund. Is this Miscellaneous Value inclusion a common practice of the Assessor to take without just compensation?

I see no evidence to support this proposition.

Our property by clear and convincing evidence does not fall into the stated policy objective of the Assessor.

The policy of the Assessor is wrong, overbroad, unreliable and not a best practice of appraisers in the United States.

The facts prove the Assessor's policy of "Substantial growth in property valuations" is a fiction. During Covid our commercial land did not increase by double or over a five (5) to ten (10) year period. The Assessor's behavior is troubling at best.

Noteworthy, is that the Assessor fails to differentiate office/retail space from basement space.

Therefore, I question not only the methodology of the Assessor but the raw data the Assessor is utilizing to input for their Govern Method. The Cost Approach, Income Approach, Sale Approach and Govern Method of the City must value the basement at a lower rate than the first floor and second floor. And the first floor must be treated differently from the second floor. Surely, this adjustment should have been made during an inspection.

Please see the News Release (See Exhibit F) from the City and Borough of Juneau dated June 15, 2021 entitled, BUDGET. In part, it says "…Despite being faced with a deficit, the Assembly maintained all essential city services while lowering the property tax rate to 10.56 mills. Even with the lower property tax rate, CBJ will collect approximately $3.0 million more in property tax revenue in FY22 as a result of a substantial growth in property valuations, including a considerable adjustment to the value of commercial land. The Assembly still needed to draw from savings to cover a remaining budgetary shortfall.

[The imposition by the Assessor of artificial "Substantial Growth" "In property valuations" runs counter to the market suffering from Covid shutdowns and a dead leasing market reported by real estate broker Carlton Smith]

[The unilateral actions of the Assessor's Office are oppressive].

The Assembly also restored $6.9 million of temporary reductions to the Capital Improvement Plan that were made in FY21 to balance the budget, including the $3.3 million Augustus Brown Pool deferred maintenance project."

The headline of the News Release is, "Juneau Assembly passes Budget reducing the property tax rate." Is that the story?

An alternative accurate headline suggested to me is, "City Devises Fake Regulatory Property Tax Scheme to Impose New Tax Burden of $3 million dollars on Small Group of Commercial Property Owners and Calls It a Gift to Fund the Augustus Brown Pool Improvements of $3.3 million dollars."

Therefore, by clear and convincing evidence the Assessor burdened a limited group: Commercial Property Owners

Said Commercial Property Owners were selected to pay for improvements to the Augustus Brown Pool. The imposition of this tax is unrelated to the "police powers" of the City and fails to include all citizens and therefore constitutes a taking without just compensation.

Why were Commercial Property Owners selected to unburden the City Budget Shortfall?

Arguably, the Assembly wanted to appear as effective good planners during a stressful budget time.

Secondly, unless I am missing something, it is bad public policy to lower the tax rate when you are trying to collect more tax revenue except for politically expedient reasons.

In short, our purchase price is in line with fair market value at $102.08. The assessed value is an excessive by the Assessor.

The Assessor cannot *willy nilly* declare our property purchase an "Outlier Sale" without substantial supporting evidence using best accepted appraisal practices. We must restrain the Assessor from using improper appraisal methods to the detriment of commercial property owners and exposing the City and Borough of Juneau to liability.

Our property has been over assessed for more than ten (10) years.

On its face, our building has been over-assessed, and the prior Assessor exercised restraint to not overburden commercial property owners.

In accordance with the stated policy objectives of the Assessor's Office, by clear and convincing evidence there is no justification to set our property at a higher rate than the sale price.

WISHFUL STATEMENT THAT <u>SHOULD</u> APPEAR ON THE JUNEAU ASSESSOR'S WEBSITE REGARDING PROPERTY VALUE:

<u>Model 1</u>

SALES PRICE ALONG WITH OTHER FACTORS AND ADJUSTMENTS GO INTO MODELING. OUR ASSESSMENT MODEL IS AVAILABLE ON OUR WEBSITE.

<u>Model 2 (Juneau Assessor Model)</u>

Yet, in your letter to us and the public dated November 29, 2021 you state,

THE SALES DATA YOU PROVIDE WILL BE COMPILED WITH ALL OTHER SALES DATA IN ORDER TO DETERMINE ASSESSED VALUES USING STATISTICAL ANALYSIS. ***[Our property was excluded]***

THE ASSESSED VALUE FOR YOUR PROPERTY WILL NOT BE BASED SOLELY ON YOUR SALE PRICE AND IS NOT LIKELY TO BE THE SAME AS THE SALE PRICE. ***[This creates a false narrative because the assessed value should be close to the sale price with adjustments, if necessary]***

If Model 1 above was used by the Assessor's Office, which is the accepted assessor method pursuant to Exhibits E and K, the Assessor would have used his toolbox to adjust the sale price.

By clear and convincing evidence, the Assessor has over-assessed the fair market values of commercial property in downtown Juneau for years.

Adjust The Tainted Algorithm Model:: IT IS OVERBROAD AND WE HAVE ALREADY PAID OUR FAIR SHARE OF PROPERTY TAXES OVER THE YEARS.

CONCLUSION: THE POLICY OF THE ASSESSOR'S OFFICE IS OVERBROAD AND DOES NOT APPLY TO OUR PROPERTY.

Adjust The Tainted Algorithm Model: FEW COMMERCIAL SALES COMPARABLES. THEREFORE, EXCLUDING A SALE IS A DELICATE PROPOSITION.

Adjust The Tainted Algorithm Model: A WILLING SELLER WILL REDUCE THE SALES PRICE TO MAKE A SALE (COMPARE THE DOWNWARD TREND OF THE ASSEMBLY BUILDING 1st SALE OVER TIME).

Adjust The Tainted Algorithm Model: HOW CAN YOU HAVE AN EFFICIENT MODEL WHEN EXCLUDING COMPARABLE COMMERCIAL PROPERTY? BY EXCLUDING OUR COMMERCIAL PROPERTY, OTHER COMMERCIAL PROERTY OWNERS ARE HARMED AND THE ASSESSOR MODEL IS NOT REPRESENTATIVE OF THE DOWNTOWN JUNEAU COMMERCIAL MARKET.

MAJOR FACT: THE ASSESSOR MODEL IS FLAWED AND THE POLICY BEHIND IT IS UNRELIABLE.

Adjust The Tainted Algorithm Model: JUNEAU IS A SMALL TOWN, WITH A STAGNANT ECONOMY, WITH NO ROAD ACCESS OUTSIDE, WHERE INTEREST RATES HAVE BEEN HISTORICALLY LOW, WITH VERY LITTLE INFLATION AND APPRECIATION OF PROPERTY. WITHOUT EVIDENCE TO THE CONTRARY, WE ARGUE THAT THE PRIOR JUNEAU ASSESSOR WAS CORRECT IN NOT RAISING ASSESSMENTS.

THE ASSEMBLY IS FACING BUDGET SHORTFALLS BECAUSE OF THE PANDEMIC, THEREFORE THEY ARE INFORMED BUSINESS IS BAD, PEOPLE ARE WORKING FROM HOME, STORES ARE CLOSED, VACATED OR JUST GETTING BY AND THIS OBVIOUSLY IMPACTS INCOME. WITH INCOME DOWN TO BUSINESS OWNERS, IN A CITY WITH NO ROAD, THAT YOU CAN ACCESS ONLY BY BOAT OR PLANE WHICH EITHER ARE NOT OPERATING OR OPERATING AT A VERY REDUCED CAPACITY, IMPACTS INCOME IN A SUBSTANTIAL WAY AND SHOULD BE CONSIDERED IN ANY ASSESSOR MODEL.

NOW THAT THE STATE IS FLUSH WITH A BUDGET SURPLUS THERE IS ROOM TO REMEDY THE WRONGS DONE HERE.

Problem

ON ITS FACE, THE ASSESSOR, FINANCE OFFICE AND ASSEMBLY ACT AGAINST THE CONSTITUTION BY TARGETING A SMALL GROUP OF PROPERTY OWNERS TO RAISE REVENUE FOR IMPROVEMENTS FOR ALL CITIZENS OF JUNEAU WITHOUT JUSTIFICATION.

Does the Assessor and Finance Office have an appreciation for how hard the Juneau business commercial property owners and residential owners have worked to own property and rely on

consistency to make assumptions about continuing to operate their business. Switching from the Coast Approach to the Goven Method and other methods by Assessor prevents us from being able to forecast our commercial property taxes.

THE ASSESSOR MUST REACH OUT TO COMMERCIAL PROPERTY OWNERS AND DEVISE A FAIR COMMERCIAL PROPERTY TAX ASSESSMENT SCHEME WITH THE HELP OF THE ASSEMBLY.

FORECASTING NOT POSSIBLE AND METHODOLGY UNRELIABLE

NOW THAT DATA IS AVAILABLE, THE ASSESSOR REFUSES TO USE IT.

Never in our wildest forecasting did we expect to pay double our estimate of taxes at 1.1%. Our property tax bill is $$$$$$$$.

PROPERTY VALUE IS EXCESSIVE/OVERVALUED-

Redress the Juneau Assessor "Tainted Algorithm Models" and use the Sales Price to determine property value. Reset commercial property

values to 2020 levels. Our property assessment is excessive and overvalued by about double what it should be.

The Juneau Assessor "Tainted Algorithm Models" have not faced public scrutiny because they have not been shared with the public. The methodology is improper. The historical assessed value was fair from 2020 and before. The 2020 property value is a fair market indicator of Market Value. Depreciation over the years, to historic and all property should be deducted from the Assessed Value. At least, commercial property owners should be able to rely upon the Sales Price as Market Value and forecast for expenses.

PROPERTY VALUE IS UNEQUAL TO SIMILAR PROPERTIES-

The Mass Appraisal is the best model to use when used properly with sales as determinant factor along with adjustments for historical properties and the conditions of the market such as the pandemic. The "Tainted Algorithm Models" have not faced public scrutiny because it has not been shared with the public. The Assessor methodology is improper. The Assessed value was fair in 2020 and before, taking out depreciation. An across the board increase imposed by the Assessor treats commercial property owners on an unequal basis.

PROPERTY IS VALUED IMPROPERLY/INCORRECTLY-

The "Tainted Algorithm Models" have not faced public scrutiny because it has not been shared with the public. The methodology is improper. The Assessed Value in 2020 was generally a fair assessment of market value adding in depreciation. At least property owners could rely upon the value and forecast for expenses. The Sales

Price should have been used to establish the Assessed Value. The Sale Price is Market Value. On January 1, the full and true value less capital repairs needed to bring the Key Bank Building to current standards was far less than the Assessed Value. The Assessed Value is a figure with no basis. Accounting for CPI-U adjustments of 1.5% to 2%, there is no basis for an overbroad policy to raise commercial property owner's taxes across the board 100%. The property value must mirror the ratio provided herein which is $1,250,000.

FAIR MARKET VALUE=$1,005,277

The City and Borough of Juneau "Tainted Algorithm Models" of increasing property assessments without due process is a violation of section 1983 of the constitution and constitutes a taking without just compensation to all property owners similarly situated.

The Juneau Assessor's "Tainted Algorithm Models" are designed on its face to shift the tax burden from all citizens to a small group of commercial property owners. The small group of commercial property owners is paying to renovate the Augustus Brown Pool at $3.3 million dollars. I love the pool and swim in it often. My great grandfather, Charlie Goldstein, donated to its original construction. But, it is not within the accepted "Police powers" of the City to place this tax burden on a small group of commercial property owners alone. The pool renovations must be paid for by all citizens. Commercial property owners must have their assessed property values returned to 2020 levels and/or in accordance with the Sales Approach.

The City and Borough of Juneau by their own news releases and admissions reports:

Business during the 2020-2022 pandemic was down in Juneau a city you must arrive at via airplane or boat. During the pandemic many people traveled by car. This was not possible for Juneau. Large cruise ship business was lost. Tourism was way down. Tourists were not flying. Sales tax revenues were way down. The City attested business was down, income was down, tourism was down, visitor traffic was down, large cruise ship traffic was down, stores were closed or barely hanging on, restaurants went of business, people were out of the office, trends shifted and remote work is more prevalent causing office vacancies.

What did the Assessor Office do?

THEY CREATED (*EMPHASIS ADDED*) a fairy tale of
"A SUBSTANTIAL GROWTH IN PROPERTY VALUATIONS…."

THEY CREATED (*EMPHASIS ADDED*) a fairy tale of
"A CONSIDERABLE ADJUSTMENT TO THE VALUE OF COMMERCIAL LAND."

Amen, the City reports about taking rights away from a small group of community-minded commercial property-owning citizens.

Reality dictates the Assessor must make substantial lower property adjustments across the board to property assessments using the Sales Approach.

The City proudly promoted they reduced the tax rate. Now, it is time to promote lower the assessed property values based on a Sales Approach. Our property was never under assessed.

There is a tax burden to be shared by all citizens of Juneau not just property owners.

My family have been proud owners of property in Juneau for over 100 years and the tax you impose may very well impact our family for another 100 years which would come to more than we paid for the property.

It is a best and widely accepted practice to use the Sales Approach with the Mass Appraisal Method (See Exhibits E, K-P).

The Cost Approach may be used for newer buildings, personal property and fixtures. Downtown Juneau consists mainly of historic commercial property. The Cost Approach traditionally was used by the Assessor. This methodology may be good to keep using. At least property owners can forecast properly. For years, property owners were able to forecast but not in 2021 and 2022. (See Exhibits O and P).

The Income Approach may be used where there is a reliable method to capture an income stream. Where a building is sold to be re-purposed there is no known income stream and considerable cost to upgrade the build from obsolescence to market conditions.

By clear and convincing proof the Assessor's model is a mistake and fails to use widely accepted best practices when determining value.

IN ACCORDANCE WITH "ALASKA STATUTE 29.45.110. FULL VALUE AND TRUE VALE. (a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230.The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market

conditions in a sale between a willing seller and a willing buyer both conversant with the property and prevailing general price levels."

AS A MATTER OF LAW, THE SALES APPROACH MUST BE USED WITH THE MASS APPRAISAL METHOD OR ANY ASSESSOR METHOD.

[THIS ALASKA STATUTE DOES NOT SAY USE THE COST APPROACH OR INCOME APPROACH.]

A PLAIN READING OF THIS STATUE EXPOSES THAT THE ASSESSOR HAS NOT FOLLOWED ALASKA STATUTE 29.45.110 IN THE LAST TEN (10) YEARS OR IN VALUING THE KEY BANK BUILDING THIS YEAR, AS FOLLOWS:

THEREFORE, THE ASSESSOR MUST RETURN TO FOLLOWING ALASKA STATUTE 29.45.110 AND BE INSTRUCTED TO REASSESS COMMERCIAL PROPERTY UNDER THIS STANDARD and MAKE ADJUSTMENTS WHERE APPROPRIATE.

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Wednesday, March 30, 2022 8:59 AM
To: Michael Dahle
Subject: Goldstein Improvement Company-Appeal and Supplemental Appeal

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

Michael,

Please confirm back that you have received the Appeal and Supplemental Appeal for 234 Seward Street.

Also, I am confirming I left a voicemail for you this morning confirming the same thing.

Thank you,

GREG ADLER

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 31, 2022 9:52 PM
To: Michael Dahle
Subject: Goldstein Improvement Company Appeal 1C070A020011; 122, 124 & 126 FRONT STREET

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

Attachments available until Apr 30, 2022

Michael,

Thank you for sending your email address and agreeing to accept our Appeals via Email.

Attached please find our Appeal.

Thank you,

Greg Adler

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Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 31, 2022 10:49 PM
To: Michael Dahle
Subject: Goldstein Improvement Company Appeal 1C070A020020; 224 Second Street

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

Attachments available until Apr 30, 2022

Michael,

Thank you for sending your email address and agreeing to accept our Appeals via Email.

Attached please find our Appeal.

Thank you,

Greg Adler

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Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 31, 2022 10:10 PM
To: Michael Dahle
Subject: Goldstein Improvement Company Appeal 1C070A020030; 130 and 140 Front St & 106, 110 and 118 Seward St

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

Attachments available until Apr 30, 2022

Michael,

Thank you for sending your email address and agreeing to accept our Appeals via Email.

Attached please find our Appeal.

Thank you,

Greg Adler

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Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 31, 2022 11:04 PM
To: Michael Dahle
Subject: Goldstein Improvement Company Appeal 1C070A040010; 201, 205, 209, 213, 217,221 Seward St & 216 Second St

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

Attachments available until May 1, 2022

Michael,

Thank you for sending your email address and agreeing to accept our Appeals via Email.

Attached please find our Appeal.

Thank you,

Greg Adler

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Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 31, 2022 8:12 PM
To: Michael Dahle
Subject: Goldstein Improvement Company Appeal 1C070A040043; 130 Seward St & 119 2nd St

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

Attachments available until Apr 30, 2022

Michael,

Thank you for sending your email address and agreeing to accept our Appeals via Email.

Attached please find our Appeal.

Thank you,

Greg Adler

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Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Thursday, March 31, 2022 8:24 PM
To: Michael Dahle
Subject: Goldstein Improvement Company-2nd Supplemental Appeal Submission

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

Attachments available until Apr 30, 2022

Michael,

After receiving your Assessment Report-Commercial Overview-Interim, please accept and attach this 2nd Supplemental Appeal Submission and add it to the file for further review.

Thank you for your help,

GREG ADLER

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Mary Hammond

From: Michael Dahle
Sent: Thursday, June 9, 2022 8:55 AM
To: 'gregadler@mac.com'
Cc: Mary Hammond
Subject: RE: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

Greg,

So far, I have not seen or heard anything that would change our results of the review. Your demand that we reverse it and establish the owner's estimate as the assessed value is denied.

I will continue to review relevant information up until the time of the BOE hearing.

Regarding the value on the notice versus the full market value, it is common knowledge that due to a number of years of neglect the commercial property values are significantly less than market. We are working at correcting this and bringing them up to market value.

State law allows that the BOE has the option of increasing the assessed value as a result of a hearing. Disclosing that to appellants is not a threat or intimidation. It is disclosure to the appellants, who frequently do not realize that, so they can weigh all of the considerations in pursuing an appeal. If we did not disclose that possibility and the BOE adopted the higher full market value without the appellant knowing that was possible the appellant would understandably be very upset. From a full disclosure standpoint to enable the BOE to consider uniformity and equity considerations the full market value should be disclosed to them, however, even if it wasn't, they could ask us in the hearing, we would need to answer truthfully and they could adopt that higher assessed value.

You mentioned in our earlier conversations that you were going to submit an appraisal done for the purchase of the Key Bank building. I do not see that appraisal in any of the documentation that was submitted. If you intend for that to be considered please submit is as soon as possible.

Michael Dahle
Deputy Assessor, City & Borough of Juneau
907-586-5215 ext. 4036
Michael.Dahle@juneau.org

From: Greg Adler <gregadler@mac.com>
Sent: Tuesday, June 7, 2022 12:16 PM
To: Assessor Office <Assessor.Office@juneau.org>
Subject: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

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

Dear Assessor's Office,

We hereby file and attach Appellant Response for Assessment Year 2022 Petition for Review and appeal all said cases.

On its face, we challenge your section Results of Review as backwards, inadequate and misleading based on the first paragraph of your letter to us June 7,2022 and demand that it be reversed and that "Owner's Estimate of Value" be the established as the "Full and True Value" on January 1, 2022.

In addition, I received a phone call from Jillian of the Assessor's Office at 11:00 a.m. Friday, June 3, 2022 instructing me that Assessor Michael Dahle was "going through our Appeals" "had questions" and would call me to discuss at the beginning of this week. I called Mr. Dahle today and left message as he did not come to the phone.

Further, your June 7,2022 letter p. 2, form has a box for Assessed Value on Notice. This box must be the "Full and True Value" on January 1, 2022 under the laws and statures of Alaska. You claim this is not the "Full and True Value" of our property. You cannot claim you may be entitled to a. Higher Assessed Value. This is absurd and usurpation of the powers of the Assessor's Office.

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APPEAL AND OWE $800,340 MORE! Your actions are unconscionable, wrong and a violation of due process.
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Imagine if you thought of commercial owners as hard working Juneau citizens struggling during the pandemic to stay afloat.

Where are your manners?

Sincerely,

Greg Adler
The Goldstein Improvement Company

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Friday, June 10, 2022 6:42 AM
To: Michael Dahle
Subject: Fwd: Juneau Assessor

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

Michael,

Please review the attached letter from Carlton.

Please reverse your decision because it's clear the sale happened because they wanted it sold-an objective of sellers. If it was priced at $2.5 we would not have bought it and there would have been no other buyers. The property would still be on the market. This was a market sale.

"Full market sal" ha! You didn't use this value on Jan 1 ? Please explain fully.

Thank you

Greg Adler

Sent from my iPhone

Begin forwarded message:

> **From:** Carlton Smith <carltonsmith@gci.net>
> **Date:** June 10, 2022 at 6:10:09 AM AKDT
> **To:** Greg Adler <gregadler@mac.com>
> **Subject: Re: Juneau Assessor**
>
> Greg: that's half the story. The banks' asset manager, JLL gave that direction because some vacant assets in downtown Juneau are still "on the market" after four plus years. So they (Jones Lang La Salle) had the choice to list the property— or to sell it. They chose to sell it, and gave me that direction. The first national sale on Front Street is the other best illustration of this. In that case, they listed it at appraisal—$600,000
>
> Carlton
>
> Sent from my iPhone
>
> > On Jun 10, 2022, at 6:50 AM, Greg Adler <gregadler@mac.com> wrote:
> >
> > Carlton,

I had the pleasure of walking into the Assessor's Office yesterday. They told me the Key Bank sale was an outlier property because the instructions Key Bank gave you was to sell the property in 60 days and that they have statistics that bank buildings are exposed 9 months to the market before selling.

Is this true? A penny for your thoughts.

Thanks

Greg

Sent from my iPhone

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Friday, June 10, 2022 5:24 AM
To: Michael Dahle
Subject: Re: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

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

Michael,

Good to meet you.

Please provide me with all of the Downtown Commercial studies you have done, any and all backup documentation used in analysis for our properties.

I need this information to analyze how you arrive at your over-assessed values.

I never said as I stated when I saw you we have an appraisal for the 234 Seward property. We do not. You have a market sale. Use it.

Our properties were over-assessed for 10 years. We challenged your assertions. Nevertheless, our market value is of any year January 1 and you now assert you can go back in time? If so, please revisit year 2021 and reduce this assessment because our properties are over-assessed.

Again, provide all of your documentation to us so we have the data you use to tax us before any hearing date so we have sufficient time to study it. Also, your timelines to appeal are to short because you have not shared the data you are using to over-assess our property.

Thank you, in advance, for providing the data we request.

Greg Adler
Goldstein Improvement Company

Sent from my iPhone

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I will continue to review relevant information up until the time of the BOE hearing.

Regarding the value on the notice versus the full market value, it is common knowledge that due to a number of years of neglect the commercial property values are significantly less than market. We are working at correcting this and bringing them up to market value.

State law allows that the BOE has the option of increasing the assessed value as a result of a hearing. Disclosing that to appellants is not a threat or intimidation. It is disclosure to the appellants, who frequently do not realize that, so they can weigh all of the considerations in pursuing an appeal. If we did not disclose that possibility and the BOE adopted the higher full market value without the appellant knowing that was possible the appellant would understandably be very upset. From a full disclosure standpoint to enable the BOE to consider uniformity and equity considerations the full market value should be disclosed to them, however, even if it wasn't, they could ask us in the hearing, we would need to answer truthfully and they could adopt that higher assessed value.

You mentioned in our earlier conversations that you were going to submit an appraisal done for the purchase of the Key Bank building. I do not see that appraisal in any of the documentation that was submitted. If you intend for that to be considered please submit is as soon as possible.

Michael Dahle
Deputy Assessor, City & Borough of Juneau
907-586-5215 ext. 4036
Michael.Dahle@juneau.org

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Sent: Tuesday, June 7, 2022 12:16 PM
To: Assessor Office <Assessor.Office@juneau.org>
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Where are your manners?

Sincerely,

Greg Adler
The Goldstein Improvement Company

Mary Hammond

From: Greg Adler <gregoryladler@gmail.com>
Sent: Sunday, June 12, 2022 10:44 AM
To: Michael Dahle
Subject: Re: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

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Michael,

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Where are your manners?

Sincerely,

Greg Adler
The Goldstein Improvement Company

Mary Hammond

From: Greg Adler <gregadler@mac.com>
Sent: Wednesday, June 15, 2022 2:58 PM
To: Mary Hammond; Michael Dahle
Subject: Goldstein Improvement Company

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

Mary and Michael,

Juneau is a small town with few sales. I have requested from Michael all of your work and method at arriving at our assessed values previously. He has not answered me. Until you provide this information please withdraw the hearing date. We have the burden of proving our case with no documentation on how you arrived at your figures. How do I know if your work is correct if you have the wrong square footage for properties, for example. Or, exclude the most recent comps because you mislabel them outlier property when your own Sales Validation states for them to be included. How can a taxpayer have faith in a system that lacks candor?

One must conclude our appeals have been denied because Michael unequivocally told me this last Thursday in your office. To my great disappointment how can anyone conclude this is a fair appeal with due process.

Again, delay all of our hearings until you provide “open books” to us.

Sincerely,

Greg Adler
Goldstein Improvement Company

Sent from my iPhone

Mary Hammond

From: Michael Dahle
Sent: Friday, June 17, 2022 11:20 AM
To: 'gregadler@mac.com'
Cc: Mary Hammond
Subject: RE: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS
Attachments: 1C070A020011 Property Records.pdf; 1C070A020030 Property Records.pdf; 1C070A020043 Property Records.pdf; 1C070A040010 Property Records.pdf; 1C070A040020 Property Records.pdf; 1C070A050060 Property Records.pdf

Greg,

I have added your last message to this email string so that your last 3 emails are all included here.

To recap, we have already provided:

- Verbal answers in phone calls and counter conversation
- Written answers via email
- Assessment History for 235 Seward Street
- The inside pages of the property record cards for each of the 6 appeals plus 2 additional Goldstein properties; these records include references to land area, zoning, building sf, building sketches, date built and other information
- Details on what our system calls miscellaneous improvements, the most common of which are canopies
- 2021 Summary Report on commercial valuations
- 2022 Annual Assessment Report
- In addition, your company had opportunity to review all of these records a year ago when these same properties were appealed with the exception of the building at 235 Seward St. for which we also previously provided a cost report

Attached to this email are pdf files for each of the 6 appeals. These files include:

- Assessment History
- Another copy of the historic property record cards
- A cost report which references sf, quality, type of construction, etc
- Building sketches
- Photos
- And in some cases a plat

The cost reports in the attached pdf files match the building value from 2018 for each property. For 2022 the building values were reduced by 2%. In the case of 1C070A020043 the assessed value is lower because there was an error when entering the value into the system in that section 2 got dropped and was not included. This parcel also had slight increases to the building value in 2020 and 2021 for upgrades involving the replacement of many of the windows.

Again, we continue to review your submitted materials in preparation for the BOE hearing. If we identify any changes between now and the hearing we will let you know.

Michael Dahle

Deputy Assessor
City & Borough of Juneau

907-586-5215 ext. 4036
907-586-4520 (Fax)
Michael.Dahle@juneau.org

Wed 6/15/2022 2:58 PM
Greg Adler <gregadler@mac.com>
Goldstein Improvement Company
To Mary Hammond <mary.hammond@juneau.org>; Michael Dahle <Michael.Dahle@juneau.org>

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City and Borough of Juneau
Assessment History Report

1C070A020011
GOLDSTEIN IMPROVEMENT COMPANY
122 FRONT ST
JUNEAU TOWNSITE BL 2 LT 2A

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$1,567,167.00		$496,664.00	$2,063,831.00
2021	$1,599,150.00		$506,800.00	$2,105,950.00
2020	$1,066,100.00		$506,800.00	$1,572,900.00
2019	$1,087,900.00		$506,800.00	$1,594,700.00
2018	$1,087,900.00		$506,800.00	$1,594,700.00
2017	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2016	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2015	$1,087,900.00	$3,000.00	$498,400.00	$1,589,300.00
2014	$1,087,900.00		$495,800.00	$1,583,700.00
2013	$1,087,900.00		$495,800.00	$1,583,700.00
2012	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2011	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2010	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00
2009	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00
2008	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00
2007	$707,100.00	$0.00	$421,400.00	$1,128,500.00
2006	$707,100.00	$0.00	$388,000.00	$1,095,100.00
2005	$707,100.00	$0.00	$159,200.00	$866,300.00
2004	$110,300.00	$0.00	$277,200.00	$387,500.00
2003	$110,300.00	$0.00	$277,200.00	$387,500.00
2002	$110,300.00	$0.00	$277,200.00	$387,500.00
2000	$110,300.00	$0.00	$131,500.00	$241,800.00

Parcel No. 1-A-008-002-2&3 12/15/04 10.879 A

Size:

Area: 2,449.57 sqft OR/RR

General Land Description:

Land Use:

Use Code: COMM'ET COOM

Use Zone: C-2 MU

Appraisal Year	19___		19___		19___		19___		19___	
INFLUENCES:	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS
Depth										
Topography										
Size										
Site Prep.										
Drainage										
Physical Barriers										
Access										
Corner										
Water										
Sewer										
Paving										
Other										
TOTAL										
Net ÷ (−)										

FIRE EXEMPT 2008
4,800
(08 IMPROV X .57)(.02)/

LAND VALUE COMPUTATIONS

SITE VALUE COMPUTATIONS

Packet Page 8102 of 19798

APPRAISAL YEAR		2005		2005		20__		20__		20__	
	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	
BASE LOT VALUE											
2,449.57	/65	159222									
10,879			65	707135							
NET ADJUSTMENT											
ADJUSTED SITE VALUE											

	Year	Owner	Site	Buildings	Total	Reason for Change
1	2005		707100	159200	866300	✓ 12/05 for Completion
1	2006		707100	388000	1,095,100	
	07		707100	421400	1,128,500	08 office Conversion Xmpt 4
	2008	409 & 10	1087900	421400	1,509,300	
	2011		1,033,500	495800	1529300	CANVASS

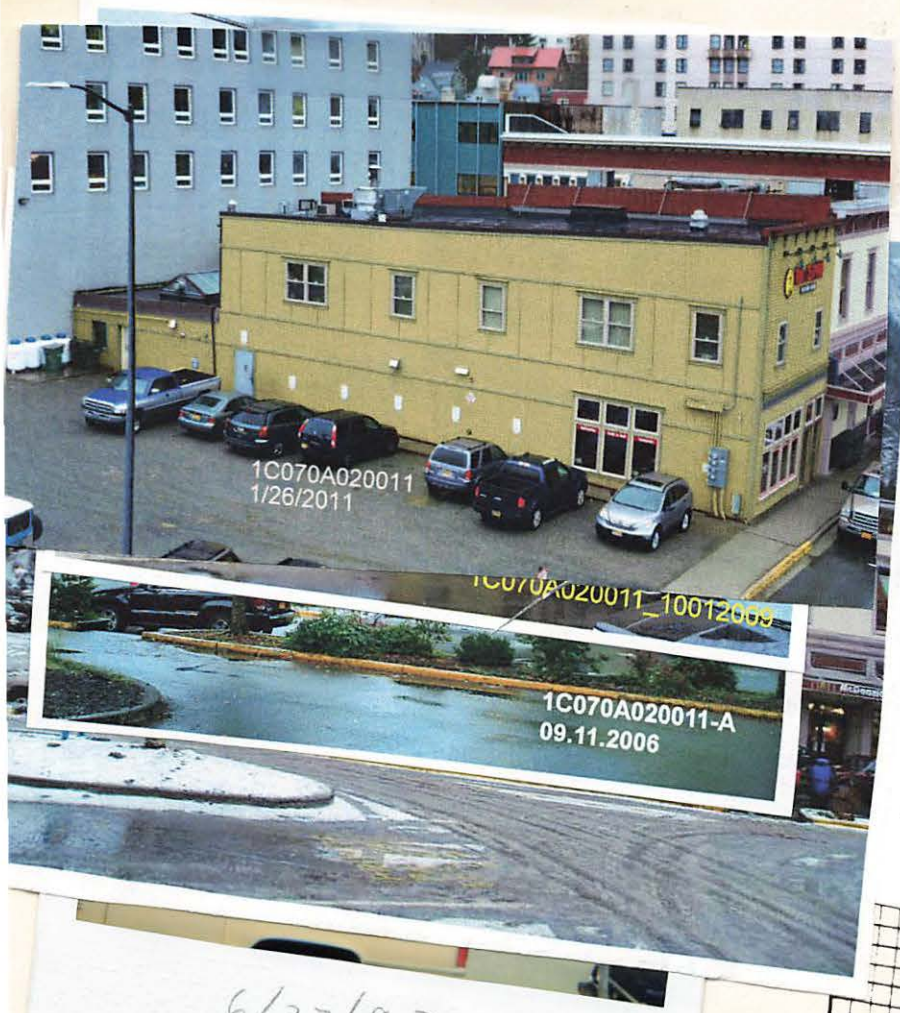
REMARKS: 1982 - Due to size of lot +500#

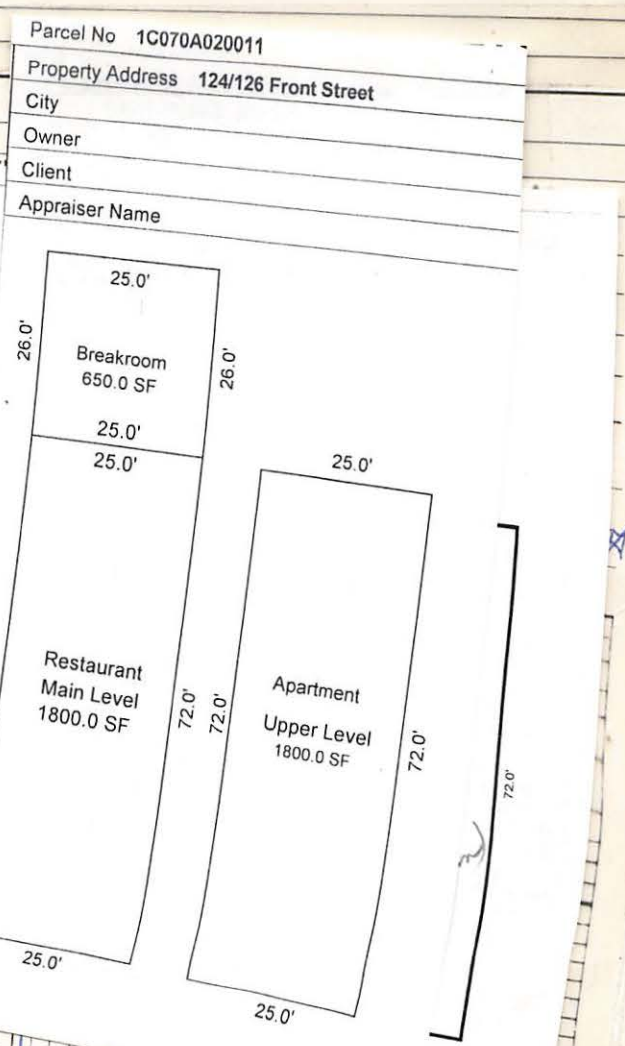
Sold

Sprinkled along common wall

Sold 11/3/03 $302,1025

PLACE PICTURE HERE





6/27/83

1C070A020011
JUNEAU TOWNSITE BL 2 LT 2A
GOLDSTEIN IMPROVEMENT COMPANY
130 SEWARD ST STE 1
JUNEAU AK 99801

Parcel No. 1-A-008-002-2&3
Block 2 Lot Fr. 2&3
Subdivision Townsite
U.S. Survey

YEAR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years

Date Built 1898, Remodeled 1927 & 1970

BUILDING TYPE & USE
☐ Apt. ☒ Office ☐ Loft
☐ Hotel ☒ Store
☐ Church ☐ Bank
☐ Theater ☐ Garage
☐ Gas Statn. ☐ Industrial
☐ Warehse. ☐ Greenhouse
☐ Hospital ☐ Restaurant

1. FOUNDATION
☒ Concrete #2
☐ Concrete Block
☒ Wood Posts #1
☐ Piling
No. Size Length

2. BASEMENT
☒ None
☐ Full Height
☐ Partial x S.F.
☐ Unfinished Parking
☐ Storage ☐ Utility
☐ Apartment
☐ Office
☐ Floor

3. FRAME
☒ Wood #1 ☐ Steel
☐ Conc. Block ☐ Brick
☒ Reinforced Concrete #2
☐ Fireproofed Steel
☐ Concrete Panels

4. EXTERIOR
☒ Wood ☐ Metal
☐ Stucco
☐ Conc. Block ☐ Brick
☐ Concrete Reinforced
☐ Other
☐ Fenestration
☐ Trim
☐ None ☐ Minimum
☐ Average ☐ Extensive

5. ROOF
☒ Flat ☐ Gable ☐ Hip
☐ Shakes ☐ Shingle
☒ Built-up ☐ Comp.
☐ Aluminum ☐ G.I.
☐ Roll ☐ Tar Paper
☐ Concrete
☐ Reinforced Concrete

6. INTERIOR
☐ Open Stud
☐ Wallboard
☒ Plasterboard
☐ Plaster
☐ Concrete Block
☐ Other
☐ Story Height
☐ Basement
☒ 1st 12
☒ 2nd 16

7. FLOORS
☐ Dirt ☒ Wood
☐ Concrete on Grade
☐ Conc. on Grade, Reinf.
☐ Reinf. Conc., Supported
☐ Tile
☒ Carpet

8. HEAT
☐ None ☐ Space Heater
☐ Hot Air, Forced
☒ Hot Water
☐ Comb. Heat & Cooling
☐ Air Conditioning
FIREPLACES
☐ 1st Floor ____ Type
☐ Basemnt. ____ Type

9. PLUMBING
Number of Fixtures
☐ Store
☐ Garage
☐ Warehouse
☐ Apts. 3F 2F 1F NF
Adequate
☐ Rms. 3F 2F 1F NF
☐ Extra Fixtures
☐ Sauna - Grade

10. ELECTRICAL
☒ Romex ☐ Conduit
☐ Min. Lights & Fixtures
☒ Adqt. Lights & Fixtures
☐ Good Fixtures
☐ Excellent Fixtures
☐ Building Elevators
Type No. Cap. # Flrs.
☐ Pass.
☐ Frgt.

12. PORCHES
☐ BIOP
☐ BIGP
☐ BICP
☐ Open Porch
☐ Closed Porch
☐ Glazed Porch
☐ Deck
☐ Risers
Canopy - 6x4 = 24#

Lump Sums 1980
55/12 24 x 6.75 x 1.00 x 1.49 = 241
(81) 24 x 6.75 x 1.11 x 1.48 x 1.064 = 283
(82) Marquee 24# x 7.55 x 1.04 x 1.50 x 1.087 = #337 (see 56 p6)
(84) Marquee 24# @ 8 x 5 x 1.03 x 1.54 x 1.079 = #339 (56p6)
(85) Marquee 24# x 8.25 x 1.02 x 1.52 x 1.079 = 331
(86) Value carried
Sprinkler 432# NS

Packet Page 8163bf19798

	Year (89)	Year (89)	Year 91	Year	Year	Year	Year	Year
	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION
	Retail	OFFICE						
	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
	No. Ht. 12	No. Ht. 16	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
4. Occupancy	2450	1800						
5. Building class and quality	246	194						
6. Exterior Wall	Ag. Con. Sect.	Ag. Con. Sect.	Ag. Con. Sect.	Ag. Con. Sect.	Ag. Con. Sect.	Ag. Con. Sect.	Ag. Con. Sect.	Ag. Con. Sect.
7. No. of stories & height per story								
8. Average floor area								
9. Average perimeter								
10. Age and condition 1980 Est 20 YEAR REMAINING								
Marshall & Swift Manual								
11. BASE SQUARE FOOT COST	1	1						
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation July '78' AGS Now								
13. Elevator deduction CALLS FOR ELEVATOR IN THIS CLASS								
14. Miscellaneous								
15. Total lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)	60.01	56.14						
19. Combined ht. & size multiplier (Lines 16x17x18)	2450#	1800#						
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)								
21. Current cost multiplier (Sect. 99, p. 3)								
22. Local multiplier (Sect. 99, p. 5 & 6)								
23. Final sq. ft. cost (l. 20 x l. 21 x l. 22)								
24. Area	147025	101052	34530					
25. Line 23 x 24	37	37	20					
26. Lump sums (Line 32)		10						
27. REPLACEMENT COST (Line 25 + Line 26)								

Cost Report - Commercial

1281		Record	1
Parcel Code Number	**1C070A020011**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**122 FRONT ST**	**Perimeter**	246
Effective Year Built	2004	**Class**	D
Year Built	1898	**Height**	11
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	2,450.00

1281		Record	2
Parcel Code Number	**1C070A020011**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**122 FRONT ST**	**Perimeter**	0
Effective Year Built	2003	**Class**	D
Year Built	1898	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	1,800.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		2450		68.49		167,796
Exterior Wall	Stud Walls-Wood Siding	2450		12.57		30,787
Heating & Cooling	Heating & Cooling	2450		611.00		611
Heating & Cooling	Hot Water	2450	100%	7.57		18,547
Architect Fee		2450		6.60		16,170
Sprinklers	Dry Sprinklers	2450	100%	5.35		13,108
Sub Total						$247,017.36

Local Multiplier	1.43	[X]	$353,235.00
Current Multiplier	1.02	[X]	$360,300.00
Neighborhood Multiplier		[X]	$360,300.00
Depreciation - Physical	18.00	[-]	$64,854.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$295,446.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $295,446

Canvass. Resketched, Revalued.
John_Sahnow - 7/14/2014 3:04:19 PM
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:42 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		1800		68.49		123,278
Exterior Wall	Stud Walls-Wood Siding	1800	10%	12.28		22,111
Heating & Cooling	Heating & Cooling	1800		611.00		611
Heating & Cooling	Hot Water	1800	100%	7.57		13,626
Architect Fee		1800		6.60		11,880
Sprinklers	Dry Sprinklers	1800	100%	5.35		9,630
Sub Total						$181,135.95
Local Multiplier				1.43	[X]	$259,024.00
Current Multiplier				1.02	[X]	$264,204.00
Neighborhood Multiplier					[X]	$264,204.00
Depreciation - Physical				20.00	[-]	$52,841.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete				100.00	[-]	$211,363.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$211,363

2 FLOOR ADDITION COMPLETE REMODEL 2009
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:30 AM

Total Improvement Value $506,800

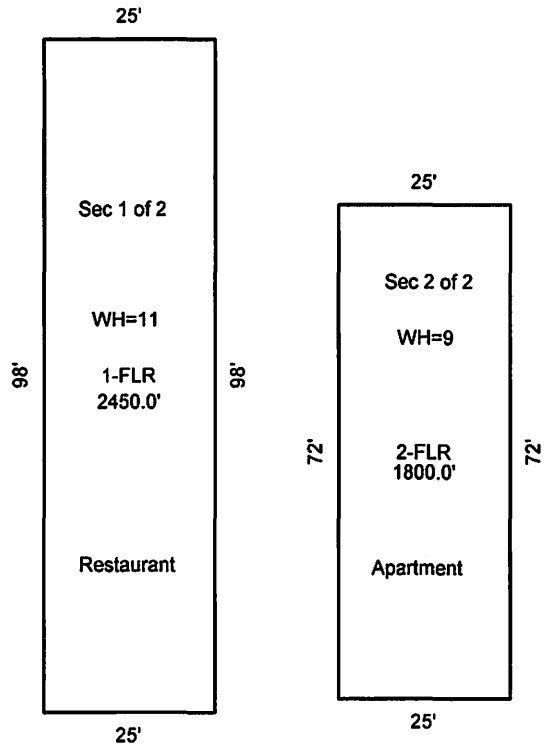
SKETCH/AREA TABLE ADDENDUM

Parcel No **1C070A020011**

SUBJECT

Property Address	**124/126 Front Street**
City	State Zip
Owner	
Client	
Appraiser Name	

IMPROVEMENTS SKETCH



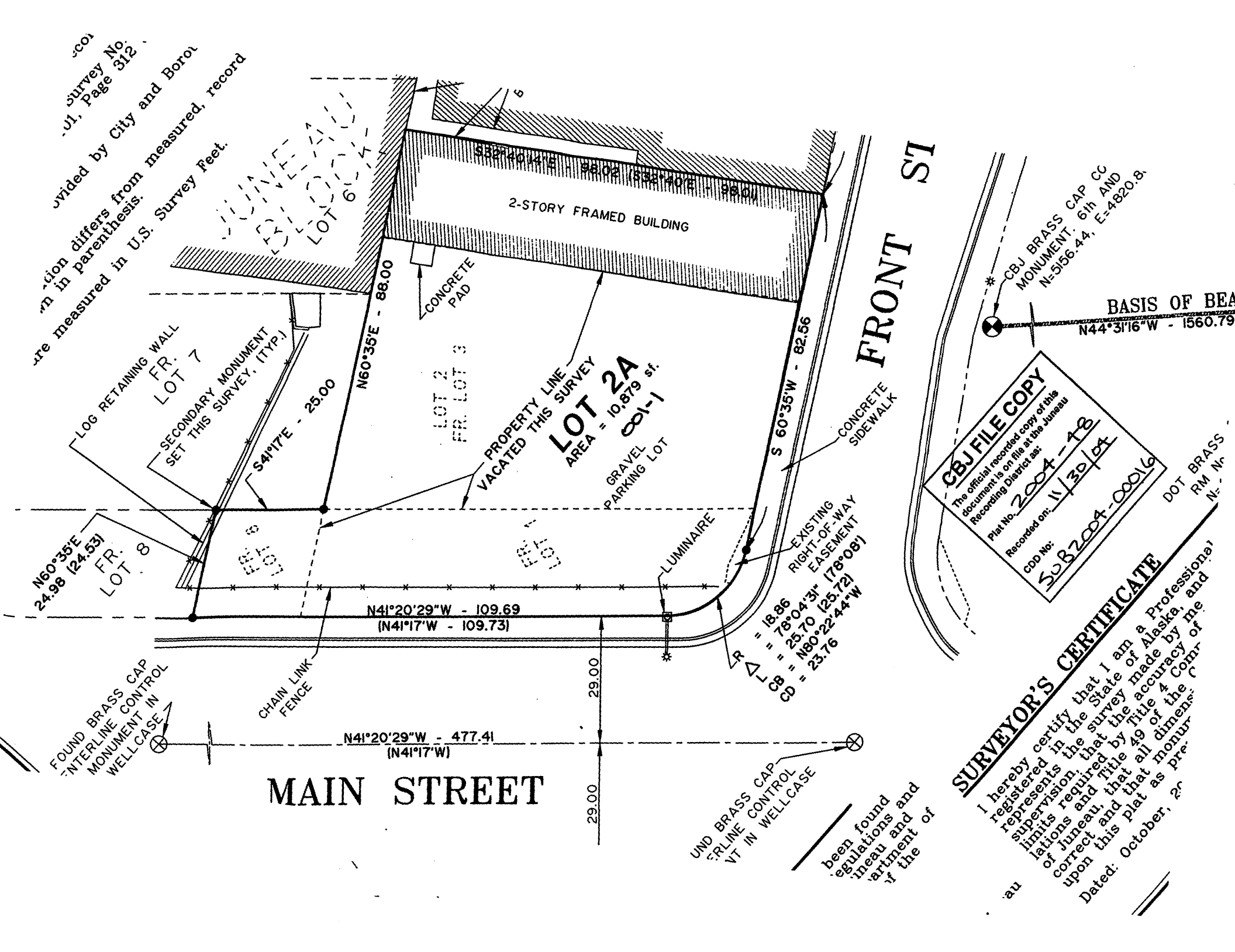
Scale: 1 = 28

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	2450.0	246.0	2450.0
GBA2	2-FLR	1.00	1800.0	194.0	1800.0

Net BUILDING Area (rounded w/ factors) 4250


Survey No.
Page 312
vided by City and Boro
ion differs from measured, record
n in parenthesis.
re measured in U.S. Survey Feet.
JUNEAU
BLOCK 6
LOT 6
S32°40'14"E - 98.02 (S32°40'E - 98.00)
2-STORY FRAMED BUILDING
CONCRETE PAD
N60°35'E - 88.00
LOG RETAINING WALL
FR. LOT 7
SECONDARY MONUMENT SET THIS SURVEY, (TYP.)
S41°17'E - 25.00
FR. LOT 8
N60°35'E 24.98 (24.53)
PROPERTY LINE VACATED THIS SURVEY
LOT 2A
AREA = 10,879 sf.
001-1
FR. LOT 3
GRAVEL PARKING LOT
S 60°35'W - 82.56
CONCRETE SIDEWALK
FRONT ST
LUMINAIRE
EXISTING RIGHT-OF-WAY EASEMENT
R = 18.86
Δ = 78°04'31" (78°08')
L = 25.70 (25.72)
CB = N80°22'44"W
CD = 23.76
N41°20'29"W - 109.69
(N41°17'W - 109.73)
CHAIN LINK FENCE
FOUND BRASS CAP CENTERLINE CONTROL MONUMENT IN WELLCASE
N41°20'29"W - 477.41
(N41°17'W)
29.00
29.00
MAIN STREET
UND BRASS CAP
ERLINE CONTROL
VT IN WELLCASE
been found
egulations and
ineau and
artment of
f the
CBJ BRASS CAP CC
MONUMENT, 6th AND
N=5156.44, E=4820.8
BASIS OF BEA
N44°31'16"W - 1560.79
CBJ FILE COPY
The official recorded copy of this document is on file at the Juneau Recording District as:
Plat No. 2004-48
Recorded on: 11/30/04
CDD No: SUB2004-00016
DOT BRASS
RM No
SURVEYOR'S CERTIFICATE
I hereby certify that I am a Professiona
registered in the State of Alaska, and
represents the survey made by me
supervision, that the accuracy of
limits and Title 4 Comr
lations required by Title 49 of the
of Juneau, that all dimens
correct and that monur
upon this plat as pre
Dated: October, 2
au

City and Borough of Juneau
Assessment History Report

1C070A020030
GOLDSTEIN IMPROVEMENT COMPANY
110 SEWARD ST
JUNEAU TOWNSITE BL 2 LTS 3 FR & 4

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$967,848.00	$27,100.00	$935,018.00	$1,929,966.00
2021	$987,600.00	$27,100.00	$954,100.00	$1,968,800.00
2020	$658,400.00	$27,100.00	$954,100.00	$1,639,600.00
2019	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2018	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2017	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2016	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2015	$671,800.00	$38,100.00	$965,100.00	$1,675,000.00
2014	$671,800.00		$834,300.00	$1,506,100.00
2013	$671,800.00		$834,300.00	$1,506,100.00
2012	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2011	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2010	$671,800.00	$0.00	$762,400.00	$1,434,200.00
2009	$671,800.00	$0.00	$762,400.00	$1,434,200.00
2008	$671,800.00	$0.00	$762,400.00	$1,434,200.00
2007	$436,700.00	$0.00	$762,400.00	$1,199,100.00
2006	$436,700.00	$0.00	$762,400.00	$1,199,100.00
2005	$436,700.00	$0.00	$635,300.00	$1,072,000.00
2004	$302,400.00	$0.00	$630,300.00	$932,700.00
2003	$302,400.00	$0.00	$630,300.00	$932,700.00
2002	$302,400.00	$0.00	$630,300.00	$932,700.00
2000	$302,400.00	$0.00	$592,200.00	$894,600.00

Parcel No. 1-C07-0-A02-003-0 | Use Code: COOM (COMMERCIAL)
Size: | Area: 6 718.977 ϕ | Use Zone: C-2 MU
General Land Description: | Land Use:

Appraisal Year	19___		19___		19___		19___		19___	
INFLUENCES:	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS
Depth										
Topography										
Size										
Site Prep.										
Drainage										
Physical Barriers										
Access										
Corner										
Water										
Sewer										
Paving										
Other										
TOTAL Net ÷ (−)										

Fire Protection System
Exemption Value $5,100
2% 1981 Protected Area

Packet Page 8209 of 9798

LAND VALUE COMPUTATIONS

Appraisal Year	1985	1986	1987	19___	19 2005
Base Lot Value					
6 718.977 @ #34.5	231,805				
#35.00		235164	235164		
46 #65				302 358	
					436 733
Item 13					
Net Adjust					
Adj. Land Value	231805	235164	235164		

GENERAL LAND DESCRIPTION

		ASSESSED VALUATION			
Year	Owner	Site	Buildings	Total	Reason for Change
2005		436700	635300	1,072,000	
06	407	436700	762400	1,199,100	
2008	409	671,800	762400	1,434,200	
2010		671,800	763660	1,435,400	
2011		638200	834300	1,472,500	Commercial

REMARKS:
Em 7/07 ϕ
Sold 6/07 $1,500,000 - Bldg to be demolished

PLACE PICTURE HERE





2/15/86

Parcel No 1C070A020030
Property Address 140 Front Street & 118 Seward Street
City
Owner
Client
Appraiser Name



Off
17ϕ

1C070A020030
JUNEAU TOWNSITE BL 2 LT 3 FR & 4
CENTRAL COUNCIL OF TLINGIT & HAIDA
ELIAS DURAN
9097 GLACIER HWY
JUNEAU AK 99801

Owner
Mail
Prop

Parcel No. 1-C07-0-A02-003-0
Block 2 Lot 3+4
Subdivision Townsite
U.S. Survey

AR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years

Date Built 1896 Complete Remodel 1985

BUILDING TYPE & USE			4. EXTERIOR	8. HEAT	12. PORCHES
☐ Apt.	☑ Office	☐ Loft	☑ Wood ☐ Metal	☐ None ☐ Space Heater	☐ BIOP
☐ Hotel	☐ Store		☐ Stucco	☐ Hot Air, Forced	☐ BIGP
☐ Church	☐ Bank		☐ Conc. Block ☐ Brick	☑ Hot Water office	☐ BICP
☐ Theater	☐ Garage		☐ Concrete Reinforced	☑ Comb. Heat & Cooling	☐ Open Porch
☐ Gas Statn.	☐ Industrial		☐ Other	☐ Air Conditioning	☐ Closed Porch
☐ Warehse.	☐ Greenhouse		☐ Fenestration	FIREPLACES	☐ Glazed Porch
☐ Hospital	☑ Restaurant		☐ Trim	☐ 1st Floor ____ Type	☐ Deck
			☐ None ☐ Minimum	☐ Basemnt. ____ Type	☐ Risers
1. FOUNDATION			☐ Average ☑ Extensive		
☑ Concrete			5. ROOF	9. PLUMBING	Lump Sums 1986
☐ Concrete Block			☑ Flat ☐ Gable ☐ Hip	Number of Fixtures	
☐ Wood Posts			☐ Shakes ☐ Shingle	☐ Store	Sprinklers Concealed 1st floor exposed upper
☐ Piling			☑ Built-up ☐ Comp.	☐ Garage	12813 x 1.55 x 1.00 x 1.53 x 1.069 = 32 483
No. Size Length			☐ Aluminum ☐ G.I.	☐ Warehouse	under Miscellaneous
			☐ Roll ☐ Tar Paper	☐ Apts. 3F 2F 1F NF	
			☐ Concrete		
2. BASEMENT			☐ Reinforced Concrete	Adequate	
☐ None			6. INTERIOR		
☐ Full Height 10'			☐ Open Stud	☐ Rms. 3F 2F 1F NF	Fire Alarm System 538
☐ Partial x S.F.			☑ Wallboard		700 + (3928 x .21) x 1.05 x 1.53 x 1.069 = 3340
☐ Unfinished Parking			☐ Plasterboard		
☐ Storage ☐ Utility			☐ Plaster		
☐ Apartment			☐ Concrete Block	☐ Extra Fixtures	
☐ Office			☐ Other	☐ Sauna - Grade	
☐ Floor			☐ Story Height		
			☐ Basement	10. ELECTRICAL	* Marquee 1074 included in Restaurant
			☐ 1st 14	☐ Romex ☐ Conduit	
3. FRAME			☐ 2nd 12'	☐ Min. Lights & Fixtures	
☑ Wood ☐ Steel			7. FLOORS	☑ Adqt. Lights & Fixtures	
☐ Conc. Block ☐ Brick			☐ Dirt ☐ Wood	☐ Good Fixtures	* Freezers 9x38 8x13 4½ walk-in Included
☐ Reinforced Concrete			☐ Concrete on Grade	☐ Excellent Fixtures	
☐ Fireproofed Steel			☐ Conc. on Grade, Reinf.	☐ Building Elevators	
☐ Concrete Panels			☐ Reinf. Conc., Supported	Type No. Cap. # Flrs.	
			☑ Tile ceramic Rest.	☐ Pass.	
			☑ Carpet Off.	☐ Frgt.	

	Year 88 SECTION	Year 88 SECTION	Year 88 SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION
4. Occupancy	Office	Fast Food Restaurant	Storage DSM					
5. Building class and quality	Cls. D Qual. A	Cls. D Qual. G	Cls. C Qual. A	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
6. Exterior Wall	Wood	Wood						
7. No. of stories & height per story	No. 1 Ht. 12	No. 1 Ht. 14	No. 1 Ht. 10	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
8. Average floor area	6244	3456	2017					
9. Average perimeter	327	252	252					
10. Age and condition EFF	Ag. 14 Con.	Ag. 7 Con.	Ag. 15 Con.	Ag. Con.	Ag. Con.	Ag. Con.	Ag. Con.	Ag. Con.
Marshall & Swift Manual	Sect. 15-18	Sect. 13-15	Sect. 13-14	Sect.	Sect.	Sect.	Sect.	Sect.
		35 year						
11. BASE SQUARE FOOT COST	40.83	69.01	14.78					
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation	+ 2.20							
13. Elevator deduction								
14. Miscellaneous Sprinkler	+ 1.52	+ 1.36	+ 1.36					
15. Total lines 11 through 14	44.55	70.37	16.14					
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier	1	1	1					
17. Height per story-multiplier (see Line 7)	1	1.042	.957					
18. Floor area-perimeter multiplier (see Lines 8 & 9)	.975	1.115	1.115					
19. Combined ht. & size multiplier (Lines 16x17x18)	.975	1.162	1.067					
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)	43.44	81.76	17.22					
21. Current cost multiplier (Sect. 99, p. 3)	1.00	1.00	1.00					
22. Local multiplier (Sect. 99, p. 5 & 6)	1.53	1.53	1.53					
23. Final sq. ft. cost (l. 20 x l. 21 x l. 22)	66.46	125.09	26.35					
24. Area	6244	3456	2017					
25. Line 23 x 24	414960	432320	53148					
26. Lump sums (Line 32)								
27. REPLACEMENT COST (Line 25 + Line 26)	414960	432320	53148	800424				
28. Depreciation % (Sect. 97)	.52 phy	.05 phy	.52 phy	30%				
29. Depreciation amount (Line 27 – Line 29)	.10 eco	.10 eco	.10 eco					
30. DEPRECIATED COST (Line 27 – Line 29)	199181	367472	25511	630300				
31. Total Building Appraisal		592164						

Packet Page 322 of 719 8

Cost Report - Commercial

1283		Record	1
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	250
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	13
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	3,763.00

1283		Record	2
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	0
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	2,887.00

1283		Record	3
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	0
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	3,709.00

Cost Report - Commercial

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		3763		70.27		264,426
Exterior Wall	Stud Walls-Wood Siding	3763	100%	13.07		49,171
Heating & Cooling	Heating & Cooling	3763		611.00		611
Heating & Cooling	Hot Water	3763	100%	7.57		28,486
Architect Fee		3763		6.60		24,836
Sprinklers	Dry Sprinklers	5942	100%	4.42		26,264
Fire Alarm System		3763		1.46		5,494
Basement	Unfinished	2179		30.83		67,179
Sub Total						$466,465.51
Local Multiplier				1.43	[X]	$667,046.00
Current Multiplier				1.02	[X]	$680,387.00
Neighborhood Multiplier					[X]	$680,387.00
Depreciation - Physical				43.00	[-]	$292,566.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete				100.00	[-]	$387,821.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$387,821

42% incomplete, check 12/05 for finish Sold 6/1/2007 for $1.5M

Canvass. Entered data into Govern. Resketched, revalued.
John_Sahnow - 7/14/2014 4:14:31 PM

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:18:13 PM

01.31.2018 PER CANVAS COST, DEP, UPDATES DMHP 01.31.2018
Donna_Prince - 1/31/2018 9:43:04 AM

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		2887		70.27		202,869
Exterior Wall	Stud Walls-Wood Siding	2887		12.25		35,359
Heating & Cooling	Heating & Cooling	2887		611.00		611
Heating & Cooling	Hot Water	2887	100%	7.57		21,855
Architect Fee		2887		6.60		19,054
Sprinklers	Dry Sprinklers	2887	100%	5.18		14,955
Fire Alarm System		2887		1.46		4,215
Sub Total						$298,918.30
Local Multiplier				1.43	[X]	$427,453.00
Current Multiplier				1.02	[X]	$436,002.00
Neighborhood Multiplier					[X]	$436,002.00
Depreciation - Physical				43.00	[-]	$187,481.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete				100.00	[-]	$248,521.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$248,521

Cost Report - Commercial

Section 3	Description	Units	Percent	Cost	+/-	Total
Base Cost		3709		70.27		260,631
Exterior Wall	Stud Walls-Wood Siding	3709	100%	12.25		45,427
Heating & Cooling	Heating & Cooling	3709		611.00		611
Heating & Cooling	Hot Water	3709	100%	7.57		28,077
Architect Fee		3709		6.60		24,479
Sprinklers	Dry Sprinklers	3709	100%	4.74		17,581
Fire Alarm System		3709		1.46		5,415
Sub Total						$382,221.78

Local Multiplier	1.43	[X]	$546,577.00
Current Multiplier	1.02	[X]	$557,509.00
Neighborhood Multiplier		[X]	$557,509.00
Depreciation - Physical	43.00	[-]	$239,729.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$317,780.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $317,780

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:27:02 PM

Miscellaneous Improvements

Miscellaneous Improvement	CANOPY 01.31.2018 P	[+]	27,100

Total Improvement Value $981,200

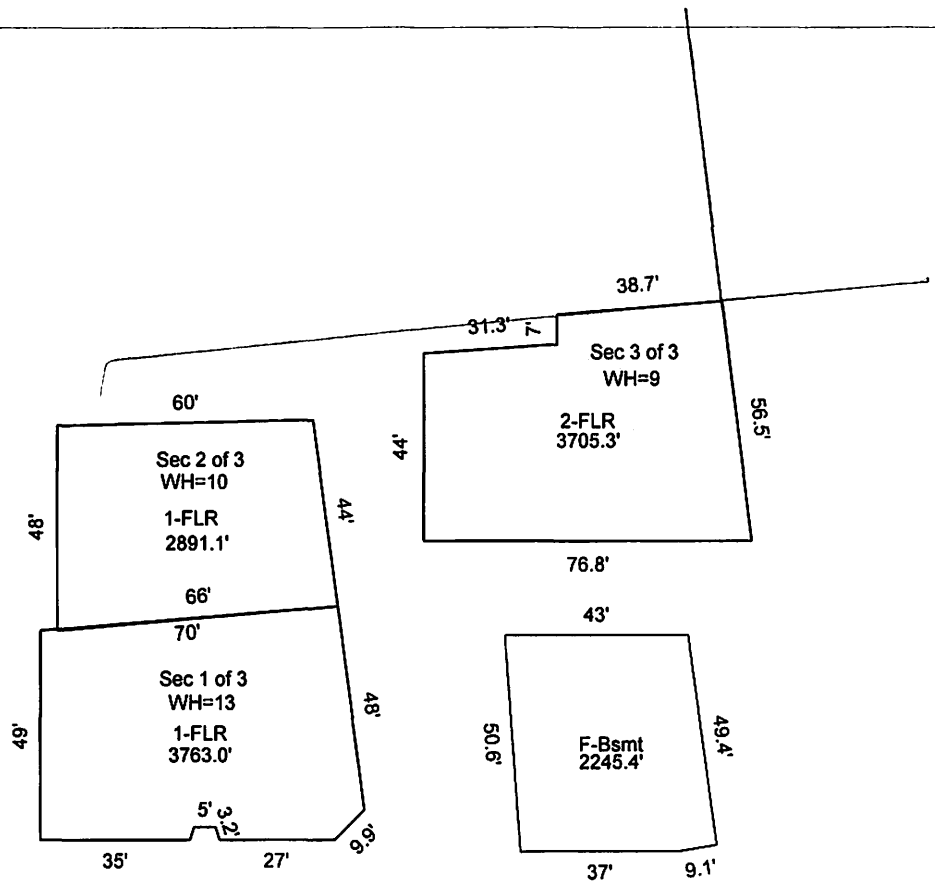
SKETCH/AREA TABLE ADDENDUM

Parcel No **1C070A020030**

SUBJECT

Property Address	**140 Front Street & 118 Seward Street**
City	State Zip
Owner	
Client	
Appraiser Name	

IMPROVEMENTS SKETCH



Scale: **1 = 45**

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	2891.1	218.0	
	1-FLR	1.00	3763.0	250.2	6654.1
GBA2	2-FLR	1.00	3705.3	254.3	3705.3
BSMT3	F-Bsmt	1.00	2245.4	189.2	2245.4

Net BUILDING Area (rounded w/ factors) 10359

City and Borough of Juneau
Assessment History Report

1C070A020043
GOLDSTEIN IMPROVEMENT COMPANY
119 SECOND ST
JUNEAU TOWNSITE BL 2 LT 5A1

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$1,216,278.00	$29,700.00	$5,346,931.00	$6,592,909.00
2021	$1,241,100.00	$29,700.00	$5,456,052.00	$6,726,852.00
2020	$827,400.00	$29,700.00	$5,353,668.00	$6,210,768.00
2019	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2018	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2017	$795,600.00		$5,774,100.00	$6,569,700.00
2016	$795,600.00		$5,774,100.00	$6,569,700.00
2015	$795,600.00		$5,774,100.00	$6,569,700.00
2014	$795,600.00		$5,774,100.00	$6,569,700.00
2013	$795,600.00		$5,774,100.00	$6,569,700.00
2012	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2011	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2010	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2009	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2008	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2007	$733,600.00	$0.00	$4,812,200.00	$5,545,800.00
2006	$733,600.00	$0.00	$4,534,800.00	$5,268,400.00
2005	$733,600.00	$0.00	$4,525,400.00	$5,259,000.00
2004	$392,800.00	$0.00	$2,677,900.00	$3,070,700.00
2003	$392,800.00	$0.00	$2,677,900.00	$3,070,700.00
2002	$392,800.00	$0.00	$2,677,900.00	$3,070,700.00
2000	$392,800.00	$0.00	$1,428,200.00	$1,821,000.00

Parcel No. 1-A-010-002-5&6 — 4/12/07 15,912 ft — ~~3/4/05 14,671 ft~~

Size: — Area: ~~9,820.686 sqft~~ — Use Code: COOM (Comm+ET)

General Land Description: — Land Use: — Use Zone: ~~CA~~ MU

Appraisal Year	19___		19___		19___		19___		19___	
INFLUENCES:	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS
Depth										
Topography										
Size										
Site Prep.										
Drainage										
Physical Barriers										
Access										
Corner										
Water										
Sewer										
Paving										
Other										
TOTAL										
Net ÷ (−)										

SITE VALUE COMPUTATIONS

APPRAISAL YEAR		20_05		20_05		20___		20___		20___
	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
BASE LOT VALUE										
9820.68	/50#	491034								
14 671 ft	$50		→	733550						
NET ADJUSTMENT										
ADJUSTED SITE VALUE										

Packet Page 8286 of 19798

NET ADJUSTMENT		245517		306896		324083		324083	
ADJUSTED LAND VALUE									

ASSESSED VALUATION

Year	Owner	Site	Buildings	Total	Reason for Change
2004		392800	2677900	3,070,700	
2005		491,000	4,386,500	4877500	
05		733600	4525400	5259000	Lot Consolidation
2006		733600	4534800	5268400	
07		733600	4812200	5545800	
		*			area change

REMARKS:

Penthouse is office square footage
1967 ft in old file

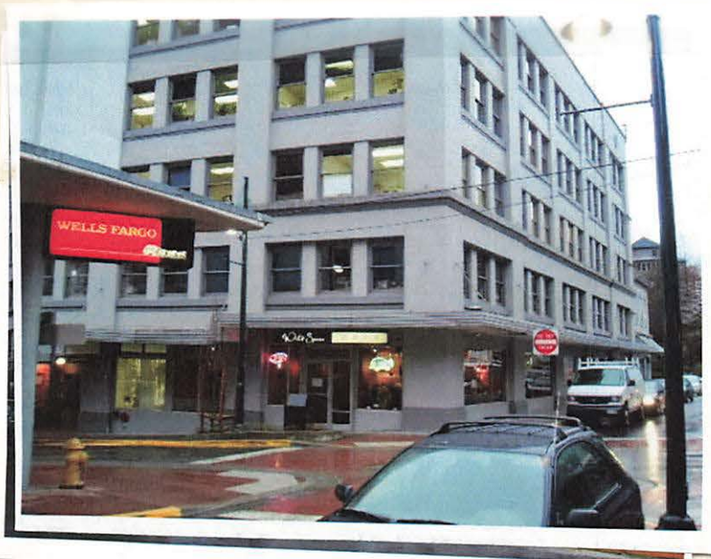
PLACE PICTURE HERE

BUILDING AREA CALCULATION 12/75

Square Feet — Ground Area

Floor or Part	Width	Length	Area
1st	100	100	10,000
2-5	(Irregular angles)		
1st & Rest			9820.68
2nd			8881.528
3-5			8860.957
Penthouse			256.324
		TOTAL AREA	

Notes:



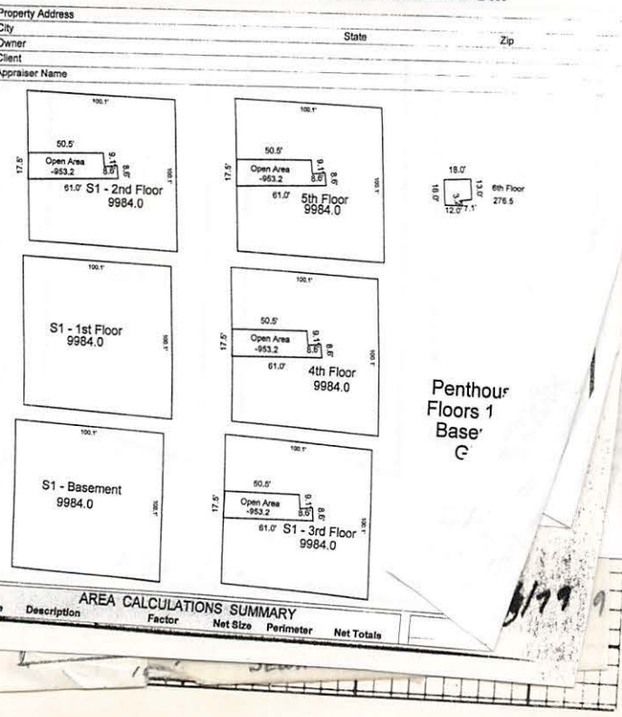
6/27/83

SKETCH/AREA TABLE ADDENDUM

Property Address
City — State — Zip
Owner
Client
Appraiser Name

SUBJECT

IMPROVEMENTS SKETCH



AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals

1C070A020043
JUNEAU TOWNSITE BL 2 LT 5A1
CENTRAL COUNCIL OF TLINGIT & HAIDA
ELIAS DURAN
9097 GLACIER HWY
JUNEAU AK 99801

Parcel No. 1-A-010-002-5&6
Block 2 Lot 5 & 6
Subdivision Townsite of Juneau
U.S. Survey

Date Built 1910, rebuilt 1946

YEAR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years

BUILDING TYPE & USE
☐ Apt. ☒ Office ☐ Loft
☐ Hotel ☒ Store
☐ Church ☐ Bank
☐ Theater ☐ Garage
☐ Gas Statn. ☐ Industrial
☐ Warehse. ☐ Greenhouse
☐ Hospital ☐ Restaurant

1. FOUNDATION
☒ Concrete
☐ Concrete Block
☐ Wood Posts
☐ Piling
No. Size Length

2. BASEMENT
☐ None
☒ Full Height 12'
☐ Partial x S.F.
☐ Unfinished Parking
☐ Storage ☐ Utility
☐ Apartment
☐ Office
☐ Floor

3. FRAME
☐ Wood ☐ Steel
☐ Conc. Block ☐ Brick
☒ Reinforced Concrete
☐ Fireproofed Steel
☐ Concrete Panels

4. EXTERIOR
☐ Wood ☐ Metal
☒ Stucco
☐ Conc. Block ☐ Brick
☐ Concrete Reinforced
☐ Other
☐ Fenestration
☐ Trim
☐ None ☐ Minimum
☐ Average ☐ Extensive

5. ROOF
☒ Flat ☐ Gable ☐ Hip
☐ Shakes ☐ Shingle
☒ Built-up ☐ Comp.
☐ Aluminum ☐ G.I.
☐ Roll ☐ Tar Paper
☐ Concrete
☐ Reinforced Concrete

6. INTERIOR
☐ Open Stud
☐ Wallboard
☐ Plasterboard
☒ Plaster
☐ Concrete Block
☐ Other
☐ Story Height
☐ Basement
☐ 1st
☐ 2nd

7. FLOORS
☐ Dirt ☐ Wood
☐ Concrete on Grade
☐ Conc. on Grade, Reinf.
☐ Reinf. Conc., Supported
☒ Tile

8. HEAT
☐ None ☐ Space Heater
☐ Hot Air, Forced
☒ Hot Water ~~Steam~~
☐ Comb. Heat & Cooling
☐ Air Conditioning

FIREPLACES
☐ 1st Floor ____ Type
☐ Basemnt. ____ Type

9. PLUMBING
Number of Fixtures
☐ Store
☐ Garage
☐ Warehouse
☐ Apts. 3F 2F 1F NF
Adequate

☐ Rms. 3F 2F 1F NF

Fixtures
☐ Sauna - Grade

10. ELECTRICAL
☐ Romex ☒ Conduit
☐ Min. Lights & Fixtures
☒ Adqt. Lights & Fixtures
☐ Good Fixtures
☐ Excellent Fixtures
☐ Building Elevators
Type No. Cap. # Flrs.
☐ Pass.

12. PORCHES
☐ BIOP
☐ BIGP
☐ BICP
☐ Open Porch
☐ Closed Porch
☐ Glazed Porch
☐ Deck
☐ Risers
Canopy - 1236#

Packet Page 82/86 19798

(82) Freight Elevator. (see 58 p5)
100/cut 4,000 # 17,500
2 Stops - Power Door 7150 x 2 = # 14300
21 800 x 1.04 x 1.55 x 1.079 = 55,311

Marquees - (see 56 p6) Metal, Plain, Steel Frame
1236 # x 13.75 x 1.04 x 1.55 x 1.079 = # 29,560

Sprinklers - Bsmt. (see 43 p3)
9820.686 # x 1.22 x 1.11 x 1.55 x 1.079 = # 22242

107,113

(84) Freight Elevator (58 p5)
ut Hyd. 100/cut 4000 # 22,000
Power Doors # 7 300 (2 stops) = 14 600
36,600 x 1.02 x 1.59 x 1066 = 63,276
Marquee 56 p6
1236 # @ 15.00 x 1.03 x 1.54 x 1.066 = 31,749
Sprinklers - Bsmt (43 p3)
9821 x 1.43 x 1.01 x 1.59 x 1066 = 21042
(1985) # 118,667 # 118,667

	Year 01 SECTION	Year SECTION	Year SECTION	SECTION	SECTION	SECTION	SECTION	SECTION
4. Occupancy								
5. Building class and quality 6. Exterior Wall	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
7. No. of stories & height per story 8. Average floor area	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
9. Average perimeter								
10. Age and condition Marshall & Swift Manual	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
11. BASE SQUARE FOOT COST								
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation								
13. Elevator deduction								
14. Miscellaneous								
15. Total lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)								
19. Combined ht. & size multiplier (Lines 16x17x18)								
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)								
21. Current cost multiplier (Sect. 99, p. 3)								
22. Local multiplier (Sect. 99, p. 5 & 6)								
23. Final sq. ft. cost (l. 20 x l. 21 x l. 22)	1 463 097							
24. Area	40%							
25. Line 23 x 24								
26. Lump sums (Line 32)	2 177858							
27. REPLACEMENT COST (Line 25 + Line 26)								
28. Depreciation % (Sect. 97)								
29. Depreciation amount (Line 27 — Line 29)								
30. DEPRECIATED COST (Line 27 — Line 29)								
31. Total Building Appraisal								

1.2 x 128,570 x .02 =
45

Cost Report - Commercial

1287		Record	1
Parcel Code Number	**1C070A020043**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**119 SECOND ST**	**Perimeter**	411
Effective Year Built	1990	**Class**	D
Year Built	1946	**Height**	12
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Office Building	**Total Area**	44,750.00

1287		Record	2
Parcel Code Number	**1C070A020043**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**119 SECOND ST**	**Perimeter**	136
Effective Year Built	1990	**Class**	D
Year Built	1946	**Height**	10
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Office Building	**Total Area**	1,900.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		44750		87.57		3,918,757
Exterior Wall	Stud -Textured Plywood	44750	100%	13.91		622,648
Heating & Cooling	Heating & Cooling	44750		603.00		603
Heating & Cooling	Hot Water	44750	100%	12.00		537,000
Architect Fee		44750		6.80		304,300
Sprinklers	Dry Sprinklers	55532		3.43		190,475
Fire Alarm System		44750		1.46		65,335
Basement	Unfinished	9781		33.46		327,272
Sub Total						$5,966,390.89
Local Multiplier					1.43 [X]	$8,531,939.00
Current Multiplier					1.00 [X]	$8,531,939.00
Neighborhood Multiplier					[X]	$8,531,939.00
Depreciation - Physical					40.00 [-]	$3,412,776.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$5,119,163.00
Cost to Cure						
Neighborhood Adjustment						

Replacement Cost less Depreciation $5,119,163

02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
Donna_Prince - 2/6/2018 10:01:04 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		1900		87.57		166,383
Exterior Wall	Stud -Textured Plywood	1900		13.26		25,194
Heating & Cooling	Heating & Cooling	1900		603.00		603
Heating & Cooling	Hot Water	1900		12.00		22,800
Architect Fee		1900		6.80		12,920
Sprinklers	Sprinklers	2850		4.89		13,936
Fire Alarm System		1900		1.46		2,774
Sub Total						$244,610.45
Local Multiplier				1.43	[X]	$349,793.00
Current Multiplier				1.00	[X]	$349,793.00
Neighborhood Multiplier					[X]	$349,793.00
Depreciation - Physical				40.00	[-]	$139,917.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete				100.00	[-]	$209,876.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$209,876

02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
Donna_Prince - 2/6/2018 10:02:03 AM

Miscellaneous Improvements

Miscellaneous Improvement	Canopy 02.06.2018 P	[+]	29,700

Total Improvement Value $5,358,700

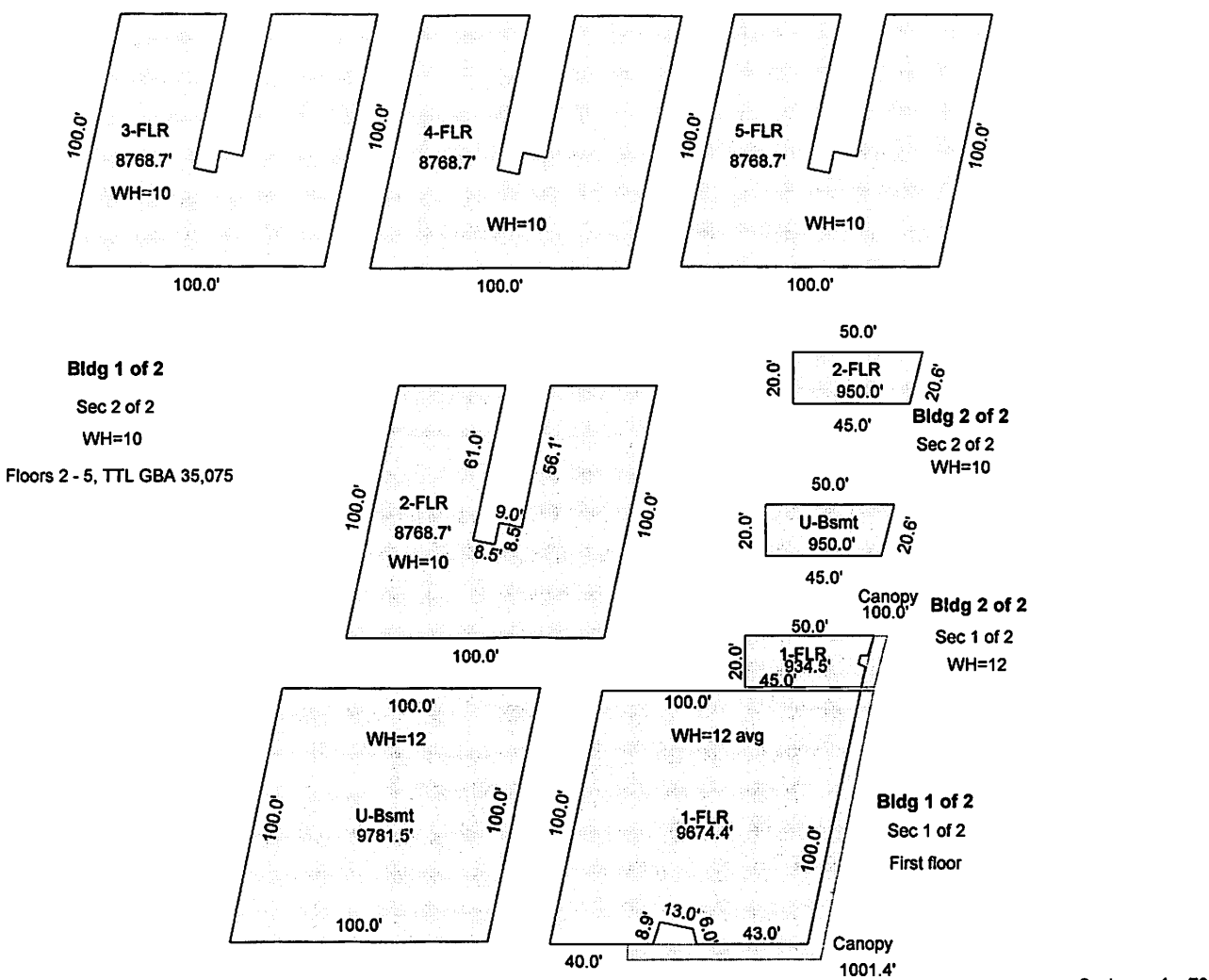
SKETCH/AREA TABLE ADDENDUM

Parcel No 1C070A020043

SUBJECT

Property Address	
City	State Zip
Owner	
Client	
Appraiser Name	jcs

IMPROVEMENTS SKETCH



Scale: 1 = 70

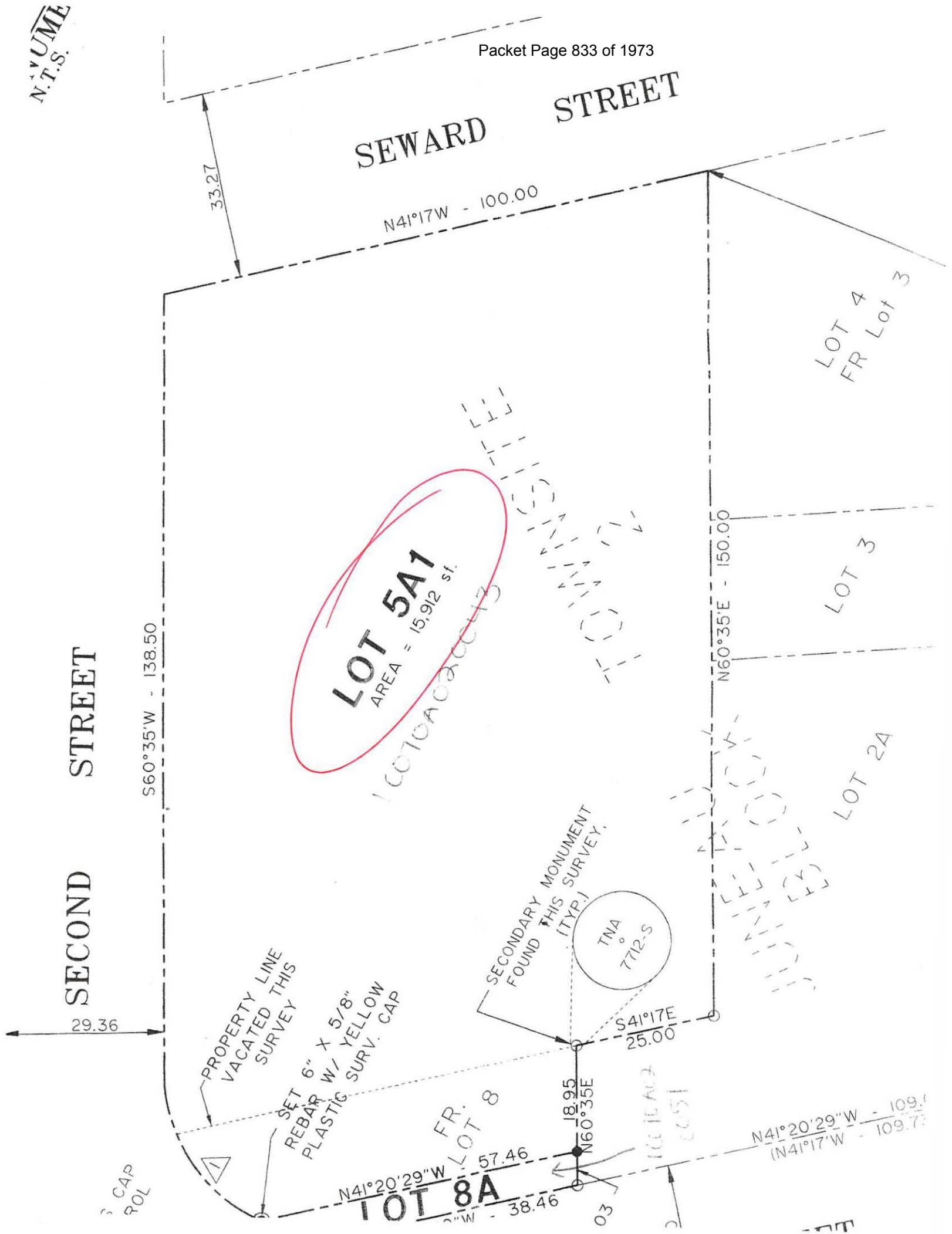
AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	9674.4	410.9	
	1-FLR	1.00	934.5	140.4	10608.9
GBA2	2-FLR	1.00	8768.7	525.6	
	2-FLR	1.00	950.0	135.6	9718.7
GBA3	3-FLR	1.00	8768.7	525.6	8768.7
GBA4	4-FLR	1.00	8768.7	525.6	8768.7
GBA5	5-FLR	1.00	8768.7	525.6	8768.7
BSMT2	U-Bsmt	1.00	9781.5	400.0	
	U-Bsmt	1.00	950.0	135.6	10731.5
P/P5	Canopy	1.00	1001.4	361.9	
	Canopy	1.00	100.0	51.2	1101.4
Net BUILDING Area		(rounded w/ factors)			46634

BUILDING AREA BREAKDOWN

	Breakdown			Subtotals
1-FLR				
0.5 x	1.2	x	5.8	3.6
	2.7	x	45.7	123.5
	43.0	x	5.8	249.4
0.5 x	19.0	x	89.3	847.8
0.5 x	2.7	x	12.7	17.1
0.5 x	0.6	x	2.7	0.8
0.5 x	5.8	x	1.5	4.3
0.5 x	2.8	x	8.5	11.9
	81.0	x	89.3	7235.9
	38.2	x	8.5	324.6
0.5 x	19.0	x	89.3	847.8
0.5 x	1.8	x	8.5	7.7
0.5 x	7.7	x	2.3	8.7
	7.8	x	45.0	352.1
	4.5	x	43.9	196.1
	47.7	x	7.7	368.0
0.5 x	7.8	x	1.7	6.5
0.5 x	2.7	x	1.2	1.7
0.5 x	3.2	x	0.8	1.3
2-FLR				
0.5 x	11.3	x	55.0	310.6
89 Items	(rounded w/o factors)			35466 34


N.T.S.
SEWARD STREET
33.27
N41°17W - 100.00
LOT 4
FR Lot 3
LOT 5A1
AREA = 15,912 sf.
N60°35'E - 150.00
LOT 3
LOT 2A
S60°35'W - 138.50
SECOND STREET
29.36
SECONDARY MONUMENT FOUND THIS SURVEY. (TYP.)
TNA 7712-S
S41°17E 25.00
PROPERTY LINE VACATED THIS SURVEY
SET 6" X 5/8" REBAR W/ YELLOW PLASTIC SURV. CAP
FR. LOT 8
18.95
N60°35E
N41°20'29"W - 57.46
LOT 8A
N41°20'29"W - 109.
(N41°17'W - 109.7
N41°20'29"W - 38.46



1C070A020043_1_10112012



1C070A020043_2_10112012



1C070A020043_3_10112012-001



1C070A020043_4_10112012

City and Borough of Juneau
Assessment History Report

1C070A040010
GOLDSTEIN IMPROVEMENT COMPANY INC
201 SEWARD ST
JUNEAU TOWNSITE BL 4 LTS 1 2 & 7 FR

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$866,565.00	$13,300.00	$614,264.00	$1,494,129.00
2021	$884,250.00	$13,300.00	$626,800.00	$1,524,350.00
2020	$589,500.00	$13,300.00	$626,800.00	$1,229,600.00
2019	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2018	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2017	$614,100.00		$578,100.00	$1,192,200.00
2016	$614,100.00		$578,100.00	$1,192,200.00
2015	$614,100.00		$578,100.00	$1,192,200.00
2014	$614,100.00		$578,100.00	$1,192,200.00
2013	$614,100.00		$578,100.00	$1,192,200.00
2012	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2011	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2010	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2009	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2008	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2007	$614,100.00	$0.00	$569,800.00	$1,183,900.00
2006	$614,100.00	$0.00	$569,800.00	$1,183,900.00
2005	$614,100.00	$0.00	$555,400.00	$1,169,500.00
2004	$491,300.00	$0.00	$275,200.00	$766,500.00
2003	$491,300.00	$0.00	$275,200.00	$766,500.00
2002	$491,300.00	$0.00	$275,200.00	$766,500.00
2000	$491,300.00	$0.00	$126,300.00	$617,600.00

Parcel No. 1-A-021-004-127 — Comm/RT

Size: — Area: 12,281.791 sqft — Use Code: COOM

General Land Description: — Land Use: — Use Zone: ~~C2~~ MU

Appraisal Year	19__		19__		19__		19__		19__	
INFLUENCES:	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS
Depth										
Topography										
Size										
Site Prep.										
Drainage										
Physical Barriers										
Access										
Corner										
Water										
Sewer										
Paving										
Other										
TOTAL Net ÷ (−)										

Fire Exempt
eff 2008
(08 Improv) (.02)
(652,200)(.02) = 13,044
= $13,000
Jlw 7/1/08

LAND VALUE COMPUTATIONS

SITE VALUE COMPUTATIONS

Packet Page 8324 of 9798

APPRAISAL YEAR		20 05		20__		20__		20__		20__	
	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	
BASE LOT VALUE											
12,281	$50/SF	614050									
NET ADJUSTMENT											
ADJUSTED SITE VALUE											

ADJUSTED LAND VALUE | 614,050 | | | | | | | | | |

ASSESSED VALUATION

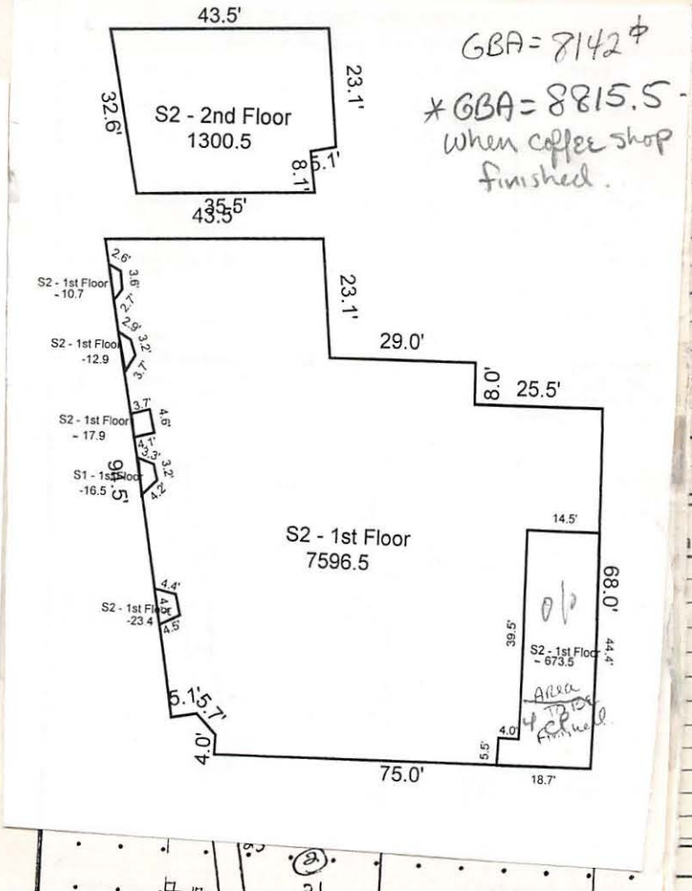
Year	Owner	Site	Buildings	Total	Reason for Change
2004		491300	275200	766,500	Some Remodle 10%
2005		614100	555400	1,169,500	" "
2006 + 2007		614100	569800	1,183,900	
2008		614100	652200	1,266,300	08 eff Corr = Xmpt 4

REMARKS: 19 Parking Spaces

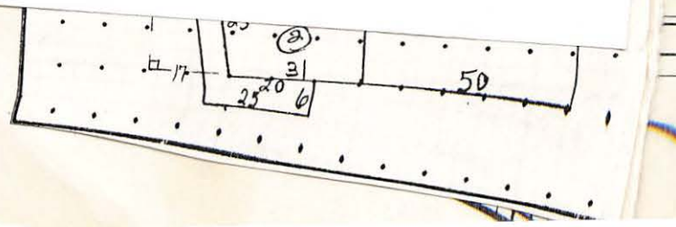
PLACE PICTURE HERE



6/27/83



GBA = 8142 ϕ
* GBA = 8815.5 - when coffee shop finished.



1220

1C070A040010
JUNEAU TOWNSITE BL 4 LT 1,2 & 7 FR
CHARLES GOLDSTEIN BLDG
GOLDSTEIN IMPROVEMENT
130 SEWARD ST STE 001
JUNEAU AK 99801

Parcel No. 1-A-021-004-127
Block 4 Lot 1,2,fr7
Subdivision Townsite of Juneau
U.S. Survey

Date Built 1900

YEAR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☒ Fair ☐ Poor ☐	7 (1827 3,4,5) 5 years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years

BUILDING TYPE & USE
☐ Apt. ☐ Office ☐ Loft
☐ Hotel ☒ Store
☐ Church ☐ Bank
☐ Theater ☐ Garage
☐ Gas Statn. ☐ Industrial
☒ Warehse. ☐ Greenhouse
☐ Hospital ☐ Restaurant

1. FOUNDATION
☒ Concrete
☒ Concrete Block
☒ Wood Posts
☐ Piling
No. Size Length

2. BASEMENT
☒ None
☐ Full Height
☐ Partial x S.F.
☐ Unfinished Parking
☐ Storage ☐ Utility
☐ Apartment
☐ Office
☐ Floor

3. FRAME
☒ Wood ☐ Steel
☐ Conc. Block ☐ Brick
☐ Reinforced Concrete
☐ Fireproofed Steel
☐ Concrete Panels

4. EXTERIOR (wood 80)
☒ Wood ☒ Metal (1)
☐ Stucco
☐ Conc. Block ☐ Brick
☐ Concrete Reinforced
☐ Other
☐ Fenestration Fair
☐ Trim
☐ None ☐ Minimum
☐ Average ☐ Extensive

5. ROOF
☒ Flat ☒ Gable (1) ☐ Hip
☐ Shakes ☐ Shingle
☒ Built-up ☐ Comp.
☒ Aluminum (1) ☐ G.I.
☐ Roll ☐ Tar Paper
☐ Concrete
☐ Reinforced Concrete

6. INTERIOR
☐ Open Stud
☐ Wallboard
☒ Plasterboard
☐ Plaster
☐ Concrete Block
☒ Other Paneling
☐ Story Height
☐ Basement
☒ 1st 12' 6"
☒ 2nd 3rd 11' 9"

7. FLOORS
☐ Dirt ☒ Wood
☐ Concrete on Grade
☐ Conc. on Grade, Reinf.
☐ Reinf. Conc., Supported
☒ Tile
☒ Carpet

8. HEAT
☐ None ☒ Space Heater (85)
☐ Hot Air, Forced
☒ Hot Water (1) (2) (3)
☐ Comb. Heat & Cooling
☐ Air Conditioning

FIREPLACES
☐ 1st Floor ____ Type
☐ Basemnt. ____ Type

9. PLUMBING
Number of Fixtures
☐ Store
☐ Garage
☐ Warehouse
☐ Apts. 3F 2F 1F NF
minimum
☐ Rms. 3F 2F 1F NF
☐ Extra Fixtures
☐ Sauna - Grade

10. ELECTRICAL
☐ Romex ☐ Conduit
☒ Min. Lights & Fixtures
☐ Adqt. Lights & Fixtures
☐ Good Fixtures
☐ Excellent Fixtures
☐ Building Elevators
Type No. Cap. # Flrs.
☐ Pass.
☐ Frgt.

12. PORCHES
☐ BIOP
☐ BIGP
☐ BICP
☐ Open Porch
☐ Closed Porch
☐ Glazed Porch
☐ Deck
☐ Risers

Lump Sums
Canopy - 744# MS 55/12
1980 = 744 x 6.75 x 1.00 x 1.49 = 7482
(81) = 744 x 6.75 x 1.01 x 1.48 = 7,507
(82) Marquee (see 56p6) wood - low
744# x 7.55 x 1.04 x 1.50 x 1.071 = 9,385
(84) Marquee (56p6)
744# x 8.25 x 1.03 x 1.54 x 1.067 = 10,388
1985 Value carried 10,388
1986 " "
(88) 744# x 11.75 x .99 x 1.53 x 1.071 = 14182

4. Occupancy							
5. Building class and quality / 6. Exterior Wall							
7. No. of stories & height per story / 8. Average floor area							
9. Average perimeter							
10. Age and condition (Marshall & Swift Manual)							
	(35 yr)						
11. BASE SQUARE FOOT COST							
SQUARE FOOT REFINEMENTS							
12. Heating, cooling, ventilation							
13. Elevator deduction							
14. Miscellaneous							
15. Total lines 11 through 14							
HEIGHT AND SIZE REFINEMENTS							
16. Number of stories-multiplier							
17. Height per story-multiplier (see Line 7)							
18. Floor area-perimeter multiplier (see Lines 8 & 9)							
19. Combined ht. & size multiplier (Lines 16x17x18)							
FINAL CALCULATIONS							
20. Refined sq. ft. cost (Line 15 x Line 19)							
21. Current cost multiplier (Sect. 99, p. 3)							
22. Local multiplier (Sect. 99, p. 5 & 6)							
23. Final sq. ft. cost (l. 20 x l. 21 x l. 22)							
24. Area							
25. Line 23 x 24							
26. Lump sums (Line 32)							
27. REPLACEMENT COST (Line 25 + Line 26)							
28. Depreciation % (Sect. 97)							
29. Depreciation amount (Line 27 – Line 29)							
30. DEPRECIATED COST (Line 27 – Line 29)							

Year (84)	Year (86)	Year (87)	Year 88	Year (23)	Year	Year	Year (91)
SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION
Retail			Retail		Retail	Multi	
Cls. D Qual. A	Cls. Qual.	Cls. Qual.	Cls. D Qual. L Wood + Metal	Cls. Qual.	Cls. D Qual. L	Cls. D Qual. F Wood	Cls. Qual.
No. 1 Ht. 11 7364	No. Ht.	No. Ht.	No. 1 Ht. 11 7364	No. Ht.	No. 1 Ht. 11 PSB1	No. Ht. 2640	No. Ht.
379			376		376	145	
Ag. Con. Sect. 13 P17	Ag. Con. Sect.	Ag. 29 Con. Sect.	Ag. 29 Con. Sect. 13	Ag. Con. Sect.	Ag. Con. Sect. 13-24	Ag. Con. Sect. 13-14	Ag. Con. Sect.
29.58	31.80		24.43		31.31	33.78	
-.05	-.20		1.75		2.05		
29.53	31.60		26.18		32.36		
1	1		1		1		
.979	.979		.979		.979		
1	1		1.00		1.00		
.979	.979		.979		.979		
	7 yr. increase						
28.91	30.94		25.63		31.68	33.78	
1.02	.99		1.00		1.01	1.01	
1.52	1.53		1.53		1.44	1.44	
44.82	46.86		39.21		46.72	49.81	
8587#	8587		8587#	8581#	8581	2600	
384885	402281		336 698		400 904	129 506	
10388	10388		14 182		20 000		
395,273	412 769	412769	350 878		550 410		
64	64+5 Econ	.68	.82		50%		
.36	.31	.32	.18		275 205		
142298	127 958	132 086	126 316				
		Econ @ 12% 116 236					

7790

Cost Report - Commercial

1298		Record	1
Parcel Code Number	**1C070A040010**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY INC**	**Number of Sections**	1
Parcel Address	**201 SEWARD ST**	**Perimeter**	402
Effective Year Built	1990	**Class**	D
Year Built	1900	**Height**	
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	8,825.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		8825		68.49		604,407
Exterior Wall	Stud -Metal Siding	8825	100%	12.83		113,225
Exterior Wall	Stud Walls-Wood Siding	8825				
Heating & Cooling	Heating & Cooling	8825		611.00		611
Heating & Cooling	Hot Water	8825	100%	7.57		66,805
Architect Fee		8825		6.60		58,245
Sprinklers	Dry Sprinklers	9295		4.21		39,132
Fire Alarm System		8825		1.46		12,885
Sub Total						$895,309.23

Local Multiplier	1.43	[X]	$1,280,292.00
Current Multiplier	1.02	[X]	$1,305,898.00
Neighborhood Multiplier		[X]	$1,305,898.00
Depreciation - Physical	52.00	[-]	$679,067.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$626,831.00
Cost to Cure			
Neighborhood Adjustment			

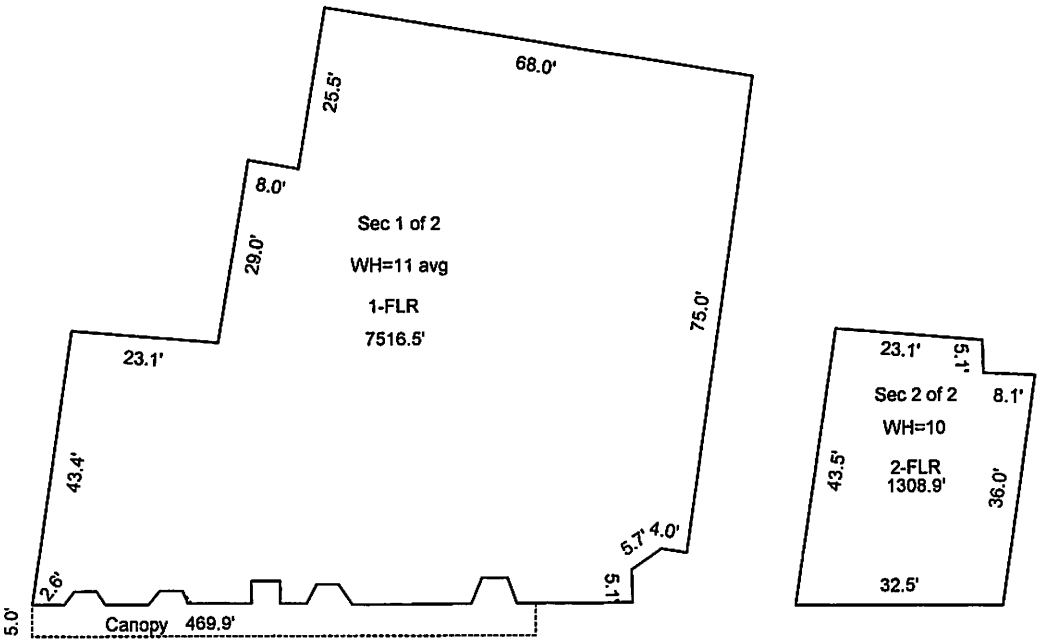
Replacement Cost less Depreciation $626,831

1/24/2017 PER PERMIT/CANVIS REVIEW UPDATED RECORD DMHP
donna_prince - 1/24/2017 3:25:05 PM
3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:35:36 PM
1.31.2018 PER CANVAS COST, DEP, UPDATE FILE DMHP 1.31.2018
Donna_Prince - 1/31/2018 1:26:43 PM

Miscellaneous Improvements

Miscellaneous Improvement	Canopy 01.31.2018 P	[+]	13,300

Total Improvement Value $640,100


68.0'
25.5'
8.0'
29.0'
Sec 1 of 2
WH=11 avg
1-FLR
7516.5'
75.0'
23.1'
43.4'
5.7'
4.0'
5.1'
2.6'
5.0'
Canopy 469.9'
23.1'
5.1'
Sec 2 of 2
8.1'
WH=10
43.5'
2-FLR
1308.9'
36.0'
32.5'



1C070A040010_1_10152012



1C070A040010_2_10152012



1C070A040010_3_10152012

City and Borough of Juneau
Assessment History Report

1C070A040020
GOLDSTEIN IMPROVEMENT COMPANY
224 SECOND ST
JUNEAU TOWNSITE BL 4 LT 3

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$397,194.00			$397,194.00
2021	$405,300.00			$405,300.00
2020	$270,200.00			$270,200.00
2019	$245,700.00			$245,700.00
2018	$245,700.00			$245,700.00
2017	$246,000.00			$246,000.00
2016	$246,000.00			$246,000.00
2015	$246,000.00			$246,000.00
2014	$246,000.00			$246,000.00
2013	$246,000.00			$246,000.00
2012	$246,000.00	$0.00	$0.00	$246,000.00
2011	$246,000.00	$0.00	$0.00	$246,000.00
2010	$246,000.00	$0.00	$0.00	$246,000.00
2009	$246,000.00	$0.00	$0.00	$246,000.00
2008	$246,000.00	$0.00	$0.00	$246,000.00
2007	$246,000.00	$0.00	$0.00	$246,000.00
2006	$246,000.00	$0.00	$0.00	$246,000.00
2005	$245,600.00	$0.00	$0.00	$245,600.00
2004	$172,000.00	$0.00	$0.00	$172,000.00
2003	$172,000.00	$0.00	$0.00	$172,000.00
2002	$172,000.00	$0.00	$0.00	$172,000.00
2000	$172,000.00	$0.00	$0.00	$172,000.00

Parcel No. 1-A-022-004-003 Use Code: VACT COOV

Size: Area: 4,912.716 sqft Use Zone: ~~C2~~ MU

General Land Description: Land Use:

Appraisal Year	19___		19___		19___		19___		19___	
INFLUENCES:	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS
Depth										
Topography										
Size										
Site Prep.										
Drainage										
Physical Barriers										
Access										
Corner										
Water										
Sewer										
Paving										
Other										
TOTAL										
Net ÷ (−)										

LAND VALUE COMPUTATIONS

APPRAISAL YEAR	20 02		20 05		20___		20___		20___	
	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
BASE LOT VALUE										
4913 * @	35 ~~00~~	171955	50	245600						
ITEM 13										
NET ADJUSTMENT										
ADJUSTED LAND VALUE										

Packet Page 342 of 1979

		ASSESSED VALUATION			
Year	Owner	Site	Buildings	Total	Reason for Change
2005		245600	—	245600	
2006 HOT		246000	—	246000	

REMARKS: SOLD #125,000 8/89

PLACE PICTURE HERE

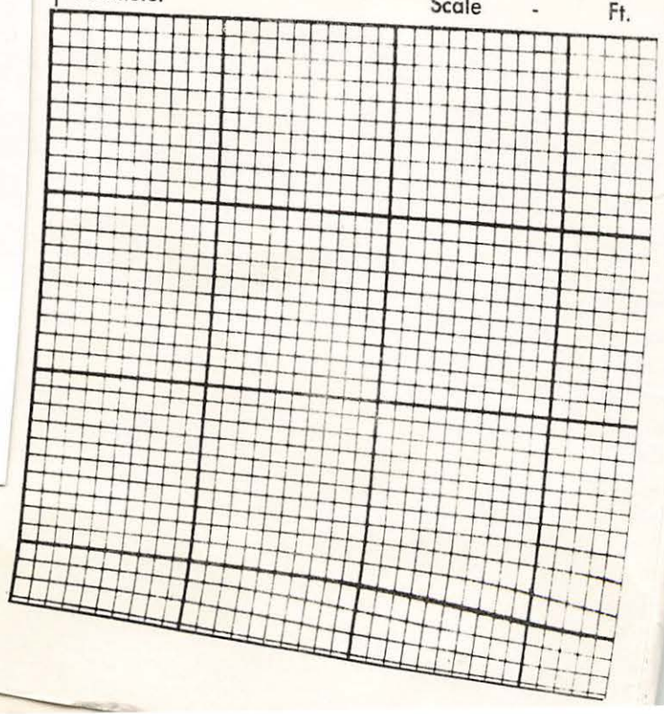


BUILDING AREA CALCULATION

Square Feet — Ground Area

Floor or Part	Width	Length	Area
		TOTAL AREA	

Perimeter Scale - Ft.



224 Second Street

1C070A040020
JUNEAU TOWNSITE BL 4 L 3
SOUTHEASTERN NEWSPAPER CORP
3100 CHANNEL DR
JUNEAU AK 99801

Parcel No. 1-A-022-004-003
Block 4 Lot 3
Subdivision Townsite of Juneau
U.S. Survey

YEAR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years

Date Built .....

BUILDING TYPE & USE

☐ Apt. ☐ Office ☐ Loft
☐ Hotel ☐ Store
☐ Church ☐ Bank
☐ Theater ☐ Garage
☐ Gas Statn. ☐ Industrial
☐ Warehse. ☐ Greenhouse
☐ Hospital ☐ Restaurant

1. FOUNDATION

☐ Concrete
☐ Concrete Block
☐ Wood Posts
☐ Piling
No. Size Length

2. BASEMENT

☐ None
☐ Full Height
☐ Partial x S.F.
☐ Unfinished Parking
☐ Storage ☐ Utility
☐ Apartment
☐ Office
☐ Floor

3. FRAME

☐ Wood ☐ Steel
☐ Conc. Block ☐ Brick
☐ Reinforced Concrete
☐ Fireproofed Steel
☐ Concrete Panels

4. EXTERIOR

☐ Wood ☐ Metal
☐ Stucco
☐ Conc. Block ☐ Brick
☐ Concrete Reinforced
☐ Other
☐ Fenestration
☐ Trim
☐ None ☐ Minimum
☐ Average ☐ Extensive

5. ROOF

☐ Flat ☐ Gable ☐ Hip
☐ Shakes ☐ Shingle
☐ Built-up ☐ Comp.
☐ Aluminum ☐ G.I.
☐ Roll ☐ Tar Paper
☐ Concrete
☐ Reinforced Concrete

6. INTERIOR

☐ Open Stud
☐ Wallboard
☐ Plasterboard
☐ Plaster
☐ Concrete Block
☐ Other
☐ Story Height
☐ Basement
☐ 1st
☐ 2nd

7. FLOORS

☐ Dirt ☐ Wood
☐ Concrete on Grade
☐ Conc. on Grade, Reinf.
☐ Reinf. Conc., Supported
☐ Tile
☐ Carpet

8. HEAT

☐ None ☐ Space Heater
☐ Hot Air, Forced
☐ Hot Water
☐ Comb. Heat & Cooling
☐ Air Conditioning

FIREPLACES

☐ 1st Floor _____ Type
☐ Basemnt. _____ Type

9. PLUMBING

Number of Fixtures in Unit Group

☐ Store
☐ Garage
☐ Warehouse
☐ Apts. 3F 2F 1F NF

☐ Rms. 3F 2F 1F NF

☐ Extra Fixtures
☐ Sauna - Grade

10. ELECTRICAL

☐ Romex ☐ Conduit
☐ Min. Lights & Fixtures
☐ Adqt. Lights & Fixtures
☐ Good Fixtures
☐ Excellent Fixtures
☐ Building Elevators
Type No. Cap. # Flrs.
☐ Pass.
☐ Frgt.

12. PORCHES

☐ BIOP
☐ BIGP
☐ BICP
☐ Open Porch
☐ Closed Porch
☐ Glazed Porch
☐ Deck
☐ Risers

Packet Page 843 of 1798

	Year / SECTION	Year / SECTION	Year / SECTION	Year / SECTION	Year / SECTION	Year / SECTION	Year / SECTION	Year / SECTION
4. Occupancy								
5. Building class and quality 6. Exterior Wall	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
7. No. of stories & height per story	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
8. Average floor area								
9. Average perimeter								
10. Age and condition Marshall & Swift Manual	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
11. BASE SQUARE FOOT COST								
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation								
13. Elevator deduction								
14. Miscellaneous								
15. Total lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)								
19. Combined ht. & size multiplier (Lines 16x17x18)								
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)								
21. Current cost multiplier (Sect. 99, p. 3)								
22. Local multiplier (Sect. 99, p. 5 & 6)								
23. Final sq. ft. cost (l. 20 x l. 21 x l. 22)								
24. Area								
25. Line 23 x 24								
26. Lump sums (Line 32)								
27. REPLACEMENT COST (Line 25 + Line 26)								
28. Depreciation % (Sect. 97)								
29. Depreciation amount (Line 27 – Line 29)								
30. DEPRECIATED COST (Line 27 – Line 29)								

Building Appraisal



1C070A040020_1_10152012

City and Borough of Juneau
Assessment History Report

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$864,066.00	$54,400.00	$1,629,054.00	$2,547,520.00
2021	$881,700.00	$54,400.00	$1,662,300.00	$2,598,400.00
2020	$587,800.00	$54,400.00	$1,662,300.00	$2,304,500.00
2019	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2018	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2017	$612,300.00		$1,680,000.00	$2,292,300.00
2016	$612,300.00		$1,680,000.00	$2,292,300.00
2015	$612,300.00		$1,680,000.00	$2,292,300.00
2014	$612,300.00		$1,680,000.00	$2,292,300.00
2013	$612,300.00		$1,680,000.00	$2,292,300.00
2012	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2011	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2010	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2009	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2008	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2007	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2006	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2005	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2004	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2003	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2002	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2000	$496,000.00	$0.00	$787,300.00	$1,283,300.00

Parcel No. 1-A-031-005-578 Use Code: ~~COMM~~ COOM Et

Size: Area: 12,245 sqft Use Zone: ~~C2~~ MU

General Land Description: Land Use:

Appraisal Year	19___		19___		19___		19___		19___	
INFLUENCES:	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS	PLUS	MINUS
Depth										
Topography										
Size										
Site Prep.										
Drainage										
Physical Barriers										
Access										
Corner										
Water										
Sewer										
Paving										
Other										
TOTAL										
Net ÷ (−)										

Packet Page 3464 of 3798

LAND VALUE COMPUTATIONS

APPRAISAL YEAR	19 84		19 85		19 86 ~~88~~		19 ~~87~~ ~~88~~ 89 (90)		19 00	
	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
BASE LOT VALUE										
12.245 ¥ @ 20.75/#		254084	26.00	318,370	33.00		33.00	404085	40.00	489800
ITEM 13 PAVING →		6246		6246				6246		6246
NET ADJUSTMENT										
ADJUSTED LAND VALUE		260330		324,616		404085		410331		496046

Year	Owner	ASSESSED VALUATION Site	Buildings	Total	Reason for Change
01	EDZ	496 000	1 332 600	1 828 600	
2005		612300	1,732400	2,344,700	
06		612300	1732400	2344700	

REMARKS:

PLACE PICTURE HERE



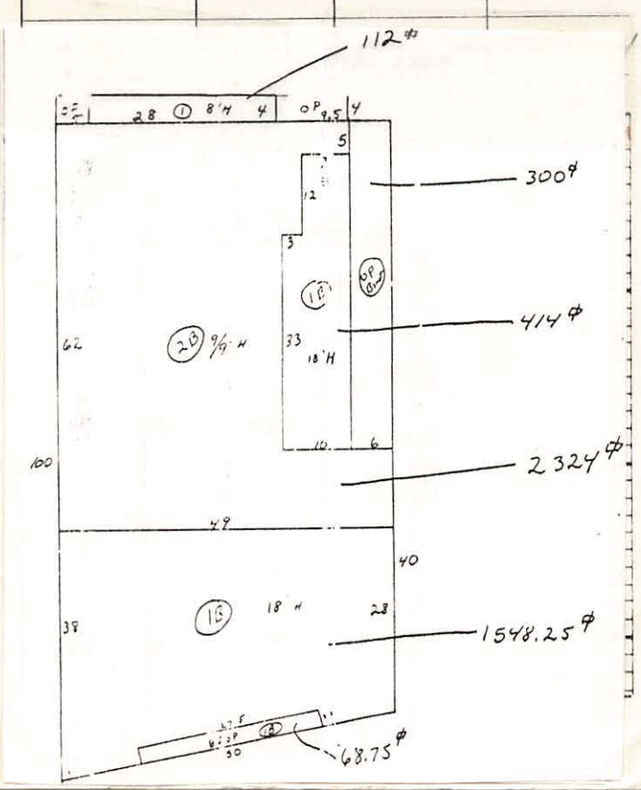


6/27/83

BUILDING AREA CALCULATION

Square Feet — Ground Area

Floor or Part	Width	Length	Area
BANK	AREA	=	6,722 #
BSMT.	AREA	=	4654 #
Gross	BLDG	Area =	11,376 #



1C070A050060
JUNEAU TOWNSITE BL 5 LTS 5, 6 & 7
KEY BANK OF ALASKA
CORELOGIC COMMAND REAL ESTATE SERVICES
PO BOX 961009
FT WORTH TX 76161

Parcel No. 1-A-031-005-578 Block 5 Lot 5,7,8 Subdivision Townsite of Juneau U.S. Survey

Date Built 1914

YEAR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years

BUILDING TYPE & USE
☐ Apt. ☒ Office ☐ Loft
☐ Hotel ☐ Store
☐ Church ☒ Bank
☐ Theater ☐ Garage
☐ Gas Statn. ☐ Industrial
☐ Warehse. ☐ Greenhouse
☐ Hospital ☐ Restaurant

1. FOUNDATION
☒ Concrete
☐ Concrete Block
☐ Wood Posts
☐ Piling
No. Size Length

2. BASEMENT
☐ None
☒ Full Height 9'
☐ Partial x S.F.
☐ Unfinished Parking
☒ Storage ☐ Utility
☐ Apartment
☒ Office
☐ Floor

3. FRAME
☐ Wood ☐ Steel
☐ Conc. Block ☐ Brick
☒ Reinforced Concrete
☐ Fireproofed Steel
☐ Concrete Panels

4. EXTERIOR
☐ Wood ☐ Metal
☐ Stucco
☐ Conc. Block ☐ Brick
☒ Concrete Reinforced
☐ Other
☒ Fenestration Good
☐ Trim
☐ None ☐ Minimum
☐ Average ☐ Extensive

5. ROOF
☒ Flat ☐ Gable ☐ Hip
☐ Shakes ☐ Shingle
☒ Built-up ☐ Comp.
☐ Aluminum ☐ G.I.
☐ Roll ☐ Tar Paper
☐ Concrete
☐ Reinforced Concrete

6. INTERIOR
☐ Open Stud
☐ Wallboard
☒ Plasterboard
☐ Plaster
☐ Concrete Block
☐ Other
☐ Story Height
☒ Basement 9'
☒ 1st 9'
☒ 2nd 9'

7. FLOORS
☐ Dirt ☐ Wood
☐ Concrete on Grade
☐ Conc. on Grade, Reinf.
☐ Reinf. Conc., Supported
☒ Tile
☐ Carpet

8. HEAT Pump
☐ None ☐ Space Heater
☒ Hot Air, Forced
☒ Hot Water
☐ Comb. Heat & Cooling
☐ Air Conditioning

FIREPLACES
☐ 1st Floor ____ Type
☐ Basemnt. ____

9. PLUMBING
Number of Fixtu
☐ Store
☐ Garage
☐ Warehouse
☐ Apts. 3F 2F 1F
Adequate
☐ Rms. 3F 2F 1F
☐ Extra Fixtures
☐ Sauna - Grade

10. ELECTRICAL
☐ Romex ☒ Conc
☐ Min. Lights & Fix
☐ Adqt. Lights & Fi
☒ Good Fixtures
☐ Excellent Fixtures
☐ Building Elevators
Type No. Cap. #
☐ Pass.

12. PORCHES
☐ BIOP
☐ BIGP
☐ BICP
☒ Open Porch 879 ✗
☐ Closed Porch
☐ Glazed Porch
☐ Deck

(1988) Marquee 52-6
(223 - 350) x 19.50 x .99 x 1.57 x 1.076 = 13 163
879 ✗

Packet Page 8435of19798

52-4 Bank units
2@4" = 34800
3" = 15900
Drive up = 7500
Pneumatic Tube 2 = 38000
96200 x 1.03 x 1.57 x 1.076 = 167 388

(1993) 52-4
2@4" 34800
3" 15900
50700 x 1.03 x 1.57 x 1.076 = 88218

	Year 22	Year 73	Year 01	Year	Year	Year	Year	Year
4. Occupancy	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION
	BANK							
5. Building class and quality 6. Exterior Wall	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
7. No. of stories & height per story 8. Average floor area	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
9. Average perimeter								
10. Age and condition Marshall & Swift Manual	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
11. BASE SQUARE FOOT COST								
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation								
13. Elevator deduction								
14. Miscellaneous								
15. Total lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)								
19. Combined ht. & size multiplier (Lines 16x17x18)								
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)	117.09	93.75						
21. Current cost multiplier (Sect. 99, p. 3)	6722 ✗	4654						
22. Local multiplier (Sect. 99, p. 5 & 6)	787079	436302						
23. Final sq. ft. cost (l. 20 x l. 21 x l. 22)	88218	LACKS 3# FINAL -30						
24. Area	875297	305411	1480708					
25. Line 23 x 24	7+12	10+12	10 ✓					
26. Lump sums (Line 32)	81	78						
27. REPLACEMENT COST (Line 25 + Line 26)	708991	238221	1336697					
28. Depreciation % (Sect. 97)	$947,212							
29. Depreciation amount (Line 27 – Line 29)								
30. DEPRECIATED COST (Line 27 – Line 29)								
31. Total Building Appraisal								

Cost Report - Commercial

1309		Record	1
Parcel Code Number	**1C070A050060**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**234 SEWARD ST**	**Perimeter**	391
Effective Year Built	1986	**Class**	B
Year Built	1914	**Height**	
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Bank	**Total Area**	6,608.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		6608		159.01		1,050,738
Exterior Wall	Concrete, Formed	6608		20.67		136,572
Heating & Cooling	Heating & Cooling	6608		613.00		613
Heating & Cooling	Hot Water	6608		12.00		79,296
Architect Fee		6608		7.30		48,238
Sprinklers	Sprinklers	11698		3.74		43,751
Fire Alarm System		6608		1.46		9,648
Basement	Unfinished	4630		52.58		243,445
Sub Total						$1,612,301.18

Local Multiplier	1.43	[X]	$2,305,591.00
Current Multiplier	1.03	[X]	$2,374,759.00
Neighborhood Multiplier		[X]	$2,374,759.00
Depreciation - Physical	30.00	[-]	$712,428.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$1,662,331.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $1,662,331

per ph w/Carol Davis 9/24/99;BLD2007-00461 incomplete, reinspect 12/08.-km;

6/11/10 Chg Mail Addr Per Rtn Mail & Per UB Screen/tlu;

8/15/11 Chg Mail Addr Per 2011 Tax Statement Addr Corr Form. See File for Form/tlu;
11/15/12 Canvass. Updated sketch, cost, photo. jcs

02.01.2018 PER CANVAS COST AND DEP UPDATE FILE DMHP 02.01.2018
Donna_Prince - 2/1/2018 9:25:46 AM

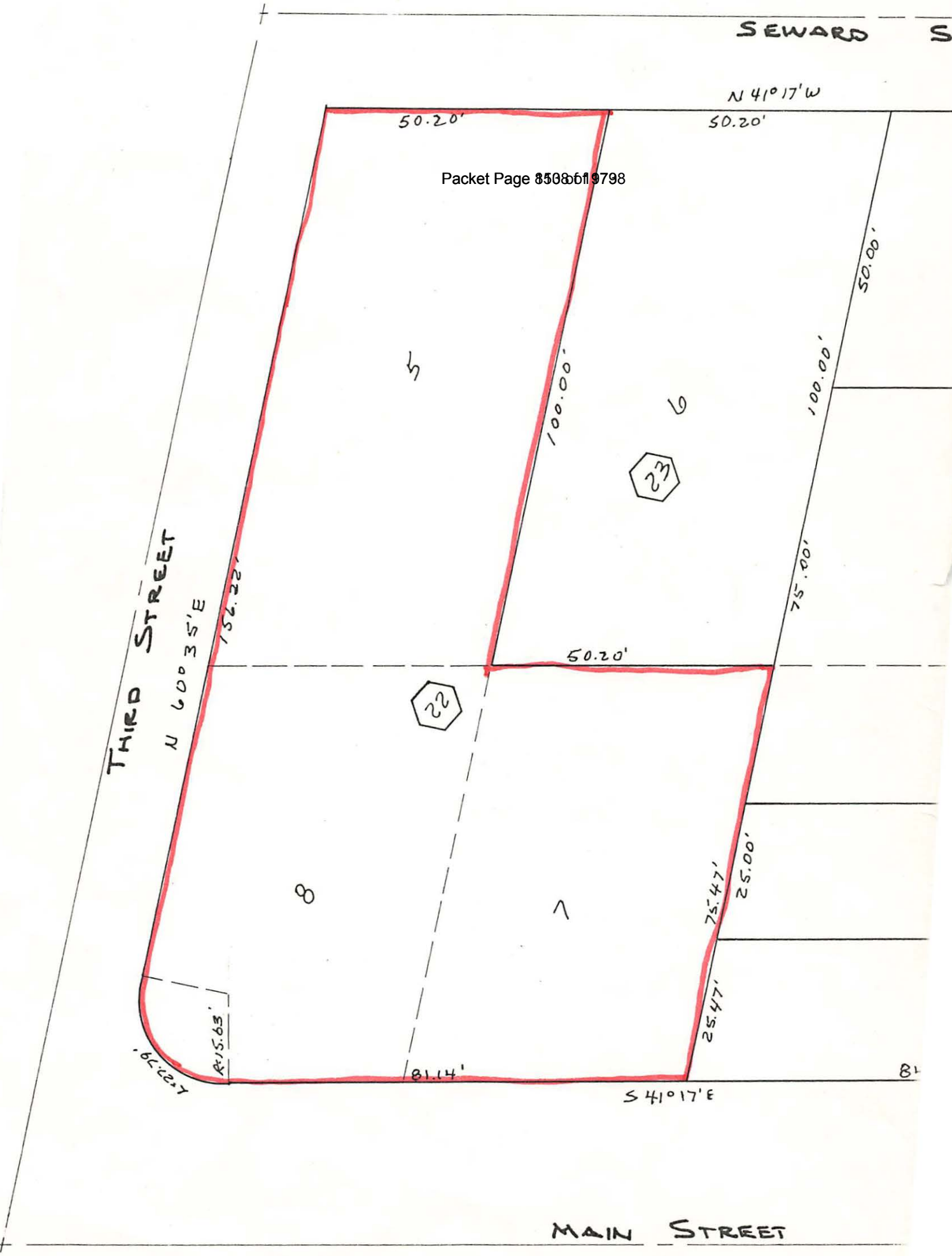
Miscellaneous Improvements

Miscellaneous Improvement	STORAGE 2.1.2018 PE	[+]	3,800
Miscellaneous Improvement	CANOPY 2.1.2018 PER	[+]	13,400
Miscellaneous Improvement	ENCLOSED PORCH 2.1.	[+]	2,200
Miscellaneous Improvement	VAULT 2.1.2018 PER	[+]	35,000

Total Improvement Value $1,716,700



1C070A050060_1_11152012


SEWARD S
N 41°17'W
50.20'
50.20'
50.00'
100.00'
100.00'
5
6
23
22
8
7
THIRD STREET
N 60°35'E
152.22'
50.20'
75.00'
75.47'
25.00'
25.47'
R=15.63'
A=27.79'
81.14'
S 41°17'E
MAIN STREET

Mary Hammond

From: Mail Delivery System <MAILER-DAEMON@smtp.ci.juneau.ak.us>
To: gregadler@mac.com
Sent: Friday, June 17, 2022 11:20 AM
Subject: Undeliverable: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

Delivery has failed to these recipients or groups:

gregadler@mac.com
The recipient's mailbox is full and can't accept messages now. Please try resending this message later, or contact the recipient directly.

The following organization rejected your message: mx02.mail.icloud.com.

Diagnostic information for administrators:

Generating server: smtp.ci.juneau.ak.us

gregadler@mac.com
mx02.mail.icloud.com
Remote Server returned '<mx02.mail.icloud.com #5.2.2 smtp; 552 5.2.2 <gregadler@mac.com>: user is over quota>'

Original message headers:

```
Return-Path: <michael.dahle@juneau.org>
X-CBJ-Spam-Status: No
X-CBJSMTP-MailScanner-Watermark: 1656098395.73227@AKFV3LQ5LvPQx/kveeNJVQ
X-CBJSMTP-MailScanner-From: michael.dahle@juneau.org
X-CBJSMTP-MailScanner-SpamCheck: not spam (too large)
X-CBJSMTP-MailScanner: Found to be clean
X-CBJSMTP-MailScanner-ID: 28AD6100248.A374E
X-CBJSMTP-MailScanner-Information: Please contact postmaster at ci.juneau.ak.us for more
information
Received: from City-Exch-DB1.cbj.local (city-exch-db1.cbj.local [199.58.55.200])
        (using TLSv1.2 with cipher ECDHE-RSA-AES256-SHA384 (256/256 bits))
        (No client certificate requested)
        by smtp.ci.juneau.ak.us (Postfix) with ESMTPS id 28AD6100248
        for <gregadler@mac.com>; Fri, 17 Jun 2022 11:19:54 -0800 (AKDT)
DKIM-Signature: v=1; a=rsa-sha256; c=relaxed/simple; d=juneau.org;
        s=default; t=1655493594;
        bh=DPRGmfR0DJ5knL1quUu2jfEsDja8XcjDZ+NjMmuXeZM=;
        h=From:To:CC:Subject:Date:References:In-Reply-To:From;
        b=MeUsCVEkjC9SMOTdK6xQ1zWwh3UJbzNXdBjO5iIu8/H2oyIIupAiYQltRsGXgqosh
         MAKixEJXGE7TdefjlWYyQxlMhhIjRaeVftv52vz2QyAiyzFDmfGIdLxME8zoUaHx2d
         2ESnxPLJlFt3/hXM+9NQJI3klw8JJk7FzFyInyO4=
Received: from CITY-EXCH-DB2.cbj.local (199.58.55.201) by
```

```
 City-Exch-DB1.cbj.local (199.58.55.200) with Microsoft SMTP Server (TLS) id
 15.0.1497.36; Fri, 17 Jun 2022 11:19:51 -0800
Received: from CITY-EXCH-DB2.cbj.local (199.58.55.201) by
 CITY-EXCH-DB2.cbj.local (199.58.55.201) with Microsoft SMTP Server (TLS) id
 15.0.1497.36; Fri, 17 Jun 2022 11:19:47 -0800
Received: from CITY-EXCH-DB2.cbj.local ([fe80::45b9:2361:70e6:667c]) by
 CITY-EXCH-DB2.cbj.local ([fe80::45b9:2361:70e6:667c%13]) with mapi id
 15.00.1497.036; Fri, 17 Jun 2022 11:19:47 -0800
From: Michael Dahle <Michael.Dahle@juneau.org>
To: "gregadler@mac.com" <gregadler@mac.com>
CC: Mary Hammond <mary.hammond@juneau.org>
Subject: RE: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE
 PROCESS
Thread-Topic: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND
 DUE PROCESS
Thread-Index: AQHYfoxb7kg4eUVswEyjvlM/hrsBL61SUqHggABGLJCAAV5dgA==
Date: Fri, 17 Jun 2022 19:19:47 +0000
References: <87581f55136e42199f7cfd95468d22a9@city-exch-cas3.cbj.local>
 <566c55ee17bc4be483c07903aa36b47b@CITY-EXCH-DB2.cbj.local>
 <e6809e8f48ca42b98ebd4d015b6fd1b8@CITY-EXCH-DB2.cbj.local>
In-Reply-To: <e6809e8f48ca42b98ebd4d015b6fd1b8@CITY-EXCH-DB2.cbj.local>
Accept-Language: en-US
Content-Language: en-US
X-MS-Has-Attach: yes
X-MS-TNEF-Correlator:
x-ms-exchange-transport-fromentityheader: Hosted
x-originating-ip: [199.58.55.96]
Content-Type: text/plain
MIME-Version: 1.0
```

Mary Hammond

From: Mary Hammond
Sent: Monday, June 20, 2022 7:49 AM
To: Michael Dahle; Greg Morris
Subject: FW: Goldstein Improvement Company Appeals-FedEx Tracking Number 274503188755

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

Please notice that our phone number has changed. All finance department calls must go to (907)586-5215. My new phone number is 586-5215 ext. 4033

-----Original Message-----
From: Greg Adler <gregoryladler@gmail.com>
Sent: Saturday, June 18, 2022 6:15 PM
To: Mary Hammond <mary.hammond@juneau.org>
Subject: Goldstein Improvement Company Appeals-FedEx Tracking Number 274503188755

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

_____

Mary,

Thank you for speaking with me the other day.

I have Fedexed a Supplement to our Appeal to your office.

Please attach it to our Documents at the Hearing.

Also, please call me to discuss.

Thank you,

Greg Adler
Goldstein Improvement Company

Mary Hammond

From: Greg Adler <gregoryladler@gmail.com>
Sent: Saturday, June 18, 2022 2:35 PM
To: Mary Hammond; Michael Dahle; Greg Morris; Jillian Olson
Subject: Juneau Assessor's Appeals re Your June 7 Letter to Us

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

Attachments available until Jul 18, 2022

Dear The Juneau Assessor's Office:

Please find attached our Response to your Determination Letter.

Please include the attached Response along with all of our correspondence as part of the file and documents submitted at our June 29, 2022 BOE hearing.

Please attach them to our hearing Zoom meeting prior to our meeting.

I would be happy to discuss the attached Response prior to our hearing date.

I am also confirming that I asked for our hearing date to be withdrawn or postponed so that you will be able to provide me with the documents I have requested.

Thank you,

Greg Adler
Goldstein Improvement Company
310-612-1312

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Juneau Assessor Appeal.pdf
1.7 MB

Click to Download
EXHIBIT A_003.pdf
397 KB

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1.4 MB

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EXHIBIT C_001.pdf
478 KB

Click to Download
EXHIBIT D_001.pdf
1 MB

Click to Download
EXHIBIT E_002.pdf
257 KB

Click to Download
EXHIBIT F.pdf
571 KB

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EXHIBIT G.pdf
1.5 MB

Click to Download
EXHIBIT H.pdf
4.7 MB

Click to Download
EXHIBIT I.pdf
12 MB

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EXHIBIT J.pdf
1.1 MB

Click to Download
EXHIBIT K.pdf
523 KB

Click to Download
EXHIBIT L.pdf
534 KB

Click to Download
EXHIBIT M.pdf
898 KB

Mary Hammond

From: Greg Adler <gregoryladler@gmail.com>
Sent: Saturday, June 18, 2022 2:38 PM
To: Mary Hammond; Michael Dahle; Greg Morris; Jillian Olson
Subject: Re: Juneau Assessor's Appeals re Your June 7 Letter to Us

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

SORRY FOR ANY CONFUSION, PLEASE FIND THE APPEAL AND EXHIBITS A-M. THANK YOU, GREG ADLER

On Jun 18, 2022, at 3:35 PM, Greg Adler <gregoryladler@gmail.com> wrote:

Dear The Juneau Assessor's Office:

Please find attached our Response to your Determination Letter.

Please include the attached Response along with all of our correspondence as part of the file and documents submitted at our June 29, 2022 BOE hearing.

Please attach them to our hearing Zoom meeting prior to our meeting.

I would be happy to discuss the attached Response prior to our hearing date.

I am also confirming that I asked for our hearing date to be withdrawn or postponed so that you will be able to provide me with the documents I have requested.

Thank you,

Greg Adler
Goldstein Improvement Company
310-612-1312

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Juneau Assessor Appeal.pdf
1.7 MB

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EXHIBIT A_003.pdf
397 KB

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1.4 MB

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EXHIBIT C_001.pdf
478 KB

Click to Download

EXHIBIT D_001.pdf
1 MB

Click to Download

EXHIBIT E_002.pdf

257 KB

Click to Download

EXHIBIT F.pdf
571 KB

Click to Download

EXHIBIT G.pdf
1.5 MB

Click to Download

EXHIBIT H.pdf
4.7 MB

Click to Download

EXHIBIT I.pdf
12 MB

Click to Download

EXHIBIT J.pdf
1.1 MB

Click to Download

EXHIBIT K.pdf
523 KB

Click to Download

EXHIBIT L.pdf
534 KB

Click to Download

EXHIBIT M.pdf
898 KB

Mary Hammond

From: Mary Hammond
Sent: Monday, June 20, 2022 4:22 PM
To: gregoryladler@gmail.com; Michael Dahle; Greg Morris
Subject: FW: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS
Attachments: 1C070A020011 Property Records.pdf; 1C070A020030 Property Records.pdf; 1C070A020043 Property Records.pdf; 1C070A040010 Property Records.pdf; 1C070A040020 Property Records.pdf; 1C070A050060 Property Records.pdf

Hi Greg,

Please see the email which was previously sent to your email address that is not working.

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

Please notice that our phone number has changed. All finance department calls must go to (907)586-5215. My new phone number is 586-5215 ext. 4033

From: Michael Dahle <Michael.Dahle@juneau.org>
Sent: Friday, June 17, 2022 11:20 AM
To: gregadler@mac.com
Cc: Mary Hammond <mary.hammond@juneau.org>
Subject: RE: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

Greg,

I have added your last message to this email string so that your last 3 emails are all included here.

To recap, we have already provided:

- Verbal answers in phone calls and counter conversation
- Written answers via email
- Assessment History for 235 Seward Street
- The inside pages of the property record cards for each of the 6 appeals plus 2 additional Goldstein properties; these records include references to land area, zoning, building sf, building sketches, date built and other information
- Details on what our system calls miscellaneous improvements, the most common of which are canopies
- 2021 Summary Report on commercial valuations
- 2022 Annual Assessment Report
- In addition, your company had opportunity to review all of these records a year ago when these same properties were appealed with the exception of the building at 235 Seward St. for which we also previously provided a cost report

Attached to this email are pdf files for each of the 6 appeals. These files include:

- Assessment History
- Another copy of the historic property record cards
- A cost report which references sf, quality, type of construction, etc
- Building sketches
- Photos
- And in some cases a plat

The cost reports in the attached pdf files match the building value from 2018 for each property. For 2022 the building values were reduced by 2%. In the case of 1C070A020043 the assessed value is lower because there was an error when entering the value into the system in that section 2 got dropped and was not included. This parcel also had slight increases to the building value in 2020 and 2021 for upgrades involving the replacement of many of the windows.

Again, we continue to review your submitted materials in preparation for the BOE hearing. If we identify any changes between now and the hearing we will let you know.

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

Wed 6/15/2022 2:58 PM
Greg Adler <gregadler@mac.com>
Goldstein Improvement Company
To Mary Hammond <mary.hammond@juneau.org>; Michael Dahle <Michael.Dahle@juneau.org>

Mary and Michael,

Juneau is a small town with few sales. I have requested from Michael all of your work and method at arriving at our assessed values previously. He has not answered me. Until you provide this information please withdraw the hearing date. We have the burden of proving our case with no documentation on how you arrived at your figures. How do I know if your work is correct if you have the wrong square footage for properties, for example. Or, exclude the most recent comps because you mislabel them outlier property when your own Sales Validation states for them to be included. How can a taxpayer have faith in a system that lacks candor?

One must conclude our appeals have been denied because Michael unequivocally told me this last Thursday in your office. To my great disappointment how can anyone conclude this is a fair appeal with due process.

Again, delay all of our hearings until you provide “open books” to us.

Sincerely,

Greg Adler
Goldstein Improvement Company

Sent from my iPhone

From: Greg Adler <gregoryladler@gmail.com>
Sent: Sunday, June 12, 2022 10:44 AM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Re: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

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

Michael,

Please explain the difference between the following:

1. Assessed Value
2. Full Market Value
3. Sales Price not Full Market Value
4. Juneau statistics on bank buildings accepted standard is 9 months exposure to the market before selling

Thank you,

Greg

Sent from my iPhone

Sent from my iPhone

On Jun 10, 2022, at 5:24 AM, Greg Adler <gregadler@mac.com> wrote:

Michael,

Good to meet you.

Please provide me with all of the Downtown Commercial studies you have done, any and all backup documentation used in analysis for our properties.

I need this information to analyze how you arrive at your over-assessed values.

I never said as I stated when I saw you we have an appraisal for the 234 Seward property. We do not. You have a market sale. Use it.

Our properties were over-assessed for 10 years. We challenged your assertions. Nevertheless, our market value is of any year January 1 and you now assert you can go back in time? If so, please revisit year 2021 and reduce this assessment because our properties are over-assessed.

Again, provide all of your documentation to us so we have the data you use to tax us before any hearing date so we have sufficient time to study it. Also, your timelines to appeal are to short because you have not shared the data you are using to over-assess our property.

Thank you, in advance, for providing the data we request.

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> I will continue to review relevant information up until the time of the BOE hearing.
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> State law allows that the BOE has the option of increasing the assessed value as a result of a hearing. Disclosing that to appellants is not a threat or intimidation. It is disclosure to the appellants, who frequently do not realize that, so they can weigh all of the considerations in pursuing an appeal. If we did not disclose that possibility and the BOE adopted the higher full market value without the appellant knowing that was possible the appellant would understandably be very upset. From a full disclosure standpoint to enable the BOE to consider uniformity and equity considerations the full market value should be disclosed to them, however, even if it wasn't, they could ask us in the hearing, we would need to answer truthfully and they could adopt that higher assessed value.
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> *Michael Dahle*
> Deputy Assessor, City & Borough of Juneau
> 907-586-5215 ext. 4036
> Michael.Dahle@juneau.org

From: Greg Adler <gregadler@mac.com>
Sent: Tuesday, June 7, 2022 12:16 PM
To: Assessor Office <Assessor.Office@juneau.org>
Subject: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

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

Dear Assessor's Office,

We hereby file and attach Appellant Response for Assessment Year 2022 Petition for Review and appeal all said cases.

On its face, we challenge your section Results of Review as backwards, inadequate and misleading based on the first paragraph of your letter to us June 7,2022 and demand that it be reversed and that "Owner's Estimate of Value" be the established as the "Full and True Value" on January 1, 2022.

In addition, I received a phone call from Jillian of the Assessor's Office at 11:00 a.m. Friday, June 3, 2022 instructing me that Assessor Michael Dahle was "going through our Appeals" "had questions" and would call me to discuss at the beginning of this week. I called Mr. Dahle today and left message as he did not come to the phone.

Further, your June 7,2022 letter p. 2, form has a box for Assessed Value on Notice. This box must be the "Full and True Value" on January 1, 2022 under the laws and statures of Alaska. You claim this is not the "Full and True Value" of our property. You cannot claim you may be entitled to a. Higher Assessed Value. This is absurd and usurpation of the powers of the Assessor's Office.

You say your "Assessed Value on Notice" is not the "Full and True Value" on our properties. You state the "Full and True Value" is your box called "Full Market Value (May be recommended to the BOE). Translated, you threaten us that the Assessor "may" impose EIGHT HUNDRED THOUSAND THREE HUNDRED FORTY DOLLARS ($800,340) MORE ASSESSED VALUE IF WE APPEAL. This is outrageous! Moreover, if in fact our properties were undervalued you certainly would not be doing your job and should be fired!

APPEAL AND OWE $800,340 MORE! Your actions are unconscionable, wrong and a violation of due process.
You are estopped to claim that your box entitled "Full Market Value (May be recommended to the BOE)" may be unilaterally imposed and threatened to scare off Appeals. I fully assert your actions are meant to intimidate, harass and undermine confidence of citizens in a fair review with due process. On its face, your form seeks to censor and limit Appeals and is an abuse of power. I demand you rescind the June 7 Letter to all Appellants.

Imagine if you thought of commercial owners as hard working Juneau citizens struggling during the pandemic to stay afloat.

Where are your manners?

Sincerely,

Greg Adler
The Goldstein Improvement Company

Mary Hammond

From: Mary Hammond
Sent: Monday, June 20, 2022 4:22 PM
To: gregoryladler@gmail.com; Michael Dahle; Greg Morris
Subject: FW: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS
Attachments: 1C070A020011 Property Records.pdf; 1C070A020030 Property Records.pdf; 1C070A020043 Property Records.pdf; 1C070A040010 Property Records.pdf; 1C070A040020 Property Records.pdf; 1C070A050060 Property Records.pdf

Hi Greg,

Please see the email which was previously sent to your email address that is not working.

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

Please notice that our phone number has changed. All finance department calls must go to (907)586-5215. My new phone number is 586-5215 ext. 4033

From: Michael Dahle <Michael.Dahle@juneau.org>
Sent: Friday, June 17, 2022 11:20 AM
To: gregadler@mac.com
Cc: Mary Hammond <mary.hammond@juneau.org>
Subject: RE: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

Greg,

I have added your last message to this email string so that your last 3 emails are all included here.

To recap, we have already provided:

- Verbal answers in phone calls and counter conversation
- Written answers via email
- Assessment History for 235 Seward Street
- The inside pages of the property record cards for each of the 6 appeals plus 2 additional Goldstein properties; these records include references to land area, zoning, building sf, building sketches, date built and other information
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- 2021 Summary Report on commercial valuations
- 2022 Annual Assessment Report
- In addition, your company had opportunity to review all of these records a year ago when these same properties were appealed with the exception of the building at 235 Seward St. for which we also previously provided a cost report

Attached to this email are pdf files for each of the 6 appeals. These files include:

- Assessment History
- Another copy of the historic property record cards
- A cost report which references sf, quality, type of construction, etc
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Where are your manners?

Sincerely,

Greg Adler
The Goldstein Improvement Company

Mary Hammond

From: Mail Delivery System <MAILER-DAEMON@smtp.ci.juneau.ak.us>
To: gregadler@mac.com
Sent: Monday, June 20, 2022 8:39 AM
Subject: Undeliverable: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

Delivery has failed to these recipients or groups:

gregadler@mac.com
The recipient's mailbox is full and can't accept messages now. Please try resending this message later, or contact the recipient directly.

The following organization rejected your message: mx01.mail.icloud.com.

Diagnostic information for administrators:

Generating server: smtp.ci.juneau.ak.us

gregadler@mac.com
mx01.mail.icloud.com
Remote Server returned '<mx01.mail.icloud.com #5.2.2 smtp; 552 5.2.2 <gregadler@mac.com>: user is over quota>'

Original message headers:

```
Return-Path: <michael.dahle@juneau.org>
X-CBJ-Spam-Status: No
X-CBJSMTP-MailScanner-Watermark: 1656347917.23605@wfiXU0EsJItOpDALJ0TjEQ
X-CBJSMTP-MailScanner-From: michael.dahle@juneau.org
X-CBJSMTP-MailScanner-SpamCheck: not spam (too large)
X-CBJSMTP-MailScanner: Found to be clean
X-CBJSMTP-MailScanner-ID: 31DF510005D.A10D0
X-CBJSMTP-MailScanner-Information: Please contact postmaster at ci.juneau.ak.us for more
information
Received: from City-Exch-DB1.cbj.local (city-exch-db1.cbj.local [199.58.55.200])
        (using TLSv1.2 with cipher ECDHE-RSA-AES256-SHA384 (256/256 bits))
        (No client certificate requested)
        by smtp.ci.juneau.ak.us (Postfix) with ESMTPS id 31DF510005D
        for <gregadler@mac.com>; Mon, 20 Jun 2022 08:38:36 -0800 (AKDT)
DKIM-Signature: v=1; a=rsa-sha256; c=relaxed/simple; d=juneau.org;
        s=default; t=1655743116;
        bh=VH5JIPb2qhALsjwZnLu+TOx2HHLwygPQpCEivNhyI2M=;
        h=From:To:Subject:Date:References:From;
        b=KcPzVIiLanBSt0MU7SK4F/p6CPz5Nwyzmzg9ahgS3mvitJZSZ+dP4XblvMkwiwjN+
         X3S3ke157BSQtMsL7c8ZGzn+Xrlt4JXDEcDx0/Krs+31XfHLfT/PS4qEGgPiRxvpV+
         lDWXUL2c/ZdjPbdNXGsbFxFM8uSMMaiMYKOC6eag=
Received: from CITY-EXCH-DB2.cbj.local (199.58.55.201) by
```

```
 City-Exch-DB1.cbj.local (199.58.55.200) with Microsoft SMTP Server (TLS) id
 15.0.1497.36; Mon, 20 Jun 2022 08:38:29 -0800
Received: from CITY-EXCH-DB2.cbj.local ([fe80::45b9:2361:70e6:667c]) by
 CITY-EXCH-DB2.cbj.local ([fe80::45b9:2361:70e6:667c%13]) with mapi id
 15.00.1497.036; Mon, 20 Jun 2022 08:38:29 -0800
From: Michael Dahle <Michael.Dahle@juneau.org>
To: "gregadler@mac.com" <gregadler@mac.com>
Subject: FW: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE
 PROCESS
Thread-Topic: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND
 DUE PROCESS
Thread-Index: AQHYfoxb7kg4eUVswEyjvlM/hrsBL61SUqHggABGLJCAAV5dgIAEkm9A
Date: Mon, 20 Jun 2022 16:38:28 +0000
References: <87581f55136e42199f7cfd95468d22a9@city-exch-cas3.cbj.local>
 <566c55ee17bc4be483c07903aa36b47b@CITY-EXCH-DB2.cbj.local>
 <e6809e8f48ca42b98ebd4d015b6fd1b8@CITY-EXCH-DB2.cbj.local>
Accept-Language: en-US
Content-Language: en-US
X-MS-Has-Attach: yes
X-MS-TNEF-Correlator:
x-ms-exchange-transport-fromentityheader: Hosted
x-originating-ip: [199.58.55.96]
Content-Type: text/plain
MIME-Version: 1.0
```

Mary Hammond

From: Greg Adler <gregoryladler@gmail.com>
Sent: Tuesday, June 21, 2022 3:03 PM
To: Mary Hammond; Michael Dahle; Greg Morris
Subject: Appraisal Methods

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

The Juneau Assessor's Office,

Will you explain why you rely on the Govern Approach or Cost Approach to Value?

With Investment property, with income and expenses, it is my belief the Income Approach is the standard appraisal method; with the second method being the Sales Comparison Approach to Value.

Please explain this including what professional resource you use to come up with your Costs.

It is anathema to use the Cost Approach or Govern Approach when it is not feasible to build new construction in Juneau.

Thank you,

Greg Adler

Mary Hammond

From: Mary Hammond
Sent: Tuesday, June 21, 2022 8:34 AM
To: Michael Dahle
Subject: FW: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

Michael,

Please add this to the communication folder. Let's work on a response to this when we have time.

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

Please notice that our phone number has changed. All finance department calls must go to (907)586-5215. My new phone number is 586-5215 ext. 4033

From: Greg Adler <gregoryladler@gmail.com>
Sent: Tuesday, June 21, 2022 8:29 AM
To: Mary Hammond <mary.hammond@juneau.org>
Subject: Re: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

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

Mary,

Please provide a listing, descriptive data and the model you said you use which you called a "Cost Approach/Sales Comparison Approach for ALL SIX PROPERTIES that are in your computer model for downtown commercial properties, a list of all commercial properties excluded from your model because they are to high or to low and a full explanation on the Norwegian property on why it's included in your model and not an outlier because the CEO of Norwegian Lines states, "The Sales Price and Assessed Value is a business value not a property value.

Thank you,

Greg Adler

Sent from my iPhone

On Jun 21, 2022, at 8:59 AM, Mary Hammond <mary.hammond@juneau.org> wrote:

Greg,

At this time I am unable to extend any hearings. That said, we will be working on your packets until Wednesday, packets for the evening following your hearing until Thursday, then we will be available for discussion. I asked Mr. Glidmann to let me know if there was anything specific to each property that he thought we should see. He said he would get back to me.

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

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Subject: Re: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

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

Mary,

In the interests of fairness and trying to come to an agreement, I respectfully request a new hearing date and that it be extended 14-30 days.

Greg

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Sent: Sunday, June 12, 2022 10:44 AM
To: Michael Dahle <Michael.Dahle@juneau.org>
Subject: Re: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

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

Michael,

Please explain the difference between the following:

1. Assessed Value
2. Full Market Value
3. Sales Price not Full Market Value
4. Juneau statistics on bank buildings accepted standard is 9 months exposure to the market before selling

Thank you,

Greg

Sent from my iPhone

Sent from my iPhone

> On Jun 10, 2022, at 5:24 AM, Greg Adler <gregadler@mac.com> wrote:
>
> Michael,
>
> Good to meet you.
>
> Please provide me with all of the Downtown Commercial studies you have done, any and all backup documentation used in analysis for our properties.
>
> I need this information to analyze how you arrive at your over-assessed values.
>
> I never said as I stated when I saw you we have an appraisal for the 234 Seward property. We do not. You have a market sale. Use it.
>
> Our properties were over-assessed for 10 years. We challenged your assertions. Nevertheless, our market value is of any year January 1 and you now assert you can go back in time? If so, please revisit year 2021 and reduce this assessment because our properties are over-assessed.
>
> Again, provide all of your documentation to us so we have the data you use to tax us before any hearing date so we have sufficient time to study it. Also, your timelines to appeal are to short because you have not shared the data you are using to over-assess our property.
>
> Thank you, in advance, for providing the data we request.
>
> Greg Adler
> Goldstein Improvement Company
>
> Sent from my iPhone

<Michael.Dahle@juneau.org> wrote:

Greg,

So far, I have not seen or heard anything that would change our results of the review. Your demand that we reverse it and establish the owner's estimate as the assessed value is denied.

I will continue to review relevant information up until the time of the BOE hearing.

Regarding the value on the notice versus the full market value, it is common knowledge that due to a number of years of neglect the commercial property values are significantly less than market. We are working at correcting this and bringing them up to market value.

State law allows that the BOE has the option of increasing the assessed value as a result of a hearing. Disclosing that to appellants is not a threat or intimidation. It is disclosure to the appellants, who frequently do not realize that, so they can weigh all of the considerations in pursuing an appeal. If we did not disclose that possibility and the BOE adopted the higher full market value without the appellant knowing that was possible the appellant would understandably be very upset. From a full disclosure standpoint to enable the BOE to consider uniformity and equity considerations the full market value should be disclosed to them, however, even if it wasn't, they could ask us in the hearing, we would need to answer truthfully and they could adopt that higher assessed value.

You mentioned in our earlier conversations that you were going to submit an appraisal done for the purchase of the Key Bank building. I do not see that appraisal in any of the documentation that was submitted. If you intend for that to be considered please submit is as soon as possible.

Michael Dahle
Deputy Assessor, City & Borough of Juneau
907-586-5215 ext. 4036
Michael.Dahle@juneau.org

From: Greg Adler <gregadler@mac.com>
Sent: Tuesday, June 7, 2022 12:16 PM
To: Assessor Office <Assessor.Office@juneau.org>
Subject: APPEAL OF ALL PROPERTIES AND DENIAL OF DUE BASIC FAIRNESS AND DUE PROCESS

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

Dear Assessor's Office,

We hereby file and attach Appellant Response for Assessment Year 2022 Petition for Review and appeal all said cases.

On its face, we challenge your section Results of Review as backwards, inadequate and misleading based on the first paragraph of your letter to us June 7,2022 and demand that it be reversed and that "Owner's Estimate of Value" be the established as the "Full and True Value" on January 1, 2022.

In addition, I received a phone call from Jillian of the Assessor's Office at 11:00 a.m. Friday, June 3, 2022 instructing me that Assessor Michael Dahle was "going through our Appeals" "had questions" and would call me to discuss at the beginning of this week. I called Mr. Dahle today and left message as he did not come to the phone.

Further, your June 7,2022 letter p. 2, form has a box for Assessed Value on Notice. This box must be the "Full and True Value" on January 1, 2022 under the laws and statures of Alaska. You claim this is not the "Full and True Value" of our property. You cannot claim you may be entitled to a. Higher Assessed Value. This is absurd and usurpation of the powers of the Assessor's Office.

You say your "Assessed Value on Notice" is not the "Full and True Value" on our properties. You state the "Full and True Value" is your box called "Full Market Value (May be recommended to the BOE). Translated, you threaten us that the Assessor "may" impose EIGHT HUNDRED THOUSAND THREE HUNDRED FORTY DOLLARS ($800,340) MORE ASSESSED VALUE IF WE APPEAL. This is outrageous! Moreover, if in fact our properties were undervalued you certainly would not be doing your job and should be fired!

APPEAL AND OWE $800,340 MORE! Your actions are unconscionable, wrong and a violation of due process.
You are estopped to claim that your box entitled "Full Market Value (May be recommended to the BOE)" may be unilaterally imposed and threatened to scare off Appeals. I fully assert your actions are meant to intimidate, harass and undermine confidence of citizens in a fair review with due process. On its face, your form seeks to censor and limit Appeals and is an abuse of power. I demand you rescind the June 7 Letter to all Appellants.

Imagine if you thought of commercial owners as hard working Juneau citizens struggling during the pandemic to stay afloat.

Where are your manners?

Sincerely,

Greg Adler
The Goldstein Improvement Company

<1C070A020011 Property Records.pdf><1C070A020030 Property Records.pdf><1C070A020043 Property Records.pdf><1C070A040010 Property Records.pdf><1C070A040020 Property Records.pdf><1C070A050060 Property Records.pdf>

CITY AND BOROUGH OF JUNEAU

ASSESSOR OFFICE

APPEALS: Multiple

2022 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION June 29, 2022

Appellant: Goldstein / Greg Adler

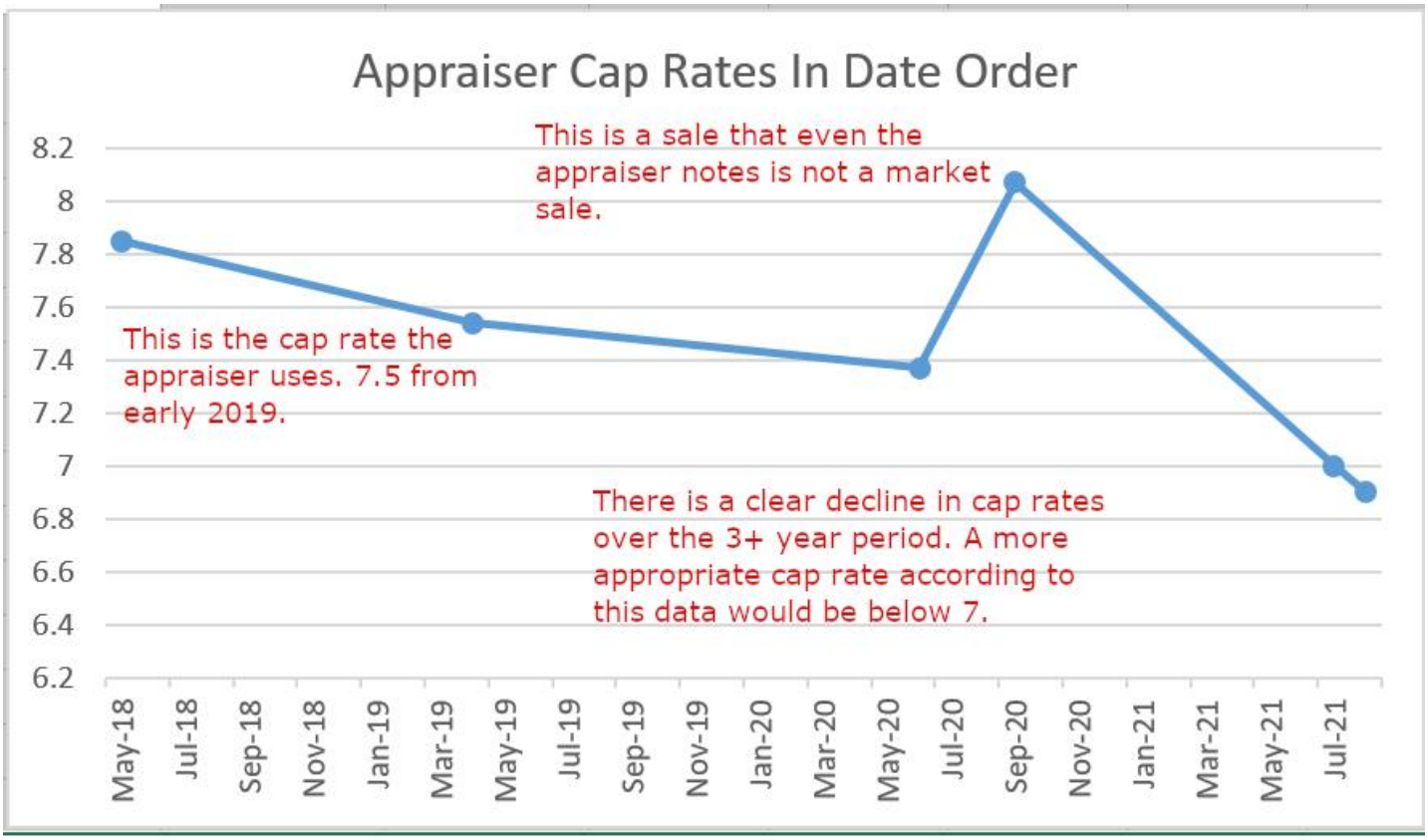
Appeal Number	Parcel Number
2022-0131	1C070A050060
2022-0154	1C070A020011
2022-0155	1C070A040020
2022-0156	1C070A020030
2022-0157	1C070A040010
2022-0158	1C070A020043

This document contains a common Addendum B – Additional Response Details for the above listed appeals.

Addendum B – Additional Response Details

This section contains additional response details regarding information submitted by the appellant.

- The appellant has submitted paper documentation in the neighborhood of 2,000 plus pages as well as numerous electronic file submissions. All of that information has been reviewed and taken into account in our conclusions. To document all of the issues and explain them fully would require a massive project. What we present here are just a few highlights.
- The appellant submitted appraisals from Julie Dinneen for 5 out of the 6 appeals. While on the surface they seem to indicate lower market values, none of these appraisals truly show that the properties are over assessed. Without addressing all of the issues within the appraisals here is one example.



- In material submitted on 06/18/2022 the appellant includes a document titled “Appeal.” (There are several other documents with a similar title in the material.) This document is filled with incorrect statements, misquotes, incorrect interpretation and projections of our statements, false statements about what we have said or emailed, misapplication of principles and practices, misapplication of IAAO standards and other issues that would take many pages to correct. This statement would hold true to much of what the appellant has submitted.
- The above mentioned “Appeal” and exhibit A of the material submitted on 06/18/2022 once again try to claim that the sales and subsequent analysis were inappropriately manipulated. We have repeatedly addressed and corrected these inaccurate claims.
- The appellant continually states that the Key Bank building was excluded from the considered sales. This is not true. The sale was considered. Through the sales validation process we identified that it was not a market sale. In spite of that, because of the pressure that our office has received regarding particular sales, we included it to demonstrate what would happen. Having been included in the sales study it indicated as a statistical outlier in

every data set that it was included in and therefore, per IAAO standards, was not included in the final set of market sales in any of the ratio studies.

- In material submitted on 06/18/2022 the appellant includes as exhibit C pages from the "Fundamentals of Mass Appraisal" book and has underlined a section that says, "The quality of the available data has a greater effect than anything else on valuation accuracy." This is the very reason why in the last couple of years the Assessor's Office adopted and implemented a sales validation procedure and why we do not include non-market sales.
- In material submitted on 06/18/2022 the appellant includes as exhibit F a page from book section titled the "Data Collection and Management." Bracketed and underlined are the following sentences, "Outliers- Outliers are properties with very high or low sales ratios. They may result from poor or outdated appraisals, non-arm's-length sales, or a mismatch between the property sold and the property appraised. Particularly when the sample is small, outliers can distort ratio studies and therefore should be reviewed carefully. Again, the very reason that we follow a sales validation process to identify non-arm's-length or non-market transactions and why, when doing the actual ratio study a test, per IAAO standards, is applied to each study to identify any sales that indicate as an outlier in that given sample.
- In material submitted on 06/18/2022 the appellant includes as exhibit B pages that appear to be from Chapter 2, Data Management from the book the "Fundamentals of Mass Appraisal." Underlined is a section on location which reads, "Data on the location of properties are needed, because location helps to identify properties and affects the value of both land and buildings. Location can be described as follows: Belonging to a market area or neighborhood or zone. These areas usually are delineated by experts in local real estate markets, although geostatistical techniques can be employed. The areas need to be large enough to ensure sufficient sales (or other market evidence) for analysis and model building. Neighborhoods should be large enough to generate at least 15 sales for use in modeling and preferably 30 or more." We do adjust values for neighborhood influences and we do look at various subsets in order to evaluate segments of the market. If you were to follow the implications of the above statement without understanding other factors, considerations and aspects of implementation of model building and valuations you would have to treat Juneau as one neighborhood with no distinction between the downtown core, S Franklin, the Valley, Douglas, etc.
- In material submitted on 06/18/2022 the appellant includes as exhibit J a list of Key Bank furnishings from an undisclosed source and a section from the Fundamentals of Mass Appraisal on adjustments for personal property. We certainly do apply such adjustments when warranted. In the case of this particular sale, while we did not have that information at the time that we were doing the analysis, applying that adjustment would just result in the sale indicating even more significantly as an outlier and therefore would not change the impact on the ratio study.
- In material submitted on 06/18/2022 the appellant includes as exhibit I a Wold appraisal from 08/17/2015 for the First National Bank Building. This appraisal does not demonstrate what the appellant claims, that "commercial property has been over assessed for decades." This building sold as a refurbishment project and has been significantly upgraded since the sale. When the condition of the building was discovered the assessment was adjusted. This kind of adjustment is routine. Sometimes it comes about through our regular inspections, sometimes as we review real estate listings and sometimes the property owner brings it to our attention. It in no way proves that our models were wrong or that we were over valuing property. Today's assessed value in no way compares to the property at the time of the sale.
- A document that appears with at least most of the appeals in both paper and electronic form is a 55 page narrative often titled "Appeal" or "Appeal Facts." Again, it would take a lengthy document to respond point by point. The comments above regarding the "Appeal" document basically apply here as well. A few points: We are not California and as such the sale price for a particular property does not become the assessed value. We set value based on the evidence of all of the sales not on one sale. We did not use some hidden algorithm, we applied a simple trending. In addition we have explained the historic valuation models, which basically amount

to land based on sf adjusted by features and building based on a unit cost adjusted to market sales, as best we can. Another appraiser's opinion is just that, a separate, non-uniform opinion. The Key Bank sale was actually included in our study. We do work at gathering sales data. The quotes from the State Assessor regarding the word "outlier" is applying the word in a broader sense and in a different application in his report than we are using the term. I have explained that we are using it in a statistical application and reference. There is no "Govern" model per se. We do use mass appraisal adjusted by sales.

- In material submitted on 06/18/2022 the appellant includes as exhibit L pages that indicate that they are from Chapter 1 with either a chapter title or book title of "Introduction to Mass Appraisal." Starting a little before the underlined section and continuing through and slightly past the underline the resource says, "Customary practice and USPAP requirements lay out single-property appraisal documentation and reporting requirements in considerable detail. The basic reporting requirement is, "In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading" (TAF 2010, U-21) Often a detailed narrative report is required, although form reports can suffice for some purpose.

  Such detail usually is impractical when appraisals are made for property tax purposes. However, reporting requirements in mass appraisal are evolving in the direction of more detail, largely as a result of USPAP, the opportunities presented by the Internet and government Web sites, and the level of detail required by assessment hearings. The most general form of mass appraisal reporting has been the public assessment roll, which minimally contains property or tax payer identifiers and the assessed value. Good practice also stipulates an individual assessment notice, especially when an assessment is changed."

  To clarify, under USPAP, there are separate Standards addressing single-property appraisal reports and mass appraisal reports. Standard 2 addresses Real Property Appraisal Reporting and applies to single-property appraisals. Standard 6 addresses Mass Appraisal Reporting.

  To the best of my knowledge CBJ had not been producing any kind report in recent history other than the assessment roll and the assessment notices. To improve the level of reporting we implemented the generation of the "Annual Assessment Report" the past two years. This report is far beyond what many jurisdictions report and makes far more information regarding the valuations available to the CBJ taxpayer than what has been available in the past.

CITY AND BOROUGH OF JUNEAU

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

Assessment Report- Commercial Overview- Interim

City and Borough of Juneau

For Assessment Year 2022

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

2022 Report Date: March 23, 2022

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Introductory Message for 2022

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

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

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

Valuation Summary

Assessment Process Overview

Sales Data Procedures

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

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

Model Specification & Calibration Procedures

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

Three Approaches to Value

Cost Approach – is calibrated through trends in costs.
Sales Comparison Approach – utilizes market sales.
Income Approach – utilizes standard rates and/or individual property data.

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

Analysis and Valuation Overview

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

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

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

Summary of Performance Tests and Measures (Statistics)

Ratios, COD, & COV

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

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

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

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

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

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

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)	

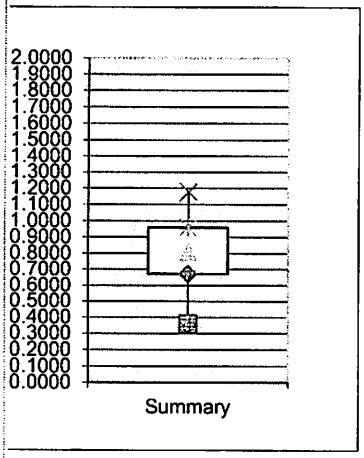
Coefficients (0=Normal Distribution)	
Kurtosis	-0.3459
Skewness	-0.1410
Alt.Cyhelsky's Skew	0.0400
Alt.Pearson's Skew	0.1964

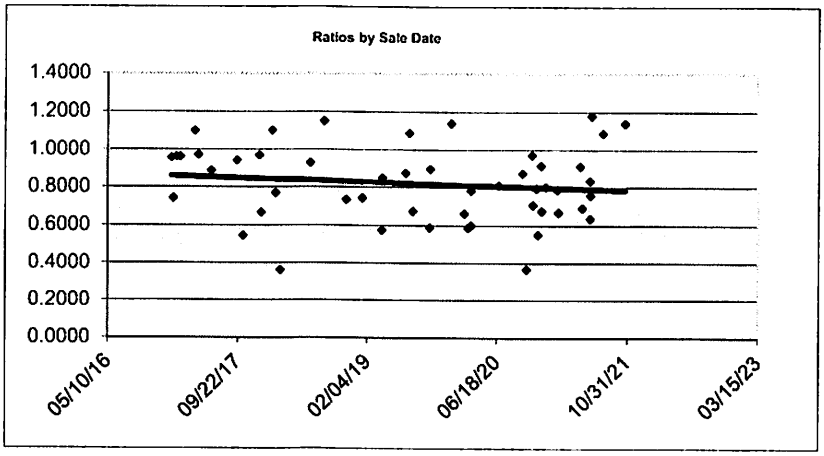
Trending Factors

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

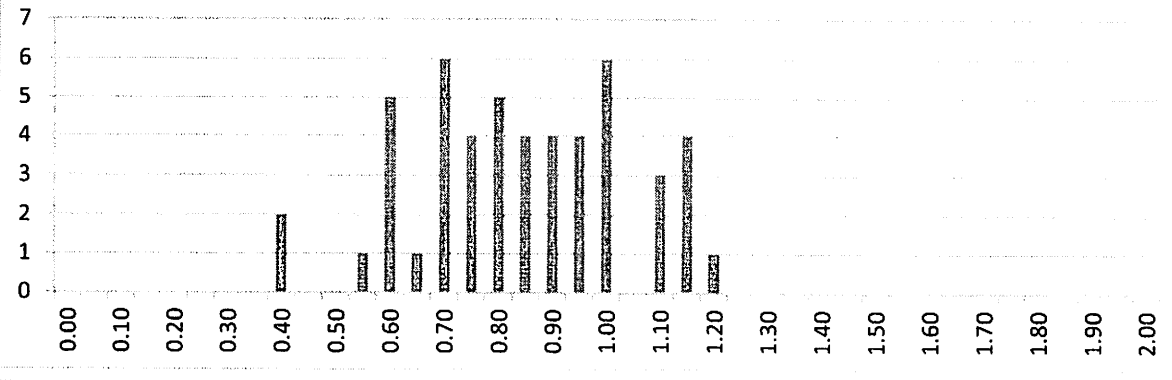
Normal / Skewed Distribution Evaluation

-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.





Histogram of Ratio Frequency



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

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

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)	

Coefficients (0=Normal Distribution)

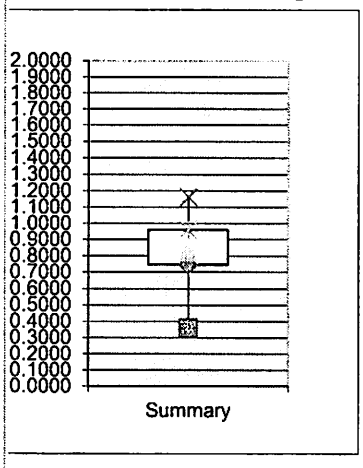
Kurtosis	#DIV/0!
Skewness	#DIV/0!
Alt.Cyhelsky's Skew	0.0612
Alt.Pearson's Skew	0.4033

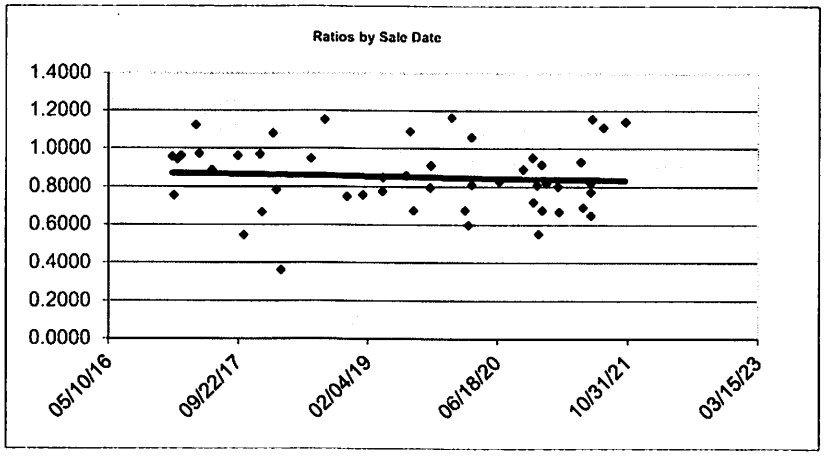
Trending Factors

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

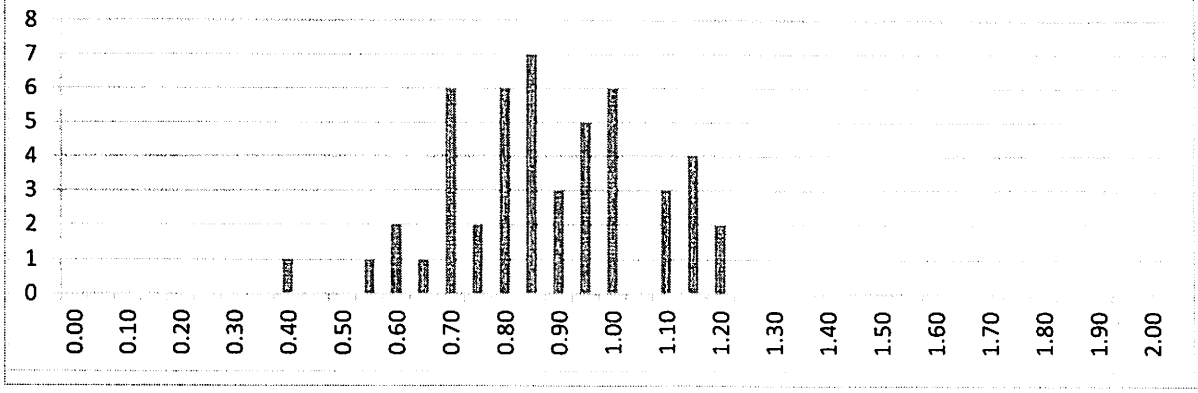
Normal / Skewed Distribution Evaluation

-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.





Histogram of Ratio Frequency



Market Trend

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

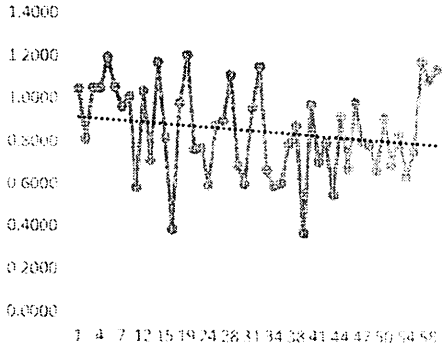
To maintain the same assessment level for commercial property we would have had to apply a 5% increase across the board. Applying an overall increase of 2% is more conservative and as a result we fell behind the market a little more and ended up with a lower level of assessment. However, while being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

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

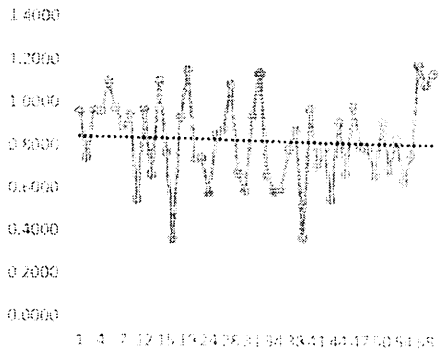
- Scenario 1 shows the results of a more minimal 2% per year with the downward trend line indicating that the market increase is higher than the 2%.
- Scenario 2 shows the results of the rates that we applied. The downward trend line indicates that while this trending is closer to market it is still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

		Scenario 1		Scenario 2		Scenario 3	
5 Yr. Back	2017	2.00%	0.17%	5.00%	0.42%	5.00%	0.42%
4 Yr. Back	2018	2.00%	0.17%	5.00%	0.42%	5.00%	0.42%
3 Yr. Back	2019	2.00%	0.17%	5.00%	0.42%	5.00%	0.42%
2 Yr. Back	2020	2.00%	0.17%	3.00%	0.25%	5.00%	0.42%
1 Yr. Back	2021	2.00%	0.17%	2.00%	0.17%	5.00%	0.42%

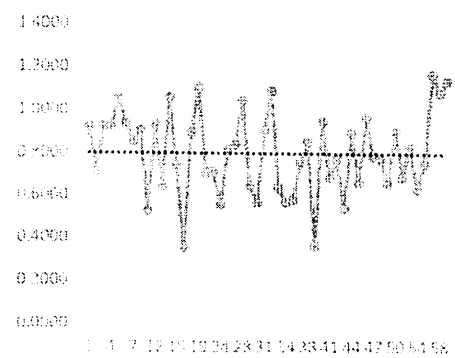
Scenario 1



Scenario 2



Scenario 3



Data Set Counts

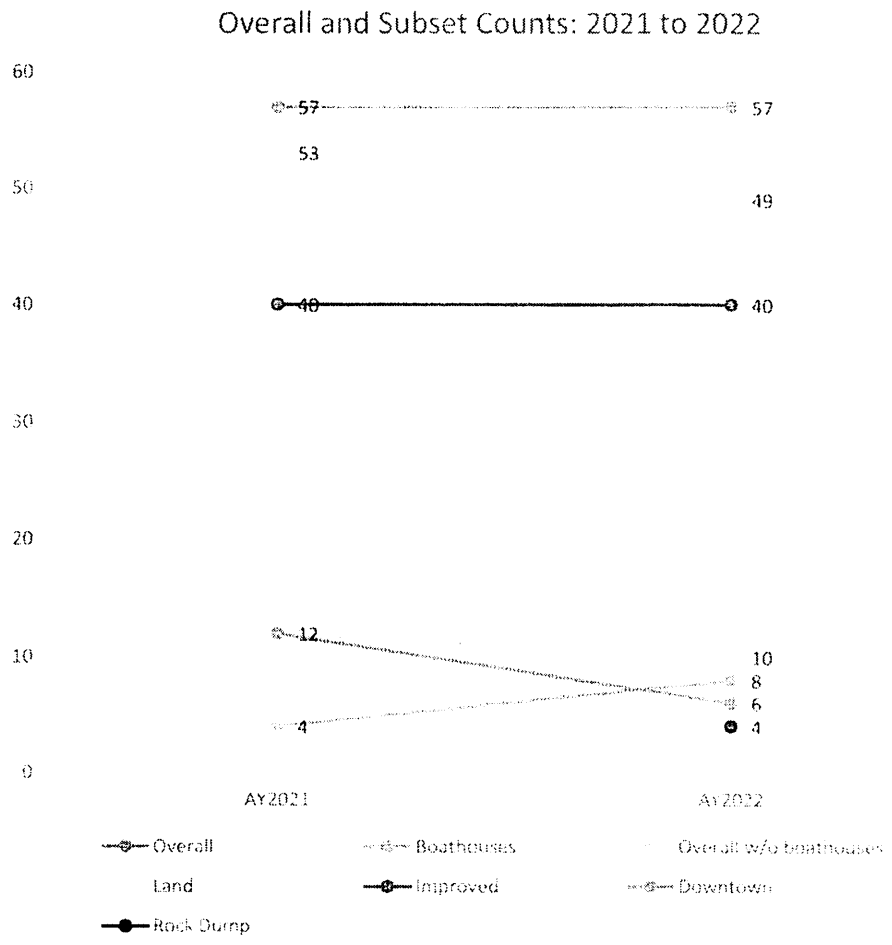
The following chart shows the dataset counts by Class and/or Subgroup.

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	Starting Point		Ending Point	
Class / Subgroup	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."

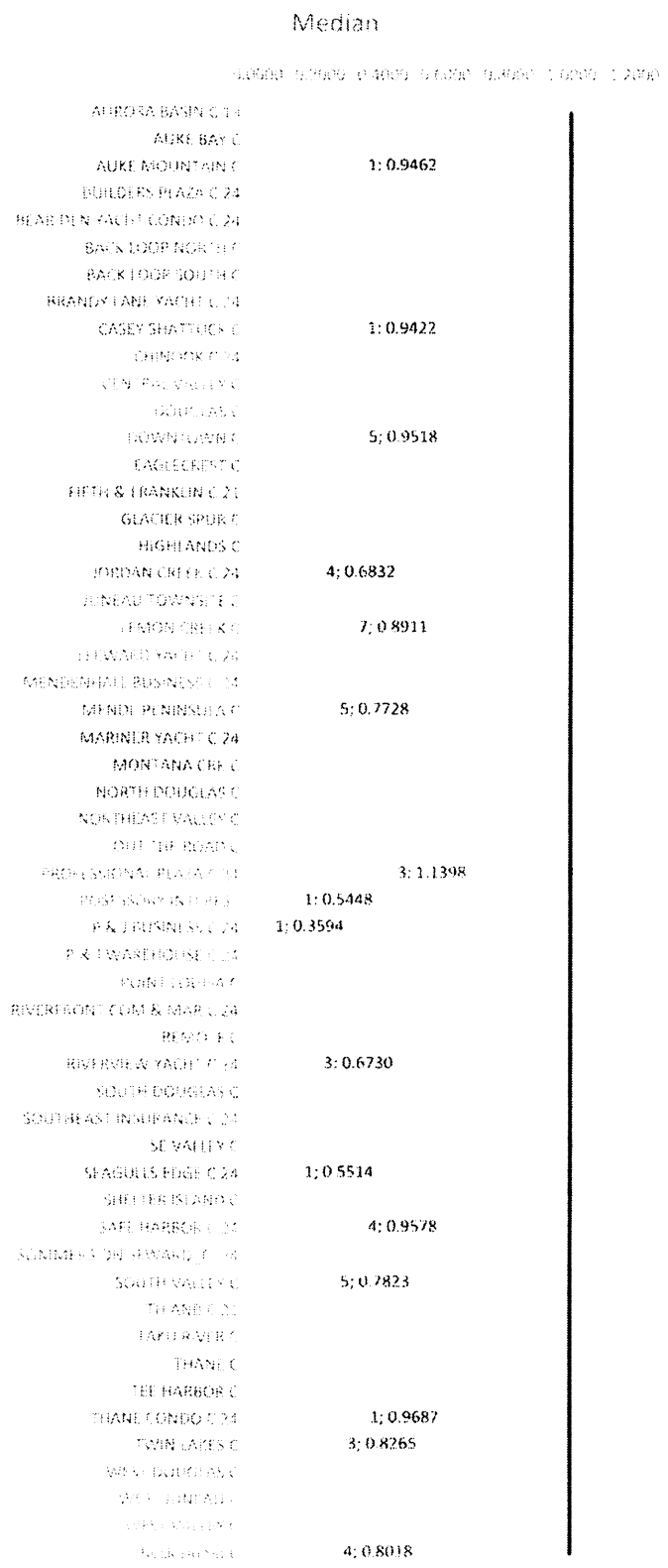
For each study a decision must be made whether or not to include outliers. As a general rule outliers are not included in normal studies but may be included in a special study such as where you are specifically looking at the impact of the outliers.

Neighborhood Statistics

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

Commercial Neighborhood Summary

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



Overview Reconciliation & Conclusions

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

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

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

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

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

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

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

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

Submarkets, Stratifications and Characteristics Adjustments

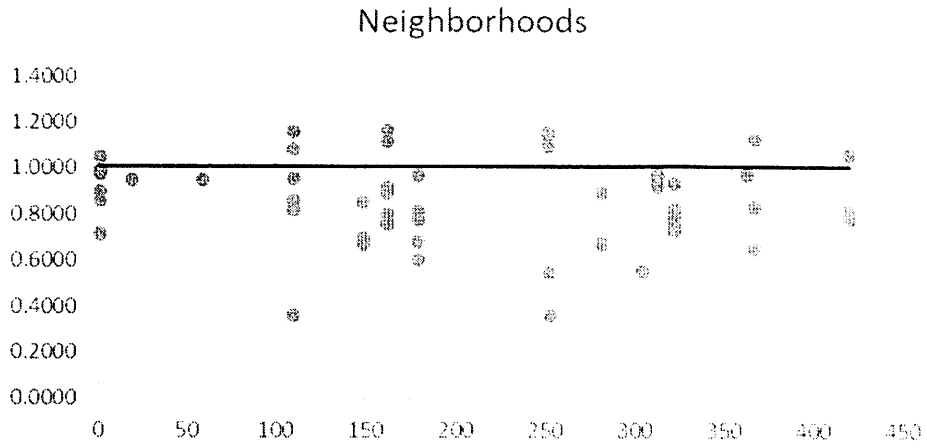
Commercial Properties

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

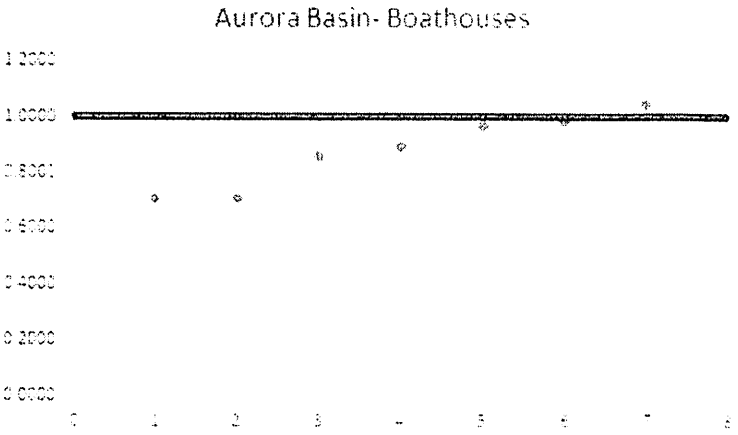
In looking at market areas, special attention was paid to the downtown area in 2020 and in 2021, as it would seem that they would be most impacted by the Covid restrictions. A graph of market areas (neighborhoods) was presented above. There were only 4 market areas for which we had 5 or more sales. There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

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

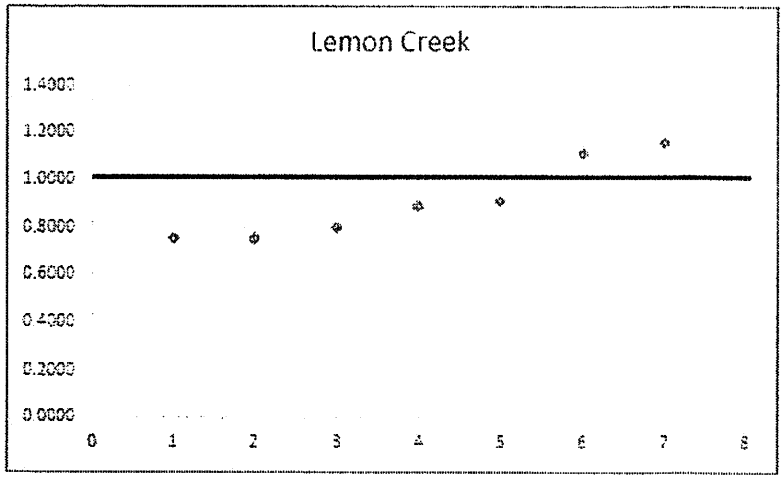
The scatter diagram below shows the distribution of ratios by neighborhood, with each column being a separate neighborhood. The numbers along the horizontal (x) axis are neighborhood code numbers. The red line is the target of market value.

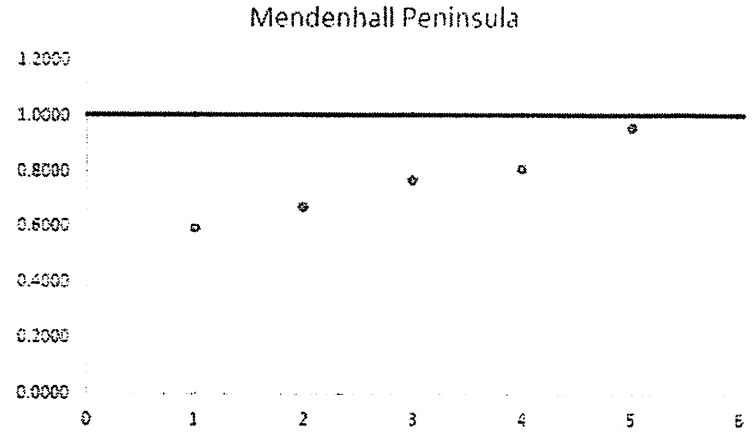


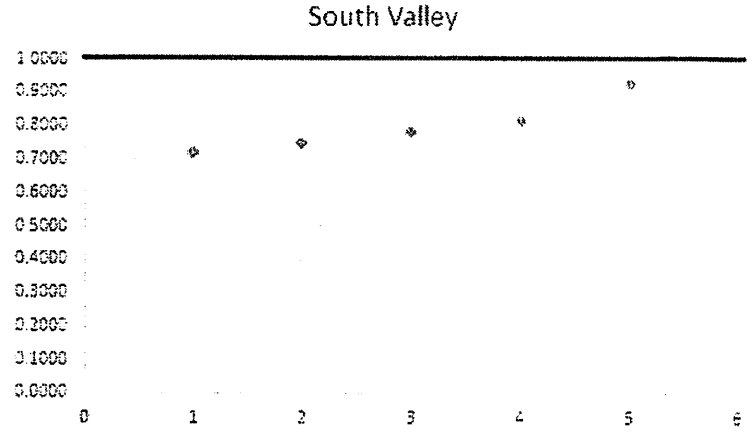
The following scatter diagrams show the distribution of the ratios within particular neighborhoods. The numbers in the horizontal (x) axis of these diagrams is simply a sale count number and they arrayed in ratio order.



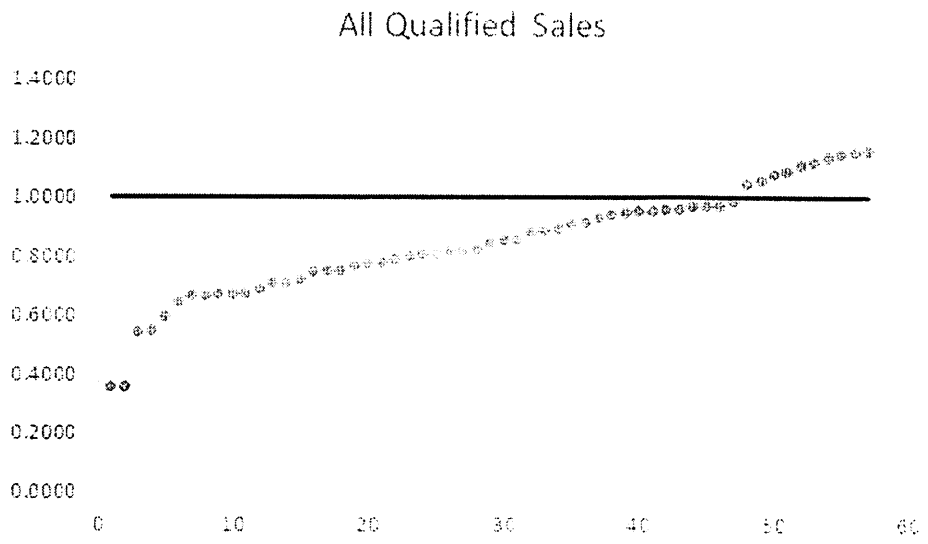



Lemon Creek
1.4000
1.2000
1.0000
0.8000
0.6000
0.4000
0.2000
0.0000
0
1
2
3
4
5
6
7
8


Mendenhall Peninsula
1.2000
1.0000
0.8000
0.6000
0.4000
0.2000
0.0000
0
1
2
3
4
5
6


South Valley
1.0000
0.9000
0.8000
0.7000
0.6000
0.5000
0.4000
0.3000
0.2000
0.1000
0.0000
0
1
2
3
4
5
6

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

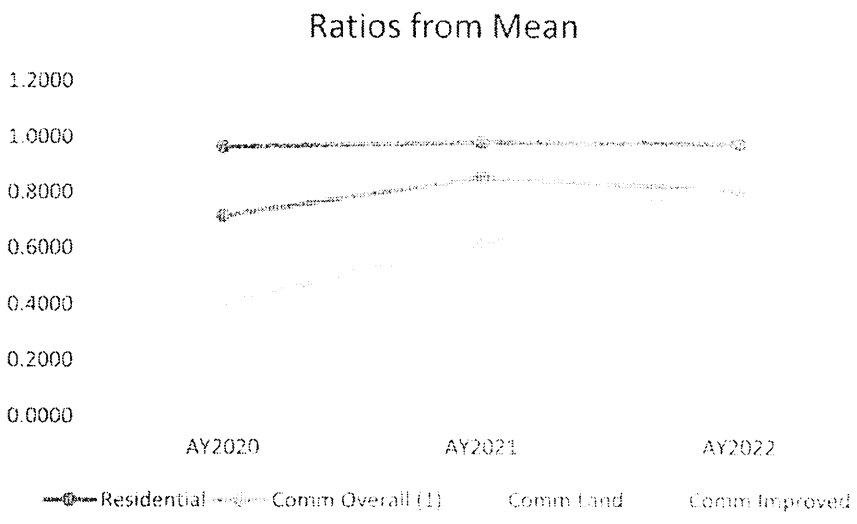


The chart below shows the change from 2020 to 2022.

Ratios from the Mean

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

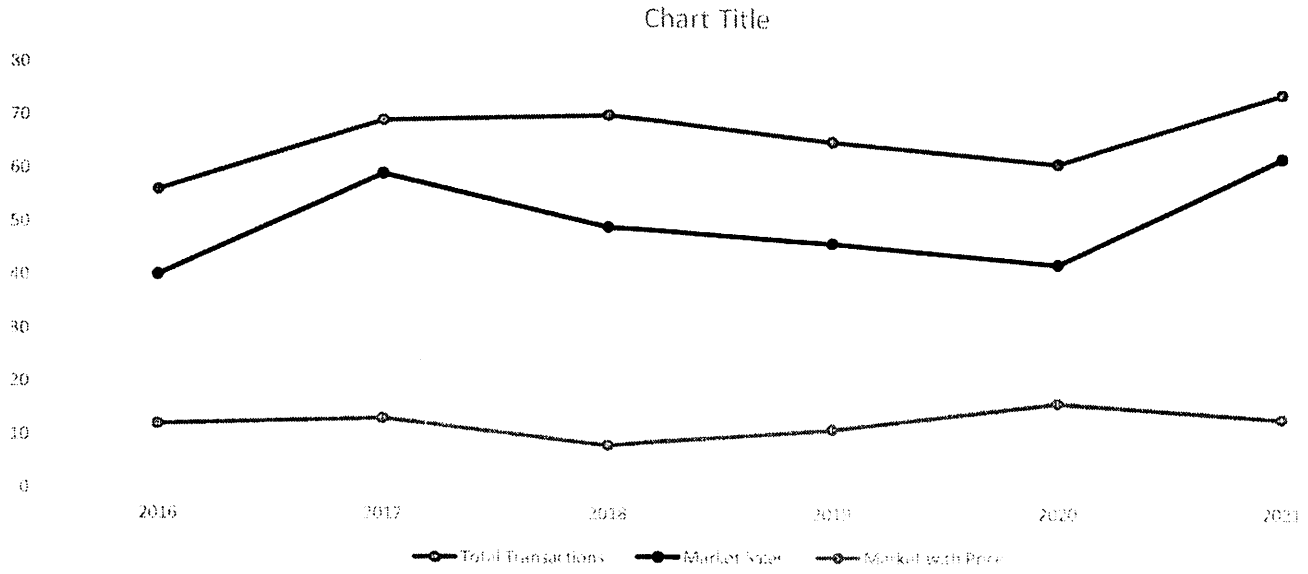
(1) Does not include boathouses.



Commercial Market Information

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

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



General Reconciliation & Conclusions Summary

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

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

Addendum A – Commercial Sales List

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

Parcel Num	Sale Date	Sale Price	Trended SP	AV Total	Number	Street	Buyer	Use Type	Neighborhood
4B1701090228	01/10/17	150,000	**180,250**	172,300	10011	CRAZY HORSE		30	SAFE HARBOR C 24
5B1201060140	01/18/17	1,400,000	**1,680,778**	1,265,423	5720	CONCRETE WAY	ALCOR LANDS LLC	24	LMNC_C
1C030C280080	01/30/17	930,000	**1,114,967**	1,050,560	712	W TWELFTH ST	712 W 12TH ST LLC	21	CASH_C
4B1701090223	02/14/17	150,000	**179,521**	172,300	10011	CRAZY HORSE DR	BENTON AND MEIER M	30	SHRC_C_24
7B0901030071	04/11/17	1,540,000	**1,831,103**	2,054,226	3161	CHANNEL DR	FRONTIER PROPERTIES	21	TWLKS_C
4B1701090226	04/24/17	130,000	**154,339**	149,800	10011	CRAZY HORSE DR	PAUL J THOMAS & AM.	30	SHRC_C_24
4B1601050030	06/13/17	104,000	**122,749**	108,800	2274	INDUSTRIAL		30	RIVERVIEW YACHT C
1C020K01E220	09/07/17	32,000	**37,387**	26,500	1435	HARBOR		19	AURORA BASIN C 19
1C020K01E230	09/07/17	32,000	**37,387**	26,500	1435	HARBOR WAY	BLAKE RIDER	19	ABBC_C_19
4B1601010040	09/19/17	750,000	**875,000**	839,562	2450	INDUSTRIAL BLVD	BAD DOG INVESTMENT	24	MNDP_C
3B1501020030	10/12/17	65,000	**75,626**	41,200	1669	CREST ST	CITY AND BOROUGH O	24	PINT_C
1C110K150900	12/13/17	160,000	**184,778**	179,000	125	MILL ST	ALASKA SUSTAINABLE !	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 & /	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 LIMITEC	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 P	17	RKDP_C
5B1201000060	10/04/19	2,205,832	**2,345,228**	2,135,104	5245	GLACIER HWY	PETRO 49 INC	24	LMNC_C
5B1201300110	12/24/19	225,000	**236,688**	274,941	1783	ANKA		17	LEMON CREEK C
4B1701080020	02/13/20	800,000	**837,756**	565,539	10012	CRAZY HORSE DR	RPA INVESTMENTS	24	MNDP_C
4B1701090056	02/28/20	1,567,000	**1,638,995**	980,577	10009	CRAZY HORSE DR	R & L LEASING INC	17	MNDP_C
1C110K120140	03/10/20	378,818	**395,875**	320,200	0	MILL ST	BONNELL 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 GR(	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	Confidential	**Confidential**	145,000	10011	CRAZY HORSE DR	JEFF CARPENTER & GIN	30	SHRC_C_24
5B15011107E0	12/07/20	Confidential	**Confidential**	234,498	2221	JORDAN AVE	FAMILY PROMISE OF JU	21	JDCC_C_24
5B1401050100	12/22/20	479,138	**489,253**	399,789	0	HONSINGER DR	GSA LLC	17	SVLY_C
5B1201410060	02/05/21	371,000	**377,802**	302,940	0	COMMERCIAL BLVI	LINKUP ALASKA LLC	17	LMNC_C
4B1601050010	02/09/21	160,000	**162,898**	108,800	2274	INDUSTRIAL BLVD	SHEILA GOOD & JAMES	30	RVYC_C_24
5B1501050040	05/03/21	Confidential	**Confidential**	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	Confidential	**Confidential**	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	Confidential	**Confidential**	187,578	10155	JENSINE ST	KURT S TVENTEN & RU	30	MNDP_C
1C060K700011	06/16/21	Confidential	**Confidential**	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 L	18	LMNC_C
1C020K01E240	09/14/21	Confidential	**Confidential**	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	Confidential	**Confidential**	2,547,520	234	SEWARD ST	GOLDSTEIN IMPROVEN	24	DWNTN_C

Addendum B – Count Variations

Dataset Count Variations

AY2022 Ending Point Studies	Potential	Used	Notations
Class / Subgroup			
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)

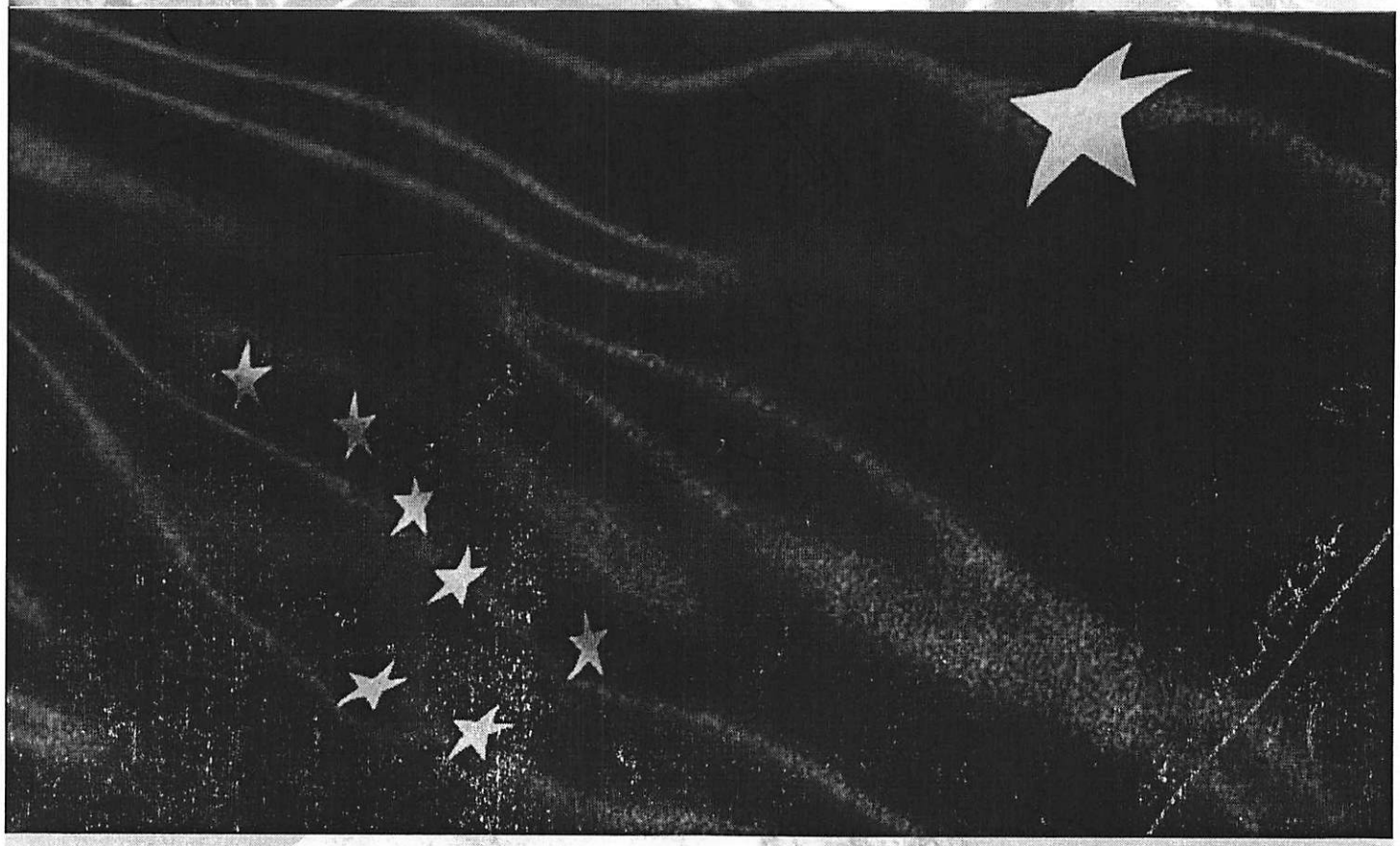
State law reference(s)—Full and true value, AS 29.45.110.

ALASKA TAXABLE 2021

Municipal Taxation - Rates and Policies • Full Value Determination

REPORT

Volume LXI
January 2022



Mike Dunleavy, Governor
https://gov.alaska.gov/

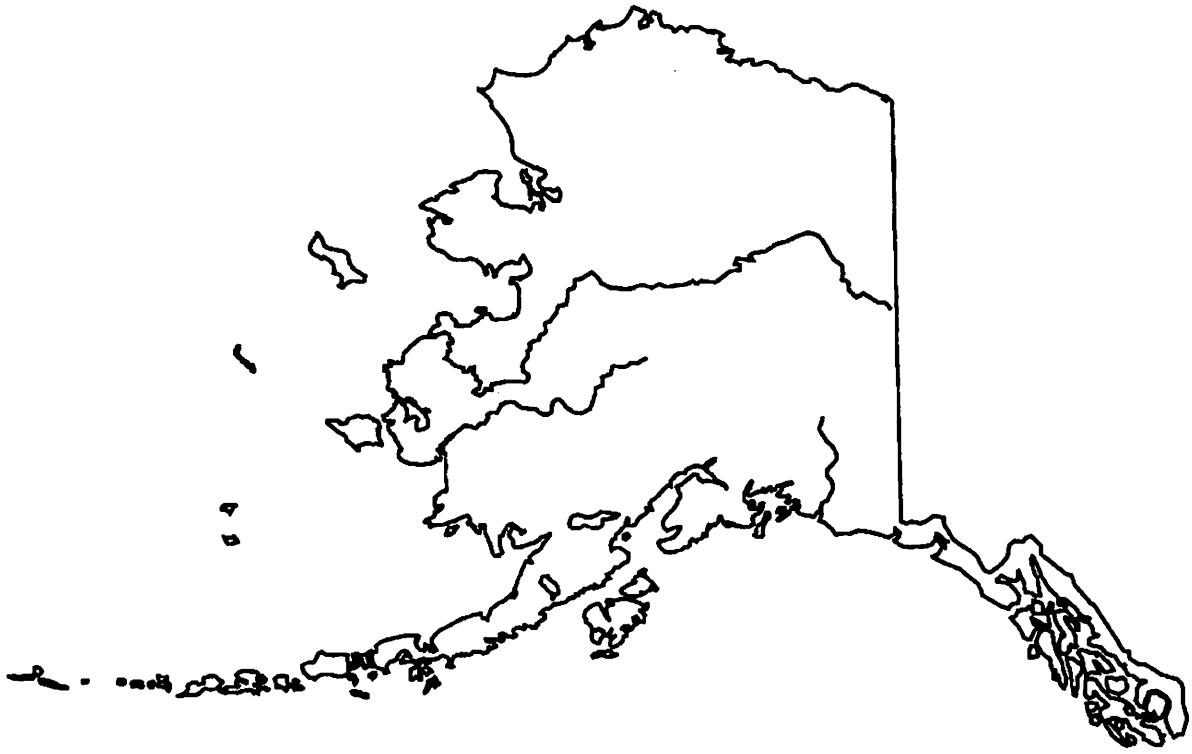
Julie Anderson, Commissioner
Department of Commerce, Community, and Economic Development
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Sandra Moller, Director
Division of Community & Regional Affairs
https://www.commerce.alaska.gov/web/dcra/

The Department of Commerce, Community and Economic Development complies with Title II of the Americans with Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Requests for such should be directed to the Office of the State Assessor at (907) 269-4565, or the request may be mailed to:

Office of the State Assessor
Department of Commerce, Community and Economic Development
550 W. Seventh Avenue, Suite 1640
Anchorage, AK 99501-3510

Alaska Taxable 2021



Office of the State Assessor
Joseph Caissie, State Assessor

Alaska Taxable 2021

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FOREWORD

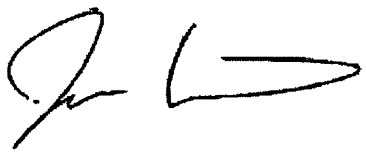
Alaska's Constitution grants municipalities a broad degree of latitude in the structure and form of their government. U.S. Supreme Court Justice Louis Brandeis famously described states as the laboratories of our democracy. In Alaska, the same analogy could be extended to municipalities. The form, quantity, and level of taxes to levy are some of the most foundational decisions a local government makes. The Alaska Taxable provides a window into the outcome of these decisions. The data is a tool for individuals, businesses, and policymakers to track and understand local government decisions and compare the results.

The year 2021 marks the 61st edition of Alaska Taxable. This publication is the official report to the Alaska State Legislature on the property assessments and the assessment practices of municipalities. The information included identifies where there is potential for the generation of additional funding through different types of tax.

In the second year of the extraordinary COVID-19 pandemic, the data in this report will now include a full year of local revenues collected under these circumstances. While there may have been a partial impact in the 2020 numbers, 2021 can be expected to show the full impact. In general, property tax collection showed surprising resilience. In retrospect, property is a long-lived asset, not subject to extreme fluctuations in value due to one or two years of disruption. On the other hand, if a large amount of local revenue comes from sales tax or tourism-related activities such as bed tax, car rental tax, or cruise ship head tax, that can be severely impacted if a given year sees the number of visitors drop precipitously.

We have added one new slice of information this year. Table 2 now contains a column providing the "effective mill rate" of a community. The question of "what is the mill rate" is a common one, and unfortunately one without an easy answer – the majority of Alaska's population lives in a city with multiple mill rates, changing depending on what services are provided to their location. The effective mill rate gives a municipal-wide average based on the total taxes collected and the total taxable property. Mill rates may vary from service area to service area, but the effective mill rate will give a sense of the overall level of property tax levied by a municipality.

As always, caution is warranted when using the information contained within the Alaska Taxable – the State Assessor's Office collects information from nearly 200 communities, and interpretations of the questions asked on our various surveys and reports can vary. Some communities, for example, report fish tax revenue as sales tax. We have made every effort to collect and report data consistently, but it is inevitable that some errors will occur. The State Assessor welcomes questions and feedback on the information contained in the Alaska Taxable.



Joseph Caissie, State Assessor

Area Description	Local Taxable Full Value (AS 29.45)	State Taxable Full Value (AS 43.56)	Full Value Determination (AS 43.56)
Taxing Jurisdictions	$ 97,636,034,953	$ 25,105,425,960	$122,741,460,913
Outside Taxing Jurisdictions	$0	$ 3,097,786,280	$3,097,786,280
Statewide Total	**$97,636,034,953**	**$28,203,212,240**	**$125,839,247,193**

AVERAGE PER-CAPITA FULL AND TRUE VALUES: JANUARY 1, 2021

(***Including*** state oil and gas)	**$181,720**
(***Excluding*** state oil and gas)	**$144,551**
Average per-capita values based upon a statewide population in taxing jurisdictions of:	**675,442**

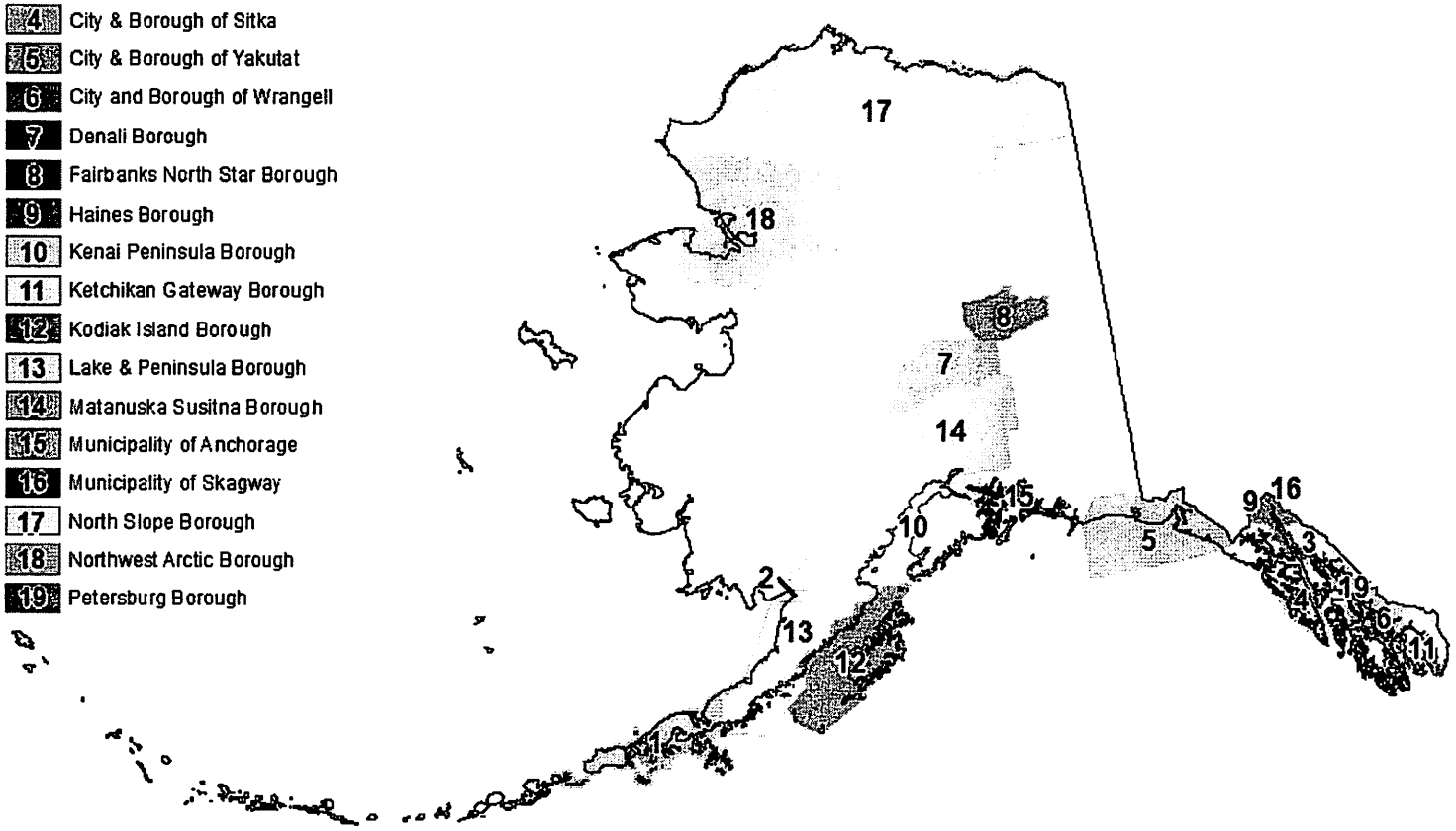
Errata - January 25, 2022
Tobacco tax rates and revenues in Table 1B were corrected.

STATE OF ALASKA

Unified Home Rule Municipalities and Boroughs

Organized Boroughs

1. Aleutians East Borough
2. Bristol Bay Borough
3. City & Borough of Juneau
4. City & Borough of Sitka
5. City & Borough of Yakutat
6. City and Borough of Wrangell
7. Denali Borough
8. Fairbanks North Star Borough
9. Haines Borough
10. Kenai Peninsula Borough
11. Ketchikan Gateway Borough
12. Kodiak Island Borough
13. Lake & Peninsula Borough
14. Matanuska Susitna Borough
15. Municipality of Anchorage
16. Municipality of Skagway
17. North Slope Borough
18. Northwest Arctic Borough
19. Petersburg Borough



ALASKA MUNICIPAL GOVERNMENT ENTITIES

Organized Boroughs and Unified Home Rule Municipalities

Type of Entity	Total
Unified Home Rule	4
Non-unified Home Rule	7
First Class	1
Second Class	7
Total Boroughs	**19**

Incorporated Cities

City Type	Within Boroughs	Within Unorganized Boroughs	Total Cities*
Home Rule	8	3	11
First Class	6	12	18
Second Class	35	81	116
Total Cities	**49**	**96**	**145**

*Does not include Metlakatla, a reservation organized under federal law.

INCORPORATED CITIES WITHIN ORGANIZED BOROUGHS

Aleutians East Borough	**Second Class**
Akutan	Second Class
Cold Bay	Second Class
False Pass	Second Class
King Cove	First Class
Sand Point	First Class
Denali Borough	**Home Rule**
Anderson	Second Class
Fairbanks North Star Borough	**Second Class**
Fairbanks	Home Rule
North Pole	Home Rule
Kenai Peninsula Borough	**Second Class**
Homer	First Class
Kachemak	Second Class
Kenai	Home Rule
Seldovia	First Class
Seward	Home Rule
Soldotna	Home Rule
Ketchikan Gateway Borough	**Second Class**
Ketchikan	Home Rule
Saxman	Second Class
Kodiak Island Borough	**Second Class**
Akhiok	Second Class
Kodiak	Home Rule
Larsen Bay	Second Class
Old Harbor	Second Class
Ouzinkie	Second Class
Port Lions	Second Class
Lake & Peninsula Borough	**Home Rule**
Chignik	Second Class
Egegik	Second Class
Newhalen	Second Class
Nondalton	Second Class
Pilot Point	Second Class
Port Heiden	Second Class
Matanuska-Susitna Borough	**Second Class**
Houston	Second Class
Palmer	Home Rule
Wasilla	First Class
North Slope Borough	**Home Rule**
Anaktuvuk Pass	Second Class
Atqasuk	Second Class
Barrow	First Class
Kaktovik	Second Class
Nuiqsut	Second Class
Point Hope	Second Class
Wainwright	Second Class
Northwest Arctic Borough	**Home Rule**
Ambler	Second Class
Buckland	Second Class
Deering	Second Class
Kiana	Second Class
Kivalina	Second Class
Kobuk	Second Class
Kotzebue	Second Class
Noorvik	Second Class
Selawik	Second Class
Shungnak	Second Class

Petersburg Borough	**Non-Unified Home Rule Borough**
Kupreanof	Second Class

Remainder of Alaska Boroughs That Do Not Contain Incorporated Cities

Municipality of Anchorage	Unified Home Rule
Bristol Bay Borough	Second Class
Haines Borough	Home Rule
City & Borough of Juneau	Unified Home Rule
City & Borough of Sitka	Unified Home Rule
Municipality of Skagway	First Class
City & Borough of Wrangell	Unified Home Rule
City & Borough of Yakutat	Home Rule

Part 1

Overview: Municipal Taxation in Alaska

A. The Legal Framework

Articles IX and X of the Alaska Constitution and Title 29 of the Alaska Statutes establish the legal framework for municipal taxation in Alaska. A portion of the Alaska tax law (Title 29) is provided in Part 6 of this publication.

- The Alaska Constitution permits delegation of the state's taxation power to local governments, but limits delegation of that power to only organized cities and boroughs (Article X, Section 2).

- The constitutional limitation that "no tax shall be levied... except for a public purpose..." applies to both state and municipal taxation (Article IX, Section 6).

- Home rule municipalities are granted broad governmental powers by the Alaska Constitution, but the constitution also provides that "...standards for appraisal of all property assessed by the state or its political subdivisions shall be prescribed by law..." (Article IX, Section 3).

- General law municipalities are granted the right by state statute to levy a tax or special assessment and impose a lien for its enforcement (AS 29.35.010).

- Both home rule and general law municipalities are subject to limitations on their taxing powers found in Chapter 29.45 of the Alaska Statutes. AS 29.45.010 authorizes cities, boroughs and unified municipalities to levy a property tax. If a tax is levied on real or personal property, it must be assessed, levied and collected as provided in AS 29.45. This chapter also authorizes the implementation of sales and use taxes.

- Based on Article X, Section I of the Alaska Constitution which provides that "...a liberal construction shall be given to the powers of local government...," it is assumed, although not expressly stated in statute, that all real and personal property is taxable unless it is specifically exempted from property taxation. It is also assumed that a municipality may impose severance taxes, as has been done by the Denali Borough, and the City and Borough of Yakutat.

B. Classification of Municipalities

All political subdivisions within the State of Alaska are termed "municipalities." The taxation powers and limitations of each municipality depend upon its classification. There are five categories of municipalities:

1. Home Rule City
2. Home Rule Borough
3. General Law City
4. General Law Borough
5. Unified Municipality

General law cities are incorporated as either first class cities or second class cities. General law boroughs can be incorporated as first class or second class boroughs. There is only one class of home rule city, home rule borough, or unified municipality; the latter is also a home rule political entity. Areas that are not within the boundaries of an organized borough constitute a single unorganized borough commonly referred to as "The Unorganized Borough."

C. Taxation Limitations on the Various Classes of Municipalities

Home Rule Municipalities. Home rule cities and boroughs have all legislative powers not prohibited by law or charter. AS 29.10.200 lists all of the sections of Title 29 that act as limitations on home rule legislative powers. Among these limitations are:

- AS 29.35.170(b): (assessment and collection of taxes),
- AS 29.45.010-560: (property taxes),
- AS 29.45.650(c)-(f): (authority to levy sales and use tax); and,
- AS 29.45.700(d): (mandatory exemption from sales and use taxes).

General Law Boroughs. General law boroughs are required to assess and collect property, sales, and use taxes that are approved and levied within their boundaries, subject to the provisions of Chapter 45 of the Alaska Statutes.

All Boroughs. Taxes levied by a city within a borough must be collected by a borough and returned in full to the city levying the tax. This provision applies to home rule and general law municipalities.

All Municipalities. Specific limitations on the property taxation powers of all general law and home municipalities are found in Sections 29.45.080 and 29.45.090 of the Alaska Statutes.

AS 29.45.080 limits the method by which a municipality may levy and collect taxes on oil and gas production and pipeline property taxed by the state under AS 43.56.

Under AS 29.45.090, no municipality may levy taxes exceeding 3 percent (30 mills) of the assessed value of property within the municipality during a year, nor may a municipality, or a combination of municipalities occupying the same geographic area, levy taxes exceeding $1,500 per resident of the geographic area in a year. The tax limitation found in AS 29.45.090 has been interpreted by the Alaska Supreme Court to apply only to property tax (Keane v Local Boundary Commission, 893 P.2d 1239, Alaska 1995).

Further within AS 29.45.090 a municipality, or a combination of municipalities occupying the same geographic area, may not levy taxes upon value that, when combined with the value of property otherwise taxable by the municipality, exceeds the product of a sliding scale percentage of the average per-capita assessed value as determined under AS 43.56.010(c), multiplied by the number of residents of the taxing municipality. This limitation, commonly referred to as the 225 percent formula, became effective July 1, 2014, to include a sliding scale percentage that varies according to the following:

If the Tax Rate Determined Under AS 43.56.010(b) is:	The Percentage is:
• Not more than 18.0 mills	375 percent
• More than 18.0 mills but not more than 19.0 mills	300 percent
• More than 19.0 mills	225 percent

The separate statutory tax limit of 30 mills for operating budgets is in effect in parallel with this sliding scale.

C. Taxation Limitations on the Various Classes of Municipalities (Continued)

Section 29.45.100 of the Alaska Statutes provides that limitations on the amount of property tax that may be collected apply only to taxes for operating expenses and not to taxes collected to pay for bonded indebtedness.

Second Class Cities. A second class city may, by referendum, levy property taxes as provided for first class cities. Specific limitations on the property taxation powers of second class cities are found in AS 29.45.590. A special limitation on taxation by second class cities is that the city cannot levy property taxes exceeding 2 percent (20 mills) of the assessed value of property within the municipality in any one year. This limitation was increased from 0.5 percent (5 mills) in 1994.

Compliance by municipalities within the taxation limitations in the state statutes is enforced through the State Assessor's Office under the powers granted by AS 29.45.103 and AS 29.45.105. Under these statutes, the Office of the State Assessor may investigate claims of errors in assessment and taxation procedures, inspect municipal records and order correction of any procedural errors discovered.

D. The Role of the Department of Commerce, Community, and Economic Development and the Office of the State Assessor

Section 14 of Article X of the Alaska Constitution provides that:

> An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties as prescribed by law.

This constitutionally mandated agency was initially created as the Local Affairs Agency in the Office of the Governor. In 1972, a separate department of state government, known as the Department of Community and Regional Affairs, was created to carry out this constitutional mandate. In 1999, the legislature merged the Department of Community and Regional Affairs with the Department of Commerce and Economic Development, becoming the Division of Community and Regional Affairs (DCRA). The duties of DCRA with regard to assessment, valuation, and taxation are performed by the Office of the State Assessor (OSA). The Alaska Taxable is an annual publication of DCRA compiled by the Office of the State Assessor.

One of the general powers and duties of DCRA under AS 44.47.050 is to "advise and assist municipalities on procedures of assessment, valuation and taxation, and notify municipalities of major errors in those procedures." The Office of the State Assessor is also responsible for the establishment of the full value of real and personal property in each city and borough school district in consultation with the assessor in each school district (AS 14.17.510).

E. Municipal Taxation of Property

With certain limitations, all cities, boroughs and unified municipalities in the State of Alaska may choose to levy a property tax. Property taxation is not mandatory or even generally practiced in the state. Of the 19 organized boroughs and unified municipalities, only 15 levy a property tax; and, of the 145 home rule, first and second class cities, only 9 of those located outside of boroughs, and 12 of those located within organized boroughs, levy a property tax.

E. Municipal Taxation of Property (Continued)

The cities of Wasilla and Eagle both have enacted a property tax but neither of them has levied the property tax in several years. Wasilla enacted a sales tax that produces enough revenue to allow for a zero property tax mill rate. The City of Eagle has a property tax code, but has chosen to levy a mill rate of zero. These two cities are not included in the counts. If either municipality chooses to levy a property tax, it may only do so on property that is "taxable."

What Property is Taxable?

All real and personal property is taxable unless it is exempted from property taxation. Municipal property tax required exemptions are specified in AS 29.45.030. Examples are: household furniture and personal effects of members of a household, natural resources in place, and property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes. Property owned by Alaska Native Claims Settlement Act (ANCSA) Native corporations is also exempt from municipal property tax unless the property is leased or developed. In addition to these exemptions from property taxation, AS 43.56 provides for certain exemptions of oil and gas production and pipeline property, including oil and gas reserves in place. While oil and gas property is exempt from local municipal assessment, the state levies a 20 mill tax against this property and reimburses each municipality which has oil and gas property located within its boundaries, an amount equal to taxes which it would have levied. All of the exemptions discussed in this paragraph are mandatory exemptions.

Section 29.45.050 of the Alaska Statutes provides for optional exemptions and exclusions from local property taxation which the taxing authority may choose to exempt or exclude typically by ordinance. Some optional exemptions and exclusions, however, do require approval of the voters. Two examples of optional exemptions are the exemption of any or all categories of personal property, and the exemption of up to $50,000 of value of a residence, which is sometimes referred to as a "homestead exemption."

All taxable real and personal property within a municipality is included in its Full Value Determination, which is a key element in the calculation of state aid to schools.

What is the Full Value Determination (FVD)?

In brief, the Full Value Determination (FVD) is the sum total of the full and true value established for every piece of taxable real and personal property within a municipality's boundary regardless of any optional exemption which may have been enacted by local ordinance. AS 29.45.110 specifies that the full and true value is the "estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with the prevailing general price levels." This section also requires the assessor to assess property at its full and true value as of January 1 of the assessment year.

All assessors provide an annual report to the State Assessor which contains, among other items, a summary of all assessed values of all real and personal property within their jurisdictional boundaries, t h e results of all ratio studies, and estimates of all exempt property.

What is the Full Value Determination (FVD)? (Continued)

If a municipality does not provide an estimated value of exempt property, the State Assessor will estimate the value by using valuation models built for the various categories of property. Not all municipalities levy a property tax; therefore, not all municipalities have assessors. For those municipalities that do not levy a property tax, the State Assessor must estimate the full and true value without the assistance of a local assessor.

The State Assessor then compiles the full value determination for each municipality annually and notifies each of the FVD. The full and true value of all taxable property, whether taxed or not, is included in the full value determination for the municipality.

F. The Full Value Determination Affects the Local Educational Contribution

The Full Value Determination plays a significant role in state aid for education. AS 14.17 of the Alaska Statutes establishes the Public School Foundation Program. Under this program, a school district is determined to have a "basic need" dollar amount determined according to a formula contained in AS 14.17.410. The local government is required to make a "local contribution" toward this basic need. This local contribution is defined as at least the equivalent of a 2.65 mill tax levy on the full and true value of all taxable property within the district, and not to exceed 45 percent of the district's basic need for the preceding fiscal year. A municipality will not receive its school foundation aid payment unless it makes its local contribution. Therefore, as the FVD increases, the local contribution for education increases; however, the local contribution should not exceed 45 percent of the basic need.

The local contribution formula was changed in 2012 with the Legislature amending the formula from a 4 mill tax levy on the full and true value to a mill rate equivalency of 2.65 mills. Historically, only in the North Slope Borough and the City of Valdez has the mill rate equivalency exceeded 45 percent of the basic need.

G. Municipal Sales, Use and Excise, and Severance Taxation

Sales and Use Taxes

Alaska Statutes 29.45.650 - 29.45.710 authorizes the levy of sales and use taxes at the municipal level. The statutes give broad authority to municipalities to levy taxes on sales, rents and services provided within the municipality. In 2005, the sales tax laws changed to allow a borough to exempt any source from the borough sales tax if it is taxed by a city within the borough. This allows a borough to ensure that an item in the city costs the consumer no more than it would cost in the borough. This tends to level the playing field when purchasing certain items in both the city and the borough.

There are only a couple of limitations placed upon municipalities in regards to levying a sales tax. Orbital space facilities are exempt from the levy of sales tax and alcohol may not be taxed unless other items are similarly taxed. Also, a municipality may not levy a sales tax on a construction contract awarded to a contractor or subcontractor that has been awarded by a state agency or on a subcontract awarded in connection with a project funded under the construction contract. Other exemptions may be granted by a local ordinance.

A general law municipality which levies a sales tax may also levy a use tax on the storage, use or consumption of tangible personal property; however, the use tax rate must be equal to the rate of the sales tax and may only be levied on buyers.

Sales and Use Taxes (Continued)

These limitations do not apply to home rule municipalities. By statute, there are no limits on the rate of levy for sales or use taxes for either type of municipality; however, if interest is charged on unpaid sales taxes, the interest may not exceed 15% percent.

Excise Taxes

Under the liberal construction of local government powers required by Section 1 of Article X of the Alaska Constitution, municipal governments have broad taxing powers which are not specifically enumerated in state law. An Alaska Attorney General's opinion issued on April 29, 1986, concluded that a first class borough would have the legal authority to levy severance taxes within its municipal boundaries. At the present time, the Denali Borough and the City and Borough of Yakutat levy severance taxes against the activity of harvesting or extracting natural resources within their jurisdictions. The Lake and Peninsula Borough has in its code a section that authorizes a severance tax on resources. Severance taxes are a type of excise tax. An excise tax is a tax on the performance of an act, in this case, the severing of natural resources from the place in which they are located.

In an Alaska Supreme Court case, *Bragg & Fannon v. Matanuska-Susitna Borough – (192 P.3d 982, Alaska 2008)*, the court stated that AS 29.35.010(6) grants municipalities "general powers, subject to other provision of law....to levy a tax or special assessment, and impose a lien for its enforcement." The Alaska Constitution requires that "a liberal construction shall be given to the powers of local government units." The court goes on to say this section grants powers to "all municipalities," and there is no distinction between home rule & general law. The court further states that due to its nature as an excise tax, it is not subject to voter ratification.

Part 2

Municipal Tax Types, Rates and Revenues

Table 1A:
Per-Capita Tax Revenues

This table lists only those municipalities which levy a sales, severance, property, or other type of local tax.

Municipality	Property Tax	Sales Tax	Other Tax*	Total Tax	Population	Tax Per Capita
North Slope Borough	$394,304,219	$0	$0	$394,304,219	9,771	$40,355
Egegik	$0	$0	$1,251,091	$1,251,091	78	$16,040
Valdez	$44,842,059	$0	$255,805	$45,097,864	3,855	$11,699
Bristol Bay Borough	$4,981,289	$0	$5,072,320	$10,053,609	868	$11,582
False Pass	$0	$53,352	$191,803	$245,155	40	$6,129
Saint Paul	$0	$408,335	$1,827,855	$2,236,190	387	$5,778
Unalaska	$7,209,320	$9,522,223	$5,005,042	$21,736,585	4,561	$4,766
Whittier	$685,702	$344,947	$106,784	$1,137,433	298	$3,817
Juneau	$52,935,857	$40,547,633	$5,154,919	$98,638,409	31,773	$3,104
Nome	$4,644,245	$5,916,148	$110,238	$10,670,631	3,712	$2,875
Dillingham	$2,692,800	$2,891,277	$656,680	$6,240,757	2,226	$2,804
Kodiak	$1,206,919	$13,950,401	$225,374	$15,382,694	5,579	$2,757
Cordova	$2,636,513	$3,058,867	$617,000	$6,312,380	2,366	$2,668
North Pole	$901,140	$4,071,449	$550,939	$5,523,528	2,139	$2,582
Yakutat	$373,217	$939,086	$141,699	$1,454,002	574	$2,533
Atka	$0	$0	$118,576	$118,576	47	$2,523
Haines Borough	$3,255,945	$2,877,666	$215,429	$6,349,040	2,520	$2,519
Sitka	$7,168,893	$12,849,832	$1,306,890	$21,325,615	8,523	$2,502
Skagway	$2,011,851	$775,055	$18,464	$2,805,370	1,147	$2,446
King Cove	$0	$1,409,094	$743,413	$2,152,507	900	$2,392
Homer	$3,718,482	$9,066,270	$71,040	$12,855,792	5,513	$2,332
Seldovia	$320,739	$149,246	$0	$469,986	203	$2,315
Wasilla	$0	$20,726,242	$0	$20,726,242	8,963	$2,312
Craig	$684,289	$1,611,651	$152,905	$2,448,845	1,065	$2,299
Anchorage	$584,120,406	$0	$62,903,343	$647,023,749	288,970	$2,239
Seward	$1,566,223	$3,805,487	$217,434	$5,589,144	2,509	$2,228
Petersburg Borough	$3,419,967	$3,218,481	$303,562	$6,942,010	3,189	$2,177
Wrangell	$2,146,376	$2,791,251	$35,188	$4,972,815	2,379	$2,090
Soldotna	$0	$8,590,929	$0	$8,590,929	4,236	$2,028
Pelican	$71,000	$48,105	$14,933	$134,038	69	$1,943
Kenai Peninsula Borough	$74,258,498	$36,296,951	$0	$110,555,449	58,934	$1,876
Ketchikan	$5,718,718	$8,608,611	$596,667	$14,923,996	8,040	$1,856
Akutan	$0	$1,688,184	$0	$1,688,184	995	$1,697
Kenai	$3,876,232	$8,071,832	$0	$11,948,064	7,096	$1,684
Matanuska-Susitna Borough	$166,380,245	$0	$8,533,017	$174,913,262	107,305	$1,630
Fairbanks North Star Borough	$146,527,775	$0	$4,361,491	$150,889,266	97,159	$1,553
Bethel	$0	$7,314,077	$2,273,730	$9,587,806	6,179	$1,552
Kodiak Island Borough	$17,429,584	$0	$2,030,134	$19,459,718	12,611	$1,543
Palmer	$1,355,828	$7,602,129	$0	$8,957,957	5,997	$1,494
Adak	$0	$343,722	$68,637	$412,359	290	$1,422
Kotzebue	$0	$3,900,588	$414,565	$4,315,153	3,064	$1,408
Ketchikan Gateway Borough	$9,572,512	$7,828,414	$1,749,250	$19,150,176	13,677	$1,400
Aleutians East Borough	$0	$0	$4,057,971	$4,057,971	2,925	$1,387
Lake and Peninsula Borough	$0	$0	$1,935,889	$1,935,889	1,552	$1,247
Klawock	$0	$917,724	$0	$917,724	761	$1,206
Nenana	$204,902	$162,885	$0	$367,787	337	$1,091
Sand Point	$0	$659,097	$268,895	$927,992	880	$1,055
Aleknagik	$0	$65,432	$103,505	$168,937	197	$858
Thorne Bay	$0	$415,932	$8,748	$424,680	511	$831
Cold Bay	$0	$0	$61,552	$61,552	76	$810
Fairbanks	$16,048,117	$0	$6,217,156	$22,265,273	31,410	$709
Denali Borough	$0	$0	$1,239,173	$1,239,173	1,806	$686
Unalakleet	$0	$474,629	$0	$474,629	706	$672
Gustavus	$0	$265,331	$33,595	$298,926	551	$543
Galena	$0	$175,342	$49,781	$225,123	440	$512
Saint Michael	$0	$181,074	$0	$181,074	383	$473
Larsen Bay	$0	$22,065	$0	$22,065	52	$424
Emmonak	$0	$351,223	$0	$351,223	858	$409
Kake	$0	$199,434	$1,235	$200,669	578	$347
Houston	$0	$411,228	$287,937	$699,165	2,119	$330
Quinhagak	$0	$230,119	$317	$230,435	713	$323

Municipality	Property Tax	Sales Tax	Other Tax*	Total Tax	Population	Tax Per Capita
Hooper Bay	$0	$376,631	$0	$376,631	1,193	$316
Russian Mission	$0	$102,220	$0	$102,220	330	$310
Selawik	$0	$251,646	$0	$251,646	819	$307
Teller	$0	$71,844	$0	$71,844	238	$302
Shaktoolik	$0	$79,733	$0	$79,733	269	$296
Kotlik	$0	$136,387	$48,372	$184,759	633	$292
Saint Marys	$0	$164,972	$0	$164,972	569	$290
Koyuk	$0	$89,478	$0	$89,478	312	$287
Elim	$0	$104,146	$0	$104,146	365	$285
Aniak	$0	$81,223	$48,406	$129,629	460	$282
Saxman	$0	$118,071	$0	$118,071	434	$272
Mekoryuk	$0	$34,975	$16,574	$51,549	194	$266
Hoonah	$0	$71,006	$129,642	$200,649	769	$261
Mountain Village	$0	$196,244	$0	$196,244	753	$261
Fort Yukon	$0	$130,440	$0	$130,440	514	$254
Point Hope	$0	$173,181	$0	$173,181	687	$252
Marshall	$0	$110,232	$185	$110,417	447	$247
Napakiak	$0	$90,386	$0	$90,386	370	$244
Kwethluk	$0	$185,489	$0	$185,489	772	$240
Kaktovik	$0	$0	$54,278	$54,278	230	$236
Deering	$0	$37,278	$0	$37,278	162	$230
Stebbins	$0	$140,501	$0	$140,501	612	$230
Buckland	$0	$104,353	$0	$104,353	465	$224
Angoon	$0	$72,731	$9,011	$81,741	382	$214
Pilot Station	$0	$128,241	$0	$128,241	604	$212
Nunapitchuk	$0	$88,013	$26,357	$114,370	569	$201
Togiak	$0	$153,601	$0	$153,601	858	$179
Kachemak	$93,619	$0	$0	$93,619	529	$177
Kiana	$0	$65,262	$0	$65,262	399	$164
Old Harbor	$0	$20,422	$8,297	$28,719	176	$163
Shishmaref	$0	$92,605	$0	$92,605	589	$157
Brevig Mission	$0	$66,496	$0	$66,496	434	$153
Tenakee Springs	$0	$16,827	$328	$17,155	118	$145
Kivalina	$0	$61,325	$0	$61,325	423	$145
Manokotak	$0	$39,828	$30,788	$70,616	490	$144
Ambler	$0	$36,701	$0	$36,701	255	$144
Hydaburg	$0	$54,540	$0	$54,540	380	$144
Savoonga	$0	$102,000	$0	$102,000	712	$143
Nunam Iqua	$0	$28,861	$0	$28,861	222	$130
Eek	$0	$45,000	$0	$45,000	356	$126
Tanana	$0	$22,123	$0	$22,123	190	$116
Northwest Arctic Borough	$0	$0	$771,023	$771,023	7,583	$102
Port Alexander	$0	$5,963	$766	$6,729	68	$99
Kobuk	$0	$14,487	$0	$14,487	159	$91
Toksook Bay	$0	$59,826	$0	$59,826	682	$88
Anaktuvuk Pass	$0	$0	$27,208	$27,208	350	$78
White Mountain	$0	$14,460	$0	$14,460	187	$77
Gambell	$0	$52,000	$0	$52,000	684	$76
Napaskiak	$0	$31,138	$0	$31,138	434	$72
Scammon Bay	$0	$33,462	$0	$33,462	595	$56
Ouzinkie	$0	$6,707	$0	$6,707	124	$54
Utqiagvik	$0	$0	$234,127	$234,127	4,436	$53
McGrath	$0	$0	$12,559	$12,559	278	$45
Chefornak	$0	$14,725	$0	$14,725	433	$34
Chignik	$0	$662	$1,418	$2,079	92	$23
Nightmute	$0	$6,235	$0	$6,235	294	$21
Clark's Point	$0	$550	$0	$550	59	$9
Statewide: 118 Taxing Municipalities**	**$ 1,567,363,481**	**$ 239,994,278**	**$ 122,981,311**	**$ 1,930,339,070**	**728,903*****	**$2,648**
Average Statewide per-capita revenue (including North Slope Borough)						**$2,648**
Average Statewide per-capita revenue (excluding North Slope Borough)						**$2,136**

*Other Tax includes such taxes as bed tax, alcohol tax, raw fish tax, etc.
**Total local tax revenue and number of taxing jurisdictions is likely an underestimate due to under-reporting.

***Statewide population

Table 1B
Reported Tax Rates

Municipality	Sales Tax Rate	Sales Tax Revenue	Bed Tax Rate	Bed Tax Revenue	Car Rental Tax Rate	Car Rental Tax Revenue	Tobacco Tax Rate	Tobacco Tax Revenue	Alcohol Tax Rate	Alcohol Tax Revenue	Raw Fish Tax Rate	Raw Fish Tax Revenue	Marijuana Tax Rate	Marijuana Tax Revenue	Other Tax Revenue
Adak	4%	$343,722	5%	$17,633		$0		$0		$0	2%	$51,004		$0	$0
Akhiok		$0		$0		$0		$0		$0		$0		$0	$0
Akiak		$0		$0		$0		$0		$0		$0		$0	$0
Akutan	1.5%	$1,688,184		$0		$0		$0		$0		$0		$0	$0
Alakanuk	4%	$0		$0		$0		$0		$0		$0		$0	$0
Aleknagik	5%	$65,432	9%	$103,505		$0		$0		$0		$0		$0	$0
Aleutians East Borough		$0		$0		$0		$0		$0	2%	$4,057,971		$0	$0
Allakaket		$0		$0		$0		$0		$0		$0		$0	$0
Ambler	3%	$36,701		$0		$0		$0		$0		$0		$0	$0
Anaktuvuk Pass		$0		$0		$0	7% or $1.00 per pack	$27,208		$0		$0		$0	$0
Anchorage		$0	12%	$12,645,464	8%	$3,130,797	0.1246 per cigarette	$19,101,324		$0		$0	5%	$5,269,900	$22,755,858
Anderson		$0		$0		$0		$0		$0		$0		$0	$0
Angoon	3%	$72,731	3%	$7,511		$0		$0		$0	$10/box	$1,500		$0	$0
Aniak	2%	$81,223		$0		$0	30%	$48,406		$0		$0		$0	$0
Anvik		$0		$0		$0		$0		$0		$0		$0	$0
Atka		$0	10%	$4,197		$0		$0		$0	2%	$114,380		$0	$0
Atqasuk		$0		$0		$0		$0		$0		$0		$0	$0
Bethel	6%	$7,314,077	12%	$347,011		$0	$0.1037 per cigarette or 45% wholesale	$586,893	15%	$385,889		$0	15%	$803,522	$150,415
Bettles	NO DATA	$0		$0		$0		$0		$0		$0		$0	$0
Brevig Mission	3% (2019)	$66,496		$0		$0		$0		$0		$0		$0	$0
Bristol Bay Borough		$0	10%	$80,529		$0		$0		$0	3%	$2,878,560		$0	$2,113,231
Buckland	6% (2020)	$104,353		$0		$0		$0		$0		$0		$0	$0
Chefornak	2%	$14,725		$0		$0		$0		$0		$0		$0	$0
Chevak	NO DATA	$0		$0		$0		$0		$0		$0		$0	$0
Chignik	2%	$662	$3/night	$273		$0		$0		$0	1%	$1,145		$0	$0
Chuathbaluk		$0		$0		$0		$0		$0		$0		$0	$0
Clark's Point	6%	$550		$0		$0		$0		$0		$0		$0	$0
Coffman Cove		$0		$0		$0		$0		$0		$0		$0	$0
Cold Bay		$0	10%	$34,719		$0		$0		$0		$0		$0	$26,833
Cordova	6%	$3,058,867	6%	$170,655		$0	6%	$41,607	6%	$41,607	0.5%	$321,524	6%	$41,607	$0
Craig	5%	$1,611,651	5%	$30,443		$0		$0	6%	$122,462		$0		$0	$0
Deering	3%	$37,278		$0		$0		$0		$0		$0		$0	$0
Delta Junction		$0		$0		$0		$0		$0		$0		$0	$0
Denali Borough		$0	7.5%	$1,073,474		$0		$0	5%	$55,795		$0	5%	$55,795	$54,109
Dillingham	6%	$2,891,277	10%	$59,627		$0	$0.10 per cigarette or 45%	$307,427	10%	$231,923		$0		$0	$57,704
Diomede	NO DATA	$0		$0		$0		$0		$0		$0		$0	$0
Eagle		$0		$0		$0		$0		$0		$0		$0	$0
Edna Bay		$0		$0		$0		$0		$0		$0		$0	$0
Eek	2%	$45,000		$0		$0		$0		$0		$0		$0	$0
Egegik		$0		$0		$0		$0		$0	3%	$1,251,091		$0	$0
Ekwok		$0		$0		$0		$0		$0		$0		$0	$0
Elim	3%	$104,146		$0		$0		$0		$0		$0		$0	$0
Emmonak	4%	$351,223		$0		$0		$0		$0		$0		$0	$0
Fairbanks		$0	8%	$1,473,829		$0	8%	$850,381	5%	$2,346,009		$0	5%	$1,440,964	$105,973
Fairbanks North Star Borough		$0	8%	$1,424,544		$0	8%	$1,383,025	5%	$1,110,744		$0	5%	$412,058	$31,121
False Pass	3%	$53,352		$0		$0		$0		$0	2%	$191,803		$0	$0
Fort Yukon	3%	$130,440		$0		$0		$0		$0		$0		$0	$0
Galena	3%	$175,342	6%	$8,679		$0	6%	$20,551	6%	$20,551		$0		$0	$0
Gambell	3%	$52,000		$0		$0		$0		$0		$0		$0	$0
Golovin		$0		$0		$0		$0		$0		$0		$0	$0
Goodnews Bay		$0		$0		$0		$0		$0		$0		$0	$0
Grayling		$0		$0		$0		$0		$0		$0		$0	$0
Gustavus	3%	$265,331	4%	$25,035		$0		$0		$0	$10/box	$8,560		$0	$0
Haines Borough	5.5%	$2,877,666	4%	$75,444		$0	$2/pack or 45%	$122,816		$0		$0	2%	$17,169	$0
Holy Cross		$0		$0		$0		$0		$0		$0		$0	$0
Homer	4.85%	$9,066,270		$0		$0		$0		$0		$71,040		$0	$0
Hoonah	6.5%	$71,006		$0		$0	15%	$64,050	6%	$65,592		$0		$0	$0

Municipality	Sales Tax Rate	Sales Tax Revenue	Bed Tax Rate	Bed Tax Revenue	Car Rental Tax Rate	Car Rental Tax Revenue	Tobacco Tax Rate	Tobacco Tax Revenue	Alcohol Tax Rate	Alcohol Tax Revenue	Raw Fish Tax Rate	Raw Fish Tax Revenue	Marijuana Tax Rate	Marijuana Tax Revenue	Other Tax Revenue
Hooper Bay	5%	$376,631		$0		$0		$0		$0		$0		$0	$0
Houston	2%	$411,228		$0		$0		$0		$0		$0	$10/oz flower	$234,397	$53,540
Hughes		$0		$0		$0		$0		$0		$0		$0	$0
Huslia		$0		$0		$0		$0		$0		$0		$0	$0
Hydaburg	6%	$54,540		$0		$0		$0		$0		$0		$0	$0
Juneau	5%	$40,547,633	9%	$1,246,688		$0	$3/pack or 45%	$2,644,504	3%	$859,703		$0	3%	$404,024	$0
Kachemak		$0		$0		$0		$0		$0		$0		$0	$0
Kake	5%	$199,434		$0		$0	3%	$618	3%	$618		$0		$0	$0
Kaktovik		$0	12%	$54,278		$0		$0		$0		$0		$0	$0
Kaltag		$0		$0		$0		$0		$0		$0		$0	$0
Kasaan		$0		$0		$0		$0		$0		$0		$0	$0
Kenai	3%	$8,071,832		$0		$0		$0		$0		$0		$0	$0
Kenai Peninsula Borough	3%	$36,296,951		$0		$0		$0		$0		$0		$0	$0
Ketchikan	4%	$8,608,611	7%	$336,624		$0		$0		$0		$0	5%	$260,043	$0
Ketchikan Gateway Borough	2.5%	$7,828,414	4%	$118,394		$0	$2/pack or 50%	$1,630,856		$0		$0		$0	$0
Kiana	3%	$65,262		$0		$0		$0		$0		$0		$0	$0
King Cove	6%	$1,409,094		$0		$0		$0		$0	2%	$743,413		$0	$0
Kivalina	2%	$61,325		$0		$0		$0		$0		$0		$0	$0
Klawock	6.5%	$917,724		$0		$0		$0		$0		$0		$0	$0
Kobuk	3%	$14,487		$0		$0		$0		$0		$0		$0	$0
Kodiak	7%	$13,950,401	5%	$225,374		$0		$0		$0		$0		$0	$0
Kodiak Island Borough		$0	5%	$50,352		$0	0	$351,071		$0				$351,071	$1,277,640
Kotlik	3%	$136,387		$0		$0	10%	$48,372		$0		$0		$0	$0
Kotzebue	6%	$3,900,588	6%	$73,790		$0	$0.11 per cigarette or 55%	$340,775		$0		$0		$0	$0
Koyuk	3%	$89,478		$0		$0		$0		$0		$0		$0	$0
Koyukuk		$0		$0		$0		$0		$0		$0		$0	$0
Kupreanof		$0		$0		$0		$0		$0		$0		$0	$0
Kwethluk	5%	$185,489		$0		$0		$0		$0		$0		$0	$0
Lake and Peninsula Borough		$0	6%	$88,042		$0		$0		$0	2%	$1,833,987		$0	$13,860
Larsen Bay	3%	$22,065		$0		$0		$0		$0		$0		$0	$0
Lower Kalskag		$0		$0		$0		$0		$0		$0		$0	$0
Manokotak	2%	$39,828		$0		$0		$0		$0	2%	$30,788		$0	$0
Marshall	4%	$110,232		$0		$0		$0		$0		$185		$0	$0
Matanuska-Susitna Borough		$0	8%	$738,132		$0	12.15%	$6,302,473		$0		$0	5%	$1,081,333	$411,079
McGrath		$0	10%	$12,559		$0		$0		$0		$0		$0	$0
Mekoryuk	4%	$34,975		$0		$0	16%	$16,574		$0		$0		$0	$0
Metlakatla		$0		$0		$0		$0		$0		$0		$0	$0
Mountain Village	3%	$196,244		$0		$0		$0		$0		$0		$0	$0
Napakiak	5%	$90,386		$0		$0		$0		$0		$0		$0	$0
Napaskiak	3%	$31,138		$0		$0		$0		$0		$0		$0	$0
Nenana	4%	$162,885		$0		$0		$0		$0		$0		$0	$0
New Stuyahok		$0		$0		$0		$0		$0		$0		$0	$0
Newhalen		$0		$0		$0		$0		$0		$0		$0	$0
Nightmute	2%	$6,235		$0		$0		$0		$0		$0		$0	$0
Nikolai		$0		$0		$0		$0		$0		$0		$0	$0
Nome	7% May - Aug, 5% Sept - Apr	$5,916,148	6%	$110,238		$0		$0		$0		$0		$0	$0
Nondalton	3%	$0		$0		$0		$0		$0		$0		$0	$0
Noorvik	NO DATA	$0		$0		$0		$0		$0		$0		$0	$0
North Pole	5.5%	$4,071,449	8%	$62,383		$0	8%	$173,044	6%	$315,512		$0		$0	$0
North Slope Borough		$0		$0		$0		$0		$0		$0		$0	$0
Northwest Arctic Borough		$0		$0		$0	$2/pack or 45%	$707,257				$0	$25/oz flower	$63,766	$0
Nuiqsut	NO DATA	$0		$0		$0		$0		$0		$0		$0	$0
Nulato		$0		$0		$0		$0		$0		$0		$0	$0
Nunam Iqua	4%	$28,861		$0		$0		$0		$0		$0		$0	$0
Nunapitchuk	4%	$88,013		$0		$0	30%	$26,357		$0		$0		$0	$0
Old Harbor	3%	$20,422	5%	$8,297		$0		$0		$0		$0		$0	$0
Ouzinkie	3%	$6,707		$0		$0		$0		$0		$0		$0	$0

Municipality	Sales Tax Rate	Sales Tax Revenue	Bed Tax Rate	Bed Tax Revenue	Car Rental Tax Rate	Car Rental Tax Revenue	Tobacco Tax Rate	Tobacco Tax Revenue	Alcohol Tax Rate	Alcohol Tax Revenue	Raw Fish Tax Rate	Raw Fish Tax Revenue	Marijuana Tax Rate	Marijuana Tax Revenue	Other Tax Revenue
Palmer	3%	$7,602,129		$0		$0		$0		$0		$0		$0	$0
Pelican	4%	$48,105	$14/night	$14,933		$0		$0		$0		$0		$0	$0
Petersburg Borough	6%	$3,218,481	4%	$45,164		$0	$2.04/pack or 45%	$217,683		$0		$0	$25/oz	$40,715	$0
Pilot Point	3% (2020)	$0		$0		$0		$0		$0		$0		$0	$0
Pilot Station	4%	$128,241		$0		$0		$0		$0		$0		$0	$0
Platinum		$0		$0		$0		$0		$0		$0		$0	$0
Point Hope	3% (2020)	$173,181		$0		$0		$0		$0		$0		$0	$0
Port Alexander	4%	$5,963	6%	$129		$0		$0		$0		$0		$637	$0
Port Heiden		$0		$0		$0		$0		$0		$0		$0	$0
Port Lions		$0		$0		$0		$0		$0		$0		$0	$0
Quinhagak	3%	$230,119		$0		$0		$0		$0		$317		$0	$0
Ruby		$0		$0		$0		$0		$0		$0		$0	$0
Russian Mission	4%	$102,220		$0		$0		$0		$0		$0		$0	$0
Saint George		$0		$0		$0		$0		$0		$0		$0	$0
Saint Marys	3%	$164,972		$0		$0		$0		$0		$0		$0	$0
Saint Michael	4%	$181,074		$0		$0		$0		$0		$0		$0	$0
Saint Paul	3.5%	$408,335		$0		$0		$0		$0	3.5% or 2%	$1,827,855		$0	$0
Sand Point	4%	$659,097	7%	$4,487		$0		$0		$0	2%	$264,408		$0	$0
Savoonga	4%	$102,000		$0		$0		$0		$0		$0		$0	$0
Saxman	4.5%	$118,071		$0		$0		$0		$0		$0		$0	$0
Scammon Bay	6%	$33,462		$0		$0		$0		$0		$0		$0	$0
Selawik	6.5%	$251,646		$0		$0		$0		$0		$0		$0	$0
Seldovia	2% Oct - Mar. 4.5% Apr - Sep	$149,246		$0		$0		$0		$0		$0		$0	$0
Seward	4%	$3,805,487	4%	$217,434		$0		$0		$0		$0		$0	$0
Shageluk		$0		$0		$0		$0		$0		$0		$0	$0
Shaktoolik	4%	$79,733		$0		$0		$0		$0		$0		$0	$0
Shishmaref	3%	$92,605		$0		$0		$0		$0		$0		$0	$0
Shungnak	2%	$0		$0		$0		$0		$0		$0		$0	$0
Sitka	5% Oct - Mar. 6% Apr - Sep	$12,849,832	6%	$359,501		$0	$0.1264 per cigarette or 90%	$850,329		$0	$10 per box	$97,060		$0	$0
Skagway	3% Oct - Mar. 5% Apr - Sep	$775,055	8%	$18,464		$0		$0		$0		$0		$0	$0
Soldotna	3%	$8,590,929		$0		$0		$0		$0		$0		$0	$0
Stebbins	4%	$140,501		$0		$0		$0		$0		$0		$0	$0
Tanana	2%	$22,123		$0		$0		$0		$0		$0		$0	$0
Teller	3%	$71,844		$0		$0		$0		$0				$0	$0
Tenakee Springs	2%	$16,827	6%	$328		$0		$0		$0		$0		$0	$0
Thorne Bay	6%	$415,932	4%	$8,748		$0		$0		$0		$0		$0	$0
Togiak	2%	$153,601		$0		$0		$0		$0		$0		$0	$0
Toksook Bay	2%	$59,826		$0		$0		$0		$0		$0		$0	$0
Unalakleet	5%	$474,629		$0		$0		$0		$0		$0		$0	$0
Unalaska	3%	$9,522,223	5%	$39,949		$0		$0		$0	2%	$4,965,093		$0	$0
Upper Kalskag		$0		$0		$0		$0		$0		$0		$0	$0
Utqiagvik	10% (suspended 2021)	$0	5%	$39,623		$0	20%	$129,739	3%	$5,234		$0	8%	$59,531	$0
Valdez		$0	6%	$255,805		$0		$0		$0		$0		$0	$0
Wainwright		$0		$0		$0		$0		$0		$0		$0	$0
Wales		$0		$0		$0		$0		$0		$0		$0	$0
Wasilla	2.5%	$20,726,242		$0		$0		$0		$0		$0		$0	$0
Whale Pass		$0		$0		$0		$0		$0		$0		$0	$0
White Mountain	1%	$14,460		$0		$0		$0		$0		$0		$0	$0
Whittier	5%	$344,947		$0		$0		$0		$0		$0		$0	$106,784
Wrangell	7%	$2,791,251	6%	$30,661		$0		$0		$0		$0	$10/oz	$4,528	$0
Yakutat	5%	$939,086	8%	$92,777	8%	$15,411		$0		$0		$0		$0	$33,511

Table 1C
Sales Tax Base Per Capita

Municipality	Sales Tax Rate	Sales Tax Revenue	Implied Tax Base	Population	Tax Base Per Capita
Pilot Point	3% (Revenue from 2020)	$773,321	$25,777,372	73	$353,115
Akutan	1.5%	$1,688,184	$112,545,603	995	$113,111
Wasilla	2.5%	$20,588,301	$823,532,027	8,963	$91,881
Unalaska	3%	$9,480,045	$316,001,490	4,561	$69,283
Soldotna	3%	$8,590,929	$286,364,300	4,236	$67,603
False Pass	3%	$53,352	$1,778,397	40	$44,460
Palmer	3%	$7,524,188	$250,806,267	5,997	$41,822
Seward	4%	$3,805,487	$95,137,175	2,509	$37,918
Kenai	3%	$8,059,850	$268,661,667	7,096	$37,861
Kodiak	7%	$13,921,577	$198,879,665	5,579	$35,648
North Pole	5.5%	$4,071,449	$74,026,348	2,139	$34,608
Homer	4.85%	$9,066,270	$186,933,402	5,513	$33,908
Yakutat	5%	$934,168	$18,683,360	574	$32,549
Craig	5%	$1,607,894	$32,157,880	1,065	$30,195
Saint Paul	3.5%	$408,335	$11,666,714	387	$30,147
Adak	4%	$341,612	$8,540,303	290	$29,449
Nome*	5% Sep - Apr; 7% May - Aug	$5,905,003	$104,205,935	3,712	$28,073
Sitka*	5% Oct - Mar; 6% Apr - Sep	$12,765,840	$232,106,182	8,523	$27,233
Ketchikan	4%	$8,578,022	$214,450,550	8,040	$26,673
King Cove	6%	$1,409,094	$23,484,894	900	$26,094
Juneau	5%	$40,306,881	$806,137,620	31,773	$25,372
Whittier	5%	$344,947	$6,898,940	298	$23,151
Seldovia*	2% Oct - Mar; 4.5% Apr - Sept	$149,246	$4,592,190	203	$22,622
Ketchikan Gateway Borough	2.5%	$7,611,142	$304,445,680	13,677	$22,260
Dillingham	6%	$2,875,331	$47,922,187	2,226	$21,528
Cordova	6%	$3,053,585	$50,893,083	2,366	$21,510
Kotzebue	6%	$3,892,780	$64,879,667	3,064	$21,175
Haines Borough	5.5%	$2,857,818	$51,960,327	2,520	$20,619
Kenai Peninsula Borough	3%	$36,148,200	$1,204,940,000	58,934	$20,446
Bethel	6%	$7,199,544	$119,992,400	6,179	$19,419
Sand Point	4%	$658,935	$16,473,380	880	$18,720
Klawock	6.5%	$917,405	$14,113,928	761	$18,547
Pelican	4%	$48,105	$1,202,625	69	$17,429
Wrangell	7%	$2,789,751	$39,853,586	2,379	$16,752
Petersburg Borough	6%	$3,198,191	$53,303,183	3,189	$16,715
Skagway*	Apr - Sept	$766,477	$19,161,925	1,147	$16,706
Gustavus	3%	$263,251	$8,775,032	551	$15,926
Larsen Bay	3%	$22,065	$735,497	52	$14,144
Unalakleet	5%	$474,629	$9,492,580	706	$13,446
Galena	3%	$175,342	$5,844,732	440	$13,283
Thorne Bay	6%	$405,664	$6,761,062	511	$13,231
Nenana	4%	$162,885	$4,072,114	337	$12,083
Saint Michael	4%	$181,074	$4,526,849	383	$11,819

Municipality	Sales Tax Rate	Sales Tax Revenue	Implied Tax Base	Population	Tax Base Per Capita
Quinhagak	3%	$230,119	$7,670,622	713	$10,758
Emmonak	4%	$351,223	$8,780,575	858	$10,234
Teller	3%	$69,209	$2,306,983	238	$9,693
Saint Marys	3%	$164,972	$5,499,067	569	$9,664
Houston	2%	$407,174	$20,358,700	2,119	$9,608
Koyuk	3%	$89,478	$2,982,595	312	$9,560
Elim	3%	$104,146	$3,471,519	365	$9,511
Togiak	2%	$153,601	$7,680,073	858	$8,951
Aniak	2%	$81,223	$4,061,150	460	$8,829
Mountain Village	3%	$196,244	$6,541,475	753	$8,687
Fort Yukon	3%	$130,440	$4,348,001	514	$8,459
Point Hope	3% (Rate, revenue from 2020)	$173,181	$5,772,711	687	$8,403
White Mountain	1%	$14,460	$1,446,032	187	$7,733
Deering	3%	$37,278	$1,242,601	162	$7,670
Shaktoolik	4%	$79,733	$1,993,325	269	$7,410
Kivalina	2%	$61,325	$3,066,229	423	$7,249
Kotlik	3%	$136,387	$4,546,226	633	$7,182
Tenakee Springs	2%	$16,827	$841,360	118	$7,130
Kake	5%	$199,434	$3,988,674	578	$6,901
Aleknagik	5%	$65,432	$1,308,647	197	$6,643
Angoon	3%	$72,731	$2,424,355	382	$6,346
Eek	2%	$45,000	$2,250,000	356	$6,320
Hooper Bay	5%	$376,631	$7,532,624	1,193	$6,314
Marshall	4%	$110,232	$2,755,809	447	$6,165
Saxman	4.5%	$118,071	$2,623,800	434	$6,046
Tanana	2%	$22,123	$1,106,150	190	$5,822
Stebbins	4%	$140,501	$3,512,524	612	$5,739
Kiana	3%	$65,262	$2,175,407	399	$5,452
Pilot Station	4%	$128,241	$3,206,027	604	$5,308
Shishmaref	3%	$92,605	$3,086,833	589	$5,241
Brevig Mission	3% (Rate, revenue from 2019)	$66,496	$2,216,542	434	$5,107
Napakiak	5%	$90,386	$1,807,726	370	$4,886
Ambler	3%	$36,701	$1,223,358	255	$4,797
Selawik	6.5%	$251,646	$3,871,483	819	$4,727
Kwethluk	5%	182325.74	$3,646,515	772	$4,723
Mekoryuk	4%	$34,975	$874,380	194	$4,507
Toksook Bay	2%	$59,826	$2,991,300	682	$4,386
Manokotak	2%	$39,828	$1,991,412	490	$4,064
Old Harbor	3%	$20,422	$680,738	176	$3,868
Nunapitchuk	4%	$88,013	$2,200,316	569	$3,867
Buckland	6% (Rate, revenue from 2020)	$104,353	$1,739,219	465	$3,740
Savoonga	4%	$102,000	$2,550,000	712	$3,581
Nunam Iqua	4%	$28,861	$721,518	222	$3,250
Kobuk	3%	$14,487	$482,891	159	$3,037
Gambell	3%	$52,000	$1,733,333	684	$2,534
Hydaburg	6%	$54,540	$908,997	380	$2,392
Napaskiak	3%	$31,138	$1,037,932	434	$2,392
Port Alexander	4%	$5,963	$149,075	68	$2,192
Ouzinkie	3%	$6,707	$223,576	124	$1,803
Chefornak	2%	$14,725	$736,236	433	$1,700

Municipality	Sales Tax Rate	Sales Tax Revenue	Implied Tax Base	Population	Tax Base Per Capita
Hoonah	6.5%	$70,151	$1,079,248	769	$1,403
Nightmute	2%	$6,235	$311,757	294	$1,060
Scammon Bay	6%	$33,462	$557,696	595	$937
Russian Mission	4%	$10,222	$255,550	330	$774
Chignik	2%	$662	$33,080	92	$360
Clark's Point	6%	$550	$9,167	59	$155
Shungnak	2%	$0	$0	263	$0
Nondalton	3%	$0	$0	119	$0
Alakanuk	4%	$0	$0	747	$0
Utqiagvik	10% (suspended 2021)	$0	$0	4,436	$0

*Jurisdictions with split years are presumed to have equal tax base in each month. In reality this is likely not true; if higher-rate months have higher tax bases, the tax base for these communities is likely an overestimate.

Part 3

Property Taxation

EXPLANATION OF CAPPED MILLAGE RATES

State law limits both how much property can be taxed by a given municipality, and at what rate it can be taxed.[1] The limitation in AS 43.56.010(c) and AS 29.45.080 is either $1,500 in tax revenue per resident, or a sliding scale multiple of the average per-capita full and true value (APCFTV) in the state, which is then multiplied by the population of the municipality. The sliding scale allows a municipality to tax, for each resident, 375% of (3.75 times) the APCFTV if its rate is 18 mills or below, 300% of the APCFTV if its tax rate is above 18 mills and not more than 19 mills, and 225% of the APCFTV if the tax rate is higher than 19 mills. In practice, the sliding scale choice is always greater than $1,500 per capita, so this is always chosen by municipalities that are limited by the property tax cap.

The tax rate limit is found in AS 29.45.090: 3%, or 30 mills. Finally, in AS 29.45.100, the exception is noted that the limits do not apply for property taxes levied to pay off principal and interest on bonded debt.

The calculation of the tax cap is specified in regulation.[2] The calculation results in a maximum amount of property tax operating revenue for a municipality. This is the revenue that does not fall under the exception for payment of principal and interest on bonded debt in AS 29.45.100. Conceptually, the APCFTV is multiplied by the sliding scale multiple, and then by the population, to arrive at the limitation on the amount of property that *could* be taxed by that municipality under AS 29.45.080. That number is multiplied by the 30 mill limit from AS 29.45.090, to arrive at a maximum amount of property tax operating revenue. This amount is a hypothetical maximum that a municipality could raise if they taxed the property limit arrived at in 29.45.080 at the 30 mill limit in 29.45.090. This hypothetical maximum revenue is then divided by the **full** assessed value in the municipality to arrive at a maximum operating budget tax rate. This is the maximum rate a municipality can levy on its tax base besides taxes associated with debt.

To arrive at a final allowable tax rate, the required payments of both principal and interest on bonded debt are divided by the full assessed value for the municipality to determine a mill rate associated with debt. This tax rate is added to the operating budget tax rate to generate a single tax rate for purposes of sending out tax bills levying tax revenue.

An example of the calculation for North Slope Borough is found on the next page. Although these are the actual numbers from 2019, the calculation is an example and is not meant as an official calculation of the tax cap.

[1] *See also* Bullock v. State, DCRA 19 P.3d 1209 (2001).
[2] 15 AAC 56.070

EXPLANATION OF CAPPED MILLAGE RATES

Tax Year 2019
Example from TY19 - North Slope Borough

TAX CAP LIMITATION

Average Per-Capita Full Value	X	Statutory %	X	TY18 Municipal Population		
$158,496	x	375%	x	17,871	=	$10,621,807,560 Assessed Value Limit

$10,621,807,560	x	30.0 Mills	=	$318,654,227	Tax Limit for Operating Budget

Actual Operating Budget	=	$318,654,227

$318,654,227 / $10,621,807,560	=	30.00	Effective Millage Rate for Operating Budget

DEVELOPMENT OF ACTUAL OVERALL RATE

Annual Bonded Debt Service	=	$73,254,390
Actual Assessed Value	=	$21,784,803,625

$73,254,390 / $21,784,803,625	=	3.363	Mills for Bonded Debt Service Funding
$318,654,227 / $21,784,803,625	=	14.627	Mills for Operating Budget Funding
		17.99	TOTAL MILLAGE RATE

ASSESSMENT STATISTICS AND RATIO STUDIES

Local assessors have a legal, professional and ethical responsibility to uniformly value all property within their jurisdiction. They must also make sure all values on the assessment roll represent "full and true value" in accordance with AS 29.45.110.

Assessment ratio studies measure the level and uniformity of assessments and can be further used to analyze assessed values in and among jurisdictions. The ratios can be used in tests to see if unequal taxation exists and how, and if, assessments need to be adjusted. There are two types of ratio studies: sales ratio studies and appraisal ratio studies. The sales ratio study is commonly used in Alaska and is the method discussed here.

A sales ratio is simply the correlation of the assessed value of recently sold properties to their respective sales prices. This correlation is expressed as a ratio. In order for the ratios to be meaningful, all sales need to be verified and the time frame for accepting sales should be predetermined. To obtain the ratio, a simple mathematical equation is used where the numerator is the assessed value and the denominator is the sales price:

$$\frac{\text{ASSESSED VALUE}}{\text{SALES PRICE}} = \text{RATIO}$$

For example, if a residence assessed at $90,000 sells for $100,000, the correlation or ratio of assessed value to the sales price is 90%.

$$\frac{\$90,000}{\$100,000} = 90\%$$

If this ratio were typical of all assessed values in the jurisdiction, the assessor would need to adjust all the assessments upwards to reflect the "full and true value." Full and true value is considered to be 100% of market value.

Preparation of a Sales Ratio Study

1. Assemble Sales Data

   a. Collect sales data from all sources such as recorders' offices, realtors, developers and bankers.

   b. Verify sales data by contacting the seller, buyer, realtor or banker. Verification by two of the contacts is preferred.

2. Select Samples

   a. Check disbursement of sales to insure uniform coverage of total areas and try to avoid collecting too much information from any one single area to the exclusion of other areas.

   b. Restrict selections to individual classes of property, i.e., residential, commercial, industrial, vacant, and farm land.

3. Compile Usable Data

   a. Correlate usable sales information into a usable listing by class.

   b. Divide current assessed values by sales price to obtain individual ratios.

3. Compile Usable Data (Continued)

c. Array ratios so outliers can be pin-pointed. Typically, outliers fall into two categories, explained and unexplained. An example of an explained outlier is a sale that occurs of an improved piece of property but the assessed value may represent only the vacant land due to construction occurring after the assessment was made, causing the ratio to be low. An example of an unexplained ratio is one that may have included property other than the real property being analyzed.

4. Compute Statistical Data

Computation of the mean, median and weighted mean ratios describe the general levels of assessment. The weighted mean is computed by dividing the sum of all assessed values by the sum of all sales prices. This ratio is used by the Office of the State Assessor for calculating the full and true value due to the weighting of each sample by its total dollar amount, thus giving the same weighting to each dollar of the transaction regardless of the sale price.

Uses of Ratio Studies

Sales ratio studies are commonly used in state equalization and/or full value determinations. Typically, the weighted mean ratio is used to determine the full value, for the reason stated previously. The local assessor can use the studies to determine the level of assessments and internal equity or to show areas which may need further analysis.

Sales Ratio Example		
Assessed Value	**Sales Price**	**Ratio**
$100,000	$106,000	94.34%
$106,000	$100,000	106.00%
$107,000	$109,000	98.17%
$125,000	$132,000	94.70%
$130,000	$127,000	102.36%
$122,500	$122,500	100.00%
$140,000	$141,000	**99.29%** [1]
$830,500	$837,500	**99.16%** [2]

Mean (Average) Ratio	=	**99.26%**
[1] **Median (Middle) Ratio**	=	**99.29%**
[2] **Weighted Mean Ratio**	=	**99.16%**

Limitations of Use

Assessment ratio studies show the relation between market values and assessed values, and assessed values within and among areas. These studies may show inequities, if they exist; however, they do not correct inequities among individual properties. Once the determination is made that inequities exist, the assessor will take the necessary action to make the corrections, based upon the findings of the ratio study.

A sales ratio study is only as accurate as the information used. Care in selecting, screening, and verifying information is essential and should be of primary importance to the assessor. Without verified sales data, any interpretation of sales ratio studies will be of little use.

A study should not be overloaded with specific types of properties. Segregating by class (commercial, residential, industrial) and type (vacant, improved, water front) will allow for proper analysis of each class and type of property.

ASSESSMENT RATIO STUDIES

Appraisal Level

The overall level of appraisal, not necessarily assessments, should be within 10 percent of the legal level, that is, between 0.90 and 1.10. The reason for consideration of the appraisal level instead of the assessment level is that the granting of property tax exemptions is a political decision, not an appraisal decision, and does not affect the appraisal quality.

Appraisal Uniformity

The most commonly used measure of uniformity is the Coefficient of Dispersion (COD). The COD is based on the average absolute deviation from the median, expressed as a percentage. The COD is calculated by dividing the average absolute deviation by the median ratio and multiplying by 100 to convert the ratio to a percentage. The COD is a relative measure of dispersion which means that direct comparisons can be made between property groupings. With it, the assessor can measure the amount of dispersion around the typical level of assessment among different property groups.

- Single family residences: CODs should be 15.0 or less*
- Income producing properties: CODs should be 20.0 or less*
- Vacant land: CODs should be 25.0 or less*

* International Association of Assessing Officers (IAAO) Standard on Ratio Studies (2013) recommendations in which *current* market value is the legal basis of assessment.

Table 2
Summary of Assessed Values

The A/V ratios and CODs in this table are supplied by local assessment officials, and reviewed by the Office of the State Assessor.

Municipality	Locally Assessed Real Property	Locally Assessed Personal Property	State Assessed Oil & Gas Property*	Total Assessed	Reported A/V Ratio % (1)	Reported COD (2)	Effective Mill Rate
Municipality of Anchorage	$31,915,457,832	$2,718,340,128	$132,285,120	$34,766,083,080	0.95	6.09	17.74
Bristol Bay Borough	$202,224,800	$233,807,980	$0	$436,032,780	0.84	12.44	11.93
Fairbanks North Star Borough	$8,160,552,946	$0	$713,162,220	$8,873,715,166	0.91	9.57	14.60
Haines Borough	$334,834,350	$0	$0	$334,834,350	0.94	13.77	9.47
City and Borough of Juneau	$5,059,462,441	$374,989,048	$0	$5,434,451,489	0.98	6.99	10.28
Kenai Peninsula Borough	$6,713,041,900	$354,392,371	$1,421,415,850	$8,488,850,121	0.97	11.41	8.34
Ketchikan Gateway Borough	$1,558,153,800	$61,424,000	$0	$1,619,577,800	0.94	9.89	11.80
Kodiak Island Borough	$1,341,595,132	$153,152,089	$0	$1,494,747,221	0.93	6.51	12.28
Matanuska Susitna Borough	$10,579,303,062	$62,709,093	$9,597,770	$10,651,609,925	0.94	5.99	13.58
North Slope Borough	$778,619,955	$271,936,879	$20,866,357,530	$21,916,914,364	0.89	10.44	17.53
Petersburg Borough	$329,943,400	$0	$0	$329,943,400	0.79	24.82	10.25
City and Borough of Sitka	$1,118,792,158	$63,352,060	$0	$1,182,144,218	0.80	10.22	5.80
Municipality of Skagway	$364,543,271	$0	$0	$364,543,271	0.76	14.05	5.51
City and Borough of Wrangell	$179,444,900	$0	$0	$179,444,900	0.81	9.65	12.75**
City and Borough of Yakutat	$51,126,200	$0	$0	$51,126,200	0.89	18.19	6.87
Total Borough Assessed Value	$68,687,096,147	$4,294,103,648	$23,142,818,490	$96,124,018,285			
Municipality	Locally Assessed Real Property	Locally Assessed Personal Property	State Assessed Oil & Gas Property	Total Assessed	Reported A/V Ratio % (1)	Reported COD (2)	Effective Mill Rate
Cordova	$229,638,525	$0	$9,170,480	$238,809,005	0.85	8.00	11.06
Craig	$114,048,200	$0	$0	$ 114,048,200	0.99	7.80	6.00
Dillingham	$161,339,490	$37,143,993	$0	$ 198,483,483	0.82	8.36	12.94
Nenana	$20,151,637	$31,405	$0	$ 20,183,042	0.95	21.94	12.00
Nome	$318,038,100	$42,750,436	$0	$ 360,788,536	0.84	10.55	12.00
Pelican	$11,338,900	$180,996	$0	$ 11,519,896	0.91	6.19	6.16
Unalaska	$458,306,400	$259,327,497	$0	$ 717,633,897	0.81	13.03	10.43
Valdez	$288,803,695	$0	$1,951,892,820	$ 2,240,696,515	0.77	10.52	17.43
Whittier	$47,277,100	$67,098,083	$1,544,170	$ 115,919,353	0.77	29.11	5.99
Total Cities Assessed Value	$1,648,942,047	$406,532,410	$1,962,607,470	$4,018,081,927			
Unorganized Borough Assessed Value	$0	$0	$3,097,786,280	$3,097,786,280			
Statewide Value of Assessed Property	$70,336,038,194	$4,700,636,058	$28,203,212,240	$103,239,886,492			

(1) The A/V Ratio represents the ratio expressed by dividing the municipal assessed value (A) by the market price (V), and is representative of the weighted mean ratio of real property only. This ratio does NOT apply to personal property or state assessed oil and gas property values

(2) The COD (Coefficient of Dispersion) represents the average dispersion (difference) from the indicated ratios, and is not applicable to personal property or oil and gas property values.

*Past versions of this table included cities within boroughs that received oil and gas property tax. For clarity and to avoid double-counting, those have been omitted.

**Incomplete tax revenue data for the City and Borough of Wrangell. The tax rate for downtown Wrangell is provided.

Table 3
Summary of Optional Exemption Values
As of January 1, 2021

The exemptions noted on this table are only those allowed under AS 29.45.050; mandatory exemptions are excluded. Other exemptions include such programs as Historical Properties, Volunteer EMS/Firefighter Exemptions, Habitat Protection, Economic Development or any other types of locally-adopted optional exemptions. These assessments do not include any taxable value assessed for oil & gas properties under AS 43.56. Percent of Tax Base Exempted is the sum of all locally authorized optional exemptions, divided by the total locally assessed value for that commuity.

	LOCALLY EXEMPTED VALUES[1]					
Boroughs/Unified Municipalites	$50,000 Residential AS 29.45.050(a)	Community Purpose AS 29.45.050(b)(1)(A)	Other Real Property Exemptions	Personal Property AS 29.45.050 (b)(2)	Local Assessed Value	Percent of Tax Base Exempted
Anchorage (Municipality of)	$2,360,434,238	$30,533,795	$26,656,238	$3,550,979,447	$34,633,797,960	14.7%
Bristol Bay Borough	$2,487,400	$0	$0	$62,461,912	$436,032,780	13.0%
Fairbanks North Star Borough	$789,387,806	$18,827,930	$41,567,554	$2,228,542,100	$8,160,552,946	27.4%
Haines Borough	$0	$6,946,500	$0	$60,381,072	$334,834,350	16.7%
Juneau (City & Borough)	$0	$16,037,246	$307,000	$555,750,726	$5,434,451,489	9.5%
Kenai Peninsula Borough	$518,066,800	$72,213,600	$719,000	$1,066,954,457	$7,067,434,271	19.0%
Ketchikan Gateway Borough	$0	$5,314,100	$0	$280,113,781	$1,619,577,800	15.0%
Kodiak Island Borough	$0	$2,510,300	$26,428,690	$234,699,796	$1,494,747,221	15.0%
Matanuska-Susitna Borough	$0	$50,751,180	$11,702,700	$1,814,164,195	$10,642,012,155	15.0%
North Slope Borough	$18,739,500	$7,002,100	$60,000	$61,136,536	$1,050,556,834	7.6%
Petersburg Borough	$0	$0	$640,300	$109,797,846	$329,943,400	25.1%
Sitka (City & Borough)	$0	$27,469,800	$0	$162,594,289	$1,182,144,218	13.9%
Skagway (Municipality of)	$0	$0	$40,144	$83,767,753	$364,543,271	18.7%
Wrangell (City & Borough)	$0	$0	$50,500	$59,323,977	$179,444,900	24.9%
Yakutat (City & Borough)	$0	$0	$0	$24,274,555	$51,126,200	32.2%
Total Boroughs (15)	$3,689,115,744	$237,606,551	$108,172,126	$10,354,942,444	$72,981,199,795	16.5%

	LOCALLY EXEMPTED VALUES[1]					
Cities	$50,000 Residential AS 29.45.050(a)	Community Purpose AS 29.45.050(b)(1)(A)	Other Real Property Exemptions	Personal Property AS 29.45.050(b)(2)	Local Assessed Value	Percent of Tax Base Exempted
Cordova	$0	$0	$0	$89,381,475	$229,638,525	28.0%
Craig	$0	$2,560,000	$0	$44,518,425	$114,048,200	29.2%
Dillingham	$0	$0	$0	$39,576,403	$198,483,483	16.6%
Nenana	$0	$0	$0	$9,929,365	$20,183,042	33.0%
Nome	$0	$0	$0	$49,181,139	$360,788,536	12.0%
Pelican	$0	$0	$0	$3,022,511	$11,519,896	20.8%
Unalaska	$0	$0	$953,300	$33,376,006	$717,633,897	4.6%
Valdez	$35,215,212	$6,942,000	$469,654	$100,893,884	$288,803,695	33.2%
Whittier	$0	$0	$0	$3,177,844	$114,375,183	2.7%
Total Cities (9)	$35,215,212	$9,502,000	$1,422,954	$373,057,052	$2,055,474,457	16.9%

Statewide (24)	$3,724,330,956	$247,108,551	$109,595,080	$10,727,999,496	$75,036,674,252	16.5%

(1) Exempt Values are actual assessed values established by the individual borough or city, estimates by the Office of the State Assessor, or both.

Table 4A
Local Assessments vs Full Values Real Property

The following three Tables, 4A, 4B & 4C, list the municipal assessed value compared to the full value. Table 4A compares real property, Table 4B compares personal property, and Table 4C compares the total of real and personal property. Cities in Boroughs not included.

Municipality	Real Property Locally Assessed (1)	Real Property Full Value (2)	Ratio (3)
Municipality of Anchorage	**$31,915,457,832**	**$36,091,380,353**	**88.4%**
Bristol Bay Borough	**$202,224,800**	**$244,653,033**	**82.7%**
Fairbanks North Star Borough	**$8,160,552,946**	**$9,855,687,332**	**82.8%**
Haines Borough	**$334,834,350**	**$364,473,946**	**91.9%**
City and Borough of Juneau	**$5,059,462,441**	**$5,196,417,410**	**97.4%**
Kenai Peninsula Borough	**$6,713,041,900**	**$8,065,211,929**	**83.2%**
Ketchikan Gateway Borough	**$1,558,153,800**	**$1,665,513,923**	**93.6%**
Kodiak Island Borough	**$1,341,595,132**	**$1,481,187,299**	**90.6%**
Matanuska Susitna Borough	**$10,579,303,062**	**$11,765,415,839**	**89.9%**
North Slope Borough	**$778,619,955**	**$901,218,531**	**86.4%**
Petersburg Borough	**$329,943,400**	**$425,314,546**	**77.6%**
City and Borough of Sitka	**$1,118,792,158**	**$1,447,211,254**	**77.3%**
Municipality of Skagway	**$364,543,271**	**$490,250,117**	**74.4%**
City and Borough of Wrangell	**$179,444,900**	**$220,483,233**	**81.4%**
City and Borough of Yakutat	**$51,126,200**	**$58,151,986**	**87.9%**
Cordova	**$229,638,525**	**$268,597,088**	**85.5%**
Craig	**$114,048,200**	**$120,850,557**	**94.4%**
Dillingham	**$161,339,490**	**$198,977,600**	**81.1%**
Nenana	**$20,151,637**	**$21,212,063**	**95.0%**
Nome	**$318,038,100**	**$379,716,278**	**83.8%**
Pelican	**$11,338,900**	**$12,430,430**	**91.2%**
Unalaska	**$458,306,400**	**$566,416,782**	**80.9%**
Valdez	**$288,803,695**	**$432,028,105**	**66.8%**
Whittier	**$47,277,100**	**$61,451,467**	**76.9%**
Total (24)	**$70,336,038,194**	**$80,334,251,101**	**87.6%**

Note: Real property is not assessed in areas outside taxing jurisdictions. The totals in this table exclude values for unorganized areas of the state, and exclude values for municipalities which do not levy a property tax.

(1) Actual assessed value of property taxed at the city/borough level.

(2) The full value of real and personal property that can be taxed under state law as equalized by the Office of the State Assessor according to standards defined in Attorney General Opinion No. 18, 1962. This includes the value of all municipal assessed values plus the value of any optional exemptions.

(3) The relationship between the actual municipal assessed values and the Department's full value determination, expressed as a percentage. This ratio is calculated using both the municipal assessment ratio plus the addition of optionally exempted property.

Table 4B
Local Assessments vs Full Value Personal Property

Municipality	Personal Property Locally Assessed	Personal Property Full Value	Percentage of Personal Property Taxed
Municipality of Anchorage	$2,718,340,128.00	$6,269,319,575	43.4%
Bristol Bay Borough	$233,807,980.00	$296,269,892	78.9%
Fairbanks North Star Borough	$0.00	$2,228,542,100	0.0%
Haines Borough	$0.00	$60,381,072	0.0%
City and Borough of Juneau	$374,989,048.00	$930,739,774	40.3%
Kenai Peninsula Borough	$354,392,371.00	$1,421,346,828	24.9%
Ketchikan Gateway Borough	$61,424,000.00	$341,537,781	18.0%
Kodiak Island Borough	$153,152,089.00	$387,851,885	39.5%
Matanuska Susitna Borough	$62,709,093.00	$1,876,873,288	3.3%
North Slope Borough	$271,936,879.00	$333,073,415	81.6%
Petersburg Borough	$0.00	$109,797,846	0.0%
City and Borough of Sitka	$63,352,060.00	$225,946,349	28.0%
Municipality of Skagway	$0.00	$83,767,753	0.0%
City and Borough of Wrangell	$0.00	$59,323,977	0.0%
City and Borough of Yakutat	$0.00	$24,274,555	0.0%
Total Boroughs (15)*	$4,294,103,648.00	$14,649,046,091.71	29.3%
Cordova	$0	$89,381,475	0.0%
Craig	$0	$44,518,425	0.0%
Dillingham	$37,143,993	$76,720,396	48.4%
Nenana	$31,405	$9,960,770	0.3%
Nome	$42,750,436	$91,931,575	46.5%
Pelican	$180,996	$3,203,507	5.6%
Unalaska	$259,327,497	$292,703,503	88.6%
Valdez	$0	$100,893,884	0.0%
Whittier	$67,098,083	$70,275,927	95.5%
Total Cities (9)*	$406,532,410.00	$779,589,461.86	52.1%
Total Municipalities (24)*	$4,700,636,058.00	$15,428,635,553.57	30.5%

*In past years, municipalities that do not tax personal property have been omitted from this table. Comparable percentage of personal property taxed, with non-taxing jurisdictions omitted, is provided below:

	Percentage Of Personal Property Taxed Excluding Boroughs That Do Not Tax Personal Property
Total Boroughs	35.5%
Total Cities	74.6%
Total Municipalities	37.2%

Table 4C
Local Assessments vs Full Value
Real and Personal Property Combined

This table excludes municipalities that do not levy a property tax, and oil and gas properties assessed under AS 43.56

Municipality	Real and Personal Property Locally Assessed	Real and Personal Property Full Value (without Oil & Gas)	Ratio
Municipality of Anchorage	**$34,633,797,960**	**$42,360,699,928**	**81.8%**
Bristol Bay Borough	**$436,032,780**	**$540,922,925**	**80.6%**
Fairbanks North Star Borough	**$8,160,552,946**	**$12,084,229,433**	**67.5%**
Haines Borough	**$334,834,350**	**$424,855,018**	**78.8%**
City and Borough of Juneau	**$5,434,451,489**	**$6,127,157,184**	**88.7%**
Kenai Peninsula Borough	**$7,067,434,271**	**$9,486,558,757**	**74.5%**
Ketchikan Gateway Borough	**$1,619,577,800**	**$2,007,051,704**	**80.7%**
Kodiak Island Borough	**$1,494,747,221**	**$1,869,039,184**	**80.0%**
Matanuska Susitna Borough	**$10,642,012,155**	**$13,642,289,127**	**78.0%**
North Slope Borough	**$1,050,556,834**	**$1,234,291,946**	**85.1%**
Petersburg Borough	**$329,943,400**	**$535,112,392**	**61.7%**
City and Borough of Sitka	**$1,182,144,218**	**$1,673,157,603**	**70.7%**
Municipality of Skagway	**$364,543,271**	**$574,017,870**	**63.5%**
City and Borough of Wrangell	**$179,444,900**	**$279,807,210**	**64.1%**
City and Borough of Yakutat	**$51,126,200**	**$82,426,541**	**62.0%**
Cordova	**$229,638,525**	**$357,978,563**	**64.1%**
Craig	**$114,048,200**	**$165,368,982**	**69.0%**
Dillingham	**$198,483,483**	**$275,697,996**	**72.0%**
Nenana	**$20,183,042**	**$31,172,834**	**64.7%**
Nome	**$360,788,536**	**$471,647,853**	**76.5%**
Pelican	**$11,519,896**	**$15,633,937**	**73.7%**
Unalaska	**$717,633,897**	**$859,120,286**	**83.5%**
Valdez	**$288,803,695**	**$532,921,989**	**54.2%**
Whittier	**$114,375,183**	**$131,727,394**	**86.8%**
Total (24)*	**$75,036,674,252**	**$95,762,886,654**	**78.4%**

*Cities within Boroughs are not included in the total

Table 5
Full Value Determinations

Municipality	AS 29.45 Local Taxable Full Value (1)	AS 43.56 State Taxable Oil & Gas Full Value (2)	Total FVD (3)	Population (4)	Per-Capita Full Value (5)
Aleutians East Borough	$187,749,259		$187,749,259	2,925	$64,187.78
Municipality of Anchorage	$42,360,699,928	$132,285,120	$42,492,985,048	288,970	$147,050
Bristol Bay Borough	$540,922,925		$540,922,925	868	$623,183
Denali Borough	$400,181,141		$400,181,141	1,806	$221,584
Fairbanks North Star Borough	$12,084,229,433	$713,162,220	$12,797,391,653	97,159	$131,716
Haines Borough	$424,855,018		$424,855,018	2,520	$168,593
City and Borough of Juneau	$6,127,157,184		$6,127,157,184	31,773	$192,842
Kenai Peninsula Borough	$9,486,558,757	$1,421,415,850	$10,907,974,607	58,934	$185,088
Ketchikan Gateway Borough	$2,007,051,704		$2,007,051,704	13,677	$146,746
Kodiak Island Borough	$1,869,039,184		$1,869,039,184	12,611	$148,207
Lake and Pen Borough	$154,406,849		$154,406,849	1,552	$99,489
Matanuska Susitna Borough	$13,642,289,127	$9,597,770	$13,651,886,897	107,305	$127,225
North Slope Borough	$1,234,291,946	$20,866,357,530	$22,100,649,476	9,771	$2,261,862
Northwest Arctic Borough	$859,122,001		$859,122,001	7,583	$113,296
Petersburg Borough	$535,112,392		$535,112,392	3,189	$167,799
City and Borough of Sitka	$1,673,157,603		$1,673,157,603	8,523	$196,311
Municipality of Skagway	$574,017,870		$574,017,870	1,147	$500,451
City and Borough of Wrangell	$279,807,210		$279,807,210	2,379	$117,615
City and Borough of Yakutat	$82,426,541		$82,426,541	574	$143,600
Cordova	$357,978,563	$9,170,480	$367,149,043	2,366	$155,177
Craig	$165,368,982		$165,368,982	1,065	$155,276
Dillingham	$275,697,996		$275,697,996	2,226	$123,854
Galena	$35,729,455		$35,729,455	440	$81,203
Hoonah	$81,413,948		$81,413,948	769	$105,870
Hydaburg	$15,035,234		$15,035,234	380	$39,566
Kake	$30,176,869		$30,176,869	578	$52,209
Klawock	$64,777,210		$64,777,210	761	$85,121
Nenana	$31,172,834		$31,172,834	337	$92,501
Nome	$471,647,853		$471,647,853	3,712	$127,060
Pelican	$15,633,937		$15,633,937	69	$226,579
Saint Mary's	$30,943,719		$30,943,719	569	$54,383
Tanana	$13,612,615		$13,612,615	190	$71,645
Unalaska	$859,120,286		$859,120,286	4,561	$188,362
Valdez	$532,921,989	$1,951,892,820	$2,484,814,809	3,855	$644,569
Whittier	$131,727,394	$1,544,170	$133,271,564	298	$447,220
Outside Taxing Jurisdiction Totals	$0	$3,097,786,280	$3,097,786,280	N/A	N/A
Boroughs/Unified Municipalities Totals	$94,523,076,071	$23,142,818,490	$117,665,894,561	653,266	$180,119
Cities in Unorganized Borough Totals	$3,112,958,882	$1,962,607,470	$5,075,566,352	22,176	$228,877
Statewide Summary (35)*	$97,636,034,953	$28,203,212,240	$125,839,247,193	675,442	$181,720

(1) The full value of real and personal property that can be taxed under state law as equalized by the Office of the State Assessor according to standards defined in Attorney General Opinion No. 18, 1962

(2) The assessed value of oil and gas exploration, production and transportation property as determined by the Department of Revenue, Tax Division

(3) The full value of property taxable under state law AS 29 45 and oil and gas property assessed by the State Department of Revenue under AS 43.56

(4) Population totals are Department of Labor July 2020 numbers, and are presented only for those municipalities that levy a property tax

(5) The average per-capita value based upon total full value including oil and gas property

* Population outside of Full Value Determination jurisdictions is not included, and oil and gas property assessed outside of Full Value Determinations jurisdictions is also not included. This is a change from prior years

Table 6
Full Value Determination Summary
Ten Year History

This table summarizes the state's full and true value figures for the past ten years. The table shows annual percentage changes for municipal full values and state assessed properties.

January 1, Year	Municipal Full Value	Percentage Change	Oil & Gas Assessed Value	Percentage Change	Total Full Value	Percentage Change
2011	$75,147,226,600	1.51%	$23,822,182,550	-0.89%	$98,969,409,150	0.92%
2012	$77,004,643,600	2.47%	$24,491,683,690	2.81%	$101,496,327,290	2.55%
2013	$78,810,024,000	2.34%	$28,649,650,040	16.98%	$107,459,674,040	5.88%
2014	$81,248,307,300	3.09%	$27,389,657,890	-4.40%	$108,637,965,190	1.10%
2015	$83,131,396,100	2.32%	$28,619,657,360	4.49%	$111,751,053,460	2.87%
2016	$87,520,474,200	5.28%	$27,710,225,430	-3.18%	$115,230,699,630	3.11%
2017	$88,715,549,400	1.37%	$28,358,292,110	2.34%	$117,073,841,510	1.60%
2018	$89,275,118,700	0.63%	$28,179,150,120	-0.63%	$117,454,268,820	0.32%
2019	$90,984,293,009	1.91%	$28,476,560,040	1.06%	$119,460,853,049	1.71%
2020	$95,587,456,856	5.06%	$28,991,424,380	1.81%	$124,578,881,236	4.28%
2021	$97,636,034,953	2.14%	$28,203,212,240	-2.72%	$125,839,247,193	1.01%

Municipal Full Value — The full and true value of all property taxable under state law (AS 29.45); this includes property exempted by local option.

State Assessed Full Value — The value of oil & gas exploration, production and transportation property as determined by the Dept. of Revenue (AS 43.56).

Total Full Value — The full and true value of all property taxable under Alaska Statutes 29.45 and 43.56, as determined by the Department under standards defined in Attorney General Opinion No. 18, 1962.

Table 7
2021 Assessment Staff Statistics

The following table describes local municipal office statistics. The total number of parcels are real property parcels identified by each municipality's certified assessment roll. The number of appraisers includes both real and personal property appraisers, including the assessor. The assessment budget is based on the total budget for the assessing department, including personal property appraisers.

Those municipalities which do not have assessment personnel on staff and use contract assessors are presented in Table 8.

Municipality	Est. Sq. Mi. within Jurisdiction	Taxable Real Property Count	Taxable Personal Property Count	Assessment Staff	2021 Assessment Budget	Assessment Cycle	Date Assessment Notices Mailed	Board of Equalization Mtg. Date	Date Tax Bills Due (1)
Fairbanks North Star Borou	7,430	46,809	-	10	$2,745,850	5 Year Cycle	2/1/2021	4/9/2021	9/1/2021
Matanuska-Susitna Borough	25,260	79,420	75	18	$3,356,655	6 Year Cycle	1/27/2021	3/30/2021	8/16/2021
Kodiak Island Borough	12,150	7,769	563	3.5	$731,316	3 Year Cycle	3/1/2021	5/3/2021	8/16/2021
City and Borough of Juneau	3,248	13,779	4,963	6	$788,300	5 Year Cycle	4/2/2021	7/29/2021	9/30/2021
Haines Borough	2,730	2,684	-	1.6	$174,891	6 Year Cycle	3/10/2021	5/10/2021	11/1/2021
Municipality of Anchorage	1,940	97,848	8,155	38	$7,484,916	6 Year Cycle	1/12/2021	3/30/2021	6/15/2021
Kenai Peninsula Borough	21,330	66,120	7,428	22	$3,344,012	5 Year Cycle	3/1/2021	5/21/2021	9/15/2021
Ketchikan Gateway Borough	6,262	6,885	648	4	$720,594	4 Year Cycle	2/12/2021	3/15/2021	9/30/2021
City and Borough of Sitka	4,530	4,309	608	1	$440,000	6 Year Cycle	3/15/2021	5/7/2021	8/31/2021
North Slope Borough	94,770	2,315	546	2	$1,455,358	4 Year Cycle	3/1/2021	5/5/2021	6/30/2021
Total (10)	179,650	327,938	22,986	106	$21,241,892				

(1) 1st half of taxes due this date

Table 8
2021 Contract Assessment Costs

These costs are strictly for services provided by the assessment contractor. Municipal staff time has not been included.

Municipality	Contractor	Contract Amount	# Real Property Parcels	# of Personal Property Accounts	Scope of Work	Notices Mailed	BOE Meeting Date	Property Tax Due Date
Bristol Bay Borough	Appraisal Company of Alaska	$ 24,000	1,881	1,385	Real Property, Maintenance, Personal Property	3/15/2021	4/30/2021	8/31/2021
Cordova	Appraisal Company of Alaska	$ 18,000	1,219	-	Maintenance	3/10/2021	4/19/2021	8/31/2021
Craig	Horan and Company	$ 30,000	641	-	Maintenance, Real Property	3/1/2021	N/A	9/30/2021
Dillingham	Appraisal Company of Alaska	$ 28,000	841	674	Reappraisal, Real Property, Personal Property	3/15/2021	4/27/2021	11/1/2021
Nenana	Appraisal Company of Alaska	$ 12,000	0	-	Maintenance, Real Property	3/20/2021	5/29/2021	9/1/2021
Nome	Appraisal Company of Alaska	$ 22,000	2,375	646	Maintenance	3/24/2021	5/5/2021	7/31/2021
Pelican	Canary & Associates	$ 24,000	148	39	Reappraisal, Real Property,Personal Prop	3/22/2021	5/17/2021	9/30/2021
Petersburg Borough	Appraisal Company of Alaska	$ 40,000	4,768	-	Maintenance	3/1/2021	4/5/2021	10/15/2021
Municipality of Skagway	Canary & Associates	$ 28,000	816	-	Reappraisal, Real Property	4/11/2021	5/26/2021	8/31/2021
Unalaska	Appraisal Company of Alaska	$ 28,000	932	475	Maintenance, Real Property	3/31/2021	5/11/2021	8/20/2021
Valdez	Appraisal Company of Alaska	$ 60,000	2440	-	Reappraisal, Real Property, Maintenance	3/1/2021	4/20/2021	8/16/2021
Whittier	Appraisal Company of Alaska	$ 12,000	504	698	Maintenance , Real Property	4/7/2021	5/18/2021	10/31/2021
City and Borough of Wrangell	Appraisal Company of Alaska	$ 75,000	2,562	-	Reappraisal, Real Property	3/20/2021	5/10/2021	10/15/2021
City and Borough of Yakutat	Appraisal Company of Alaska	$ 12,000	559	-	Maintenance, Real Property	2/26/2021	4/15/2021	7/31/2021
Total (14)		$ 413,000	19,686	3,917				

Part 4

Special Tax Programs

Table 9A
Senior Citizen and Disabled Veteran Property Tax Exemption History
AS 29.45.030(e) - (i)

Ten Year Performance Summary

State law exempts real property owned and occupied as a permanent home by a resident, 65 years of age or older, or, by a disabled veteran with a 50% or greater service-connected disability, or by a widow/widower to or greater than the age of 60 of either of the two prior categories. The exemption applies to the first $150,000 of assessed valuation, and applicants must apply directly to their municipality. In 2002 legislation was passed which would allow municipalities to set their filing deadlines; this legislation also allows for a "one time filing" for the program. Program costs have exceeded funding levels from the state since 1986 resulting in prorating payments to eligible municipalities. The Alaska Legislature has **not** funded the reimbursement for the program since FY 1997, Tax Year 1996.

Tax Year	No. of Applications Approved	Total Exempt Assessed Value	Annual Value Percent Change	Total Exempt Taxes	Annual Tax Percent Change	Average Exempt Value $$ Per. Applicant	Average Exempt Tax $$ Per Applicant
2011	28,525	$3,885,771,533	6.1%	$53,315,762	7.2%	$136,223	$1,869
2012	30,166	$4,140,792,219	6.6%	$56,749,783	6.4%	$137,267	$1,881
2013	31,543	$4,349,226,843	5.0%	$59,833,635	5.4%	$137,882	$1,897
2014	33,656	$4,622,836,100	6.3%	$62,437,787	4.4%	$137,355	$1,855
2015	35,561	$4,908,123,508	6.2%	$66,223,849	6.1%	$138,020	$1,862
2016	37,455	$5,189,865,218	5.7%	$70,685,645	6.7%	$138,562	$1,887
2017	39,691	$5,535,326,136	6.7%	$77,992,107	10.3%	$139,460	$1,965
2018	41,340	$5,821,077,204	5.2%	$84,684,847	8.6%	$140,810	$2,048
2019	44,057	$6,158,469,460	5.8%	$90,908,082	7.3%	$139,784	$2,063
2020	46,610	$6,541,504,452	6.2%	$95,552,217	5.1%	$140,346	$2,169
2021	46,876	$6,570,558,056	0.4%	$95,600,956	0.1%	$140,169	$2,039

Note: The numbers reflect the total number of applicants and associated values and taxes for both senior citizens and disabled veterans participating in the exemption program.

Table 9B
Senior Citizen and Disabled Veteran
Program Summary
Fiscal Year 2021 / Tax Year 2020

Municipality	Number of Approved Applicants	Total Assessed Value Exempt	Percent Change from Last Year	Total Tax Amount Exempt	Percent Change From Last Year	Average Value Exempt Per Appl	Average Tax Exempt Per Appl
Anchorage	17,575	$2,569,122,750	-7.6%	$41,139,162	-5.5%	$146,181	$2,341
Matanuska Susitna Borough	9,049	$1,237,333,523	8.3%	$17,913,055	4.9%	$136,737	$1,980
Fairbanks North Star Borough	7,051	$953,439,540	4.8%	$18,367,487	4.2%	$135,220	$2,605
Kenai Peninsula Borough	6,214	$858,849,500	5.8%	$8,279,608	7.4%	$138,212	$1,332
Juneau	2,402	$343,174,751	5.3%	$3,621,232	4.3%	$142,870	$1,508
Ketchikan Gateway Borough	1,187	$162,252,900	3.5%	$1,573,803	3.9%	$136,692	$1,326
Kodiak Island Borough	707	$96,331,378	4.6%	$1,254,811	4.9%	$136,254	$1,775
Sitka	661	$90,976,642	5.1%	$545,860	5.1%	$137,635	$826
Petersburg Borough	360	$48,443,400	7.1%	$520,882	6.9%	$134,565	$1,447
Haines Borough	277	$38,416,146	21.4%	$143,956	-59.9%	$138,686	$520
Wrangell	281	$31,486,700	4.8%	$401,138	7.0%	$112,052	$1,428
Valdez	227	$28,077,891	11.5%	$561,558	11.5%	$123,691	$2,474
Cordova	163	$22,552,675	5.9%	$249,433	5.7%	$138,360	$1,530
Nome	143	$19,084,270	5.9%	$229,011	-2.2%	$133,456	$1,601
North Slope Borough	139	$17,699,700	37.3%	$318,418	37.3%	$127,336	$2,291
Dillingham	97	$13,447,300	7.1%	$174,815	7.1%	$138,632	$1,802
Skagway	83	$12,057,810	4.8%	$66,144	5.1%	$145,275	$797
Craig	65	$8,508,255	-0.6%	$51,050	-0.6%	$130,896	$785
Yakutat	56	$5,538,400	6.9%	$38,769	6.9%	$98,900	$692
Bristol Bay Borough	37	$4,853,200	10.1%	$58,238	10.1%	$131,168	$1,574
Unalaska	30	$4,335,200	-5.4%	$45,520	-5.4%	$144,507	$1,517
Nenana	45	$2,836,825	-1.7%	$34,042	-1.7%	$63,041	$756
Pelican	8	$950,000	9.8%	$6,650	9.8%	$118,750	$831
Whittier	19	$789,300	8.3%	$6,314	8.3%	$41,542	$332
Total (24)	46,876	6,570,558,056	0.4%	$95,600,956	0.05%	$140,169	$2,039

Table 9C
Senior Citizen and Disabled Veteran Exemption by Municipality

Municipality	Local Real Property	State Oil & Gas (43.56)	Total Real Property	Senior Citizen & Disabled Assessed Value Exempt	Percent Exempt
City and Borough of Wrangell	$220,483,233		$220,483,233	$31,486,700	14.3%
Nenana	$21,212,063		$21,212,063	$2,836,825	13.4%
Petersburg Borough	$425,314,546		$425,314,546	$48,443,400	11.4%
Haines Borough	$364,473,946		$364,473,946	$38,416,146	10.5%
Mat-Su Borough	$11,765,415,839	$9,597,770	$11,775,013,609	$1,237,333,523	10.5%
Ketchikan Gateway Borough	$1,665,513,923		$1,665,513,923	$162,252,900	9.7%
City and Borough of Yakutat	$58,151,986		$58,151,986	$5,538,400	9.5%
Kenai Peninsula Borough	$8,065,211,929	$1,421,415,850	$9,486,627,779	$858,849,500	9.1%
Fairbanks North Star Borough	$9,855,687,332	$713,162,220	$10,568,849,552	$953,439,540	9.0%
Cordova	$268,597,088	$9,170,480	$277,767,568	$22,552,675	8.1%
Pelican	$12,430,430		$12,430,430	$950,000	7.6%
Municipality of Anchorage	$36,091,380,353	$132,285,120	$36,223,665,473	$2,569,122,750	7.1%
Craig	$120,850,557		$120,850,557	$8,508,255	7.0%
Dillingham	$198,977,600		$198,977,600	$13,447,300	6.8%
City and Borough of Juneau	$5,196,417,410		$5,196,417,410	$343,174,751	6.6%
Kodiak Island Borough	$1,481,187,299		$1,481,187,299	$96,331,378	6.5%
City and Borough of Sitka	$1,447,211,254		$1,447,211,254	$90,976,642	6.3%
Nome	$379,716,278		$379,716,278	$19,084,270	5.0%
Skagway	$490,250,117		$490,250,117	$12,057,810	2.5%
Bristol Bay Borough	$244,653,033		$244,653,033	$4,853,200	2.0%
Whittier	$61,451,467	$1,544,170	$62,995,637	$789,300	1.3%
Valdez	$432,028,105	$1,951,892,820	$2,383,920,925	$28,077,891	1.2%
Unalaska	$566,416,782		$566,416,782	$4,335,200	0.8%
North Slope Borough	$901,218,531	$20,866,357,530	$21,767,576,061	$17,699,700	0.1%
Total (24)	$80,334,251,101	$25,105,425,960	$105,439,677,061	$6,570,558,056	6.23%

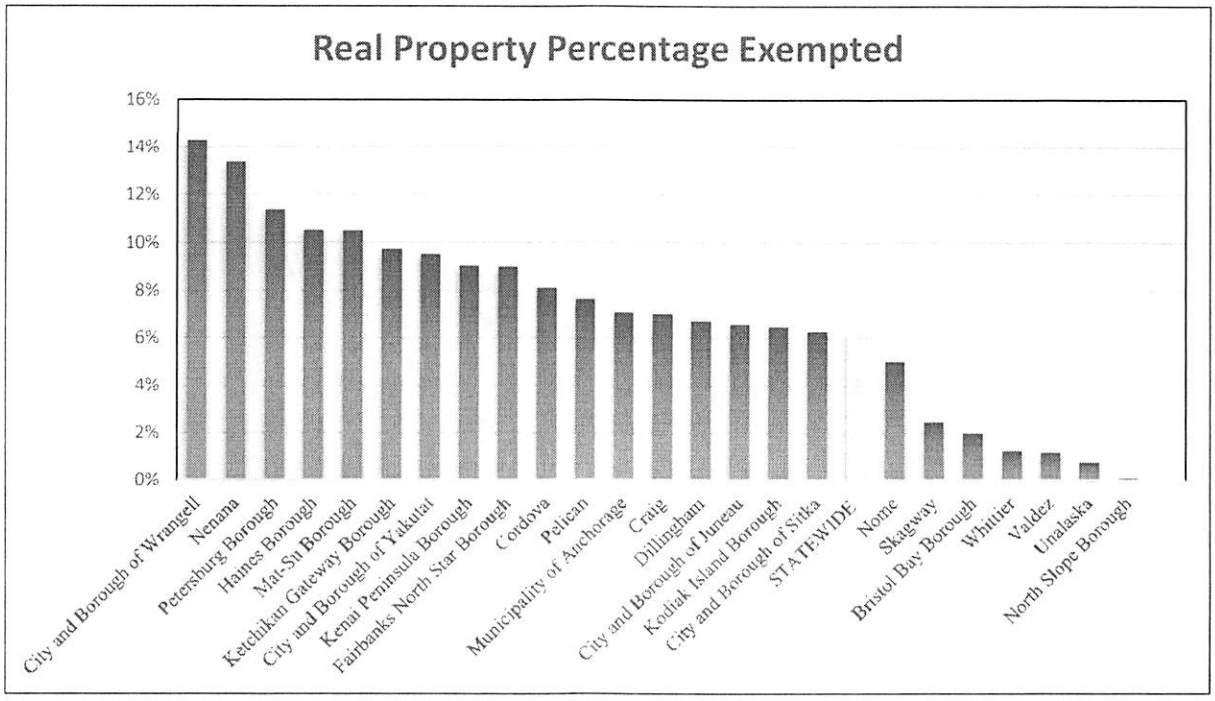


Table 10A
Farm Use Land Assessment Program History
AS 29.45.060

The farm use land assessment deferment program requires the assessor to assess "land in a farm unit" different from its highest and best (most profitable) use. Land contained in a farm unit is assessed based on farm use value and shall not be assessed as though subdivided or used for non-farm use purposes. If the land is converted to a use incompatible to farming, the owner must pay the deferred tax (along with 8% interest) for the preceding seven (7) years. The state did reimburse revenues lost to municipalities due to the implementation of this program; however, the program has not been funded by the legislature since 1986.

Nine Year Summary of Program Performance

Tax Year	Number of Applicants	Number of Acres	Full & True Value	Total Farm Value	Total Deferred Value	Average Farm Value Per Acre	Total Deferred Taxes
2012	469	20,678	$108,383,000	$26,101,313	$82,281,687	$1,262	$1,084,467
2013	440	20,606	$106,202,021	$25,267,776	$80,934,245	$1,226	$1,084,126
2014	434	21,044	$97,892,284	$17,127,079	$80,765,205	$814	$1,066,542
2015	383	17,442	$121,374,757	$40,406,361	$80,968,396	$2,317	$1,078,754
2016	395	16,871	$93,578,874	$15,820,909	$77,757,965	$938	$1,054,716
2017	392	16,217	$94,282,646	$17,493,478	$76,789,168	$1,079	$1,070,475
2018	380	14,539	$95,759,082	$18,652,320	$77,106,762	$1,283	$1,096,814
2019	390	14,659	$96,491,048	$16,581,512	$79,909,536	$1,131	$1,099,453
2020	426	11,658	$86,949,803	$14,307,990	$72,641,813	$1,227	$987,284
2021	398	10,814	$84,654,831	$14,513,928	$70,140,903	$1,342	$916,441

Table 10B
Farm Use Land Assessment Program
AS 29.45.060

2021 Farm Use Assessment Program Municipal Summary Breakdown

The farm use land assessment deferment program requires the assessor to assess "land in a farm unit" different from its highest and best use. Land contained in a farm unit is assessed based on farm use value and shall not be assessed as though subdivided or used for non-farm use purposes. If the land is converted to a use incompatible to farming, the owner must pay the deferred tax for the preceding seven (7) years. The state did reimburse revenues lost to municipalities due to the implementation of this program, however, the program has not been funded by the legislature since 1986.

Municipality	Number of Applicants	Number of Acres	Full & True Value	Farm Value	Value Deferred	Deferred Tax	Average Farm Value Per Acre
Municipality of Anchorage	2	6.9	$5,338,100	$1,299,467	$4,038,633	$22,155	$187,243
Fairbanks North Star Borough	32	1,171.0	$3,697,481	$523,917	$3,173,564	$58,888	$447
City and Borough of Juneau	1	20.3	$1,611,650	$490,550	$1,121,100	$11,839	$24,189
Kenai Peninsula Borough	90	1,292.2	$6,126,600	$452,000	$5,674,600	$57,133	$350
Matanuska Susitna Borough	273	8,324.3	$67,881,000	$11,747,994	$56,133,006	$766,426	$1,411
Total (5)	398	10,815	$ 84,654,831	$ 14,513,928	$ 70,140,903	$ 916,441	$ 1,342

State of Alaska
Municipal Assessor Directory

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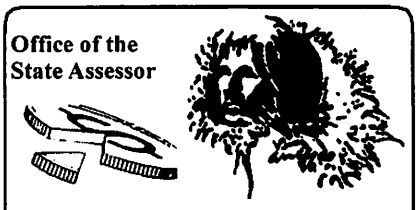
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North Slope Borough (907) 561-5144
Petersburg (907) 772-4519
Unalaska (907) 581-1251
Valdez (907) 835-4313
Whittier (907) 472-2337
Wrangell (907) 874-2381
City & Borough of Yakuat (907) 784-3323

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Office of the State Assessor



Alaska Association of Assessing Officers - January 2022

ALASKA TAXABLE 2020

Municipal Taxation - Rates and Policies • Full Value Determination

REPORT

Volume LX
January 2021



Mike Dunleavy,
Govenor

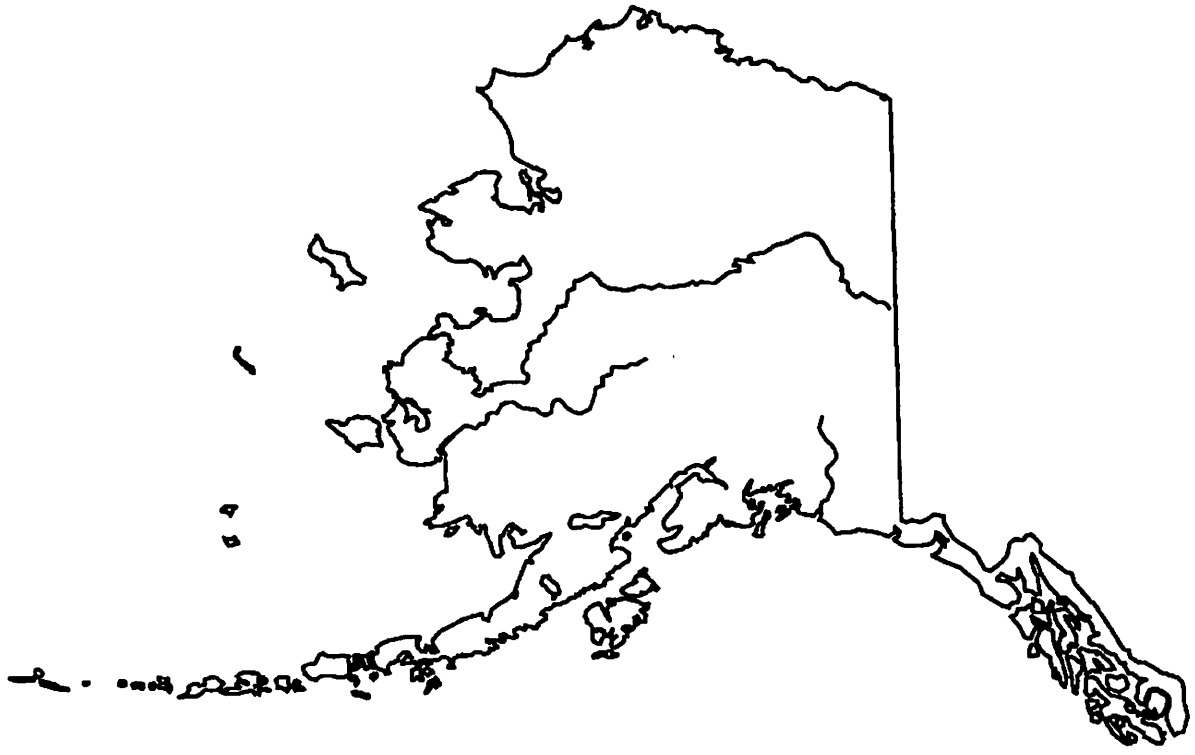
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Alaska Taxable 2020



Office of the State Assessor
Joseph Caissie
Acting State Assessor

Alaska Taxable 2020

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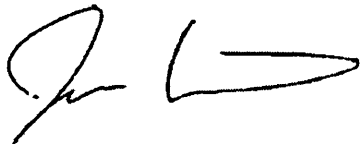
FOREWORD

Alaska's Constitution grants municipalities a broad degree of latitude in the structure and form of their government. United States Supreme Court Justice Brandeis famously described states as "the laboratories of our democracy." In Alaska, the same analogy could be extended to municipalities. The form, quantity, and level of taxes to levy are some of the most foundational decisions a local government makes. The Alaska Taxable provides a window into the outcome of these decisions. The data is a tool for individuals, businesses, and policymakers to track and understand local government decisions and compare the results.

The year 2020 marks the 60th edition of Alaska Taxable. This publication is the official report to the Alaska State Legislature on the property assessments and the assessment practices of municipalities. The information included identifies where there is potential for the generation of additional funding through different types of tax.

With the extraordinary pandemic facing Alaska this year, the data in this report are more vital than ever, but also more open to misinterpretation than ever. Data presented in the report reflect the assessed values of property as of January 1, 2020. Other taxes are reported for fiscal years ending either December 31, 2019, or June 30, 2020. The main impacts of COVID-19 had not been felt as of our data collection. Thus, the 2020 Alaska Taxable will not show the majority of the impacts of COVID-19 on municipalities. The 2021 Alaska Taxable is more likely to reflect these impacts.

We have added a new table this year. Table 1C illustrates the implied per capita sales tax base of each community with a sales tax. This could be useful in identifying communities with a large tourism-based economy. Caution is warranted when using this information – the State Assessor collects information from nearly 200 communities. Some communities, for example, report fish tax revenue as sales tax. We have made every effort to collect and report data consistently, but it is inevitable that some errors will occur. The Office of the State Assessor welcomes questions and feedback on the information contained in the Alaska Taxable.



Joseph Caissie

Acting State Assessor

Area Description	Local Taxable Full Value (AS 29.45)	State Taxable Full Value (AS 43.56)	Full Value Determination (AS 43.56)
Taxing Jurisdictions	$ 95,448,264,217	$ 25,897,442,790	$121,345,707,007
Outside Taxing Jurisdictions	$0	$ 3,093,981,590	$3,093,981,590
Statewide Total	**$95,448,264,217**	**$28,991,424,380**	**$124,439,688,597**

AVERAGE PER-CAPITA FULL AND TRUE VALUES: JANUARY 1, 2020

(***Including*** state oil and gas)	**$178,991**
(***Excluding*** state oil and gas)	**$140,791**

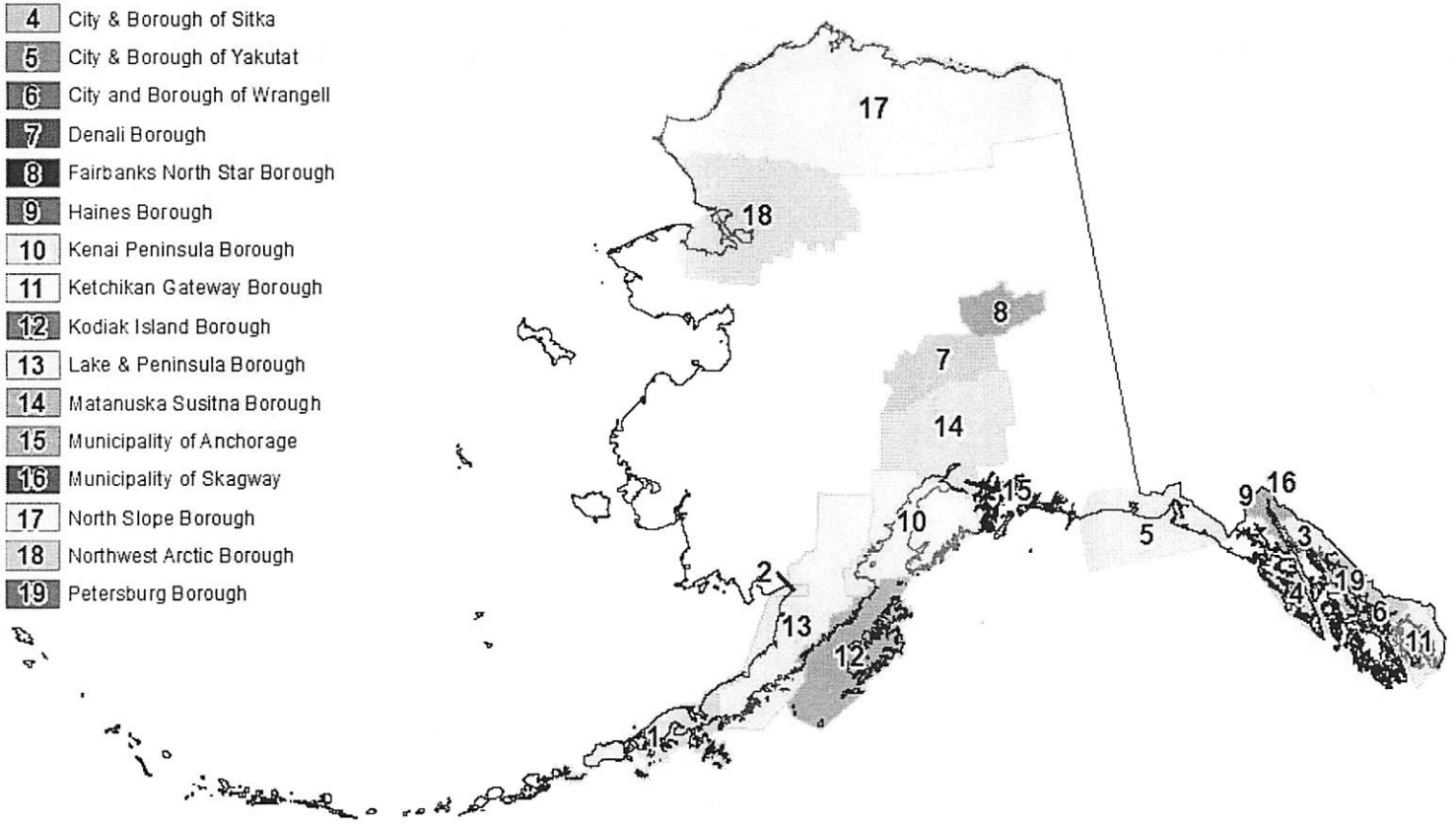
Average per-capita values based upon a statewide population in taxing jurisdictions of:	**677,943**

STATE OF ALASKA

Unified Home Rule Municipalities and Boroughs

Organized Boroughs

1. Aleutians East Borough
2. Bristol Bay Borough
3. City & Borough of Juneau
4. City & Borough of Sitka
5. City & Borough of Yakutat
6. City and Borough of Wrangell
7. Denali Borough
8. Fairbanks North Star Borough
9. Haines Borough
10. Kenai Peninsula Borough
11. Ketchikan Gateway Borough
12. Kodiak Island Borough
13. Lake & Peninsula Borough
14. Matanuska Susitna Borough
15. Municipality of Anchorage
16. Municipality of Skagway
17. North Slope Borough
18. Northwest Arctic Borough
19. Petersburg Borough



ALASKA MUNICIPAL GOVERNMENT ENTITIES

Organized Boroughs and Unified Home Rule Municipalities

Type of Entity	Total
Unified Home Rule	4
Non-unified Home Rule	7
First Class	1
Second Class	7
Total Boroughs	**19**

Incorporated Cities

City Type	Within Boroughs	Within Unorganized Boroughs	Total Cities*
Home Rule	8	3	11
First Class	6	12	18
Second Class	35	81	116
Total Cities	**49**	**96**	**145**

*Does not include Metlakatla, a reservation organized under federal law.

INCORPORATED CITIES WITHIN ORGANIZED BOROUGHS

Aleutians East Borough	**Second Class**
Akutan	Second Class
Cold Bay	Second Class
False Pass	Second Class
King Cove	First Class
Sand Point	First Class
Denali Borough	**Home Rule**
Anderson	Second Class
Fairbanks North Star Borough	**Second Class**
Fairbanks	Home Rule
North Pole	Home Rule
Kenai Peninsula Borough	**Second Class**
Homer	First Class
Kachemak	Second Class
Kenai	Home Rule
Seldovia	First Class
Seward	Home Rule
Soldotna	Home Rule
Ketchikan Gateway Borough	**Second Class**
Ketchikan	Home Rule
Saxman	Second Class
Kodiak Island Borough	**Second Class**
Akhiok	Second Class
Kodiak	Home Rule
Larsen Bay	Second Class
Old Harbor	Second Class
Ouzinkie	Second Class
Port Lions	Second Class
Lake & Peninsula Borough	**Home Rule**
Chignik	Second Class
Egegik	Second Class
Newhalen	Second Class
Nondalton	Second Class
Pilot Point	Second Class
Port Heiden	Second Class
Matanuska-Susitna Borough	**Second Class**
Houston	Second Class
Palmer	Home Rule
Wasilla	First Class
North Slope Borough	**Home Rule**
Anaktuvuk Pass	Second Class
Atqasuk	Second Class
Barrow	First Class
Kaktovik	Second Class
Nuiqsut	Second Class
Point Hope	Second Class
Wainwright	Second Class
Northwest Arctic Borough	**Home Rule**
Ambler	Second Class
Buckland	Second Class
Deering	Second Class
Kiana	Second Class
Kivalina	Second Class
Kobuk	Second Class
Kotzebue	Second Class
Noorvik	Second Class
Selawik	Second Class
Shungnak	Second Class
Petersburg Borough	**Non-Unified Home Rule Borough**
Kupreanof	Second Class

Remainder of Alaska Boroughs That Do Not Contain Incorporated Cities

Municipality of Anchorage	Unified Home Rule
Bristol Bay Borough	Second Class
Haines Borough	Home Rule
City & Borough of Juneau	Unified Home Rule
City & Borough of Sitka	Unified Home Rule
Municipality of Skagway	First Class
City & Borough of Wrangell	Unified Home Rule
City & Borough of Yakutat	Home Rule

Part 1

Overview: Municipal Taxation in Alaska

A. The Legal Framework

Articles IX and X of the Alaska Constitution and Title 29 of the Alaska Statutes establish the legal framework for municipal taxation in Alaska. A portion of the Alaska tax law (Title 29) is provided in Part 6 of this publication.

- The Alaska Constitution permits delegation of the state's taxation power to local governments, but limits delegation of that power to only organized cities and boroughs (Article X, Section 2).
- The constitutional limitation that "no tax shall be levied... except for a public purpose..." applies to both state and municipal taxation (Article IX, Section 6).
- Home rule municipalities are granted broad governmental powers by the Alaska Constitution, but the constitution also provides that "...standards for appraisal of all property assessed by the state or its political subdivisions shall be prescribed by law..." (Article IX, Section 3).
- General law municipalities are granted the right by state statute to levy a tax or special assessment and impose a lien for its enforcement (AS 29.35.010).
- Both home rule and general law municipalities are subject to limitations on their taxing powers found in Chapter 29.45 of the Alaska Statutes. AS 29.45.010 authorizes cities, boroughs and unified municipalities to levy a property tax. If a tax is levied on real or personal property, it must be assessed, levied and collected as provided in AS 29.45. This chapter also authorizes the implementation of sales and use taxes.
- Based on Article X, Section I of the Alaska Constitution which provides that "...a liberal construction shall be given to the powers of local government...," it is assumed, although not expressly stated in statute, that all real and personal property is taxable unless it is specifically exempted from property taxation. It is also assumed that a municipality may impose severance taxes, as has been done by the Denali Borough, and the City and Borough of Yakutat.

B. Classification of Municipalities

All political subdivisions within the State of Alaska are termed "municipalities." The taxation powers and limitations of each municipality depend upon its classification. There are five categories of municipalities:

1. Home Rule City
2. Home Rule Borough
3. General Law City
4. General Law Borough
5. Unified Municipality

General law cities are incorporated as either first class cities or second class cities. General law boroughs can be incorporated as first class or second class boroughs. There is only one class of home rule city, home rule borough, or unified municipality; the latter is also a home rule political entity. Areas that are not within the boundaries of an organized borough constitute a single unorganized borough commonly referred to as "The Unorganized Borough."

C. Taxation Limitations on the Various Classes of Municipalities

Home Rule Municipalities. Home rule cities and boroughs have all legislative powers not prohibited by law or charter. AS 29.10.200 lists all of the sections of Title 29 that act as limitations on home rule legislative powers. Among these limitations are:

- AS 29.35.170(b): (assessment and collection of taxes),
- AS 29.45.010-560: (property taxes),
- AS 29.45.650(c)-(f): (authority to levy sales and use tax); and,
- AS 29.45.700(d): (mandatory exemption from sales and use taxes).

General Law Boroughs. General law boroughs are required to assess and collect property, sales, and use taxes that are approved and levied within their boundaries, subject to the provisions of Chapter 45 of the Alaska Statutes.

All Boroughs. Taxes levied by a city within a borough must be collected by a borough and returned in full to the city levying the tax. This provision applies to home rule and general law municipalities.

All Municipalities. Specific limitations on the property taxation powers of all general law and home municipalities are found in Sections 29.45.080 and 29.45.090 of the Alaska Statutes.

AS 29.45.080 limits the method by which a municipality may levy and collect taxes on oil and gas production and pipeline property taxed by the state under AS 43.56.

Under AS 29.45.090, no municipality may levy taxes exceeding 3 percent (30 mills) of the assessed value of property within the municipality during a year, nor may a municipality, or a combination of municipalities occupying the same geographic area, levy taxes exceeding $1,500 per resident of the geographic area in a year. The tax limitation found in AS 29.45.090 has been interpreted by the Alaska Supreme Court to apply only to property tax (Keane v Local Boundary Commission, 893 P.2d 1239, Alaska 1995).

Further within AS 29.45.090 a municipality, or a combination of municipalities occupying the same geographic area, may not levy taxes upon value that, when combined with the value of property otherwise taxable by the municipality, exceeds the product of a sliding scale percentage of the average per-capita assessed value as determined under AS 43.56.010(c), multiplied by the number of residents of the taxing municipality. This limitation, commonly referred to as the 225 percent formula, became effective July 1, 2014, to include a sliding scale percentage that varies according to the following:

If the Tax Rate Determined Under AS 43.56.010(b) is:	The Percentage is:
• Not more than 18.0 mills	375 percent
• More than 18.0 mills but not more than 19.0 mills	300 percent
• More than 19.0 mills	225 percent

The separate statutory tax limit of 30 mills for operating budgets is in effect in parallel with this sliding scale.

C. Taxation Limitations on the Various Classes of Municipalities (Continued)

Section 29.45.100 of the Alaska Statutes provides that limitations on the amount of property tax that may be collected apply only to taxes for operating expenses and not to taxes collected to pay for bonded indebtedness.

Second Class Cities. A second class city may, by referendum, levy property taxes as provided for first class cities. Specific limitations on the property taxation powers of second class cities are found in AS 29.45.590. A special limitation on taxation by second class cities is that the city cannot levy property taxes exceeding 2 percent (20 mills) of the assessed value of property within the municipality in any one year. This limitation was increased from 0.5 percent (5 mills) in 1994.

Compliance by municipalities within the taxation limitations in the state statutes is enforced through the State Assessor's Office under the powers granted by AS 29.45.103 and AS 29.45.105. Under these statutes, the Office of the State Assessor may investigate claims of errors in assessment and taxation procedures, inspect municipal records and order correction of any procedural errors discovered.

D. The Role of the Department of Commerce, Community, and Economic Development and the Office of the State Assessor

Section 14 of Article X of the Alaska Constitution provides that:

> An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties as prescribed by law.

This constitutionally mandated agency was initially created as the Local Affairs Agency in the Office of the Governor. In 1972, a separate department of state government, known as the Department of Community and Regional Affairs, was created to carry out this constitutional mandate. In 1999, the legislature merged the Department of Community and Regional Affairs with the Department of Commerce and Economic Development. The local government agency became the Division of Community and Regional Affairs (DCRA) within the Department of Commerce, Community, and Economic Development (DCCED). The duties of DCRA with regard to assessment, valuation, and taxation are performed by the Office of the State Assessor (OSA). The Alaska Taxable is an annual publication of DCRA compiled by the Office of the State Assessor.

One of the general powers and duties of DCRA under AS 44.47.050 is to "advise and assist municipalities on procedures of assessment, valuation and taxation, and notify municipalities of major errors in those procedures." The Office of the State Assessor is also responsible for the establishment of the full value of real and personal property in each city and borough school district in consultation with the assessor in each school district (AS 14.17.510).

E. Municipal Taxation of Property

With certain limitations, all cities, boroughs, and unified municipalities in the State of Alaska may choose to levy a property tax. Property taxation is not mandatory or even generally practiced in the state. Of the 19 organized boroughs and unified municipalities, only 15 levy a property tax; and of the the 145 home rule, first class, and second class cities, only 9 of those located outside of boroughs, and 12 of those located within organized boroughs, levy a property tax.

E. Municipal Taxation of Property (Continued)

The cities of Wasilla and Eagle both have enacted a property tax but neither of them has levied the property tax in several years. Wasilla enacted a sales tax that produces enough revenue to allow for a zero property tax mill rate. The City of Eagle has a property tax code, but has chosen to levy a mill rate of zero. These two cities are not included in the counts. If either municipality chooses to levy a property tax, it may only do so on property that is "taxable."

What Property is Taxable?

All real and personal property is taxable unless it is exempted from property taxation. Municipal property tax required exemptions are specified in AS 29.45.030. Examples are: household furniture and personal effects of members of a household, natural resources in place, and property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes. Property owned by Alaska Native Claims Settlement Act (ANCSA) Native corporations is also exempt from municipal property tax unless the property is leased or developed. In addition to these exemptions from property taxation, AS 43.56 provides for certain exemptions of oil and gas production and pipeline property, including oil and gas reserves in place. While oil and gas property is exempt from local municipal assessment, the state levies a 20 mill tax against this property and reimburses each municipality which has oil and gas property located within its boundaries, an amount equal to taxes which it would have levied. All of the exemptions discussed in this paragraph are mandatory exemptions.

Section 29.45.050 of the Alaska Statutes provides for optional exemptions and exclusions from local property taxation which the taxing authority may choose to exempt or exclude typically by ordinance. Some optional exemptions and exclusions, however, do require approval of the voters. Two examples of optional exemptions are the exemption of any or all categories of personal property, and the exemption of up to $50,000 of value of a residence, which is sometimes referred to as a "homestead exemption."

All taxable real and personal property within a municipality is included in its Full Value Determination, which is a key element in the calculation of state aid to schools.

What is the Full Value Determination (FVD)?

In brief, the Full Value Determination (FVD) is the sum total of the full and true value established for every piece of taxable real and personal property within a municipality's boundary regardless of any optional exemption which may have been enacted by local ordinance. AS 29.45.110 specifies that the full and true value is the "estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with the prevailing general price levels." This section also requires the assessor to assess property at its full and true value as of January 1 of the assessment year.

All assessors provide an annual report to the State Assessor which contains, among other things, a summary of all assessed values of all real and personal property within their jurisdictional boundaries, the results of all ratio studies, and estimates of all exempt property.

What is the Full Value Determination (FVD)? (Continued)

If a municipality does not provide an estimated value of exempt property, the State Assessor will estimate the value by using valuation models built for the various categories of property. Not all municipalities levy a property tax; therefore, not all municipalities have assessors. For those municipalities that do not levy a property tax, the State Assessor must estimate the full and true value without the assistance of a local assessor.

The State Assessor then compiles the full value determination for each municipality annually and notifies each of the FVD. The full and true value of all taxable property, whether taxed or not, is included in the full value determination for the municipality.

F. The Full Value Determination Affects the Local Educational Contribution

The Full Value Determination plays a significant role in state aid for education. AS 14.17 of the Alaska Statutes establishes the Public School Foundation Program. Under this program, a school district is determined to have a "basic need" dollar amount determined according to a formula contained in AS 14.17.410. The local government is required to make a "local contribution" toward this basic need. This local contribution is defined as at least the equivalent of a 2.65 mill tax levy on the full and true value of all taxable property within the district, and not to exceed 45 percent of the district's basic need for the preceding fiscal year. A municipality will not receive its school foundation aid payment unless it makes its local contribution. Therefore, as the FVD increases, the local contribution for education increases; however, the local contribution should not exceed 45 percent of the basic need.

The local contribution formula was changed in 2012 with the Legislature amending the formula from a 4 mill tax levy on the full and true value to a mill rate equivalency of 2.65 mills. Historically, only in the North Slope Borough and the City of Valdez has the mill rate equivalency exceeded 45 percent of the basic need.

G. Municipal Sales, Use and Excise, and Severance Taxation

Sales and Use Taxes

Alaska Statutes 29.45.650 - 29.45.710 authorizes the levy of sales and use taxes at the municipal level. The statutes give broad authority to municipalities to levy taxes on sales, rents and services provided within the municipality. In 2005, the sales tax laws changed to allow a borough to exempt any source from the borough sales tax if it is taxed by a city within the borough. This allows a borough to ensure that an item in the city costs the consumer no more than it would cost in the borough. This tends to level the playing field when purchasing certain items in both the city and the borough.

There are only a couple of limitations placed upon municipalities in regards to levying a sales tax. Orbital space facilities are exempt from the levy of sales tax and alcohol may not be taxed unless other items are similarly taxed. Also, a municipality may not levy a sales tax on a construction contract awarded to a contractor or subcontractor that has been awarded by a state agency or on a subcontract awarded in connection with a project funded under the construction contract. Other exemptions may be granted by a local ordinance.

A general law municipality which levies a sales tax may also levy a use tax on the storage, use or consumption of tangible personal property; however, the use tax rate must be equal to the rate of the sales tax and may only be levied on buyers.

Sales and Use Taxes (Continued)

These limitations do not apply to home rule municipalities. By statute, there are no limits on the rate of levy for sales or use taxes for either type of municipality; however, if interest is charged on unpaid sales taxes, the interest may not exceed 15% percent.

Excise Taxes

Under the liberal construction of local government powers required by Section 1 of Article X of the Alaska Constitution, municipal governments have broad taxing powers which are not specifically enumerated in state law. An Alaska Attorney General's opinion issued on April 29, 1986, concluded that a first class borough would have the legal authority to levy severance taxes within its municipal boundaries. At the present time, the Denali Borough and the City and Borough of Yakutat levy severance taxes against the activity of harvesting or extracting natural resources within their jurisdictions. The Lake and Peninsula Borough has in its code a section that authorizes a severance tax on resources. Severance taxes are a type of excise tax. An excise tax is a tax on the performance of an act, in this case, the severing of natural resources from the place in which they are located.

In an Alaska Supreme Court case, *Bragg & Fannon v. Matanuska-Susitna Borough – (192 P.3d 982, Alaska 2008)*, the court stated that AS 29.35.010(6) grants municipalities "general powers, subject to other provision of law....to levy a tax or special assessment, and impose a lien for its enforcement." The Alaska Constitution requires that "a liberal construction shall be given to the powers of local government units." The court goes on to say this section grants powers to "all municipalities," and there is no distinction between home rule & general law. The court further states that due to its nature as an excise tax, it is not subject to voter ratification.

Part 2

Municipal Tax Types, Rates and Revenues

Table 1A
Per-Capita Tax Revenues

This table lists only those municipalities which levy a sales, severance, property or other type of local tax.

Municipality	Property Tax	Sales Tax	Other Tax (1)	Total Tax	Population	Tax Per Capita
Egegik	$0	$0	$3,921,832	$3,921,832	85	$46,139
North Slope Borough	$408,211,329	$0	$0	$408,211,329	11,002	$37,103
Valdez	$44,859,388	$0	$427,353	$45,286,741	3,876	$11,684
False Pass	$0	$69,847	$379,546	$449,393	42	$10,700
Pilot Point	$0	$773,321	$0	$773,321	81	$9,547
Bristol Bay Borough	$5,067,450	$0	$2,441,426	$7,508,876	869	$8,641
Skagway	$2,013,324	$5,927,888	$124,532	$8,065,744	1,095	$7,366
Whittier	$715,255	$712,625	$382,371	$1,810,251	280	$6,465
Saint Paul	$0	$407,856	$1,655,960	$2,063,816	385	$5,361
Unalaska	$7,216,377	$10,629,998	$5,169,930	$23,016,306	4,592	$5,012
Utqiagvik	$0	$0	$806,797	$806,797	220	$3,667
Yakutat	$401,703	$1,209,391	$280,137	$1,891,231	540	$3,502
Juneau	$52,061,323	$47,371,832	$5,368,054	$104,801,209	31,986	$3,276
Hoonah	$0	$2,265,582	$149,031	$2,414,613	782	$3,088
Seward	$1,563,184	$5,674,689	$591,674	$7,829,547	2,545	$3,076
Dillingham	$2,718,180	$3,208,140	$701,257	$6,627,578	2,327	$2,848
Nome	$4,339,708	$5,772,955	$102,533	$10,215,196	3,690	$2,768
Cordova	$2,660,416	$3,279,630	$240,775	$6,180,821	2,343	$2,638
Adak	$0	$486,563	$297,661	$784,224	298	$2,632
Haines Borough	$3,139,987	$3,194,664	$218,079	$6,552,730	2,516	$2,604
Saint Marys	$0	$149,500	$0	$149,500	59	$2,534
Homer	$3,279,822	$10,319,783	$59,647	$13,659,252	5,478	$2,493
Craig	$641,792	$1,772,023	$152,925	$2,566,740	1,074	$2,390
Ketchikan	$5,698,003	$12,854,844	$749,932	$19,302,779	8,103	$2,382
Sitka	$6,730,104	$12,214,711	$1,304,109	$20,248,924	8,532	$2,373
North Pole	$636,839	$3,683,965	$525,270	$4,846,074	2,091	$2,318
Wasilla	$0	$20,181,200	$0	$20,181,200	8,736	$2,310
Anchorage	$560,721,221	$0	$86,488,981	$647,210,202	291,845	$2,218
Petersburg Borough	$3,597,937	$3,229,385	$321,655	$7,148,977	3,241	$2,206
Aleknagik	$0	$59,056	$450,013	$509,069	243	$2,095
Wrangell	$1,939,739	$3,011,359	$54,666	$5,005,764	2,400	$2,086
Pelican	$65,027	$53,578	$22,944	$141,550	69	$2,051
Kodiak	$1,204,847	$10,303,650	$177,526	$11,686,023	5,818	$2,009
Akutan	$0		$1,985,328	$1,985,328	990	$2,005
Soldotna	$312,019	$7,866,651	$0	$8,178,670	4,233	$1,932
Kenai Peninsula Borough	$73,945,494	$33,477,444	$0	$107,422,938	58,367	$1,840
Lake and Peninsula Borough	$0	$0	$2,803,722	$2,803,722	1,622	$1,729
Kotzebue	$0	$4,167,812	$1,207,115	$5,374,927	3,112	$1,727
Matanuska-Susitna Borough	$160,136,176	$0	$11,941,744	$172,077,920	106,438	$1,617
Aleutians East Borough	$0	$0	$4,714,015	$4,714,015	2,938	$1,604
Kenai	$3,617,152	$7,537,903	$0	$11,155,055	7,056	$1,581
Denali Borough	$0	$0	$2,886,060	$2,886,060	1,860	$1,552
Palmer	$1,329,970	$7,500,312	$0	$8,830,282	6,041	$1,462
Bethel	$0	$6,737,715	$2,278,355	$9,016,070	6,259	$1,440
Kodiak Island Borough	$17,012,659	$0	$1,676,346	$18,689,005	13,001	$1,438
King Cove	$0	$623,649	$695,368	$1,319,017	919	$1,435
Fairbanks North Star Borough	$131,535,363	$0	$4,525,173	$136,060,536	95,898	$1,419
Ketchikan Gateway Borough	$9,425,379	$8,435,650	$1,393,798	$19,254,827	13,739	$1,401
Nenana	$217,893	$247,329	$0	$465,221	362	$1,285
Klawock	$0	$948,955	$18,242	$967,197	761	$1,271
Sand Point	$0	$707,265	$351,951	$1,059,216	897	$1,181
Gustavus	$0	$380,635	$90,765	$471,400	537	$878
Fairbanks	$16,242,554	$0	$7,825,543	$24,068,097	30,955	$778
Cold Bay	$0	$0	$46,559	$46,559	60	$776
Thorne Bay	$0	$413,027	$11,414	$424,441	562	$755
Unalakleet	$0	$491,273	$0	$491,273	721	$681
Larsen Bay	$0	$44,045	$4,188	$48,233	73	$661
Galena	$0	$208,977	$50,729	$259,706	445	$584
Atka	$0	$0	$28,045	$28,045	50	$561
Teller	$0	$109,038	$0	$109,038	235	$464
Saint Michael	$0	$160,637	$0	$160,637	392	$410

Municipality	Property Tax	Sales Tax	Other Tax (1)	Total Tax	Population	Tax Per Capita
Kake	$0	$186,840	$38,637	$225,477	570	$396
Emmonak	$0	$312,984	$0	$312,984	836	$374
Port Alexander	$0	$18,313	$1,989	$20,302	57	$356
Chignik	$0	$125	$33,460	$33,584	95	$354
Togiak	$0	$159,722	$147,050	$306,772	873	$351
Hooper Bay	$0	$396,869	$19,975	$416,844	1,239	$336
Shaktoolik	$0	$87,037	$0	$87,037	272	$320
Elim	$0	$104,306	$0	$104,306	351	$297
Quinhagak	$0	$94,880	$113,481	$208,362	716	$291
Saxman	$0	$123,039	$0	$123,039	434	$284
Noorvik	$0	$180,464	$0	$180,464	651	$277
Kotlik	$0	$136,300	$37,923	$174,223	649	$268
Fort Yukon	$0	$139,284	$0	$139,284	525	$265
Houston	$0	$378,452	$171,472	$549,924	2,112	$260
Mekoryuk	$0	$35,331	$17,788	$53,120	206	$258
Napakiak	$0	$87,687	$0	$87,687	351	$250
Aniak	$0	$64,712	$47,249	$111,961	477	$235
Kwethluk	$0	$184,488	$0	$184,488	814	$227
Wales	$0	$33,606	$0	$33,606	150	$224
Point Hope	$0	$173,181	$0	$173,181	775	$223
Marshall	$0	$104,802	$0	$104,802	471	$223
Selawik	$0	$182,267	$0	$182,267	832	$219
Russian Mission	$0	$75,185	$0	$75,185	350	$215
Buckland	$0	$104,353	$0	$104,353	509	$205
Mountain Village	$0	$159,048	$0	$159,048	808	$197
Pilot Station	$0	$114,625	$0	$114,625	606	$189
Nunapitchuk	$0	$79,168	$25,564	$104,732	560	$187
Kachemak	$93,281	$0	$0	$93,281	506	$184
Koyuk	$0	$59,815	$0	$59,815	348	$172
Toksook Bay	$0	$108,350	$0	$108,350	667	$162
Old Harbor	$0	$22,944	$7,967	$30,911	203	$152
Manokotak	$0	$5,863	$67,520	$73,383	483	$152
Brevig Mission	$0	$66,496	$0	$66,496	451	$147
Stebbins	$0	$89,335	$0	$89,335	618	$145
Hydaburg	$0	$57,054	$0	$57,054	397	$144
Kivalina	$0	$57,489	$0	$57,489	427	$135
Eek	$0	$40,800	$0	$40,800	349	$117
Tenakee Springs	$0	$14,720	$1,223	$15,944	140	$114
Tanana	$0	$23,770	$0	$23,770	216	$110
Angoon	$0	$43,939	$57	$43,996	404	$109
Kaktovik	$0	$0	$24,002	$24,002	235	$102
Gambell	$0	$67,330	$0	$67,330	667	$101
Nunam Iqua	$0	$20,841	$0	$20,841	213	$98
Scammon Bay	$0	$52,048	$0	$52,048	593	$88
Northwest Arctic Borough	$0	$0	$655,733	$655,733	7,715	$85
Anderson	$0	$0	$21,749	$21,749	282	$77
Ouzinkie	$0	$10,951	$0	$10,951	142	$77
Kiana	$0	$27,198	$0	$27,198	409	$66
White Mountain	$0	$12,707	$0	$12,707	201	$63
Kobuk	$0	$8,987	$0	$8,987	143	$63
McGrath	$0	$0	$13,386	$13,386	321	$42
Napaskiak	$0	$17,624	$0	$17,624	440	$40
Seldovia	$0	$7,928	$0	$7,928	226	$35
Chefornak	$0	$14,725	$0	$14,725	457	$32
Metlakatla	$0	$0	$29,051	$29,051	1,359	$21
Shishmaref	$0	$5,070	$0	$5,070	577	$9
Nondalton**	$0	$0	$0	$0	126	$0
Statewide: 118* Taxing Municipalities	**$ 1,533,350,896**	**$ 253,429,407**	**$ 159,576,352**	**$ 1,946,356,654**	**731,007***	**$2,663***

Average Statewide per-capita revenue (including North Slope Borough) **$2,663**

Average Statewide per-capita revenue (excluding North Slope Borough) **$2,136**

(1) Other Tax includes such taxes as bed tax, alcohol tax, raw fish tax, etc.
*Total local tax revenue and number of taxing jurisdictions is likely an underestimate due to under-reporting.

**Nondalton has a 3% sales tax but no revenues in FY20

Table 1B
Reported Tax Rates

This table lists only municipalities that levy a sales, severance or other type of local tax.

Municipality	Sales Tax Rate	Sales Tax Revenue	Bed Tax Rate	Bed Tax Revenue	Car Rental Tax Rate	Car Rental Tax Revenue	Tobacco Tax Rate	Tobacco Tax Revenue	Alcohol Tax Rate	Alcohol Tax Revenue	Raw Fish Tax Rate	Raw Fish Tax Revenue	Marijuana Tax Rate	Marijuana Tax Revenue	Other Tax Revenue
Adak	4%	$486,563	5%	$18,547		$0		$0		$0	2%	$279,114		$0	$0
Akutan				$0		$0		$0		$0	1.5%	$1,985,328		$0	$0
Aleknagik	5%	$59,056	9%	$21,249		$0		$0		$0		$0		$0	$428,764
Aleutians East Borough				$0		$0		$0		$0	2%	$4,714,015		$0	$0
Anchorage			12%	$31,205,925	8%	$6,949,397	$0.1228/stick	$19,849,332				$0	5%	$4,041,331	$24,442,996
Anderson				$0		$0		$0		$0		$0		$0	$21,749
Angoon	3%	$43,939	5%	$57		$0		$0		$0		$0		$0	$0
Aniak	2%	$64,712	2%	$0		$0	$0.05/stick	$47,249		$0		$0		$0	$0
Atka			10%	$6,445		$0		$0		$0	2%	$21,600		$0	$0
Bethel	6%	$6,737,715	12%	$553,076		$0	$0.1037/stick or 45% wholesale	$554,538	15%	$629,669		$0	15%	$184,147	$356,926
Brevig Mission	3%	$66,496		$0		$0		$0		$0		$0		$0	$0
Bristol Bay Borough			10% - values from 2019	$136,127		$0		$0		$0	3% - values from 2019	$2,305,299		$0	$0
Buckland	6%	$104,353		$0		$0		$0		$0		$0		$0	$0
Chefornak	2%	$14,725		$0		$0		$0		$0		$0		$0	$0
Chignik	2%	$125		$0		$0		$0		$0	1%	$33,460		$0	$0
Cold Bay			10%	$13,514		$0		$0				$0		$0	$33,045
Cordova	6%	$3,279,630	6%	$235,111	6%	$5,664		$0		$0		$0		$0	$0
Craig	5%	$1,772,023	$5/bed	$30,463		$0		$0	6%	$122,462		$0		$0	$0
Denali Borough			7%	$2,832,471		$0		$0		$0		$0		$0	$53,589
Dillingham	6%	$3,208,140	10%	$61,508			$0.10/stick or 45% wholesale	$285,034	10%	$299,005		$0		$0	$55,711
Eek	2%	$40,800		$0		$0		$0		$0		$0		$0	$0
Egegik				$0		$0		$0		$0	3%	$3,921,832		$0	$0
Elim	3%	$104,306		$0		$0		$0		$0		$0		$0	$0
Emmonak	4%	$312,984		$0		$0		$0		$0		$0		$0	$0
Fairbanks			8%	$3,445,847		$0	8%	$878,288	5%	$2,333,130		$0	5%	$1,168,278	$0
Fairbanks North Star Borough			8%	$1,791,338		$0	8%	$1,340,930	5%	$1,031,438		$0	5%	$336,899	$24,568
False Pass	3%	$69,847	6%	$214		$0		$0		$2,054	2%	$377,277		$0	$0
Fort Yukon	3%	$139,284		$0		$0		$0		$0		$0		$0	$0
Galena	3%	$208,977	6%	$10,162		$0	6%	$20,284	6%	$20,284		$0		$0	$0
Gambell	3%	$67,330		$0		$0		$0		$0		$0		$0	$0
Gustavus	3%	$380,635	4%	$78,575		$0		$0		$0	$10/box	$12,190		$0	$0
Haines Borough	5.5%	$3,194,664	4%	$95,950		$0	$2/pack or 45% wholesale	$114,984		$0		$0	2%	$7,145	$0
Homer	4.5%	$10,319,783		$0		$0		$0		$0		$59,647		$0	$0
Hoonah	6.5%	$2,265,582		$0		$0	15%	$66,153	6%	$82,879		$0		$0	$0
Hooper Bay	5%	$396,869		$0		$0	10%	$19,975		$0		$0		$0	$0
Houston	2%	$378,452		$0		$0		$0		$0		$0	2%	$99,532	$71,940
Hydaburg	6%	$57,054		$0		$0		$0		$0		$0		$0	$0
Juneau	5%	$47,371,832	7% (thru Dec 2019), 9% (effective Jan 2020)	$1,312,939		$0	$3/pack or 45% wholesale	$2,751,536	3%	$949,200		$0	3%	$354,379	$0
Kachemak				$0		$0		$0		$0		$0		$0	$0
Kake	5%	$186,840		$0		$0	3%	$19,318	3%	$19,318		$0		$0	$0
Kaktovik			12%	$24,002		$0		$0		$0		$0		$0	$0
Kenai	3%	$7,537,903		$0		$0		$0		$0		$0		$0	$0
Kenai Peninsula Borough	3%	$33,477,444		$0		$0		$0		$0		$0		$0	$0
Ketchikan	4%	$12,854,844	7%	$534,075		$0		$0		$0		$0	5%	$215,857	$0

Municipality	Sales Tax Rate	Sales Tax Revenue	Bed Tax Rate	Bed Tax Revenue	Car Rental Tax Rate	Car Rental Tax Revenue	Tobacco Tax Rate	Tobacco Tax Revenue	Alcohol Tax Rate	Alcohol Tax Revenue	Raw Fish Tax Rate	Raw Fish Tax Revenue	Marijuana Tax Rate	Marijuana Tax Revenue	Other Tax Revenue
Ketchikan Gateway Borough	2.5%	$8,435,650	4%	$94,430		$0	$2/pack or 50% wholesale	$1,299,368		$0		$0		$0	$0
Kiana	3%	$27,198		$0		$0		$0		$0		$0		$0	$0
King Cove	6%	$623,649		$0		$0		$0		$0	2%	$695,368		$0	$0
Kivalina	2%	$57,489		$0		$0		$0		$0		$0		$0	$0
Klawock	6.5%	$948,955	6%	$18,242		$0		$0		$0		$0		$0	$0
Kobuk	3%	$8,987		$0		$0		$0		$0		$0		$0	$0
Kodiak	7%	$10,303,650	5%	$177,526		$0		$0		$0		$0		$0	$0
Kodiak Island Borough			5%	$62,700		$0	$0.05/stick or 25% wholesale	$388,276		$0	1.075%	$1,170,360	20% of Alaska rate	$1,449	$53,561
Kotlik	3%	$136,300		$0		$0	10%	$37,923		$0		$0		$0	$0
Kotzebue	6%	$4,167,812	6%	$110,663	6%	$380,219	$2/pack	$362,489		$0		$0		$0	$353,744
Koyuk	3%	$59,815		$0		$0		$0		$0		$0		$0	$0
Kwethluk	5%	$184,488		$0		$0		$0		$0		$0		$0	$0
Lake and Peninsula Borough			6%	$249,972		$0		$0		$0	2%	$2,509,185		$0	$44,564
Larsen Bay	3%	$44,045	$5/person	$4,188		$0		$0		$0		$0		$0	$0
Manokotak	2%	$5,863		$0		$0		$0		$0	2%	$67,520		$0	$0
Marshall	4%	$104,802		$0		$0		$0		$0		$0		$0	$0
Matanuska-Susitna Borough			8%	$1,000,762		$0	12%	$8,985,799		$0		$0	5%	$1,246,845	$708,338
McGrath			10%	$13,386		$0		$0		$0		$0		$0	$0
Mekoryuk	4%	$35,331		$0		$0	16%	$17,788		$0		$0		$0	$0
Metlakatla				$0		$0		$0		$0	3%	$29,051		$0	$0
Mountain Village	3%	$159,048		$0		$0		$0		$0		$0		$0	$0
Napakiak	5%	$87,687		$0		$0		$0		$0		$0		$0	$0
Napaskiak	3%	$17,624		$0		$0		$0		$0		$0		$0	$0
Nenana	4%	$247,329		$0		$0		$0		$0		$0		$0	$0
Nome	7% (May-Aug), 5% (Sept-Apr)	$5,772,955	6%	$102,533		$0		$0		$0		$0		$0	$0
Nondalton	3%	$0		$0		$0		$0		$0		$0		$0	$0
Noorvik	4%	$180,464		$0		$0		$0		$0		$0		$0	$0
North Pole	5%	$3,683,965	8%	$83,114		$0	8%	$163,862	6%	$278,294		$0		$0	$0
North Slope Borough				$0		$0		$0		$0		$0		$0	$0
Northwest Arctic Borough				$0		$0	$2/pack, 45% wholesale	$612,495		$0		$0	$25/oz flower, $10/oz other, $15/oz products	$43,238	$0
Numam Iqua	4%	$20,841		$0		$0		$0		$0		$0		$0	$0
Nunapitchuk	4%	$79,168		$0		$0	30%	$25,564		$0		$0		$0	$0
Old Harbor	3%	$22,944	5%	$7,967		$0		$0		$0		$0		$0	$0
Ouzinkie	3%	$10,951		$0		$0		$0		$0		$0		$0	$0
Palmer	3%	$7,500,312		$0		$0		$0		$0		$0		$0	$0
Pelican	4%	$53,578	$14/night ($2 per meal)	$22,944		$0		$0		$0		$0		$0	$0
Petersburg Borough	6%	$3,229,385	4%	$47,538		$0	2.07/pack or 45% wholesale	$236,711		$0		$0	$25/oz	$37,406	$0
Pilot Point						$0		$0		$0	3%	$773,321		$0	$0
Pilot Station	4%	$114,625		$0		$0		$0		$0		$0		$0	$0
Point Hope	3%	$173,181		$0		$0		$0		$0		$0		$0	$0
Port Alexander	4%	$18,313	6%	$1,989		$0		$0		$0		$0		$0	$0
Quinhagak	3%	$94,880		$0		$0		$0		$0		$0		$0	$113,481
Russian Mission	4%	$75,185		$0		$0		$0		$0		$0		$0	$0
Saint Mary's	3%	$149,500		$0		$0		$0		$0		$0		$0	$0
Saint Michael	4%	$160,637		$0		$0		$0		$0		$0		$0	$0
Saint Paul	3.5%	$407,856		$0		$0		$0		$0	2% or 3.5%	$1,655,960		$0	$0
Sand Point	4%	$707,265	7%	$9,264		$0		$0		$0	2%	$342,687		$0	$0

Municipality	Sales Tax Rate	Sales Tax Revenue	Bed Tax Rate	Bed Tax Revenue	Car Rental Tax Rate	Car Rental Tax Revenue	Tobacco Tax Rate	Tobacco Tax Revenue	Alcohol Tax Rate	Alcohol Tax Revenue	Raw Fish Tax Rate	Raw Fish Tax Revenue	Marijuana Tax Rate	Marijuana Tax Revenue	Other Tax Revenue
Saxman	4.5%	$123,039		$0		$0		$0		$0		$0		$0	$0
Scammon Bay	6%	$52,048		$0		$0		$0		$0		$0		$0	$0
Selawik	6.50%	$182,267		$0		$0		$0		$0		$0		$0	$0
Seldovia	2% (Oct - Mar), 4.5% (Apr - Sept)	$7,928		$0		$0		$0		$0		$0		$0	$0
Seward	4%	$5,674,689	4%	$591,674		$0		$0		$0		$0		$0	$0
Shaktoolik	4%	$87,037		$0		$0		$0		$0		$0		$0	$0
Shishmaref	3%	$5,070		$0		$0		$0		$0		$0		$0	$0
Sitka	5% (Apr-Sep), 6% (Oct-Mar)	$12,214,711	6%	$397,343		$0	$0.1285/stick	$806,706		$0	$10/box	$100,060		$0	$0
Skagway	3% (Oct - Mar), 5% (Apr - Sept)	$5,927,888	8%	$124,532		$0		$0		$0		$0		$0	$0
Soldotna	3%	$7,866,651		$0		$0		$0		$0		$0		$0	$0
Stebbins	4%	$89,335		$0		$0		$0		$0		$0		$0	$0
Tanana	2%	$23,770		$0		$0		$0		$0		$0		$0	$0
Teller	3%	$109,038		$0		$0		$0		$0		$0		$0	$0
Tenakee Springs	2%	$14,720	6%	$1,223		$0		$0		$0		$0		$0	$0
Thorne Bay	6%	$413,027	4%	$11,414		$0		$0		$0		$0		$0	$0
Togiak	2%	$159,722	2%	$147,050		$0		$0		$0		$0		$0	$0
Toksook Bay	2%	$108,350		$0		$0		$0		$0		$0		$0	$0
Unalakleet	5%	$491,273		$0		$0		$0		$0		$0		$0	$0
Unalaska	3%	$10,629,998	5%	$139,852		$0		$0		$0	2%	$5,030,078		$0	$0
Utqiagvik				$0		$0	5%	$783,312	5%	$23,486		$0		$0	$0
Valdez			$2/night	$427,353		$0		$0		$0		$0		$0	$0
Wales	3%	$33,606		$0		$0		$0		$0		$0		$0	$0
Wasilla	3% (Jul - Nov), 2.5% (Dec - Jun)	$20,181,200		$0		$0		$0		$0		$0		$0	$0
White Mountain	1%	$12,707		$0		$0		$0		$0		$0		$0	$0
Whittier	5%	$712,625		$0		$0		$0						$0	$382,371
Wrangell	7%	$3,011,359	6%	$54,666		$0		$0		$0		$0		$0	$0
Yakutat	5%	$1,209,391	8%	$145,970	8%	$31,210		$0		$0				$0	$102,957

Table 1C
Tax Base Per Capita

Municipality	Sales Tax Rate	Sales Tax Revenue	Implied Tax Base	Population	Tax Base Per Capita
Skagway*	3% (Oct - Mar), 5% (Apr - Sept)	$5,927,888	$148,197,200	1,095	$135,340
Wasilla*	3% (Jul-Nov), 2.5% (Dec-Jun)	$20,181,200	$745,152,000	8,736	$85,297
Unalaska	3%	$10,629,998	$354,333,282	4,592	$77,163
Soldotna	3%	$7,866,651	$262,221,700	4,233	$61,947
Seward	4%	$5,674,689	$141,867,225	2,545	$55,744
False Pass	3%	$69,847	$2,328,233	42	$55,434
Whittier	5%	$712,625	$14,252,496	280	$50,902
Yakutat	5%	$1,209,391	$24,187,810	540	$44,792
Hoonah	6.5%	$2,265,582	$34,855,105	782	$44,572
Homer	4.5%	$10,319,783	$229,328,511	5,478	$41,864
Palmer	3%	$7,500,312	$250,010,400	6,041	$41,386
Adak	4%	$486,563	$12,164,082	298	$40,819
Ketchikan	4%	$12,854,844	$321,371,100	8,103	$39,661
Kenai	3%	$7,537,903	$251,263,433	7,056	$35,610
North Pole	5%	$3,683,965	$73,679,300	2,091	$35,236
Craig	5%	$1,772,023	$35,440,460	1,074	$32,999
Saint Paul	3.5%	$407,856	$11,653,029	385	$30,268
Juneau	5%	$47,371,832	$947,436,640	31,986	$29,620
Nome*	7% (May-Aug), 5% (Sept - Apr)	$5,772,955	$101,875,676	3,690	$27,609
Sitka*	5% (Apr-Sep), 6% (Oct-Mar)	$12,214,711	$222,085,654	8,532	$26,030
Kodiak	7%	$10,303,650	$147,195,000	5,818	$25,300
Ketchikan Gateway Borough	2.5%	$8,435,650	$337,426,000	13,739	$24,560
Gustavus	3%	$380,635	$12,687,833	537	$23,627
Cordova	6%	$3,279,630	$54,660,500	2,343	$23,329
Haines Borough	5.5%	$3,194,664	$58,084,800	2,516	$23,086
Dillingham	6%	$3,208,140	$53,469,003	2,327	$22,978
Kotzebue	6%	$4,167,812	$69,463,535	3,112	$22,321
Larsen Bay	3%	$44,045	$1,468,170	73	$20,112
Sand Point	4%	$707,265	$17,681,626	897	$19,712
Pelican	4%	$53,578	$1,339,459	69	$19,412
Klawock	6.5%	$948,955	$14,599,310	761	$19,184
Kenai Peninsula Borough	3%	$33,477,444	$1,115,914,800	58,367	$19,119
Bethel	6%	$6,737,715	$112,295,252	6,259	$17,941
Wrangell	7%	$3,011,359	$43,019,414	2,400	$17,925
Nenana	4%	$247,329	$6,183,213	362	$17,081
Petersburg Borough	6%	$3,229,385	$53,823,083	3,241	$16,607
Galena	3%	$208,977	$6,965,900	445	$15,654
Teller	3%	$109,038	$3,634,606	235	$15,466
Unalakleet	5%	$491,273	$9,825,460	721	$13,628
Thorne Bay	6%	$413,027	$6,883,784	562	$12,249
King Cove	6%	$623,649	$10,394,150	919	$11,310
Saint Michael	4%	$160,637	$4,015,921	392	$10,245
Elim	3%	$104,306	$3,476,882	351	$9,906
Emmonak	4%	$312,984	$7,824,600	836	$9,360
Togiak	2%	$159,722	$7,986,117	873	$9,148
Saint Mary's	3%	$149,500	$4,983,337	555	$8,979

Municipality	Sales Tax Rate	Sales Tax Revenue	Implied Tax Base	Population	Tax Base Per Capita
Houston	2%	$378,452	$18,922,600	2,112	$8,960
Fort Yukon	3%	$139,284	$4,642,788	525	$8,843
Toksook Bay	2%	$108,350	$5,417,478	667	$8,122
Port Alexander	4%	$18,313	$457,830	57	$8,032
Shaktoolik	4%	$87,037	$2,175,925	272	$8,000
Wales	3%	$33,606	$1,120,199	150	$7,468
Point Hope	3%	$173,181	$5,772,711	775	$7,449
Kotlik	3%	$136,300	$4,543,333	649	$7,001
Noorvik	4%	$180,464	$4,511,600	651	$6,930
Aniak	2%	$64,712	$3,235,600	477	$6,783
Kivalina	2%	$57,489	$2,874,434	427	$6,732
Mountain Village	3%	$159,048	$5,301,598	808	$6,561
Kake	5%	$186,840	$3,736,801	570	$6,556
Hooper Bay	5%	$396,869	$7,937,390	1,239	$6,406
White Mountain	1%	$12,707	$1,270,700	201	$6,322
Saxman	4.5%	$123,039	$2,734,200	434	$6,300
Eek	2%	$40,800	$2,040,000	349	$5,845
Koyuk	3%	$59,815	$1,993,833	348	$5,729
Marshall	4%	$104,802	$2,620,052	471	$5,563
Tanana	2%	$23,770	$1,188,500	216	$5,502
Russian Mission	4%	$75,185	$1,879,634	350	$5,370
Tenakee Springs	2%	$14,720	$736,023	140	$5,257
Napakiak	5%	$87,687	$1,753,734	351	$4,996
Brevig Mission	3%	$66,496	$2,216,542	451	$4,915
Aleknagik	5%	$59,056	$1,181,130	243	$4,861
Pilot Station	4%	$114,625	$2,865,623	606	$4,729
Kwethluk	5%	$184,488	$3,689,751	814	$4,533
Quinhagak	3%	$94,880	$3,162,675	716	$4,417
Mekoryuk	4%	$35,331	$883,284	206	$4,288
Old Harbor	3%	$22,944	$764,806	203	$3,768
Angoon	3%	$43,939	$1,464,648	404	$3,625
Stebbins	4%	$89,335	$2,233,386	618	$3,614
Nunapitchuk	4%	$79,168	$1,979,211	560	$3,534
Buckland	6%	$104,353	$1,739,219	509	$3,417
Selawik	7%	$182,267	$2,804,100	832	$3,370
Gambell	3%	$67,330	$2,244,334	667	$3,365
Ouzinkie	3%	$10,951	$365,040	142	$2,571
Nunam Iqua	4%	$20,841	$521,013	213	$2,446
Hydaburg	6%	$57,054	$950,907	397	$2,395
Kiana	3%	$27,198	$906,583	409	$2,217
Kobuk	3%	$8,987	$299,567	143	$2,095
Chefornak	2%	$14,725	$736,236	457	$1,611
Scammon Bay	6%	$52,048	$867,466	593	$1,463
Napaskiak	3%	$17,624	$587,471	440	$1,335
Seldovia*	2% (Oct - Mar), 4.5% (Apr - Sept)	$7,928	$243,932	226	$1,079
Manokotak	2%	$5,863	$293,166	483	$607
Shishmaref	3%	$5,070	$168,984	577	$293
Chignik	2%	$125	$6,228	95	$66
Nondalton	3%	$0	$0	126	$0

*Jurisdictions with split years are presumed to have equal tax base in each month. In reality this is likely not true; if higher-rate months have higher tax bases, the tax base for these communities is likely an overestimate.

Part 3

Property Taxation

EXPLANATION OF CAPPED MILLAGE RATES

State law limits both how much property can be taxed by a given municipality, and at what rate it can be taxed.[1] The limitation in AS 43.56.010(c) and AS 29.45.080 is either $1,500 in tax revenue per resident, or a sliding scale multiple of the average per-capita full and true value (APCFTV) in the state, which is then multiplied by the population of the municipality. The sliding scale allows a municipality to tax, for each resident, 375% of (3.75 times) the APCFTV if its rate is 18 mills or below, 300% of the APCFTV if its tax rate is above 18 mills and not more than 19 mills, and 225% of the APCFTV if the tax rate is higher than 19 mills. In practice, the sliding scale choice is always greater than $1,500 per capita, so this is always chosen by municipalities that are limited by the property tax cap.

The tax rate limit is found in AS 29.45.090: 3%, or 30 mills. Finally, in AS 29.45.100, the exception is noted that the limits do not apply for property taxes levied to pay off principal and interest on bonded debt.

The calculation of the tax cap is specified in regulation.[2] The calculation results in a maximum amount of property tax operating revenue for a municipality. This is the revenue that does not fall under the exception for payment of principal and interest on bonded debt in AS 29.45.100. Conceptually, the APCFTV is multiplied by the sliding scale multiple, and then by the population, to arrive at the limitation on the amount of property that *could* be taxed by that municipality under AS 29.45.080. That number is multiplied by the 30 mill limit from AS 29.45.090, to arrive at a maximum amount of property tax operating revenue. This amount is a hypothetical maximum that a municipality could raise if they taxed the property limit arrived at in 29.45.080 at the 30 mill limit in 29.45.090. This hypothetical maximum revenue is then divided by the **full** assessed value in the municipality to arrive at a maximum operating budget tax rate. This is the maximum rate a municipality can levy on its tax base besides taxes associated with debt.

To arrive at a final allowable tax rate, the required payments of both principal and interest on bonded debt are divided by the full assessed value for the municipality to determine a mill rate associated with debt. This tax rate is added to the operating budget tax rate to generate a single tax rate for purposes of sending out tax bills levying tax revenue.

An example of the calculation for North Slope Borough is found on the next page. Although these are the actual numbers from 2019, the calculation is an example and is not meant as an official calculation of the tax cap.

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[1] *See also* Bullock v. State, DCRA 19 P.3d 1209 (2001).
[2] 15 AAC 56.070

EXPLANATION OF CAPPED MILLAGE RATES

Tax Year 2019
Example from TY19 - North Slope Borough

TAX CAP LIMITATION

Average Per-Capita Full Value	X	Statutory %	X	TY18 Municipal Population		
$158,496	x	375%	x	17,871	=	$10,621,807,560 Assessed Value Limit

$10,621,807,560	x	30.0 Mills	=	$318,654,227	Tax Limit for Operating Budget

Actual Operating Budget	=	$318,654,227

$$\frac{\$318,654,227}{\$10,621,807,560} = \underline{30.00}$$ Effective Millage Rate for Operating Budget

DEVELOPMENT OF ACTUAL OVERALL RATE

Annual Bonded Debt Service	=	$73,254,390
Actual Assessed Value	=	$21,784,803,625

$$\frac{\$73,254,390}{\$21,784,803,625} = 3.363$$ Mills for Bonded Debt Service Funding

$$\frac{\$318,654,227}{\$21,784,803,625} = 14.627$$ Mills for Operating Budget Funding

17.99 TOTAL MILLAGE RATE

ASSESSMENT STATISTICS AND RATIO STUDIES

Local assessors have a legal, professional and ethical responsibility to uniformly value all property within their jurisdiction. They must also make sure all values on the assessment roll represent "full and true value" in accordance with AS 29.45.110.

Assessment ratio studies measure the level and uniformity of assessments and can be further used to analyze assessed values in and among jurisdictions. The ratios can be used in tests to see if unequal taxation exists and how, and if, assessments need to be adjusted. There are two types of ratio studies: sales ratio studies and appraisal ratio studies. The sales ratio study is commonly used in Alaska and is the method discussed here.

A sales ratio is simply the correlation of the assessed value of recently sold properties to their respective sales prices. This correlation is expressed as a ratio. In order for the ratios to be meaningful, all sales need to be verified and the time frame for accepting sales should be predetermined. To obtain the ratio, a simple mathematical equation is used where the numerator is the assessed value and the denominator is the sales price:

$$\frac{\text{ASSESSED VALUE}}{\text{SALES PRICE}} = \text{RATIO}$$

For example, if a residence assessed at $90,000 sells for $100,000, the correlation or ratio of assessed value to the sales price is 90%.

$$\frac{\$90,000}{\$100,000} = 90\%$$

If this ratio were typical of all assessed values in the jurisdiction, the assessor would need to adjust all the assessments upwards to reflect the "full and true value." Full and true value is considered to be 100% of market value.

Preparation of a Sales Ratio Study

1. Assemble Sales Data

   a. Collect sales data from all sources such as recorders' offices, realtors, developers and bankers.

   b. Verify sales data by contacting the seller, buyer, realtor or banker. Verification by two of the contacts is preferred.

2. Select Samples

   a. Check disbursement of sales to insure uniform coverage of total areas and try to avoid collecting too much information from any one single area to the exclusion of other areas.

   b. Restrict selections to individual classes of property, i.e., residential, commercial, industrial, vacant, and farm land.

3. Compile Usable Data

   a. Correlate usable sales information into a usable listing by class.

   b. Divide current assessed values by sales price to obtain individual ratios.

3. Compile Usable Data (Continued)

c. Array ratios so outliers can be pin-pointed. Typically, outliers fall into two categories, explained and unexplained. An example of an explained outlier is a sale that occurs of an improved piece of property but the assessed value may represent only the vacant land due to construction occurring after the assessment was made, causing the ratio to be low. An example of an unexplained ratio is one that may have included property other than the real property being analyzed.

4. Compute Statistical Data

Computation of the mean, median and weighted mean ratios describe the general levels of assessment. The weighted mean is computed by dividing the sum of all assessed values by the sum of all sales prices. This ratio is used by the Office of the State Assessor for calculating the full and true value due to the weighting of each sample by its total dollar amount, thus giving the same weighting to each dollar of the transaction regardless of the sale price.

Uses of Ratio Studies

Sales ratio studies are commonly used in state equalization and/or full value determinations. Typically, the weighted mean ratio is used to determine the full value, for the reason stated previously. The local assessor can use the studies to determine the level of assessments and internal equity or to show areas which may need further analysis.

Sales Ratio Example		
Assessed Value	**Sales Price**	**Ratio**
$100,000	$106,000	94.34%
$106,000	$100,000	106.00%
$107,000	$109,000	98.17%
$125,000	$132,000	94.70%
$130,000	$127,000	102.36%
$122,500	$122,500	100.00%
$140,000	$141,000	**99.29%** [1]
$830,500	$837,500	**99.16%** [2]

Mean (Average) Ratio	=	**99.26%**
[1] **Median (Middle) Ratio**	=	**99.29%**
[2] **Weighted Mean Ratio**	=	**99.16%**

Limitations of Use

Assessment ratio studies show the relation between market values and assessed values, and assessed values within and among areas. These studies may show inequities, if they exist; however, they do not correct inequities among individual properties. Once the determination is made that inequities exist, the assessor will take the necessary action to make the corrections, based upon the findings of the ratio study.

A sales ratio study is only as accurate as the information used. Care in selecting, screening, and verifying information is essential and should be of primary importance to the assessor. Without verified sales data, any interpretation of sales ratio studies will be of little use.

A study should not be overloaded with specific types of properties. Segregating by class (commercial, residential, industrial) and type (vacant, improved, water front) will allow for proper analysis of each class and type of property.

ASSESSMENT RATIO STUDIES

Appraisal Level

The overall level of appraisal, not necessarily assessments, should be within 10 percent of the legal level, that is, between 0.90 and 1.10. The reason for consideration of the appraisal level instead of the assessment level is that the granting of property tax exemptions is a political decision, not an appraisal decision, and does not affect the appraisal quality.

Appraisal Uniformity

The most commonly used measure of uniformity is the Coefficient of Dispersion (COD). The COD is based on the average absolute deviation from the median, expressed as a percentage. The COD is calculated by dividing the average absolute deviation by the median ratio and multiplying by 100 to convert the ratio to a percentage. The COD is a relative measure of dispersion which means that direct comparisons can be made between property groupings. With it, the assessor can measure the amount of dispersion around the typical level of assessment among different property groups.

- Single family residences: CODs should be 15.0 or less*
- Income producing properties: CODs should be 20.0 or less*
- Vacant land: CODs should be 25.0 or less*

* International Association of Assessing Officers (IAAO) Standard on Ratio Studies (2013) recommendations in which *current* market value is the legal basis of assessment.

Table 2

The A/V ratios and CODs in this table are supplied by local assessment officials, and reviewed by the Office of the State Assessor.

Municipality	Locally Assessed Real Property	Locally Assessed Personal Property	State Assessed Oil & Gas Property	Total Assessed	Reported A/V Ratio % (1)	Reported COD (2)
Municipality of Anchorage	$31,904,271,312	$2,647,971,942	$152,044,560	$ 34,704,287,814	0.96	5.82
Bristol Bay Borough	$199,874,750	$197,799,838	$0	$ 397,674,588	0.84	13.65
Fairbanks North Star Borough	$7,890,654,591	$0	$720,267,520	$ 8,610,922,111	0.96	6.69
Fairbanks	N/A	N/A	$46,339,740	$ 46,339,740		
Haines Borough	$376,224,100	$0	$0	$ 376,224,100	0.98	8.22
City and Borough of Juneau	$4,742,808,985	$374,225,444	$0	$ 5,117,034,429	0.97	6.45
Kenai Peninsula Borough	$6,666,423,400	$307,927,426	$1,493,428,710	$ 8,467,779,536	0.94	12.33
Kenai	N/A	N/A	$53,200,820	$ 53,200,820		
Ketchikan Gateway Borough	$1,515,368,100	$60,724,600	$0	$ 1,576,092,700	0.95	9.24
Kodiak Island Borough	$1,298,329,669	$157,498,073	$0	$ 1,455,827,742	0.93	9.96
Matanuska Susitna Borough	$9,990,968,845	$56,075,491	$7,903,480	$ 10,054,947,816	0.94	9.82
Wasilla	N/A	N/A	$446,290	$ 446,290		
Palmer	N/A	N/A	$185,130	$ 185,130		
North Slope Borough	$848,257,562	$0	$21,562,678,020	$ 22,410,935,582	0.89	9.39
Petersburg Borough	$331,665,200	$0	$0	$ 331,665,200	0.81	21.12
City and Borough of Sitka	$1,126,204,000	$43,861,340	$0	$ 1,170,065,340	0.87	11.85
Municipality of Skagway	$359,410,580	$0	$0	$ 359,410,580	0.84	14.78
City and Borough of Wrangell	$158,912,300	$0	$0	$ 158,912,300	0.79	5.88
City and Borough of Yakutat	$52,209,900	$0	$0	$ 52,209,900	0.91	9.37
Total Borough Assessed Value	$67,461,583,294	$3,846,084,154	$23,936,322,290	$95,243,989,738		

Municipality	Locally Assessed Real Property	Locally Assessed Personal Property	State Assessed Oil & Gas Property	Total Assessed	Reported A/V Ratio % (1)	Reported COD (2)
Cordova	$229,526,625	$0	$8,989,820	$238,516,445	0.88	9.11
Craig	$112,074,600	$0	$0	$112,074,600	1.00	8.95
Dillingham	$164,980,887	$39,277,816	$0	$204,258,703	0.83	8.61
Nenana	$16,815,131	$2,933,642	$0	$19,748,773	0.96	8.74
Nome	$312,895,700	$42,114,556	$0	$355,010,256	0.88	8.92
Pelican	$11,573,047	$181,221	$0	$11,754,268	0.91	6.19
Unalaska	$446,657,475	$247,850,814	$0	$694,508,289	0.89	6.91
Valdez	$289,422,150	$0	$1,950,652,640	$2,240,074,790	0.83	10.48
Whittier	$47,155,800	$62,508,768	$1,478,040	$111,142,608	0.98	6.12
Total Cities Assessed Value	$1,631,101,415	$394,866,817	$1,961,120,500	$3,987,088,732		
Unorganized Borough Assessed Value	$0	$0	$3,093,981,590	$3,093,981,590		
Statewide Value of Assessed Property*	$69,092,684,709	$4,240,950,971	$28,991,424,380	$102,325,060,060		

Table 3

As of January 1, 2020

The exemptions noted on this table are only those allowed under AS 29.45.050; mandatory exemptions are excluded. Other exemptions include such programs as Historical Properties, Volunteer EMS/Firefighter Exemptions, Habitat Protection, Economic Development or any other types of locally-adopted optional exemptions. These assessments do not include any taxable value assessed for oil & gas properties under AS 43.56. Percent of Tax Base Exempted is the sum of all locally authorized optional exemptions, divided by the total locally assessed value for that commuity.

	LOCALLY EXEMPTED VALUES(1)					
Boroughs/Unified Municipalites	$50,000 Residential AS 29.45.050(a)	Community Purpose AS 29.45.050(b)(1)(A)	Other Real Property Exemptions	Personal Property AS 29.45.050 (b)(2)	Local Assessed Value	Percent of Tax Base Exempted
Anchorage (Municipality of)	$2,316,643,611	$32,516,990	$21,811,757	$3,730,569,138	$34,552,243,254	15.0%
Bristol Bay Borough	$2,487,400	$148,400	$0	$31,498,183	$397,674,588	7.9%
Fairbanks North Star Borough	$763,924,727	$18,831,644	$45,959,950	$2,196,652,936	$7,890,654,591	27.7%
Haines Borough	$0	$6,586,500	$0	$67,722,088	$376,224,100	16.5%
Juneau (City & Borough)	$0	$13,695,598	$0	$566,497,301	$5,117,034,429	10.2%
Kenai Peninsula Borough	$525,790,700	$72,331,500	$496,338,700	$1,171,185,696	$6,974,350,826	24.5%
Ketchikan Gateway Borough	$0	$5,338,900	$0	$290,282,495	$1,576,092,700	15.8%
Kodiak Island Borough	$0	$2,510,300	$0	$242,498,981	$1,455,827,742	14.4%
Matanuska-Susitna Borough	$0	$42,212,052	$402,533,274	$1,847,861,901	$10,047,044,336	18.6%
North Slope Borough	$23,898,600	$7,001,000	$1,478,700	$77,246,660	$1,128,335,216	8.9%
Petersburg Borough	$0	$0	$559,500	$108,592,884	$331,665,200	24.8%
Sitka (City & Borough)	$0	$27,470,300	$0	$178,815,810	$1,170,065,340	15.0%
Skagway (Municipality of)	$0	$0	$5,860,758	$73,785,006	$359,410,580	18.1%
Wrangell (City & Borough)	$0	$0	$44,800	$65,515,203	$158,912,300	29.2%
Yakutat (City & Borough)	$0	$0	$0	$26,717,602	$52,209,900	33.9%
Total Boroughs (15)	$3,632,745,038	$228,643,184	$974,587,439	$10,675,441,884	$71,587,745,102	17.8%

	LOCALLY EXEMPTED VALUES(1)					
Cities	$50,000 Residential AS 29.45.050(a)	Community Purpose AS 29.45.050(b)(1)(A)	Other Real Property Exemptions	Personal Property AS 29.45.050(b)(2)	Local Assessed Value	Percent of Tax Base Exempted
Cordova	$0	$2,560,000	$0	$92,078,197	$229,526,625	29.2%
Craig	$0	$0	$0	$48,794,596	$112,074,600	30.3%
Dillingham		$0	$0	$38,449,986	$204,258,703	15.8%
Nenana	$0	$0	$0	$11,066,033	$19,748,773	35.9%
Nome	$0	$0	$0	$39,911,446	$355,010,256	10.1%
Pelican	$0	$0	$0	$3,186,827	$11,754,268	21.3%
Unalaska	$0	$0	$933,252	$37,875,786	$694,508,289	5.3%
Valdez	$34,871,390	$6,944,000	$464,402	$108,193,036	$289,422,150	34.2%
Whittier	$0	$0		$3,840,331	$109,664,568	3.4%
Total Cities (9)	$34,871,390	$9,504,000	$1,397,654	$383,396,239	$2,025,968,232	17.5%

Statewide (24)	$3,667,616,428	$238,147,184	$975,985,093	$11,058,838,123	$73,613,713,334	17.8%

(1) Exempt Values are actual assessed values established by the individual borough or city, estimates by the Office of the State Assessor or both.

Table 4A
Local Assessments vs Full Values Real Property

The following three Tables, 4A, 4B & 4C, list the municipal assessed value compared to the full value. Table 4A compares real property, Table 4B compares personal property, and Table 4C compares the total of real and personal property. Cities in Boroughs not included.

Municipality	Real Property Locally Assessed (1)	Real Property Full Value (2)	Ratio (3)
Municipality of Anchorage	**$31,904,271,312**	**$35,841,189,330**	**89.0%**
Bristol Bay Borough	**$199,874,750**	**$241,026,601**	**82.9%**
Fairbanks North Star Borough	**$7,890,654,591**	**$9,107,343,756**	**86.6%**
Haines Borough	**$376,224,100**	**$390,982,126**	**96.2%**
City and Borough of Juneau	**$4,742,808,985**	**$4,914,556,399**	**96.5%**
Kenai Peninsula Borough	**$6,666,423,400**	**$8,274,746,028**	**80.6%**
Ketchikan Gateway Borough	**$1,515,368,100**	**$1,599,522,739**	**94.7%**
Kodiak Island Borough	**$1,298,329,669**	**$1,403,582,185**	**92.5%**
Matanuska Susitna Borough	**$9,990,968,845**	**$11,125,494,852**	**89.8%**
North Slope Borough	**$848,257,562**	**$985,051,300**	**86.1%**
Petersburg Borough	**$331,665,200**	**$409,866,351**	**80.9%**
City and Borough of Sitka	**$1,126,204,000**	**$1,351,470,081**	**83.3%**
Municipality of Skagway	**$359,410,580**	**$437,398,321**	**82.2%**
City and Borough of Wrangell	**$158,912,300**	**$200,855,572**	**79.1%**
City and Borough of Yakutat	**$52,209,900**	**$57,593,414**	**90.7%**
Cordova	**$229,526,625**	**$259,528,070**	**88.4%**
Craig	**$112,074,600**	**$116,241,837**	**96.4%**
Dillingham	**$164,980,887**	**$200,952,951**	**82.1%**
Nenana	**$16,815,131**	**$17,501,177**	**96.1%**
Nome	**$312,895,701**	**$355,442,122**	**88.0%**
Pelican	**$11,573,047**	**$12,686,962**	**91.2%**
Unalaska	**$446,657,475**	**$502,741,466**	**88.8%**
Valdez	**$289,422,150**	**$399,881,787**	**72.4%**
Whittier	**$47,155,800**	**$48,015,273**	**98.2%**
Total (24)	**$69,092,684,710**	**$78,253,670,701**	**88.3%**

Note: Real property is not assessed in areas outside taxing jurisdictions. The totals in this table exclude values for unorganized areas of the state, and exclude values for municipalities which do not levy a property tax.

(1) Actual assessed value of property taxed at the city/borough level.

(2) The full value of real and personal property that can be taxed under state law as equalized by the Office of the State Assessor according to standards defined in Attorney General Opinion No. 18, 1962. This includes the value of all municipal assessed values plus the value of any optional exemptions.

(3) The relationship between the actual municipal assessed values and the Department's full value determination, expressed as a percentage. This ratio is calculated using both the municipal assessment ratio plus the addition of optionally exempted property.

Table 4B
Local Assessments vs Full Value Personal

This table lists only those municipalities that levy taxes on personal property

Municipality	Personal Property Locally Assessed	Personal Property Full Value	Ratio
Municipality of Anchorage	**$2,647,971,942.00**	**$6,378,541,080.01**	**41.5%**
Bristol Bay Borough	**$197,799,838.00**	**$229,298,021.31**	**86.3%**
City and Borough of Juneau	**$374,225,444.00**	**$940,722,744.96**	**39.8%**
Kenai Peninsula Borough	**$307,927,426.00**	**$1,479,113,122.43**	**20.8%**
Ketchikan Gateway Borough	**$60,724,600.00**	**$351,007,095.44**	**17.3%**
Kodiak Island Borough	**$157,498,073.00**	**$399,997,053.93**	**39.4%**
Matanuska Susitna Borough	**$56,075,491.00**	**$1,903,937,392.40**	**2.9%**
North Slope Borough	**$280,077,654.00**	**$357,324,313.57**	**78.4%**
City and Borough of Sitka	**$43,861,340.00**	**$222,677,149.53**	**19.7%**
Total Boroughs (9)	**$4,126,161,808.00**	**$12,262,617,973.57**	**33.6%**
Dillingham	**$39,277,816.00**	**$77,727,801.89**	**50.5%**
Nenana	**$2,933,642.00**	**$13,999,675.10**	**21.0%**
Nome	**$42,114,556.00**	**$82,026,002.23**	**51.3%**
Pelican	**$181,221.00**	**$3,368,048.30**	**5.4%**
Unalaska	**$247,850,814.00**	**$285,726,600.04**	**86.7%**
Whittier	**$62,508,768.00**	**$66,349,099.30**	**94.2%**
Total Cities (6)	**$394,866,817.00**	**$529,197,226.86**	**74.6%**
Total Municipalities (15)	**$4,521,028,625.00**	**$12,791,815,200.43**	**35.3%**

Table 4C
Local Assessments vs Full Value
Real and Personal Property Combined

This table excludes municipalities that do not levy a property tax, and oil and gas properties assessed under AS 43.56

Municipality	Real and Personal Property Locally Assessed	Real and Personal Property Full Value (without Oil & Gas)	Ratio
Municipality of Anchorage	**$34,552,243,254**	**$42,219,730,410**	**81.8%**
Bristol Bay Borough	**$397,674,588**	**$470,324,622**	**84.6%**
Fairbanks North Star Borough	**$7,890,654,591**	**$11,303,996,692**	**69.8%**
Haines Borough	**$376,224,100**	**$458,704,214**	**82.0%**
City and Borough of Juneau	**$5,117,034,429**	**$5,855,279,144**	**87.4%**
Kenai Peninsula Borough	**$6,974,350,826**	**$9,753,859,151**	**71.5%**
Ketchikan Gateway Borough	**$1,576,092,700**	**$1,950,529,835**	**80.8%**
Kodiak Island Borough	**$1,455,827,742**	**$1,803,579,239**	**80.7%**
Matanuska Susitna Borough	**$10,047,044,336**	**$13,029,432,244**	**77.1%**
North Slope Borough	**$1,128,335,216**	**$1,342,375,613**	**84.1%**
Petersburg Borough	**$331,665,200**	**$518,459,235**	**64.0%**
City and Borough of Sitka	**$1,170,065,340**	**$1,574,147,230**	**74.3%**
Municipality of Skagway	**$359,410,580**	**$511,183,327**	**70.3%**
City and Borough of Wrangell	**$158,912,300**	**$266,370,775**	**59.7%**
City and Borough of Yakutat	**$52,209,900**	**$84,311,016**	**61.9%**
Cordova	**$229,526,625**	**$351,606,267**	**65.3%**
Craig	**$112,074,600**	**$165,036,432**	**67.9%**
Dillingham	**$204,258,703**	**$278,680,753**	**73.3%**
Nenana	**$19,748,773**	**$31,500,852**	**62.7%**
Nome	**$355,010,256**	**$437,468,124**	**81.2%**
Pelican	**$11,754,268**	**$16,055,011**	**73.2%**
Unalaska	**$694,508,289**	**$788,468,066**	**88.1%**
Valdez	**$289,422,150**	**$508,074,823**	**57.0%**
Whittier	**$109,664,568**	**$114,364,373**	**95.9%**
Total (24)*	**$73,613,713,334**	**$93,833,537,449**	**78.5%**

*Cities within Boroughs are not included in the total

Table 5
Full Value Determinations

Municipality	AS 29.45 Local Taxable Full Value (1)	AS 43.56 State Taxable Oil & Gas Full Value (2)	Total FVD (3)	Population (4)	Per-Capita Full Value (5)
Aleutians East Borough	$179,234,229	$0	$179,234,229	2,938	$61,006
Municipality of Anchorage	$42,219,730,410	$152,044,560	$42,371,774,970	291,845	$145,186
Bristol Bay Borough	$470,324,622	$0	$470,324,622	869	$541,225
Denali Borough	$384,971,144	$0	$384,971,144	1,860	$206,974
Fairbanks North Star Borough	$11,303,996,692	$720,267,520	$12,024,264,212	95,898	$125,386
Haines Borough	$458,704,214	$0	$458,704,214	2,516	$182,315
City and Borough of Juneau	$5,855,279,144	$0	$5,855,279,144	31,986	$183,058
Kenai Peninsula Borough	$9,753,859,151	$1,493,428,710	$11,247,287,861	58,367	$192,699
Ketchikan Gateway Borough	$1,950,529,835	$0	$1,950,529,835	13,739	$141,970
Kodiak Island Borough	$1,803,579,239	$0	$1,803,579,239	13,001	$138,726
Lake and Peninsula Borough	$158,486,962	$0	$158,486,962	1,622	$97,711
Matanuska Susitna Borough	$13,029,432,244	$7,903,480	$13,037,335,724	106,438	$122,488
North Slope Borough	$1,342,375,613	$21,562,678,020	$22,905,053,633	11,002	$2,081,899
Northwest Arctic Borough	$764,503,923	$0	$764,503,923	7,715	$99,093
Petersburg Borough	$518,459,235	$0	$518,459,235	3,241	$159,969
City and Borough of Sitka	$1,574,147,230	$0	$1,574,147,230	8,532	$184,499
Municipality of Skagway	$511,183,327	$0	$511,183,327	1,095	$466,834
City and Borough of Wrangell	$266,370,775	$0	$266,370,775	2,400	$110,988
City and Borough of Yakutat	$84,311,016	$0	$84,311,016	540	$156,132
Cordova	$351,606,267	$8,989,820	$360,596,087	2,343	$153,904
Craig	$165,036,432	$0	$165,036,432	1,074	$153,665
Dillingham	$278,680,753	$0	$278,680,753	2,327	$119,760
Galena	$32,870,096	$0	$32,870,096	445	$73,865
Hoonah	$80,965,947	$0	$80,965,947	782	$103,537
Hydaburg	$14,947,610	$0	$14,947,610	397	$37,651
Kake	$29,449,297	$0	$29,449,297	570	$51,665
Klawock	$66,591,740	$0	$66,591,740	761	$87,506
Nenana	$31,500,852	$0	$31,500,852	362	$87,019
Nome	$437,468,124	$0	$437,468,124	3,690	$118,555
Pelican	$16,055,011	$0	$16,055,011	69	$232,681
Saint Mary's	$28,070,254	$0	$28,070,254	555	$50,577
Tanana	$13,828,206	$0	$13,828,206	216	$64,019
Unalaska	$788,468,066	$0	$788,468,066	4,592	$171,705
Valdez	$508,074,823	$1,950,652,640	$2,458,727,463	3,876	$634,347
Whittier	$114,364,373	$1,478,040	$115,842,413	280	$413,723
Outside Taxing Jurisdiction Totals	$0	$3,093,981,590	$3,093,981,590	N/A	N/A
Boroughs/Unified Municipalities Totals	$92,629,479,006	$23,936,322,290	$116,565,801,296	655,604	$177,799
Cities in Unorganized Borough Totals	$2,957,977,851	$1,961,120,500	$4,919,098,351	22,339	$220,202
Statewide Summary (35)*	$95,587,456,856	$25,897,442,790	$121,484,899,646	677,943	$179,196

(1) The full value of real and personal property that can be taxed under state law as equalized by the Office of the State Assessor according to standards defined in Attorney General Opinion No. 18, 1962

(2) The assessed value of oil and gas exploration, production and transportation property as determined by the Department of Revenue, Tax Division

(3) The full value of property taxable under state law AS 29 45 and oil and gas property assessed by the State Department of Revenue under AS 43.56

(4) Population totals are Department of Labor July 2019 numbers, and are presented only for those municipalities that levy a property tax.

(5) The average per-capita value based upon total full value including oil and gas property

* Population outside of Full Value Determination jurisdictions is not included, and oil and gas property assessed outside of Full Value Determinations jurisdictions is also not included. This is a change from prior years

Table 6
Full Value Determination Summary
Ten Year History

This table summarizes the state's full and true value figures for the past ten years. The table shows annual percentage changes for municipal full values and state assessed properties.

January 1, Year	Municipal Full Value	Percentage Change	Oil & Gas Assessed Value	Percentage Change	Total Full Value	Percentage Change
2010	$74,026,320,900	1.02%	$24,036,106,520	8.85%	$98,062,427,420	2.83%
2011	$75,147,226,600	1.51%	$23,822,182,550	-0.89%	$98,969,409,150	0.92%
2012	$77,004,643,600	2.47%	$24,491,683,690	2.81%	$101,496,327,290	2.55%
2013	$78,810,024,000	2.34%	$28,649,650,040	16.98%	$107,459,674,040	5.88%
2014	$81,248,307,300	3.09%	$27,389,657,890	-4.40%	$108,637,965,190	1.10%
2015	$83,131,396,100	2.32%	$28,619,657,360	4.49%	$111,751,053,460	2.87%
2016	$87,520,474,200	5.28%	$27,710,225,430	-3.18%	$115,230,699,630	3.11%
2017	$88,715,549,400	1.37%	$28,358,292,110	2.34%	$117,073,841,510	1.60%
2018	$89,275,118,700	0.63%	$28,179,150,120	-0.63%	$117,454,268,820	0.32%
2019	$90,984,293,009	1.91%	$28,476,560,040	1.06%	$119,460,853,049	1.71%
2020	$95,587,456,856	5.06%	$28,991,424,380	1.81%	$124,578,881,236	4.28%

Municipal Full Value — The full and true value of all property taxable under state law (AS 29.45); this includes property exempted by local option.

State Assessed Full Value — The value of oil & gas exploration, production and transportation property as determined by the Dept. of Revenue (AS 43.56).

Total Full Value — The full and true value of all property taxable under Alaska Statutes 29.45 and 43.56, as determined by the Department under standards defined in Attorney General Opinion No. 18, 1962.

Table 7
2020 Assessment Staff Statistics

The following table describes local municipal office statistics. The total number of parcels are real property parcels identified by each municipality's crtified assessment roll. The number of appraisers includes both real and personal property appraisers, including the assessor. The assessment budget is based on the total budget for the assessing department, including personal property appraisers.

Those municipalities which do not have assessment personnel on staff and use contract assessors are presented in Table 8.

Municipality	Est. Sq. Mi. within Jurisdiction	Taxable Real Property Count	Taxable Personal Property Count	2020 Assessment Budget	Assessment Cycle	Date Assessment Notices Mailed	Board of Equalization Mtg. Date	Date Tax Bills Due (1)
Fairbanks North Star Borou	7,430	47,492	-	$2,876,040	5 Year Cycle	1/29/2020	4/10/2020	9/2/2020
Matanuska-Susitna Borough	25,260	78,922	77	$3,365,538	6 Year Cycle	1/20/2020	4/28/2020	8/17/2020
Kodiak Island Borough	12,150	5,620	579	$608,205	3 Year Cycle	2/28/2020	5/4/2020	8/17/2020
City and Borough of Juneau	3,248	13,734	4,723	$758,200	5 Year Cycle	5/27/2020	8/18/2020	9/30/2020
Haines Borough	2,730	2,680	-	$169,263	6 Year Cycle	3/16/2020	5/28/2020	11/1/2020
Municipality of Anchorage	1,940	97,759	8,262	$6,966,137	6 Year Cycle	1/13/2020	3/20/2020	7/15/2020
Kenai Peninsula Borough	21,330	65,883	4,983	$3,344,012	5 Year Cycle	3/1/2020	6/26/2020	9/15/2020
Ketchikan Gateway Borough	6,262	6,886	180	$676,313	4 Year Cycle	2/14/2020	3/16/2020	9/30/2020
City and Borough of Sitka	4,530	4,246	692	$452,773	6 Year Cycle	3/15/2020	N/A	8/31/2020
North Slope Borough	94,770	2,288	238	$1,655,747	4 Year Cycle	2/28/2020	5/6/2020	6/30/2020
Total (10)	179,650	325,510	19,734	$20,872,228				

(1) 1st half of taxes due this date

Table 8
2020 Contract Assessment Costs

These costs are strictly for services provided by the assessment contractor. Municipal staff time has not been included.

Municipality	Contractor	Contract Amount	# Real Property Parcels	# of Personal Property Accounts	Scope of Work	Notices Mailed	BOE Meeting Date	Property Tax Due Date
Bristol Bay Borough	Appraisal Company of Alaska	$ 34,000	1,873	1,198	Real Property, Maintenance, Personal Property	3/15/2020	4/23/2020	8/31/2020
Cordova	Appraisal Company of Alaska	$ 17,000	1,211	-	Reappraisal, Real Property, Maintenance	3/11/2020	4/20/2020	8/31/2020
Craig	Horan and Company	$ 30,000	654	-	Maintenance, Real Property	3/1/2020	5/21/2020	9/30/2020
Dillingham	Appraisal Company of Alaska	$ 24,000	938	360	Reappraisal, Real Property, Personal Property	3/15/2020	5/5/2020	1/11/2020
Nenana	Appraisal Company of Alaska	$ 12,000	0	-	Maintenance, Real Property	3/15/2020	5/29/2020	9/1/2020
Nome	Appraisal Company of Alaska	$ 12,000	2,371	389	Reappraisal, Real Property	4/2/2020	5/13/2020	7/31/2020
Pelican	Canary & Associates	$ 24,000	169	39	Reappraisal, Real Property,Personal Prop	5/15/2020	6/24/2020	10/15/2020
Petersburg Borough	Appraisal Company of Alaska	$ 40,000	4,768	-	Reappraisal, Real Property	2/28/2020	4/8/2020	10/15/2020
Municipality of Skagway	Canary & Associates	$ 28,000	806	-	Reappraisal, Real Property	4/11/2020	5/26/2020	8/31/2020
Unalaska	Appraisal Company of Alaska	$ 28,000	935	464	Reappraisal, Real Property	3/31/2020	5/12/2020	8/20/2020
Valdez	Appraisal Company of Alaska	$ 60,000	2436	-	Reappraisal, Real Property, Maintenance	3/2/2020	4/28/2020	8/17/2020
Whittier	Appraisal Company of Alaska	$ 12,000	486	679	Reappraisal, Real Property	4/20/2020	5/19/2020	10/31/2020
City and Borough of Wrangell	Appraisal Company of Alaska	$ 75,000	2,542	-	Reappraisal, Real Property	3/15/2020	5/11/2020	10/15/2020
City and Borough of Yakutat	Appraisal Company of Alaska	$ 12,000	575	-	Reappraisal, Real Property	2/28/2020	4/16/2020	7/31/2020
Total (14)		$ 408,000	19,764	3,129				

Part 4

Special Tax Programs

Table 9A
Senior Citizen and Disabled Veteran Property Tax Exemption History
AS 29.45.030(e) - (i)

Ten Year Performance Summary

State law exempts real property owned and occupied as a permanent home by a resident, 65 years of age or older, or, by a disabled veteran with a 50% or greater service-connected disability, or by a widow/widower to or greater than the age of 60 of either of the two prior categories. The exemption applies to the first $150,000 of assessed valuation, and applicants must apply directly to their municipality. In 2002 legislation was passed which would allow municipalities to set its filing deadline; this legislation also allows for a "one time filing" for the program. Program costs have exceeded funding levels from the state since 1986 resulting in prorating payments to eligible municipalities. The Alaska Legislature has not funded the reimbursement for the program since FY 1997, Tax Year 1996.

Tax Year	No. of Applications Approved	Total Exempt Assessed Value	Annual Value Percent Change	Total Exempt Taxes	Annual Tax Percent Change	Average Exempt Value $$ Per. Applicant	Average Exempt Tax $$ Per Applicant
2010	27,049	$3,662,979,523	5.2%	$49,749,270	4.5%	$135,420	$1,839
2011	28,525	$3,885,771,533	6.1%	$53,315,762	7.2%	$136,223	$1,869
2012	30,166	$4,140,792,219	6.6%	$56,749,783	6.4%	$137,267	$1,881
2013	31,543	$4,349,226,843	5.0%	$59,833,635	5.4%	$137,882	$1,897
2014	33,656	$4,622,836,100	6.3%	$62,437,787	4.4%	$137,355	$1,855
2015	35,561	$4,908,123,508	6.2%	$66,223,849	6.1%	$138,020	$1,862
2016	37,455	$5,189,865,218	5.7%	$70,685,645	6.7%	$138,562	$1,887
2017	39,691	$5,535,326,136	6.7%	$77,992,107	10.3%	$139,460	$1,965
2018	41,340	$5,821,077,204	5.2%	$84,684,847	8.6%	$140,810	$2,048
2019	44,057	$6,158,469,460	5.8%	$90,908,082	7.3%	$139,784	$2,063
2020	46,610	$6,541,504,452	6.2%	$95,552,217	5.1%	$140,346	$2,169

Note: The numbers reflect the total number of applicants and associated values and taxes for both senior citizens and disabled veterans participating in the exemption program.

Table 9B
Senior Citizen and Disabled Veteran
Program Summary
Fiscal Year 2020 / Tax Year 2019

Municipality	Number of Approved Applicants	Total Assessed Value Exempt	Percent Change from Last Year	Total Tax Amount Exempt	Percent Change From Last Year	Average Value Exempt Per Appl	Average Tax Exempt Per Appl
Anchorage	19,017	$2,780,699,837	8.1%	$43,541,660	5.7%	$146,222	$2,290
Fairbanks North Star Borough	6,787	$909,447,687	5.4%	$17,635,248	5.9%	$133,998	$2,598
Matanuska Susitna Borough	8,405	$1,142,725,212	6.1%	$17,077,020	5.5%	$135,958	$2,032
Kenai Peninsula Borough	5,886	$811,820,200	5.5%	$7,709,218	5.7%	$137,924	$1,310
Juneau	2,276	$325,791,100	4.3%	$3,470,466	4.2%	$143,142	$1,525
Ketchikan Gateway Borough	1,145	$156,721,900	3.1%	$1,515,090	2.7%	$136,875	$1,323
Kodiak Island Borough	679	$92,127,978	-4.2%	$1,196,385	-16.6%	$135,682	$1,762
Sitka	623	$86,587,760	-0.1%	$519,159	-0.1%	$138,985	$833
Valdez	208	$25,174,045	0.0%	$503,481	0.0%	$121,029	$2,421
Petersburg Borough	340	$45,234,600	0.4%	$487,162	-6.8%	$133,043	$1,433
Wrangell	265	$30,034,000	9.9%	$374,770	9.6%	$113,336	$1,414
Haines Borough	265	$31,652,772	-5.2%	$359,115	8.4%	$119,444	$1,355
Cordova	152	$21,296,275	3.0%	$235,963	-3.4%	$140,107	$1,552
Nome	132	$18,020,420	7.5%	$234,266	7.5%	$136,518	$1,775
North Slope Borough	143	$12,889,754	-4.6%	$231,887	-4.6%	$90,138	$1,622
Dillingham	91	$12,559,500	6.0%	$163,274	6.0%	$138,016	$1,794
Skagway	83	$11,510,962	-0.1%	$62,910	-0.8%	$138,686	$758
Bristol Bay Borough	34	$4,406,100	7.2%	$52,873	-1.1%	$129,591	$1,555
Craig	68	$8,561,100	14.6%	$51,366	14.6%	$125,899	$755
Unalaska	33	$4,584,425	14.0%	$48,136	14.0%	$138,922	$1,459
Yakutat	54	$5,179,100	-13.3%	$36,254	-10.7%	$95,909	$671
Nenana	49	$2,885,725	135.8%	$34,629	135.8%	$58,892	$707
Pelican	7	$865,500	-9.1%	$6,059	-9.1%	$123,643	$866
Whittier	16	$728,500	6.6%	$5,828	70.6%	$45,531	$364
Total (24)	**46,758**	**$6,541,504,452**	**6.22%**	**95,552,217**	**5.11%**	**$139,901**	**$2,044**

Table 9C
Senior Citizen and Disabled Veteran Exemption and Total Real Property

Municipality	Local Real Property	State Oil & Gas (43.56)	Total Real Property	Senior Citizen & Disabled Assessed Value Exempt	Percent Exempt
Nenana	$17,501,177	$0	$17,501,177	$2,885,725	16.5%
Wrangell	$200,855,572	$0	$200,855,572	$30,034,000	15.0%
Petersburg Borough	$409,866,351	$0	$409,866,351	$45,234,600	11.0%
Matanuska Susitna Borough	$11,125,494,852	$7,903,480	$11,133,398,332	$1,142,725,212	10.3%
Ketchikan Gateway Borough	$1,599,522,739	$0	$1,599,522,739	$156,721,900	9.8%
Fairbanks North Star Borough	$9,107,343,756	$720,267,520	$9,827,611,276	$909,447,687	9.3%
Yakutat	$57,593,414	$0	$57,593,414	$5,179,100	9.0%
Kenai Peninsula Borough	$8,274,746,028	$1,493,428,710	$9,768,174,738	$811,820,200	8.3%
Haines Borough	$390,982,126	$0	$390,982,126	$31,652,772	8.1%
Cordova	$259,528,070	$8,989,820	$268,517,890	$21,296,275	7.9%
Anchorage	$35,841,189,330	$152,044,560	$35,993,233,890	$2,780,699,837	7.7%
Craig	$116,241,837	$0	$116,241,837	$8,561,100	7.4%
Pelican	$12,686,962	$0	$12,686,962	$865,500	6.8%
Juneau	$4,914,556,399	$0	$4,914,556,399	$325,791,100	6.6%
Kodiak Island Borough	$1,403,582,185	$0	$1,403,582,185	$92,127,978	6.6%
Sitka	$1,351,470,081	$0	$1,351,470,081	$86,587,760	6.4%
Dillingham	$200,952,951	$0	$200,952,951	$12,559,500	6.2%
Nome	$355,442,122	$0	$355,442,122	$18,020,420	5.1%
Skagway	$437,398,321	$0	$437,398,321	$11,510,962	2.6%
Bristol Bay Borough	$241,026,601	$0	$241,026,601	$4,406,100	1.8%
Whittier	$48,015,273	$1,478,040	$49,493,313	$728,500	1.5%
Valdez	$399,881,787	$1,950,652,640	$2,350,534,427	$25,174,045	1.1%
Unalaska	$502,741,466	$0	$502,741,466	$4,584,425	0.9%
North Slope Borough	$985,051,300	$21,562,678,020	$22,547,729,320	$12,889,754	0.1%
Total (24)	$78,253,670,701	$25,897,442,790	$104,151,113,491	$6,541,504,452	6.28%

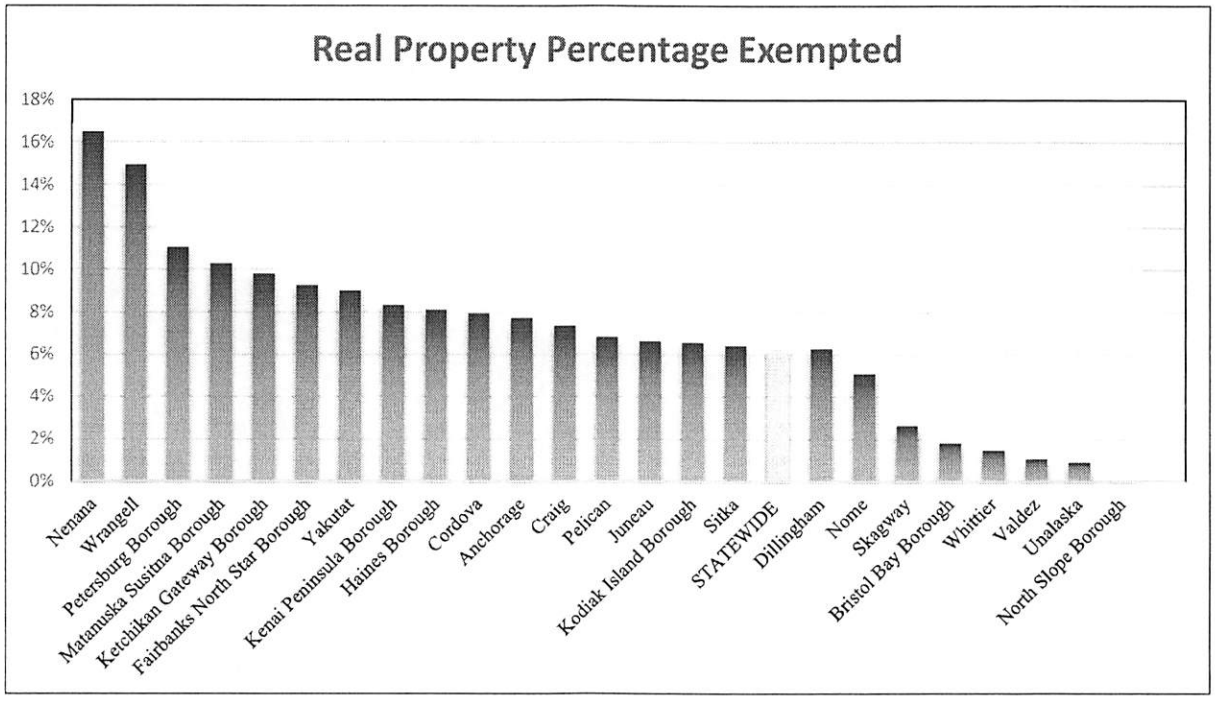


Table 10A
Farm Use Land Assessment Program Summary
AS 29.45.060

The farm use land assessment deferment program requires the assessor to assess "land in a farm unit" different from its highest and best (most profitable) use. Land contained in a farm unit is assessed based on farm use value and shall not be assessed as though subdivided or used for non-farm use purposes. If the land is converted to a use incompatible to farming, the owner must pay the deferred tax (along with 8% interest) for the preceding seven (7) years. The state did reimburse revenues lost to municipalities due to the implementation of this program; however, the program has not been funded by the legislature since 1986.

Nine Year Summary of Program Performance

Tax Year	Number of Applicants	Number of Acres	Full & True Value	Total Farm Value	Total Deferred Value	Average Farm Value Per Acre	Total Deferred Taxes
2011	380	21,576	$97,855,043	$26,325,347	$71,529,696	$1,220	$955,582
2012	469	20,678	$108,383,000	$26,101,313	$82,281,687	$1,262	$1,084,467
2013	440	20,606	$106,202,021	$25,267,776	$80,934,245	$1,226	$1,084,126
2014	434	21,044	$97,892,284	$17,127,079	$80,765,205	$814	$1,066,542
2015	383	17,442	$121,374,757	$40,406,361	$80,968,396	$2,317	$1,078,754
2016	395	16,871	$93,578,874	$15,820,909	$77,757,965	$938	$1,054,716
2017	392	16,217	$94,282,646	$17,493,478	$76,789,168	$1,079	$1,070,475
2018	380	14,539	$95,759,082	$18,652,320	$77,106,762	$1,283	$1,096,814
2019	390	14,659	$96,491,048	$16,581,512	$79,909,536	$1,131	$1,099,453
2020	426	11,658	$86,949,803	$14,307,990	$72,641,813	$1,227	$987,284

Table 10B
Farm Use land Assessment Program
AS 29.45.060

2020 Farm Use Assessment Program Municipal Summary Breakdown

The farm use land assessment deferment program requires the assessor to assess "land in a farm unit" different from its highest and best use. Land contained in a farm unit is assessed based on farm use value and shall not be assessed as though subdivided or used for non-farm use purposes. If the land is converted to a use incompatible to farming, the owner must pay the deferred tax for the preceding seven (7) years. The state did reimburse revenues lost to municipalities due to the implementation of this program, however, the program has not been funded by the legislature since 1986.

Municipality	Number of Applicants	Number of Acres	Full & True Value	Farm Value	Value Deferred	Deferred Tax	Average Farm Value Per Acre
Municipality of Anchorage	2	6.9	$5,363,200	$1,220,647	$4,142,553	$20,873	$175,886
Fairbanks North Star Borough	56	1,758.0	$5,852,903	$755,523	$5,097,380	$94,502	$430
City and Borough of Juneau	1	20.3	$1,128,100	$412,500	$715,600	$7,628	$20,340
Kenai Peninsula Borough	83	1,199.9	$5,805,000	$419,600	$5,385,400	$53,360	$350
Matanuska Susitna Borough	284	8,673.2	$68,800,600	$11,499,720	$57,300,880	$810,921	$1,326
Total (5)	426	11,658	86,949,803	14,307,990	72,641,813	987,284	$1,227

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Office of the State Assessor



Alaska Association of Assessing Officers - January 2021

APPEAL

I hereby submit this Appeal.

The crux of this Appeal is that the Juneau Assessor office failed to follow its own Sales Validation Policy, Addendum C which defines Market Sale. The last sentence of the policy states:

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

The policy does not say use Capitalization Rates or manufacture income and expense figures in the Assessor's models.

Sales and Appraisal ratio's determine "Full and True Value." "Full and True Value is considered to be 100% of Market Value." Market Value is the Sales Price.

The Sales Ratio for this property sale is excessive what it should be, therefore the Assessed Value must be reduced.

Assessed Value	***$ 6,592,909***
Appraisal Sale Price	***$ 4,750,000***

This increase in Assessed Value is oppressive. The ratio must reasonably be a 1:1, but this is a Ratio of 1.4:1.

The "Full and True Value" of our property is the Appraised Sale Price. The Market Value is $4,750,000. In accordance with Alaska Statute 29.45.060 the Assessed Value of this property on January 1 was $4,750,000.

By Clear and Convincing Evidentiary Proof Under Alaska Law the Assessor's Actions Constitute a Taking Without Just Compensation and are a Denial of Due Process Under the Law

The Juneau Assessor must use Sales Price and Prevailing General Price Levels to determine Assessed Value of Commercial Property

Sales Validation and Verification to the Assessment Procedures must be used

The Assessor does not use Sales Validation

There exists Assessor bias if, for example, the Assessor uses capitalization rates and manufactured income and expenses. Using such a process does not normalize the process, rather it causes massive confusion, unfairness and outrage. Commercial property owners are outraged by a lack of transparency and following well established norms.

The Sales Data the Assessor inputs into his "Algorithm Models" are tainted

The Assessor's "Algorithm Models" must be rejected because they are LAX

Assessed Values must return to 2020 assessed values

The Assessor Value to Appraised Sale Price Value Ratio proves commercial property values are overvalued excessively.

Commercial Property Values have been over-assessed for 10 years

The Assembly Building 1st Sale and Key Bank Building Sale are <u>not</u> "Outlier Sales."

The Assembly Building 1st Sale and Key Bank Building Sale are "Market Sales."

The Assembly Building 1st Sale and Key Bank Building Sale represent the BEST and fit the exact parameters of a Market Sale.

It is only by manipulating data that the Assessor construes these sales as "outlier sales."

Nothing could be further from the truth that these two sales are "outlier sales."

The Juneau Assessor robs commercial property owners of their livelihood by over-assessment, lack of ability to forecast and the promise of further assessed property value increases.

These wrongful actions by the Juneau Assessor depresses business activity in Juneau.

In 2020, Juneau property sales were matched to assessed value.

Over the last ten (10) years the CPI-U in Alaska was 1.5-2%. The CPI-U is the Prevailing General Price Levels the Assessor is required to use in his "Algorithm Model"

Juneau Prevailing General Price Levels annually were not 5% over ten years

Over the last ten (10) years Juneau business sales did not increase by 5% annually or 50% over 10 years, but were varied and went down in some years.

The Standard on Mass Appraisal of Real Property, Approved 2017 states algorithms can be "Biased."

The "Algorithm Models" used by the Juneau Assessor are "Biased."

To employ "Biased" "Algorithm Models" during a Pandemic is unscrupulous under any standard.

The Juneau Assembly must not use increased commercial property revenue, about $3 million dollars, to make "Improvements," such as the Augustus Brown Swimming Pool, because such outlays are against the "Public Purpose."

There is no doubt the Juneau Assessor's conduct is against the law and constitutes a taking.

REJECT "BIASED" ALGORITHM MODELS!

In March this year, Appraiser Julie Dinneen Company provided a Summary Grid Using the Sales Comparison Approach which must be adopted, as follows:

SALES COMPARISON APPROACH - SUMMARY GRID

	SUBJECT PROPERTY THOMSON BUILDING 205-221 STEWARD STREET	BUILDING SALE NO. 1 360 MACKENZIE BAND KAMLOOPS	BUILDING SALE NO. 2 225 MOORE STREET KAMLOOPS	BUILDING SALE NO. 3 WORLD PARK DRIVE 10005 GLACIER HIGHWAY	BUILDING SALE NO. 4 GOLD CREEK PROP. BLDG 800 GLACIER AVENUE
SALE PRICE		$ 2,290,000	$ 1,941,000	$ 2,100,000	$ 1,900,000
ADJUST FOR COMMISSION		N/A	1,076,000	N/A	N/A
AGE OF CONSTRUCTION	1946	New 21	Reno 21	1983	1976
SALE DATE					Dec-18
ABOVE GRADE BUILDING AREA	48,000	11,376	16,332	19,849	10,058
BASEMENT	4,564	1,4 quarters basement	3,363 SF	none	7,947 SF below grade parking
SALE PRICE PER SQ. FT. - ABOVE GRADE		$ 115	$ 115	$ 107	$ 189
BUILDING TYPE	2 sty masonry, walk up retail/retail/offices	reinforced concrete walk up, Corner location	WP construction, metro windows elevator, no parking	WP construction, 2 office levels and 8th floor mechanical/retail	2 story, WP construction w/ an elevator
USE & LAYOUT		month $3000k to work to building	2 fire office/service space	exterior upgraded. Retail ng one entrance	
OVERALL CONDITION	good	average plus	good	good	average to average plus
ZONING	MU	MU	MU	SC	MU-2
SITE AREA	4,913	2,345	11,302	14,511	18,346
LAND TO BUILDING RATIO	0.09	1.03	0.66	1.79	1.29

PER SQUARE FOOT INDICATOR	$	105
APPLIED TO ABOVE GRADE AREA		48,000
INDICATED VALUE	$	5,040,000
ROUNDED	$	5,090,000

JULIE DINNEEN COMPANY

Assessor Value

The Assessed Value=$ 6,592,909
Above Grade Building Area=48,471
Per Square Foot Indicator=$136

Sales Comparison Approach to Value

Sale Price=$5,090,000
Above Grade Building Area=48,471
Per Square Foot Indicator=$105

Appraised Value by Julie Dinneen As Above

Appraised Sale Price=$ 4,750,000
Above Grade Building Area=48,471
Appraised Sales Comparison Approach Per Square Foot Indicator=$ 98

Assessor Sales Ratio/Appraised Sales Value:

$ 6,592,909 >>>Excessive
$ 4,750,000

The Sales Ratio as excessive shows the Assessed Value is excessive. This proves the Assessor Value is out of line and needs to be lowered.

In conclusion, the Juneau Assessor's unilateral "Tainted Algorithm Models" are contrary to well-established methods of assessment. By statute the Juneau Assessor has failed to use Appraised Sale Price and Prevailing General Price Levels to determine value. The Juneau Assessor has designed "ALGORITHM MODELS" that are unfair, inaccurate and oppressive. By clear and convincing proof herein the Assessor has acted against well-established assessor principles to over-assess commercial property. The Juneau Assessor's Office must be rebuked and this property must be assessed following Alaska law at the Appraised Sale Price of $4,750,000 less depreciation.

Prior unfair assessments in 2021 must be refunded to commercial property owners.

EVIDENCE AND SPECIFIC REASONS SUPPORTING APPEAL OF PROPERTY TAXES BECAUSE MY PROPERTY VALUE IS EXCESSIVE/OVERVALUED, IS UNEQUAL TO SIMILAR PROPERTIES AND AND VALUED IMPROPERLY/INCORRECTLY, AS FOLLOWS:

Lawful Model: The Appraised Value of this property is a PRISTINE MARKET SALE in accordance with the intent of the Alaska Legislature and statutes because it is:

1. **Appraised Value**
2. **At Prevailing General Price Levels**

Tainted Algorithm Model: The properties the assessor uses in his model as "MARKET SALES-NOT" *FAIL* the intent of the Alaska Legislature and Statutes, because they are:

1. **Assessed Value**
2. **Not At Prevailing General Price Levels**

Alaska Statute 29.45.060 states, "Full and True Value (a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230.The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a

willing seller and a willing buyer both conversant with the property and prevailing general price levels."

Lawful Model: The assessor is required by law to follow this model.

Tainted Algorithm Model: "MARKET SALES-NOT" MODEL AND IMPROPER MODEL. This improper model is against the intent and laws of the Alaska Legislature. "Manipulating Model," using different non-market sales as subsets no matter how inputted corrupts Sales because it doesn't use Sales it uses Artificial High Assessed Property Values that are inputted as Fifty Percent (50%) above Market Value. They do not reflect "Prevailing General Price Levels." The two excluded sales comparables, The Key Bank Building and The Assembly Building 1st Sale, set the base and not the misidentified Assessed Property Values inputted into Models. The two comparable sales look out of place, but it is the other way around and the Assessor must be instructed to use 2020 property values as his base.

Yes, the assessor excludes the Assembly Building 1st Sale and Key Bank Building Sale from the Tainted Algorithm Model without justification.

The "Assessment Report-Commercial Overview-Interim, City and Borough of Juneau, For Assessment Year 2022, Assessment Date (Effective Valuation Date): January 1, 2022, 2022 Report Date: March 23, 2022, p.16, Addendum A-Commercial Sales List 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 and it excludes the Assembly Building 1st sale and reports the Key Bank Building as "Confidential" and excludes it.

The Alaska Taxable 2021 Report, from the State of Alaska, sets forth the standard for the Juneau Assessor to follow in collecting sales data, as follows,

"Collect sales data from all sources such as recorders' offices, realtors, developers and bankers."

Even though buyers of property have a duty to disclose sales prices, the Assessor is required to look beyond their reporting as above.

The assessor reported to me most sales have gone unreported by Buyers. Therefore, the Assessor knows or should have known he has a duty to undertake a reasonable investigation of sales and a duty to disclose those sales to the public and include them in his Tainted Algorithm Model.

I have obtained three (3) sales easily. They are as follows:

A. Assembly Building 1st from an appraiser;
B. Assembly Building 2nd from the assessor;
C. Key Bank Building from us.

On March 24, 2022, I asked Michael Dahle, Juneau Assessor,

"Would you be so kind to send me the Comparable Sale(s) of the Assembly Building with square feet and any adjustments."

He sent one (1) sale. The Assembly Building 2nd Sale. This sale was a gift. It says,

Last Sale Date: 08/20/2021
Last Sale Price: Gifted to legislature
Prior Sale Date: 08/20/2021
Prior Sale Price: Unverified at the time of the AY2022 analysis but since then we have received indication of a sale price of $1,250,000.

Michael Dahle knew or should have known of the Assembly Building 1st Sale and failed to disclose it. He also should have told me the Assessor designated this Sale an "Outlier Sale." It is not an "Outlier Sale."

***On the same day I sought the Sale Price of the* Assembly Building 1st Sale*, I received the information* as follows:**

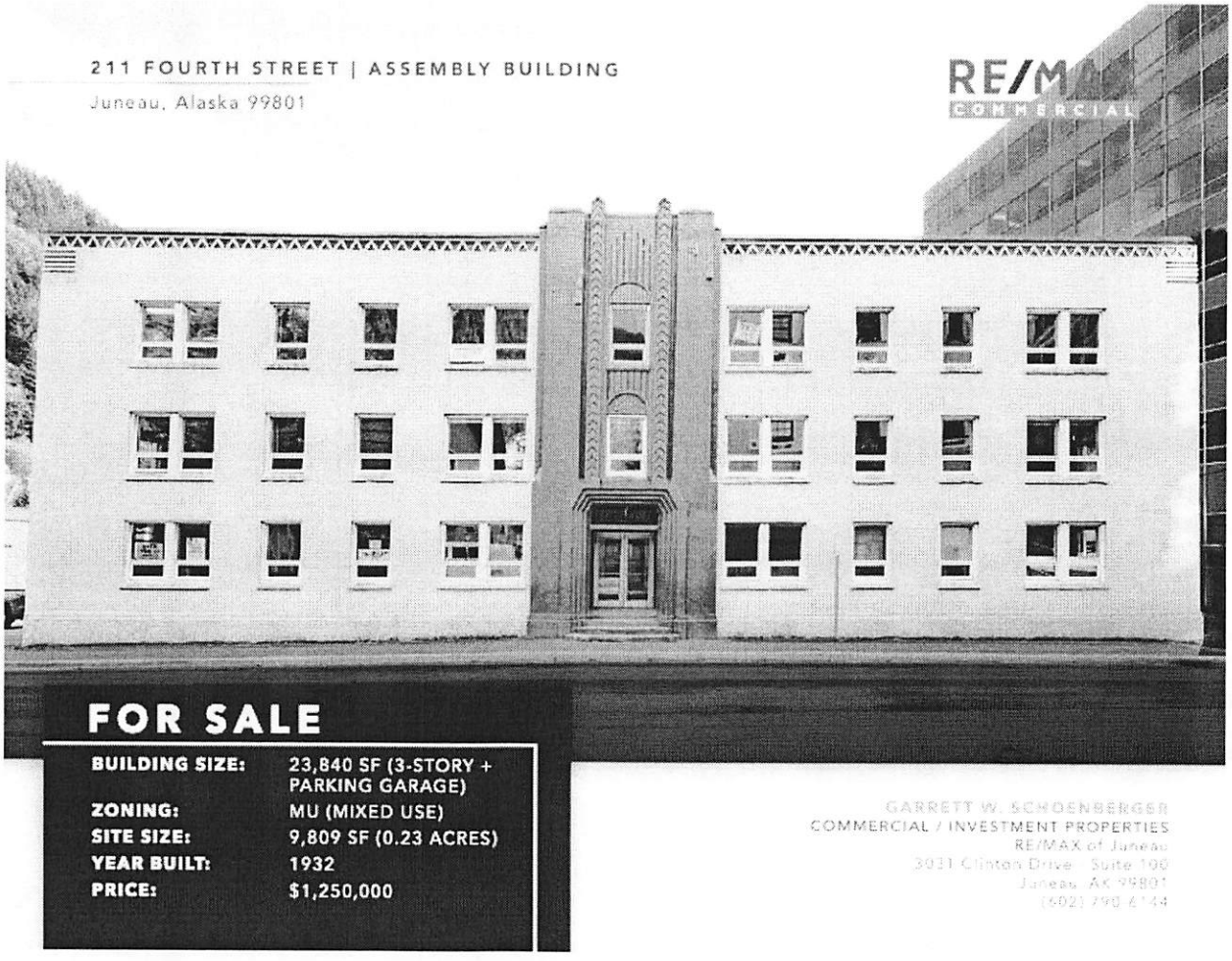
Listed for Sale: May 29, 2015
Listing Sale Price: $2,650,000
Listing Price/SF: $ 111.16
Days For Sale on Market: 1,240
Last List Price: $850,000
Size: 23,840 Square Feet
Price/SF: $35.65
Sale Price: $ 750,000
Sale Date: 4/1/2019
Price/SF: $31.46

***On the same day I sought the Sale Price of the* Assembly Building 2nd Sale*, I received the information* as follows:**

Listed for Sale: February 13, 2021

Sale Date: August 20, 2021
Sale Price: $ 1,250,000
Price/SF: $ $52.43

Broker Details: This was an arms-length transaction. Multiple offers were received on the property. Backup offer was at $ 1,150,000. Good marketing helped sell the property.



Comments: This is the sale of a multi-tenant office in Juneau. The building required a sprinkler system that would

cost an additional $100,000. Thus, this was added to the sale price of $750,000 for an analysis price of $850,000.* At the time of sale, the building had significant vacancy with no reliable income or expenses. The buyers plan on spending $900,000 to remodel the building into an apartment. However, in order to remodel the building into apartments, the buyer will have to acquire a conditional use permit to change the use to office.

THE ASSEMBLY BUILDING 1ST SALE AND THE KEY BANK BUILDING SALE ARE GOOD MARKET COMPARABLES AND SHOULD NEVER HAVE BEEN EXCLUDED FROM THE ASSESSOR'S ALGORITHM!

SALE PRICE AVERAGE OF THE TWO BUILDINGS=$41.95

There are serious breaches going on at the Assessor's Office, as follows:

1. **The Assessor knew or should have known he has a duty to collect sales per the above Alaska Taxable 2021 Report and breached his duty**
2. **The Assessor failed to collect data; or**
3. **The Assessor collected both of the Assembly Building sales comparables and acting in bad faith chose not to disclose the first Assembly Building sale to me.**
4. **I believe it is common knowledge the Assembly Building sold for $750,000, therefore to knowingly exclude it constitutes a breach of fiduciary duty, is an abuse of authority and was done in bad faith with the intention to keep commercial property values artificially high**
5. **The Juneau Assessor complains of a lack of sales data. Yet two (2) market sales above are in plain sight as Sales at "*prevailing general price levels*" AND**

6. **To not Report the Assembly Building 1st Sale and Key Bank Building Sale constitutes market manipulation by the Assessor's office.**
7. **The Juneau Assessor complained to me the Key Bank Building sale skewed his results and were outside his statistical modeling and were thereby identified as "Outlier Sales." Such a statement shows an utter disregard for the State of Alaska definition of "Outlier Sale." According to the State of Alaska there are two kinds of "Outlier Sales": Namely, Explained and Unexplained.**

   (a)"Explained Outlier Sale-A sale that occurs of an improved piece of property but the assessed value may represent only the vacant land due to construction occurring after the assessment was made, causing the ratio to be low."

   (b) "Unexplained Outlier Sale-One that may have included property other than the real property being analyzed."
8. **What the Juneau Assessor calls an "Outlier Sale" re The Key Bank Building and Assembly Building 1st Sale are beyond clear and convincing evidence a "Market Sale."**
9. **The Assessor has arbitrarily excluded two (2) market sales and both are the norm in any computer modeling.**
10. **If the Tainted Algorithm Model does not result in an Assessed Value close to the Sale Price and Prevailing General Price Levels, then ON ITS FACE the model must be adjusted with delicate professional skill to embrace the Sale Price and Prevailing General Price Levels or discarded.**

Let's compare the definition of "Outlier " in the Alaska Taxable 2021 Report from the State of Alaska, p. 26 and the "Outlier

Explanation" in the "Assessment Report-Commercial Overview-Interim, City and Borough of Juneau, For Assessment Year 2022, Assessment Date (Effective Valuation Date): January 1, 2022, 2022 Report Date: March 23, 2022, p. 9.

This comparison is like comparing apples to oranges because the Juneau definition does not follow Alaska State law.

State of Alaska Definition:

3. Compile Usable Data (Continued)

c. Array ratios so outliers can be pin-pointed. Typically, outliers fall into two categories, explained and unexplained. An example of an explained outlier is a sale that occurs of an improved piece of property but the assessed value may represent only the vacant land due to construction occurring after the assessment was made, causing the ratio to be low. An example of an unexplained ratio is one that may have included property other than the real property being analyzed.

Juneau Report Definition:

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.

Under the "Assessment Report-Commercial Overview-Interim, City and Borough of Juneau, For Assessment Year 2022, Assessment Date (Effective Valuation Date): January 1, 2022, 2022 Report Date: March

23, 2022, p. 9., Addendum C-Sales Validation Policy the following is true:

Market Sale: The Assembly Building 1st Sale 4/1/2019
Non-Market (Gift) Sale: The Assembly Building 2nd Sale Dated 8/202021 (Gift to Legislature)
Market Sale: The Key Bank Building Sale Dated November 15, 2021

The Juneau Assessor Sales Validation Policy, Addendum C is CRUX OF THIS APPEAL and set forth as:

Addendum C – Sales Validation Policy

JUNEAU

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 curr process in Govern is to not create a sales record for the non-sale transactions. If after a sales record is created it is disco 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 th
  - 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 ar there is a mechanism to automatically pull the totals from the CAMA system or there is reasonable opportunity 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 data. It is well established that the above listed sales conditions often lead to sales that are not representative of the overall mar 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 n ongoing mortgage payments, the heirs were local so it was easy to watch after the property, they took their time sorting through 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 c 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.

In Conclusion, the Key Bank Building and Assembly Building 1st are <u>not</u> "Outlier Sales."

The "Juneau Outlier Explanation" completely disregards the State policy. The State policy is clearly stated. *<u>The Juneau policy</u>*

contravenes State policy and is designed to subvert the State policy and create an obtuse mathematical formula to undermine market sales.

The "Juneau Outlier Explanation" must be rejected on its face because it allows the Juneau Assessor undue power to define a market sale. The Assessor abuses this discretion!

The Addendum C clearly states, in its LAST SENTENCE, what happens when the Assessor does not follow the Sales Validation and Verification to the Assessment Procedures,

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

The Juneau Assessor by clear and convincing proof has violated their own stated rules regarding assessing commercial property, as set forth below:

1. **At best, "LAX" adherence to Sales Validation; at worst, intentional manipulation of the Sales Validation Procedure. A detail analysis of the Assembly Building 1st Sale and Key Bank Building sale establish beyond any doubt that they are "Market Sales." Please see the data regarding these sales herein.**
2. **The appraiser is "BIASED" against market sale comparable properties at variance with their contrived models**
3. **The subsets of groups the assessor assembles to establish their so-called "Assessed value" are contrary to "Market sales" and must be rejected**

4. The Juneau Assessor has manipulated all of the commercial property assessed values higher so naturally true "market sales" would be at variance of "Manipulated Sales."
5. A better name for Assessed Value is "Manipulated Sales."
6. The Assessor's "MARKET SALES-NOT" have no place in the assessment or Tainted Algorithm Model. The Assessor's Tainted Algorithm Model is full of only over-assessed commercial property. Commercial property sales must returned to 2020 levels because there is no basis for Fifty Percent (50%) increases as CPI-U during this 10-year period has been about 1 ½ % to 2%.
7. Juneau Property is assessed at approximately at 96% of sale prices. Therefore, there is no imbalance.

THE JUNEAU ASSESSOR DID NOT ADHERE TO HIS OWN SALES VALIDATION POLICY.

RATHER, THE ASSESSOR INTENTIONALLY VIOLATES THE SALES VALIDATION POLICY TO CREATE A WORLD OF HIGH-ASSESSED COMMERCIAL PROPERTY VALUES.

The Assessor is not acting in the public interest by maintaining the current Assessor regulatory scheme even if they use different model sets.

ACROSS THE BOARD ASSESSED VALUES ARE WRONG.

THE JUNEAU ASSESSOR USES PROPERTY (LAND) VALUES THAT HAVE INCREASED EVERY YEAR BY FIVE PERCENT (5%) FOR TEN YEARS. THEREFORE, ARGUES A FIFTY PERCENT (50%) INCREASE IN ASSESSED VALUE IS TIMELY. THIS MANUFACTURED ASSESSOR POLICY IS UNSUBSTANTIATED AND NOT TRUE.

PLEASE SEE THE HISTORY OF CPI FOR ALASKA WHICH IS APPROXIMATELY 1 ½-2% ANNUALLY DURING SAID TEN-YEAR PERIOD. CPI REPRESENTS THE "PREVAILING GENERAL PRICE LEVELS" IN ACCORDANCE WITH *Alaska Statute 29.45.060*, as follows:

CONSUMER PRICE INDEX (CPI)

Consumer Price Index for Urban Alaska (formerly Municipality of Anchorage) and the U.S.
Not Seasonally Adjusted – All Items – Urban Consumers
1960-Present

Note: the percent change is from the same period of the previous year

Calculate inflation and deflation with our CPI Calculators

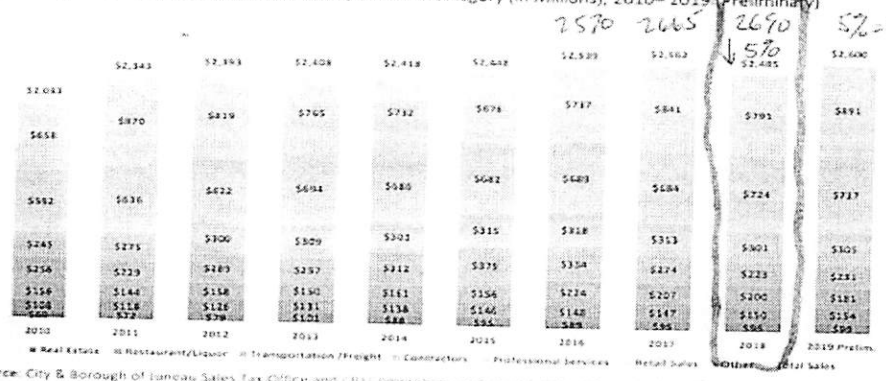
Downloadable CSV text file

	Urban Alaska		U.S	
Year	Annual	Percent Change	Annual	Percent Change
2021	237.188	4.9	270.970	4.7
2020	226.153	1.1	258.811	1.2
2019	223.630	1.8	255.657	1.8
2018	225.645	3.0	251.107	2.4
2017	218.873	5	245.120	2.1
2016	217.830	4	240.007	1.3
2015	216.909	5	237.017	1
2014	215.805	1.8	232.736	1.6
2013	212.381	3.1	232.957	1.5
2012	205.916	2.2	229.594	2.1
2011	201.427	3.2	224.939	3.2
2010	195.144	1.8	218.056	1.6
2009	191.744	1.2	214.537	.4
2008	189.497	4.6	215.303	3.8
2007	181.237	2.7	207.342	2.8
2006	177.300	3.2	201.600	3.2
2005	171.800	3.1	195.300	3.4
2004	166.700	2.6	188.900	2.7
2003	162.500	2.2	184.000	2.3
2002	158.200	1.9	179.900	1.6

Further, see Business Sales reported by the Assessor Office which clearly over a ten-year period were not five percent (5%) per year. For example, Year 2018 business sales were <u>down</u> five percent (5%), as follows:

...next chart is from the JEDC Economic Indicators Report 2020 and shows the growth in sales over the past 10 ...ears.

Figure 52: Business Sales in Juneau by Business Category (in Millions), 2010– 2019 (Preliminary)



Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, July 1, 2018 - June 30, 2019, Statistical Section. Note: "Other" category includes mineral sales, wholesale equipment, food suppliers, and fuel companies.

Next we have a summary report of the analysis. The first Summary shows the data for commercial properties prior to this years adjustments and the second summary report shows the data after the corrections that were applied this year.

In 2020, the Alaska Taxable 2020 Report, Volume LX, published January 2021, Table 4A, p. 29, Local Assessments vs Full Values Real Property shows the ratio of Juneau Real Property Locally Assessed as compared to the Real Property Full Value was 96.5%. Therefore, there is no basis for an increase in assessed commercial property.

Please see Table 4A, as follows:

Table 4A
Local Assessments vs Full Values Real Property

The following three Tables, 4A, 4B & 4C, list the municipal assessed value compared to the full value. Table 4A compares real property, Table 4B compares personal property, and Table 4C compares the total of real and personal property. Cities in Boroughs not included.

Municipality	Real Property Locally Assessed (1)	Real Property Full Value (2)	Ratio (3)
Municipality of Anchorage	$31,904,271,312	$35,841,189,330	89.0%
Bristol Bay Borough	$199,874,750	$241,026,601	82.9%
Fairbanks North Star Borough	$7,890,654,591	$9,107,343,756	86.6%
Haines Borough	$376,224,100	$390,982,126	96.2%
[illegible]	$4,742,808,985	$4,914,556,399	96.5%
Kenai Peninsula Borough	$6,666,423,400	$8,274,746,028	80.6%
Ketchikan Gateway Borough	$1,515,368,100	$1,599,522,739	94.7%
Kodiak Island Borough	$1,298,329,669	$1,403,582,185	92.5%
Matanuska Susitna Borough	$9,990,968,845	$11,125,494,852	89.8%
North Slope Borough	$848,257,562	$985,051,300	86.1%
Petersburg Borough	$331,665,200	$409,866,351	80.9%
City and Borough of Sitka	$1,126,204,000	$1,351,470,081	83.3%
Municipality of Skagway	$359,410,580	$437,398,321	82.2%
City and Borough of Wrangell	$158,912,300	$200,855,572	79.1%
City and Borough of Yakutat	$52,209,900	$57,593,414	90.7%
Cordova	$229,526,625	$259,528,070	88.4%
Craig	$112,074,600	$116,241,837	96.4%
Dillingham	$164,980,887	$200,952,951	82.1%
Nenana	$16,815,131	$17,501,177	96.1%
Nome	$312,895,701	$355,442,122	88.0%
Pelican	$11,573,047	$12,686,962	91.2%
Unalaska	$446,657,475	$502,741,466	88.8%
Valdez	$289,422,150	$399,881,787	72.4%
Whittier	$47,155,800	$48,015,273	98.2%
Total (24)	$69,092,684,710	$78,253,670,701	88.3%

Note: Real property is not assessed in areas outside taxing jurisdictions. The totals in this table exclude values for unorganized areas of the state, and exclude values for municipalities which do not levy a property tax.

(1) Actual assessed value of property taxed at the city/borough level.

(2) The full value of real and personal property that can be taxed under state law as equalized by the Office of the State Assessor according to standards defined in Attorney General Opinion No. 18, 1962. This includes the value of all municipal assessed values plus the value of any optional exemptions.

(3) The relationship between the actual municipal assessed values and the Department's full value determination, expressed as a percentage. This ratio is calculated using both the municipal assessment ratio plus the addition of optionally exempted property.

Also, in Alaska Taxable 2021 Report, Volume LXI, published January, 2022, Table 6, Full Value Determination Summary Ten Year History the Percentage Change of ten years averaged 2.56%.

Therefore, there is no basis for the Juneau Assessor's Claim that commercial values rose Five Percent (5%) per year for ten (10) years.

There simply is no evidence to support the Assessor's assumption when the State of Alaska chart shows a 2.56% increase each year. This chart does show that the Juneau Assessor's increase of commercial property assessed is clearly wrong.

Table 6, Full Value Determination Summary, Ten Year History, as follows:

Table 6
Full Value Determination Summary
Ten Year History

This table summarizes the state's full and true value figures for the past ten years. The table shows annual percentage changes for municipal full values and state assessed properties.

January 1, Year	Municipal Full Value	Percentage Change	Oil & Gas Assessed Value	Percentage Change	Total Full Value	Percentage Change
2011	$75,147,226,600	1.51%	$23,822,182,550	-0.89%	$98,969,409,150	0.92%
2012	$77,004,643,600	2.47%	$24,491,683,690	2.81%	$101,496,327,290	2.55%
2013	$78,810,024,000	2.34%	$28,649,650,040	16.98%	$107,459,674,040	5.88%
2014	$81,248,307,300	3.09%	$27,389,657,890	-4.40%	$108,637,965,190	1.10%
2015	$83,131,396,100	2.32%	$28,619,657,360	4.49%	$111,751,053,460	2.87%
2016	$87,520,474,200	5.28%	$27,710,225,430	-3.18%	$115,230,699,630	3.11%
2017	$88,715,549,400	1.37%	$28,358,292,110	2.34%	$117,073,841,510	1.60%
2018	$89,275,118,700	0.63%	$28,179,150,120	-0.63%	$117,454,268,820	0.32%
2019	$90,984,293,009	1.91%	$28,476,560,040	1.06%	$119,460,853,049	1.71%
2020	$95,587,456,856	5.06%	$28,991,424,380	1.81%	$124,578,881,236	4.28%
2021	$97,636,034,953	2.14%	$28,203,212,240	-2.72%	$125,839,247,193	1.01%

Municipal Full Value — The full and true value of all property taxable under state law (AS 29.45); this includes property exempted by local option.

State Assessed Full Value — The value of oil & gas exploration, production and transportation property as determined by the Dept. of Revenue (AS 43.56).

Total Full Value — The full and true value of all property taxable under Alaska Statutes 29.45 and 43.56, as determined by the Department under standards defined in Attorney General Opinion No. 18, 1962.

Table 2

The A/V ratios and CODs in this table are supplied by local assessment officials, and reviewed by the Office of the State Assessor.

Municipality	Locally Assessed Real Property	Locally Assessed Personal Property	State Assessed Oil & Gas Property	Total Assessed	Reported A/V Ratio % (1)	Reported COD (2)
Municipality of Anchorage	$31,904,271,312	$2,647,971,942	$152,044,560	$ 34,704,287,814	0.96	5.82
Bristol Bay Borough	$199,874,750	$197,799,838	$0	$ 397,674,588	0.84	13.65
Fairbanks North Star Borough	$7,890,654,591	$0	$720,267,520	$ 8,610,922,111	0.96	6.69
Fairbanks	N/A	N/A	$46,339,740	$ 46,339,740		
Haines Borough	$376,224,100	$0	$0	$ 376,224,100	0.98	8.22
City and Borough of Juneau	$4,742,808,985	$374,225,444	$0	$ 5,117,034,429	0.97	6.45
Kenai Peninsula Borough	$6,666,423,400	$307,927,426	$1,493,428,710	$ 8,467,779,536	0.94	12.33
Kenai	N/A	N/A	$53,200,820	$ 53,200,820		
Ketchikan Gateway Borough	$1,515,368,100	$60,724,600	$0	$ 1,576,092,700	0.95	9.24
Kodiak Island Borough	$1,298,329,669	$157,498,073	$0	$ 1,455,827,742	0.93	9.96
Matanuska Susitna Borough	$9,990,968,845	$56,075,491	$7,903,480	$ 10,054,947,816	0.94	9.82
Wasilla	N/A	N/A	$446,290	$ 446,290		
Palmer	N/A	N/A	$185,130	$ 185,130		
North Slope Borough	$848,257,562	$0	$21,562,678,020	$ 22,410,935,582	0.89	9.39
Petersburg Borough	$331,665,200	$0	$0	$ 331,665,200	0.81	21.12
City and Borough of Sitka	$1,126,204,000	$43,861,340	$0	$ 1,170,065,340	0.87	11.85
Municipality of Skagway	$359,410,580	$0	$0	$ 359,410,580	0.84	14.78
City and Borough of Wrangell	$158,912,300	$0	$0	$ 158,912,300	0.79	5.88
City and Borough of Yakutat	$52,209,900	$0	$0	$ 52,209,900	0.91	9.37
Total Borough Assessed Value	$67,461,583,294	$3,846,084,154	$23,936,322,290	$95,243,989,738		

Municipality	Locally Assessed Real Property	Locally Assessed Personal Property	State Assessed Oil & Gas Property	Total Assessed	Reported A/V Ratio % (1)	Reported COD (2)
Cordova	$229,526,625	$0	$8,989,820	$238,516,445	0.88	9.11
Craig	$112,074,600	$0	$0	$112,074,600	1.00	8.95
Dillingham	$164,980,887	$39,277,816	$0	$204,258,703	0.83	8.61
Nenana	$16,815,131	$2,933,642	$0	$19,748,773	0.96	8.74
Nome	$312,895,700	$42,114,556	$0	$355,010,256	0.88	8.92
Pelican	$11,573,047	$181,221	$0	$11,754,268	0.91	6.19
Unalaska	$446,657,475	$247,850,814	$0	$694,508,289	0.89	6.91
Valdez	$289,422,150	$0	$1,950,652,640	$2,240,074,790	0.83	10.48
Whittier	$47,155,809	$62,508,768	$1,478,040	$111,142,608	0.98	6.12
Total Cities Assessed Value	$1,631,101,415	$394,866,817	$1,961,120,500	$3,987,088,732		
Unorganized Borough Assessed Value	$0	$0	$3,093,981,590	$3,093,981,590		
Statewide Value of Assessed Property*	$69,092,684,709	$4,240,950,971	$28,991,424,380	$102,325,060,060		

The ASSESSMENT STATISTICS AND RATIO STUDIES, Alaska Taxable 2021 Report, Volume LX, published January 2022 is the "BIG TEST" of the fairness commercial property values. These studies "measure the level and uniformity of assessments...." "The ratios can be used in tests to see if unequal taxation exists and how, and if, assessments need to be adjusted."

"There are two types of ratio studies: Sales ratio studies and appraisal ratio studies. The sales ratio study is commonly used in Alaska."

These ratio's determine "Full and True Value." "Full and True Value is considered to be 100% of Market Value."

The ASSESSMENT STATISTICS AND RATIO STUDIES, Alaska Taxable 2020 Report, Volume LX, published January 2021 is as follows,

ASSESSMENT STATISTICS AND RATIO STUDIES

Local assessors have a legal, professional and ethical responsibility to uniformly value all property within their jurisdiction. They must also make sure all values on the assessment roll represent "full and true value" in accordance with AS 29.45.110.

Assessment ratio studies measure the level and uniformity of assessments and can be further used to analyze assessed values in and among jurisdictions. The ratios can be used in tests to see if unequal taxation exists and how, and if, assessments need to be adjusted. There are two types of ratio studies: sales ratio studies and appraisal ratio studies. The sales ratio study is commonly used in Alaska and is the method discussed here.

A sales ratio is simply the correlation of the assessed value of recently sold properties to their respective sales prices. This correlation is expressed as a ratio. In order for the ratios to be meaningful, all sales need to be verified and the time frame for accepting sales should be predetermined. To obtain the ratio, a simple mathematical equation is used where the numerator is the assessed value and the denominator is the sales price:

$$\frac{\text{ASSESSED VALUE}}{\text{SALES PRICE}} = \text{RATIO}$$

For example, if a residence assessed at $90,000 sells for $100,000, the correlation or ratio of assessed value to the sales price is 90%.

$$\frac{\$90,000}{\$100,000} = 90\%$$

If this ratio were typical of all assessed values in the jurisdiction, the assessor would need to adjust all the assessments upwards to reflect the "full and true value." Full and true value is considered to be 100% of market value.

Preparation of a Sales Ratio Study

1. Assemble Sales Data

   a. Collect sales data from all sources such as recorders' offices, realtors, developers and bankers.

   b. Verify sales data by contacting the seller, buyer, realtor or banker. Verification by two of the contacts is preferred.

2. Select Samples

   a. Check disbursement of sales to insure uniform coverage of total areas and try to avoid collecting too much information from any one single area to the exclusion of other areas.

   b. Restrict selections to individual classes of property, i.e., residential, commercial, industrial, vacant, and farm land.

3. Compile Usable Data

   a. Correlate usable sales information into a usable listing by class.

   b. Divide current assessed values by sales price to obtain individual ratios.

3. Compile Usable Data (Continued)

c. Array ratios so outliers can be pin-pointed. Typically, outliers fall into two categories, explained and unexplained. An example of an explained outlier is a sale that occurs of an improved piece of property but the assessed value may represent only the vacant land due to construction occurring after the assessment was made, causing the ratio to be low. An example of an unexplained ratio is one that may have included property other than the real property being analyzed.

4. Compute Statistical Data

Computation of the mean, median and weighted mean ratios describe the general levels of assessment. The weighted mean is computed by dividing the sum of all assessed values by the sum of all sales prices. This ratio is used by the Office of the State Assessor for calculating the full and true value due to the weighting of each sample by its total dollar amount, thus giving the same weighting to each dollar of the transaction regardless of the sale price.

Uses of Ratio Studies

Sales ratio studies are commonly used in state equalization and/or full value determinations. Typically, the weighted mean ratio is used to determine the full value, for the reason stated previously. The local assessor can use the studies to determine the level of assessments and internal equity or to show areas which may need further analysis.

Sales Ratio Example

Assessed Value	Sales Price	Ratio
$100,000	$106,000	94.34%
$106,000	$100,000	106.00%
$107,000	$109,000	98.17%
$125,000	$132,000	94.70%
$130,000	$127,000	102.36%
$122,500	$122,500	100.00%
$140,000	$141,000	99.29% (1)
$830,500	$837,500	99.16% (2)

(1) Median (Middle) Ratio = 99.29%
(2) Weighted Mean Ratio = 99.16%

Limitations of Use

Assessment ratio studies show the relation between market values and assessed values, and assessed values within and among areas. These studies may show inequities, if they exist, however, they do not correct inequities among individual properties. Once the determination is made that inequities exist, the assessor will take the necessary action to make the corrections, based upon the findings of the ratio study.

A sales ratio study is only as accurate as the information used. Care in selecting, screening, and verifying information is essential and should be of primary importance to the assessor. Without verified sales data, any interpretation of sales ratio studies will be of little use.

A study should not be overloaded with specific types of properties. Segregating by class (commercial, residential, industrial) and type (vacant, improved, water front) will allow for proper analysis of each class and type of property.

ASSESSMENT RATIO STUDIES

Appraisal Level

The overall level of appraisal, not necessarily assessments, should be within 10 percent of the legal level, that is, between 0.90 and 1.10. The reason for consideration of the appraisal level instead of the assessment level is that the granting of property tax exemptions is a political decision, not an appraisal decision, and does not affect the appraisal quality.

Appraisal Uniformity

The most commonly used measure of uniformity is the Coefficient of Dispersion (COD). The COD is based on the average absolute deviation from the median, expressed as a percentage. The COD is calculated by dividing the average absolute deviation by the median ratio and multiplying by 100 to convert the ratio to a percentage. The COD is a relative measure of dispersion which means that direct comparisons can be made between property groupings. With it, the assessor can measure the amount of dispersion around the typical level of assessment among different property groups.

- Single family residences: CODs should be 15.0 or less*
- Income producing properties: CODs should be 20.0 or less*
- Vacant land: CODs should be 25.0 or less*

* International Association of Assessing Officers (IAAO) *Standard on Ratio Studies* (2013) recommendations in which current market value is the legal basis of assessment

Table 2

The A/V ratios and CODs in this table are supplied by local assessment officials, and reviewed by the Office of the State Assessor.

Municipality	Locally Assessed Real Property	Locally Assessed Personal Property	State Assessed Oil & Gas Property	Total Assessed	Reported A/V Ratio % (1)	Reported COD (2)
Municipality of Anchorage	$31,904,271,312	$2,647,971,942	$152,044,560	$ 34,704,287,814	0.96	5.82
Bristol Bay Borough	$199,874,750	$197,799,838	$0	$ 397,674,588	0.84	13.65
Fairbanks North Star Borough	$7,890,654,591	$0	$720,267,520	$ 8,610,922,111	0.96	6.69
Fairbanks	N/A	N/A	$46,339,740	$ 46,339,740		
Haines Borough	$376,224,100	$0	$0	$ 376,224,100	0.98	8.22
City and Borough of Juneau	$4,742,808,985	$374,225,444	$0	$ 5,117,034,429	0.97	6.45
Kenai Peninsula Borough	$6,666,423,400	$307,927,426	$1,493,428,710	$ 8,467,779,536	0.94	12.33
Kenai	N/A	N/A	$53,200,820	$ 53,200,820		
Ketchikan Gateway Borough	$1,515,368,100	$60,724,600	$0	$ 1,576,092,700	0.95	9.24
Kodiak Island Borough	$1,298,329,669	$157,498,073	$0	$ 1,455,827,742	0.93	9.96
Matanuska Susitna Borough	$9,990,968,845	$56,075,491	$7,903,480	$ 10,054,947,816	0.94	9.82
Wasilla	N/A	N/A	$446,290	$ 446,290		
Palmer	N/A	N/A	$185,130	$ 185,130		
North Slope Borough	$848,257,562	$0	$21,562,678,020	$ 22,410,935,582	0.89	9.39
Petersburg Borough	$331,665,200	$0	$0	$ 331,665,200	0.81	21.12
City and Borough of Sitka	$1,126,204,000	$43,861,340	$0	$ 1,170,065,340	0.87	11.85
Municipality of Skagway	$359,410,580	$0	$0	$ 359,410,580	0.84	14.78
City and Borough of Wrangell	$158,912,300	$0	$0	$ 158,912,300	0.79	5.88
City and Borough of Yakutat	$52,209,900	$0	$0	$ 52,209,900	0.91	9.37
Total Borough Assessed Value	$67,461,583,294	$3,846,084,154	$23,936,322,290	$95,243,989,738		

Municipality	Locally Assessed Real Property	Locally Assessed Personal Property	State Assessed Oil & Gas Property	Total Assessed	Reported A/V Ratio % (1)	Reported COD (2)
Cordova	$229,526,625	$0	$8,989,820	$238,516,445	0.88	9.11
Craig	$112,074,600	$0	$0	$112,074,600	1.00	8.95
Dillingham	$164,980,887	$39,277,816	$0	$204,258,703	0.83	8.61
Nenana	$16,815,131	$2,933,642	$0	$19,748,773	0.96	8.74
Nome	$312,595,700	$42,114,556	$0	$355,010,256	0.88	8.92
Pelican	$11,573,047	$181,221	$0	$11,754,268	0.91	6.19
Unalaska	$446,657,475	$247,850,814	$0	$694,508,289	0.89	6.91
Valdez	$289,422,150	$0	$1,950,652,640	$2,240,074,790	0.83	10.48
Whittier	$47,155,800	$62,508,768	$1,478,040	$111,142,608	0.98	6.12
Total Cities Assessed Value	$1,631,101,415	$394,866,817	$1,961,120,500	$3,987,088,732		
Unorganized Borough Assessed Value	$0	$0	$3,093,981,590	$3,093,981,590		
Statewide Value of Assessed Property*	$69,092,684,709	$4,240,950,971	$28,991,424,380	$102,325,060,060		

Table 2 with clear and convincing evidence shows the Reported A/V Ratio for Juneau in 2020 was 97%! Therefore, there is not inequality and no basis for doubling commercial property assessed values.

If the A/V Ratio was 50%, there would be evidence to raise Assessed Values by double, however there is no evidence to support raising assessed values.

The A/V Ratios of the Key Bank Building is evidence to support lowering assessed commercial property assessments....not raising them! They are not "Outlier Sales." They are "Market Sales."

The end result of the wrong practices of the Juneau Assessor is a "Taking" from commercial property owners. The actions of the Juneau Assessor depresses business activity because commercial property is over-assessed and businesspersons making sounds decisions do not want to pay double taxation.

Businesspersons rely on certainty and there is no certainty that business costs can be forecasted and, in particular, because the Juneau Assessor reports further commercial property assessments are coming very soon forecasting business expenses is not possible. This practice is unlawful.

The Juneau Assessor wants to lower the tax rate and appear "good" in the public eye, and behind the scenes raise assessments to gouge commercial property owners.

It is an abuse of power to not roll back commercial property owners ASSESSMENTS (Land, Misc and Bldg Value) to 2020 LEVELS.

On its face, the Assessor reduced property taxes in 2020. This is prima facie evidence that defeats the Assessor position that Assessments were too high for the last ten (10) years.

It also shows the Assessor is depreciating commercial property which he has not done over the past ten (10) years.

Additionally, the Assessor's own business sales figures show business sales dropped five percent (5%) in 2018 and did not increase five percent (5%) across the board. Table 4A shows Juneau sales were occurring at 97% of Assessed Value. Table 6 shows a ten-year history of Municipal Full Value increasing at 2.56%.

The commercial property tax assessments in 2021 and 2022 are a penalty, unsupportable and wrong.

News releases, hearings, reports and newspapers from around the world and in Juneau, including the City and Borough of Juneau report the pandemic and some of the worst economic conditions in the history of Juneau e.g. no visitors, no big cruise ships, restaurants closed and going out of business, office workers working remotely, no business caused depression-era thinking and shut down of commercial life as Assessor knew it. Of course, some citizens of the United States chose to drive places but Juneau would not be one of them because there is no road into Juneau.

The Assessor must be enjoined from abusing its mission, statutes and laws and the well-known facts of the time.

We live in a world where "skinning" a small segment of the population (e.g. commercial property owners) for special improvement projects or "pork belly" is not permitted under the constitution.

This issue is ripe for a determination the federal courts.

Rather than continue down a path of illusions, with no supporting documentation, please do the right thing and roll back property taxes to 2020 levels and refund the $3 million dollars you have taken from commercial property owners.

The Alaska Taxable 2021 Report, p.7, states under The Legal Framework, Articles IX and X of the Alaska Constitution and Title 29 of the Alaska Statutes, that "No tax shall be levied ...except for a public purpose."

Look at the News Release from the Legislature. Improving the swimming pool is not a "Public purpose." It is unlawful under the constitution and immoral governmental action to take from commercial property owners for governmental improvements that do not benefit the health and welfare of all citizens.

Commercial property owners do believe the Assessor is not acting in good faith.

How did property values double during a pandemic?

The assessor gives lip service to this difficult time and goes about its business to sock it to commercial property with more tax increases on the way.

Even if the assumptions the Assessor were correct, and they are not, the Assessor cannot return five (5) to ten (ten) years in the past and recapture property taxes. He must use the January 1 date of the year being assessed to assess value.

The Assessor has stated his reason for raising property assessments, particularly land values, is because land values have not been raised for five (5) to ten (10) years.

The facts are otherwise. Property assessed values were high already and the prior Assessor was aware of this fact and kept them high. The evidence shows high property assessed values over the last ten (10) years.

Arguably, if the Assessor appraised property values over the last ten (10) years he would have lowered the values as he did in 2020.

Property assessed values were not low. Property assessed values were too high!

The Assessor cannot continue to hide behind the "Models."

The assessments in 2021 and 2022 must be reconsidered through a "RECONCILATION APPROACH TO

VALUE" with the good citizens, commercial property owners and residential property owners of Juneau.

FOR STARTERS, 2022 VALUES SHOULD BE RETURNED TO 2020 ASSESSED VALUES.

Moreover, using the Cost Approach to Value dictates that older, historic buildings be appropriately depreciated over time.

The history of the Assessment History Report states, the CAMA value went down from 2012 to 2013; was flat from 2013 to 2017; *increased from 2017 to 2018*; and lowered in 2022. The Land Value was flat from 2010 to 2019; lowered in 2020; and raised in 2021 and 2022.

The history of this property is contrary to the Assessor stated policy of redressing a low fixed assessed value over five (5) to ten (10) years justified and supported a DOUBLE INCREASE in the assessed value of our property.

There is no evidence to support an across the board increase of five percent (5%) over ten years or fifty percent (50%).

DOUBLE TAXATION BY ANY NAME IS ILLEGAL UNDER THE CONSTITUTION.

Assessment History Report:

Assessor Policy

Assessed Value is not a product of a wayward "Assessor's Property Tax Regulatory Scheme" run amok by an algorithm.

The Standard on Mass Appraisal of Real Property, Approved 2017 (See Exhibit K)(also See Exhibits L,M & N) is the accepted professional resource for understanding mass appraisal method's.

The best practice and "Preferred Approach" with the Mass Appraisal Method is the Sales Approach.

In Exhibit K, p. 8, Section 4.2 The Cost Approach, it states, The cost approach is more reliable for newer structures. This is a historic building. Exhibit I confirms the workings of the Cost Approach has not worked for the Juneau Assessor, as Michael Dahle's email to me March 22, 2022 (See Exhibit I) sets out how different cost approach software was used and depreciation was not properly accounted over the years. His email recounts what a "mess" the Cost Approach has been for the Juneau Assessor.

Under Section 4.3 it states, The Sales Comparison Approach is the "Preferred Approach" in valuing commercial and industrial property.

On p. 9, Section 4.6.4, it states The Income Approach is approach is appropriate where an established income stream is available for study. Further, it states the Sales Comparison Approach is most akin to single-property appraisal applications and has the advantage of being easily explained.

We do not have any explanation of how the Juneau Assessor Model was used. "Most models are used only to make adjustments to the selected comparables."

This section cautions that algorithms can be "biased."

It is settled law to use the Sales Approach to Value with the Mass Appraisal Method. The Cost Approach is best used with newer properties, personal property and fixtures. The Income Approach may be used with a knowable income stream. Our property was sold to be re-purposed. The bank design and vaults are obsolete. It is considerable expense to demolish the bank vaults, obsolete portions of the building and dispose of them at the dump that charges by weight and spend large sums of money to bring the building to current commercial standards.

The Juneau Assessor's Office and the State of Alaska Assessor's office stated to me the purpose of making "A considerable adjustment to the value of commercial land" was that the prior Juneau Assessor did not raise property assessments for five (5) to ten (10) years. The prior Assessor used the Cost Approach. It is unconscionable to believe commercial land doubled in value from 2020 to 2021 because our property was assessed in 2020 and lowered; or over five (5) to ten (10) years in Juneau.

Moreover, the Assessor has made a "substantial error" in not depreciating Miscellaneous Value. We are entitled to be refunded by the Assessor for the Years not depreciated as shown above.

On its face, the Miscellaneous Value Error establishes that Assessor has not followed common and accepted Assessor practices.

THE NOTICE WE RECEIVED (See Exhibit B, City and Borough of Juneau Assessment Card) ON THE ASSESSMENT CARD DOES NOT MENTION THE MISCELLANEOUS VALUE ASSESSMENT!

WE ARE ONLY ABLE TO KNOW OF THE MISCELLANEOUS VALUE BECAUSE I REQUESTED AND RECEIVED A HISTORY OF ASSESSMENTS ON OUR PROPERTY (See Exhibit I).

IT IS UNCONSCIONABLE TO BE LEFT IN THE DARK. THE ASSESSOR CONDUCT IS THE SAME RESPECTING THE METHODOLOGY THEY EMPLOY BEHIND CLOSED DOORS.

The Assessor stated the blanket reassessment was to equalize the assessment of commercial and residential property. They stated commercial property owners did not pay their fair share of property taxes and this unfairly burdened residential property owners who paid more. By clear and convincing proof this paragraph substantiates we have overpaid our property taxes and are entitled to a refund. Is this Miscellaneous Value inclusion a common practice of the Assessor to take without just compensation?

I see no evidence to support this proposition.

Our property by clear and convincing evidence does not fall into the stated policy objective of the Assessor.

The policy of the Assessor is wrong, overbroad, unreliable and not a best practice of appraisers in the United States.

The facts prove the Assessor's policy of "Substantial growth in property valuations" is a fiction. During Covid our commercial land did not increase by double or over a five (5) to ten (10) year period. The Assessor's behavior is troubling at best.

Noteworthy, is that the Assessor fails to differentiate office/retail space from basement space.

Therefore, I question not only the methodology of the Assessor but the raw data the Assessor is utilizing to input for their Govern

Method. The Cost Approach, Income Approach, Sale Approach and Govern Method of the City must value the basement at a lower rate than the first floor and second floor. And the first floor must be treated differently from the second floor. Surely, this adjustment should have been made during an inspection.

Please see the News Release (See Exhibit F) from the City and Borough of Juneau dated June 15, 2021 entitled, BUDGET. In part, it says "...Despite being faced with a deficit, the Assembly maintained all essential city services while lowering the property tax rate to 10.56 mills. Even with the lower property tax rate, CBJ will collect approximately $3.0 million more in property tax revenue in FY22 as a result of a substantial growth in property valuations, including a considerable adjustment to the value of commercial land. The Assembly still needed to draw from savings to cover a remaining budgetary shortfall.

[The imposition by the Assessor of artificial "Substantial Growth" "In property valuations" runs counter to the market suffering from Covid shutdowns and a dead leasing market reported by real estate broker Carlton Smith]

[The unilateral actions of the Assessor's Office are oppressive].

The Assembly also restored $6.9 million of temporary reductions to the Capital Improvement Plan that were made in FY21 to balance the budget, including the $3.3 million Augustus Brown Pool deferred maintenance project."

The headline of the News Release is, "Juneau Assembly passes Budget reducing the property tax rate." Is that the story?

An alternative accurate headline suggested to me is, "City Devises Fake Regulatory Property Tax Scheme to Impose New Tax Burden of $3 million dollars on Small Group of Commercial Property Owners and Calls It a Gift to Fund the Augustus Brown Pool Improvements of $3.3 million dollars."

Therefore, by clear and convincing evidence the Assessor burdened a limited group: Commercial Property Owners

Said Commercial Property Owners were selected to pay for improvements to the Augustus Brown Pool. The imposition of this tax is unrelated to the "police powers" of the City and fails to include all citizens and therefore constitutes a taking without just compensation.

Why were Commercial Property Owners selected to unburden the City Budget Shortfall?

Arguably, the Assembly wanted to appear as effective good planners during a stressful budget time.

Secondly, unless I am missing something, it is bad public policy to lower the tax rate when you are trying to collect more tax revenue except for politically expedient reasons.

In short, our purchase price is in line with fair market value at $102.08. The assessed value is an excessive by the Assessor.

The Assessor cannot *willy nilly* declare our property purchase an "Outlier Sale" without substantial supporting evidence using best accepted appraisal practices. We must restrain the Assessor from using improper appraisal methods to the detriment of commercial property owners and exposing the City and Borough of Juneau to liability.

Our property has been over assessed for more than ten (10) years.

On its face, our building has been over-assessed, and the prior Assessor exercised restraint to not overburden commercial property owners.

In accordance with the stated policy objectives of the Assessor's Office, by clear and convincing evidence there is no justification to set our property at a higher rate than the sale price.

WISHFUL STATEMENT THAT SHOULD APPEAR ON THE JUNEAU ASSESSOR'S WEBSITE REGARDING PROPERTY VALUE:

Model 1

SALES PRICE ALONG WITH OTHER FACTORS AND ADJUSTMENTS GO INTO MODELING. OUR ASSESSMENT MODEL IS AVAILABLE ON OUR WEBSITE.

Model 2 (Juneau Assessor Model)

Yet, in your letter to us and the public dated November 29, 2021 you state,

THE SALES DATA YOU PROVIDE WILL BE COMPILED WITH ALL OTHER SALES DATA IN ORDER TO DETERMINE ASSESSED VALUES USING STATISTICAL ANALYSIS. ***[Our property was excluded]***

THE ASSESSED VALUE FOR YOUR PROPERTY WILL NOT BE BASED SOLELY ON YOUR SALE PRICE AND IS NOT LIKELY TO BE THE SAME AS

THE SALE PRICE. ***[This creates a false narrative because the assessed value should be close to the sale price with adjustments, if necessary]***

If Model 1 above was used by the Assessor's Office, which is the accepted assessor method pursuant to Exhibits E and K, the Assessor would have used his toolbox to adjust the sale price.

By clear and convincing evidence, the Assessor has over-assessed the fair market values of commercial property in downtown Juneau for years.

Adjust The Tainted Algorithm Model:: IT IS OVERBROAD AND WE HAVE ALREADY PAID OUR FAIR SHARE OF PROPERTY TAXES OVER THE YEARS.

CONCLUSION: THE POLICY OF THE ASSESSOR'S OFFICE IS OVERBROAD AND DOES NOT APPLY TO OUR PROPERTY.

Adjust The Tainted Algorithm Model: FEW COMMERCIAL SALES COMPARABLES. THEREFORE, EXCLUDING A SALE IS A DELICATE PROPOSITION.

Adjust The Tainted Algorithm Model: A WILLING SELLER WILL REDUCE THE SALES PRICE TO MAKE A SALE (COMPARE THE DOWNWARD TREND OF THE ASSEMBLY BUILDING 1st SALE OVER TIME).

Adjust The Tainted Algorithm Model: HOW CAN YOU HAVE AN EFFICIENT MODEL WHEN EXCLUDING COMPARABLE COMMERCIAL PROPERTY? BY EXCLUDING OUR COMMERCIAL PROPERTY, OTHER COMMERCIAL PROERTY OWNERS ARE HARMED AND THE ASSESSOR

MODEL IS NOT REPRESENTATIVE OF THE DOWNTOWN JUNEAU COMMERCIAL MARKET.

MAJOR FACT: THE ASSESSOR MODEL IS FLAWED AND THE POLICY BEHIND IT IS UNRELIABLE.

Adjust The Tainted Algorithm Model: JUNEAU IS A SMALL TOWN, WITH A STAGNANT ECONOMY, WITH NO ROAD ACCESS OUTSIDE, WHERE INTEREST RATES HAVE BEEN HISTORICALLY LOW, WITH VERY LITTLE INFLATION AND APPRECIATION OF PROPERTY. WITHOUT EVIDENCE TO THE CONTRARY, WE ARGUE THAT THE PRIOR JUNEAU ASSESSOR WAS CORRECT IN NOT RAISING ASSESSMENTS.

THE ASSEMBLY IS FACING BUDGET SHORTFALLS BECAUSE OF THE PANDEMIC, THEREFORE THEY ARE INFORMED BUSINESS IS BAD, PEOPLE ARE WORKING FROM HOME, STORES ARE CLOSED, VACATED OR JUST GETTING BY AND THIS OBVIOUSLY IMPACTS INCOME. WITH INCOME DOWN TO BUSINESS OWNERS, IN A CITY WITH NO ROAD, THAT YOU CAN ACCESS ONLY BY BOAT OR PLANE WHICH EITHER ARE NOT OPERATING OR OPERATING AT A VERY REDUCED CAPACITY, IMPACTS INCOME IN A SUBSTANTIAL WAY AND SHOULD BE CONSIDERED IN ANY ASSESSOR MODEL.

NOW THAT THE STATE IS FLUSH WITH A BUDGET SURPLUS THERE IS ROOM TO REMEDY THE WRONGS DONE HERE.

Problem

ON ITS FACE, THE ASSESSOR, FINANCE OFFICE AND ASSEMBLY ACT AGAINST THE CONSTITUTION BY TARGETING A SMALL GROUP OF

PROPERTY OWNERS TO RAISE REVENUE FOR IMPROVEMENTS FOR ALL CITIZENS OF JUNEAU WITHOUT JUSTIFICATION.

Does the Assessor and Finance Office have an appreciation for how hard the Juneau business commercial property owners and residential owners have worked to own property and rely on consistency to make assumptions about continuing to operate their business. Switching from the Coast Approach to the Goven Method and other methods by Assessor prevents us from being able to forecast our commercial property taxes.

THE ASSESSOR MUST REACH OUT TO COMMERCIAL PROPERTY OWNERS AND DEVISE A FAIR COMMERCIAL PROPERTY TAX ASSESSMENT SCHEME WITH THE HELP OF THE ASSEMBLY.

FORECASTING NOT POSSIBLE AND METHODOLGY UNRELIABLE

NOW THAT DATA IS AVAILABLE, THE ASSESSOR REFUSES TO USE IT.

Never in our wildest forecasting did we expect to pay double our estimate of taxes

at 1.1%. Our property tax bill is $$$$$$$$.

PROPERTY VALUE IS EXCESSIVE/OVERVALUED-

Redress the Juneau Assessor "Tainted Algorithm Models" and use the Sales Price to determine property value. Reset commercial property values to 2020 levels. Our property assessment is excessive and overvalued by about double what it should be.

The Juneau Assessor "Tainted Algorithm Models" have not faced public scrutiny because they have not been shared with the public. The methodology is improper. The historical assessed value was fair from 2020 and before. The 2020 property value is a fair market indicator of Market Value. Depreciation over the years, to historic and all property should be deducted from the Assessed Value. At least, commercial property owners should be able to rely upon the Sales Price as Market Value and forecast for expenses.

PROPERTY VALUE IS UNEQUAL TO SIMILAR PROPERTIES-

The Mass Appraisal is the best model to use when used properly with sales as determinant factor along with adjustments for historical properties and the conditions of the market such as the pandemic. The "Tainted Algorithm Models" have not faced public scrutiny because it has not been shared with the public. The Assessor methodology is improper. The Assessed value was fair in 2020 and before, taking out depreciation. An across the board increase imposed by the Assessor treats commercial property owners on an unequal basis.

PROPERTY IS VALUED IMPROPERLY/INCORRECTLY-

The "Tainted Algorithm Models" have not faced public scrutiny because it has not been shared with the public. The methodology is improper. The Assessed Value in 2020 was generally a fair assessment of market value adding in depreciation. At least property owners could rely upon the value and forecast for expenses. The Sales Price should have been used to establish the Assessed Value. The Sale Price is Market Value. On January 1, the full and true value less capital repairs needed to bring the Key Bank Building to current standards was far less than the Assessed Value. The Assessed Value is a figure with no basis. Accounting for CPI-U adjustments of 1.5% to 2%, there is no basis for an overbroad policy to raise commercial property owner's taxes across the board 100%. The property value must mirror the ratio provided herein which is $1,250,000.

FAIR MARKET VALUE=$1,005,277

The City and Borough of Juneau "Tainted Algorithm Models" of increasing property assessments without due process is a violation of section 1983 of the constitution and constitutes a taking without just compensation to all property owners similarly situated.

The Juneau Assessor's "Tainted Algorithm Models" are designed on its face to shift the tax burden from all citizens to a small group of commercial property owners. The small group of commercial property owners is paying to renovate the Augustus Brown Pool at $3.3 million dollars. I love the pool and swim in it often. My great grandfather, Charlie Goldstein, donated to its original construction.

But, it is not within the accepted "Police powers" of the City to place this tax burden on a small group of commercial property owners alone. The pool renovations must be paid for by all citizens. Commercial property owners must have their assessed property values returned to 2020 levels and/or in accordance with the Sales Approach.

The City and Borough of Juneau by their own news releases and admissions reports:

Business during the 2020-2022 pandemic was down in Juneau a city you must arrive at via airplane or boat. During the pandemic many people traveled by car. This was not possible for Juneau. Large cruise ship business was lost. Tourism was way down. Tourists were not flying. Sales tax revenues were way down. The City attested business was down, income was down, tourism was down, visitor traffic was down, large cruise ship traffic was down, stores were closed or barely hanging on, restaurants went of business, people were out of the office, trends shifted and remote work is more prevalent causing office vacancies.

What did the Assessor Office do?

THEY CREATED *(EMPHASIS ADDED)* a fairy tale of "A SUBSTANTIAL GROWTH IN PROPERTY VALUATIONS...."

THEY CREATED *(EMPHASIS ADDED)* a fairy tale of "A CONSIDERABLE ADJUSTMENT TO THE VALUE OF COMMERCIAL LAND."

Amen, the City reports about taking rights away from a small group of community-minded commercial property-owning citizens.

Reality dictates the Assessor must make substantial lower property adjustments across the board to property assessments using the Sales Approach.

The City proudly promoted they reduced the tax rate. Now, it is time to promote lower the assessed property values based on a Sales Approach. Our property was never under assessed.

There is a tax burden to be shared by all citizens of Juneau not just property owners.

My family have been proud owners of property in Juneau for over 100 years and the tax you impose may very well impact our family for another 100 years which would come to more than we paid for the property.

It is a best and widely accepted practice to use the Sales Approach with the Mass Appraisal Method (See Exhibits E, K-P).

The Cost Approach may be used for newer buildings, personal property and fixtures. Downtown Juneau consists mainly of historic commercial property. The Cost Approach traditionally was used by the Assessor. This methodology may be good to keep using. At least property owners can forecast properly. For years, property owners were able to forecast but not in 2021 and 2022. (See Exhibits O and P).

The Income Approach may be used where there is a reliable method to capture an income stream. Where a building is sold to be

re-purposed there is no known income stream and considerable cost to upgrade the build from obsolescence to market conditions.

By clear and convincing proof the Assessor's model is a mistake and fails to use widely accepted best practices when determining value.

IN ACCORDANCE WITH "ALASKA STATUTE 29.45.110. FULL VALUE AND TRUE VALE. (a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230.The full and true value is the estimated price that the

property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and prevailing general price levels."

AS A MATTER OF LAW, THE SALES APPROACH MUST BE USED WITH THE MASS APPRAISAL METHOD OR ANY ASSESSOR METHOD.

[THIS ALASKA STATUTE DOES NOT SAY USE THE COST APPROACH OR INCOME APPROACH.]

A PLAIN READING OF THIS STATUE EXPOSES THAT THE ASSESSOR HAS NOT FOLLOWED ALASKA STATUTE 29.45.110 IN THE LAST TEN (10) YEARS OR IN VALUING THE KEY BANK BUILDING THIS YEAR, AS FOLLOWS:

THEREFORE, THE ASSESSOR MUST RETURN TO FOLLOWING ALASKA STATUTE 29.45.110 AND BE INSTRUCTED TO REASSESS COMMERCIAL PROPERTY UNDER THIS STANDARD and MAKE ADJUSTMENTS WHERE APPROPRIATE.

AY 2021 Summary Report - CBJ Commercial Property Valuations

Broad Brush Overview

We are in the process of a major review of the valuation models, the assessed values and the assessment level for all Juneau commercial properties.

A brief background. By State law we are to value properties at market value. Information that is looked at in determining market value includes sales prices, construction costs, income and expenses, lease rates, and capitalization rates.

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. Up until late this last year 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.

It would seem that those challenges resulted in assessed values for commercial properties, on a whole, not being increased for the past 10 or more years causing the commercial property assessed values to lag behind the market. This caused a tax shift. A tax shift occurs when the tax burden that should be paid by one party is shifted to being paid by another party. In this case the shift was from commercial properties onto residential properties.

To rectify this tax shift the commercial property assessed values must be brought up to market. This means that commercial properties will see increases that should have occurred in smaller increments for the past 10 plus years being applied in a few years. Because the increases will represent multi-year corrections they may seem to be significant increases.

This first year we are addressing the land component. Next year we will refine the land adjustments and also start making adjustments to the improvement portion of the commercial values.

As a commercial property owner you can help improve the assessed values of Juneau's commercial property!

The more sales, market and lease information we can gather the better our basis for market 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 we occasionally go back 10 or more years.

It would be helpful if you would provide information on commercial property sales or purchases that you have made as well as rental, lease and income and expense information.

Thank you for any information you provide.

Assessed Values In The Midst Of A Pandemic

We recognize and are sympathetic to the fact that the past year has been difficult for some businesses in Juneau. Some businesses have seen drastic reductions in revenue, in some cases almost a complete elimination of revenue. At the same time, other businesses had a good year in 2020.

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.

Compounding Circumstances

Compounding this situation is the fact that it has become recognized and documented that most of the commercial assessed values have not changed in ten plus years while the actual market values have increased during that time. So, we need to take steps to correct that neglect.

Analysis Conclusions

A lot of work was done this year cleaning up the commercial property sales data. There is still more work to be done but good progress was made. That resulted in us having 57 market sales from the past 5 years for which we had sales prices.

Below is a table that summarizes some of 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 properties are undervalued. This analysis compares 01/01/2020 assessed values to 01/01/2021 market value.

Property Class	*Count*	*Mean*	*Median*
Commercial Land	12	0.4095	0.3928
Commercial Improved Properties (Core Types)	35	0.7748	0.8112
Commercial Properties Overall	57	0.7149	0.7411
Residential Properties (for class equity comparison)	1025	0.9629	0.9653

Adjustments To Assessed Values

If we were a larger jurisdiction with thousands of sales and hundreds of sales in particular subsets, then we could make more drastic changes to correct the imbalance between residential and commercial properties more quickly but with limited sales we need to be a little more cautious.

Over the next few years we will 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).

This year will just be a first step. For most properties the increase will be applied to just the land component. For some classes of properties that have no land component or only a token land value, the increase will be applied to the buildings. This will bring all commercial properties closer to market. Next year we will take another step towards parity with residential properties. This will likely involve a further increase in land and, at least in some cases, a reduction in the building component.

The adjustment being applied this year will result in a 50% increase in the land component for most commercial properties. On average this results in a 20% increase to commercial property values. One class of properties, boathouses, will actually see a 20% reduction this year.

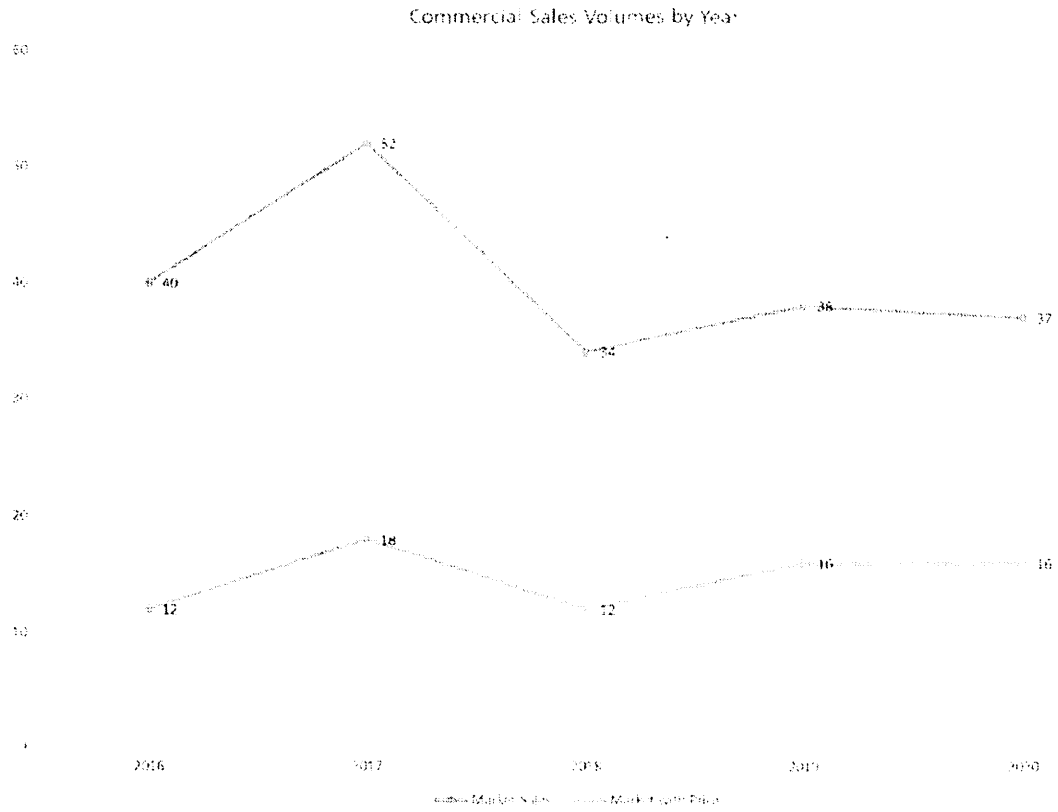
Future Refinements

In the coming years we will be:

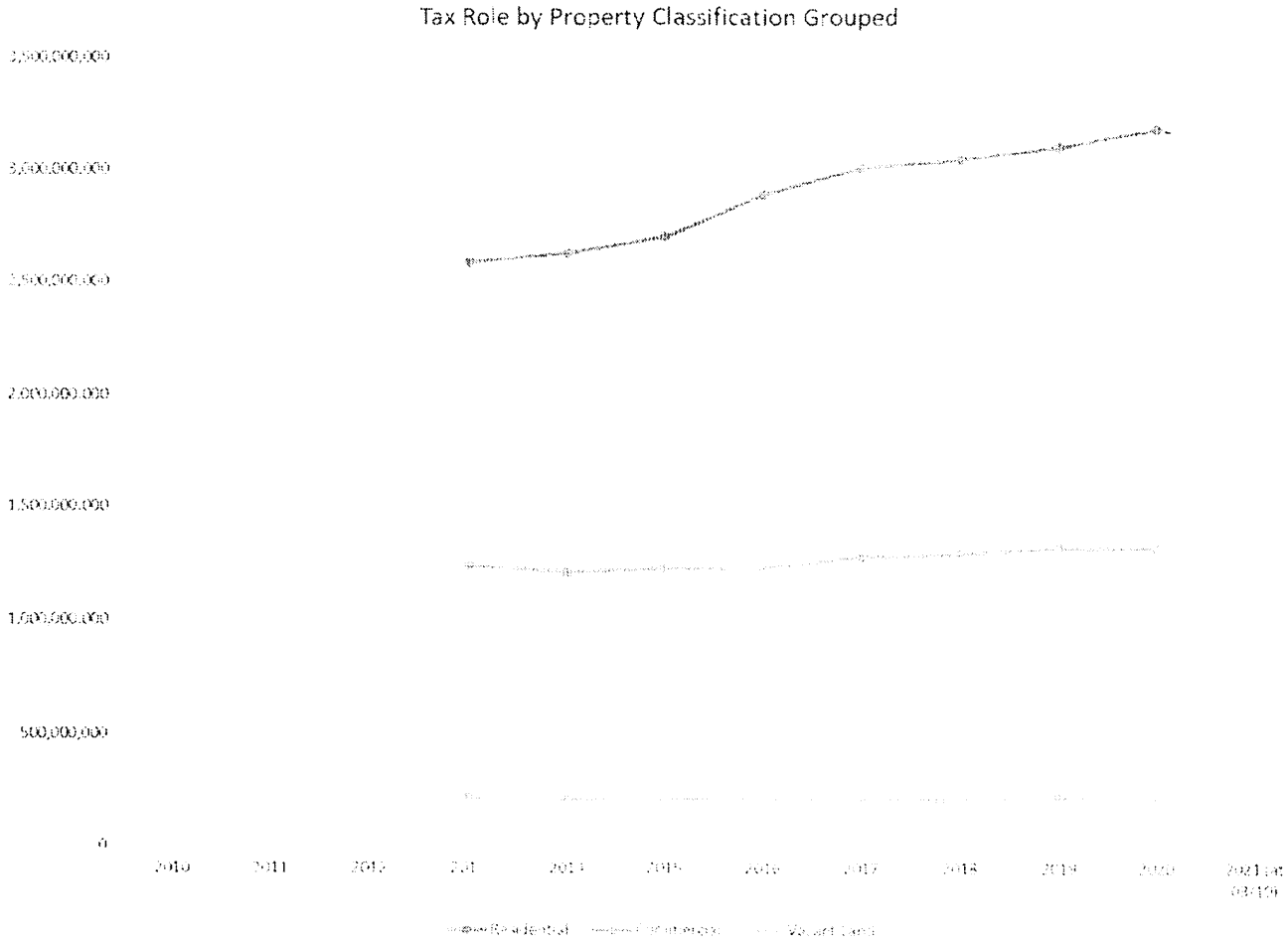
- Refining the valuation models for all of the commercial property types- retail, office, medical, industrial, etc.
- Refining the locational adjustments
- Refining the value adjustments for things like quality, condition and other attributes.

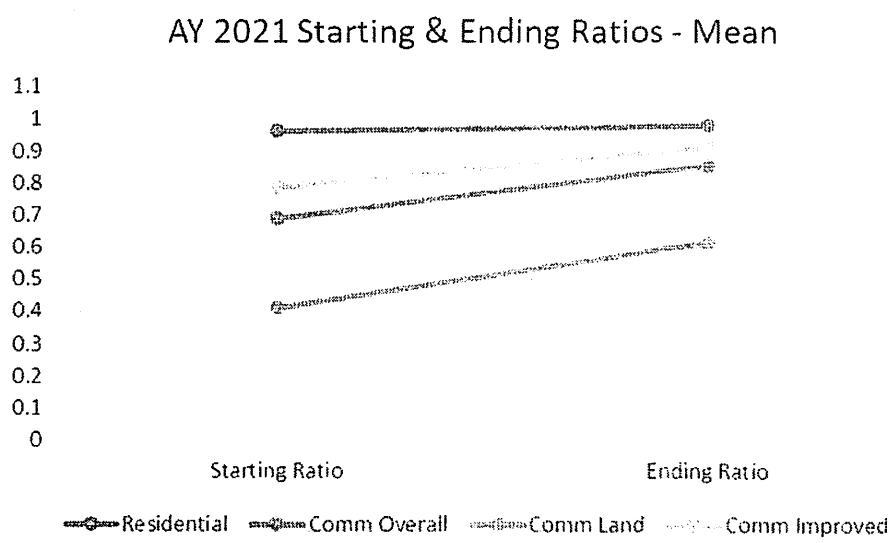
Charts & Maps

This first chart shows the number of sales per year in two groups- market sales and market sales for which we know the sales price. You can see that the sales volume held steady through 2020 in spite of the pandemic.



The next chart (below) shows the change in total assessed values by classification over the past 8 years. It includes both new construction and market trend increases. You can see that the residential assessed values have been increased each year while the land assessments and commercial assessments have remained flat. Economic data from the same time period would suggest that over the past 8 years the actual market value of residential property, land and commercial property have all actually increased.





This chart shows the ratios based on Assessment Year 2020 (Starting Ratio) and the results of our adjustments for the Assessment Year 2021 (Ending Ratio). Note that the adjustments we made brought the commercial valuations closer to, but not up to, the residential assessment level. Still lagging far behind is commercial land valuations.

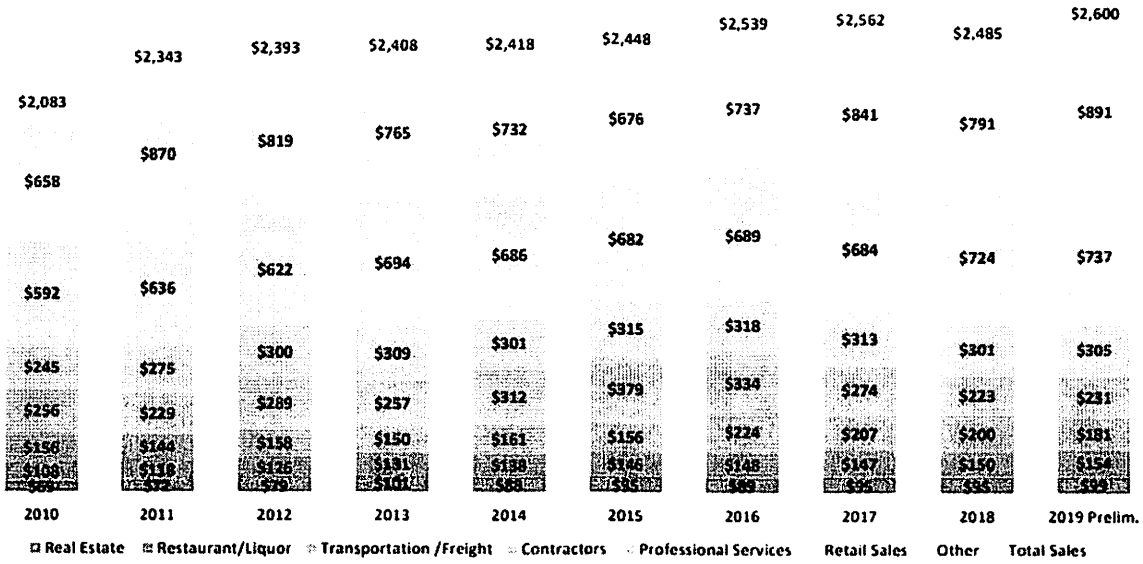
The following map shows Market Areas (Neighborhoods) utilized in the Assessment process. Market Areas are one of the adjusting factors.



Market Areas - Borough Wide

The next chart is from the JEDC Economic Indicators Report 2020 and shows the growth in sales over the past 10 years.

Figure 52: Business Sales in Juneau by Business Category (in Millions), 2010– 2019 (Preliminary)



Source: City & Borough of Juneau Sales Tax Office and CBJ Comprehensive Annual Financial Report, July 1, 2018 - June 30, 2019, Statistical Section. **Note:** "Other" category includes mineral sales, wholesale equipment, food suppliers, and fuel companies.

Next we have a summary report of the analysis. The first Summary shows the data for commercial properties prior to this years adjustments and the second summary report shows the data after the corrections that were applied this year.

AY2021- Comm- Set 2- 20210316- No19- All, 5 Yr, 5% Trend
Summary Report

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

Statistics

Current

54	Count	(Number of Records with Ratio)
0.1959	Minimum Ratio	
1.1908	Maximum Ratio	
0.9950	Range	
0.6879	**Mean**	(This is the average ratio for your sample.)
0.7286	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.5418	Weighted Mean	
2.3448	Sum of the Square of Deviations	
0.1720	AAD	
0.2103	Standard Deviation	
23.6036	**COD**	(Good indicator of confidence level.)
30.5772	**COV**	
1.2696	**PRD- Price-Related or Factor Differential**	
	(PRD s/b between 0.98 & 1.03, IAAO)	
	(PRD over 1=Regressive)	

Coefficients (0=Normal Distribution)

Kurtosis	-0.3111
Skewness	-0.2814
Alt.Cyhelsky's Skew	-0.1481
Alt.Pearson's Skew	-0.5808

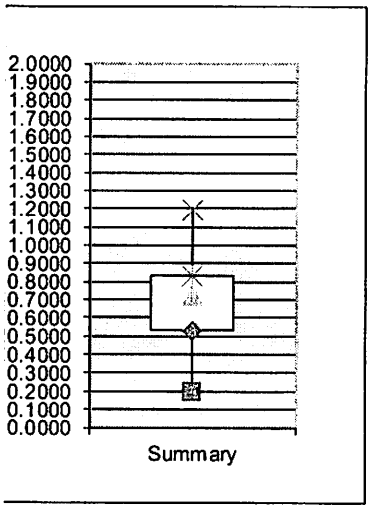
Trending Factors

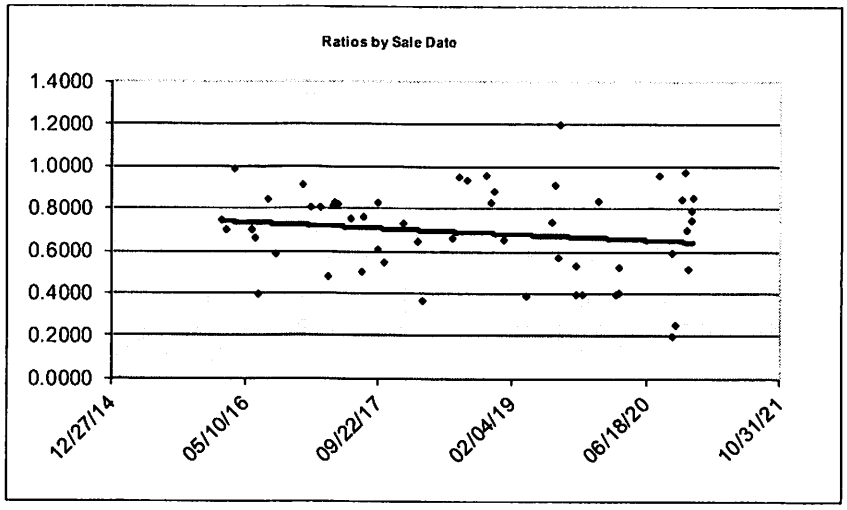
0.98	Target Level
1.4246	Factor on Mean
1.3450	**Factor on Median**
1.8087	Factor on Weighted Mean

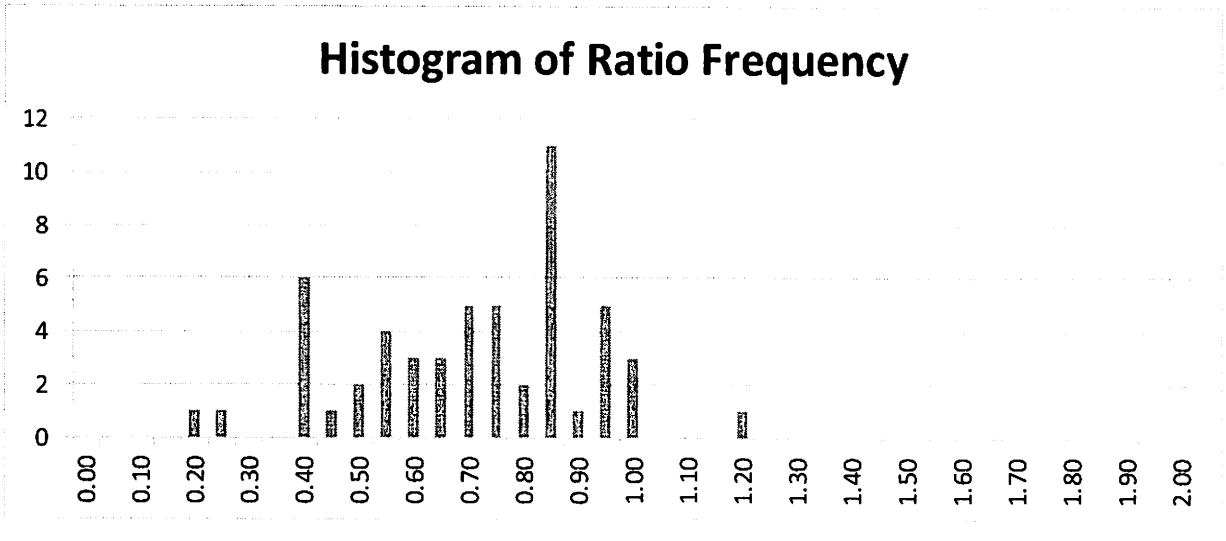
Normal / Skewed Distribution Evaluation

0.0407	Differential Mean to Median
23	Number of data points below the mean.
31	Number of data points above the mean.

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







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

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

Statistics

Current		
53	Count	(Number of Records with Ratio)
0.2932	Minimum Ratio	
1.4091	Maximum Ratio	
1.1159	Range	
0.8526	**Mean**	(This is the average ratio for your sample.)
0.8853	**Median**	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	Weighted Mean	
3.0313	Sum of the Square of Deviations	
0.1908	AAD	
0.2414	Standard Deviation	
21.5490	**COD**	(Good indicator of confidence level.)
28.3180	**COV**	
1.2214	**PRD- Price-Related or Factor Differential**	
	(PRD s/b between 0.98 & 1.03, IAAO)	
	(PRD over 1=Regressive)	

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

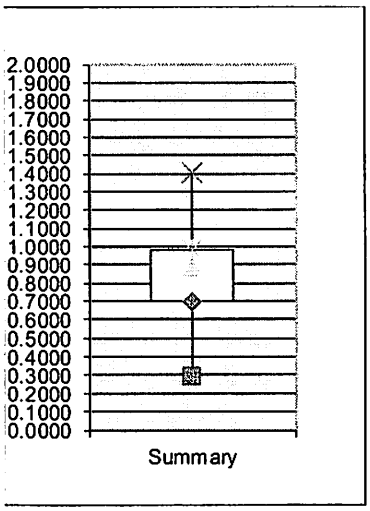
Trending Factors

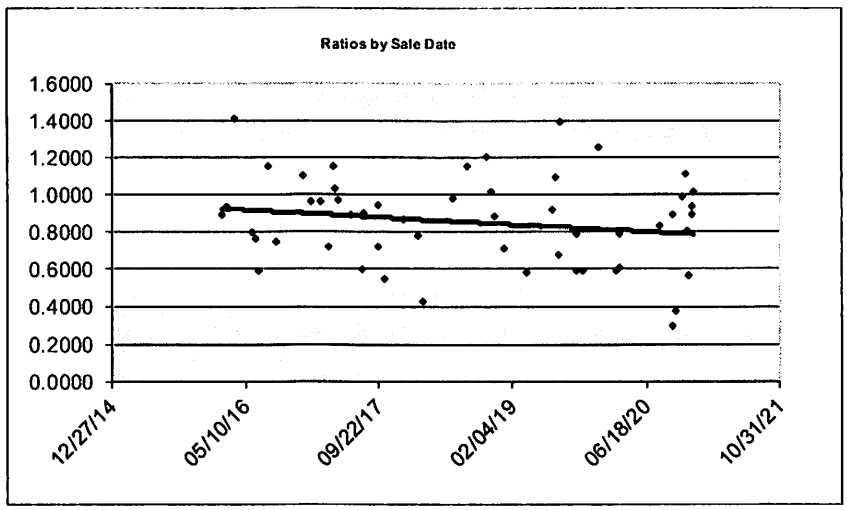
0.85	Target Level
0.9969	Factor on Mean
0.9601	**Factor on Median**
1.2176	Factor on Weighted Mean

Normal / Skewed Distribution Evaluation

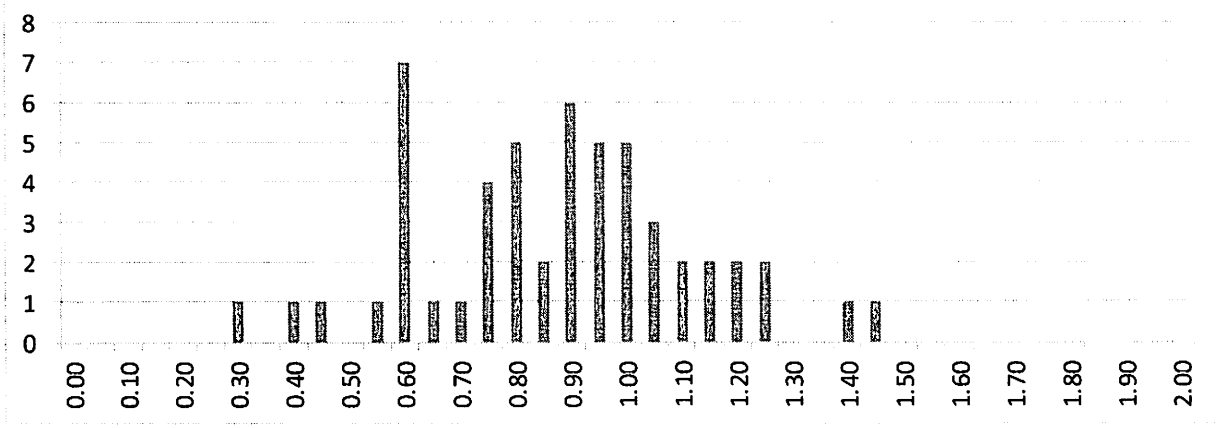
0.0327	Differential Mean to Median
24	Number of data points below the mean.
29	Number of data points above the mean.

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





Histogram of Ratio Frequency



ADDITIONAL APPELLANT MATERIAL

Submitted 6/28, 6/29 & 7/14

HEARING APPEAL

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15 Julie Dinneen, Appraiser-Uses the Income Approach to Value and the Sales Comparison Approach to Value

16 City and Borough of Juneau Press Release Saying Higher Commercial Property Values Brought in $3 million More in Tax Revenue-Taking Commercial Property Money Without Due Process

17 Appendix-List of 6 Appeal Properties-COST REPORT COMMERCIAL

1

CHARLIE GOLDSTEIN STORY- STARTING OUT FLAT BROKE IN JUNEAU

2 1898: STARTING BUSINESS IN Juneau

In 1889 I shook the mud of Juneau off my heels and went to San Francisco to make my fortune.

When I came back to Juneau in 1898 I was not only flat broke, but ~~had a lovely wife and~~ two young boys, Al and Micky. I had to make a living for them and had to start from scratch. It was really tough, but my dear wife didn't complain. I had been in the grocery business in San Francisco for seven years; I worked 16 to 18 hours a day including Sundays, and lost the two thousand dollars I had when I started. When I was leaving, three wholesale houses wanted me to take stock with me even tho they knew I was flat broke. I said I didn't know what you was going to do, or where we would land.

I left my little family with my parents and started out looking for some favorable place to begin again. First I went to Skagway and Dyea but they didn't look good, so went on to Dawson which sure was a tough spot. I till tell you about gold rush conditions some other time. So I drifted back to Juneau and decided to get into some kind of business.

I rented an old dance hall and fixed up two rooms

with a kitchen 6 by 6 and started business on a shoestring.

I took the San Francisco wholesales at their word and ordered enough to get started. I got tea, coffee and spices from Shillings, cereals and flour from DelMonte Mills and butter, eggs, bacon and lard from C. Whitney Company. The firm who promised me the canned goods was the only that decided they didn't want business in Alaska. You can be sure Albert Noan Company didn't get a dimes worth of business from me thereafter. You can see by the list of stuff I had to sell I was in a bad way for the grand opening.

O. Adsit, agent for West Coast Grocery Co. in Tacoma suggested I give him an order for fresh fruit and vegatables. When the shipment came I fixed up a long bench outside and didn't have to wait long for the grand rush. We were the first one to ship in fresh vegatables! and in a couple of hours the stock was gone to the last celery stalk.

Adsit did a lot to help me get started, several weeks later he brought the president of the West Coast Grocery Company, Charley Eyde to me at me. He asked me a lot

of questions about finances, and I said I had none, but don't owe anything. He asked my how much credit I would want and I told not to exceed $1000.00. He told Adsit to take the order and I traded with West Coast for 35 years. I never forgot that bit of kindness from Hyde and will always remember him as a very good friend.

I was a small potato with no capital trying to compete with six well established companies: Kohler & James, a million dollar concern, Decker Bros, B. M. Behrends Company, Martin Bros, Van Gaskin and Louie Levi. They were going to teach me a lesson, especially the biggest operator, Kohler & James. I had to turn into cash the furs I bought each day to a resident fur buyer who was stationed here the most of the time, add bought from all the stores as agent for Hibbard and Stewart. He always found out from the other stores what was being paid for the furs and would squeeze me to a very small margin. I hung on and didn't complain until I had a couple thousand dollars

11

to the good and then told him that he would have to treat me the same as the other traders or I would ship my furs elsewhere. I told him I knew that he had been skinning me, but those days are over. From that time on he was a good dog and I began to be able to make some money, and get our share of the fur business. In fact during my second year I was getting the biggest portion.

Juneau was the main trading center for Indians as far south as Queen Charlotte Island who came here with their sea otter, fur seal, marten and mink, and other furs. The Sitka Indians brought mainly fur seal, but the Hoonah Indians as well as the Yakutats, brought both sea otter nd fur seal and other furs. [illegible] . The Interior Indians on the upper Yukon couldn't come down as they were slaves of the Chilkats who would take the furs from them at Skagway and bring them here in their big canoes. I think I told you before about their big dugout canoes that could hold up to 50 people and a load of furs.

They even came across the Gulf from what is now Cordova and Valdez; they too had the much prized sea otter. If you look at a map you can see the extent of our trading area. By about 1900 the demand for cash had risen to about 25 to 30 percent, the balance in trade.

Of course, Indian trade was not the only source of revenue, as gold mines were flourshing in this section. The treadwell mine just across the channel hired about 1500 men, and the Thane mine only three miles from Juneau had nearly as many, and other smaller placer or quartz mines scattered between here and Skagway. And too, of course, there was the salmon fishing.

2

DETERMINATION LETTER

Response to Petition for Review / Determination Letter

CITY AND BOROUGH OF JUNEAU

Finance Department
Assessor Division
155 S Seward St.
Juneau AK 99801
(907) 586-5215 Ext. 4906

Petition/Appeal Number: See List

Site Address: Varied

Parcel Number: See List

Owner/Appellant: Goldstein

June 7, 2022

This is our response and determination after review of your assessed value(s) based on your Petition for Review. This letter is being sent to get processes and timelines started. We can still discuss this and it can still be withdrawn or can become an administrative correction up to the point of a BOE hearing. If you desire to go to the BOE please let us know by June 14, 2022.

NO FINDINGS, AND NO DISCLOSURES

Petitions for Review and Appeals

- The appeal process starts with a Review by the Assessor's Office. If, at the conclusion of the Review, you do not wish to accept the findings of the Assessor's Office then you have the option for the Review to be converted into an official Appeal to the Board of Equalization. (One form serves both steps.)
- Definitions of reasons for appeal – The appellant must provide evidence proving one of the following.
  - Excessive – grossly disproportionate when compared to other assessments
  - Unequal – treated differently than other properties in the same property class
  - Improper – valuation methodology was improper
  - Undervalued – valued less than market or disproportionately lower than other assessments
- Be advised that if you choose to continue from a Review to a formal Appeal, if your value is not at full market value we may, in accordance with law, recommend an increase to full market value. This is one difference between the Review process, where we honor the value that was sent out with the notice, and the Appeal process, where after closer review of an individual parcel we may recommend market value. The BOE may choose to increase your value from the amount in the Assessment Notice to full market value.
- *State statute requires that the burden of proof is upon the appellant to provide evidence that one of the above conditions has been met (AS 29.45.210).*

Results of Review

Based upon the evidence that you provided we have made the following determination regarding the 2022 assessment valuation.

- No change is indicated for any of the appeals.

Where does "Full Market Value" come from?

Appellant Response for Assessment Year 2022 Petition for Review

(This is the section where you indicate your acceptance or rejection of the Assessor's Office conclusion. Initial your choice below and then sign and return this part of the form.)

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

Initial your choice for each parcel below.

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A050060	2,547,520	1,005,277	2,547,520	2,683,295
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Chilling! I'm sure some do not appeal because of this threat.

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A020011	2,063,831	850,000	2,063,381	2,173,353
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A040020	397,194	295,000	397,194	418,363
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A020030	1,929,966	1,200,000	1,929,966	2,032,827
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A040010	1,494,129	875,000	1,494,129	1,573,761
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A020043	6,592,909	4,750,000	6,592,909	6,944,290
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

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

Appellant's Signature _____ Date _____

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

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

Please indicate above if you accept our conclusion or you desire to appeal to the Board of Equalization. Please return your response to our office within 7 days which would be by June 14, 2022. If we do not hear back from you we will close the review/appeal.

If you have any questions you are welcome to contact us.

3

PUBLIC RELATIONS

Public Relations and Customer Service, Assessment Administration, International Association of Assessment Officers, 2003, Chapter 14, pp. 353-4, states:

"Public Relations in an assessment office often functions as an afterthought or a means to address an impending crisis. Instead, public relations should be an integral part of the office with a long-term goal of better informing the public. An effective public relations program requires good communication between the assessment office and the public."

"Assessment valuation appraisal and the functions of an assessment office may be difficult for the public to comprehend. **Technical terms and procedures used by the assessor must be understandable."**

"Typically, the better informed the public, the fewer number of appeals and complaints...and a public more willing to provide information requested by the assessor...Too often there is a perception by the public that assessment offices are uncaring and inefficient....Another way to think about it is to treat the property owner the way a customer at a store should be treated."

The Fundamentals of Mass Appraisal, International Association of Assessment Officers, 2011, Chapter 1, Introduction to Mass Appraisal, p. 15, states:

"In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion and conclusion in a manner that ***is not misleading***. (TAF 2010, U-21)

The Juneau Assessor has acted in an improper manner resulting in excessive assessed value, in the following manner:

1. Used a "Hybrid Cost Approach/Sales Comparison Approach to Value"
   a. Never disclosed different data sets inputted into computer modeling
   b. Cost Approach-did not use real building costs
   c. Cost Approach-manipulated building costs
   d. Sales Approach-excluded lower sales to obtain higher assessed values
   e. Sales Approach-did not disclose sales had been excluded from computer modeling
   f. Falsely claimed they were unable to obtain Sales Comparables
   g. Excluded the 1st and 2nd Assembly Building sales from computer modeling
   h. Falsely defined "Outlier" property to exclude property from computer modeling
   i. Failed to admit that Assessed Value has been too high for decades
   j. Used inflated Assessed Values to claim Sales were at variance beyond a 1.5x
   k. Used inflated Assessed Values to exclude Sales

I have expressed to Michael Dahle a willingness to "Settle" our differences and he stated we do not settle cases. In our first conversation, he stated to me he was in commercial real estate and we "Got A Steal" and "He Would Have Bought the Property." He clearly has a conflict of interest. His comments got me thinking....he would have bought 234 Seward for $1.250,000. He never said he would have bought the property for $2,547,520. If 234 Seward was priced at $2,547,520 it would have met the same fate as the Assembly Building which was priced at $ 2,650,000 and sold 1,240 days later for $ 750,000. The Seller was motivated to sell and not continue to have a vacant and obsolete building on its books. Key Bank's representative, Jones, Lang La Salle in Ohio (Kristen Schneider) said yesterday, "It would make more sense to "reappraise" the property after the improvements that are being made now can be taken into account. That should take place in 2023, not in 2022 at the time of sale." **The sales price must be the assessed value less personal property, obsolescence and the costs to bring the property in rentable condition.**

Mary Hammond has accused me of seeking "Special Treatment" and "Circular Reasoning." Pejorative name-calling has no place in the Assessment Office. We have never sought "Special Treatment" or done "Circular Reasoning" rather like many Appellants we feel we have been excellent stewards of commercial property in Juneau. Our income and expense statements show we are not fortune seekers We are hard-working, good people, with a long history of community involvement in Juneau seeking to understand the Assessment Office and to be treated fairly.

We are not looking for "special treatment" as the Assessor has stated to me. We are looking for equity and openness of public records.

The Assessor has stated, our models are right. ***I have no idea about your models because they have not been disclosed! The Assessor Models are the tainted by the sales data inputted and excluded.***

The Standard on Mass Appraisal of Real Property, Approved 2013, paragraph 5.5 states,

"The assessment office staff must have confidence in the appraisals and be able to explain and defend them. The confidence begins with application of reliable appraisal techniques, generation of appropriate valuation reports, and review of preliminary values. **It may be helpful to have reports that list each parcel, its characteristics, and its calculated value.** Parcels with unusual characteristics, extreme values, or extreme changes in values should be identified for subsequent individual review. Equally important, summary reports should show average values, value changes, and ratio study statistics for various strata of properties. These should be reviewed to ensure the overall consistency of values for various types of property and various locations. (See the Uniform Standards of Professional Appraisal

Practice, Standards Rule 6-7, for reporting requirements for mass appraisals [The Appraisal Foundation, Appraisal Standards Board 2012-2013].)

The staff should also be prepared to support individual valuations as required, preferably through comparable sales. At a minimum, staff should be able to produce a property record and explain the basic approach (cost, sales comparison or income) used to estimate the value of the property. ***A property owner should never be told simply that "the computer" or "the system" produced the appraisal.*** **In general, the staff should tailor the explanation to the taxpayer's knowledge and experience.** Equations converted to tabular form can be used to explain the basis for valuation.

4

ADAM GOTTSCHALK, CITY ATTORNEY, PAID PRICE IS MARKET PRICE

Adam Gottschalk, City Attorney, said in the Juneau Empire on June 20, 2022:

"THE BOARD PROCESS IS TO CORRECT ERRORS, (E.G. BEING ASSESSED SUBSTANTIALLY MORE THAN JUST PAID)."

NOVERMBER 24, 2022-**PAID $ 1,250,000**

JANUARY 1, 2022-ASSESSED $ 2,547,000

Description:

Basement-below grade oil tanks; massive uninsulated ducting; concrete walls dividing up space; 1st Floor-Operating costs for historical building well above average (Mezzanine & Basement) Mezzanine-Separate building systems; including close mezzanine from overlooking 1st floor space

Personal Property-$17,085

Functional Obsolescence-Yes. 1 tenant building; massive windows not energy efficient; no insulation; ducting no insulation; mechanical system not operable; 20' ceilings on first floor; bank vaults; no elevator; access to mezzanine through 1st floor and stairs; historical building

Obsolescence Estimated at $200,000

5

MARKET SALE-CARLTON SMITH, BROKER

MARKETING STEPS 234 SEWARD STREET FROM CARLTON SMITH

CO-BROKER AGREEMENT SIGNED 7/23/2021

1ST FACEBOOK EXPOSURE AD-8/11/2021

1ST JUNEAU EMPIRE AD-8/13/2021

BUYER INTEREST BEFORE LOI SIGNEDFROM THE FOLLOWING:

TRACEY R, STEVE S, IBEW, GARRETT (WHO REPRESENTED CHRISTY ERIKSEN, KINDRED POST DID SUBMIT AN OFFER, GLIDMAN (GOLDSTEIN), JAKE HAAS, TOM MOLLEY.

BUYER INTEREST AFTER LOI SIGNED:

SIMPSON, PAT RACE, ETC.

FINAL LOI DATE-9/7/2021
CLOSING EXTENDED TO 11/24/2021

EXPOSURE TO MARKET AND SALE

FOUR (4) MONTHS

7/23/2021 TO 11/24/2021

From: **Carlton Smith** carltonsmith@gci.net
Subject: FW: Key Bank Building
Date: June 23, 2022 at 9:31 AM
To: Greg Adler gregadler@me.com
Cc: Toma Alario tomaa@ak.net

Good morning Greg: Toma has added her responses based on our files in RED.

My responses to questions 4, 5, 6, and 7 are:

4. From initial listing (7-23) to the date of the Purchase and sale agreement (9-27) took 9 weeks. Before the final PSA was accepted, we had another offer, which was rejected because it required a financing contingency and we had no knowledge of the capability or experience of the buyer. We had over one dozen showings, involving four outside Brokers. One interested party was looking at a hotel conversion for the site; Another was looking to convert it to retail; Another was looking to purchase it for a union hall and associated space for lobbyists to the legislature. (IBEW)

5. Wells Fargo Bank sold its building in Lemon Creek before it was even known to be available for purchase. We don't have those dates, but as I recall, it was vacated about 18 months ago, and Wells Fargo Corporate sold it directly to an adjacent property owner without listing it with a Broker for sale. (Odom Corporation) The sale price was not disclosed.

6. The sellers' asset manager (Jones Lang La Salle) considered the fact that the Elks Building, (originally listed at $1,547,000) is still vacant and on the market for over four years and the $600,000 sale of the FNBA downtown Branch building (2015) were examples of vacant buildings that needed to be priced appropriately if they were to sell. They took those facts into consideration that led to the list price decision.

7. The Assembly building is a current example of how much cost is associated with re-purposing a building, and taking that into account when bringing a property to market. I believe you have that information from its initial list price to its sale to a government related entity.

Common sense and Fundamentals of Mass Appraisal, 2011 tells us Sales Price is Market Value.

The Alaska Supreme Court defines Market Value as, "The price in money that the property could be sold for on the open market under fair conditions between an owner willing to sell and a buyer willing to buy, with a reasonable time allowed to find a purchaser."

Our burden of proof has been met that a Market Sale happened when we bought 234 Seward Street for $ 1,250,000.

*Open Market

*Property Exposed to Market Four (4) Months

REAL ESTATE SALE AGREEMENT

THIS REAL ESTATE SALE AGREEMENT (this "**Agreement**") is dated as of September 27, 2021 (the "**Effective Date**"), by and between KEYBANK NATIONAL ASSOCIATION, a national banking association ("**Seller**") and GOLDSTEIN IMPROVEMENT COMPANY, an Alaska corporation ("**Purchaser**").

BACKGROUND

A. Seller owns the real property located at 234 Seward Street, Juneau, Alaska 99803 and more particularly described on **Exhibit A** attached to and made a part of this Agreement, together with all buildings, improvements, appurtenant rights, privileges and easements with respect to such property (collectively, the "**Property**").

B. Seller wishes to sell, and Purchaser wishes to purchase, all of Seller's right, title and interest in and to the Property, on the terms, conditions and provisions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are acknowledged by each party, Seller and Purchaser agree as follows:

1. Purchase and Sale; Conveyance. Purchaser agrees to purchase from Seller, and Seller agrees to sell to Purchaser, all of Seller's right, title and interest in and to the Property upon the terms, conditions and provisions set forth in this Agreement. Seller shall convey the Property to Purchaser by special warranty deed (the "**Deed**") subject only to the Permitted Exceptions (as defined below) and matters that would be shown by an accurate survey of the Property.

2. Purchase Price. The purchase price for the Property shall be ONE MILLION TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS ($1,250,000.00) (the "**Purchase Price**"). Purchaser shall pay the Purchase Price as follows:

(a) FIFTY THOUSAND AND 00/100 DOLLARS ($50,000.00) in cash, certified check, or other immediately available funds, as earnest money (the "**Deposit**") shall be deposited into an interest-bearing escrow account (the "**Escrow Account**") with the Title Insurer (as defined below) within five (5) business days after the full execution of this Agreement. All interest earned on the Deposit shall be deemed to be included in the term "Deposit."

(b) The balance of the Purchase Price (less the Deposit, including any interest earned thereon), plus or minus the prorations authorized by this Agreement, shall be delivered to Seller at the Closing (as defined below) in cash, certified check, or other immediately available funds.

3. Title Commitment. Seller shall obtain a commitment for an ALTA Owner's Form policy of title insurance (the "**Commitment**"), together with copies of all title exceptions shown

or referenced in the Commitment (the "**Underlying Documents**"). The Commitment shall be (i) in the amount of the Purchase Price, (ii) dated as of the most recent date available from the Title Insurer, (iii) issued by the Cleveland, Ohio office of Chicago Title Insurance Company (the "**Title Insurer**"), and (iv) show fee simple title to the Property in Seller or an affiliate of Seller.

4. Survey. If Purchaser elects, Purchaser may, at its sole cost and expense, obtain an ALTA survey of the Property prepared by a surveyor licensed by the State of Alaska (the "**Survey**").

5. Title and Survey Review.

(a) Purchaser shall have thirty (30) days from the Effective Date (the "Title Review Period") to review the Commitment, Underlying Documents, and if obtained by Purchaser, the Survey. If, within the Title Review Period, Purchaser serves written notice (the "**Title Notice**") on Seller that the Commitment or Survey contains any matter, exception or exceptions, other than those described in the last sentence of this Paragraph 5(a), which Purchaser deems unacceptable (the "**Unpermitted Exceptions**"), then Seller shall have the right, but not the obligation, within thirty (30) days after the date of such notice (the "**Cure Period**") to cure such defects by (x) removing such Unpermitted Exceptions, or (y) causing the Title Insurer to provide an affirmative endorsement insuring Purchaser over the effect of such Unpermitted Exceptions, except for monetary liens which Seller may discharge on the Closing Date (as defined below). If applicable, the Closing Date shall be extended to permit the running of the Cure Period. All existing exceptions not objected to in the Title Notice as being Unpermitted Exceptions are hereinafter referred to as "**Permitted Exceptions**". In addition, the following matters shall also be deemed Permitted Exceptions: (1) then current general and special real estate taxes and assessments which are a lien but are not due and payable at the time the Deed is filed for record, (2) matters created, suffered or permitted by or through the Purchaser, (3) roads, highways and other public rights of way, (4) zoning, land use and other governmental laws, rules and regulations, and (5) matters which would be revealed by an accurate survey of the Property.

(b) If Seller is unable or unwilling to cause any or all of the Unpermitted Exceptions to be removed or insured over by endorsement as described above, Purchaser shall have the right to:

(i) terminate this Agreement by sending written notice of such termination to Seller within ten (10) days after the expiration of the Cure Period, in which event the Deposit shall be refunded to Purchaser promptly as Purchaser's sole and exclusive remedy, and thereafter neither Seller nor Purchaser shall have any further obligations under this Agreement except as explicitly stated herein; or

(ii) waive its objection to such Unpermitted Exceptions and accept title to the Property subject thereto without reducing the Purchase Price or providing a credit thereto, in which case such Unpermitted Exceptions shall be deemed Permitted Exceptions (Purchaser being deemed to have elected this option (ii) if it fails to terminate this Agreement in accordance with the immediately preceding option (i)).

(c) If Purchaser has not delivered the Title Notice to Seller by the expiration of the Title Review Period, Purchaser shall be deemed to have waived the provisions of this Paragraph 5.

6. Purchaser's Review.

(a) Within three (3) business days after the Effective Date, Seller shall provide to Purchaser, to the extent such items are contained in Seller's electronic central property file and relate to the Property, site plans, surveys, previous title searches, commitments and title policies, as-built drawings, soil reports, environmental reports, leases, and permits (collectively, the "**Seller Property Documents**"). The Seller Property Documents will be provided without representation or warranty of any kind whatsoever.

(b) Subject to the provisions of Paragraph 7 below, Purchaser shall have thirty-five (35) days from the date the Seller Property Documents are delivered to Purchaser (the "**Feasibility Review Period**") to conduct a physical inspection of the Property and perform such examinations and inspections reasonably necessary to ascertain whether the condition of the Property (including the environmental condition) is acceptable to Purchaser (the "**Feasibility Review**").

(c) If the Feasibility Review discloses any matters which are not acceptable to Purchaser ("**Property Defects**"), Purchaser shall so advise Seller in writing (the "**Feasibility Notice**") prior to the expiration of the Feasibility Review Period. Seller shall have the right, but not the obligation, within twenty (20) days after the date of such notice (the "**Property Defects Cure Period**") to cure such defects. If applicable, the Closing Date shall be extended to permit the running of the Property Defects Cure Period. If Seller is unable or unwilling to cause any or all of the Property Defects to be cured during such Property Defects Cure Period, Purchaser shall have the right to:

(i) terminate this Agreement by sending written notice of such termination to Seller within ten (10) days after the expiration of the Property Defects Cure Period, in which event the Deposit shall be refunded to Purchaser promptly as Purchaser's sole and exclusive remedy, and thereafter neither Seller nor Purchaser shall have any further obligations under this Agreement, except as explicitly stated herein; or

(ii) waive its objection to such Property Defects and accept the Property subject thereto without reducing the Purchase Price or providing a credit thereto (Purchaser being deemed to have elected this option (ii) if it fails to terminate this Agreement in accordance with the immediately preceding option (i)).

(d) Notwithstanding anything to the contrary contained in this Agreement, Purchaser shall conduct no surface or subsurface invasive testing or sampling of the Property ("**Invasive Testing**") without Seller's prior written approval, which may be withheld in Seller's sole discretion.

(e) If Purchaser has not delivered the Feasibility Notice to Seller by the expiration of the Feasibility Review Period, Purchaser shall be deemed to have waived the provisions of this Paragraph 6 and proceed to Closing without reducing the Purchase Price.

7. Purchaser's Right of Entry.

(a) Seller shall permit Purchaser and its authorized employees, agents, engineers and other representatives to enter upon the Property to conduct the Feasibility Review within the Feasibility Review Period. This right of entry shall be conditioned upon (i) Seller, or a representative or agent designated by Seller, having the right to be present on the Property with Purchaser or its representatives at the time or times that Purchaser is on or about the Property, (ii) Purchaser complying with Seller's security requirements, and (iii) Purchaser not interfering with the use of the Property by Seller or Seller's employees, agents, invitees or tenants. Purchaser shall make appropriate arrangements with Seller for access in each instance and shall give Seller not less than two (2) business days' prior notice of the dates and times at which Purchaser desires to enter the Property.

(b) Purchaser shall have no right to alter the Property in any way or to damage the Property in any respect in connection with its inspections. In the event Purchaser takes any soil borings, the holes shall be filled and the surface restored after the conclusion of such tests. Purchaser hereby agrees to indemnify and hold Seller absolutely harmless from and against any and all claims, demands, actions, suits, judgments, liabilities, costs and expenses, including reasonable attorneys' fees (such fees also to include those in connection with all post-judgment and appellate proceedings), for injury to persons and physical damage to property related to or arising from, directly or indirectly, Purchaser's entry upon the Property and the performance (by Purchaser or its duly authorized employees, agents, engineers or other representatives) of the inspections and investigations during the Feasibility Review Period. The obligations of this Paragraph 7 shall survive the termination of this Agreement or the Closing (as hereinafter defined).

(c) Purchaser and its employees, agents, engineers and other representatives agree to keep the results of the Feasibility Review, together with any other information obtained from Seller or third parties about the Property, including without limitation, the Seller Property Documents (collectively, the "**Confidential Information**"), strictly confidential and shall not disclose the Confidential Information to any third party other than the independent contractors, consultants, lenders, engineers, employees and attorneys of Purchaser who are involved in the substantive evaluation of the Property on behalf of Purchaser (provided that Purchaser shall impose on all such third parties the same confidentiality obligations set forth herein). Purchaser and such third parties shall not use the Confidential Information other than in connection with their examination of the Property. Purchaser shall provide Seller with copies of all reports and other documentation generated as part of the Feasibility Review. If the transaction contemplated by this Agreement is not consummated, Purchaser shall deliver (or cause to be delivered) all such documentation to Seller (provided no additional charge shall be incurred by Purchaser for such delivery), or at Seller's request, Purchaser shall destroy (or cause to be destroyed) all documentation related to the Feasibility Review.

(d) In view of the difficulties of placing a monetary value on the Confidential Information and the foregoing confidentiality obligations, it is agreed and understood that in the event of any breach or threatened breach of Paragraph 7(c) by Purchaser, its employees, agents, engineers and other representatives or any third parties, Seller shall be entitled to injunctive and other equitable relief in any court of competent jurisdiction, and, in the event of a willful or intentional breach hereof by Purchaser or by any person employed by or working as an agent of Purchaser in any manner, Seller shall be entitled to recover its damages attributable to such breach (including reasonable attorneys' fees through all post-judgment and appellate proceedings).

(e) Purchaser shall, at its sole expense, obtain and maintain prior to entering the Property, and shall cause any of its independent consultants ("**Consultants**") to obtain and maintain prior to entering the Property, from a financially sound insurance company or companies acceptable to Seller, policies of insurance for the following types of coverage and with limits of liability not less than the minimum amounts set forth below:

(1) workers' compensation and occupational disease insurance with statutory limits and employers' liability insurance with limits of not less than $500,000; and

(2) commercial general liability insurance with limits of not less than $1,000,000 combined single limit, which may be arranged through a combination of primary and excess policies if necessary, for claims of bodily injury and/or property damage, written on an "occurrence" basis and including coverage for personal injury liability, products and completed operations, independent contractors, blanket broad form contractual liability, and explosion, collapse, and underground hazards.

Each such policy shall contain a clause or endorsement under which the insurer waives all right of subrogation against Seller, its agents or employees, with respect to losses payable under such policy.

Prior to entering the Property, Purchaser or any of its Consultants, whichever of them is then entering the Property, shall provide Seller (directed to Diane_Mannarino@KeyBank.com, with a copy to Cathryn.Greenwald@ThompsonHine.com) with a certificate(s) of insurance evidencing that the foregoing policies of insurance have been obtained and are in full force and effect and, except for Purchaser's and the Consultants' workers' compensation insurance coverage, that Seller has been named an additional insured under said policies and said policies shall primary and not contributing to any insurance available to Seller. Said certificate(s) shall also show the expiration date of each policy and provide that Seller shall be given at least ten (10) days' prior written notice of any cancellation or material modification thereof. Neither the purchase of any policy of insurance nor the furnishing of evidence thereof to Seller pursuant hereto shall relieve Purchaser of its indemnification obligations hereunder.

8. Representations and Warranties.

(a) Seller's Representations. Seller hereby makes the following representations, each of which is true and shall be true on the Closing Date in all material respects:

(i) Seller has full power and authority to enter into this Agreement and to perform all the obligations of Seller hereunder and no further consent or approval is required in order to constitute this Agreement a legal, valid and binding obligation of Seller;

(ii) Seller is not a foreign person, as that term is defined under Section 1445 of the Internal Revenue Code, and at Closing, Seller shall provide Purchaser with an affidavit, in customary form (the "**FIRPTA Affidavit**"), establishing that Purchaser is not required to withhold any portion of Seller's proceeds; and

(iii) To Seller's knowledge, Seller has not received written notice of any continuing violation, either by Seller or by any other person for which Seller is or may likely be liable, of any Environmental Law, emanating from or occurring on the Property. As used in this Subparagraph 8(a)(iii), "**Environmental Law**" means any federal, state, or local law, statute, ordinance, regulation, rule, or code ("**Law**"), relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production, or disposal of any substance, material, or waste, which is designated, classified, or regulated as being "toxic" or "hazardous" under any Law in effect as of the date of execution of this Agreement.

As used in this Paragraph 8(a), the term "knowledge" (or terms similar thereto) shall mean the current actual knowledge of Diane Mannarino (Seller's Vice President handling this sale transaction) and Adam Burcher (Seller's Facilities Manager for the Property) (collectively, "**Seller's Representative**"), without the duty to investigate. Notwithstanding anything to the contrary contained in this Agreement, Seller's Representative shall have no personal liability hereunder.

(b) Purchaser's Representation. Purchaser hereby makes the following representation, which is true and shall be true on the Closing Date in all material respects: Purchaser has full power and authority to enter into this Agreement and to perform all the obligations of Purchaser hereunder and no further consent or approval is required in order to constitute this Agreement a legal, valid and binding obligation of Purchaser.

(c) Survivability of the Representations. The representations and warranties of Seller and Purchaser set forth in this Paragraph 8 shall survive the Closing for a period of six (6) months.

9. "AS IS" Condition. THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND PURCHASER, THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND PURCHASER, AND PURCHASER HAS CONDUCTED ITS OWN INDEPENDENT EXAMINATION OF

THE PROPERTY. EXCEPT FOR THE REPRESENTATIONS SET FORTH IN PARAGRAPH 8 ABOVE, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATIONS OR WARRANTY OF SELLER OR ANY OF SELLER'S AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE. SELLER SPECIFICALLY DISCLAIMS, AND NEITHER IT NOR ANY OTHER PERSON IS MAKING, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER AND NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER OR RELIED UPON BY PURCHASER WITH RESPECT TO THE STATUS OF TITLE TO OR THE MAINTENANCE, REPAIR, CONDITION, DESIGN OR MARKETABILITY OF THE PROPERTY, OR ANY PORTION THEREOF, INCLUDING BUT NOT LIMITED TO (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (d) ANY RIGHTS OF PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, (e) ANY CLAIM BY PURCHASER FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, WITH RESPECT TO THE IMPROVEMENTS OR ANY PERSONAL PROPERTY COMPRISING A PORTION OF THE PROPERTY, (f) THE FINANCIAL CONDITION OR PROSPECTS OF THE PROPERTY AND (g) THE COMPLIANCE OR LACK THEREOF OF THE PROPERTY OR THE IMPROVEMENTS WITH GOVERNMENTAL REGULATIONS, IT BEING THE EXPRESS INTENTION OF SELLER AND PURCHASER THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO PURCHASER IN ITS PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS", WITH ALL FAULTS. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED PURCHASER OF REAL ESTATE, AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS IN PURCHASING THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES THAT IT WILL HAVE THE OPPORTUNITY TO CONDUCT SUCH INSPECTIONS, INVESTIGATIONS AND OTHER INDEPENDENT EXAMINATIONS OF THE PROPERTY AND RELATED MATTERS, INCLUDING BUT NOT LIMITED TO THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, DURING THE FEASIBILITY REVIEW PERIOD AND WILL RELY UPON SAME AND NOT UPON ANY STATEMENTS OF SELLER OR OF ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT OR ATTORNEY OF SELLER. PURCHASER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS THE "AS IS, WHERE IS" NATURE OF THIS SALE AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE PROPERTY. PURCHASER, WITH PURCHASER'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT, AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF. PURCHASER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO PURCHASER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER

AGREEMENTS SET FORTH IN THIS AGREEMENT. THE TERMS AND CONDITIONS OF THIS PARAGRAPH EXPRESSLY SURVIVE THE CLOSING AND WILL NOT MERGE WITH THE PROVISIONS OF THE DEED OR ANY OTHER CLOSING DOCUMENTS.

10. Purchaser's Release of Seller.

(a) Seller Released From Liability. Seller is hereby released from all responsibility and liability to Purchaser regarding the condition (including its physical condition and its compliance with applicable laws, and the presence in the soil, air, structures and surface and subsurface waters, of hazardous or toxic materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines), valuation, salability or utility of the Property, or its suitability for any purpose whatsoever except to the extent that such responsibility or liability is the result of the material inaccuracy (if any) of Seller's representations under Paragraph 8(a) hereof.

(b) Purchaser's Waiver of Objections. Purchaser acknowledges that it has inspected the Property, observed its physical characteristics and existing conditions and had, or will have, the opportunity to conduct such investigation and study on and of said Property and adjacent areas as it deemed necessary, and subject to Seller's responsibility for any breach of the warranties and representations contained in Paragraph 8(a) of this Agreement, hereby waives any and all objections to or complaints (including but not limited to actions based on federal, state or common law and any private right of action under CERCLA, RCRA or any other state and federal law to which the Property is or may be subject) regarding physical characteristics and existing conditions, including without limitation structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and hazardous or toxic materials on, under, adjacent to or otherwise affecting the Property. Purchaser further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property, and the risk that adverse physical characteristics and conditions, including without limitation the presence of toxic or hazardous materials or other contaminants, may not be revealed by its investigation.

(c) Survival. The foregoing waivers and releases by Purchaser shall survive either (a) the Closing and the recordation of the Deed, and shall not be deemed merged into the Deed upon its recordation, or (b) any termination of this Agreement.

11. Possession. Seller shall deliver possession of the Property to Purchaser at Closing.

12. Closing Date. Closing of the transaction contemplated hereby ("**Closing**") shall be held on or before ten (10) days after the expiration of the Feasibility Review Period (the "**Closing Date**") at such time as shall be mutually agreeable to the parties hereto in accordance with the terms of this Agreement.

13. Closing. Closing shall be through an escrow (the "**Closing Escrow**") established with the Title Insurer, as escrowee. This Agreement shall serve as escrow instructions to the Title

Insurer, subject to its Standard Conditions of Acceptance of Escrow; provided, however, that this Agreement shall govern in the event of any conflict between said Standard Conditions and any of the terms hereof. The Closing Escrow shall be auxiliary to this Agreement, and this Agreement shall not be merged into, nor in any manner superseded by, the Closing Escrow. The Closing Escrow costs and fees shall be equally divided between Purchaser and Seller. On the Closing Date, if all the funds and documents set forth in Paragraph 18 and Paragraph 19 have been delivered to the Title Insurer and if the Title Insurer is in a position to issue and will issue the Title Policy as described in Paragraph 14, the Title Insurer shall:

(a) Cause the Deed to be filed for record;

(b) Make the prorations set forth in Paragraph 15, paying all amounts of taxes and assessments which are applicable to the Property and which are due and payable at such time and appropriately charging or crediting the respective accounts of the parties;

(c) Charge to each of Seller and Purchaser the Closing Costs as set forth in Paragraph 20 below;

(d) Cause the issuance and delivery to Purchaser of the Title Policy, as described in Paragraph 14; and

(e) Pay to or upon the order of Seller the cash balance of the Purchase Price after deducting all amounts herein required to be paid from the Closing Escrow by Seller.

The Title Insurer shall deliver to Seller a copy of the recorded Deed; original executed counterparts of all other documents delivered by Seller and Purchaser into the Closing Escrow; and its escrow statement in duplicate showing all the charges and credits affecting the account of Seller. The Title Insurer shall deliver to Purchaser the recorded Deed; original executed counterparts of all other documents delivered by Seller and Purchaser into the Closing Escrow; copies of any recorded mortgage deposited by Purchaser; the Title Policy; the balance, if any, of the funds deposited by Purchaser remaining after disbursement in accordance with these directions; and its escrow statement in duplicate showing all charges and credits affecting the account of Purchaser.

14. Title Policy. At Closing, the Title Insurer shall issue to Purchaser or be irrevocably committed to issue to Purchaser an ALTA Owner's Policy of Title Insurance in the amount of the Purchase Price and dated as of the Closing Date, insuring title to the Property in Purchaser, subject only to the Permitted Exceptions and the Title Insurer's so-called "standard exceptions" (the "**Title Policy**").

15. Closing Adjustments.

(a) Real and personal property taxes and assessments, property owners association dues or assessments, if any, and other similar charges attributable to the Property (collectively, the "**Taxes**") will be prorated as of the Closing. If the amount of any Tax is not ascertainable at Closing, the adjustment thereof shall be on the basis of the most recently ascertainable bill therefor. Such prorations shall be final. Notwithstanding

the foregoing, Purchaser shall be responsible for any recoupage for any amount of tax exemptions, such as agricultural exemptions.

(b) All prepaid and unpaid operating expenses of the Property, including, without limitation, public utility charges, maintenance, repair, management and other service charges, and other normal operating charges shall be prorated as of the Closing Date based upon the best available information. As part of Closing, water and sewer charges will be prorated as of the Closing Date, as calculated by Escrow Agent based on the most recent bills therefor. Such prorations shall be final. Outside of Closing, Seller will receive final readings of all other utilities and shall remain liable for final payments of its utility accounts. Seller intends to have its utility accounts closed and the utility services provided pursuant to such accounts shut off as of the Closing Date and, as of the Closing Date, Purchaser will be solely responsible for arranging for all of the utility accounts to be established in Purchaser's name and the utility services provided pursuant to such accounts furnished to the Property. Seller shall have no liability for, and Purchaser hereby releases Seller from, all responsibility and liability regarding any loss, cost or damage to the Property or any other consequence resulting from Purchaser's failure to cause utility services to be provided to the Property following Closing, including any loss, cost or damage resulting from Purchaser's failure to open utility accounts in its name.

16. Intentionally Deleted.

17. Personal Property. On the Closing Date, Seller shall convey to Purchaser by quitclaim bill of sale all personal property owned by Seller and located on the Property at the time of Closing and listed on **Exhibit B** attached hereto. In no event shall Seller convey to Purchaser any registers, cash drawers, under counter steel, after hours depositories or automatic teller machines or any items or money located therein.

18. Seller's Closing Deliveries. On or before the Closing Date, Seller shall deposit the following into the Closing Escrow:

(a) The Deed subject to the Permitted Exceptions;

(b) The Bill of Sale, conveying all personal property owned by Seller and located on the Property, as described in Paragraph 17 above;

(c) Seller's executed FIRPTA Affidavit;

(d) Seller's executed ALTA statement, Owner's Affidavit or similar statement, in form and substance acceptable to Seller in its reasonable discretion, which may be required by the Title Insurer pertaining to mechanics' liens and parties in possession;

(e) All keys necessary to access the Property or items thereon;

(f) Seller's executed counterpart of any applicable state, county or local realty transfer tax declarations;

(g) Seller's executed counterpart of an agreed proration statement; and

(h) Such other documents, instruments, certifications and confirmations as may be reasonably required and designated by the Title Insurer to fully effect and consummate the transactions contemplated hereby.

19. Purchaser's Closing Deliveries. On or before the Closing Date, Purchaser shall deposit, or cause to be deposited, the following into the Closing Escrow:

(a) The balance of the Purchase Price, by, at Seller's option, either certified check or wire transfer of immediately available funds;

(b) Purchaser's executed ALTA statement, affidavit or similar statement which may be required by the Title Insurer;

(c) Purchaser's executed counterpart of any applicable state, county or local realty transfer tax declarations;

(d) Purchaser's executed counterpart of an agreed proration statement; and

(e) Such other documents, instruments, certifications and confirmations as may be reasonably required and designated by the Title Insurer to fully effect and consummate the transactions contemplated hereby.

20. Closing Costs. Seller shall be responsible for payment of (i) any applicable real estate transfer taxes; (ii) one half (½) of the Closing Escrow charges, if any; (iii) the cost of the basic premium for the Title Policy; and (iv) the cost of recording the Declaration (as hereinafter defined). Purchaser shall be responsible for (i) the cost of the title examination and Commitment; (ii) one half (½) of the Closing Escrow charges, if any; (iii) the cost of the Survey, if applicable; (iv) the cost of any coverage in excess of the Purchase Price or any affirmative coverage or other endorsements requested by the Purchaser in excess of the basic Title Policy; and (v) any other customary buyer's charges including but not limited to recordation of the Deed.

21. Default.

(a) In the event of a default by Seller hereunder which Seller fails to cure within ten (10) days after receipt of written notice describing such default in reasonable detail, Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be returned to Purchaser, and, in addition, the amount of $1,000.00 shall be paid to Purchaser, all as liquidated damages, and neither party shall have any further rights, obligations, or liabilities hereunder except as explicitly set forth herein. The parties acknowledge and agree that the actual damages in such event are uncertain in amount and difficult to ascertain, and that said amount of liquidated damages was reasonably determined.

(b) In the event of a default by Purchaser hereunder, Seller shall be entitled to either (i) terminate this Agreement by written notice to Purchaser, in which event the Deposit shall be paid to Seller as liquidated damages and neither party shall have any further rights, obligations, or liabilities hereunder except as explicitly set forth herein or (ii) maintain an action for breach of this Agreement, damages, specific performance or any

other relief available at law or in equity. The parties acknowledge and agree that the actual damages in the event of a default by Purchaser are uncertain in amount and difficult to ascertain, and that said amount of liquidated damages was reasonably determined. Notwithstanding the foregoing, the parties acknowledge and agree that this Subparagraph 21(b) shall in no way limit Seller's rights under Paragraph 7.

22. Condemnation. If, after the date of this Agreement and prior to the Closing Date, all or any material portion of the Property is taken by exercise of the power of eminent domain or any proceedings are instituted to effect such a taking, Seller shall promptly give Purchaser notice of such occurrence, and if Purchaser reasonably determines that such taking would hinder, or result in the Property being unsuitable for, Purchaser's intended use thereof, Purchaser may, within fourteen (14) days after receipt of such notice, elect (by providing written notice of such election to Seller) to either (a) terminate this Agreement, in which event the Deposit shall be immediately returned to Purchaser and all obligations of the parties hereunder shall cease and this Agreement shall have no further force and effect except as expressly stated herein, or (b) close the transaction contemplated hereby as scheduled (except that if the Closing Date is less than fourteen (14) days following Purchaser's receipt of such notice closing shall be delayed until Purchaser makes such election), in which event Seller shall assign and/or pay to Purchaser at Closing all condemnation awards or other damages collected or claimed with respect to such taking.

23. Damage and Destruction. If, after the date of this Agreement and prior to the Closing Date, any building on the Property shall be destroyed or materially damaged by fire or other casualty not caused by Purchaser's negligence or acts, Seller shall promptly give Purchaser notice of such occurrence, and if Purchaser reasonably determines that any such damage or destruction would hinder or result in the Property being unsuitable for Purchaser's intended use thereof, Purchaser may, within fourteen (14) days after such notice, elect (by providing written notice of such election to Seller) to either (a) terminate this Agreement, in which event the Deposit shall be promptly returned to Purchaser and neither party shall have any rights, obligations, or liabilities to the other hereunder except as explicitly set forth herein, or (b) close the transaction contemplated hereby as scheduled (except that if the Closing Date is less than fourteen (14) days following Purchaser's receipt of such notice, the Closing shall be delayed until Purchaser makes such election), in which event Seller shall assign and/or pay to Purchaser at Closing all insurance awards collected with respect to such damage or destruction.

24. Notices. Any notice, request, demand, instruction or other document to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and served either personally or sent by United States registered or certified mail, return receipt requested, postage prepaid or by pre-paid nationally recognized overnight courier service, and addressed to the parties at their respective addresses set forth below. A party may change its address for receipt of notices by service of a notice of such change in accordance herewith.

If to Seller: KEYBANK NATIONAL ASSOCIATION (PID 4044)
Attention: Real Estate Asset Manager

by mail to: P.O. Box 94839
Cleveland, Ohio 44101

by overnight courier to:	Mail Code: OH 01-10-0605 100 Public Square, Suite 600 Cleveland, Ohio 44113
With a copy to:	Thompson Hine LLP Attention: Cathryn Greenwald, Esq. 3900 Key Tower 127 Public Square Cleveland, Ohio 44114
If to Purchaser:	Goldstein Improvement Company Attention: Gregory Adler 426 East Rustic Road Santa Monica, California 90402
With a copy to:	Goldstein Improvement Company Attention: Daniel Glidmann 130 Seward Street, Suite 001 Juneau, Alaska 99801

Notices given hereunder shall be deemed to have been given on the date of personal delivery (or the first business day thereafter if delivered on a non-business day), three (3) days after the date of certified mailing or the next business day after being sent by overnight courier.

25. Brokerage. Seller and Purchaser each represent and warrant to the other that it has not dealt with any agents, brokers or finders in connection with the transaction covered by this Agreement other than Jones Lang LaSalle and The Carlton Smith Company (collectively, "**Seller's Broker**"), representing Seller. Each of the parties hereto agrees to indemnify and hold the other harmless from and against any claims, actions, liabilities, costs and expenses with respect to any brokerage commission or finder's fee asserted by a person, firm or corporation (other than Seller's Broker) claiming to have been engaged by, through or under the indemnifying party. Seller and Purchaser hereby acknowledge that the foregoing representation and warranty shall survive the Closing. Seller shall be responsible for paying any brokerage commission due to Seller's Broker pursuant to a separate agreement.

26. Entire Agreement, Amendments and Waivers. This Agreement contains the entire agreement and understanding of the parties in respect to the subject matter hereof, and the same may not be amended, modified or discharged nor may any of its terms be waived except by an instrument in writing signed by the party to be bound thereby.

27. Further Assurances. The parties each agree to do, execute, acknowledge and deliver all such further acts, instruments and assurances and to take all such further action before or after the Closing as shall be necessary or desirable to fully carry out this Agreement and to fully consummate and effect the transactions contemplated hereby.

28. Intentionally Deleted.

29. Declaration of Restrictions. Seller shall cause a Declaration of Restrictions (the **"Declaration"**) in the form attached hereto as **Exhibit C** to be recorded in the real estate records of Juneau Recording District, Alaska prior to the recording of the Deed. The parties acknowledge that the Declaration shall be deemed to be a Permitted Exception.

30. Miscellaneous.

(a) This Agreement and any document or instrument executed pursuant hereto may be executed in any number of counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(b) Whenever under the terms of this Agreement the time for performance of a covenant or condition falls upon a Saturday, Sunday or holiday, such time for performance shall be extended to the next business day. Otherwise all references herein to "days" shall mean calendar days.

(c) This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located.

(d) Time is of the essence of this Agreement.

(e) This Agreement shall inure to the benefit of, and shall be binding upon, the permitted successors and assigns of the parties hereto; provided, however, that Seller shall have the right to approve in advance, in its sole discretion, any assignment by Purchaser; provided, however, in the event of any assignment, that Purchaser shall not be relieved of its obligations under this Agreement.

(f) In the event any term or provision of this Agreement shall be held illegal, invalid, unenforceable or inoperative as a matter of law, the remaining terms and provisions of this Agreement shall not be affected thereby, but each such term and provision shall be valid and shall remain in full force and effect.

(g) During the term of this Agreement, Seller shall have the right to discuss the Property with other prospective purchasers, but Seller shall not enter into a definitive agreement with any prospective third party purchasers for the purchase of the Property, other than with a governmental or quasi-governmental authority having power of condemnation, so long as Purchaser is not in default hereunder.

(h) All actions required pursuant to this Agreement necessary to effectuate the transaction contemplated herein has been or will be taken promptly and in good faith by Purchaser and Seller and their representatives, employees and agents.

(i) In the event any litigation is undertaken to enforce the provisions of this Agreement, the party obtaining a judgment in its favor in connection therewith shall also receive, as part of the judgment, an amount equal to its reasonable attorneys' fees and other

costs incurred in connection with such litigation, including without limitation post-closing and appellate proceedings.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year written above.

SELLER:

KEYBANK NATIONAL ASSOCIATION

By: Diane Marmaro

Its: VP

PURCHASER:

GOLDSTEIN IMPROVEMENT COMPANY

By: Melissa Adler

Its: VICE-PRESIDENT

[Signature Page to Purchase Agreement]

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EXHIBIT A

Legal Description of the Property

Lots 5, 7 and 8, Block 5, Townsite of Juneau, Juneau Recording District, First Judicial District, State of Alaska.

EXHIBIT B

Personal Property

1. Desks	Eights
2. Chairs	Twelve
3. Filing Cabinets	Three
4. Tables	Four

EXHIBIT C

Declaration of Restrictions

[SEE ATTACHED]

WHEN RECORDED, MAIL TO:
KeyBank National Association
Mailcode: OH-01-10-0605
100 Public Square, Suite 600
Cleveland, Ohio 44113-2207
Attention: Real Estate Asset Manager (PID No. 4044)

THIS INSTRUMENT PREPARED BY:
Thompson Hine LLP
Attention: Cathryn Greenwald, Esq.
3900 Key Tower
127 Public Square
Cleveland, Ohio 44114

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS ("**Declaration**") is made the _____ day of _____, 20__, by KEYBANK NATIONAL ASSOCIATION, a national banking association ("**Declarant**")

RECITALS:

A. Pursuant to a Real Estate Sale Agreement (the "**Agreement**"), dated September 27, 2021, Declarant agreed to sell and convey that certain parcel of real property located at 234 Seward Street, Juneau, Alaska 99803 and described on Exhibit A attached hereto (the "**Restricted Property**").

B. Declarant desires to impose certain restrictions on the Restricted Property, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the above premises and of the covenants herein contained, the Declarant does hereby declare that the Restricted Property and all present and future owners, lessees and occupants of the Restricted Property shall be and hereby are subject to the terms, covenants, and restrictions hereinafter set forth and shall be used in full compliance

with and subject to this Declaration and, in connection therewith, Declarant covenants and agrees as follows:

1. Restriction on Use. During the Term (as hereinafter defined), neither the Restricted Property, nor any portion thereof, shall be operated, used or occupied for any of the following purposes:

   (a) As (i) a retail banking facility or a financial institution, including, without limitation, branch banking, savings and loans, credit union and check cashing, payday lending and the operation of a "branded" automated teller machine (i.e. an automated teller machine affiliated with a bank or other financial institution; for the avoidance of doubt, a non-branded automated teller machine shall not be prohibited), (ii) a facility engaged in any other banking use (including, without limitation, mortgage, financial, trust, investment, lending or securities brokerage services), provided the Property may be operated by an independent financial advisor not affiliated with a bank or other financial institution, or (iii) a facility engaged in insurance sales; or placing signage on the Restricted Property for any entity engaged in any of the foregoing uses, or for placing any signage on the Restricted Property for any entity engaged in, or any of, the foregoing prohibited uses (collectively, the "**Financial Uses Restrictions**").

   (b) In any manner (including the display of signage) which is reasonably offensive, disreputable, immoral or illegal, which prohibition shall include, but not be limited to, use or occupancy (i) as a brothel or for adult entertainment or the sale or renting of adult books, magazines, videos or other adult products, (ii) for the sale of paraphernalia related to the use of illegal drugs (the term "illegal drugs" specifically being deemed to include marijuana or related products, even if the same presently are or subsequently do become legal), or (iii) for the sale or consumption of marijuana or related products, even if the same presently are or subsequently do become legal, or for placing any signage on the Restricted Property for any entity engaged in, or any of, the foregoing prohibited uses (collectively, the "**Noxious Uses Restrictions**").

2. Term. This Declaration restricting the use of the Restricted Property shall commence on the date of this Declaration, and shall extend until (and expire and have no further force or effect following (in each such case, the "**Term**"): (A) as to the Financial Uses Restrictions, on the earlier of (a) the date that none of the following parties owns, leases or otherwise occupies the Benefitted Property (as hereinafter defined): (i) Declarant, (ii) any entity resulting from a merger or consolidation with Declarant or any organization purchasing substantially all of the assets of Declarant, (iii) any entity succeeding to substantially all the business and assets of Declarant, (iv) any subsidiary, affiliate or parent of Declarant, or (v) any entity controlling, controlled by or under common control with Declarant, or (b) the date which is five (5) years following the date of this Declaration; and (B) as to the Noxious Uses Restrictions, on the date which is two (2) years following the date of this Declaration.

3. Benefitted Property. This Declaration runs with and for the benefit of that certain real property located at 8800 Glacier Highway, Juneau, Alaska 99801 and described in Exhibit B attached hereto (hereinafter the "Benefitted Property") and shall inure to the benefit of Declarant and its successor(s) and assign(s).

4. Specific Performance. Declarant confirms that damages at law may be an inadequate remedy for a breach or threatened breach of any provisions hereof. The rights and obligations hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to or shall limit or affect any rights at law or by statute or otherwise of Declarant or the owners(s) of the Benefitted Property for a breach or threatened breach of any provisions hereof. The rights and obligations of Declarant hereunder shall be enforceable in equity as well as at law or otherwise.

5. Severability. In the event that any portion of these restrictions shall be determined by any court of competent jurisdiction to be unenforceable, such restrictions shall be modified, rewritten, or interpreted to include as much of their nature and scope as possible as will render them enforceable. Each of the provisions herein shall be deemed a separate and severable covenant.

6. Successors and Assigns. This Declaration shall restrict the use of the Restricted Property for the full Term and shall be binding upon each party having any fee, leasehold or other interest therein and their successor(s) and assign(s), and shall inure to the benefit of Declarant and its successor(s) and assign(s).

7. Attorneys' Fees. If any action is brought because of any breach of or to enforce or interpret any of the provisions of this Declaration, the party prevailing in such action shall be entitled to recover from the other party reasonable attorneys' fees and court costs incurred in connection with such action, the amount of which shall be fixed by the court and made a part of any judgment rendered.

8. Interpretation. This Declaration shall be governed by and construed in accordance with the internal laws of the State in which the Restricted Property is located. The section headings contained in this Declaration are for purposes of reference only and shall not limit, expand, or otherwise affect the construction of any provisions of this Declaration. Exhibits A and B attached hereto are by this reference incorporated herein and made a part hereof.

[BALANCE OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the day and year first above written.

DECLARANT:

KEYBANK NATIONAL ASSOCIATION, a national banking association

By: _____

Name:

Its:

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

BEFORE ME, a Notary Public in and for said County and State aforesaid, on this date personally appeared _____ the _____ of KEYBANK NATIONAL ASSOCIATION, a national banking association, known to me to be the same person whose name is subscribed to the foregoing instrument, and he/she acknowledged that he/she signed and delivered said instrument in the capacity indicated above, as his/her own free and voluntary act and as the free and voluntary act of the Declarant therein for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this ___ day of _____ 2021.

_____
Notary Public for the indicated State

My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE RESTRICTED PROPERTY

Lots 5, 7 and 8, Block 5, Townsite of Juneau, Juneau Recording District, First Judicial District, State of Alaska.

EXHIBIT B

DESCRIPTION OF THE BENEFITTED PROPERTY

[TO BE PROVIDED]

6

MR. ERIC EHMANN LETTER-PATTERN AND PRACTICE IN THE ASSESSOR'S OFFICE TO INCREASE THE LAND COMPONENT OF THE ASSESSMENT WITHOUT SUPPORT

November 21st, 2010

Dear Assembly Members:

My name is Eric Ehmann and I am a former CBJ employee who worked as an appraiser under Robin Potter from January 11th, 2010, until my resignation on June 4th, 2010. I am writing to inform you of certain facts regarding my experiences during my tenure with CBJ, so that you might be able to do something to remedy the situation in the assessor's office. Since my departure from CBJ, more than half of Ms. Potter's staff have tendered their resignations, and there has even been an investigation into Ms. Potter resultant of allegations of harassment and violence in the workplace. Surprisingly, CBJ found no wrong-doing by Ms. Potter, despite testimony from her staff (including me) supporting the allegations.

Recently, I was named by Ms. Potter in an interview with the Juneau Empire as a "problem employee" who improperly represented CBJ, and she went on to assert that I was accused by property owner David Coates of behaving inappropriately. These statements are fabrications from whole cloth. At no time during the course of my employment with CBJ was I ever warned, reprimanded, written-up, or otherwise accused of any impropriety, misrepresentation or problem-causing. Instead, my personnel record and the testimony of my coworkers support the fact that I was a valued, efficient and productive employee with great integrity. I had the pleasure of meeting and interacting with scores of property owners throughout the Borough, as well as many fellow CBJ employees, and I believe there isn't a single person who would characterize my behavior or actions as a representative of CBJ as anything but professional.

There were, however, serious problems that I did experience first hand during the course of my employment with CBJ and, contrary to everything Ms. Potter has stated (in the press and elsewhere), those problems were due to Ms. Potter's lack of management ability and her blatant disregard for ethics and the law. Ms. Potter on numerous occasions made statements to her staff that she was beholden to Mr. Craig Duncan, Finance Director, who had demanded that she artificially inflate the tax base (i.e., the total value of the assessed property within the Borough) in order to increase property tax collections. I heard Mr. Duncan inform Ms. Potter that she was expected to bring in an outside appraiser to assess the newly operational (and soon-to-be taxed) Kensington mine, and that the value should be in excess of a certain amount (I do not recall the figure Mr. Duncan stated so I won't speculate as to what it was) in order to maximize tax collections from the mine.

Perhaps the most serious impropriety committed by Ms. Potter occurred when Ms. Potter received a telephone call from Mr. John Hartle, CBJ Attorney, on or about Wednesday, May 12th, 2010, during which Mr. Hartle asked, in Ms. Potter's words, that she raise the assessment on his property because it was on the market and he wanted to sell it for more than the assessed value. There were several of us present during this conversation and afterward we all talked about it with Ms. Potter, who pointed out that when Mr. Hartle asks a favor of her he expects her to do it, but when she has asked him for certain things in the past he consistently failed to deliver. We talked about the fact that the statutory deadline for appeal had passed nearly two weeks prior, rendering moot the basis for his request and in following days it remained a topic of periodic discussion among the staff in the assessor's office. We all knew it would be illegal to make a change to an assessed value without satisfying the statutory requirement for proper notice, which is 30 days prior to board of equalization hearings (and which was well past), not to mention the fact that a property owner's desire to sell his property for more than its assessed value

does not amount to ethical or legal justification to increase its assessment.

Shortly after Mr. Hartle's request, Ms. Potter mentioned to me that an "office correction" might be in order. Office corrections, under Alaska law, are permissible when there is something discovered in a file or record which, on its face, shows that an error or omission has occurred, without requiring expert evaluation or investigation outside the file. An example would be a typographical error in which an extra zero is placed at the end of a sum. Office corrections can be made at any time and at the assessor's discretion but are not statutorily limited by deadlines or timetables.

Ms. Potter asked me to look at Mr. Hartle's file, which I reviewed but found no basis for an office correction. Upon reporting this to Ms. Potter she asked me to perform a physical inspection of the property and make any change to the value that would be justifiable, but not to go overboard. She said no one other than we in the assessor's office would know that it occurred after the appeal deadline and that the record could be made in such a way as to hide that fact from anyone who might later review it. She said we would just call it an "office correction" and leave it at that. It was at that moment when I became certain I would not be able to continue my employment with CBJ. When Ms. Potter asked me to perform this inspection I lied to her, saying I had to go to another part of the city for previously scheduled inspections, to which she replied that I could do it later.

My initial feelings of discomfort grew into significant feelings of anxiety and stress, and when Ms. Potter asked me again to make the inspection I fidgeted and began to offer some excuse when she apparently sensed my discomfort and said she would just have Jeff Hurt (a staff appraiser) do it. Sometime shortly thereafter Mr. Hurt made the inspection of Mr. Hartle's property, rendered a new assessment based on his inspection which Ms. Potter approved, and subsequently when I was alone in the office I made photocopies of most of the contents of the file which show the progression of work and resultant change to the assessment, done in violation of Alaska law.

I have it on good information that, since my departure from CBJ, Ms. Potter has been asked about this inspection and that she still claims only an "office correction" occurred. Unfortunately, the facts prove that an office correction could not have occurred. The land value component of the assessment was increased yet there was no mistake, omission or miscalculation in the file (or anywhere else) to support the change. The value of the home was also increased, according to Ms. Potter, because of an error in the calculations based on its square footage however, if you review the file, you will see that the "corrected" square footage used to calculate the new value was obtained only when Mr. Hurt performed an on-site inspection of the property. None of this is legally permissible in the course of performing an office correction or when revaluing a property under normal circumstances - any and all changes must have a basis in accepted valuation principles and the law because arbitrary increases (as occurred with the land value component of Mr. Hartle's property) are improper and illegal.

Furthermore, the false identification of the re-valuation as an "office correction" proves Ms. Potter's intent to conceal the illegal act she had committed. Interestingly, if you compare the note in the file written by Ms. Terry Ullmayer, administrative assistant to Ms. Potter, you will see that in the appeal record Ms. Ullmayer recorded only the month and year – without the day - for Mr. Hartle's appeal. This is a marked contrast to, literally, the dozens of other appeal files in which Ms. Ullmayer recorded day, month and year. Ms. Ullmayer was well aware of the illegal nature of the re-valuation and I believe Ms. Ullmayer intentionally omitted the day – which would prove that Mr. Hartle's request for appeal was untimely - to avoid complicity in Ms. Potter's illegal revaluation of the property.

Yours,

Eric Ehmann

715 360 4868

7

INCOME AND SALES COMPARISON APPROACH TO VALUE-BEST APPROACH

Income and Sales Comparison Approach to Value-best approach

Income Approach to Value-Best Approach for Investment Property; once rent stabilized property can be reappraised.

Cost Approach-Not a feasible approach to value with building costs estimated at $500 to $700 SF and rental rates in the $2 SF range. Private investors have not built commercial property in Juneau for decades and no private investor will build commercial space in the near future. The lack of building is also an indication that property values have not risen in the last decade and inflation has been low to January 1, 2022.

According to the Standard on Mass Appraisal of Real Property-2013 p. 11, 4.6.4 Commercial and Industrial Property:

"The income approach is the most appropriate method in valuing commercial and industrial property if sufficient income data are available. Direct sales comparison models can be equally effective in large jurisdictions with sufficient sales. When a sufficient supply of sales data and income data is not available, the cost approach should be applied. However, values generated should be checked against available sales data. Cost factors, land values, and depreciation schedules must be kept current through periodic review."

The Cost Approach/Sales Approach Hybrid Model the Juneau Assessor uses is improper and results in excessive assessed values and they must be instructed not to use it. The Juneau Assessor should revisit 2021 and 2022 of all commercial property owners.

8

ASSESSOR REFUSED TO COLLECT DATA FROM ALL SOURCES

The Alaska Taxable 2021 Report, from the State of Alaska, sets forth the standard for the Juneau Assessor to follow in collecting sales data, as follows,

"Collect Sales Data from all sources such as recorders' offices, realtors, developers and bankers."

9

ASSESSED VALUE HAS BEEN TO HIGH FOR DECADES

The Assessor proclaims, "Assessed Values Have Been Low for a Decade."

False, see below.

	234 Seward Av	224 2nd St	238 Front St
Sale Date	11/24/2021	1/5/2021	2/2015
Sales Price/Market Value	1,250,000	286,000	600,000
Assessed Value			
2022	2,547,520	405,300	1,726,900
2021	2,598,400	397,194	
2020	2,304,500	405,300	
2019	2,329,000	270,200	
2018	2,329,000	245,700	
2017	2,329,000	246,000	
2016	2,329,000	246,000	
2015	2,329,000	246,000	
2014	2,329,000	246,000	
2013	2,329,000	246,000	

"Outlier" Definition from The Assessment Administration, International Association of Assessing Officers (IAAO), 2003 "Outliers result from poor or outdated appraisals."

The Assessor has used a Cost Approach/Sales Approach (freely discarding Sales that are below Assessed Value) Computer Model with data in/data out that suits his purpose which is higher assessed values and taking property taxes from commercial property owners through gross negligence, fraud or incompetence. This can only lead to increased costs for the City and Borough of Juneau as they defend wayward actions.

10

FORMER JUNEAU ASSESSOR EMPLOYEE SAYS PROPERTY WAS RAISED ON AVERAGE 2-3% ANNUALLY DURING HIS TENURE

John Skan Phone Conversation June 23, 2022, Former Employee of Juneau Assessor Office

John reported it was the practice of the Assessor's Office during his tenure to raise property taxes on average 2-3% yearly during his tenure.

11

UNDISCLOSED SALES BY THE ASSESSOR OFFICE

UNDISCLOSED BY THE ASSESSOR'S OFFICE

UNDISCLOSED BY THE ASSESSOR'S OFFICE

● Indicates Excluded from Juneau Assessor's Addendum A-Commercial Sales List And Computer Modeling

Date	Seller	Buyer	Address	Parcel No	Sales Price	2021 AV	AV > MV $	AV % MV
12/2021 Listing	Akiyama Family Rentals	N/A	0 Riverside Dr	5B1601430016	$599,000	1135800	$536,800	203%
12/2021 Pending	Harbor Lights Enterprises	N/A	1000 Harbor Way	1C060K510040	661000	812500	$151,500	123%
12/2021 Pending	Gateway Properties	Confidential	8390 Airport	5B1501010014	$3,300,000	$3,904,470	$604,470	118%
11/24/21	Key Bank of AK	Goldstein Improvement Co	234 Seward St	1C070A050060	$1,250,000	$2,598,800	$1,348,800	208%
● 11/13/21	W&B Rentals LLC	Aware Inc.	201 Cordova St	1D060L030011	$400,000	$445,000	$45,000	111%
● 9/30/21	Construction Machinery Industrial LLC	CCTHTA	1721/1725 Anka St	5B1201040052 5B1201040051	$4,000,000	$5,106,550	$1,106,550	128%
● 9/28/21	Pacific Investment Group	SEARHC	0 Vintage Blvd	5B1601430017	$2,047,000	$2,521,350	$474,350	123%
● 9/17/21	RH Rentals LLC	SEARHC	225 Front St	1C070K810010	$1,850,000	$2,431,000	$581,000	131%
● 3/23/21	Northwest Holdings LLC	Viking Holdings LLC	214 Front St	1C070A030020	$1,450,000	$1,638,450	$188,450	113%
● 2/25/21	SE Newspapers	Amalga Distillery	134 N Franklin St	1C070A030070	$1,850,000	$2,075,450	$225,450	112%
● 1/5/21	Southeastern Newspapers	Goldstein Improvement Co	224 2nd St	1C070A040020	$286,000	$405,300	$119,300	142%
● 3/27/20	Pacific Investment Group	R&S Construction	0 Clinton Dr	5B1601442000	$565,000	$1,026,962	$461,962	182%
● 12/31/19	McKinnon et al	The Emporium Mall LLC	170 S Franklin	1C070K810140	$1,600,000	$2,131,200	$531,200	133%
● 9/6/19	Foodland, Inc.	Juneau Supermarkets LLC	601 W Willoughby Ave	1C060K660090 5B1201010010	$11,250,000	$14,670,150	$3,420,150	130%
● 9/3/19	Wells Fargo Bank NA	ODEX Juneau LLC	1610 Anka St	5B1201010030	$1,070,000	$1,746,929	$676,929	163%
● 8/2/19	Taku Oil Sales	Gas N Go LLC	5631 Glacier Hwy	5B1201060061	$500,000	$612,910	$112,910	123%
● 7/22/19	Bonnie Brae Partnership	Peter Pecl	0 Douglas Highway	6D0801110010	$230,000	$464,100	$234,100	202%
● 4/1/19	Assembly Assoc LLC	Assembly Assoc LLC	211 4th St	1C070A090060	$750,000	$1,484,500	$734,500	198%
● 11/16/18	Stanley & Sons	Affordable Auto Ent. LLC	8825 Mallard St	5B1501040030	$750,000	$837,600	$87,600	112%
8/21/18	Mark S. Reeder	RNL LLC	9309 Glacier Hwy	5B1601140070 1C060U060020 1C060U050020 1C060U050023 1C060U050025	$240,100	$308,850	$68,750	129%
● 7/20/18	First National Bank AK	DCI Commercial LLC	1108 F St	1C060U050024	$1,750,000	$2,462,050	$712,050	141%
● 3/13/18	Warner's Wharf LLC	Rocovich LLC	406 S Franklin St	1C070K830040	$4,150,000	$6,415,650	$2,265,650	155%
2/2/18	Estate of David Salvidar	Timos Glamakidis	254 S Franklin St	1C070K820030	$995,000	$1,194,450	$199,450	120%
9/19/17	B&K Ventures	Bad Dog Investments	2450 Industrial Blvd	4B1601010040	$750,000	$876,000	$126,000	117%
12/15/16	Forrest Reetz LLC	Caelum AK LLC	800 Glacier Ave	1C060G040040	$1,100,000	$1,457,000	$357,000	132%
3/30/16	First National Bank AK	Spickett's Palace LLC	238 Frot St	1C070A030040	$600,000	$2,639,300	$2,039,300	439%
3/1/16	James L. White	C&M Rentals	10221 Glacier Hwy	4B1071100170	$697,000	$813,000	$116,000	117%

Property and Data Excluded from Addendum A-Commercial Sales List

In All Cases Sales Price is Lower Than Assessed Value

21 Commercial Properties Excluded from Market Analysis And Computer Modeling (CAMA)

12

NORTHWIND ARCHITECTS- JUNEAU BUILDING COSTS ARE $700 PER SQUARE FOOT

From: **James Bibb** james@northwindarch.com
Subject: Goldstein Builidng Const Cost estimate
Date: June 22, 2022 at 9:40 AM
To: Gregoryladler@gmail.com
Cc: Sean Boily sean@northwindarch.com

Greg, based on current construction costs, (public projects, competitively bid), $700/sf is looking like a medium at the moment. Mindful of current market trends and strains of both transportation and the local trades for available managers and labor. We don't see this changing locally for the time-being. Private development may have a bit more leeway on the delivery.

This would include development costs including design, permitting and contingency....so, full project costs.

Basic tabulation would simply be an area x sf costs.

Does this give you enough information for a back of the napkin budget?

James bibb

James Bibb
NorthWind Architects, LLC
Principal Partner
126 Seward Street
Juneau, AK 99801

p.907.586.6150 (x202)
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c.907.321.4265
www.northwindarch.com
www.facebook.com/northwindarchitects

13

TABLE OF BUILDING COSTS COMPARISON SHOWING THE COST APPROACH TO VALUE IS NOT FEASIBLE

PROPERTY ADDRESS	ASSESSOR PARCEL #	SQUARE FEET	ASSESSOR BLDG VALUE	ASSESSOR TOTAL IMPROVEMENT VALUE*	ASSESSOR IMPROVEMENTS $ PER SQUARE FOOT	NORTH WIND ARCHITECTS IMPROVEMENTS $ PER SF	NORTHWIND TOTAL IMPROVEMENT VALUE	LAND VALUE	ASSESSOR CAMA VALUE	NORTHWIND ARCHITECTS VALUE
110 SEWARD ST	1C070A020030	10,359	935,018	$981,000	$90	$700	$7,251,300	967,848	$1,929,966	8,219,148
201 SEWARD ST	1C070A040010	12,282	614,264	$640,100	$50	$700	$8,597,400	866,565	1,494,129	9,463,965
224 SECOND ST	1C070A040020	LAND VALLUE ONLY		0	0	0	0		397,194	
234 SEWARD ST	1C070A050060	6608	1,629,054	1,716,700	260	$700	4,625,600	864,066	2,493,120	5,490,200
119 SECOND ST (130 SEWARD ST)	1C070A020043	44,750	5,346,931	5,358,700	120	$700	31,325,000	1,216,278	6,592,909	32,541,278
122 FRONT ST	1C070A020011	4,250	496,664	506,800	117	700	7,615,300	1,567,167	2,063,831	9,182,467

*-ASSESSOR TOTAL IMPROVEMENT VALUE MUST BE THE THREATENED HIGHER VALUE IF YOU APPEAL. THE ASSESSOR TOTAL IMPROVEMENT VALUE IS A MADE UP FIGURE AND NOT REPRESENTATIVE OF BUILDING COSTS PER SF

**-210 Seward has Misc Value of $13,300; 110 Seward has Misc Value of $27,100; 234 Seward has Misc Value of $54,400; and 119 Second has Misc Value of $29,700

***-Northwind Architects Improvements Per SF is taken from the Northwind Email to Greg Adler. Different building types are built at different prices per SF, but in no event in Juneau would I estimate the figure less than $500 to $600 per SF as adjusted by the Local Multiplier as set forth on the Assessor's Worksheet. Greg Adler is a licensed building contractor.

14

IMPROPER USE OF THE MASS APPRAISAL METHOD AND EXCESSIVE ASSESSED VALUE

Improper Use of the Mass Appraisal Method and Excessive Value

Fundamentals of Mass Appraisal, International Association of Assessing Officers, 2011, p.141 says,

"As a guideline, a stratum, submarket, or neighborhood in which fewer than 15 sales normally occur is too small. A better benchmark is 30 or more sales."

The "Downtown/Commercial" Submarket has 6 sales. The 6 sales are not disclosed. Massive sales, more than 21, are excluded and in all cases the Sales Price is lower than the Assessed Value. This "Computer Sleight of Hand" Covers Up the Data that must be entered into "The Computer" or "The System" to skew Sales Data higher to justify higher Assessed Values.

1 of the 6 Sales is the Norweigian Sales which Kim Wold, Appraiser, has told me is an "Outlier Sale" because the CEO of Noreweigian said the value is a "Business Value" not a "Property Market Value."

15

JULIE DINNEEN, APPRAISER- USES THE INCOME APPROACH TO VALUE AND THE SALES COMPARISON APPROACH TO VALUE

JULIE DINNEEN, APPRAISER

INCOME APPROACH AND SALES COMPARISON APPROACH TO VALUE RECONCILIATION

110 SEWARD ST	1C070A0200030	$ 1,200,000
201 SEWARD ST	1C070A040010	$ 875,000
224 SECOND ST	1C070A040020	$ 295,000
234 SEWARD ST	1C070A050060	$ 1,005,277 (SALES PRICE LESS OBSOLESENCE)
119 SEOND ST (130 Seward St)	1C070A020043	$ 4,750,000
122 FRONT ST	1C070A020011	$ 850,000

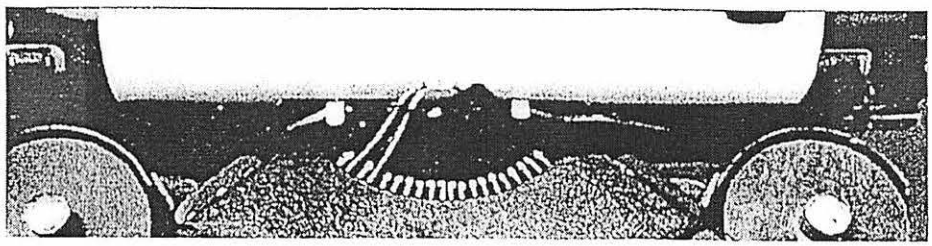
16

CITY AND BOROUGH OF JUNEAU PRESS RELEASE SAYING HIGHER COMMERCIAL PROPERTY VALUES BROUGHT IN $3 MILLION MORE IN TAX REVENUE-TAKING COMMERCIAL PROPERTY MONEY WITHOUT DUE PROCESS

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

COVID-19
CURRENT CORONAVIRUS INFORMATION





June 15, 2021 – News

After two months of budget work by the Assembly Finance Committee, the Juneau Assembly passed the Fiscal Year 2022 budget at Monday night's Regular Assembly Meeting. The Assembly voted to lower the property tax rate from 10.66 mills to 10.56 mills – the lowest property tax rate since 2013. The new budget, which begins July 1, expands the Assembly's support for childcare services and also restores money to the Capital Improvement Plan, including improvements to the Augustus Brown Pool.

The $420.9 million budget includes reduced projections of sales tax revenues and cruise ship passenger fees in anticipation of limited large cruise ship visitation this current summer. To offset these depressed revenues, the budget utilizes CBJ's $12.8 million allocation of federal stimulus funds from the American Rescue Plan Act to replace lost revenues in FY21 and FY22. Application of this federal aid to offset lost revenues in FY21 reduced the anticipated $2.8 million deficit to zero, and in FY22 reduces the projected $15.8 million deficit to $5.9 million.

Despite being faced with a deficit, the Assembly maintained all essential city services while lowering the property tax rate to 10.56 mills. Even with the lower property tax rate, CBJ will collect approximately $3.0 million more in property tax revenue in FY22 as a result of a substantial growth in property valuations, including a considerable adjustment to the value of commercial land. The Assembly still needed to draw from savings to cover a remaining budgetary shortfall.

The Assembly also restored $6.9 million of temporary reductions to the Capital Improvement Plan that were made in FY21 to balance the budget, including the $3.3 million Augustus Brown Pool deferred maintenance project.

For more information, contact Finance Director Jeff Rogers at 723-6907 or jeff.rogers@juneau.org.

City and Borough Of Juneau

Phone: 907.586.5240
Fax: 907.586.5385

17

APPENDIX-LIST OF 6 APPEAL PROPERTIES-COST REPORT COMMERCIAL

APPENDIX

APPENDIX

110 SEWARD ST

Cost Report - Commercial

1283		Record	1
Parcel Code Number	1C070A020030	Number of Stories (Building)	01
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	110 SEWARD ST	Perimeter	250
Effective Year Built	1993	Class	D
Year Built	1896	Height	13
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Office Units	Total Area	3,763.00

1283		Record	2
Parcel Code Number	1C070A020030	Number of Stories (Building)	01
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	110 SEWARD ST	Perimeter	0
Effective Year Built	1993	Class	D
Year Built	1896	Height	10
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Office Units	Total Area	2,887.00

1283		Record	3
Parcel Code Number	1C070A020030	Number of Stories (Building)	01
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	110 SEWARD ST	Perimeter	0
Effective Year Built	1993	Class	D
Year Built	1896	Height	10
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Office Units	Total Area	3,709.00

Cost Report - Commercial

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		3763		70.27		264,426
Exterior Wall	Stud Walls-Wood Siding	3763	100%	13.07		49,171
Heating & Cooling	Heating & Cooling	3763		611.00		611
Heating & Cooling	Hot Water	3763	100%	7.57		28,486
Architect Fee		3763		6.60		24,836
Sprinklers	Dry Sprinklers	5942	100%	4.42		26,264
Fire Alarm System		3763		1.46		5,494
Basement	Unfinished	2179		30.83		67,179
Sub Total						$466,465.51

Local Multiplier	1.43	[X]	$667,046.00
Current Multiplier	1.02	[X]	$680,387.00
Neighborhood Multiplier		[X]	$680,387.00
Depreciation - Physical	43.00	[-]	$292,566.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$387,821.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $387,821

42% incomplete, check 12/05 for finish Sold 6/1/2007 for $1.5M

Canvass. Entered data into Govern. Resketched, revalued.
John_Sahnow - 7/14/2014 4:14:31 PM

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:18:13 PM

01.31.2018 PER CANVAS COST, DEP, UPDATES DMHP 01.31.2018
Donna_Prince - 1/31/2018 9:43:04 AM

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		2887		70.27		202,869
Exterior Wall	Stud Walls-Wood Siding	2887		12.25		35,359
Heating & Cooling	Heating & Cooling	2887		611.00		611
Heating & Cooling	Hot Water	2887	100%	7.57		21,855
Architect Fee		2887		6.60		19,054
Sprinklers	Dry Sprinklers	2887	100%	5.18		14,955
Fire Alarm System		2887		1.46		4,215
Sub Total						$298,918.30

Local Multiplier	1.43	[X]	$427,453.00
Current Multiplier	1.02	[X]	$436,002.00
Neighborhood Multiplier		[X]	$436,002.00
Depreciation - Physical	43.00	[-]	$187,481.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$248,521.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $248,521

Cost Report - Commercial

Section 3	Description	Units	Percent	Cost	+/-	Total
Base Cost		3709		70.27		260,631
Exterior Wall	Stud Walls-Wood Siding	3709	100%	12.25		45,427
Heating & Cooling	Heating & Cooling	3709		611.00		611
Heating & Cooling	Hot Water	3709	100%	7.57		28,077
Architect Fee		3709		6.60		24,479
Sprinklers	Dry Sprinklers	3709	100%	4.74		17,581
Fire Alarm System		3709		1.46		5,415
Sub Total						$382,221.78
Local Multiplier				1.43	[X]	$546,577.00
Current Multiplier				1.02	[X]	$557,509.00
Neighborhood Multiplier					[X]	$557,509.00
Depreciation - Physical				43.00	[-]	$239,729.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete				100.00	[-]	$317,780.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$317,780

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17

Donna_Prince - 3/5/2017 2:27:02 PM

Miscellaneous Improvements

Miscellaneous Improvement	CANOPY 01.31.2018 P	[+]	27,100

Total Improvement Value $981,200

APPENDIX

201 SEWARD ST

Cost Report - Commercial

1298		Record	1
Parcel Code Number	1C070A040010	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY INC	Number of Sections	1
Parcel Address	201 SEWARD ST	Perimeter	402
Effective Year Built	1990	Class	D
Year Built	1900	Height	
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Resid. Units	Total Area	8,825.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		8825		68.49		604,407
Exterior Wall	Stud -Metal Siding	8825	100%	12.83		113,225
Exterior Wall	Stud Walls-Wood Siding	8825				
Heating & Cooling	Heating & Cooling	8825		611.00		611
Heating & Cooling	Hot Water	8825	100%	7.57		66,805
Architect Fee		8825		6.60		58,245
Sprinklers	Dry Sprinklers	9295		4.21		39,132
Fire Alarm System		8825		1.46		12,885
Sub Total						$895,309.23

Local Multiplier	1.43	[X]	$1,280,292.00
Current Multiplier	1.02	[X]	$1,305,898.00
Neighborhood Multiplier		[X]	$1,305,898.00
Depreciation - Physical	52.00	[-]	$679,067.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$626,831.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $626,831

1/24/2017 PER PERMIT/CANVIS REVIEW UPDATED RECORD DMHP
donna_prince - 1/24/2017 3:25:05 PM
3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:35:36 PM
1.31.2018 PER CANVAS COST, DEP, UPDATE FILE DMHP 1.31.2018
Donna_Prince - 1/31/2018 1:26:43 PM

Miscellaneous Improvements

Miscellaneous Improvement	Canopy 01.31.2018 P	[+]	13,300

Total Improvement Value $640,100

APPENDIX

234 SEWARD ST

6/16/2022 3:59:40PM

Cost Report - Commercial

1309		Record	1
Parcel Code Number	**1C070A050060**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**234 SEWARD ST**	**Perimeter**	391
Effective Year Built	1986	**Class**	B
Year Built	1914	**Height**	
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Bank	**Total Area**	6,608.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		6608		159.01		1,050,738
Exterior Wall	Concrete, Formed	6608		20.67		136,572
Heating & Cooling	Heating & Cooling	6608		613.00		613
Heating & Cooling	Hot Water	6608		12.00		79,296
Architect Fee		6608		7.30		48,238
Sprinklers	Sprinklers	11698		3.74		43,751
Fire Alarm System		6608		1.46		9,648
Basement	Unfinished	4630		52.58		243,445
Sub Total						$1,612,301.18

Local Multiplier	1.43	[X]	$2,305,591.00
Current Multiplier	1.03	[X]	$2,374,759.00
Neighborhood Multiplier		[X]	$2,374,759.00
Depreciation - Physical	30.00	[-]	$712,428.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$1,662,331.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $1,662,331

per ph w/Carol Davis 9/24/99;BLD2007-00461 incomplete, reinspect 12/08.-km;

6/11/10 Chg Mail Addr Per Rtn Mail & Per UB Screen/tlu;

8/15/11 Chg Mail Addr Per 2011 Tax Statement Addr Corr Form. See File for Form/tlu;
11/15/12 Canvass. Updated sketch, cost, photo. jcs

02.01.2018 PER CANVAS COST AND DEP UPDATE FILE DMHP 02.01.2018
Donna_Prince - 2/1/2018 9:25:46 AM

Miscellaneous Improvements

Miscellaneous Improvement	STORAGE 2.1.2018 PE	[+]	3,800
Miscellaneous Improvement	CANOPY 2.1.2018 PER	[+]	13,400
Miscellaneous Improvement	ENCLOSED PORCH 2.1.	[+]	2,200
Miscellaneous Improvement	VAULT 2.1.2018 PER	[+]	35,000

Total Improvement Value $1,716,700

APPENDIX

119 SECOND ST

Cost Report - Commercial

1287		Record	1
Parcel Code Number	1C070A020043	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	119 SECOND ST	Perimeter	411
Effective Year Built	1990	Class	D
Year Built	1946	Height	12
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Office Building	Total Area	44,750.00

1287		Record	2
Parcel Code Number	1C070A020043	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	119 SECOND ST	Perimeter	136
Effective Year Built	1990	Class	D
Year Built	1946	Height	10
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Office Building	Total Area	1,900.00

Section 1	Description	Units	Percent	Cost	+/-	Tota
Base Cost		44750		87.57		3,918.75
Exterior Wall	Stud -Textured Plywood	44750	100%	13.91		622.64
Heating & Cooling	Heating & Cooling	44750		603.00		60
Heating & Cooling	Hot Water	44750	100%	12.00		537.00
Architect Fee		44750		6.80		304.30
Sprinklers	Dry Sprinklers	55532		3.43		190.47
Fire Alarm System		44750		1.46		65.33
Basement	Unfinished	9781		33.46		327.27
Sub Total						$5,966,390.8

Local Multiplier	1.43	[X]	$8,531,939.0
Current Multiplier	1.00	[X]	$8,531,939.0
Neighborhood Multiplier		[X]	$8,531,939.0
Depreciation - Physical	40.00	[-]	$3,412,776.0
Depreciation - Functional		[-]	$0.0
Depreciation - Economic		[-]	$0.0
Percent Complete	100.00	[-]	$5,119,163.0
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $5,119,16

02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
Donna_Prince - 2/6/2018 10:01:04 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost	+/-	Tota
Base Cost		1900		87.57		166,38
Exterior Wall	Stud -Textured Plywood	1900		13.26		25,19
Heating & Cooling	Heating & Cooling	1900		603.00		60
Heating & Cooling	Hot Water	1900		12.00		22,80
Architect Fee		1900		6.80		12,92
Sprinklers	Sprinklers	2850		4.89		13,93
Fire Alarm System		1900		1.46		2,77
Sub Total						$244,610.4
Local Multiplier					1.43 [X]	$349,793.00
Current Multiplier					1.00 [X]	$349,793.00
Neighborhood Multiplier					[X]	$349,793.00
Depreciation - Physical					40.00 [-]	$139,917.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$209,876.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$209,876

02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
Donna_Prince - 2/6/2018 10:02:03 AM

Miscellaneous Improvements

Miscellaneous Improvement	Canopy 02.06.2018 P	[+]	29,70

Total Improvement Value $5,358,700

APPENDIX

122 FRONT ST

Cost Report - Commercial

1281		Record	1
Parcel Code Number	1C070A020011	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	122 FRONT ST	Perimeter	246
Effective Year Built	2004	Class	D
Year Built	1898	Height	11
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Resid. Units	Total Area	2,450.00

1281		Record	2
Parcel Code Number	1C070A020011	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	122 FRONT ST	Perimeter	0
Effective Year Built	2003	Class	D
Year Built	1898	Height	10
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Resid. Units	Total Area	1,800.00

Section 1	Description	Units	Percent	Cost	+/-	Tota
Base Cost		2450		68.49		167,79
Exterior Wall	Stud Walls-Wood Siding	2450		12.57		30,787
Heating & Cooling	Heating & Cooling	2450		611.00		611
Heating & Cooling	Hot Water	2450	100%	7.57		18,547
Architect Fee		2450		6.60		16,17(
Sprinklers	Dry Sprinklers	2450	100%	5.35		13,10
Sub Total						$247,017.3

Local Multiplier	1.43	[X]	$353,235.00
Current Multiplier	1.02	[X]	$360,300.00
Neighborhood Multiplier		[X]	$360,300.00
Depreciation - Physical	18.00	[-]	$64,854.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$295,446.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $295,446

Canvass. Resketched, Revalued.
John_Sahnow - 7/14/2014 3:04:19 PM
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:42 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost		+/-	Total
Base Cost		1800		68.49			123,278
Exterior Wall	Stud Walls-Wood Siding	1800	10%	12.28			22,111
Heating & Cooling	Heating & Cooling	1800		611.00			611
Heating & Cooling	Hot Water	1800	100%	7.57			13,626
Architect Fee		1800		6.60			11,880
Sprinklers	Dry Sprinklers	1800	100%	5.35			9,630
Sub Total							$181,135.95
Local Multiplier					1.43	[X]	$259,024.00
Current Multiplier					1.02	[X]	$264,204.00
Neighborhood Multiplier						[X]	$264,204.00
Depreciation - Physical					20.00	[-]	$52,841.00
Depreciation - Functional						[-]	$0.00
Depreciation - Economic						[-]	$0.00
Percent Complete					100.00	[-]	$211,363.00
Cost to Cure							
Neighborhood Adjustment							
Replacement Cost less Depreciation							$211,363

2 FLOOR ADDITION COMPLETE REMODEL 2009
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:30 AM

Total Improvement Value $506,800

HEARING APPEAL

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8 Capitalization Rates Impacted by Covid and State of Alaska Reducing Office Space: Rates are in 7.5 to 10.86% range. Capitalization Rates are not 5-6% because the business conditions have deteriorated

   a. 122 Front Street (1C070A020011-7.5%
   b. 110 Seward Street (1C070A020030)-7.57%-10.86%
   c. 130 Seward Street (1C070A020043)-7.5%
   d. 201 Seward Street (1C070A040010)-7.75%
   e. 234 Seward Street (1C070A050060)-vacant; no income

9 Sales Disclosure Form/Buyer
   a. Personal Property-$17,085

10 Obsolescence Costs-
   a. $190,000 mechanical
   b. $35,000 electrical, hoisting, liftting and roof repairs
   c. Unknown costs to get space ready for new tenants

11 Assembly Building Listing-Michael Dahle never had this comp located in Juneau

12 Wells Fargo Bank Listing-Anchorage-Michael Dahle told me had this rent comp yesterday from Anchorage

13 Charlie Goldstein Story-Starting Out Flat Broke in Juneau

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19 Income and Sales Comparison Approach to Value-BEST APPROACH

20 Assessor Refused to Collect Sales Data From All Sources & Poor Data Management
- a. Including real estate brokers
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22 Former Juneau Assessor Employee Says Property Was Raised on Average 2-3%2Annually During His Tenure

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1

Hearing Motion to Use Appraiser Julie Dinneen's Appraised Values

HEARING

THE FOLLOWING MOTION IS MADE: I MOVE THAT THE BOARD GRANT OUR APPEALS AND ADJUST THE ASSESSMENT AS REQUESTED BY APPELLANT PER JULIE DINNEEN'S APPRAISALS, AS FOLLOWS:

JULIE DINNEEN, APPRAISER

INCOME APPROACH AND SALES COMPARISON APPROACH TO VALUE RECONCILIATION

110 SEWARD ST	1C070A0200030	$ 1,200,000
201 SEWARD ST	1C070A040010	$ 875,000
224 SECOND ST	1C070A040020	$ 295,000
234 SEWARD ST	1C070A050060	$ 1,005,277 (SALES PRICE LESS OBSOL ESENCE AND PERSONAL PROPERTY)
119 SEOND ST (130 Seward St)	1C070A020043	$ 4,750,000
122 FRONT ST	1C070A020011	$ 850,000

AND I ASK FOR A YES VOTE BECAUSE I HAVE PROVED THERE WAS ERROR IN IMPROPER ASSESSMENTS, EXCESSIVE ASSESSMENTS AND UNEQUAL ASSESSMENTS THAT IS SUPPORTED BY SUFFICIENT EVIDENCE IN THE RECORD. I HAVE FOUND FRAUD AND FUNDAMENTALLY WRONG PRINCIPLES OF VALUATION USED BY THE ASSESSOR.

FURTHER, I HEREBY INCORPORATE BY REFERENCE ALL WRITTEN MATERIALS I HAVE PROVIDED TO DATE OF APPROXIMATELY 1500 PAGES OR MORE, THE WRITTEN MATERIALS I PROVIDE TODAY AND THE FUNDAMENTALS OF MASS APPRAISAL IAAO, 2011, 2013 AND UPDATES AND ASSESSMENT ADMINISTRATION, IAAO, 2003 AND UPDATES.

WHAT IS THE STANDARD FOR AN APPEAL TO BE GRANTED: SHIFTING THE BURDEN OF PROOF TO THE ASSESSOR OR THE NEW FRAUD STANDARD OR FUNDAMENTALLY WRONG PRINCIPLE OF VALUATION?

2

Correspondance from Robert Gloudemans, Author, Fundamentals of Mass Appraisal, IAAO, 2011 and leading mass appraisal expert.

Sent from my iPhone

Begin forwarded message:

From: Gregory Adler <gregadler27@me.com>
Date: June 26, 2022 at 10:38:43 PM PDT
To: Robert Gloudemans <rgloudemans@earthlink.net>
Subject: Re: JUNEAU ALASKA ASSESSMENT APPEAL

Thank you so much. Take care.

Sent from my iPhone

On Jun 26, 2022, at 10:12 PM, Robert Gloudemans <rgloudemans@earthlink.net> wrote:

Hi Greg. I can help a bit with a few items.

- The hybrid cost/sales method is a common valuation method in which values are initially estimated based on replacement cost new (RCN) less estimated depreciation plus land value and then adjusted based on the ratio of recent sales prices (or time-adjusted sales prices) to estimated value:

Base value (BV) = RCN - Depreciation + Land Value

Market adjustment Factor (MAF) = typical ratio of Sale Price to Initial Value for similar properties

Estimated Value = BV * MAF

- Govern is a mass appraisal software system used by various assessors. It facilitates value calculations (much like Excel facilitates calculations) based on the assessor's input data and valuation rates.
- The best source of mass appraisal standards is the Internal Association of Assessing Officers (iaao.org). You can download copies of their standards free athttps://www.iaao.org/store/SearchResults.aspx?Category=STANDARDS&hkey=53a07438-a21d-40c4-b2d7-d4886cd90137

Bob Gloudemans

On 6/25/2022 10:50 PM, Gregory Adler wrote:
ROBERT,

I AM IN JUNEAU ALASKA. WE BOUGHT A VACANT BANK BUILDING FOR 1,250,000 AND THE CITY ASSESSED THE PROPERTY AT 2,500,000. THE PURCHASE WAS A MARKET SALE. THE JUNEAU ASSESSOR USES THE MASS APPRAISAL METHOD, GOVERN METHOD HE SAYS. HE USES A HYBRID COST/SALES COMPARISON METHOD. THE SAMPLE SIZE IS 6 PROPERTIES. THEY EXCLUDED 21 SIMILAR COMMERCIAL PROPERTIES FROM THEIR SAMPLE SIZE. THIS SEEMS UNFAIR.

THEY ARE TRYING TO GENERATE TAX REVENUE FROM MY OPINION.

WHAT IS THE RIGHT METHOD?

WHAT IS A MINIMUM SAMPLE SIZE?

THE ASSESSOR EXCLUDES AS OUTLIER 21 PROPERTIES WHERE THE SALES PRICE WAS LESS THAN THE ASSESSED VALUE.

THERE MUST BE A STANDARD SO THE ASSESSOR CANNOT MANIPULATE DATA.

PLEASE ADVISE.

I HAVE A HEARING NEXT WEEK.

THANK YOU

GREG ADLER
310-612-1312

3

Analysis of Cost Report-Commercial: 122 Front Street (1C070A020011)

Analysis Cost Report-Commercial: 122 Front Street (1C070A020011)

Summary: There is a total of 4,250 SF.

The building costs per SF the Assessor uses is $146.94 (not a net rentable figure). This figure is improper and excessively low. The building costs in Juneau range from $500 SF to $700 SF. Applying this range to the building SF results in a building cost of $2,125,000 to $ 2,975,000. The average replacement cost to build 4,250 SF is $ 2,550,000. No private investor would invest in a project like this with rents in the $2 SF range. A private investor would receive about at $2 per SF or $102,000 annually on an investment of 2,550,000 plus land costs of $1,567,167 totaling $4,117,167.

USING REAL CONSTRUCTION COSTS, NOT "MASSIVE FUNNY BUSINESS CONSTRUCTION COSTS"

Private Investor Estimated Investment-$4,117,167
Private Investor Annual Estimated Return-$102,000
Conclusion: Not a feasible investment
Conclusion: Not a feasible Model

USING CONSTRUCTION COSTS OF $145 SF WHEN THEY ARE $500 TO $700 SF IS IMPROPER AND EXCESSIVE, MISLEADING AND MASSIVE FUNNY BUSINESS

No one would make this investment. Therefore, the Hybrid Cost Sales Model or any Cost Model is improper and results in excessive value. Alternative methods of appraisal must be used. With income producing property the standard, according to The Fundamentals of Mass Appraisal is the Income Approach.

We have provided Income and Expense Reports to the Assessor. I received a call today, June 27, 2022, from Michael Dahle stating I had not provided any such Reports. I reminded Michael Dahle we had submitted appraisals for our properties and they included Income and Expense Reports.

Michael Dahle's email past 6 p.m. on June 27,2022 yesterday stated, "We have not received Income and Expense data, sometimes referred to as Profit and Loss Reports. The data in Julie Dinneen's appraisals is totals, summaries and averages. What we need is full income and expense details for the last 3 years for each individual property. Including indications of whether or not the rents are normal market rents or were discounted due to Covid." Michael Dahle's statement "...Of whether or not the rents are normal market rents or were discounted due to Covid" is clear evidence he knows business activity is depressed in Juneau with a loss of revenue of $190 million, 6,000 jobs lost, rents abated, concessions given, businesses closed (such as restaurants) and a State of Alaska contraction in the office

market. The state of the economy in Juneau is not rosy and not even good. Therefore, it clear that using a Capitalization Rate in the 5%-6% is without merit. Using a low capitalization leads to higher assessed values. This is a trick, a sleight of hand, misleading, and "Massive Funny Business" the Assessor employs. Julie Dinneen's Appraisal states capitalization rates are in the 7.5%-7.75% range. She states capitalization rates as follows: "Office: 8.25%; Restaurant 10.86%; Retail 8.6%; and Apartments 7.57%. It is improper and excessive to use capitalization rates in the 5%-6% range. In fact, it is unconscionable and "Massive Funny Business" to target commercial property owners to pay higher taxes based on false information.

Moreover, Michael Dahle has stated he used the Income Approach to Value in his computer modeling. How could he possibly complete valuation modeling if he does not have the information he needs. I submit based on this email Michael Dahle's computer modeling is in error, unequal, improper and excessive.

The Sales Approach would be the second approach to use, but the Assessor has tainted these numbers by excluding Market Sales, improperly calling Market Sales Outlier properties, mainitaining over-Assessed Values, engaging in improper Data Management by failing to "Collect sales data from all sources" and failing to disclose his methodology to the public so they could understand it. I would submit the Assessor believes new disclosure laws hamper his ongoing massive "Funny Business."

Additionally, I do not know how the Assessor comes up with his Depreciation figures. The Depreciation figures are substantial and must be recognized in any Sales or Income Approach to Value with proper adjustments. I do not see any such adjustments. This is improper and results in excessive value.

I was and remain very concerned about understanding what is going on in the Assessor's Office. The fundamental book on the Mass Appraisal Method is written by Robert Gloudmans. I have been in contact with Robert and he is helping me understand this expert area. Please see his email to me explaining the methodology the Juneau Assessor is using. Clearly, the Juneau Assessor has acted improperly because the Replacement Cost New (RCN) Value he comes up with is politely a fiction. The numbers are not close to reality. Julie Dinneen states in her Reports this methodology is improper and would not consider it. Architects say the Juneau Assessor's office is using building costs in a major, significant and corrupt way. I am a licensed contractor and I could never replace our buildings for $145 SF. The actual building cost figure is closer to $500 tp $700 SF.

Address: 122 Front Street

SF: 4,250

Assessor Total Building Replacement Costs Before Depreciation: $624,504

Assessor Building Costs $/SF: $145

Architect, Appraiser and Contractor Estimated Building Costs $/SF: $600

Architect, Appraiser and Contractor Total Estimated Building Costs: $2,550,000

Assessor Depreciation: $117,695

Depreciation Costs with Building Costs of $2,550,000: Unknown, not disclosed

Assessor Total Replacement Cost: $506,800*

Total Assessed Building Value: $496,664

*-This number is not good public relations. It does not warn taxpayers. This Total Replacement Cost Value threatens taxpayers and chills appeals. It is improper and excessive.

DESCRIPTION OF SUBJECT IMPROVEMENTS

The 124 and 126 Front Street building is listed on the Alaska Historic records site as the Kobach Studebaker Building (AHRS) No. Jun-182. It was constructed in 1898 with no architectural style and had a saloon on the ground floor. When constructed, the two-story building was of wood construction and measured 25 feet in width and 71 feet in depth. The original construction included a flat roof, a concrete perimeter wall with no basement, storefront windows on the first level and small plate glass windows on the second level. In 1984, T-111 siding replaced the original wood siding. The building has retained its original massing, windows and cornice.

The AHRS records do not include the one story 25x26 foot building that butts up to the original building. The owners of the property stated that they believe this was built at the same time as the original building and is of concrete construction.

The improvements described above are located along the eastern edge of the site and lie close to the Heritage Coffee Roasters building to the east. To the west of the improvements is a paved parking area with 18 parking spaces; there are 23 spaces, however five are not located on the subject's legally described land area and belong to the Goldstein/FAN development to the north/northwest.

Today, the improvements, per the City and Borough of Juneau assessment records, include a two-story building with a ground level measuring 25 feet wide by 98 feet deep, and a second level of 25 feet wide by 72 feet in length. The south and west exposed walls have wood siding and numerous double hung and fixed windows, and the north and east walls have metal siding. The building has mounted exterior lights, three electrical meters, a flat built up roof, and a ceiling height of 11 feet on the ground level and 9 feet on the second level. There are two glass and wood entrance doors on the Front Street side, one for the restaurant and one for access to the stairs accessing the second floor apartment, and there is a west side metal door that accesses the rear part of the restaurant. The one-story portion at the north end, where Sketch Studio is located has a metal and glass entrance door adjacent to a window.

BUILDING	GBA	Net Rentable Area	Efficiency	USE
122 Front Street	25x26 feet = 650 SF	378 SF	58%	Sketch Art Studio
124 Front Street	25x72 feet = 1,800 SF	1,622 SF	90%	Asiana Restaurant
126 Front Street	25x72 feet = 1,800 SF	1,800 SF	100%	5b2b apartment
Totals	4,250 SF	3,800 SF	89%	

4

Analysis of Cost Report-Commercial: 110 Seward Street (1C070A020030)

Analysis Cost Report-Commercial: 110 Seward Street (1C070A020030)

Summary: There is a total of 12,604 SF not 10,359 SF as used by the Assessor. The Appraiser's inspection discloses the Assessor understates building SF by 2,245 SF. This is an approximately 20% under reporting of the SF of the building. Therefore, the Assessor's data is not accurate or clean. By inputting improper data for analysis the Assessor's results are misleading. Specifically, by using a building size 20% less than the actual building size is not only misleading, but the Total Improvement Value is distorted lower, the building cost per square foot is increased and the Assessor is able to back into any number his heart desires.

Moreover, the building costs per SF the Assessor uses is $132.81 if the SF is 12,604; and if you use the Assessor SF figure the building costs are $161.59 (not a net rentable figure). Both these figures are improper and excessively low. The building costs in Juneau range from $500 SF to $700 SF. Applying this range to the building SF results in a building cost of $6,302,000 to $ 8,822,800. No private investor would invest in a project like this with rents in the $2 SF range. A private investor would receive about $302,496 annually on an investment of $ 7,562,400 plus land costs of $967,848 totaling $8,530,298.. No one would make this investment. Therefore, the Hybrid Cost Sales Model or any Cost Model is improper and results in excessive value. Alternative methods of appraisal must be used. With income producing property the standard, according to The Fundamentals of Mass Appraisal is the Income Approach. We have provided Income and Expense Reports to the Assessor. I received a call today, June 27, 2022, from Michael Dahle\ stating I had not provided any such Reports. I reminded Michael Dahle we had submitted appraisals for our properties and they included Income and Expense Reports. The Sales Approach would be the second approach to use, but the Assessor has tainted these numbers by excluding Market Sales, improperly calling Market Sales Outlier properties, mainitaining over-Assessed Values, engaging in improper Data Management by failing to "Collect sales data from all sources" and failing to disclose his methodology to the public so they could understand it. I would submit the Assessor believes new disclosure laws hamper his ongoing massive "Funny Business."

USING REAL CONSTRUCTION COSTS, NOT "MASSIVE FUNNY BUSINESS CONSTRUCTION COSTS"

Private Investor Estimated Investment-$8,822,800
Private Investor Annual Estimated Return-$302,496
Conclusion: Not a feasible investment
Conclusion: Not a feasible Model

USING CONSTRUCTION COSTS OF $133 SF WHEN THEY ARE $500 TO $700 SF IS IMPROPER AND EXCESSIVE, MISLEADING AND MASSIVE FUNNY BUSINESS

Additionally, I do not know how the Assessor comes up with his Depreciation figures. The Depreciation figures are substantial and must be recognized in any Sales or Income Approach to Value with proper adjustments. I do not see any such adjustments. This is improper and results in excessive value.

I was and remain very concerned about understanding what is going on in the Assessor's Office. The fundamental book on the Mass Appraisal Method is written by Robert Gloudmans. I have been in contact with Robert and he is helping me understand this expert area. Please see his email to me explaining the methodology the Juneau Assessor is using. Clearly, the Juneau Assessor has acted improperly because the Replacement Cost New (RCN) Value he comes up with is politely a fiction. The numbers are not close to reality. Julie Dinneen states in her Reports this methodology is improper and would not consider it. Architects say the Juneau Assessor's office is using building costs in a major, significant and corrupt way. I am a licensed contractor and I could never replace our buildings for $132 SF to $162 SF. The actual building cost figure is closer to $500 tp $700 SF.

Address: 110 Seward

SF: 12,604

3763-Street level
3705-2d level
2245-Basement level

9713-Total

Address: 116-118 Seward

2891-Street level

Total Area-12,604

Total Above Grade-10,359

The above characteristics must be incorporated into Appraisal.

Total Building Replacement Costs Before Depreciation: $1,673,898

$/SF: $161.59

Depreciation: $719,776

Total Replacement Cost: $981,200

Total Assessed Value: $967,848*

*-This number is not good public relations. It does not warn taxpayers. This Total Assessed Value threatens taxpayers and chills appeals. It is improper and excessive.

DESCRIPTION OF IMPROVEMENTS

The subject improvements reflect the most prevalent type of construction at the turn of the century in downtown Juneau, where one and story buildings, most with basements, were constructed of wood framework and siding, with a combination of storefront and double hung windows and flat roofs.

The subject building was constructed in 1899 and on the AHRS records, is identified as #JUN205 and referred to as the Lewis Building. According to the records, it has no architectural style and was built as a two-story structure measuring 41 feet by 67 feet. It was built with wood framing and siding, a full concrete basement and a flat roof. Above the sidewalk canopy were fixed windows. On the second level were double hung windows. The building had a flat projecting cornice with decorative corbels.

The AHRS records report that in 1985 the owners added a similar cornice to the back, placed new double hung windows that matched the historic ones on the second floor, and added storefront windows (similar to the originals) on the street level. The transom windows were filled but appear as recessed panels and depict the original massing. The Goldstein Improvement Company acquired the building in 2005 and have upgraded and maintained as necessary to support the existing retail and office uses.

The two-story building abuts a one-story building with three retail spaces (116-118 Seward Street) that lies between the corner building and the 130 Seward Street five story Goldstein Building. The west side of the building has T-111 siding. As the photographs show, there are canopies above the sidewalks along the street side of both buildings.

As the photographs that follow show, the rented spaces in this building are attractive and include a mix of historical and contemporary finishes. The rear areas or utility areas of the building have relatively modest finishes that are functional.

SUMMARY OF BUILDING AREAS

	110 Seward Street	116-118 Seward Street	Totals	Rented Areas	Use
Street Level	3,763 SF	2,891 SF	6,654 SF	6,106 SF	Coffee shop and retail
2nd Level	3,705 SF	n/a	3,705 SF	2,502 SF	Offices
Basement Level	2,245 SF	n/a	2,245 SF	1,740 SF	Rented area for Heritage Coffee storage & Mechanical, electrical and heating systems.
Total All Areas	9,713 SF	2,891 SF	12,604 SF	10,348 SF or 82%	
Total Above Grade Only (exc. Bsmt)	7,468 SF	2,891 SF	10,359 SF	8,608 SF or 83%	

5

Analysis of Cost Report-Commercial: 130 Seward Street (1C070A020043)

Analysis Cost Report-Commercial: 130 Seward Street and 119 Second Street (1C070A020043)

Summary: There is a total of 59,187 SF not 44,750 SF as used by the Assessor. The Appraiser's inspection discloses the Assessor understates building SF by 14,437 SF. This is an approximately 25% under reporting of the SF of the building. Therefore, the Assessor's data is not accurate or clean. By inputting improper data for analysis the Assessor's results are misleading. Specifically, by using a building size 25% less than the actual building size is not only misleading, but the Total Improvement Value is distorted lower, the building cost per square foot is increased and the Assessor is able to back into any number his heart desires.

Moreover, the building costs per SF the Assessor uses is $198.47 if the SF is 44,750; and if you use the Appraiser SF figure of 59,187 the building costs are $150.06 (not a net rentable figure). There is also excavation and a basement to replace. Both these figures are improper and excessively low. The building costs in Juneau range from $500 SF to $700 SF. Applying this range to the building SF results in a building cost of $29,608,000 to $ 41,451,200. Based on Northwind Architects reputation and figures we believe the building cost to be closer to $700 SF at $41,451,000. No private investor would invest in a project like this with rents in the $2 SF range. A private investor would receive about 36,944 net rentable space above grade at $2 per SF or $886,656 and for the basement about 6,585 x .35 or $27,657 totaling $914,313 annually on an investment of 41,451,200 plus land costs of $1,216,278 totaling $42,667,478.

USING REAL CONSTRUCTION COSTS, NOT "MASSIVE FUNNY BUSINESS CONSTRUCTION COSTS"

Private Investor Estimated Investment-$42,667,478
Private Investor Annual Estimated Return-$914,313
Conclusion: Not a feasible investment
Conclusion: Not a feasible Model

USING CONSTRUCTION COSTS OF $150 SF WHEN THEY ARE $500 TO $700 SF IS IMPROPER AND EXCESSIVE, MISLEADING AND MASSIVE FUNNY BUSINESS

No one would make this investment. Therefore, the Hybrid Cost Sales Model or any Cost Model is improper and results in excessive value. Alternative methods of appraisal must be used. With income producing property the standard, according to The Fundamentals of Mass Appraisal is the Income Approach.

We have provided Income and Expense Reports to the Assessor. I received a call today, June 27, 2022, from Michael Dahle stating I had not provided any such Reports. I

reminded Michael Dahle we had submitted appraisals for our properties and they inclu Income and Expense Reports.

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The Sales Approach would be the second approach to use, but the Assessor has tainted these numbers by excluding Market Sales, improperly calling Market Sales Outlier properties, mainitaining over-Assessed Values, engaging in improper Data Management by failing to "Collect sales data from all sources" and failing to disclose his methodology to the public so they could understand it. I would submit the Assessor believes new disclosure laws hamper his ongoing massive "Funny Business."

Additionally, I do not know how the Assessor comes up with his Depreciation figures. The Depreciation figures are substantial and must be recognized in any Sales or Income Approach to Value with proper adjustments. I do not see any such adjustments. This is improper and results in excessive value.

I was and remain very concerned about understanding what is going on in the Assessor's Office. The fundamental book on the Mass Appraisal Method is written by Robert Gloudmans. I have been in contact with Robert and he is helping me understand this expert area. Please see his email to me explaining the methodology the Juneau Assessor is using. Clearly, the Juneau Assessor has acted improperly because the Replacement Cost New (RCN) Value he comes up with is politely a fiction. The numbers are not close to reality. Julie Dinneen states in her Reports this methodology is improper and would not consider it. Architects say the Juneau Assessor's office is using building costs in a major, significant and corrupt way. I am a licensed contractor and I could never replace our buildings for $150 SF. The actual building cost figure is closer to $500 tp $700 SF.

Address: 130 Seward and 119 2ND Street

SF: 59,187

48,471-Gross Building Area Above Grade
10,716-Gross Building Area Below Grade (including basement and excavation)
59,187-Total Gross Building Area

36,944-Net Rentable Area Above Grade
6,585-Net Rentable Area Basement Storage

The above characteristics must be incorporated into Appraisal.

Assessor Total Building Replacement Costs Before Depreciation: $8,881,732

Assessor Building Costs $/SF: $150.06

Architect, Appraiser and Contractor Estimated Building Costs $/SF: $700

Architect, Appraiser and Contractor Total Estimated Building Costs: $41,451,000

Assessor Depreciation: $3,552,693

Depreciation Costs with Building Costs of $42,667,478: Unknown, not disclosed

Assessor Total Replacement Cost: $8,881,732

Total Assessed Building Value: $5,346,931

Total Improvement Value: $5,358,700*

*-This number is not good public relations. It does not warn taxpayers. This Total Assessed Value threatens taxpayers and chills appeals. It is improper and excessive.

COMBINED BUILDING AREAS – 130 SEWARD AND 119 2ND STREET

The subject property includes two adjacent buildings which are summarized on the table below and are separately discussed on the following page.

BUILDING	GBA ABOVE GRADE	NRA ABOVE GRADE	EFFICIENCY	GBA BASEMENT	NRA BASEMENT STORAGE	EFFICIENCY
130 Seward Street	46,571 SF	35,624 SF	76.5%	9,782 SF	6,085 SF	62%
119 2nd Street	1,900 SF	1,320 SF	69%	934 SF	500 SF	54%
TOTALS	48,471 SF	36,944 SF	76.2%	10,716 SF	6,585 SF	61%

Description of 130 Seward Street – Goldstein Building

The site is improved with the Goldstein Building at 130 Seward Street, the Flag of All Nations Building at 119 2nd Street, and a parking lot at the corner of 2nd and Main Streets. The Goldstein Building is a five-story structure with a full basement. The Goldstein Building is served by and elevator and is a reinforced concrete structure dating to 1914. It was restored after a fire in 1939 and re-opened in 1946. Today, it is a multi-tenant building with retail, restaurant and office spaces of good quality.

SUMMARY OF 130 SEWARD STREET BUILDING AREAS

Floor	GBA	Uses
Level 1	9,674 SF +1,821 = 11,495 SF	Lobby and Elevator access, retail /service spaces, restaurant. Mezzanines in Annie Kaills and Northwind Architect spaces total additional 1,821 SF
Level 2	8,769 SF	Offices – 366 SF is State Agency and balance are small to medium sized offices
Level 3	8,769 SF	Offices – 3,164 SF is State OCS office & small offices
Level 4	8,769 SF	Offices - 6,052 SF is State OCS office & small offices
Level 5	8,769 SF	Offices – 1,147 is State Ombudsman & 5,631 is State WIC office
Basement	9,782 SF	Mechanical, electrical, sprinkler and heating and ventilation systems, maintenance work areas and rented storage areas
Building Total	**56,353 SF**	
Above Grade Area Only	**46,571 SF**	

6

Analysis of Cost Report-Commercial: 201 Seward Street (1C070A040010)

Analysis Cost Report-Commercial: 201 Seward Street (1C070A040010)

Summary: There is a total of 8,826 SF. Street level there is 7517 SF. Second level there is 1309 SF.

The building costs per SF the Assessor uses is $147.98 This figure is improper and excessively low. The building costs in Juneau range from $500 SF to $700 SF. Applying this range to the building SF (not net rentable SF) results in a building cost of $ 4,413,000 to $ 6,178,200 . No private investor would invest in a project like this with rents in the $2 SF range. A private investor would receive about $211,824 annually on an investment of $ 5,295,600 plus land costs of $ 866,565 totaling $6,162,165. No one would make this investment. Therefore, the Hybrid Cost Sales Model or any Cost Model is improper and results in excessive value. Alternative methods of appraisal must be used. With income producing property the standard, according to The Fundamentals of Mass Appraisal is the Income Approach. We have provided Income and Expense Reports to the Assessor. I received a call today, June 27, 2022, from Michael Dahle stating I had not provided any such Reports. I reminded Michael Dahle we had submitted appraisals for our properties and they included Income and Expense Reports. The Sales Approach would be the second approach to use, but the Assessor has tainted these numbers by excluding Market Sales, improperly calling Market Sales Outlier properties, mainitaining over-Assessed Values, engaging in improper Data Management by failing to "Collect sales data from all sources" and failing to disclose his methodology to the public so they could understand it. I would submit the Assessor believes new disclosure laws hamper his ongoing massive "Funny Business."

USING REAL CONSTRUCTION COSTS, NOT "MASSIVE FUNNY BUSINESS CONSTRUCTION COSTS"

Private Investor Estimated Investment-$6,162,165
Private Investor Annual Estimated Return-$211,824
Conclusion: Not a feasible investment
Conclusion: Not a feasible Model

USING CONSTRUCTION COSTS OF $148 SF WHEN THEY ARE $500 TO $700 SF IS IMPROPER AND EXCESSIVE, MISLEADING AND MASSIVE FUNNY BUSINESS

Additionally, I do not know how the Assessor comes up with his Depreciation figures. The Depreciation figures are substantial and must be recognized in any Sales or Income

Approach to Value with proper adjustments. I do not see any such adjustments. This is improper and results in excessive value.

I was and remain very concerned about understanding what is going on in the Assessor's Office. The fundamental book on the Mass Appraisal Method is written by Robert Gloudmans. I have been in contact with Robert and he is helping me understand this expert area. Please see his email to me explaining the methodology the Juneau Assessor is using. Clearly, the Juneau Assessor has acted improperly because the Replacement Cost New (RCN) Value he comes up with is politely a fiction. The numbers are not close to reality. Julie Dinneen states in her Reports this methodology is improper and would not consider it. Architects say the Juneau Assessor's office is using building costs in a major, significant and corrupt way. I am a licensed contractor and I could never replace our buildings for $147.98 SF. The actual building cost figure is closer to $500 tp $700 SF.

Address: 201 Seward

SF: 8826

7517-Street level
1309-2d level

8826-Total

Total Area-8826

Total Above Grade-10,359

The above characteristics must be incorporated into Appraisal.

Total Building Replacement Costs Before Depreciation: $1,305,898

$/SF: $147.98

Depreciation: $679,067

Total Replacement Cost: $614,264

Total Assessed Value: $640,100*

*-This number is not good public relations. It does not warn taxpayers. This Total Assessed Value threatens taxpayers and chills appeals. It is improper and excessive.

DESCRIPTION OF IMPROVEMENTS

The subject improvements reflect the most prevalent type of construction at the turn of the century in downtown Juneau, where one and story buildings, most with basements, were constructed of wood framework and siding, with a combination of storefront and double hung windows and flat roofs.

A review of the assessor's files indicates that the improvements date to the early 1900's with additions and upgrades made over the years. The construction type is Class D with wood framing with wood or metal siding on concrete foundations. The walls and ceilings are insulated. The buildings front Seward Street and 2nd Street and all have storefront entrances and windows and facades hiding the flat built-up systems.

SUMMARY OF BUILDING AREAS

	Street Level	Second Level	Total GBA	Total NRA
Gross Building Area	7,517 SF	1,309 SF	8,826 SF	7,113 SF 81% efficiency

The buildings front Seward or 2nd Street and all have windows and storefront retail doors facing the sidewalk. All of the tenant shops are plumbed and heated and have operating windows for ventilation. All of the building areas are sprinklered. The Rainforest Farms building has a gable metal roof.

The finishes in the rental areas vary as to floor finish, wall finish and ceiling finish. Some of the spaces have incorporated wood slats in their interiors. Some of the spaces have exposed pipes and high sheetrock ceilings, some have suspended ceilings with acoustical tiles. The floor finish varies from space to space and includes vinyl planks, wood, ceramic tile and carpeting. Lighting also varies in the rental areas, and track lights, flush mounted fluorescent lights, suspended lights and wall mounted lights all exist.

Each retail tenant has at least one restroom. Rainforest Farms has two and the apartment has a kitchen and a bathroom. The Rainforest Farms has two restrooms. Rainforest Farms has a processing area at the rear, with similar features to a commercial kitchen. Good Vibes Café also has a commercial kitchen. The 217 Seward Street space has a hand sink in the back room.

There is one apartment at 213 Seward Street. It is accessed by an interior stair to the second level. Due to window placement and ingress/egress issues, this 1,100 SF apartment is marketed as a large studio. It has a single and a double French door in the apartment that separates areas while bringing in light. The double French door defines the bedroom area, which has a large walk-in closet.

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Analysis of Cost Report-Commercial: 234 Seward Street (1C070A050060)

Analysis Cost Report-Commercial: 234 Seward Street (1C070A050060)

SALE PRICE IS MARKET VALUE.

Summary: There is a total of 12,284 SF not 6,608 SF as used by the Assessor. The Appraiser's inspection discloses the Assessor understates building SF by 5,676 SF. This is an approximately 46% under reporting of the SF of the building. Therefore, the Assessor's data is not accurate or clean. By inputting improper data for analysis the Assessor's results are misleading. Specifically, by using a building size 46% less than the actual building size is not only misleading, but the Total Improvement Value is distorted lower, the building cost per square foot is increased and the Assessor is able to back into any number his heart desires.

USING REAL CONSTRUCTION COSTS, NOT "MASSIVE FUNNY BUSINESS CONSTRUCTION COSTS"

Private Investor Estimated Investment-$8,211,064
Private Investor Annual Estimated Return-$273,024
Conclusion: Not a feasible investment
Conclusion: Not a feasible Model

USING CONSTRUCTION COSTS OF $194 SF WHEN THEY ARE $500 TO $700 SF IS IMPROPER AND EXCESSIVE, MISLEADING AND MASSIVE FUNNY BUSINESS

Moreover, the building costs per SF the Assessor uses is $359.38 at $2,374,759 divided by 6,608 SF ; the proper SF figure is 12,284; and if you use the SF figure 12, 284 the building costs are $193.94. Both these figures are improper and excessively low. The building costs in Juneau range from $500 SF to $700 SF. Applying this range to the building SF results in a building cost of $6,122,500 to $ 8,571,500. No private investor would invest in a project like this with rents in the $2 SF range and net rentable space of 11,376 SF. A private investor would receive about $273,024 annually on an investment of $ 7,347,000 plus land costs of $ 864,064 totaling $8,211,064. **Of course, this building has been vacant since it was purchased (7 months) with no rental income whatsoever because it is under improvement to deal with obsolescence**. No one would make this investment. Therefore, the Hybrid Cost Sales Model or any Cost Model is improper and results in excessive value. We did not use a Cost Approach to Value when analyzing Key Bank. We used an Income Approach to Value by estimating rental income and Expenses. Our pro forma used a property tax estimate based on our purchase price of $1,250,000. Alternative methods of appraisal must be used. With income producing property the standard, according to The Fundamentals of Mass Appraisal is the Income Approach. We have no income. The Sales Approach would be the best approach to use, but

the Assessor has tainted these numbers by excluding Market Sales, improperly calling Market Sales Outlier properties, maintaining over-Assessed Values, engaging in improper Data Management by failing to "Collect sales data from all sources" and failing to disclose his methodology to the public so they could understand it. I would submit the Assessor believes new disclosure laws hamper his ongoing massive "Funny Business." Therefore, the Sale Price is the Market Price and must be the Assessed Value. When tenant's move-in the property can undergo re-assessment/re-appraisal based on the Income Approach to Value.

Additionally, I do not know how the Assessor comes up with his Depreciation figures. The Depreciation figures are substantial and must be recognized in any Sales or Income Approach to Value with proper adjustments. I do not see any such adjustments. This is improper and results in excessive value.

I was and remain very concerned about understanding what is going on in the Assessor's Office. The fundamental book on the Mass Appraisal Method is written by Robert Gloudmans. I have been in contact with Robert and he is helping me understand this expert area. Please see his email to me explaining the methodology the Juneau Assessor is using. Clearly, the Juneau Assessor has acted improperly because the Replacement Cost New (RCN) Value he comes up with is politely a fiction. The numbers are not close to reality. Julie Dinneen states in her Reports this methodology is improper and would not consider it. Architects say the Juneau Assessor's office is using building costs in a major, significant and corrupt way. I am a licensed contractor and I could never replace our buildings for $193.94. The actual building cost figure is closer to $500 tp $700 SF.

Address: 234 Seward

SF: 12,245

4,280-Street level
2,645-Mezzanine level**
5,359-Basement level**

12,284-Total
11,376-Net rentable area

The above characteristics must be incorporated into Appraisal.

Total Building Replacement Costs Before Depreciation: $2,374,759

$/SF: $193.94

Depreciation: $712,428

Total Replacement Cost: $1,716,700

Total Assessed Value: $1,683,454*

*-This number is not good public relations. It does not warn taxpayers. This Total Assessed Value threatens taxpayers and chills appeals. It is improper and excessive.
-Assessor Hammonds recently toured our building because I explained to her we had a basement and mezzanine and they must be assessed based on lower $/SF. Based on the Appeal language, this is a period of time to make corrections. There has been no communication of what the Assessor found during her inspection and whether she made any adjustments to value or findings. **She did not inform me that she made any adjustment or Findings to the Assessor's use of 6,608 as the SF for our building which is an improper and excessive figure.

Code Analysis

Existing Building Area:

First Floor:	4,280 S.F.	
Second Floor:	2,645 S.F.	
Basement:	5,359 S.F.	(Sprinklered)
Total Area:	12,284 S.F.	

Occupancy Classification (UBC 501):

Office Building — B-2

Construction Classification: — V-N Combustible, Non Protected

Allowable Area:

Basic Allowable Area (UBC 505):	8,000 S.F.
Allowable Area Increase (Multi Story):	8,000 S.F.
Total Allowable Area:	16,000 S.F.

(Basement Allowable Area is in addition to Total Allowable Area, but may not exceed 8,000 S.F.)

Fire Extinguishing Systems:

Sprinkler System (UBC 3802): — Basement does require a sprinkler system. The First and Second Floor do not. Exception: Safe deposit or other vaults of fire resistive construction (UBC 3804.3)

Standpipes (UBC 3805): — Not Required

Vicinit



COMPARABLE BUILDING SALE NO. 1

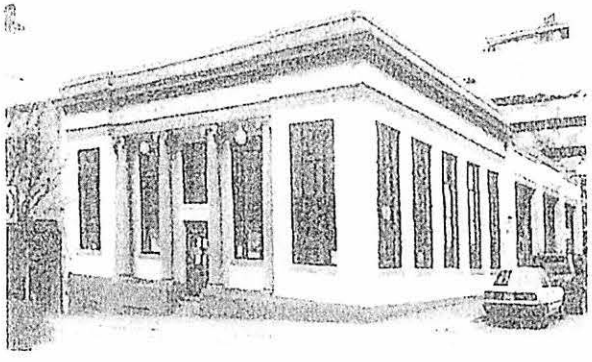
Location: B.M. Behrends Bank Building, 234 Seward Street, Juneau
Legal Description: Lots 5 & 7 Block 5, Juneau Townsite, JRD.
Sale Date: November 24, 2021
Grantor: KeyBank National Association
Grantee: Goldbelt Improvement Company
Recording: Deed 2021-007199
Price: $1,250,000
Terms: cash to seller

Building Size: 11,376 SF – above grade, with full basement
Building Age: 1914 with modern upgrades
Land Size: 12,245 SF
Access: Seward Street and Main Street frontage
Zoning: MU
Utilities: water, sewer, power, phone -- all underground

Description: This is a one-story structure of reinforced concrete construction with a flat roof, decorative cornice and columns facing Seward Street, with a full concrete basement. It was constructed by B.M. Behrends, who came to Alaska to prospect for gold in 1887. He managed the store at this location and in 1896, he became the operator of the B.M. Behrends bank which operated until July 16, 2021. After the closure the building was placed on the market for $1,300,000 and sold within 30 days for $1,250,000. The buyers own several properties in the area, and stated that about $200,000 in HVAC repairs were needed to the building. The buyers purchased the building to add to their portfolio and do not have immediate plans for its use. The building has many large exterior windows and a modern interior that served as a bank branch. The building has a small parking area at the rear, accessed from Main Street.

Analysis: $1,250,000/11,376 SF = $110 SF

Confirmation: Goldstein Improvement Company and Carlton Smith, broker, by Julie Dinneen, MAI



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Capitalization Rates Impacted By Covid and State of Alaska Reducing Office Space

Julie Dinneen Appraisals: Income Approach to Value

(adjust for Covid impact on Juneau with lost revenue of $190 million and 6,000 jobs; with rent concessions, abatement and closures; and the State of Alaska taking less space)

Address	Income Approach Starting page	Cap Rate	Cap Rate Pages	Reality Rates Starting page
1C070A020011				
122, 124 & 126 Front	62	7.5%	80-81	105-111
1C070A020030				
130 & 140 Front & 106 & 110 & 118 Seward	188	Office: 8.25% Restaurant: 10.86% Retail: 8.6% Apartments: 7.57%	206-208	265-271
1C070A040043				
130 Seward & 119 Second	358	7.5%	378-380	409-414
1C070AO40010				
201,205,209,213,217, 221 Seward	491	7.75%	508-509	530-535

201, 205, 209, 213, 217, 221 Seward St & 216 Second St

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.75% is considered reasonable.

As shown, this rate applied to the projected NOI, the market value by this approach is **$860,000.**

CAPITALIZATION OF INCOME

RENTAL INCOME	TENANT AREAS	MONTHLY RENT	RENT/SF	ANNUAL RENT
201 Good Vibes Café	1,435 SF	$ 2,494	$ 1.74	$ 29,928
205 Nana's Attic	495 SF	$ 817	$ 1.65	$ 9,804
209 Zoots	1,079 SF	$ 1,596	$ 1.48	$ 19,152
213 Second Floor Apartment	1,100 SF	$ 1,283	$ 1.17	$ 15,396
217 Don Morgan Gallery	494 SF	$ 808	$ 1.64	$ 9,696
221 Giono Barret	530 SF	$ 793	$ 1.50	$ 9,516
216 2nd St. Rainforest Farms	1,230 SF	$ 2,850	$ 2.32	$ 34,200
Rear Rookery Warehouse	750 SF	$ 950	$ 1.27	$ 11,400
Four gravel parking spots	4	$ 85		$ 4,080
GROSS REVENUES	7,113 SF			$ 143,172
Stabilized Vacancy & Credit Loss	5%			$ (7,159)
GROSS EFFECTIVE INCOME				$ 136,013
EXPENSES	8,826 SF GBA			
Professional Management	5%			$ (6,801)
Administration	$ 0.30 SF			(2,648)
Water, sewer, heat, trash	$2.40 SF			$ (21,182)
Maintenance and Upkeep	$ 1.65 SF			(14,563)
Insurance	$ 0.50 SF			(4,413)
Real Estate Taxes	$ 1.82 SF			(16,097)
Reserve Allowance	$ 0.40 SF			(3,530)
TOTAL EXPENSES				$ (69,234)
NET OPERATING INCOME				$ 66,779
CAPITALIZATION RATE				7.75%
INDICATED VALUE				$ 861,667
ROUNDED				$ 860,000

122, 124 + 126 FRONT ST.

retail uses is $.35 to $1.10 SF. A reserve allowance of $.30 SF is reasonable for the subject property.

Capitalization of Net Income

Below, capitalization rates from sales of commercial properties in Juneau are shown.

Sale Comparison	Sale Date	Cap Rate	Use & Comments
3100 Channel Drive Juneau	June 2020	7.37%	Good quality office building with 20% warehouse built originally for Juneau Empire. At sale date, was mostly occupied by tenants.
5360-5368 Commercial Blvd. Juneau	May 2018	7.85%	Mixed use commercial bldg. of street frame and metal construction with office, apartment, service, and shop uses.
Willo Park 10002 Glacier Highway Juneau	April 2019	7.54%	Established State office tenant under new 10-year lease. Building has been fully occupied for many years.
3225 Hospital Drive, Juneau	July 2021	7.00%	Fully occupied office and medical building in good condition
8390 Airport Boulevard, Juneau	August 2021	6.90%	Fully occupied office, retail service building in good condition
225 Front Street, Juneau	September 2021	8.07%	Renovated two story bldg. in downtown Juneau in good condition. Purchased by dominant tenant

RealtyRates is a national service that quarterly provides investment criteria that pertains to investment grade properties in the United States of all types. While not applicable to the Juneau market, which has few properties that would be considered investment grade, this publication does reflect national trends with respect to capitalization rates and other financing criterion. The 4Q report relies on third quarter data and the composite capitalization rate of 8.77% is down from a year ago at 8.94%, based upon a decrease of 31 basis points in treasury rates and no change in equity dividend rates.

The composite capitalization rates for the office sector were 8.16% in 2020 and are currently 8.25%. The restaurant sector 2020 rate was 10.81% and is currently 10.86%. The retail sector rate for 2020 was 8.58% and is now 8.60%. For apartments, the 2020 rate was 7.50% and is now 7.57% (see tables in the Addenda). Below are the surveyed rates for each sector noted above, indicating the low, high and average "Surveyed" capitalization rates for each sector as follows:

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, some of the lowest cap rates from the 2018 to 2020 sales in Juneau are considered too low for the present time. A rate of 7.50% is considered reasonable. As shown, this rate applied to the projected NOI, value by this approach is **$830,000.**

CAPITALIZATION OF INCOME ANALYSIS

REVENUES	Area Rented		Rent per Month		Rent per SF		Rent per Year	
124 Front Street - Asiana Restaurant	1,622	SF	$ 3,450		$ 2.13		$	41,400
122 Front Street - Sketch Art Studio	378	SF	$ 525		$ 1.39		$	6,300
126 Front Street - 2nd Floor Apartment	1,800	SF	$ 2,350		$ 1.31		$	28,200
Parking Lot Revenue	18	stalls	$ 95				$	20,520
Gross Revenue	3,818	SF					$	**96,420**
Stabilized Vacancy & Credit Loss			3%				$	(2,893)
Gross Effective Income							$	**93,527**
EXPENSES	4,250	sf GBA						
Professional Management Building Tenants			3%	x $75,900			$	(2,277)
Administration			$ 0.20	SF				(850)
Utilities Paid by Landlord			$2.45	SF x	378 SF			(926)
Utilities Paid by Landlord			$2.21	SF x	1,622 SF			(3,585)
Utilities Paid by Landlord			$0.80	SF x	1,800 SF			(1,440)
Building Maintenance			$ 1.25	SF				(5,313)
Parking Lot Maintenance			$262	per stall per year	18 stalls			(4,716)
Insurance			$ 0.50	SF				(2,125)
Real Estate Taxes								(9,000)
Reserve Allowance			$ 0.30	SF				(1,275)
Total Expenses							$	(31,506)
Net Operating Income							$	**62,021**
Capitalization Rate								7.50%
Indicated Value							$	**826,949**
Rounded							$	**830,000**

130, 140 FRONT ST + 106, 110 + 118 SEWARD ST

Insurance - the subject's umbrella policy results in an expense that is favorable, compared to stand-alone properties. The comparisons range from $.29 to $.63 SF and weight in making a projection for the subject (as a standalone property) of $.50 SF.

Real Estate Taxes reflect the expense in the Juneau market before 2021, in which assessments increased, primarily a result of the assessors' increases to commercial land values. The projected expense reflects the 2021 assessment for the subject which equates to $1.60 SF.

Reserve Allowance – this allowance is a fund that builds up to be used as needed for replacement of short-lived items such as boilers, roofs, carpet, etc. It is not commonly an expense item in a profit and loss statement provided by owners. RealtyRates provides information regarding reserve allowance requirements (see table in Addenda). The ranges are $.35 - $.90 SF/YR for offices and $.35 - $1.10 SF for retail uses. Considering the number of upgrades and repairs to this building in the recent past, a $.40 SF reserve allowance is reasonable.

Capitalization of Net Income

The following table summarizes capitalization rates from sales of commercial properties in Juneau.

Sale Comparison	Sale Date	Cap Rate	Use & Comments
3100 Channel Drive Juneau	June 2020	7.37%	Good quality office building with 20% warehouse built originally for Juneau Empire. At sale date, was mostly occupied by tenants.
5360-5368 Commercial Blvd. Juneau	May 2018	7.85%	Mixed use commercial bldg. of steel frame and metal construction with office, apartment, service, and shop uses.
Willo Park 10002 Glacier Highway Juneau	April 2019	7.54%	Established State office tenant under new 10-year lease. Building has been fully occupied for many years.
3225 Hospital Drive, Juneau	July 2021	7.00%	Fully occupied office and medical building in good condition
8390 Airport Boulevard, Juneau	August 2021	6.90%	Fully occupied office, retail service building in good condition
225 Front Street, Juneau	September 2021	8.07%	Renovated two story bldg. in downtown Juneau in good condition. Purchased by dominant tenant

RealtyRates is a national service that quarterly provides investment criteria that pertain to investment grade properties in the United States of all types. While not highly applicable to the Juneau market, which has few properties that would be considered investment grade, this publication does provide an indicator of national trends with respect to capitalization rates and other financing criterion.

The 4Q report relies on third quarter data. The composite capitalization rate of 8.77% is down from a year ago at 8.94% based upon a decrease of 31 basis points in treasury rates and no change in equity dividend rates.

The composite capitalization rate for the office sector was 8.16% in 2020 and is currently 8.25%. The restaurant sector 2020 rate was 10.81% and is currently 10.86%. The retail sector rate for 2020 was 8.58% and is now 8.60%. For apartments, the 2020 rate was 7.50% and is now 7.57%.

The tables from this survey that support the above indicators are included in the Addenda. Below are the surveyed rates for each sector noted above, indicating the low, high and average "Surveyed" capitalization rates for each sector:

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.75% is considered reasonable.

As shown, this rate applied to the projected NOI, the market value by this approach is **$1,130,000**.

CAPITALIZATION OF INCOME

RENTAL INCOME	ABOVE GRADE SF	MONTHLY RENT	RENT/SF	ANNUAL RENT
Heritage Coffee Roasters	3,931 SF	$ 7,581	$ 1.93	$ 90,972
110 -Seward Segal Company	350 SF	$ 618	$ 1.77	$ 7,416
Suite 1 Carlton Smith Company	550 SF	$ 773	$ 1.41	$ 9,276
Suite 2 - Rookery Storage	378 SF	$ 285	$ 0.75	$ 3,420
Suite 3 Mooncycle Medicine	200 SF	$ 418	$ 2.09	$ 5,016
Suite 4 - Yvette Soutiere Law	200 SF	$ 333	$ 1.67	$ 3,996
Suite 5 - Big Brothers Big Sisters	1,174 SF	$ 950	$ 0.81	$ 11,400
116 Seward Street - Vacant	1,000 SF	$ 1,796	$ 1.80	$ 21,552
118 Seward - Plant Studio	825 SF	$ 1,805	$ 2.19	$ 21,660
Gross Revenue	8,608	-		$ 174,708
Stabilized Vacancy & Credit Loss	3.5%			$ (6,115)
Gross Effective Income				$ 168,593
EXPENSES	10,359 SF GBA	(above grade)		
Professional Management	5%			$ (8,430)
Administration	$ 0.30 SF			(3,108)
All Utilities to 2nd Floor	$2.45 SF		3,705	$ (9,077)
All But Power to Retail/Rest.	$2.40 SF		6,654	(15,970)
Building Maintenance	$ 1.70 SF			(17,610)
Insurance	$ 0.50 SF			(5,180)
Real Estate Taxes	$ 1.60 SF			(17,478)
Reserve Allowance	$ 0.40 SF			(4,144)
Total Expenses				$ (80,996)
Net Operating Income				$ 87,598
Capitalization Rate				7.75%
Indicated Value				$ 1,130,292
Rounded				$ 1,130,000

130 Seward ST

Capitalization of Net Income

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All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.50% is considered reasonable. As shown, this rate applied to the projected NOI, value by this approach is **$4,410,000**.

CAPITALIZATION OF NET INCOME

REVENUES	RENTAL AREA		RENT MONTH	RENT/SF	ANNUAL RENT
124 Seward - Annie Kaills (main level)	2,037	SF	$ 2,993	$ 1.47	$ 35,916
126 Seward - Northwind Architects (main level)	1,392	SF	$ 2,993	$ 2.15	$ 35,916
128 Capital Barber	280	SF	$ 698	$ 2.49	$ 8,376
140 Seward - Little Tokyo Restaurant	2,510	SF	$ 4,489	$ 1.79	$ 53,868
Woodbury Financial	240	SF	$ 673	$ 2.80	$ 8,076
State of Alaska WIC Storage	420	SF	$ -		$ -
119A 2nd Street - Bauer Clifton	660	SF	$ 1,571	$ 2.38	$ 18,852
Suite 201 - Verizon (equipmt rm for cell tower)		Roof	$ 1,549		$ 18,588
Verizon Monthly Electrical Expense			$ 450		$ 5,400
Suite 202-3 Deborah Mellison	444	SF	$ 854	$ 1.92	$ 10,248
Suite 204-5 Alaska Trollers Association	480	SF	$ 984	$ 2.05	$ 11,808
Suite 205 Otis Elevator Company	240	SF	$ 927	$ 3.86	$ 11,124
Suites 207-8 State of Alaska	375	SF	$ -	$ -	$ -
Suite 209 -Todd Montalbo	475	SF	$ 808	$ 1.70	$ 9,696
Suites 200, 210-16 AK Domestic Violence	2,296	SF	$ 3,800	$ 1.66	$ 45,600
Suite 217- Stellar Group	361	SF	$ 659	$ 1.83	$ 7,908
Suites 218-219 - J.M. Walsh	403	SF	$ 784	$ 1.95	$ 9,408
Suite 220 - Law Office Kathleen Strausbaugh	240	SF	$ 475	$ 1.98	$ 5,700
Suite 221 - Law Office of Kris Barnum	204	SF	$ 333	$ 1.63	$ 3,996
Suite 222 - Goldstein Bookkeeping Office	200	SF	$ -		$ -
State of AK OCS Lease 2277 Second Floor	366	SF	$ -	$ 1.76	$ 7,730
East Care Acupuncture	540	SF	$ 1,038	$ 1.92	$ 12,456
State of AK OCA Lease 2277 3rd Floor	3,164	SF		$ 1.76	$ 66,824
Suite 304/305 Marine Engineers Union	456	SF	$ 801	$ 1.85	$ 10,123
Suite 306 - vacant	228	SF		$ 2.10	$ 5,746
Suite 307 - vacant	228	SF		$ 2.10	$ 5,746
Suite 308/309 - lease begins 2/2022	746	SF	$ 1,008	$ 1.82	$ 16,293
State of AK OCS Lease 2277 Fourth Floor	6,052	SF		$ 1.76	$ 127,818
1198 2nd Street - Sonia Hendricks	660	SF	$ 1,576	$ 2.39	$ 18,912
5th Floor State of Alaska WIC	5,631	SF	$ 7,863	$ 1.40	$ 94,350
State of Alaska Ombudsman	1,147	SF	$ 2,090	$ 1.82	$ 25,080
Suite 504 - Cranor Counseling	304	SF	$ 618	$ 2.03	$ 7,416
Suite 505 - Vacant	513	SF	$ 1,045	$ 2.14	$ 12,540
Basement - In & Out Painting	100	SF	$ 192	$ 1.92	$ 2,304
Basement - Otis Elevator Company	226	SF	$ -		$ -
Basement - State Legislative Affairs Agency	4,608	SF	$ 2,270	$ 0.49	$ 27,241
Basement - Annie Kaills Storage	476	SF	$ 371	$ 0.78	$ 4,452
Basement - Shoefly Storage	100	SF	$ 100	$ 1.00	$ 1,200
Basement - Dalberg Design Storage	100	SF	$ 200	$ 2.00	$ 2,400
Basement - Sketch Storage	75	SF	$ 79	$ 1.05	$ 948
Basement - Plant Studio Storage	400	SF	$ 399	$ 1.00	$ 4,788
Parking Lot - parking in State OCS Lease	10	stalls	inc. in offc rent		$ -
State of Alaska Legislative Affairs	1	stall	$ 90		$ 1,080
Urban Eskimo Store	1	stall	$ 74		$ 882
Clifton Bauer	1	stall	$ 89		$ 1,068
Remaining Stalls Available for Rent	6	stalls	$ 95		$ 6,840
Gross Revenue					$ 764,716
Stabilized Vacancy & Credit Loss		3.0%			$ (22,941)
Gross Effective Income					$ 741,775
EXPENSES	48,471	sf GBA	(above grade)		
Professional Management		5%			$ (37,089)
Administration		$ 0.26	SF		$ (12,602)
Landlord provided Full Service Utilities		$2.45	SF x	35,076	$ (85,936)
Landlord provided Utilities less Power		$2.40	SF x	13,395	$ (32,148)
Building Maintenance & Repairs		$ 1.60	SF		(77,554)
Janitorial Service Floors 2 - 5					(47,000)
Parking Lot Upkeep, Security & Insurance		$222	per stall/year	x 19	(4,218)
Building Insurance		$ 0.50	SF		(24,236)
Real Estate Taxes		$ 1.47	SF		(71,033)
Reserve Allowance		$ 0.40	SF		(19,388)
Total Expenses		$ 8.48	SF		$ (411,204)
Net Operating Income					$ 330,571
Capitalization Rate					7.50%
Indicated Value					$ 4,407,609
Rounded					$ 4,410,000

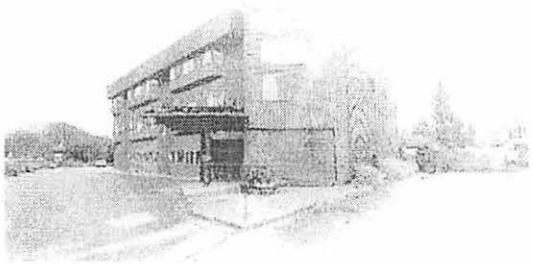
SALES COMPARISON APPROACH

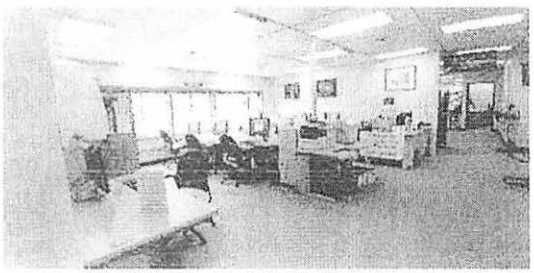
The Sales Comparison Approach is a process by which comparable properties that have sold or are for sale are compared to the subject property. The rationale behind this approach is based upon the principle of substitution, and assumes that a typical buyer, investor, or user would not pay more to buy the subject property than he/she would buy a comparable or substitute property.

There are no highly comparable buildings that have sold in Juneau. The three sales presented below include two in the downtown area and an office building in the Mendenhall Valley.

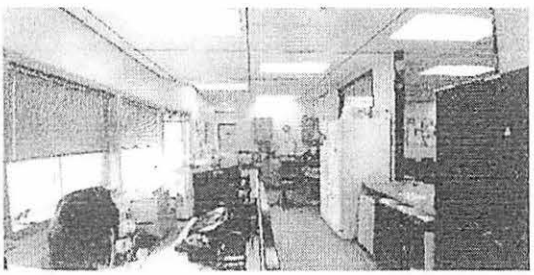
Building Sale Comparison No. 1 is the Willo Park office building at 10002 Glacier Highway in the Mendenhall Valley. This building was fully tenanted by State agencies at the time of sale, and a new ten-year lease had been negotiated, at a lower rent. The property sold at its asking price to a Juneau investor. The price paid for this building was $107 SF.

The office was constructed in 1983 and is of wood construction with three floors of offices and a fourth floor mechanical and storage area. It has an HVAC system and an elevator. It is on a large site with ample parking.









9

Sales Disclosure Form/Buyer-Personal Property Disclosed of $17,085

CITY AND BOROUGH OF JUNEAU

SALES DISCLOSURE FORM/ BUYER

Parcel Number:	1C070A050060
Legal Description:	JUNEAU TOWNSITE BL 5 LTS 5, 6 & 7
Property Address:	234 SEWARD ST

FILER CONTACT INFORMATION			
Filer Name	Goldstein Improvement Company	Filer Email	greg@tcro.mac.com
Primary Phone	310-612-1312	Secondary Phone	
Mailing Address	426 EAST RUSTIC ROAD SANTA MONICA CA 90402		

Please identify which, if any of the following apply:

☐ The instrument recorded to confirm, correct, modify or supplement a previous deed, no sale took place;

☐ The transfer was made pursuant to a merger, consolidation, or reorganization of my business;

☐ The transfer was by a subsidiary corporation to its parent corporation without actual consideration or in sole consideration of the cancellation or surrender of a subsidiary stock;

☐ The transfer was a gift of more than one-half (1/2) of the actual value;

☐ A transfer was not based on the value and was between immediate family members. Immediate family members are defined as mother, father, brother, sister, son, daughter, spouse, grandparent, grandchild, brother- or sister-in-law, son- or daughter-in-law, father- or mother-in-law, stepfather, stepmother, stepsister, stepbrother, stepson, and stepdaughter;

☐ The instrument was recorded to transfer the property to myself, no sale took place; or

☐ A sale for delinquent taxes or assessments, or a sale or a transfer pursuant to a foreclosure.

If the transfer was the result of any of the above, please sign and date this form and return to the Assessor office. If not, you must answer the following questions per CBJ Code 15.05.105:

Name of Grantor (Seller)	Key Bank National Association
Name of Grantee (Buyer)	Goldstein Improvement Company
Date of Transfer	November 15, 2021
Date of Sale	
Legal Description (as written on your deed)	as above
What was the actual full amount paid or to be paid for the property? (sale price)	$ 1,232,575 * see attached

What were the terms of the sale?

☐ New loan from a financial institution ☒ All Cash ☐ Seller Financing ☐ Trade of Property

☐ Assumption of existing loan ☐ IRS 1031 Exchange ☐ Other _____

Was personal property included in the sale price? (such as furniture, equipment, inventory, machinery etc.)

☐ No ☒ Yes, if yes please describe and estimate the value attach additional paper if needed: 17,085

Did the sale price include an operating business?

☒ No ☐ Yes, if yes please describe and estimate the value attach additional paper if needed: _____

Was the property offered to other potential buyers?

☒ Yes; Advertised (listed, internet, yard sign, word of mouth, etc)

☐ No: Private purchase (not offered on the open market)

Are there any additional facts that would cause this sale to be a distressed, forced, or non-arm's length exchange?

☒ No ☐ Yes, if yes, please describe _____

Certification: I hereby certify that the answers given on this form are true and correct to the best of my knowledge. I understand that a willful misstatement is punishable by a fine or imprisonment under AS 11.56.210.

Signature:	Date:
Gregg Adler	12/6/2021

CONTACT US: CBJ Assessor's Office

Phone:	Email:	Website	Physical Location
Phone# (907) 586-5215 E-Fax # (907) 586-4520	Assessor_Office@juneau.org	https://juneau.org/finance/assessor-office	155 S Seward St RM 114 Juneau AK 99801

CBJ 15.05.105 Transaction disclosures.

KEY BANK BUILDING-FURNISHINGS, FIXTURES AND EQUIPMENT

234 SEWARD STREET, JUNEAU ALASKA

The following furnishings, fixtures and equipment are in good condition and do not show excessive wear and tear:

Carpet-$2500
Light fixtures-$2,000
Table-$500 (1)
File cabinet-$50 (1)
Wood bookcase-$100 (2)
Credenza-$600 (12)
Office desk large w/ glass top-$7,000 (7)
Chairs-$200 (8)
Chairs ergonomic-$600 (6)
Conference table oval-$2,100 (3)
Conference table chairs-$450 (18)
Round kitchen table-$75
Kitchen table chairs-$50 (2)
Formal chairs-$850 (17)
Trash cans-$10 (10)

Totals-$17,085.

Therefore,

Purchase Price-	**$1,250,000**
Furnishings, Fixtures & Equipment-	**<$17,085>**
Closing Fee-	**<$300>**
Recording-	**<$40>**
Sales Price-	**$1,232,575**

IQ\ CHICAGO TITLE INSURANCE COMPANY

Chicago Title Insurance Company
1111 Superior Ave, Suite 600
Cleveland, OH 44114-2541
Phone: 216-696-1275 Fax: 216-696-8107

Settlement Statement

Estimated Date of Closing November 15, 2021
Disbursement Date: November 15, 2021
Order Number: 2137280348
Escrow Officer: Linda Podojil
Buyer: Goldstein Improvement Company, an Alaska Corporation
426 East Rustic Road
Santa Monica, CA 90402
Seller: KeyBank National Association, a national banking association
100 Public Square, Suite 600
Cleveland, OH 44113
Lender:
Property: 234 Seward Street
Juneau, AK 99801

Seller			Buyer	
Debit	Credit		Debit	Credit
		Sale Price		
	1,250,000.00	Purchase Price	1,250,000.00	
		Deposits		
		Earnest money deposit		50.000.oo
		Additional deposit in escrow		1.204.097.50
		Commissions		
30,750.00		Commission to Jones Lang Lasalle		
32,370.00		Commission to The Carlton Smith Company		
		Prorations/Adjustments		
	3,458.28	Prorate Taxes- Parcel 1C070A050060 46 days@75.18 per day at $27,439.10 11/16/21-01/01/22	3,458.28	
66.26		Prorate Water 15 days @4.417 per day at $132.51 11/01/21-11/15/21		66.26
132.51		Credit Water 10-1-2021 to 11-1-2021		132.51
		Title Charges		
400.00		Closing Fee	300.00	
3,407.00		Owner's Policy Premium		
50.00		Deed prep Fee		
400.00		Additional parcel Search Fee (need invoice)		
		Recording Charges		
		Deed Recording Fee to Alaska Escrow and Title Insurance Agency, Inc.	40.00	
150.00		Declaration Recording Fee to Alaska Escrow and Title Insurance Agency, Inc.		

Settlement Statement

APPROVED AND ACCEPTED
The undersigned has/have carefully reviewed the Master Statement and to the best of its/his/her/their knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on its/his/her/their account or by it/him/her/them in this transaction. The undersigned further certifies that it/she/he/they has/have received a copy of the Master Statement.

BUYER

Goldstein Improvement Company, an Alaska Corporation

BY: _____

Its: Vice-President

SELLER

KeyBank National Association, a national banking association

BY: _____
Diane Mannarino
Vice President

To the best of my knowledge, the Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Chicago Title Insurance Company

BY: _____
Chicago Title Insurance Company

CHICAGO TITLE INSURANCE COMPANY

Chicago Title Insurance Company
1111 Superior Ave, Suite 600
Cleveland, OH 44114-2541
Phone: 216-696-1275 Fax: 216-696-8107

Settlement Statement

Estimated Date of Closing November 15, 2021
Disbursement Date: November 15, 2021
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Buyer: Goldstein Improvement Company, an Alaska Corporation
426 East Rustic Road
Santa Monica, CA 90402
Seller: KeyBank National Association, a national banking association
100 Public Square, Suite 600
Cleveland, OH 44113
Lender:
Property: 234 Seward Street
Juneau, AK 99801

Seller Debit	Seller Credit		Buyer Debit	Buyer Credit
		Sale Price		
	1,250,000.00	Purchase Price	1,250,000.00	
		Deposits		
		Earnest money deposit		50,000.00
		Additional deposit in escrow		1,204,097.50
		Commissions		
30,750.00		Commission to Jones Lang Lasalle		
32,370.00		Commission to The Carlton Smith Company		
		Prorations/Adjustments		
	3,458.28	Prorate Taxes- Parcel 1C070A050060 46 days @ 75.18 per day at $27,439.10 11/16/21-01/01/22	3,458.28	
66.26		Prorate Water 15 days @ 4.417 per day at $132.51 11/01/21-11/15/21		66.26
132.51		Credit Water 10-1-2021 to 11-1-2021		132.51
		Title Charges		
400.00		Closing Fee	300.00	
3,407.00		Owner's Policy Premium		
50.00		Deed prep Fee		
400.00		Additional parcel Search Fee (need invoice)		
		Recording Charges		
		Deed Recording Fee to Alaska Escrow and Title Insurance Agency, Inc.	40.00	
150.00		Declaration Recording Fee to Alaska Escrow and Title Insurance Agency, Inc.		

Settlement Statement

Seller Debit	Seller Credit		Buyer Debit	Buyer Credit
		Miscellaneous Charges		
132.51		Pay Water Bill to City and Bureau of Juneau		
67,858.28	1,253,458.28	**Subtotals**	**1,253,798.28**	1,254,296.27
1,185,600.00		**Balance Due TO Seller/Buyer**	**497.99**	
1,253,458.28	1,253,458.28	**Totals**	1,254,296.27	1,254,296.27

See signature page to follow

10

Obsolescence Costs

From: Daniel glidmann@gmail.com
Subject: Fwd: Behrends Bank Mechanical Repairs
Date: March 21, 2022 at 6:25 PM
To: Gregg Adler gregadler@mac.com

Sent from my iPhone

Begin forwarded message:

From: Richard Behrends <behrendsmech@gci.net>
Date: March 21, 2022 at 3:53:58 PM AKDT
To: Daniel Glidmann <glidmann@gmail.com>
Subject: Behrends Bank Mechanical Repairs

Good afternoon Daniel,

The estimated cost to replace the unit on the roof and associated ductwork, to fix the controls, and replace the condenser, coil, and piping for the unit in the basement is: $190,000.00.
Does not include electrical, hoisting, lifting, or roof repairs.

Thanks
Dick

Richard Behrends
President
Behrends Mechanical, Inc.
PO Box 020347
Juneau, AK 99802
Phone: 907.780.6766
Cell: 907.723.7892
Fax: 907.780.6063

Confidentiality Note: This e-mail, and any attachment to it, contains privileged and confidential information intended only for the use of the individual (s) or entity named on the e-mail. If the reader of this e-mail is not the intended recipient, you are hereby notified that reading it is strictly prohibited. If you have received this e-mail in error, please immediately return it to the sender and delete it from your system.
Moreover, any confidential information contained in this e-mail (and any attachment) may only be used for the specific purpose for which it is being transmitted.

TO: GOLDSTEIN IMPROVEMENT COMPANY
FROM: DANIEL GLIDMAN
DATE: MARCH 21, 2022
RE: KEY BANK MECHANICAL RELATED WORK

I ESTIMATE THE ELECTRICAL, HOISTING, LIFTING AND ROOF REPAIRS TO BE APPROXIMATELY $35,000.

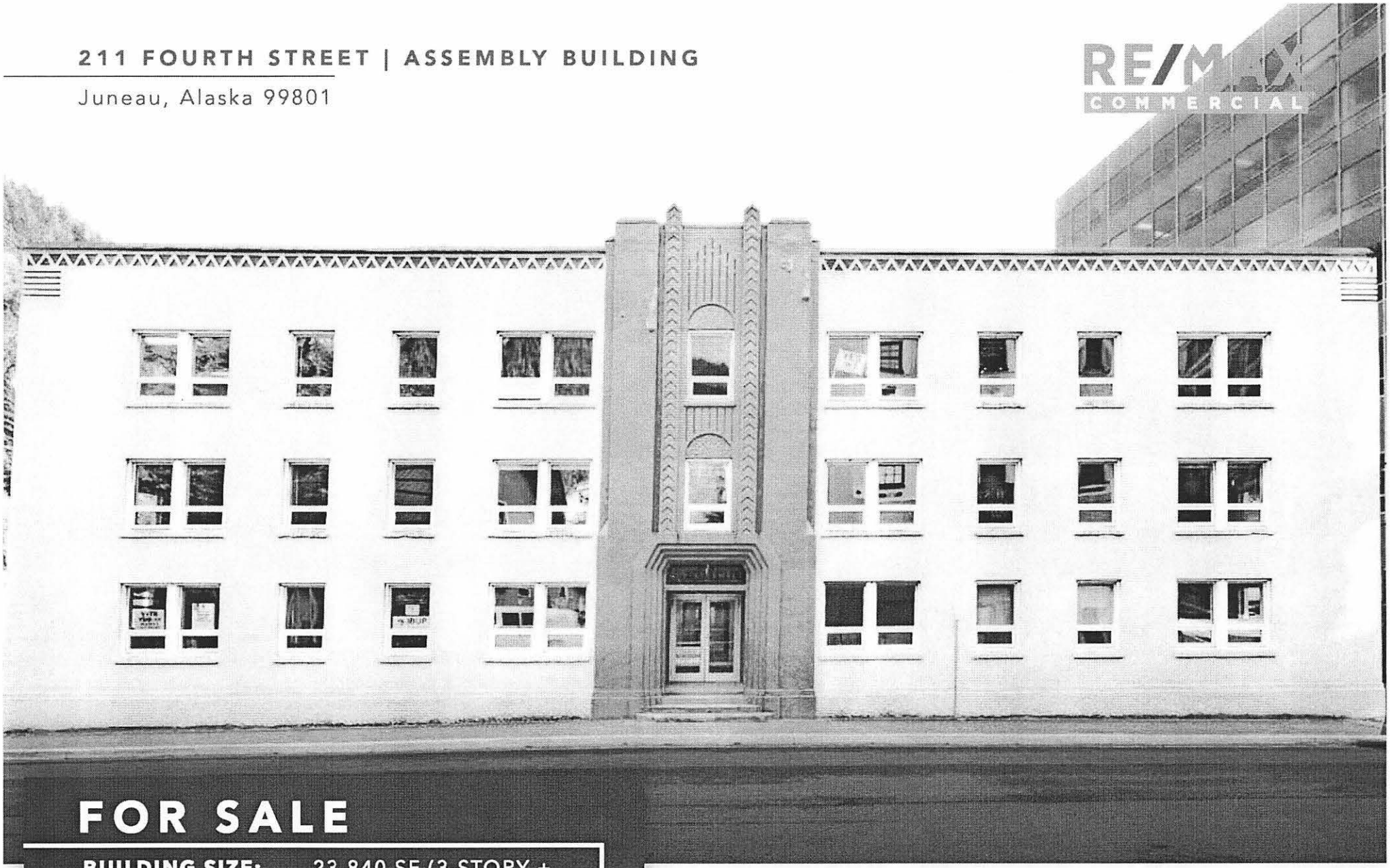
11

Assembly Building Listing

211 FOURTH STREET | ASSEMBLY BUILDING

Juneau, Alaska 99801

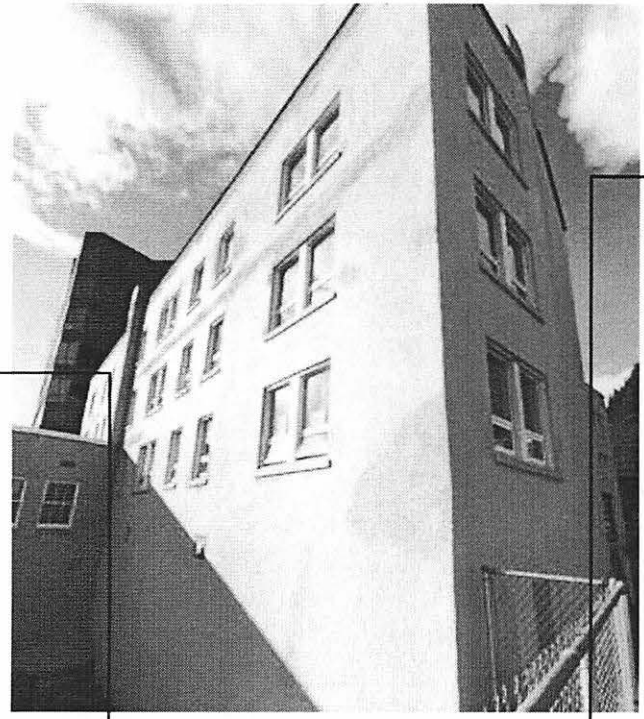
RE/MAX COMMERCIAL



FOR SALE

BUILDING SIZE:	23,840 SF (3-STORY + PARKING GARAGE)
ZONING:	MU (MIXED USE)
SITE SIZE:	9,809 SF (0.23 ACRES)
YEAR BUILT:	1932
PRICE:	$1,250,000

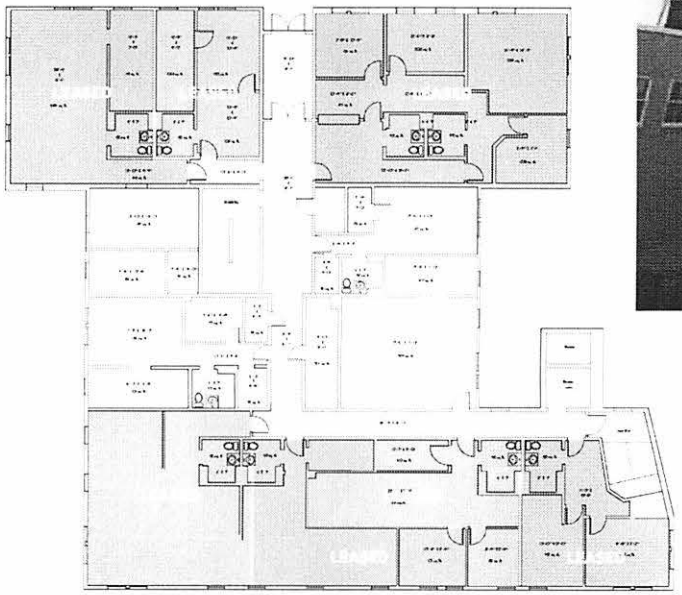
GARRETT W. SCHOENBERGER
COMMERCIAL / INVESTMENT PROPERTIES
RE/MAX of Juneau
3031 Clinton Drive - Suite 100
Juneau, AK 99801
(602) 790-6144



ABOUT

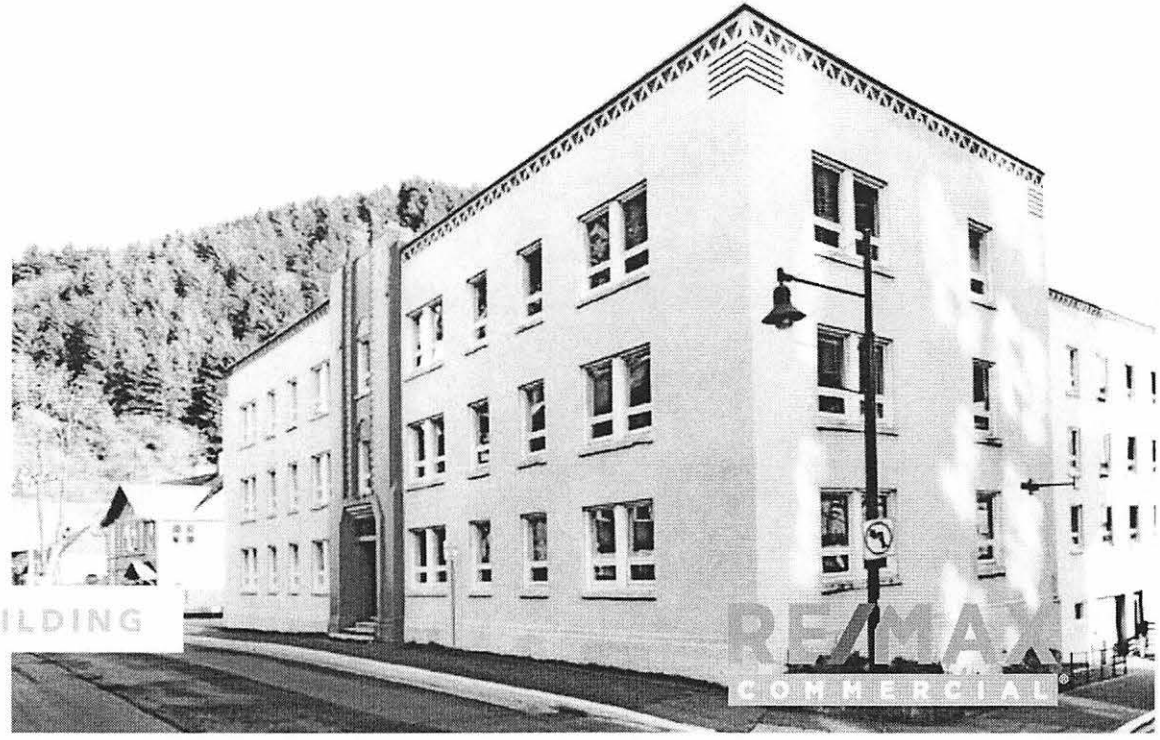
The Assembly Building is located in the heart of downtown Juneau, just steps away from the State Capitol Building, Rainbow Foods, and a plethora of restaurants and shops. Originally constructed in 1932 as apartments, this building was converted to office space in the 1980s and is currently home to many long standing Juneau businesses. This property presents a great opportunity for a new owner to keep as commercial or convert back to residential, taking advantage of it's prime location and parking garage.

FIRST FLOOR



THE BUILDING

GARAGE:	4,137 SF - 21 SPACES
1ST FLOOR:	6,337 SF
2ND FLOOR:	6,683 SF
3RD FLOOR:	6,683 SF
TOTAL:	**23,840 SF**



211 FOURTH STREET | ASSEMBLY BUILDING

Juneau, Alaska 99801

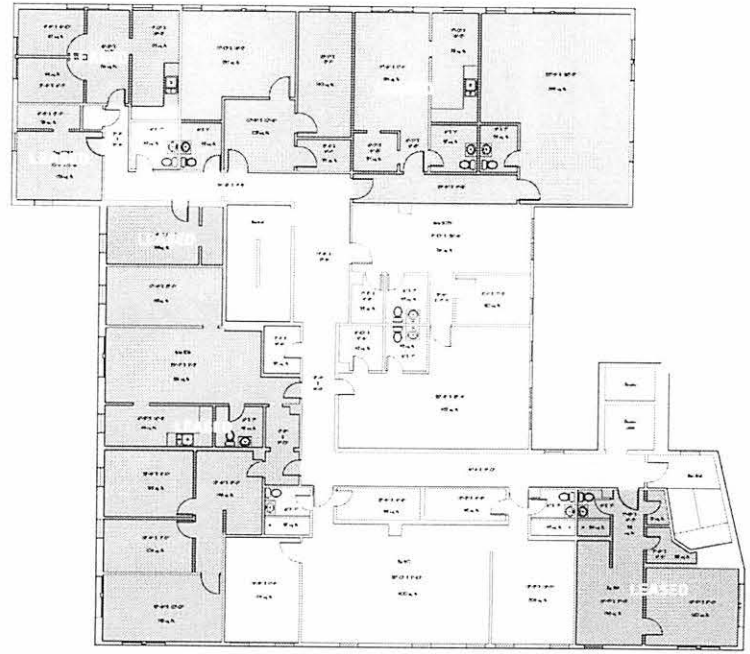
SECOND FLOOR





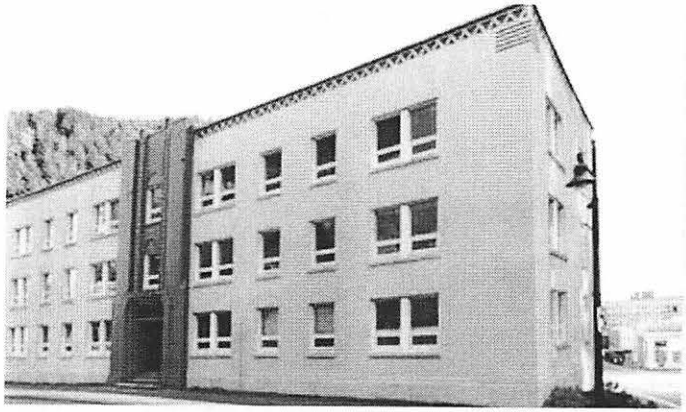
THIRD FLOOR

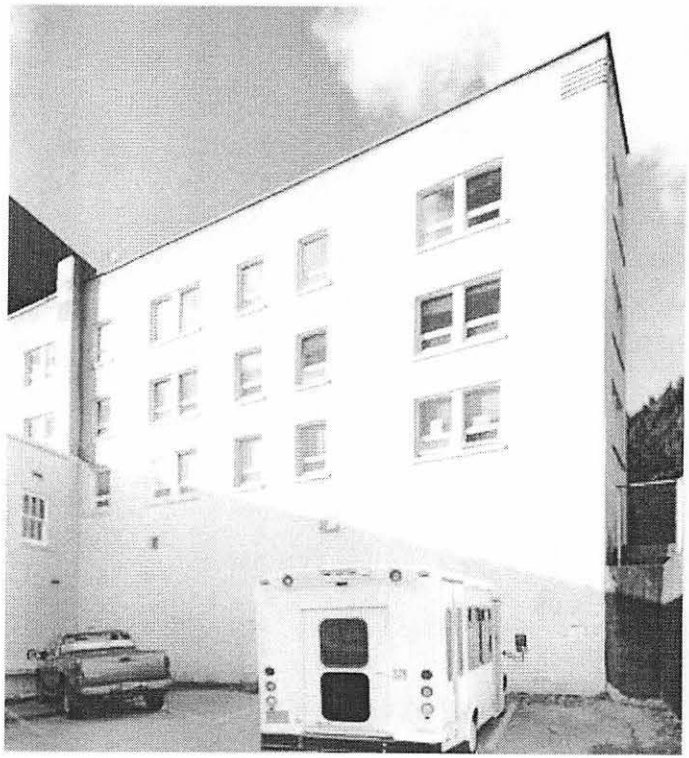


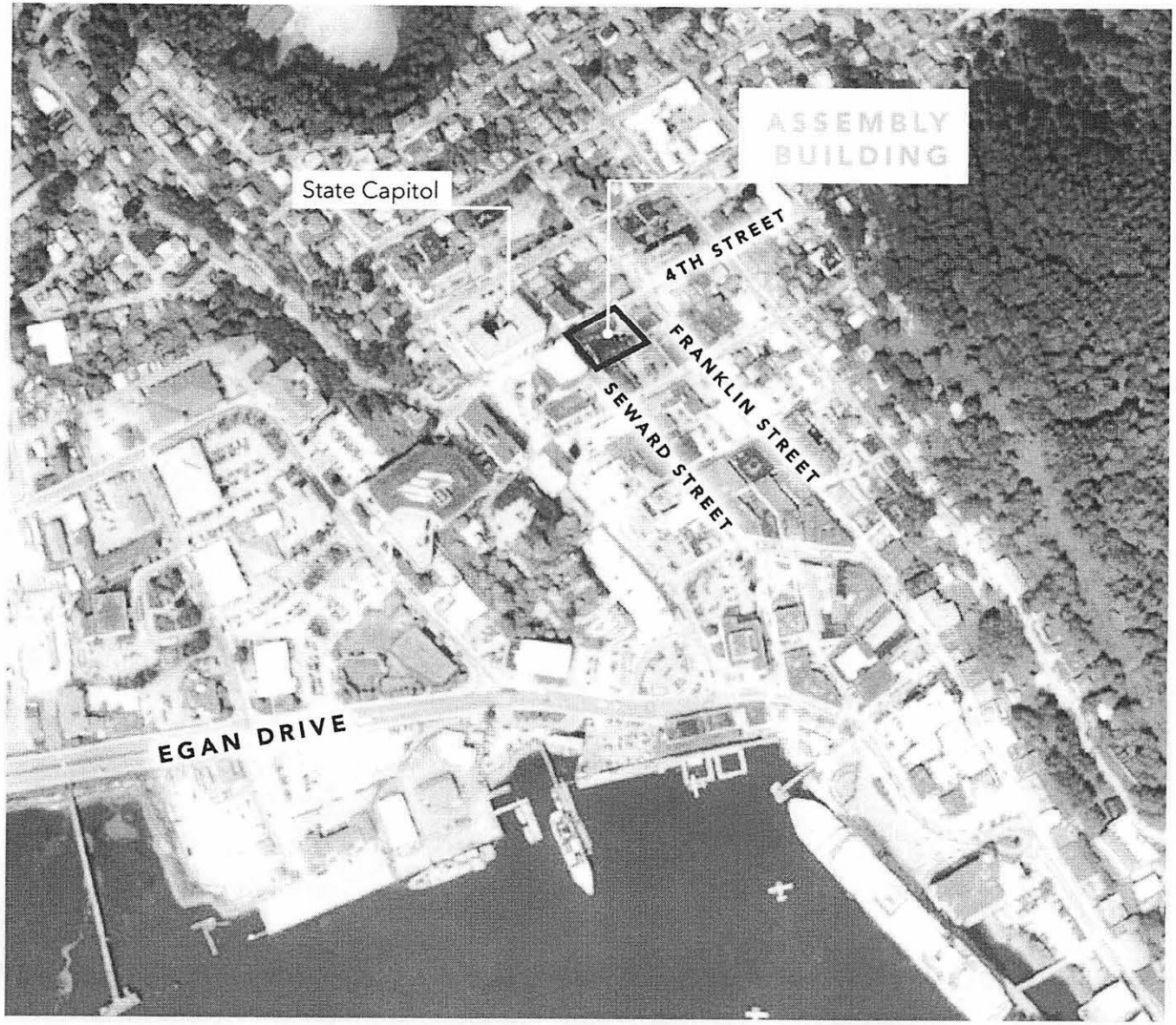


211 FOURTH STREET | ASSEMBLY BUILDING

Juneau, Alaska 99801







RE/MAX COMMERCIAL

211 FOURTH STREET | ASSEMBLY BUILDING

Juneau, Alaska 99801

GARRETT W. SCHOENBERGER
COMMERCIAL / INVESTMENT PROPERTIES
RE/MAX of Juneau
3031 Clinton Drive - Suite 100
Juneau, AK 99801
(602) 790-6144

12

Wells Fargo Bank Listing-Anchorage

From: **Carlton Smith** carltonsmith@gci.net
Subject: Fwd: Former Wells Fargo Bank Building For Sale | Downtown Anchorage
Date: June 24, 2022 at 3:59 PM
To: Greg Adler gregadler@mac.com

Greg: my former colleague Marc Dunne has listed this former Wells Fargo branch building for sale in Anchorage. Note the asking price.
Carlton

Sent from my iPhone

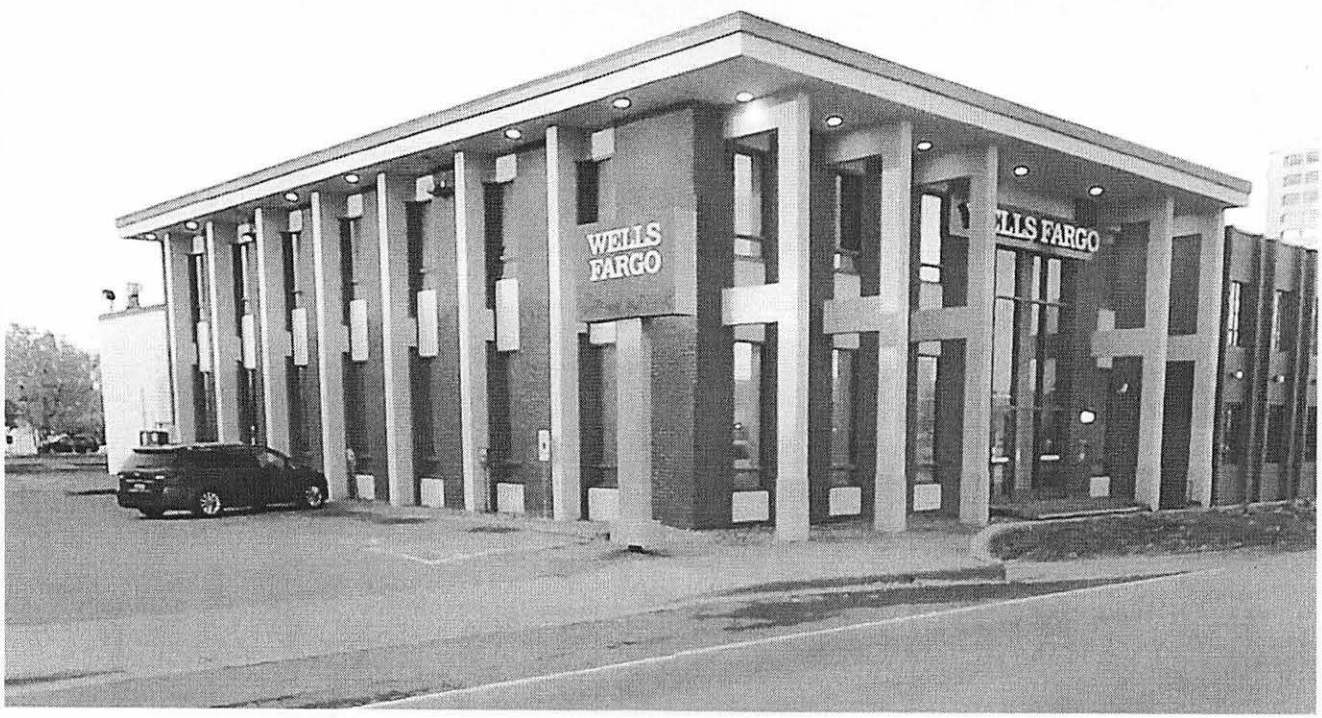
Begin forwarded message:

From: Marc Dunne <notifications@c.costarmail.com>
Date: June 24, 2022 at 3:24:24 PM PDT
To: carltonsmith@gci.net
Subject: **Former Wells Fargo Bank Building For Sale | Downtown Anchorage**
Reply-To: Marc Dunne <mwdunne@alaska.net>

Jack White COMMERCIAL

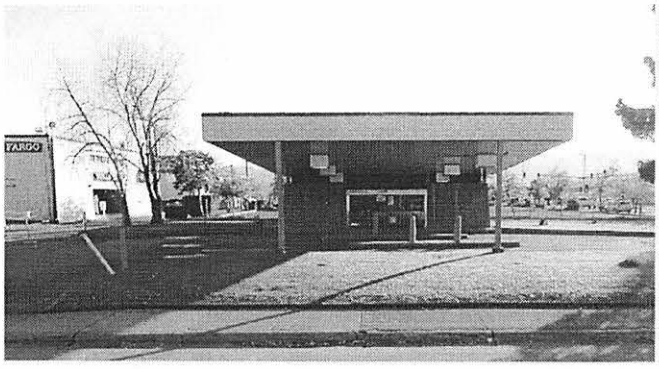
Office For Sale

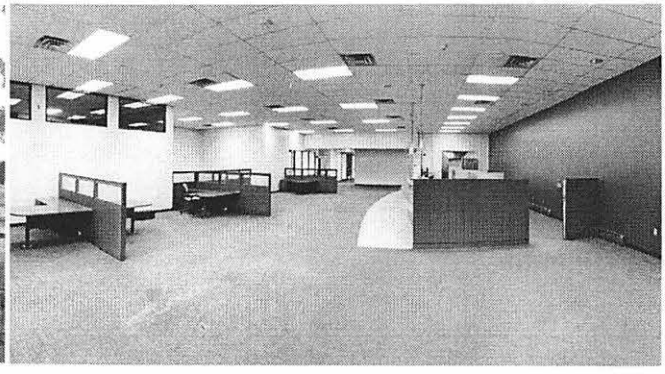
Former Wells Fargo Bank Building For Sale | Downtown Anchorage



Former Wells Fargo Bank Building

660 E 5th Ave, Anchorage, AK 99501





Price: $1,275,000

View Full Listing

Highlights

- Main Building: 14,204 SF.
- 3 Parcels totaling: 40,935 SF.
- 480 SF ATM Building.
- Zoned B-2C.
- Great opportunity for owner user or redevelopment.

Attachments

PDF "PACKAGE BY REQUEST"

Listing Details

Price	$1,275,000
Sale Type	Investment Or Owner/User
Property Type	Office

Property Type	Office
Building Class	B
RBA	14,204 SF
Lot Size	0.94 AC
Year Built	1966
Parking Ratio	44 Spaces/3.1 Ratio

Description

14,204 SF cast concrete and brick office building situated on 3 downtown parcels. This iconic 2-story building was the former home to Wells Fargo Bank with a drive through ATM around the back of the building. This is a great opportunity for an owner user, or possible redevelopment.

View Full Listing

Contacts



Marc Dunne
CCIM, SIOR, Associate Broker
mwdunne@alaska.net
O:(907) 229-5525
M:(907) 229-5525
Lic# 13791

Jack White Commercial
3801 Centerpoint Dr
Anchorage, AK, 99503

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13

Charlie Goldstein Story-Starting Out Flat Broke in Juneau

2 1898: STARTING BUSINESS IN Juneau

In 1889 I shook the dust of Juneau off my heels and went to San Francisco to make my fortune.

When I came back to Juneau in 1898 I was not only flat broke, but ~~had a lovely wife and~~ two young boys, Al and Micky. I had to make a living for them and had to start from scratch. It was really tough, but my dear wife didn't complain. I had been in the grocery business in San Francisco for seven years; I worked 16 to 18 hours a day including Sundays, and lost the two thousand dollars I had when I started. When I was leaving, three wholesale houses wanted me to take stock with me even tho they knew I was flat broke. I said I didn't know what you was going to do, or where we would land.

I left my little family with my parents and started out looking for some favorable place to begin again. First I went to Skagway and Dyea but they didn't look good, so went on to Dawson which sure was a tough spot. I till tell you about gold rush conditions some other time. So I drifted back to Juneau and decided to get into some kind of business.

I rented an old dance hall and fixed up two rooms

with a kitchen 6 by 6 and started business on a shoestring.

I took the San Francisco wholesales at their word and ordered enough to get started. I got tea, coffee and spices from Shillings, cereals and flour from DelMonte Mills and butter, eggs, bacon and lard from C. Whitney Company. The firm who promised me the canned goods was the only that decided they didn't want business in Alaska. You can be sure Albert Noan Company didn't get a dimes worth of business from me thereafter. You can see by the list of stuff I had to sell I was in a bad way for the grand opening.

O. Adsit, agent for West Coast Grocery Co. in Tacoma suggested I give him an order for fresh fruit and vegatables. When the shipment came I fixed up a long bench outside and didn't have to wait long for the grand rush. We were the first one to sell in fresh vegatables! and in a couple of hours the stock was gone to the last celery stalk.

Adsit did a lot to help me get started, several weeks later he brought the president of the West Coast Grocery Company, Charles Ryan to me et me. He asked me a lot

of questions about finances, and I said I had none, but don't owe anything. He asked my how much credit I would want and I told not to exceed $1000.00. He told Adsit to take the order and I traded with West Coast for 35 years. I never forgot that bit of kindness from Hyde and will always remember him as a very good friend.

I was a small potato with no capital trying to compete with six well established companies: Kohler & James, a million dollar concern, Decker Bros, B. M. Behrends Company, Martin Bros, Van Gaskin and Louie Levi. They were going to teach me a lesson, especially the biggest operator, Kohler & James. I had to turn into cash the furs I bought each day to a resident fur buyer who was stationed here the most of the time, and bought from all the stores as agent for Hibbard and Stewart. He always found out from the other stores what was being paid for the furs and would squeeze me to a very small margin. I hung on and didn't complain until I had a couple thousand dollars

to the good and then told him that he would have to treat me the same as the other traders or I would ship my furs elsewhere. I told him I knew that he had been skinning me, but those days are over. From that time on he was a good dog and I began to be able to make some money, and get our share of the fur business. In fact during my second year I was getting the biggest portion.

Juneau was the main trading center for Indians as far south as Queen Charlotte Island who came here with their sea otter, fur seal, marten and mink, and other furs. The Sitka Indians brought mainly fur seal, but the Hoonah Indians as well as the Yakutats, brought both sea otter nd fur seal and other furs. [illegible] The Interior Indians on the upper Yukon couldn't come down as they were slaves of the Chilkats who would take the furs from them at Skagway and bring them here in their big canoes. I think I told you before about their big dugout canoes that could hold up to 50 people and a load of furs.

They even came across the Gulf from what is now Cordova and Valdez; they too had the much prized sea otter. If you look at a map you can see the extent of our trading area. By about 1900 the demand for cash had risen to about 25 to 30 percent, the balance in trade.

Of course, Indian trade was not the only source of revenue, as gold mines were flourshing in this section. The treadwell mine just across the channel hired about 1500 men, and the Thane mine only three miles from Juneau had nearly as many, and other smaller placer or quartz mines scattered between here and Skagway. And too, of course, there was the salmon fishing.

14

Determination Letter

Response to Petition for Review / Determination Letter

CITY AND BOROUGH OF JUNEAU

Finance Department
Assessor Division
155 S Seward St.
Juneau AK 99801
(907) 586-5215 Ext. 4906

Petition/Appeal Number: See List

Site Address: Varied

Parcel Number: See List

Owner/Appellant: Goldstein

June 7, 2022

This is our response and determination after review of your assessed value(s) based on your Petition for Review. This letter is being sent to get processes and timelines started. We can still discuss this and it can still be withdrawn or can become an administrative correction up to the point of a BOE hearing. If you desire to go to the BOE please let us know by June 14, 2022.

NO FINDINGS, AND NO DISCLOSURES

Petitions for Review and Appeals

- The appeal process starts with a Review by the Assessor's Office. If, at the conclusion of the Review, you do not wish to accept the findings of the Assessor's Office then you have the option for the Review to be converted into an official Appeal to the Board of Equalization. (One form serves both steps.)
- Definitions of reasons for appeal – The appellant must provide evidence proving one of the following.
  - Excessive – grossly disproportionate when compared to other assessments
  - Unequal – treated differently than other properties in the same property class
  - Improper – valuation methodology was improper
  - Undervalued – valued less than market or disproportionately lower than other assessments
- Be advised that if you choose to continue from a Review to a formal Appeal, if your value is not at full market value we may, in accordance with law, recommend an increase to full market value. This is one difference between the Review process, where we honor the value that was sent out with the notice, and the Appeal process, where after closer review of an individual parcel we may recommend market value. The BOE may choose to increase your value from the amount in the Assessment Notice to full market value.
- *State statute requires that the burden of proof is upon the appellant to provide evidence that one of the above conditions has been met (AS 29.45.210).*

Results of Review

Based upon the evidence that you provided we have made the following determination regarding the 2022 assessment valuation.

- No change is indicated for any of the appeals.

Where does "Full Market Value" come from?

Appellant Response for Assessment Year 2022 Petition for Review

(This is the section where you indicate your acceptance or rejection of the Assessor's Office conclusion. Initial your choice below and then sign and return this part of the form.)

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

Initial your choice for each parcel below.

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A050060	2,547,520	1,005,277	2,547,520	2,683,295
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Chilling! I'm sure some do not appeal because of this threat.

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A020011	2,063,831	850,000	2,063,381	2,173,353
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A040020	397,194	295,000	397,194	418,363
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A020030	1,929,966	1,200,000	1,929,966	2,032,827
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A040010	1,494,129	875,000	1,494,129	1,573,761
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A020043	6,592,909	4,750,000	6,592,909	6,944,290
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

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

Appellant's Signature _____ Date _____

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

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

Please indicate above if you accept our conclusion or you desire to appeal to the Board of Equalization. Please return your response to our office within 7 days which would be by June 14, 2022. If we do not hear back from you we will close the review/appeal.

If you have any questions you are welcome to contact us.

15

Public Relations

Public Relations and Customer Service, Assessment Administration, International Association of Assessment Officers, 2003, Chapter 14, pp. 353-4, states:

"Public Relations in an assessment office often functions as an afterthought or a means to address an impending crisis. Instead, public relations should be an integral part of the office with a long-term goal of better informing the public. An effective public relations program requires good communication between the assessment office and the public."

"Assessment valuation appraisal and the functions of an assessment office may be difficult for the public to comprehend. **Technical terms and procedures used by the assessor must be understandable."**

"Typically, the better informed the public, the fewer number of appeals and complaints...and a public more willing to provide information requested by the assessor...Too often there is a perception by the public that assessment offices are uncaring and inefficient....Another way to think about it is to treat the property owner the way a customer at a store should be treated."

The Fundamentals of Mass Appraisal, International Association of Assessment Officers, 2011, Chapter 1, Introduction to Mass Appraisal, p. 15, states:

"In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion and conclusion in a manner that ***is not misleading***. (TAF 2010, U-21)

The Juneau Assessor has acted in an improper manner resulting in excessive assessed value, in the following manner:

1. Used a "Hybrid Cost Approach/Sales Comparison Approach to Value"
   a. Never disclosed different data sets inputted into computer modeling
   b. Cost Approach-did not use real building costs
   c. Cost Approach-manipulated building costs
   d. Sales Approach-excluded lower sales to obtain higher assessed values
   e. Sales Approach-did not disclose sales had been excluded from computer modeling
   f. Falsely claimed they were unable to obtain Sales Comparables
   g. Excluded the 1st and 2nd Assembly Building sales from computer modeling
   h. Falsely defined "Outlier" property to exclude property from computer modeling
   i. Failed to admit that Assessed Value has been too high for decades
   j. Used inflated Assessed Values to claim Sales were at variance beyond a 1.5x
   k. Used inflated Assessed Values to exclude Sales

I have expressed to Michael Dahle a willingness to "Settle" our differences and he stated we do not settle cases. In our first conversation, he stated to me he was in commercial real estate and we "Got A Steal" and "He Would Have Bought the Property." He clearly has a conflict of interest. His comments got me thinking....he would have bought 234 Seward for $1.250,000. He never said he would have bought the property for $2,547,520. If 234 Seward was priced at $2,547,520 it would have met the same fate as the Assembly Building which was priced at $ 2,650,000 and sold 1,240 days later for $ 750,000. The Seller was motivated to sell and not continue to have a vacant and obsolete building on its books. Key Bank's representative, Jones, Lang La Salle in Ohio (Kristen Schneider) said yesterday, "It would make more sense to "reappraise" the property after the improvements that are being made now can be taken into account. That should take place in 2023, not in 2022 at the time of sale." **The sales price must be the assessed value less personal property, obsolescence and the costs to bring the property in rentable condition.**

Mary Hammond has accused me of seeking "Special Treatment" and "Circular Reasoning." Pejorative name-calling has no place in the Assessment Office. We have never sought "Special Treatment" or done "Circular Reasoning" rather like many Appellants we feel we have been excellent stewards of commercial property in Juneau. Our income and expense statements show we are not fortune seekers We are hard-working, good people, with a long history of community involvement in Juneau seeking to understand the Assessment Office and to be treated fairly.

We are not looking for "special treatment" as the Assessor has stated to me. We are looking for equity and openness of public records.

The Assessor has stated, our models are right. ***I have no idea about your models because they have not been disclosed! The Assessor Models are the tainted by the sales data inputted and excluded.***

The Standard on Mass Appraisal of Real Property, Approved 2013, paragraph 5.5 states,

"The assessment office staff must have confidence in the appraisals and be able to explain and defend them. The confidence begins with application of reliable appraisal techniques, generation of appropriate valuation reports, and review of preliminary values. **It may be helpful to have reports that list each parcel, its characteristics, and its calculated value.** Parcels with unusual characteristics, extreme values, or extreme changes in values should be identified for subsequent individual review. Equally important, summary reports should show average values, value changes, and ratio study statistics for various strata of properties. These should be reviewed to ensure the overall consistency of values for various types of property and various locations. (See the Uniform Standards of Professional Appraisal

Practice, Standards Rule 6-7, for reporting requirements for mass appraisals [The Appraisal Foundation, Appraisal Standards Board 2012-2013].)

The staff should also be prepared to support individual valuations as required, preferably through comparable sales. At a minimum, staff should be able to produce a property record and explain the basic approach (cost, sales comparison or income) used to estimate the value of the property. ***A property owner should never be told simply that "the computer" or "the system" produced the appraisal.*** **In general, the staff should tailor the explanation to the taxpayer's knowledge and experience.** Equations converted to tabular form can be used to explain the basis for valuation.

16

Adam Gottschalk, City Attorney, Paid Price is Market Price

Adam Gottschalk, City Attorney, said in the Juneau Empire on June 20, 2022:

"THE BOARD PROCESS IS TO CORRECT ERRORS, (E.G. BEING ASSESSED SUBSTANTIALLY MORE THAN JUST PAID)."

NOVERMBER 24, 2022-**PAID $ 1,250,000**

JANUARY 1, 2022-ASSESSED $ 2,547,000

Description:

Basement-below grade oil tanks; massive uninsulated ducting; concrete walls dividing up space; 1st Floor-Operating costs for historical building well above average (Mezzanine & Basement) Mezzanine-Separate building systems; including close mezzanine from overlooking 1st floor space

Personal Property-$17,085

Functional Obsolescence-Yes. 1 tenant building; massive windows not energy efficient; no insulation; ducting no insulation; mechanical system not operable; 20' ceilings on first floor; bank vaults; no elevator; access to mezzanine through 1st floor and stairs; historical building

Obsolescence Estimated at $200,000

17

Market Sale-Carlton Smith, Broker; Marketing Steps and Market Value

MARKETING STEPS 234 SEWARD STREET FROM CARLTON SMITH

CO-BROKER AGREEMENT SIGNED 7/23/2021

1ST FACEBOOK EXPOSURE AD-8/11/2021

1ST JUNEAU EMPIRE AD-8/13/2021

BUYER INTEREST BEFORE LOI SIGNEDFROM THE FOLLOWING:

TRACEY R, STEVE S, IBEW, GARRETT (WHO REPRESENTED CHRISTY ERIKSEN, KINDRED POST DID SUBMIT AN OFFER, GLIDMAN (GOLDSTEIN), JAKE HAAS, TOM MOLLEY.

BUYER INTEREST AFTER LOI SIGNED:

SIMPSON, PAT RACE, ETC.

FINAL LOI DATE-9/7/2021
CLOSING EXTENDED TO 11/24/2021

EXPOSURE TO MARKET AND SALE

FOUR (4) MONTHS

7/23/2021 TO 11/24/2021

Begin forwarded message:

From: Greg Adler <gregoryladler@gmail.com>
Subject: Re: responses
Date: June 27, 2022 at 12:17:04 PM PDT
To: Michael Dahle <Michael.Dahle@juneau.org>

Michael,

We have supplied all of our Income and Expense Data in Julie Dinnenn's Appraisals. You have this information. Please use it and rely on it. To not use it is a travesty of justice.

Once again, your office states it has collected only 35-40% of Sales Data, you say our Sales Price was Confidential yet we returned the Sales Disclosure in a timely manner, you excluded at least 21 sales where the sales price was substantially lower than the assessed value. I submit you office would not get a passing grade in Data Management. Include the 21 sales I provided you. Enter them into your computer modeling. It is prudent and proper to include them.

Most appraisers get Cost Data from local architects and contractors, not Swift. The Cost Data I have falls between $450-$700 SF. With rents in the $2 range it is not feasible to use the Cost Approach. Thus, you must use the Income Approach 1st. It is best approach under the IAAO for investment property. This is common knowledge as you assert falsely, to compare that commercial values have shot up double.

Why did you send out a Press Release stating the funds raised through this property tax scheme was used for the local pool and community grants because these are general services such as the police department.

Our 234 SEWARD ST is market sale. I have heard you assert it is not a market sale because it was not exposed to the market. This is false. It was exposed to the market, as follows:

7/23/2021 Co-Broker Agreement signed 7/23/2021
1st Facebook Exposure-8/11/2021
1st Juneau Empire ad-8/13/2021
Purchase Contract signed-9/27/2021 (2 months and 1 week)
Purchase Contract Contingency Ends-10/27/2021
Buyer Interest Before LOI signed: Tracey R, Steve S, IBEW, Garrett (for Christy Eriksen), Kindred Post, Goldstein, Jake Haas, Tom Molley
Buyer Interest After LOI signed: Simpson, Pat Race, etc.

The property was exposed to the Market for 3 months and 1 week. This is normal exposure to the market.

The property closed on November 24,2021 for $1250,000 this was a market sale taking **4 Fourth Months** less personal property ($17085) which you have ignored and obsolescence which we estimated at about $235,000 on January 1.

We rely on the IAAO to understand the Assessment Process and are in touch with Robert Gloudemans who wrote the Fundamentals of Mass Appraisal.

Thank you for your consideration,

Hopefully we can resolve the appeals before Thursday.

Let me know. We are willing to settle using our market sale at 234 Seward and the Appraisal Values Julie Dinnenn uses-the Income Approach and the Sales Approach. She concludes it is not feasible to use the Cost Approach. I suggest you throw out your Cost Approach because it is misleading and inaccurate as you know. You need 2 methods to do the Assessment and the two methods Julie uses are the best method.

Greg

On Jun 27, 2022, at 11:49 AM, Michael Dahle <Michael.Dahle@juneau.org> wrote:

Greg,

Here are responses to items in two of your recent emails.

I received this Bank Building listing last week.

- We will forward that to the Clerk's Office.

Will you explain why you rely on the Govern Approach or Cost Approach to Value?

- There is no such thing as the "Govern Approach." Govern is the CAMA (Computer Assisted Mass Appraisal) software that we use. Within Govern you can apply the standard Cost, Sales and Income Approaches to value.
- As I have explained most commercial properties are valued based on sales applied through a market (sales) adjusted price per sf for land which also includes features adjustments and a

market (sales) adjusted per sf value for the buildings which is also adjusted for characteristics such as type, quality, condition and features. This total value is then compared again against the market (sales) and adjusted as needed.

- When a fee appraiser does an individual appraisal, in doing the Market or Sales Comparison Approach they have to adjust the comparables to the subject. The above described process does the same thing on a mass appraisal scale.

With Investment property, with income and expenses, it is my belief the Income Approach is the standard appraisal method; with the second method being the Sales Comparison Approach to Value.

Please explain this including what professional resource you use to come up with your Costs.

It is anathema to use the Cost Approach or Govern Approach when it is not feasible to build new construction in Juneau.

- In regards to the income approach, your company has not submitted profit and loss information for any of this year's appeals, therefore, it has been considered but not applied for this year.
- The income approach is reliant on sales data so it is impacted by the limited sales data.
- The tables for the Cost Approach are supplied by Marshall & Swift along with factors to adjust them to the local market.

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

<image001.png>

From: **Carlton Smith** carltonsmith@gci.net
Subject: FW: Key Bank Building
Date: June 23, 2022 at 9:31 AM
To: Greg Adler gregadler@me.com
Cc: Toma Alario tomaa@ak.net

Good morning Greg: Toma has added her responses based on our files in RED.

My responses to questions 4, 5, 6, and 7 are:

4. From initial listing (7-23) to the date of the Purchase and sale agreement (9-27) took 9 weeks. Before the final PSA was accepted, we had another offer, which was rejected because it required a financing contingency and we had no knowledge of the capability or experience of the buyer. We had over one dozen showings, involving four outside Brokers. One interested party was looking at a hotel conversion for the site; Another was looking to convert it to retail; Another was looking to purchase it for a union hall and associated space for lobbyists to the legislature. (IBEW)

5. Wells Fargo Bank sold its building in Lemon Creek before it was even known to be available for purchase. We don't have those dates, but as I recall, it was vacated about 18 months ago, and Wells Fargo Corporate sold it directly to an adjacent property owner without listing it with a Broker for sale. (Odom Corporation) The sale price was not disclosed.

6. The sellers' asset manager (Jones Lang La Salle) considered the fact that the Elks Building, (originally listed at $1,547,000) is still vacant and on the market for over four years and the $600,000 sale of the FNBA downtown Branch building (2015) were examples of vacant buildings that needed to be priced appropriately if they were to sell. They took those facts into consideration that led to the list price decision.

7. The Assembly building is a current example of how much cost is associated with re-purposing a building, and taking that into account when bringing a property to market. I believe you have that information from its initial list price to its sale to a government related entity.

Common sense and Fundamentals of Mass Appraisal, 2011 tells us Sales Price is Market Value.

The Alaska Supreme Court defines Market Value as, "The price in money that the property could be sold for on the open market under fair conditions between an owner willing to sell and a buyer willing to buy, with a reasonable time allowed to find a purchaser."

Our burden of proof has been met that a Market Sale happened when we bought 234 Seward Street for $ 1,250,000.

*Open Market

*Property Exposed to Market Four (4) Months

REAL ESTATE SALE AGREEMENT

THIS REAL ESTATE SALE AGREEMENT (this "**Agreement**") is dated as of September 27, 2021 (the "**Effective Date**"), by and between KEYBANK NATIONAL ASSOCIATION, a national banking association ("**Seller**") and GOLDSTEIN IMPROVEMENT COMPANY, an Alaska corporation ("**Purchaser**").

BACKGROUND

A. Seller owns the real property located at 234 Seward Street, Juneau, Alaska 99803 and more particularly described on **Exhibit A** attached to and made a part of this Agreement, together with all buildings, improvements, appurtenant rights, privileges and easements with respect to such property (collectively, the "**Property**").

B. Seller wishes to sell, and Purchaser wishes to purchase, all of Seller's right, title and interest in and to the Property, on the terms, conditions and provisions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are acknowledged by each party, Seller and Purchaser agree as follows:

1. Purchase and Sale; Conveyance. Purchaser agrees to purchase from Seller, and Seller agrees to sell to Purchaser, all of Seller's right, title and interest in and to the Property upon the terms, conditions and provisions set forth in this Agreement. Seller shall convey the Property to Purchaser by special warranty deed (the "**Deed**") subject only to the Permitted Exceptions (as defined below) and matters that would be shown by an accurate survey of the Property.

2. Purchase Price. The purchase price for the Property shall be ONE MILLION TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS ($1,250,000.00) (the "**Purchase Price**"). Purchaser shall pay the Purchase Price as follows:

(a) FIFTY THOUSAND AND 00/100 DOLLARS ($50,000.00) in cash, certified check, or other immediately available funds, as earnest money (the "**Deposit**") shall be deposited into an interest-bearing escrow account (the "**Escrow Account**") with the Title Insurer (as defined below) within five (5) business days after the full execution of this Agreement. All interest earned on the Deposit shall be deemed to be included in the term "Deposit."

(b) The balance of the Purchase Price (less the Deposit, including any interest earned thereon), plus or minus the prorations authorized by this Agreement, shall be delivered to Seller at the Closing (as defined below) in cash, certified check, or other immediately available funds.

3. Title Commitment. Seller shall obtain a commitment for an ALTA Owner's Form policy of title insurance (the "**Commitment**"), together with copies of all title exceptions shown

or referenced in the Commitment (the "**Underlying Documents**"). The Commitment shall be (i) in the amount of the Purchase Price, (ii) dated as of the most recent date available from the Title Insurer, (iii) issued by the Cleveland, Ohio office of Chicago Title Insurance Company (the "**Title Insurer**"), and (iv) show fee simple title to the Property in Seller or an affiliate of Seller.

4. Survey. If Purchaser elects, Purchaser may, at its sole cost and expense, obtain an ALTA survey of the Property prepared by a surveyor licensed by the State of Alaska (the "**Survey**").

5. Title and Survey Review.

(a) Purchaser shall have thirty (30) days from the Effective Date (the "Title Review Period") to review the Commitment, Underlying Documents, and if obtained by Purchaser, the Survey. If, within the Title Review Period, Purchaser serves written notice (the "**Title Notice**") on Seller that the Commitment or Survey contains any matter, exception or exceptions, other than those described in the last sentence of this Paragraph 5(a), which Purchaser deems unacceptable (the "**Unpermitted Exceptions**"), then Seller shall have the right, but not the obligation, within thirty (30) days after the date of such notice (the "**Cure Period**") to cure such defects by (x) removing such Unpermitted Exceptions, or (y) causing the Title Insurer to provide an affirmative endorsement insuring Purchaser over the effect of such Unpermitted Exceptions, except for monetary liens which Seller may discharge on the Closing Date (as defined below). If applicable, the Closing Date shall be extended to permit the running of the Cure Period. All existing exceptions not objected to in the Title Notice as being Unpermitted Exceptions are hereinafter referred to as "**Permitted Exceptions**". In addition, the following matters shall also be deemed Permitted Exceptions: (1) then current general and special real estate taxes and assessments which are a lien but are not due and payable at the time the Deed is filed for record, (2) matters created, suffered or permitted by or through the Purchaser, (3) roads, highways and other public rights of way, (4) zoning, land use and other governmental laws, rules and regulations, and (5) matters which would be revealed by an accurate survey of the Property.

(b) If Seller is unable or unwilling to cause any or all of the Unpermitted Exceptions to be removed or insured over by endorsement as described above, Purchaser shall have the right to:

(i) terminate this Agreement by sending written notice of such termination to Seller within ten (10) days after the expiration of the Cure Period, in which event the Deposit shall be refunded to Purchaser promptly as Purchaser's sole and exclusive remedy, and thereafter neither Seller nor Purchaser shall have any further obligations under this Agreement except as explicitly stated herein; or

(ii) waive its objection to such Unpermitted Exceptions and accept title to the Property subject thereto without reducing the Purchase Price or providing a credit thereto, in which case such Unpermitted Exceptions shall be deemed Permitted Exceptions (Purchaser being deemed to have elected this option (ii) if it fails to terminate this Agreement in accordance with the immediately preceding option (i)).

(c) If Purchaser has not delivered the Title Notice to Seller by the expiration of the Title Review Period, Purchaser shall be deemed to have waived the provisions of this Paragraph 5.

6. Purchaser's Review.

(a) Within three (3) business days after the Effective Date, Seller shall provide to Purchaser, to the extent such items are contained in Seller's electronic central property file and relate to the Property, site plans, surveys, previous title searches, commitments and title policies, as-built drawings, soil reports, environmental reports, leases, and permits (collectively, the "**Seller Property Documents**"). The Seller Property Documents will be provided without representation or warranty of any kind whatsoever.

(b) Subject to the provisions of Paragraph 7 below, Purchaser shall have thirty-five (35) days from the date the Seller Property Documents are delivered to Purchaser (the "**Feasibility Review Period**") to conduct a physical inspection of the Property and perform such examinations and inspections reasonably necessary to ascertain whether the condition of the Property (including the environmental condition) is acceptable to Purchaser (the "**Feasibility Review**").

(c) If the Feasibility Review discloses any matters which are not acceptable to Purchaser ("**Property Defects**"), Purchaser shall so advise Seller in writing (the "**Feasibility Notice**") prior to the expiration of the Feasibility Review Period. Seller shall have the right, but not the obligation, within twenty (20) days after the date of such notice (the "**Property Defects Cure Period**") to cure such defects. If applicable, the Closing Date shall be extended to permit the running of the Property Defects Cure Period. If Seller is unable or unwilling to cause any or all of the Property Defects to be cured during such Property Defects Cure Period, Purchaser shall have the right to:

(i) terminate this Agreement by sending written notice of such termination to Seller within ten (10) days after the expiration of the Property Defects Cure Period, in which event the Deposit shall be refunded to Purchaser promptly as Purchaser's sole and exclusive remedy, and thereafter neither Seller nor Purchaser shall have any further obligations under this Agreement, except as explicitly stated herein; or

(ii) waive its objection to such Property Defects and accept the Property subject thereto without reducing the Purchase Price or providing a credit thereto (Purchaser being deemed to have elected this option (ii) if it fails to terminate this Agreement in accordance with the immediately preceding option (i)).

(d) Notwithstanding anything to the contrary contained in this Agreement, Purchaser shall conduct no surface or subsurface invasive testing or sampling of the Property ("**Invasive Testing**") without Seller's prior written approval, which may be withheld in Seller's sole discretion.

(e) If Purchaser has not delivered the Feasibility Notice to Seller by the expiration of the Feasibility Review Period, Purchaser shall be deemed to have waived the provisions of this Paragraph 6 and proceed to Closing without reducing the Purchase Price.

7. Purchaser's Right of Entry.

(a) Seller shall permit Purchaser and its authorized employees, agents, engineers and other representatives to enter upon the Property to conduct the Feasibility Review within the Feasibility Review Period. This right of entry shall be conditioned upon (i) Seller, or a representative or agent designated by Seller, having the right to be present on the Property with Purchaser or its representatives at the time or times that Purchaser is on or about the Property, (ii) Purchaser complying with Seller's security requirements, and (iii) Purchaser not interfering with the use of the Property by Seller or Seller's employees, agents, invitees or tenants. Purchaser shall make appropriate arrangements with Seller for access in each instance and shall give Seller not less than two (2) business days' prior notice of the dates and times at which Purchaser desires to enter the Property.

(b) Purchaser shall have no right to alter the Property in any way or to damage the Property in any respect in connection with its inspections. In the event Purchaser takes any soil borings, the holes shall be filled and the surface restored after the conclusion of such tests. Purchaser hereby agrees to indemnify and hold Seller absolutely harmless from and against any and all claims, demands, actions, suits, judgments, liabilities, costs and expenses, including reasonable attorneys' fees (such fees also to include those in connection with all post-judgment and appellate proceedings), for injury to persons and physical damage to property related to or arising from, directly or indirectly, Purchaser's entry upon the Property and the performance (by Purchaser or its duly authorized employees, agents, engineers or other representatives) of the inspections and investigations during the Feasibility Review Period. The obligations of this Paragraph 7 shall survive the termination of this Agreement or the Closing (as hereinafter defined).

(c) Purchaser and its employees, agents, engineers and other representatives agree to keep the results of the Feasibility Review, together with any other information obtained from Seller or third parties about the Property, including without limitation, the Seller Property Documents (collectively, the "**Confidential Information**"), strictly confidential and shall not disclose the Confidential Information to any third party other than the independent contractors, consultants, lenders, engineers, employees and attorneys of Purchaser who are involved in the substantive evaluation of the Property on behalf of Purchaser (provided that Purchaser shall impose on all such third parties the same confidentiality obligations set forth herein). Purchaser and such third parties shall not use the Confidential Information other than in connection with their examination of the Property. Purchaser shall provide Seller with copies of all reports and other documentation generated as part of the Feasibility Review. If the transaction contemplated by this Agreement is not consummated, Purchaser shall deliver (or cause to be delivered) all such documentation to Seller (provided no additional charge shall be incurred by Purchaser for such delivery), or at Seller's request, Purchaser shall destroy (or cause to be destroyed) all documentation related to the Feasibility Review.

(d) In view of the difficulties of placing a monetary value on the Confidential Information and the foregoing confidentiality obligations, it is agreed and understood that in the event of any breach or threatened breach of Paragraph 7(c) by Purchaser, its employees, agents, engineers and other representatives or any third parties, Seller shall be entitled to injunctive and other equitable relief in any court of competent jurisdiction, and, in the event of a willful or intentional breach hereof by Purchaser or by any person employed by or working as an agent of Purchaser in any manner, Seller shall be entitled to recover its damages attributable to such breach (including reasonable attorneys' fees through all post-judgment and appellate proceedings).

(e) Purchaser shall, at its sole expense, obtain and maintain prior to entering the Property, and shall cause any of its independent consultants ("**Consultants**") to obtain and maintain prior to entering the Property, from a financially sound insurance company or companies acceptable to Seller, policies of insurance for the following types of coverage and with limits of liability not less than the minimum amounts set forth below:

(1) workers' compensation and occupational disease insurance with statutory limits and employers' liability insurance with limits of not less than $500,000; and

(2) commercial general liability insurance with limits of not less than $1,000,000 combined single limit, which may be arranged through a combination of primary and excess policies if necessary, for claims of bodily injury and/or property damage, written on an "occurrence" basis and including coverage for personal injury liability, products and completed operations, independent contractors, blanket broad form contractual liability, and explosion, collapse, and underground hazards.

Each such policy shall contain a clause or endorsement under which the insurer waives all right of subrogation against Seller, its agents or employees, with respect to losses payable under such policy.

Prior to entering the Property, Purchaser or any of its Consultants, whichever of them is then entering the Property, shall provide Seller (directed to Diane_Mannarino@KeyBank.com, with a copy to Cathryn.Greenwald@ThompsonHine.com) with a certificate(s) of insurance evidencing that the foregoing policies of insurance have been obtained and are in full force and effect and, except for Purchaser's and the Consultants' workers' compensation insurance coverage, that Seller has been named an additional insured under said policies and said policies shall primary and not contributing to any insurance available to Seller. Said certificate(s) shall also show the expiration date of each policy and provide that Seller shall be given at least ten (10) days' prior written notice of any cancellation or material modification thereof. Neither the purchase of any policy of insurance nor the furnishing of evidence thereof to Seller pursuant hereto shall relieve Purchaser of its indemnification obligations hereunder.

8. Representations and Warranties.

(a) Seller's Representations. Seller hereby makes the following representations, each of which is true and shall be true on the Closing Date in all material respects:

(i) Seller has full power and authority to enter into this Agreement and to perform all the obligations of Seller hereunder and no further consent or approval is required in order to constitute this Agreement a legal, valid and binding obligation of Seller;

(ii) Seller is not a foreign person, as that term is defined under Section 1445 of the Internal Revenue Code, and at Closing, Seller shall provide Purchaser with an affidavit, in customary form (the "**FIRPTA Affidavit**"), establishing that Purchaser is not required to withhold any portion of Seller's proceeds; and

(iii) To Seller's knowledge, Seller has not received written notice of any continuing violation, either by Seller or by any other person for which Seller is or may likely be liable, of any Environmental Law, emanating from or occurring on the Property. As used in this Subparagraph 8(a)(iii), "**Environmental Law**" means any federal, state, or local law, statute, ordinance, regulation, rule, or code ("**Law**"), relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production, or disposal of any substance, material, or waste, which is designated, classified, or regulated as being "toxic" or "hazardous" under any Law in effect as of the date of execution of this Agreement.

As used in this Paragraph 8(a), the term "knowledge" (or terms similar thereto) shall mean the current actual knowledge of Diane Mannarino (Seller's Vice President handling this sale transaction) and Adam Burcher (Seller's Facilities Manager for the Property) (collectively, "**Seller's Representative**"), without the duty to investigate. Notwithstanding anything to the contrary contained in this Agreement, Seller's Representative shall have no personal liability hereunder.

(b) Purchaser's Representation. Purchaser hereby makes the following representation, which is true and shall be true on the Closing Date in all material respects: Purchaser has full power and authority to enter into this Agreement and to perform all the obligations of Purchaser hereunder and no further consent or approval is required in order to constitute this Agreement a legal, valid and binding obligation of Purchaser.

(c) Survivability of the Representations. The representations and warranties of Seller and Purchaser set forth in this Paragraph 8 shall survive the Closing for a period of six (6) months.

9. "AS IS" Condition. THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND PURCHASER, THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND PURCHASER, AND PURCHASER HAS CONDUCTED ITS OWN INDEPENDENT EXAMINATION OF

THE PROPERTY. EXCEPT FOR THE REPRESENTATIONS SET FORTH IN PARAGRAPH 8 ABOVE, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATIONS OR WARRANTY OF SELLER OR ANY OF SELLER'S AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE. SELLER SPECIFICALLY DISCLAIMS, AND NEITHER IT NOR ANY OTHER PERSON IS MAKING, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER AND NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER OR RELIED UPON BY PURCHASER WITH RESPECT TO THE STATUS OF TITLE TO OR THE MAINTENANCE, REPAIR, CONDITION, DESIGN OR MARKETABILITY OF THE PROPERTY, OR ANY PORTION THEREOF, INCLUDING BUT NOT LIMITED TO (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (d) ANY RIGHTS OF PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, (e) ANY CLAIM BY PURCHASER FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, WITH RESPECT TO THE IMPROVEMENTS OR ANY PERSONAL PROPERTY COMPRISING A PORTION OF THE PROPERTY, (f) THE FINANCIAL CONDITION OR PROSPECTS OF THE PROPERTY AND (g) THE COMPLIANCE OR LACK THEREOF OF THE PROPERTY OR THE IMPROVEMENTS WITH GOVERNMENTAL REGULATIONS, IT BEING THE EXPRESS INTENTION OF SELLER AND PURCHASER THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO PURCHASER IN ITS PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS", WITH ALL FAULTS. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED PURCHASER OF REAL ESTATE, AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS IN PURCHASING THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES THAT IT WILL HAVE THE OPPORTUNITY TO CONDUCT SUCH INSPECTIONS, INVESTIGATIONS AND OTHER INDEPENDENT EXAMINATIONS OF THE PROPERTY AND RELATED MATTERS, INCLUDING BUT NOT LIMITED TO THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, DURING THE FEASIBILITY REVIEW PERIOD AND WILL RELY UPON SAME AND NOT UPON ANY STATEMENTS OF SELLER OR OF ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT OR ATTORNEY OF SELLER. PURCHASER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS THE "AS IS, WHERE IS" NATURE OF THIS SALE AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE PROPERTY. PURCHASER, WITH PURCHASER'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT, AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF. PURCHASER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO PURCHASER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER

AGREEMENTS SET FORTH IN THIS AGREEMENT. THE TERMS AND CONDITIONS OF THIS PARAGRAPH EXPRESSLY SURVIVE THE CLOSING AND WILL NOT MERGE WITH THE PROVISIONS OF THE DEED OR ANY OTHER CLOSING DOCUMENTS.

10. Purchaser's Release of Seller.

(a) Seller Released From Liability. Seller is hereby released from all responsibility and liability to Purchaser regarding the condition (including its physical condition and its compliance with applicable laws, and the presence in the soil, air, structures and surface and subsurface waters, of hazardous or toxic materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines), valuation, salability or utility of the Property, or its suitability for any purpose whatsoever except to the extent that such responsibility or liability is the result of the material inaccuracy (if any) of Seller's representations under Paragraph 8(a) hereof.

(b) Purchaser's Waiver of Objections. Purchaser acknowledges that it has inspected the Property, observed its physical characteristics and existing conditions and had, or will have, the opportunity to conduct such investigation and study on and of said Property and adjacent areas as it deemed necessary, and subject to Seller's responsibility for any breach of the warranties and representations contained in Paragraph 8(a) of this Agreement, hereby waives any and all objections to or complaints (including but not limited to actions based on federal, state or common law and any private right of action under CERCLA, RCRA or any other state and federal law to which the Property is or may be subject) regarding physical characteristics and existing conditions, including without limitation structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and hazardous or toxic materials on, under, adjacent to or otherwise affecting the Property. Purchaser further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property, and the risk that adverse physical characteristics and conditions, including without limitation the presence of toxic or hazardous materials or other contaminants, may not be revealed by its investigation.

(c) Survival. The foregoing waivers and releases by Purchaser shall survive either (a) the Closing and the recordation of the Deed, and shall not be deemed merged into the Deed upon its recordation, or (b) any termination of this Agreement.

11. Possession. Seller shall deliver possession of the Property to Purchaser at Closing.

12. Closing Date. Closing of the transaction contemplated hereby ("**Closing**") shall be held on or before ten (10) days after the expiration of the Feasibility Review Period (the "**Closing Date**") at such time as shall be mutually agreeable to the parties hereto in accordance with the terms of this Agreement.

13. Closing. Closing shall be through an escrow (the "**Closing Escrow**") established with the Title Insurer, as escrowee. This Agreement shall serve as escrow instructions to the Title

Insurer, subject to its Standard Conditions of Acceptance of Escrow; provided, however, that this Agreement shall govern in the event of any conflict between said Standard Conditions and any of the terms hereof. The Closing Escrow shall be auxiliary to this Agreement, and this Agreement shall not be merged into, nor in any manner superseded by, the Closing Escrow. The Closing Escrow costs and fees shall be equally divided between Purchaser and Seller. On the Closing Date, if all the funds and documents set forth in Paragraph 18 and Paragraph 19 have been delivered to the Title Insurer and if the Title Insurer is in a position to issue and will issue the Title Policy as described in Paragraph 14, the Title Insurer shall:

(a) Cause the Deed to be filed for record;

(b) Make the prorations set forth in Paragraph 15, paying all amounts of taxes and assessments which are applicable to the Property and which are due and payable at such time and appropriately charging or crediting the respective accounts of the parties;

(c) Charge to each of Seller and Purchaser the Closing Costs as set forth in Paragraph 20 below;

(d) Cause the issuance and delivery to Purchaser of the Title Policy, as described in Paragraph 14; and

(e) Pay to or upon the order of Seller the cash balance of the Purchase Price after deducting all amounts herein required to be paid from the Closing Escrow by Seller.

The Title Insurer shall deliver to Seller a copy of the recorded Deed; original executed counterparts of all other documents delivered by Seller and Purchaser into the Closing Escrow; and its escrow statement in duplicate showing all the charges and credits affecting the account of Seller. The Title Insurer shall deliver to Purchaser the recorded Deed; original executed counterparts of all other documents delivered by Seller and Purchaser into the Closing Escrow; copies of any recorded mortgage deposited by Purchaser; the Title Policy; the balance, if any, of the funds deposited by Purchaser remaining after disbursement in accordance with these directions; and its escrow statement in duplicate showing all charges and credits affecting the account of Purchaser.

14. Title Policy. At Closing, the Title Insurer shall issue to Purchaser or be irrevocably committed to issue to Purchaser an ALTA Owner's Policy of Title Insurance in the amount of the Purchase Price and dated as of the Closing Date, insuring title to the Property in Purchaser, subject only to the Permitted Exceptions and the Title Insurer's so-called "standard exceptions" (the "**Title Policy**").

15. Closing Adjustments.

(a) Real and personal property taxes and assessments, property owners association dues or assessments, if any, and other similar charges attributable to the Property (collectively, the "**Taxes**") will be prorated as of the Closing. If the amount of any Tax is not ascertainable at Closing, the adjustment thereof shall be on the basis of the most recently ascertainable bill therefor. Such prorations shall be final. Notwithstanding

the foregoing, Purchaser shall be responsible for any recoupage for any amount of tax exemptions, such as agricultural exemptions.

(b) All prepaid and unpaid operating expenses of the Property, including, without limitation, public utility charges, maintenance, repair, management and other service charges, and other normal operating charges shall be prorated as of the Closing Date based upon the best available information. As part of Closing, water and sewer charges will be prorated as of the Closing Date, as calculated by Escrow Agent based on the most recent bills therefor. Such prorations shall be final. Outside of Closing, Seller will receive final readings of all other utilities and shall remain liable for final payments of its utility accounts. Seller intends to have its utility accounts closed and the utility services provided pursuant to such accounts shut off as of the Closing Date and, as of the Closing Date, Purchaser will be solely responsible for arranging for all of the utility accounts to be established in Purchaser's name and the utility services provided pursuant to such accounts furnished to the Property. Seller shall have no liability for, and Purchaser hereby releases Seller from, all responsibility and liability regarding any loss, cost or damage to the Property or any other consequence resulting from Purchaser's failure to cause utility services to be provided to the Property following Closing, including any loss, cost or damage resulting from Purchaser's failure to open utility accounts in its name.

16. Intentionally Deleted.

17. Personal Property. On the Closing Date, Seller shall convey to Purchaser by quitclaim bill of sale all personal property owned by Seller and located on the Property at the time of Closing and listed on **Exhibit B** attached hereto. In no event shall Seller convey to Purchaser any registers, cash drawers, under counter steel, after hours depositories or automatic teller machines or any items or money located therein.

18. Seller's Closing Deliveries. On or before the Closing Date, Seller shall deposit the following into the Closing Escrow:

(a) The Deed subject to the Permitted Exceptions;

(b) The Bill of Sale, conveying all personal property owned by Seller and located on the Property, as described in Paragraph 17 above;

(c) Seller's executed FIRPTA Affidavit;

(d) Seller's executed ALTA statement, Owner's Affidavit or similar statement, in form and substance acceptable to Seller in its reasonable discretion, which may be required by the Title Insurer pertaining to mechanics' liens and parties in possession;

(e) All keys necessary to access the Property or items thereon;

(f) Seller's executed counterpart of any applicable state, county or local realty transfer tax declarations;

(g) Seller's executed counterpart of an agreed proration statement; and

(h) Such other documents, instruments, certifications and confirmations as may be reasonably required and designated by the Title Insurer to fully effect and consummate the transactions contemplated hereby.

19. Purchaser's Closing Deliveries. On or before the Closing Date, Purchaser shall deposit, or cause to be deposited, the following into the Closing Escrow:

(a) The balance of the Purchase Price, by, at Seller's option, either certified check or wire transfer of immediately available funds;

(b) Purchaser's executed ALTA statement, affidavit or similar statement which may be required by the Title Insurer;

(c) Purchaser's executed counterpart of any applicable state, county or local realty transfer tax declarations;

(d) Purchaser's executed counterpart of an agreed proration statement; and

(e) Such other documents, instruments, certifications and confirmations as may be reasonably required and designated by the Title Insurer to fully effect and consummate the transactions contemplated hereby.

20. Closing Costs. Seller shall be responsible for payment of (i) any applicable real estate transfer taxes; (ii) one half (½) of the Closing Escrow charges, if any; (iii) the cost of the basic premium for the Title Policy; and (iv) the cost of recording the Declaration (as hereinafter defined). Purchaser shall be responsible for (i) the cost of the title examination and Commitment; (ii) one half (½) of the Closing Escrow charges, if any; (iii) the cost of the Survey, if applicable; (iv) the cost of any coverage in excess of the Purchase Price or any affirmative coverage or other endorsements requested by the Purchaser in excess of the basic Title Policy; and (v) any other customary buyer's charges including but not limited to recordation of the Deed.

21. Default.

(a) In the event of a default by Seller hereunder which Seller fails to cure within ten (10) days after receipt of written notice describing such default in reasonable detail, Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event the Deposit shall be returned to Purchaser, and, in addition, the amount of $1,000.00 shall be paid to Purchaser, all as liquidated damages, and neither party shall have any further rights, obligations, or liabilities hereunder except as explicitly set forth herein. The parties acknowledge and agree that the actual damages in such event are uncertain in amount and difficult to ascertain, and that said amount of liquidated damages was reasonably determined.

(b) In the event of a default by Purchaser hereunder, Seller shall be entitled to either (i) terminate this Agreement by written notice to Purchaser, in which event the Deposit shall be paid to Seller as liquidated damages and neither party shall have any further rights, obligations, or liabilities hereunder except as explicitly set forth herein or (ii) maintain an action for breach of this Agreement, damages, specific performance or any

other relief available at law or in equity. The parties acknowledge and agree that the actual damages in the event of a default by Purchaser are uncertain in amount and difficult to ascertain, and that said amount of liquidated damages was reasonably determined. Notwithstanding the foregoing, the parties acknowledge and agree that this Subparagraph 21(b) shall in no way limit Seller's rights under Paragraph 7.

22. Condemnation. If, after the date of this Agreement and prior to the Closing Date, all or any material portion of the Property is taken by exercise of the power of eminent domain or any proceedings are instituted to effect such a taking, Seller shall promptly give Purchaser notice of such occurrence, and if Purchaser reasonably determines that such taking would hinder, or result in the Property being unsuitable for, Purchaser's intended use thereof, Purchaser may, within fourteen (14) days after receipt of such notice, elect (by providing written notice of such election to Seller) to either (a) terminate this Agreement, in which event the Deposit shall be immediately returned to Purchaser and all obligations of the parties hereunder shall cease and this Agreement shall have no further force and effect except as expressly stated herein, or (b) close the transaction contemplated hereby as scheduled (except that if the Closing Date is less than fourteen (14) days following Purchaser's receipt of such notice closing shall be delayed until Purchaser makes such election), in which event Seller shall assign and/or pay to Purchaser at Closing all condemnation awards or other damages collected or claimed with respect to such taking.

23. Damage and Destruction. If, after the date of this Agreement and prior to the Closing Date, any building on the Property shall be destroyed or materially damaged by fire or other casualty not caused by Purchaser's negligence or acts, Seller shall promptly give Purchaser notice of such occurrence, and if Purchaser reasonably determines that any such damage or destruction would hinder or result in the Property being unsuitable for Purchaser's intended use thereof, Purchaser may, within fourteen (14) days after such notice, elect (by providing written notice of such election to Seller) to either (a) terminate this Agreement, in which event the Deposit shall be promptly returned to Purchaser and neither party shall have any rights, obligations, or liabilities to the other hereunder except as explicitly set forth herein, or (b) close the transaction contemplated hereby as scheduled (except that if the Closing Date is less than fourteen (14) days following Purchaser's receipt of such notice, the Closing shall be delayed until Purchaser makes such election), in which event Seller shall assign and/or pay to Purchaser at Closing all insurance awards collected with respect to such damage or destruction.

24. Notices. Any notice, request, demand, instruction or other document to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and served either personally or sent by United States registered or certified mail, return receipt requested, postage prepaid or by pre-paid nationally recognized overnight courier service, and addressed to the parties at their respective addresses set forth below. A party may change its address for receipt of notices by service of a notice of such change in accordance herewith.

If to Seller: KEYBANK NATIONAL ASSOCIATION (PID 4044)
Attention: Real Estate Asset Manager

by mail to: P.O. Box 94839
Cleveland, Ohio 44101

by overnight courier to:	Mail Code: OH 01-10-0605 100 Public Square, Suite 600 Cleveland, Ohio 44113
With a copy to:	Thompson Hine LLP Attention: Cathryn Greenwald, Esq. 3900 Key Tower 127 Public Square Cleveland, Ohio 44114
If to Purchaser:	Goldstein Improvement Company Attention: Gregory Adler 426 East Rustic Road Santa Monica, California 90402
With a copy to:	Goldstein Improvement Company Attention: Daniel Glidmann 130 Seward Street, Suite 001 Juneau, Alaska 99801

Notices given hereunder shall be deemed to have been given on the date of personal delivery (or the first business day thereafter if delivered on a non-business day), three (3) days after the date of certified mailing or the next business day after being sent by overnight courier.

25. Brokerage. Seller and Purchaser each represent and warrant to the other that it has not dealt with any agents, brokers or finders in connection with the transaction covered by this Agreement other than Jones Lang LaSalle and The Carlton Smith Company (collectively, "**Seller's Broker**"), representing Seller. Each of the parties hereto agrees to indemnify and hold the other harmless from and against any claims, actions, liabilities, costs and expenses with respect to any brokerage commission or finder's fee asserted by a person, firm or corporation (other than Seller's Broker) claiming to have been engaged by, through or under the indemnifying party. Seller and Purchaser hereby acknowledge that the foregoing representation and warranty shall survive the Closing. Seller shall be responsible for paying any brokerage commission due to Seller's Broker pursuant to a separate agreement.

26. Entire Agreement, Amendments and Waivers. This Agreement contains the entire agreement and understanding of the parties in respect to the subject matter hereof, and the same may not be amended, modified or discharged nor may any of its terms be waived except by an instrument in writing signed by the party to be bound thereby.

27. Further Assurances. The parties each agree to do, execute, acknowledge and deliver all such further acts, instruments and assurances and to take all such further action before or after the Closing as shall be necessary or desirable to fully carry out this Agreement and to fully consummate and effect the transactions contemplated hereby.

EXHIBIT A

Legal Description of the Property

Lots 5, 7 and 8, Block 5, Townsite of Juneau, Juneau Recording District, First Judicial District, State of Alaska.

EXHIBIT B

Personal Property

1. Desks	Eights
2. Chairs	Twelve
3. Filing Cabinets	Three
4. Tables	Four

EXHIBIT C

Declaration of Restrictions

[SEE ATTACHED]

WHEN RECORDED, MAIL TO:
KeyBank National Association
Mailcode: OH-01-10-0605
100 Public Square, Suite 600
Cleveland, Ohio 44113-2207
Attention: Real Estate Asset Manager (PID No. 4044)

THIS INSTRUMENT PREPARED BY:
Thompson Hine LLP
Attention: Cathryn Greenwald, Esq.
3900 Key Tower
127 Public Square
Cleveland, Ohio 44114

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS ("**Declaration**") is made the _____ day of _____, 20__, by KEYBANK NATIONAL ASSOCIATION, a national banking association ("**Declarant**")

RECITALS:

A. Pursuant to a Real Estate Sale Agreement (the "**Agreement**"), dated September 27, 2021, Declarant agreed to sell and convey that certain parcel of real property located at 234 Seward Street, Juneau, Alaska 99803 and described on Exhibit A attached hereto (the "**Restricted Property**").

B. Declarant desires to impose certain restrictions on the Restricted Property, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the above premises and of the covenants herein contained, the Declarant does hereby declare that the Restricted Property and all present and future owners, lessees and occupants of the Restricted Property shall be and hereby are subject to the terms, covenants, and restrictions hereinafter set forth and shall be used in full compliance

with and subject to this Declaration and, in connection therewith, Declarant covenants and agrees as follows:

1. Restriction on Use. During the Term (as hereinafter defined), neither the Restricted Property, nor any portion thereof, shall be operated, used or occupied for any of the following purposes:

   (a) As (i) a retail banking facility or a financial institution, including, without limitation, branch banking, savings and loans, credit union and check cashing, payday lending and the operation of a "branded" automated teller machine (i.e. an automated teller machine affiliated with a bank or other financial institution; for the avoidance of doubt, a non-branded automated teller machine shall not be prohibited), (ii) a facility engaged in any other banking use (including, without limitation, mortgage, financial, trust, investment, lending or securities brokerage services), provided the Property may be operated by an independent financial advisor not affiliated with a bank or other financial institution, or (iii) a facility engaged in insurance sales; or placing signage on the Restricted Property for any entity engaged in any of the foregoing uses, or for placing any signage on the Restricted Property for any entity engaged in, or any of, the foregoing prohibited uses (collectively, the "**Financial Uses Restrictions**").

   (b) In any manner (including the display of signage) which is reasonably offensive, disreputable, immoral or illegal, which prohibition shall include, but not be limited to, use or occupancy (i) as a brothel or for adult entertainment or the sale or renting of adult books, magazines, videos or other adult products, (ii) for the sale of paraphernalia related to the use of illegal drugs (the term "illegal drugs" specifically being deemed to include marijuana or related products, even if the same presently are or subsequently do become legal), or (iii) for the sale or consumption of marijuana or related products, even if the same presently are or subsequently do become legal, or for placing any signage on the Restricted Property for any entity engaged in, or any of, the foregoing prohibited uses (collectively, the "**Noxious Uses Restrictions**").

2. Term. This Declaration restricting the use of the Restricted Property shall commence on the date of this Declaration, and shall extend until (and expire and have no further force or effect following (in each such case, the "**Term**"): (A) as to the Financial Uses Restrictions, on the earlier of (a) the date that none of the following parties owns, leases or otherwise occupies the Benefitted Property (as hereinafter defined): (i) Declarant, (ii) any entity resulting from a merger or consolidation with Declarant or any organization purchasing substantially all of the assets of Declarant, (iii) any entity succeeding to substantially all the business and assets of Declarant, (iv) any subsidiary, affiliate or parent of Declarant, or (v) any entity controlling, controlled by or under common control with Declarant, or (b) the date which is five (5) years following the date of this Declaration; and (B) as to the Noxious Uses Restrictions, on the date which is two (2) years following the date of this Declaration.

3. Benefitted Property. This Declaration runs with and for the benefit of that certain real property located at 8800 Glacier Highway, Juneau, Alaska 99801 and described in Exhibit B attached hereto (hereinafter the "Benefitted Property") and shall inure to the benefit of Declarant and its successor(s) and assign(s).

4. Specific Performance. Declarant confirms that damages at law may be an inadequate remedy for a breach or threatened breach of any provisions hereof. The rights and obligations hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to or shall limit or affect any rights at law or by statute or otherwise of Declarant or the owners(s) of the Benefitted Property for a breach or threatened breach of any provisions hereof. The rights and obligations of Declarant hereunder shall be enforceable in equity as well as at law or otherwise.

5. Severability. In the event that any portion of these restrictions shall be determined by any court of competent jurisdiction to be unenforceable, such restrictions shall be modified, rewritten, or interpreted to include as much of their nature and scope as possible as will render them enforceable. Each of the provisions herein shall be deemed a separate and severable covenant.

6. Successors and Assigns. This Declaration shall restrict the use of the Restricted Property for the full Term and shall be binding upon each party having any fee, leasehold or other interest therein and their successor(s) and assign(s), and shall inure to the benefit of Declarant and its successor(s) and assign(s).

7. Attorneys' Fees. If any action is brought because of any breach of or to enforce or interpret any of the provisions of this Declaration, the party prevailing in such action shall be entitled to recover from the other party reasonable attorneys' fees and court costs incurred in connection with such action, the amount of which shall be fixed by the court and made a part of any judgment rendered.

8. Interpretation. This Declaration shall be governed by and construed in accordance with the internal laws of the State in which the Restricted Property is located. The section headings contained in this Declaration are for purposes of reference only and shall not limit, expand, or otherwise affect the construction of any provisions of this Declaration. Exhibits A and B attached hereto are by this reference incorporated herein and made a part hereof.

[BALANCE OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the day and year first above written.

DECLARANT:

KEYBANK NATIONAL ASSOCIATION, a national banking association

By: _____

Name:

Its:

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

BEFORE ME, a Notary Public in and for said County and State aforesaid, on this date personally appeared _____ the _____ of KEYBANK NATIONAL ASSOCIATION, a national banking association, known to me to be the same person whose name is subscribed to the foregoing instrument, and he/she acknowledged that he/she signed and delivered said instrument in the capacity indicated above, as his/her own free and voluntary act and as the free and voluntary act of the Declarant therein for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this ___ day of _____ 2021.

_____
Notary Public for the indicated State

My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE RESTRICTED PROPERTY

Lots 5, 7 and 8, Block 5, Townsite of Juneau, Juneau Recording District, First Judicial District, State of Alaska.

EXHIBIT B

DESCRIPTION OF THE BENEFITTED PROPERTY

[TO BE PROVIDED]

18

Mr. Eric Ehmann Letter-

November 21st, 2010

Dear Assembly Members:

My name is Eric Ehmann and I am a former CBJ employee who worked as an appraiser under Robin Potter from January 11th, 2010, until my resignation on June 4th, 2010. I am writing to inform you of certain facts regarding my experiences during my tenure with CBJ, so that you might be able to do something to remedy the situation in the assessor's office. Since my departure from CBJ, more than half of Ms. Potter's staff have tendered their resignations, and there has even been an investigation into Ms. Potter resultant of allegations of harassment and violence in the workplace. Surprisingly, CBJ found no wrong-doing by Ms. Potter, despite testimony from her staff (including me) supporting the allegations.

Recently, I was named by Ms. Potter in an interview with the Juneau Empire as a "problem employee" who improperly represented CBJ, and she went on to assert that I was accused by property owner David Coates of behaving inappropriately. These statements are fabrications from whole cloth. At no time during the course of my employment with CBJ was I ever warned, reprimanded, written-up, or otherwise accused of any impropriety, misrepresentation or problem-causing. Instead, my personnel record and the testimony of my coworkers support the fact that I was a valued, efficient and productive employee with great integrity. I had the pleasure of meeting and interacting with scores of property owners throughout the Borough, as well as many fellow CBJ employees, and I believe there isn't a single person who would characterize my behavior or actions as a representative of CBJ as anything but professional.

There were, however, serious problems that I did experience first hand during the course of my employment with CBJ and, contrary to everything Ms. Potter has stated (in the press and elsewhere), those problems were due to Ms. Potter's lack of management ability and her blatant disregard for ethics and the law. Ms. Potter on numerous occasions made statements to her staff that she was beholden to Mr. Craig Duncan, Finance Director, who had demanded that she artificially inflate the tax base (i.e., the total value of the assessed property within the Borough) in order to increase property tax collections. I heard Mr. Duncan inform Ms. Potter that she was expected to bring in an outside appraiser to assess the newly operational (and soon-to-be taxed) Kensington mine, and that the value should be in excess of a certain amount (I do not recall the figure Mr. Duncan stated so I won't speculate as to what it was) in order to maximize tax collections from the mine.

Perhaps the most serious impropriety committed by Ms. Potter occurred when Ms. Potter received a telephone call from Mr. John Hartle, CBJ Attorney, on or about Wednesday, May 12th, 2010, during which Mr. Hartle asked, in Ms. Potter's words, that she raise the assessment on his property because it was on the market and he wanted to sell it for more than the assessed value. There were several of us present during this conversation and afterward we all talked about it with Ms. Potter, who pointed out that when Mr. Hartle asks a favor of her he expects her to do it, but when she has asked him for certain things in the past he consistently failed to deliver. We talked about the fact that the statutory deadline for appeal had passed nearly two weeks prior, rendering moot the basis for his request and in following days it remained a topic of periodic discussion among the staff in the assessor's office. We all knew it would be illegal to make a change to an assessed value without satisfying the statutory requirement for proper notice, which is 30 days prior to board of equalization hearings (and which was well past), not to mention the fact that a property owner's desire to sell his property for more than its assessed value

does not amount to ethical or legal justification to increase its assessment.

Shortly after Mr. Hartle's request, Ms. Potter mentioned to me that an "office correction" might be in order. Office corrections, under Alaska law, are permissible when there is something discovered in a file or record which, on its face, shows that an error or omission has occurred, without requiring expert evaluation or investigation outside the file. An example would be a typographical error in which an extra zero is placed at the end of a sum. Office corrections can be made at any time and at the assessor's discretion but are not statutorily limited by deadlines or timetables.

Ms. Potter asked me to look at Mr. Hartle's file, which I reviewed but found no basis for an office correction. Upon reporting this to Ms. Potter she asked me to perform a physical inspection of the property and make any change to the value that would be justifiable, but not to go overboard. She said no one other than we in the assessor's office would know that it occurred after the appeal deadline and that the record could be made in such a way as to hide that fact from anyone who might later review it. She said we would just call it an "office correction" and leave it at that. It was at that moment when I became certain I would not be able to continue my employment with CBJ. When Ms. Potter asked me to perform this inspection I lied to her, saying I had to go to another part of the city for previously scheduled inspections, to which she replied that I could do it later.

My initial feelings of discomfort grew into significant feelings of anxiety and stress, and when Ms. Potter asked me again to make the inspection I fidgeted and began to offer some excuse when she apparently sensed my discomfort and said she would just have Jeff Hurt (a staff appraiser) do it. Sometime shortly thereafter Mr. Hurt made the inspection of Mr. Hartle's property, rendered a new assessment based on his inspection which Ms. Potter approved, and subsequently when I was alone in the office I made photocopies of most of the contents of the file which show the progression of work and resultant change to the assessment, done in violation of Alaska law.

I have it on good information that, since my departure from CBJ, Ms. Potter has been asked about this inspection and that she still claims only an "office correction" occurred. Unfortunately, the facts prove that an office correction could not have occurred. The land value component of the assessment was increased yet there was no mistake, omission or miscalculation in the file (or anywhere else) to support the change. The value of the home was also increased, according to Ms. Potter, because of an error in the calculations based on its square footage however, if you review the file, you will see that the "corrected" square footage used to calculate the new value was obtained only when Mr. Hurt performed an on-site inspection of the property. None of this is legally permissible in the course of performing an office correction or when revaluing a property under normal circumstances - any and all changes must have a basis in accepted valuation principles and the law because arbitrary increases (as occurred with the land value component of Mr. Hartle's property) are improper and illegal.

Furthermore, the false identification of the re-valuation as an "office correction" proves Ms. Potter's intent to conceal the illegal act she had committed. Interestingly, if you compare the note in the file written by Ms. Terry Ullmayer, administrative assistant to Ms. Potter, you will see that in the appeal record Ms. Ullmayer recorded only the month and year – without the day - for Mr. Hartle's appeal. This is a marked contrast to, literally, the dozens of other appeal files in which Ms. Ullmayer recorded day, month and year. Ms. Ullmayer was well aware of the illegal nature of the re-valuation and I believe Ms. Ullmayer intentionally omitted the day – which would prove that Mr. Hartle's request for appeal was untimely - to avoid complicity in Ms. Potter's illegal revaluation of the property.

Yours,

Eric Ehmann

715 360 4868

19

Income and Sales Comparison Approach to Value-Best Approach

Income and Sales Comparison Approach to Value-best approach

Income Approach to Value-Best Approach for Investment Property; once rent stabilized property can be reappraised.

Cost Approach-Not a feasible approach to value with building costs estimated at $500 to $700 SF and rental rates in the $2 SF range. Private investors have not built commercial property in Juneau for decades and no private investor will build commercial space in the near future. The lack of building is also an indication that property values have not risen in the last decade and inflation has been low to January 1, 2022.

According to the Standard on Mass Appraisal of Real Property-2013 p. 11, 4.6.4 Commercial and Industrial Property:

"The income approach is the most appropriate method in valuing commercial and industrial property if sufficient income data are available. Direct sales comparison models can be equally effective in large jurisdictions with sufficient sales. When a sufficient supply of sales data and income data is not available, the cost approach should be applied. However, values generated should be checked against available sales data. Cost factors, land values, and depreciation schedules must be kept current through periodic review."

The Cost Approach/Sales Approach Hybrid Model the Juneau Assessor uses is improper and results in excessive assessed values and they must be instructed not to use it. The Juneau Assessor should revisit 2021 and 2022 of all commercial property owners.

20

Assessor Refused to Collect Data From All Sources including real estate brokers, the Recorder's office and others

The Alaska Taxable 2021 Report, from the State of Alaska, sets forth the standard for the Juneau Assessor to follow in collecting sales data, as follows,

"Collect Sales Data from all sources such as recorders' offices, realtors, developers and bankers."

REAL ESTATE BROKERS

FACT: THE ASSESSOR DOES NOT COLLECT DATA FROM REAL ESTATE BROKERS AS REQUIRED.

FACT: THE ASSESSOR DOES NOT COLLECT DATA FROM ALL SOURCES AS REQUIRED.

THIS METHODOLOGY RESULTS IN EXCLUDING SALES FROM ANALYSIS AND IS CLEARLY IMPROPER RESULTING IN EXCESSIVE VALUES.

THE ASSESSOR INTENTIONALLY DISREGARDS REAL ESTATE BROKERS.

THE ASSESSOR PRACTICE IS FUNDAMENTALLY A WRONG PRINCIPLE OF VALUATION

THEY IGNORE BROKERS.

THERE IS NO EVIDENCE THE RECORDER'S OFFICE ROUTINELY CALLS DEVELOPERS, BANKERS OR REAL ESTATE BROKERS.

From: **Garrett Schoenberger** garrett.wade@me.com
Subject: Re: Assembly Building Comp
Date: June 26, 2022 at 10:20 AM
To: Greg Adler gregoryladler@gmail.com

Hi Greg - I was never contacted by Assessor's office about the Assembly Building. Happy to help in any way. Given current disclosure law, I imagine they have the comp since the new owner is required to disclose purchase (sales) price.

Garrett W. Schoenberger
RE/MAX of Juneau
3031 Clinton Drive - Suite 100
Juneau, AK 99801
(602) 790-6144

> On Jun 26, 2022, at 9:15 AM, Greg Adler <gregoryladler@gmail.com> wrote:
>
> Garrett,
>
> Sorry to bug you.
>
> We have our hearing this coming week Thursday.
>
> It's my understanding the Assembly Bldg sales were excluded from Sales Data because they couldn't get the information
>
> Did you ever speak with Michael Dahle or anyone else in the Assessor's about the sale and provide them the information.
>
> Have you ever been called by the Assessor's office to get sales comps?
>
> They may have also defined this sale as "Outlier". Any thought's on that
>
> Thanks for your help.
>
> Greg
>
> > On Mar 29, 2022, at 11:44 AM, [illegible] garrett.wade@me.com wrote:
> >
> > <Assembly Building Property Ex[illegible]

From: **Greg Adler** gregoryladler@gmail.com
Subject: Assessor Contact
Date: June 26, 2022 at 10:17 AM
To: carltonsmith carltonsmith@gci.net

Carlton,

I presume the Assessor calls you to get Sales from you in many cases.

Is this the case?

Thanks,

Greg

From: **Carlton Smith** carltonsmith@gci.net
Subject: Re: Assessor Contact
Date: June 26, 2022 at 10:32 AM
To: Greg Adler gregoryladler@gmail.com

No. Until recently sales data has not been public information. A new ordinance has reversed that. The only parties that routinely call us for sales data are Commercial Appraisal firms.

Sent from my iPhone

> On Jun 26, 2022, at 10:17 AM Greg Adler <gregoryladler@gmail.com> wrote:
>
> Carlton,
>
> I presume the Assessor calls you to get Sales from you in many cases.
>
> Is this the case?
>
> Thanks,
>
> Greg

RECORDER'S OFFICE

THE RECORDER'S OFFICE HAS A WEBSITE: recorder.alaska.gov and anyone can look up recorded property.

GOLDSTEIN IMPROVEMENT COMPANY MADE TWO PURCHASES THAT ARE EXCLUDED FROM COMPUTER MODELING OF THE ASSESSOR, YET THEY ARE LISTED ON THIS WEBSITE.

IF THE ASSESSOR HAD MADE ANY EFFORT THEY WOULD HAVE DISCOVERED OUR TWO PURCHASES, NAMELY:

1/5/2021 224 2ND STREET

121/24/2021 234 SEWARD ST

FACT: THE ASSESSOR DOES NOT COLLECT DATA FROM ALL SOURCES AS REQUIRED.

THIS METHODOLOGY RESULTS IN EXCLUDING SALES FROM ANALYSIS AND IS CLEARLY IMPROPER RESULTING IN EXCESSIVE VALUES.

THE ASSESSOR INTENTIONALLY DISREGARDS THE RECORDER'S OFFICE WEBSITE.

THE ASSESSOR PRACTICE IS FUNDAMENTALLY A WRONG PRINCIPLE OF VALUATION

THEY IGNORE BROKERS AND THE RECORDER'S OFFICE.

THERE IS NO EVIDENCE THE RECORDER'S OFFICE ROUTINELY CALLS DEVELOPERS, BANKERS OR OTHERS.

Alaska Department of Natural Resources
RECORDER'S OFFICE

ⓘ Attention Mining Customers:

You can now schedule appointments with the Recorder's Office outside of office hours for large volumes of documents to be recorded. Although an appointment is not required, if you have 100 or more documents to record, call and make an appointment today! Appointments can be made by calling the Recorder's Office in Anchorage at 907-269-8875 and in Fairbanks at 907-452-3521.

RECORDER'S OFFICE

Recording Resources

- [New] Recorder's Office Partners
- Recording requirements.
- Our current fees.
- Recording District addresses and phone numbers.
- Help finding your Recording District.
- Recorder's Office District Map.
- Online Copy Request
- e-Recording information.
- Search and Index Guidelines.
- Recording District History, and Miscellaneous District Facts.
- Last Document Mailed to Customer

The State Recorder's Office administers the statewide recording system and the Uniform Commercial Code (UCC) Central File. Our mission is to provide a *secure, accessible, and impartial* place to record and to preserve the permanent public record of Alaska as directed by statutes under nineteen separate titles and by regulations in 11 AAC 06. The UCC Central File System maintains the public record of filed documents related to security interests in personal property.

The statewide recording system consists of 34 separate recording districts serviced by a total of 3 separate offices located throughout Alaska.

Search the Recorder's Office statewide database

Office Closures and other Public Notices

Notice:
Recorded and/or filed documents and ALL information contained within those instruments become the permanent public record and are available for public viewing and/or purchase.

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Alaska Department of Natural Resources
RECORDER'S OFFICE

ⓘ Attention Mining Customers:

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RECORDER'S OFFICE SEARCH

Recording Resources

- New Recorder's Office Partners
- Recording requirements.
- Our current fees.
- Recording District addresses and phone numbers.
- Help finding your Recording District.
- Recorder's Office District Map.
- Online Copy Request
- e-Recording information.
- Search and Index Guidelines.
- Recording District History, and Miscellaneous District Facts.
- Last Document Mailed to Customer

Notice:
Recorded and/or filed documents and ALL information contained within those instruments become the permanent public record and are available for public viewing and/or purchase.

The following types of searches are available:

Name Search	Plat Search
Date Search	Survey Search
Document Number Search	MTRS Search
Document Type Search	Subdivision Name Search
Book and Page Search	Subdivision Name - No Plat Number
Historic Book Search	Document Input & Unverified Status

Documents are entered in nonsequential batches. Temporary document number gaps may exist in current data.

If you identify a possible indexing error (typo, reversed names, etc) or can not locate the record you are trying to find please **Contact Us**

All documents are provided as a public service for your convenience. Updates and corrections occur on a daily basis; however, the State of Alaska shall not incur any liability for errors or omissions with respect to the information provided on this web site.

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Alaska Department of Natural Resources
RECORDER'S OFFICE

Recorder's Office - Document Display

Document: 2021-007199-0

District:	101 - Juneau				
Document Year:	2021	**Number:**	007199	**Suffix:**	0
Date and Time Recorded:	11/24/2021 10:15 AM				
Pages:	4				
Index:	D - DEEDS				See Index Codes
Description:	SPECIAL WARRANTY DEED				

Parties

TYPE	NAME
Grantor	KEYBANK NATIONAL ASSOCIATION
Grantor	KEY BANK OF ALASKA
Grantee	GOLDSTEIN IMPROVEMENT COMPANY

Legal Descriptions

Lot: 5 *Block:* 5
No Plat Subdivision: *TOWNSITE OF JUNEAU* Search for Plat Legal
Lot: 7 *Block:* 5
No Plat Subdivision: *TOWNSITE OF JUNEAU* Search for Plat Legal
Lot: 8 *Block:* 5
No Plat Subdivision: *TOWNSITE OF JUNEAU* Search for Plat Legal

Comments

ERECORDED DOCUMENT

All information has been displayed.

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please **Contact Us**

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ALASKA

2021-007199-0

Recording Dist: 101 - Juneau
11/24/2021 10:15 AM Pages: 1 of 4

AFTER RECORDING, RETURN TO:

Goldstein Improvement Company
426 East Rustic Road
Santa Monica, California 90402
AET - 63011

SPECIAL WARRANTY DEED

The Grantor, **KEYBANK NATIONAL ASSOCIATION**, a national banking association, formerly known as Key Bank of Alaska, as more particularly set forth on the certificate attached hereto as **Exhibit A**, whose address is P.O. Box 94839, Cleveland, Ohio 44101, for and in consideration of TEN DOLLARS ($10.00) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged, does hereby GRANT and CONVEY to **GOLDSTEIN IMPROVEMENT COMPANY**, an Alaska corporation, Grantee, whose mailing address is 426 East Rustic Road, Santa Monica, California 90402, the following-described real estate:

Lots 5, 7 and 8, Block 5, Townsite of Juneau, Juneau Recording District, First Judicial District, State of Alaska.

Excepting Therefrom that portion conveyed to the State of Alaska by deed recorded September 10, 1971 in Book 98 at Page 350.

SUBJECT TO reservations, exceptions, easements, covenants, conditions and restrictions of record, if any.

TO HAVE AND TO HOLD the premises aforesaid with all and singular, the rights, privileges, appurtenances and immunities thereto belonging or in any wise appertaining unto the said Grantee and unto Grantee's heirs, successors and assigns forever, the said Grantor hereby covenanting that the premises are free and clear from any encumbrance done or suffered by Grantor; and that Grantor will warrant and defend the title to said premises unto the said Grantee and unto Grantee's heirs, successors and assigns forever, against the lawful claims and demands of all persons claiming by, under or through Grantor.

CHICAGO TITLE Ins. Co.
Order # 21320003348 Escrow

4877-6720-2305.2

eRecorded Document

Alaska Department of Natural Resources
RECORDER'S OFFICE

Recorder's Office - Document Display

Document: 2021-000060-0

District:	101 - Juneau				
Document Year:	2021	**Number:**	000060	**Suffix:**	0
Date and Time Recorded:	01/05/2021 09:50 AM				
Pages:	3				
Index:	D - DEEDS				See Index Codes
Description:	STAT WARRANTY DEED				

Parties

TYPE	NAME
Grantor	SOUTHEASTERN NEWSPAPERS COMPANY LLC
Grantee	GOLDSTEIN IMPROVEMENT COMPANY

Legal Descriptions

Lot: 3 *Block:* 4
Plat: *JT*

Search for Plat Legal

Comments

ERECORDED DOCUMENT

All information has been displayed.

Documents are entered in nonsequential batches. Temporary document number gaps may exist in current data.

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A L A S K A

2021-000060-0

Recording Dist: 101 - Juneau
1/5/2021 09:50 AM Pages: 1 of 3

JUNEAU RECORDING DISTRICT

After recording return to:
Goldstein Improvement Company
130 Seward St., Ste 601
Juneau, AK 99801
(AETIA 60530)

STATUTORY WARRANTY DEED
[AS 34.15.030]

The grantor, SOUTHEASTERN NEWSPAPERS COMPANY, LLC, a Georgia limited liability company (who acquired titled as Southeastern Newspapers Corporation), whose address is 725 Broad Street, Augusta. Georgia 30901. for and in consideration of the sum of Ten Dollars ($10.00) lawful money of the United State of America and other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, does hereby CONVEY and WARRANT to GOLDSTEIN IMPROVEMENT COMPANY, whose address is 130 Seward St. Ste 001, Juneau, AK 99801, the following described real property:

Lot 3, Block 4, Juneau Townsite, Juneau Recording District, First Judicial District, State of Alaska.

together with all rights, privileges, easements, tenements, and heriditaments appurtenant thereto to have and to hold forever subject to the reservations. exclusions, limitations and restrictions set forth on Exhibit "A".

(SIGNATURES ON FOLLOWING PAGE)

eRecorded Document

Our property is "excessive/overvalued," "unequal to similar properties," and "improperly/incorrectly" as valued by the Assessor by the following clear and convincing proof:

The Assessor must use the following steps in assessing property:

Step 1- The Assessor MUST collect data from many sources, not just Disclosure Statements from Buyers or Listings (See Alaska Taxable 2021 Report, Volume LXI, January 2022, Part 3 Property Taxation, Assessment Statistics and Ratio Studies, pp. 25-28, it states "[the local assessor must] *Collect sales data from all sources such as recorders' offices, realtors, developers and bankers." (p.25)*

Step 2- Include all Market Sales, Assessment Report-Commercial Overview-Interim, City and Borough, For Assessment Year 2022, Assessment Dated (Effective Valuation Date): January 1, 2022 Assessment Procedures,Sales Validation and Verification, Addendum C, see below

Step 3-Use the following Ratio to determine if the Assessed Value is Market Value (from the citation in Step 1 above):

$$\frac{\text{ASSESSED VALUE}}{\text{SALES PRICE/APPRAISED VALUE}}$$

Step 4-Assessed Value=Sales Price/Appraised Value must be true because of Step 5 below

Step 5- Alaska Statute 29.45.060 states, "Full and True Value (a) The assessor shall assess property at its full and true value as of January 1 of the assessment year....The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and prevailing general price levels."

The Assessor's Office failed to follow Steps 1-5 above in numerous and flagrant ways without regard for commercial property owners, including giving lip service to the plight of the property owners during a Pandemic and jacking up assessed values in 2021 and 2022 with no stopping in sight.

For instance,

1. The Assessor must use Market Sales
2. On January 1
3. The Assessor cannot go back in time
4. Historically, assessments were made each year by the Assessor
5. There is no history of under-assessment
6. No tax shift occurred (See Alaska Taxable 202 Report, Volume LX January 2021, Table 2, Summary of Assessed Values, p. 27 states, "City and Borough of Juneau Reported A/V Ratio 97%. (1) The A/V Ratio represents the ratio expressed by dividing the municipal assessed value (A) by market price (V), and is representative of the weighted mean ratio of real property." In 2020, Juneau property sales matched assessed values 97% of the time and was the highest in the State. There is no basis for higher assessments.
7. The Assessor has a duty to collect data from many sources, not just Disclosure Statements from Buyers or Listings (See Alaska Taxable 2021 Report, Volume LXI, January 2022, pp. 25-28, it states "[the local assessor must] *Collect sales data from all sources such as recorders' offices, realtors, developers and bankers." (p.25)*
8. The Assessor cannot exclude market sales
9. The Assessor with so few market sales, cannot exclude market sales that "skew" or "lower" the value of commercial property values. The BIG POINT is to include all market sales to obtain accurate values

From: **julie dinneen** juliedinneencompany@gmail.com
Subject: Re: Hearing Appeal
Date: June 25, 2022 at 9:14 AM
To: Greg Adler gregoryladler@gmail.com

Page 15 - I did not appraise 234 Seward

Can Assessor provide industry definition in Mass Appraisal for Full Market Value and Market Value?
Can Assessor provide information in Mass Appraisal that speaks of and shows example of a Cost Approach/Sales Hybrid Approach? And how widely is this used in the U.S.? Appraisals typically rely on three approaches to value - The Cost Approach, the Income Approach and the Sales Comparison Approach. Each is a separate approach that is reconciled. The appraiser must explain why an approach is relevant or not relevant.

Cost Approach - Please explain, given high construction costs in Juneau, why Economic Obsolescence is not included in Assessor analysis.
What local costs does Assessor rely on? And does assessor give credence to local costs. Where do their cost estimates come from?

Julie

On Fri, Jun 24, 2022 at 4:13 PM Greg Adler <gregoryladler@gmail.com> wrote:

Julie,

Attached is my Hearing Appeal.

Could you please take a look, especially at my cost approach reasoning, and give me your thinking.

Thank you,

Greg Adler

--
JULIE DINNEEN, MAI
(303) 579-3589

From: **julie dinneen** juliedinneencompany@gmail.com
Subject: Re: Hearing Appeal
Date: June 26, 2022 at 6:46 AM
To: Greg Adler gregoryladler@gmail.com

No, I do not use Marshall Swift. I call contractors and architects and engineers and follow up on any new construction in the region to find out actual costs.
To the first question - everything is separate. What would the building cost to build today that offers the same function?. What are the kinds of depreciation that exist and separately

The most important points are that the Income Approach is most relevant for an income producing property. And if it had been done and compared to a cost approach using construction costs that
can be backed up by local or regional projects, it would be clear that economic obsolescence exists. To ignore the actual income and expenses for a property, especially when they fall in line with rents and expenses
in the marketplace, to not include an Income Approach, would produce a value that is not credible. A credible report is a key factor - if a report is not credible, the appraisal profession will lose trust in the eyes of public.

On Sun, Jun 26, 2022 at 12:24 AM Greg Adler <gregoryladler@gmail.com> wrote:
> Regarding the Cost Approach, if say a historic building has only 30 years left of life, as you suggest in one of your appraisals, is the replacement cost adjusted to show the replacement cost is 30% of what a replacement cost on a new building is?
>
> Also, do you have the building costs 2022 from Marshall and Swift for commercial buildings in Juneau handy?
>
> Thanks
>
> Greg

> On Jun 25, 2022, at 9:14 AM, julie dinneen <juliedinneencompany@gmail.com> wrote:
>
> Page 15 - I did not appraise 234 Seward
>
> Can Assessor provide industry definition in Mass Appraisal for Full Market Value and Market Value?
> Can Assessor provide information in Mass Appraisal that speaks of and shows example of a Cost Approach/Sales Hybrid Approach? And how widely is this used in the U.S.? Appraisals typically rely on three approaches to value - The Cost Approach, the Income Approach and the Sales Comparison Approach. Each is a separate approach that is reconciled. The appraiser must explain why an approach is relevant or not relevant.
>
> Cost Approach - Please explain, given high construction costs in Juneau, why Economic Obsolescence is not included in Assessor analysis.
> What local costs does Assessor rely on? And does assessor give credence to local costs. Where do their cost estimates come from?
>
> Julie
>
> On Fri, Jun 24, 2022 at 4:13 PM Greg Adler <gregoryladler@gmail.com> wrote:
> > Julie,
> >
> > Attached is my Hearing Appeal.
> >
> > Could you please take a look, especially at my cost approach reasoning, and give me your thinking.
> >
> > Thank you.
> >
> > Greg Adler
>
> --
> JULIE DINNEEN, MAI

28. Intentionally Deleted.

29. Declaration of Restrictions. Seller shall cause a Declaration of Restrictions (the **"Declaration"**) in the form attached hereto as **Exhibit C** to be recorded in the real estate records of Juneau Recording District, Alaska prior to the recording of the Deed. The parties acknowledge that the Declaration shall be deemed to be a Permitted Exception.

30. Miscellaneous.

(a) This Agreement and any document or instrument executed pursuant hereto may be executed in any number of counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(b) Whenever under the terms of this Agreement the time for performance of a covenant or condition falls upon a Saturday, Sunday or holiday, such time for performance shall be extended to the next business day. Otherwise all references herein to "days" shall mean calendar days.

(c) This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located.

(d) Time is of the essence of this Agreement.

(e) This Agreement shall inure to the benefit of, and shall be binding upon, the permitted successors and assigns of the parties hereto; provided, however, that Seller shall have the right to approve in advance, in its sole discretion, any assignment by Purchaser; provided, however, in the event of any assignment, that Purchaser shall not be relieved of its obligations under this Agreement.

(f) In the event any term or provision of this Agreement shall be held illegal, invalid, unenforceable or inoperative as a matter of law, the remaining terms and provisions of this Agreement shall not be affected thereby, but each such term and provision shall be valid and shall remain in full force and effect.

(g) During the term of this Agreement, Seller shall have the right to discuss the Property with other prospective purchasers, but Seller shall not enter into a definitive agreement with any prospective third party purchasers for the purchase of the Property, other than with a governmental or quasi-governmental authority having power of condemnation, so long as Purchaser is not in default hereunder.

(h) All actions required pursuant to this Agreement necessary to effectuate the transaction contemplated herein has been or will be taken promptly and in good faith by Purchaser and Seller and their representatives, employees and agents.

(i) In the event any litigation is undertaken to enforce the provisions of this Agreement, the party obtaining a judgment in its favor in connection therewith shall also receive, as part of the judgment, an amount equal to its reasonable attorneys' fees and other

costs incurred in connection with such litigation, including without limitation post-closing and appellate proceedings.

[balance of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year written above.

SELLER:

KEYBANK NATIONAL ASSOCIATION

By: Diane Marinaro

Its: VP

PURCHASER:

GOLDSTEIN IMPROVEMENT COMPANY

By: Melissa Adler

Its: VICE-PRESIDENT

[Signature Page to Purchase Agreement]

16926

(303) 579-3589

JULIE DINNEEN, MAI
(303) 579-3589

From: **julie dinneen** juliedinneencompany@gmail.com
Subject: Re: Hearing Appeal
Date: June 26, 2022 at 2:13 PM
To: Greg Adler gregoryadler@gmail.com

Absent Northwinds info that you got, mine would have been $450 SF or higher, based on info in my files, but this info is not in my reports as I included the two strongest approaches to value. Can CBJ defend their use of a cost approach as relevant given the prevailing rental rates for offices in the Juneau market and the downsizing of State offices?

If I had done a Cost Approach, I would have had to make a downward adjustment for economic obsolescence - the way that I would prove this is that the capitalized NOI would indicate a value much lower than the Cost Approach. When this happens, the appraiser needs to state why this is so -- and why the two approaches to value don't line up.

The chosen Sales Comparison sales should be similar to the subject in as many regards as possible - location, age, size, condition, tenancy, land to building ratio, parking, features such as HVAC and elevators. To be able to understand the assessment, a taxpayer would need to see the sales used -- in order to make reasonable challenges and comments.

On Sun, Jun 26, 2022 at 9:33 AM Greg Adler <gregoryadler@gmail.com> wrote:

> OK Thank you, I agree but for purposes of my Appeal I want to clearly make the point using the Cost Approach is crap. You stated this in your appraisals. I have $700 SF from Northwind. You didnt consider the Cost Approach because you think it costs to much to build in Juneau. What is your estimate of cost per SF? Thanks

From: **julie dinneen** juliedinneencompany@gmail.com
Subject: Re: Hearing Appeal
Date: June 26, 2022 at 4:31 PM
To: Greg Adler gregoryladler@gmail.com

Economic obsolescence is external - not within the property itself. The impacts of the State budget, pandemic etc. have made the office market more competitive; an impact that would have a downward impact on NOI, the cap rate and value

You need to see the sales and how the cap rate was derived. The cap rate of a sale is the net income / saleprice. One must have good info from the sale property regarding income, vacancy and operating expenses that are typical for the type of building in order to develop a cap rate that
can be relied upon. The income and expenses provided by the owner or the buyer are usually the most relevant.Often, brokers of the sale will have this info. Cap rates are derived based upon the actual income and expenses of the property that the buyer and seller relied upon to negotiate the sale. The net income divided by the sale price indicates the cap rate. A 5% or 6% cap rate would be unusually low for the Juneau market.

On Sun, Jun 26, 2022 at 4:10 PM Greg Adler <gregoryladler@gmail.com> wrote:
Juneau assessor states he used 6 cap and 5 is appropriate. These seem very low. What would you use and why?

Sent from my iPhone

> On Jun 26, 2022, at 3:02 PM, Greg Adler <gregoryladler@gmail.com> wrote:
>
> Thank you. What are the economic obsolescence factors that apply and impact NOI
>
> Sent from my iPhone
>
> > [illegible] juliedinneencompany@gmail.com [illegible]
> >
> > [illegible]
> >
> > [illegible]
> >
> > [illegible]
> >
> > [illegible] gregoryladler@gmail.com [illegible]
> > [illegible]
> > [illegible] juliedinneencompany@gmail.com [illegible]
> > [illegible]
> > [illegible]
> > [illegible]
> > [illegible] gregoryladler@gmail.com
> > [illegible]
> > [illegible]
> > [illegible]

From: **Greg Adler** gregoryladler@gmail.com
Subject: Re: responses
Date: June 27, 2022 at 12:17 PM
To: Michael Dahle Michael.Dahle@juneau.org

Michael,

We have supplied all of our Income and Expense Data in Julie Dinnenn's Appraisals. You have this information. Please use it and rely on it. To not use it is a travesty of justice.

Once again, your office states it has collected only 35-40% of Sales Data, you say our Sales Price was Confidential yet we returned the Sales Disclosure in a timely manner, you excluded at least 21 sales where the sales price was substantially lower than the assessed value. I submit you office would not get a passing grade in Data Management. Include the 21 sales I provided you. Enter them into your computer modeling. It is prudent and proper to include them.

Most appraisers get Cost Data from local architects and contractors, not Swift. The Cost Data I have falls between $450-$700 SF. With rents in the $2 range it is not feasible to use the Cost Approach. Thus, you must use the Income Approach 1st. It is best approach under the IAAO for investment property. This is common knowledge as you assert falsely, to compare that commercial values have shot up double.

Why did you send out a Press Release stating the funds raised through this property tax scheme was used for the local pool and community grants because these are general services such as the police department.

Our 234 SEWARD ST is market sale. I have heard you assert it is not a market sale because it was not exposed to the market. This is false. It was exposed to the market, as follows:

7/23/2021 Co-Broker Agreement signed 7/23/2021
1st Facebook Exposure-8/11/2021
1st Juneau Empire ad-8/13/2021
Purchase Contract signed-9/27/2021 (2 months and 1 week)
Purchase Contract Contingency Ends-10/27/2021
Buyer Interest Before LOI signed: Tracey R, Steve S, IBEW, Garrett (for Christy Eriksen), Kindred Post, Goldstein, Jake Haas, Tom Molley
Buyer Interest After LOI signed: Simpson, Pat Race, etc.

The property was exposed to the Market for 3 months and 1 week. This is normal exposure to the market.

The property closed on November 24,2021 for $1250,000 this was a market sale taking **4 Fourth Months** less personal property ($17085) which you have ignored and obsolescence which we estimated at about $235,000 on January 1.

We rely on the IAAO to understand the Assessment Process and are in touch with Robert Gloudemans who wrote the Fundamentals of Mass Appraisal.

Thank you for your consideration,

Hopefully we can resolve the appeals before Thursday.

Let me know. We are willing to settle using our market sale at 234 Seward and the Appraisal Values Julie Dinnenn uses-the Income Approach and the Sales Approach. She concludes it is not feasible to use the Cost Approach. I suggest you throw out your Cost Approach because it is misleading and inaccurate as you know. You need 2 methods to do the Assessment and the two methods Julie uses are the best method.

Greg

> On Jun 27, 2022, at 11:49 AM, Michael Dahle <Michael.Dahle@juneau.org> wrote:
>
> Greg,
>
> Here are responses to items in two of your recent emails.
>
> I received this Bank Building listing last week.
>
> - We will forward that to the Clerk's Office.

21

Assessed Value Has Been to High for Decades

The Assessor proclaims, "Assessed Values Have Been Low for a Decade."

False, see below.

	234 Seward Av	224 2nd St	238 Front St
Sale Date	11/24/2021	1/5/2021	2/2015
Sales Price/Market Value	1,250,000	286,000	600,000
Assessed Value			
2022	2,547,520	405,300	1,726,900
2021	2,598,400	397,194	
2020	2,304,500	405,300	
2019	2,329,000	270,200	
2018	2,329,000	245,700	
2017	2,329,000	246,000	
2016	2,329,000	246,000	
2015	2,329,000	246,000	
2014	2,329,000	246,000	
2013	2,329,000	246,000	

"Outlier" Definition from The Assessment Administration, International Association of Assessing Officers (IAAO), 2003 "Outliers result from poor or outdated appraisals."

The Assessor has used a Cost Approach/Sales Approach (freely discarding Sales that are below Assessed Value) Computer Model with data in/data out that suits his purpose which is higher assessed values and taking property taxes from commercial property owners through gross negligence, fraud or incompetence. This can only lead to increased costs for the City and Borough of Juneau as they defend wayward actions.

22

Former Juneau Assessor Employee Says Property was Raised on Average 2-3% Annually During His Tenure

John Skan Phone Conversation June 23, 2022, Former Employee of Juneau Assessor Office

John reported it was the practice of the Assessor's Office during his tenure to raise property taxes on average 2-3% yearly during his tenure.

23

Undisclosed Sales by the Assessor's Office

UNDISCLOSED BY THE ASSESSOR'S OFFICE

UNDISCLOSED BY THE ASSESSOR'S OFFICE

● Indicates Excluded from Juneau Assessor's Addendum A-Commercial Sales List And Computer Modeling

Date	Seller	Buyer	Address	Parcel No	Sales Price	2021 AV	AV > MV $	AV % MV
12/2021 Listing	Akiyama Family Rentals	N/A	0 Riverside Dr	5B1601430016	$599,000	1135800	$536,800	203%
12/2021 Pending	Harbor Lights Enterprises	N/A	1000 Harbor Way	1C060K510040	661000	812000	$151,000	123%
12/2021 Pending	Gateway Properties	Confidential	8390 Airport	5B1501010014	$3,300,000	$3,804,400	$504,400	115%
11/24/21	Key Bank of AK	Goldstein Improvement Co	234 Seward St	1C070A050060	$1,250,000	$2,598,400	$1,348,400	208%
● 11/13/21	W&B Rentals LLC	Aware Inc.	201 Cordova St	1D060L030011	$400,000	$445,000	$45,000	111%
● 9/30/21	Construction Machinery Industrial LLC	CCTHTA	1721/1725 Anka St	5B1201040052 5B1201040051	$4,000,000	$5,106,550	$1,106,550	128%
● 9/28/21	Pacific Investment Group	SEARHC	0 Vintage Blvd	5B1601430017	$2,047,000	$2,521,350	$474,350	123%
● 9/17/21	RH Rentals LLC	SEARHC	225 Front St	1C070K810010	$1,850,000	$2,431,000	$581,000	131%
● 3/23/21	Northwest Holdings LLC	Viking Holdings LLC	214 Front St	1C070A030020	$1,450,000	$1,638,450	$188,450	113%
● 2/25/21	SE Newspapers	Amalga Distillery	134 N Franklin St	1C070A030070	$1,850,000	$2,075,450	$225,450	112%
● 1/5/21	Southeastern Newspapers	Goldstein Improvement Co	224 2nd St	1C070A040020	$286,000	$405,300	$119,300	142%
● 3/27/20	Pacific Investment Group	R&S Construction	0 Clinton Dr	5B1601442000	$565,000	$1,026,962	$461,962	182%
● 12/31/19	McKinnon et al	The Emporium Mall LLC	170 S Franklin	1C070K810140	$1,600,000	$2,131,200	$531,200	133%
● 9/6/19	Foodland, Inc.	Juneau Supermarkets LLC	601 W Willoughby Ave	1C060K660090	$11,250,000	$14,670,150	$3,420,150	130%
● 9/3/19	Wells Fargo Bank NA	ODEX Juneau LLC	1610 Anka St	5B1201010010 5B1201010030	$1,070,000	$1,746,929	$676,929	163%
● 8/2/19	Taku Oil Sales	Gas N Go LLC	5631 Glacier Hwy	5B1201060051	$500,000	$612,910	$112,910	123%
● 7/22/19	Bonnie Brae Partnership	Peter Peel	0 Douglas Highway	6D0801110010	$230,000	$464,100	$234,100	202%
● 4/1/19	Assembly Assoc LLC	Assembly Assoc LLC	211 4th St	1C070A090060	$750,000	$1,484,500	$734,500	198%
● 11/16/18	Stanley & Sons	Affordable Auto Ent. LLC	8825 Mallard St	5B1501040030	$750,000	$837,600	$87,600	112%
8/21/18	Mark S Reeder	RNL LLC	9309 Glacier Hwy	5B1601140070	$240,100	$308,850	$68,750	129%
● 7/20/18	First National Bank AK	DCI Commercial LLC	1108 F St	1C060U060020 1C060U050020 1C060U050023 1C060U050025 1C060U050024	$1,750,000	$2,462,750	$712,750	141%
● 3/13/18	Warner's Wharf LLC	Rocovich LLC	406 S Franklin St	1C070K830040	$4,150,000	$6,415,650	$2,265,650	155%
2/2/18	Estate of David Salvidar	Timos Glamakidis	254 S Franklin St	1C070K820030	$995,000	$1,194,450	$199,450	120%
9/19/17	S&K Ventures	Bad Dog Investments	2450 Industrial Blvd	4B1601010040	$750,000	$876,000	$126,000	117%
12/15/16	Forrest Reetz LLC	Caelum AK LLC	800 Glacier Ave	1C0600040040	$1,100,000	$1,457,000	$357,000	132%
3/30/16	First National Bank AK	Spickett's Palace LLC	238 Fret St	1C070A030040	$600,000	$2,639,300	$2,039,300	439%
3/1/16	James L. White	C&M Rentals	10221 Glacier Hwy	4B1071100170	$697,000	$813,000	$116,000	117%

Property and Data Excluded from Addendum A-Commercial Sales List

In All Cases Sales Price is Lower Than Assessed Value

21 Commercial Properties Excluded from Market Analysis And Computer Modeling (CAMA)

24

Northwind Architects-Juneau Building Costs

From: **James Bibb** james@northwindarch.com
Subject: Goldstein Builidng Const Cost estimate
Date: June 22, 2022 at 9:40 AM
To: Gregoryladler@gmail.com
Cc: Sean Boily sean@northwindarch.com

Greg, based on current construction costs, (public projects, competitively bid), $700/sf is looking like a medium at the moment. Mindful of current market trends and strains of both transportation and the local trades for available managers and labor. We don't see this changing locally for the time-being. Private development may have a bit more leeway on the delivery.

This would include development costs including design, permitting and contingency....so, full project costs.

Basic tabulation would simply be an area x sf costs.

Does this give you enough information for a back of the napkin budget?

James bibb

James Bibb
NorthWind Architects, LLC
Principal Partner
126 Seward Street
Juneau, AK 99801

p.907.586.6150 (x202)
f.907.586.6181
c.907.321.4265
www.northwindarch.com
www.facebook.com/northwindarchitects

From: James Bibb <james@northwindarch.com>
Sent: Tuesday, June 28, 2022 10:19 AM
To: Sean Boily <sean@northwindarch.com>
Subject: FW: Juneau Building Costs

Greg's looking to carry the conversation of a potential building replacement costs modifying our WAG of $700 for the Goldstein to more of a 1-2 story, privately developed.

I'm not sure how much to modify the $700/sf range other than to back it down to potential $600 addressing more of a stream-lined or contractor negotiated scenario.

Thoughts?

James

From: Sean Boily <sean@northwindarch.com>
Date: Tuesday, June 28, 2022 at 11:05 AM
To: James Bibb <james@northwindarch.com>
Subject: RE: Juneau Building Costs

For a private client your numbers may be a bit high.

DIA (private non-profit) office building is a 3200 sf, half reno half new, wood framed construction, adding up to $670/sf including utility upgrades site work and landscaping (small site). 2 floors, no elevator. Complicated framing associated with

ProHNS (privately owned company) is a 6000sf wood frame building on a flat graded site 70% offices 30% industrial space. 2 stories, no elevator. $450/sf includes some utility development. Pretty simple construction and finishes.

This the same contractor for both projects. I think if the scale goes up there is economy. Also I think there is economy in new construction over fussy renovation.

Improper Use of the Mass Appraisal Method and Excessive Value

Fundamentals of Mass Appraisal, International Association of Assessing Officers, 2011, p.141 says,

"As a guideline, a stratum, submarket, or neighborhood in which fewer than 15 sales normally occur is too small. A better benchmark is 30 or more sales."

The "Downtown/Commercial" Submarket has 6 sales. The 6 sales are not disclosed. Massive sales, more than 21, are excluded and in all cases the Sales Price is lower than the Assessed Value. This "Computer Sleight of Hand" Covers Up the Data that must be entered into "The Computer" or "The System" to skew Sales Data higher to justify higher Assessed Values.

1 of the 6 Sales is the Norweigian Sales which Kim Wold, Appraiser, has told me is an "Outlier Sale" because the CEO of Noreweigian said the value is a "Business Value" not a "Property Market Value."

26

JULIE DINNEEN, APPRAISER-USES THE INCOME APPROACH TO VALUE ANDA THE SALES COMPARISON APPROACH TO VALUE

JULIE DINNEEN, APPRAISER

INCOME APPROACH AND SALES COMPARISON APPROACH TO VALUE RECONCILIATION

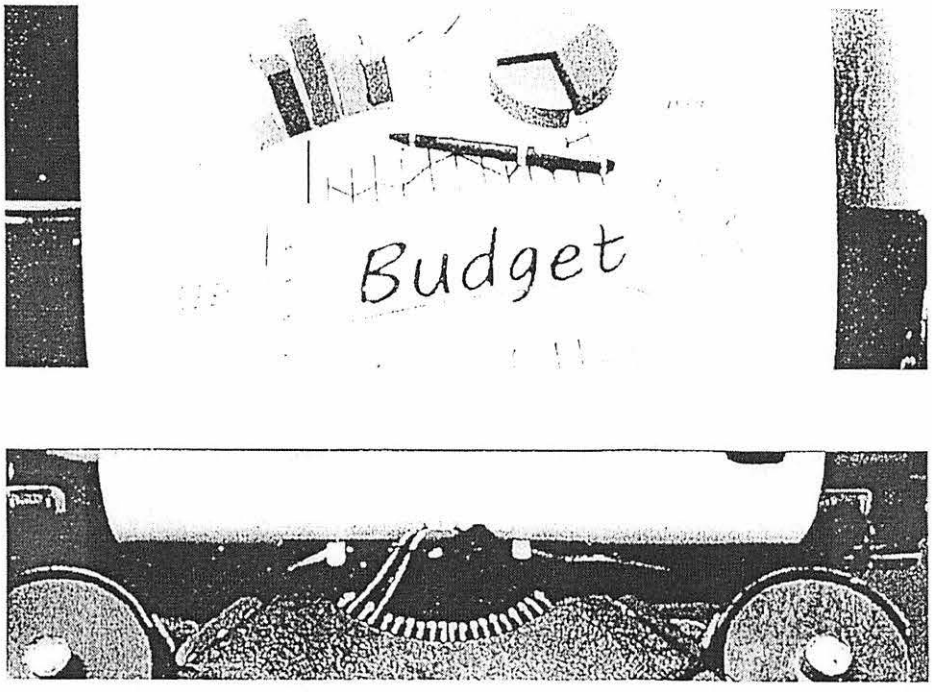
110 SEWARD ST	1C070A0200030	$ 1,200,000
201 SEWARD ST	1C070A040010	$ 875,000
224 SECOND ST	1C070A040020	$ 295,000
234 SEWARD ST	1C070A050060	$ 1,005,277 (SALES PRICE LESS OBSOLESENCE)
119 SEOND ST (130 Seward St)	1C070A020043	$ 4,750,000
122 FRONT ST	1C070A020011	$ 850,000

27

CITY AND BOROUGH OF JUNEAU PRESS RELEASE SAYING HIGHER COMMERCIAL PROPERTY VALUES BROUGHT IN $3 MILLION MORE TAX REVENUE-TAKING COMMERCIAL PROPERTY MONEY WITHOUT DUE PROCESS OF LAW

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

COVID-19
CURRENT CORONAVIRUS INFORMATION



June 15, 2021 – News

After two months of budget work by the Assembly Finance Committee, the Juneau Assembly passed the Fiscal Year 2022 budget at Monday night's Regular Assembly Meeting. The Assembly voted to lower the property tax rate from 10.65 mills to 10.56 mills – the lowest property tax rate since 2013. The new budget, which begins July 1, expands the Assembly's support for childcare services and also restores money to the Capital Improvement Plan, including improvements to the Augustus Brown Pool.

The $420.9 million budget includes reduced projections of sales tax revenues and cruise ship passenger fees in anticipation of limited large cruise ship visitation this current summer. To offset these depressed revenues, the budget utilizes CBJ's $12.8 million allocation of federal stimulus funds from the American Rescue Plan Act to replace lost revenues in FY21 and FY22. Application of this federal aid to offset lost revenues in FY21 reduced the anticipated $2.8 million deficit to zero, and in FY22 reduces the projected $15.8 million deficit to $5.9 million.

Despite being faced with a deficit, the Assembly maintained all essential city services while lowering the property tax rate to 10.56 mills. Even with the lower property tax rate, CBJ will collect approximately $3.0 million more in property tax revenue in FY22 as a result of a substantial growth in property valuations, including a considerable adjustment to the value of commercial land. The Assembly still needed to draw from savings to cover a remaining budgetary shortfall.

The Assembly also restored $6.9 million of temporary reductions to the Capital Improvement Plan that were made in FY21 to balance the budget, including the $3.3 million Augustus Brown Pool deferred maintenance project.

For more information, contact Finance Director Jeff Rogers at 723-6907 or jeff.rogers@juneau.org.

City and Borough Of Juneau

Phone: 907.586.5240
Fax: 907.586.5385

28

APPENDIX-LIST OF 6 APPEAL PROPERTIES-COST REPORT COMMERCIAL

28

APPENDIX-LIST OF 6 APPEAL PROPERTIES-COST REPORT COMMERCIAL-130 & 140 FRONT STREET & 106 & 110 &118 SEWARD STREET

Cost Report - Commercial

1283		Record	1
Parcel Code Number	1C070A020030	Number of Stories (Building)	01
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	110 SEWARD ST	Perimeter	250
Effective Year Built	1993	Class	D
Year Built	1896	Height	13
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Office Units	Total Area	3,763.00

1283		Record	2
Parcel Code Number	1C070A020030	Number of Stories (Building)	01
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	110 SEWARD ST	Perimeter	0
Effective Year Built	1993	Class	D
Year Built	1896	Height	10
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Office Units	Total Area	2,887.00

1283		Record	3
Parcel Code Number	1C070A020030	Number of Stories (Building)	01
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	110 SEWARD ST	Perimeter	0
Effective Year Built	1993	Class	D
Year Built	1896	Height	10
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Office Units	Total Area	3,709.00

Cost Report - Commercial

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		3763		70.27		264,426
Exterior Wall	Stud Walls-Wood Siding	3763	100%	13.07		49,171
Heating & Cooling	Heating & Cooling	3763		611.00		611
Heating & Cooling	Hot Water	3763	100%	7.57		28,486
Architect Fee		3763		6.60		24,836
Sprinklers	Dry Sprinklers	5942	100%	4.42		26,264
Fire Alarm System		3763		1.46		5,494
Basement	Unfinished	2179		30.83		67,179
Sub Total						$466,465.51
Local Multiplier					1.43 [X]	$667,046.00
Current Multiplier					1.02 [X]	$680,387.00
Neighborhood Multiplier					[X]	$680,387.00
Depreciation - Physical					43.00 [-]	$292,566.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$387,821.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$387,821

42% incomplete, check 12/05 for finish Sold 6/1/2007 for $1.5M

Canvass. Entered data into Govern. Resketched, revalued.
John_Sahnow - 7/14/2014 4:14:31 PM

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:18:13 PM

01.31.2018 PER CANVAS COST, DEP, UPDATES DMHP 01.31.2018
Donna_Prince - 1/31/2018 9:43:04 AM

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		2887		70.27		202,869
Exterior Wall	Stud Walls-Wood Siding	2887		12.25		35,359
Heating & Cooling	Heating & Cooling	2887		611.00		611
Heating & Cooling	Hot Water	2887	100%	7.57		21,855
Architect Fee		2887		6.60		19,054
Sprinklers	Dry Sprinklers	2887	100%	5.18		14,955
Fire Alarm System		2887		1.46		4,215
Sub Total						$298,918.30
Local Multiplier					1.43 [X]	$427,453.00
Current Multiplier					1.02 [X]	$436,002.00
Neighborhood Multiplier					[X]	$436,002.00
Depreciation - Physical					43.00 [-]	$187,481.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$248,521.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$248,521

Cost Report - Commercial

Section 3	Description	Units	Percent	Cost	+/-	Total
Base Cost		3709		70.27		260,631
Exterior Wall	Stud Walls-Wood Siding	3709	100%	12.25		45,427
Heating & Cooling	Heating & Cooling	3709		611.00		611
Heating & Cooling	Hot Water	3709	100%	7.57		28,077
Architect Fee		3709		6.60		24,479
Sprinklers	Dry Sprinklers	3709	100%	4.74		17,581
Fire Alarm System		3709		1.46		5,415
Sub Total						$382,221.78
Local Multiplier					1.43 [X]	$546,577.00
Current Multiplier					1.02 [X]	$557,509.00
Neighborhood Multiplier					[X]	$557,509.00
Depreciation - Physical					43.00 [-]	$239,729.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$317,780.00
Cost to Cure						
Neighborhood Adjustment						

Replacement Cost less Depreciation $317,780

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17

Donna_Prince - 3/5/2017 2:27:02 PM

Miscellaneous Improvements

Miscellaneous Improvement	CANOPY 01.31.2018 P	[+]	27,100

Total Improvement Value $981,200

28

APPENDIX-LIST OF 6 APPEAL PROPERTIES-COST REPORT COMMERCIAL-201 SEWARD STREET

Cost Report - Commercial

1298		Record	1
Parcel Code Number	1C070A040010	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY INC	Number of Sections	1
Parcel Address	201 SEWARD ST	Perimeter	402
Effective Year Built	1990	Class	D
Year Built	1900	Height	
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Resid. Units	Total Area	8,825.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		8825		68.49		604,407
Exterior Wall	Stud -Metal Siding	8825	100%	12.83		113,225
Exterior Wall	Stud Walls-Wood Siding	8825				
Heating & Cooling	Heating & Cooling	8825		611.00		611
Heating & Cooling	Hot Water	8825	100%	7.57		66,805
Architect Fee		8825		6.60		58,245
Sprinklers	Dry Sprinklers	9295		4.21		39,132
Fire Alarm System		8825		1.46		12,885
Sub Total						$895,309.23

Local Multiplier	1.43	[X]	$1,280,292.00
Current Multiplier	1.02	[X]	$1,305,898.00
Neighborhood Multiplier		[X]	$1,305,898.00
Depreciation - Physical	52.00	[-]	$679,067.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$626,831.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $626,831

1/24/2017 PER PERMIT/CANVIS REVIEW UPDATED RECORD DMHP
donna_prince - 1/24/2017 3:25:05 PM
3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES. CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:35:36 PM
1.31.2018 PER CANVAS COST, DEP, UPDATE FILE DMHP 1.31.2018
Donna_Prince - 1/31/2018 1:26:43 PM

Miscellaneous Improvements

Miscellaneous Improvement	Canopy 01.31.2018 P	[+]	13,300

Total Improvement Value $640,100

28

APPENDIX-LIST OF 6 APPEAL PROPERTIES-COST REPORT COMMERCIAL-234 SEWARD STREET

PLANS
1ST FL - 4280 ⌀ 6925 ⌀
2nd - 2645 ⌀
B - 5359 ⌀
12284 ⌀

6/16/2022 3:59:40PM

Cost Report - Commercial

1309		Record	1
Parcel Code Number	**1C070A050060**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**234 SEWARD ST**	**Perimeter**	391
Effective Year Built	1986	**Class**	B
Year Built	1914	**Height**	
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Bank	**Total Area**	6,608.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		6608		159.01		1,050,738
Exterior Wall	Concrete, Formed	6608		20.67		136,572
Heating & Cooling	Heating & Cooling	6608		613.00		613
Heating & Cooling	Hot Water	6608		12.00		79,296
Architect Fee		6608		7.30		48,238
Sprinklers	Sprinklers	11698		3.74		43,751
Fire Alarm System		6608		1.46		9,648
Basement	Unfinished	4630		52.58		243,445
Sub Total						$1,612,301.18

Local Multiplier	1.43	[X]	$2,305,591.00
Current Multiplier	1.03	[X]	$2,374,759.00
Neighborhood Multiplier		[X]	$2,374,759.00
Depreciation - Physical	30.00	[-]	$712,428.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$1,662,331.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $1,662,331

per ph w/Carol Davis 9/24/99;BLD2007-00461 incomplete, reinspect 12/08.-km;

6/11/10 Chg Mail Addr Per Rtn Mail & Per UB Screen/tlu;

8/15/11 Chg Mail Addr Per 2011 Tax Statement Addr Corr Form. See File for Form/tlu;
11/15/12 Canvass. Updated sketch, cost, photo. jcs

02.01.2018 PER CANVAS COST AND DEP UPDATE FILE DMHP 02.01.2018
Donna_Prince - 2/1/2018 9:25:46 AM

Miscellaneous Improvements

Miscellaneous Improvement	STORAGE 2.1.2018 PE	[+]	3,800
Miscellaneous Improvement	CANOPY 2.1.2018 PER	[+]	13,400
Miscellaneous Improvement	ENCLOSED PORCH 2.1.	[+]	2,200
Miscellaneous Improvement	VAULT 2.1.2018 PER	[+]	35,000

Total Improvement Value $1,716,700

28

APPENDIX-LIST OF 6 APPEAL PROPERTIES-COST REPORT COMMERCIAL-130 SEWARD STREET & 119 SECOND STREET

Cost Report - Commercial

1287		Record	1
Parcel Code Number	1C070A020043	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	119 SECOND ST	Perimeter	411
Effective Year Built	1990	Class	D
Year Built	1946	Height	12
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Office Building	Total Area	44,750.00

1287		Record	2
Parcel Code Number	1C070A020043	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	119 SECOND ST	Perimeter	136
Effective Year Built	1990	Class	D
Year Built	1946	Height	10
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Office Building	Total Area	1,900.00

Section 1	Description	Units	Percent	Cost	+/-	Tota
Base Cost		44750		87.57		3,918.75
Exterior Wall	Stud -Textured Plywood	44750	100%	13.91		622.64
Heating & Cooling	Heating & Cooling	44750		603.00		60
Heating & Cooling	Hot Water	44750	100%	12.00		537.00
Architect Fee		44750		6.80		304.30
Sprinklers	Dry Sprinklers	55532		3.43		190.47
Fire Alarm System		44750		1.46		65.33
Basement	Unfinished	9781		33.46		327.27
Sub Total						$5,966,390.8

Local Multiplier	1.43	[X]	$8,531,939.0
Current Multiplier	1.00	[X]	$8,531,939.0
Neighborhood Multiplier		[X]	$8,531,939.0
Depreciation - Physical	40.00	[-]	$3,412,776.0
Depreciation - Functional		[-]	$0.0
Depreciation - Economic		[-]	$0.0
Percent Complete	100.00	[-]	$5,119,163.0
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $5,119,16

02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
Donna_Prince - 2/6/2018 10:01:04 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost	+/-	Tota
Base Cost		1900		87.57		166,38
Exterior Wall	Stud -Textured Plywood	1900		13.26		25,19
Heating & Cooling	Heating & Cooling	1900		603.00		60
Heating & Cooling	Hot Water	1900		12.00		22,80
Architect Fee		1900		6.80		12,92
Sprinklers	Sprinklers	2850		4.89		13,93
Fire Alarm System		1900		1.46		2,77
Sub Total						$244,610.4

Local Multiplier	1.43	[X]	$349,793.00
Current Multiplier	1.00	[X]	$349,793.00
Neighborhood Multiplier		[X]	$349,793.00
Depreciation - Physical	40.00	[-]	$139,917.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$209,876.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $209,876

02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
Donna_Prince - 2/6/2018 10:02:03 AM

Miscellaneous Improvements

Miscellaneous Improvement	Canopy 02.06.2018 P	[+]	29,70

Total Improvement Value $5,358,700

28

APPENDIX-LIST OF 6 APPEAL PROPERTIES-COST REPORT COMMERCIAL-122 FRONT STREET

Cost Report - Commercial

1281		Record	1
Parcel Code Number	**1C070A020011**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**122 FRONT ST**	**Perimeter**	246
Effective Year Built	2004	**Class**	D
Year Built	1898	**Height**	11
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	2,450.00

1281		Record	2
Parcel Code Number	**1C070A020011**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**122 FRONT ST**	**Perimeter**	0
Effective Year Built	2003	**Class**	D
Year Built	1898	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	1,800.00

Section 1	Description	Units	Percent	Cost	+/-	Tota
Base Cost		2450		68.49		167,79
Exterior Wall	Stud Walls-Wood Siding	2450		12.57		30,787
Heating & Cooling	Heating & Cooling	2450		611.00		611
Heating & Cooling	Hot Water	2450	100%	7.57		18,547
Architect Fee		2450		6.60		16,17(
Sprinklers	Dry Sprinklers	2450	100%	5.35		13,10
Sub Total						$247,017.3

Local Multiplier	1.43	[X]	$353,235.00
Current Multiplier	1.02	[X]	$360,300.00
Neighborhood Multiplier		[X]	$360,300.00
Depreciation - Physical	18.00	[-]	$64,854.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$295,446.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $295,446

Canvass. Resketched, Revalued.
John_Sahnow - 7/14/2014 3:04:19 PM
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:42 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		1800		68.49		123,278
Exterior Wall	Stud Walls-Wood Siding	1800	10%	12.28		22,111
Heating & Cooling	Heating & Cooling	1800		611.00		611
Heating & Cooling	Hot Water	1800	100%	7.57		13,626
Architect Fee		1800		6.60		11,880
Sprinklers	Dry Sprinklers	1800	100%	5.35		9,630
Sub Total						$181,135.95
Local Multiplier					1.43 [X]	$259,024.00
Current Multiplier					1.02 [X]	$264,204.00
Neighborhood Multiplier					[X]	$264,204.00
Depreciation - Physical					20.00 [-]	$52,841.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$211,363.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$211,363

2 FLOOR ADDITION COMPLETE REMODEL 2009
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:30 AM

Total Improvement Value $506,800

8

Capitalization Rates Impacted By Covid and State of Alaska Reducing Office Space

Julie Dinneen Appraisals: Income Approach to Value

(adjust for Covid impact on Juneau with lost revenue of $190 million and 6,000 jobs; with rent concessions, abatement and closures; and the State of Alaska taking less space)

Address	Income Approach Starting page	Cap Rate	Cap Rate Pages	Reality Rates Starting page
1C070A020011				
122, 124 & 126 Front	62	7.5%	80-81	105-111
1C070A020030				
130 & 140 Front & 106 & 110 & 118 Seward	188	Office: 8.25% Restaurant: 10.86% Retail: 8.6% Apartments: 7.57%	206-208	265-271
1C070A040043				
130 Seward & 119 Second	358	7.5%	378-380	409-414
1C070AO40010				
201,205,209,213,217, 221 Seward	491	7.75%	508-509	530-535

201, 205, 209, 213, 217, 221 Seward St & 216 Second St

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.75% is considered reasonable.

As shown, this rate applied to the projected NOI, the market value by this approach is **$860,000.**

CAPITALIZATION OF INCOME

RENTAL INCOME	TENANT AREAS	MONTHLY RENT	RENT/SF	ANNUAL RENT
201 Good Vibes Café	1,435 SF	$ 2,494	$ 1.74	$ 29,928
205 Nana's Attic	495 SF	$ 817	$ 1.65	$ 9,804
209 Zoots	1,079 SF	$ 1,596	$ 1.48	$ 19,152
213 Second Floor Apartment	1,100 SF	$ 1,283	$ 1.17	$ 15,396
217 Don Morgan Gallery	494 SF	$ 808	$ 1.64	$ 9,696
221 Giono Barret	530 SF	$ 793	$ 1.50	$ 9,516
216 2nd St. Rainforest Farms	1,230 SF	$ 2,850	$ 2.32	$ 34,200
Rear Rookery Warehouse	750 SF	$ 950	$ 1.27	$ 11,400
Four gravel parking spots	4	$ 85		$ 4,080
GROSS REVENUES	7,113 SF			$ 143,172
Stabilized Vacancy & Credit Loss	5%			$ (7,159)
GROSS EFFECTIVE INCOME				$ 136,013
EXPENSES	8,826 SF GBA			
Professional Management	5%			$ (6,801)
Administration	$ 0.30 SF			(2,648)
Water, sewer, heat, trash	$2.40 SF			$ (21,182)
Maintenance and Upkeep	$ 1.65 SF			(14,563)
Insurance	$ 0.50 SF			(4,413)
Real Estate Taxes	$ 1.82 SF			(16,097)
Reserve Allowance	$ 0.40 SF			(3,530)
TOTAL EXPENSES				$ (69,234)
NET OPERATING INCOME				$ 66,779
CAPITALIZATION RATE				7.75%
INDICATED VALUE				$ 861,667
ROUNDED				$ 860,000

122, 124 + 126 FRONT ST.

retail uses is $.35 to $1.10 SF. A reserve allowance of $.30 SF is reasonable for the subject property.

Capitalization of Net Income

Below, capitalization rates from sales of commercial properties in Juneau are shown.

Sale Comparison	Sale Date	Cap Rate	Use & Comments
3100 Channel Drive Juneau	June 2020	7.37%	Good quality office building with 20% warehouse built originally for Juneau Empire. At sale date, was mostly occupied by tenants.
5360-5368 Commercial Blvd. Juneau	May 2018	7.85%	Mixed use commercial bldg. of steel frame and metal construction with office, apartment, service, and shop uses.
Willo Park 10002 Glacier Highway Juneau	April 2019	7.54%	Established State office tenant under new 10-year lease. Building has been fully occupied for many years.
3225 Hospital Drive, Juneau	July 2021	7.00%	Fully occupied office and medical building in good condition
8390 Airport Boulevard, Juneau	August 2021	6.90%	Fully occupied office, retail service building in good condition
225 Front Street, Juneau	September 2021	8.07%	Renovated two story bldg. in downtown Juneau in good condition. Purchased by dominant tenant

RealtyRates is a national service that quarterly provides investment criteria that pertains to investment grade properties in the United States of all types. While not applicable to the Juneau market, which has few properties that would be considered investment grade, this publication does reflect national trends with respect to capitalization rates and other financing criterion. The 4Q report relies on third quarter data and the composite capitalization rate of 8.77% is down from a year ago at 8.94%, based upon a decrease of 31 basis points in treasury rates and no change in equity dividend rates.

The composite capitalization rates for the office sector were 8.16% in 2020 and are currently 8.25%. The restaurant sector 2020 rate was 10.81% and is currently 10.86%. The retail sector rate for 2020 was 8.58% and is now 8.60%. For apartments, the 2020 rate was 7.50% and is now 7.57% (see tables in the Addenda). Below are the surveyed rates for each sector noted above, indicating the low, high and average "Surveyed" capitalization rates for each sector as follows:

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, some of the lowest cap rates from the 2018 to 2020 sales in Juneau are considered too low for the present time. A rate of 7.50% is considered reasonable. As shown, this rate applied to the projected NOI, value by this approach is **$830,000.**

CAPITALIZATION OF INCOME ANALYSIS

REVENUES	Area Rented		Rent per Month		Rent per SF		Rent per Year	
124 Front Street - Asiana Restaurant	1,622	SF	$	3,450	$	2.13	$	41,400
122 Front Street - Sketch Art Studio	378	SF	$	525	$	1.39	$	6,300
126 Front Street - 2nd Floor Apartment	1,800	SF	$	2,350	$	1.31	$	28,200
Parking Lot Revenue	18	stalls	$	95			$	20,520
Gross Revenue	3,818	SF					**$**	**96,420**
Stabilized Vacancy & Credit Loss		3%					$	(2,893)
Gross Effective Income							**$**	**93,527**
EXPENSES	4,250	sf GBA						
Professional Management Building Tenants		3%	x $75,900				$	(2,277)
Administration		$ 0.20	SF					(850)
Utilities Paid by Landlord		$2.45	SF x		378 SF			(926)
Utilities Paid by Landlord		$2.21	SF x		1,622 SF			(3,585)
Utilities Paid by Landlord		$0.80	SF x		1,800 SF			(1,440)
Building Maintenance		$ 1.25	SF					(5,313)
Parking Lot Maintenance		$262	per stall per year		18 stalls			(4,716)
Insurance		$ 0.50	SF					(2,125)
Real Estate Taxes								(9,000)
Reserve Allowance		$ 0.30	SF					(1,275)
Total Expenses							$	(31,506)
Net Operating Income							**$**	**62,021**
Capitalization Rate								7.50%
Indicated Value							**$**	**826,949**
Rounded							**$**	**830,000**

130, 140 FRONT ST + 106, 110 + 118 SEWARD ST

Insurance - the subject's umbrella policy results in an expense that is favorable, compared to stand-alone properties. The comparisons range from $.29 to $.63 SF and weight in making a projection for the subject (as a standalone property) of $.50 SF.

Real Estate Taxes reflect the expense in the Juneau market before 2021, in which assessments increased, primarily a result of the assessors' increases to commercial land values. The projected expense reflects the 2021 assessment for the subject which equates to $1.60 SF.

Reserve Allowance – this allowance is a fund that builds up to be used as needed for replacement of short-lived items such as boilers, roofs, carpet, etc. It is not commonly an expense item in a profit and loss statement provided by owners. RealtyRates provides information regarding reserve allowance requirements (see table in Addenda). The ranges are $.35 - $.90 SF/YR for offices and $.35 - $1.10 SF for retail uses. Considering the number of upgrades and repairs to this building in the recent past, a $.40 SF reserve allowance is reasonable.

Capitalization of Net Income

The following table summarizes capitalization rates from sales of commercial properties in Juneau.

Sale Comparison	Sale Date	Cap Rate	Use & Comments
3100 Channel Drive Juneau	June 2020	7.37%	Good quality office building with 20% warehouse built originally for Juneau Empire. At sale date, was mostly occupied by tenants.
5360-5368 Commercial Blvd. Juneau	May 2018	7.85%	Mixed use commercial bldg. of steel frame and metal construction with office, apartment, service, and shop uses.
Willo Park 10002 Glacier Highway Juneau	April 2019	7.54%	Established State office tenant under new 10-year lease. Building has been fully occupied for many years.
3225 Hospital Drive, Juneau	July 2021	7.00%	Fully occupied office and medical building in good condition
8390 Airport Boulevard, Juneau	August 2021	6.90%	Fully occupied office, retail service building in good condition
225 Front Street, Juneau	September 2021	8.07%	Renovated two story bldg. in downtown Juneau in good condition. Purchased by dominant tenant

RealtyRates is a national service that quarterly provides investment criteria that pertain to investment grade properties in the United States of all types. While not highly applicable to the Juneau market, which has few properties that would be considered investment grade, this publication does provide an indicator of national trends with respect to capitalization rates and other financing criterion.

The 4Q report relies on third quarter data. The composite capitalization rate of 8.77% is down from a year ago at 8.94% based upon a decrease of 31 basis points in treasury rates and no change in equity dividend rates.

The composite capitalization rate for the office sector was 8.16% in 2020 and is currently 8.25%. The restaurant sector 2020 rate was 10.81% and is currently 10.86%. The retail sector rate for 2020 was 8.58% and is now 8.60%. For apartments, the 2020 rate was 7.50% and is now 7.57%.

The tables from this survey that support the above indicators are included in the Addenda. Below are the surveyed rates for each sector noted above, indicating the low, high and average "Surveyed" capitalization rates for each sector:

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.75% is considered reasonable.

As shown, this rate applied to the projected NOI, the market value by this approach is **$1,130,000**.

CAPITALIZATION OF INCOME

RENTAL INCOME	ABOVE GRADE SF	MONTHLY RENT	RENT/SF	ANNUAL RENT
Heritage Coffee Roasters	3,931 SF	$ 7,581	$ 1.93	$ 90,972
110 -Seward Segal Company	350 SF	$ 618	$ 1.77	$ 7,416
Suite 1 Carlton Smith Company	550 SF	$ 773	$ 1.41	$ 9,276
Suite 2 - Rookery Storage	378 SF	$ 285	$ 0.75	$ 3,420
Suite 3 Mooncycle Medicine	200 SF	$ 418	$ 2.09	$ 5,016
Suite 4 - Yvette Soutiere Law	200 SF	$ 333	$ 1.67	$ 3,996
Suite 5 - Big Brothers Big Sisters	1,174 SF	$ 950	$ 0.81	$ 11,400
116 Seward Street - Vacant	1,000 SF	$ 1,796	$ 1.80	$ 21,552
118 Seward - Plant Studio	825 SF	$ 1,805	$ 2.19	$ 21,660
Gross Revenue	8,608			$ 174,708
Stabilized Vacancy & Credit Loss	3.5%			$ (6,115)
Gross Effective Income				$ 168,593
EXPENSES	10,359 SF GBA	(above grade)		
Professional Management	5%			$ (8,430)
Administration	$ 0.30 SF			(3,108)
All Utilities to 2nd Floor	$2.45 SF		3,705	$ (9,077)
All But Power to Retail/Rest.	$2.40 SF		6,654	(15,970)
Building Maintenance	$ 1.70 SF			(17,610)
Insurance	$ 0.50 SF			(5,180)
Real Estate Taxes	$ 1.60 SF			(17,478)
Reserve Allowance	$ 0.40 SF			(4,144)
Total Expenses				$ (80,996)
Net Operating Income				$ 87,598
Capitalization Rate				7.75%
Indicated Value				$ 1,130,292
Rounded				$ 1,130,000

130 Seward ST

Capitalization of Net Income

Below, capitalization rates from sales of commercial properties in Juneau are shown.

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Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.50% is considered reasonable. As shown, this rate applied to the projected NOI, value by this approach is **$4,410,000**.

CAPITALIZATION OF NET INCOME

REVENUES	RENTAL AREA		RENT MONTH	RENT/SF	ANNUAL RENT
124 Seward - Annie Kaills (main level)	2,037	SF	$ 2,993	$ 1.47	$ 35,916
126 Seward - Northwind Architects (main level)	1,392	SF	$ 2,993	$ 2.15	$ 35,916
128 Capital Barber	280	SF	$ 698	$ 2.49	$ 8,376
140 Seward - Little Tokyo Restaurant	2,510	SF	$ 4,489	$ 1.79	$ 53,868
Woodbury Financial	240	SF	$ 673	$ 2.80	$ 8,076
State of Alaska WIC Storage	420	SF	$ -		$ -
1194 2nd Street - Bauer Clifton	660	SF	$ 1,571	$ 2.38	$ 18,852
Suite 201 - Verizon (equipmt rm for cell tower)		Roof	$ 1,549		$ 18,588
Verizon Monthly Electrical Expense			$ 450		$ 5,400
Suite 202-3 Deborah Mellison	444	SF	$ 854	$ 1.92	$ 10,248
Suite 204-5 Alaska Trollers Association	480	SF	$ 984	$ 2.05	$ 11,808
Suite 206 Otis Elevator Company	240	SF	$ 927	$ 3.86	$ 11,124
Suites 207-8 State of Alaska	375	SF	$ -	$ -	$ -
Suite 209 -Todd Montalbo	475	SF	$ 808	$ 1.70	$ 9,696
Suites 200, 210-16 AK Domestic Violence	2,296	SF	$ 3,800	$ 1.66	$ 45,600
Suite 217- Stellar Group	361	SF	$ 659	$ 1.83	$ 7,908
Suites 218-219 - J.M. Walsh	403	SF	$ 784	$ 1.95	$ 9,408
Suite 220 - Law Office Kathleen Strausbaugh	240	SF	$ 475	$ 1.98	$ 5,700
Suite 221 - Law Office of Kris Barnum	204	SF	$ 333	$ 1.63	$ 3,996
Suite 222 - Goldstein Bookkeeping Office	200	SF	$ -		$ -
State of AK OCS Lease 2277 Second Floor	366	SF	$ -	$ 1.76	$ 7,730
East Care Acupuncture	540	SF	$ 1,038	$ 1.92	$ 12,456
State of AK OCA Lease 2277 3rd Floor	3,164	SF		$ 1.76	$ 66,824
Suite 304/305 Marine Engineers Union	456	SF	$ 801	$ 1.85	$ 10,123
Suite 306 - vacant	228	SF		$ 2.10	$ 5,746
Suite 307 - vacant	228	SF		$ 2.10	$ 5,746
Suite 308/309 - lease begins 2/2022	746	SF	$ 1,008	$ 1.82	$ 16,293
State of AK OCS Lease 2277 Fourth Floor	6,052	SF		$ 1.76	$ 127,818
1198 2nd Street - Sonia Hendricks	660	SF	$ 1,576	$ 2.39	$ 18,912
5th Floor State of Alaska WIC	5,631	SF	$ 7,863	$ 1.40	$ 94,350
State of Alaska Ombudsman	1,147	SF	$ 2,090	$ 1.82	$ 25,080
Suite 504 - Cranor Counseling	304	SF	$ 618	$ 2.03	$ 7,416
Suite 505 - Vacant	513	SF	$ 1,045	$ 2.14	$ 12,540
Basement - In & Out Painting	100	SF	$ 192	$ 1.92	$ 2,304
Basement - Otis Elevator Company	226	SF	$ -		$ -
Basement - State Legislative Affairs Agency	4,608	SF	$ 2,270	$ 0.49	$ 27,241
Basement - Annie Kaills Storage	476	SF	$ 371	$ 0.78	$ 4,452
Basement - Shoelly Storage	100	SF	$ 100	$ 1.00	$ 1,200
Basement - Dalberg Design Storage	100	SF	$ 200	$ 2.00	$ 2,400
Basement - Sketch Storage	75	SF	$ 79	$ 1.05	$ 948
Basement - Plant Studio Storage	400	SF	$ 399	$ 1.00	$ 4,788
Parking Lot - parking in State OCS Lease	10	stalls	inc. in offc rent		$ -
State of Alaska Legislative Affairs	1	stall	$ 90		$ 1,080
Urban Eskimo Store	1	stall	$ 74		$ 882
Clifton Bauer	1	stall	$ 89		$ 1,068
Remaining Stalls Available for Rent	6	stalls	$ 95		$ 6,840
Gross Revenue					$ 764,716
Stabilized Vacancy & Credit Loss		3.0%			$ (22,941)
Gross Effective Income					$ 741,775
EXPENSES	48,471	sf GBA	(above grade)		
Professional Management		5%			$ (37,089)
Administration		$ 0.26	SF		$ (12,602)
Landlord provided Full Service Utilities		$2.45	SF x	35,076	$ (85,936)
Landlord provided Utilities less Power		$2.40	SF x	13,395	$ (32,148)
Building Maintenance & Repairs		$ 1.60	SF		(77,554)
Janitorial Service Floors 2 - 5					(47,000)
Parking Lot Upkeep, Security & Insurance		$222	per stall/year	x 19	(4,218)
Building Insurance		$ 0.50	SF		(24,236)
Real Estate Taxes		$ 1.47	SF		(71,033)
Reserve Allowance		$ 0.40	SF		(19,388)
Total Expenses		$ 8.48	SF		$ (411,204)
Net Operating Income					$ 330,571
Capitalization Rate					7.50%
Indicated Value					$ 4,407,609
Rounded					$ 4,410,000

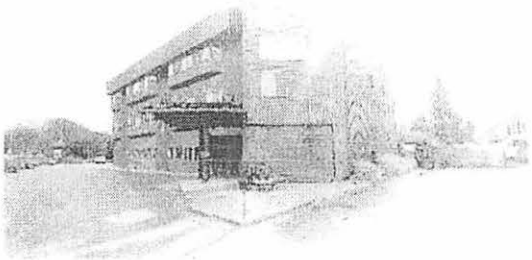
SALES COMPARISON APPROACH

The Sales Comparison Approach is a process by which comparable properties that have sold or are for sale are compared to the subject property. The rationale behind this approach is based upon the principle of substitution, and assumes that a typical buyer, investor, or user would not pay more to buy the subject property than he/she would buy a comparable or substitute property.

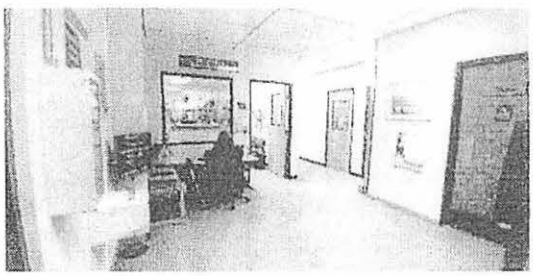
There are no highly comparable buildings that have sold in Juneau. The three sales presented below include two in the downtown area and an office building in the Mendenhall Valley.

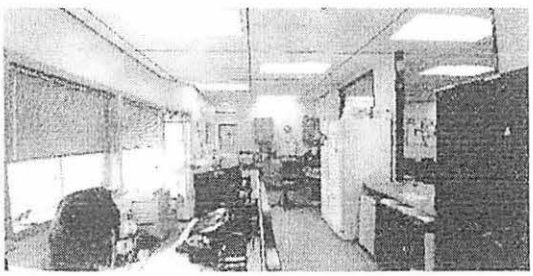
Building Sale Comparison No. 1 is the Willo Park office building at 10002 Glacier Highway in the Mendenhall Valley. This building was fully tenanted by State agencies at the time of sale, and a new ten-year lease had been negotiated, at a lower rent. The property sold at its asking price to a Juneau investor. The price paid for this building was $107 SF.

The office was constructed in 1983 and is of wood construction with three floors of offices and a fourth floor mechanical and storage area. It has an HVAC system and an elevator. It is on a large site with ample parking.









APPEAL

AT A MINIMUM, STAFF SHOULD BE ABLE TO PRODUCE A PROPERTY RECORD AND EXPLAIN THE BASIC APPROACH (COST, SALES COMPARISON OR INCOME) USED TO ESTIMATE THE VALUE OF THE PROPERTY.

A PROPERTY OWNER SHOULD NEVER BE TOLD SIMPLY THAT "THE COMPUTER" OR "THE SYSTEM" PRODUCED THE APPRAISAL. [See The Uniform Standards of Professional Appraisal Practice, Standards Rule 6-7, for reporting requirements for mass appraisals. The Appraisal Foundation, Appraisal Standards Board 2012-2013.]

>>>>I have not seen property records estimating the value of commercial property in downtown
>>>>I have requested property and public records. I have received none.
>>>>The only information I have receive is that Michael Dahle runs computer modeling and its right
This alone is improper and covers up the excessive assessed values of commercial properties.
THEREFORE, OUR BURDEN HAS BEEN MET AND OUR APPEALS MUST BE APPROVED.

The Assessor Relies on Poor and Outdated Appraisals-See the Attached First National Bank Building Real Estate Appraisal August 17, 2015, p. 36, Property Assessment and Taxes which states in 2015 "The Assessed Value is Excessive and Should Be Appealed" because the Assessed Value is $ 1,726,900 and the Market Value is $ 600,000. The Juneau Assessor would label this property an "Outlier" property and exclude it from market analysis claiming it would skew computer modeling based on the Sales Ratio. The Sales Ratio is askew because the Assessed Value is Excessive and Improper. The Assessor's mantra is folly.

The Assessor's Mantra repeated over and over again is that that commercial property values have not been raised in ten (10) years, therefore doubling the Assessed Value is equitable and allowed.

The Assessor Values have not been "raised" in roughly 10 years because they have been OVER-ASSESSED FOR TEN (10) YEARS!

Excluding 21 commercial properties from Addendum A-The Juneau Assessor's Commercial List proves Assessed Values are Excessive, Improper, Poorly Done and Outdated just like the First National Bank Building in 2015.

The Assessor must be instructed to use established Mass Appraisal Methods as set forth in Fundamentals of Mass Appraisal, IAOO,2011 and Assessment Administration, IAOO 2003 and re-assess all Juneau Commercial Properties in 2021 and 2022.

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APPEAL SUMMARY

APPEAL

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C QUALITY OF AVAILABLE DATA GREATER EFFECT THAN ANYTHING

D COLLECT SALES DATA AND ASSEMBLY COMPARABLES-2ND ASSEMBLY BUILDING SALE UNDISCLOSED BY THE ASSESSOR'S OFFICE

E UNDISCLOSED BY THE ASSESSOR'S OFFICE-1ST ASSEMBLY BUILDING SALE

F OUTLIERS RESULT FROM POOR OR OUTDATED APPRAISALS, ASSESSMENT ADMINISTRATION, IAAO, 2003

G IAAO CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT

H STANDARD ON MASS APPRAISAL OF REAL PROPERTY, APPROVED APRIL 2013, INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS

I FIRST NATIONAL BANK BUILDING APPRAISAL AUGUST 17, 2015

J PERSONAL PROPERTY EXCLUDED FROM ASSESSED VALUE

K BASEMENT SPACE IS LESS DESIRABLE AND ASSESSED AT A LOWER VALUE

L REPORTING VALUE

M PUBLIC RELATIONS

Summary of Juneau Assessor Failures: Excessive and Improper Assessment

The Juneau Assessor Office has not provided us with Descriptive Data on our individual properties and commercial properties on the tax roll.

Excluding and inputting commercial properties unjustly into computer modeling without full public disclosure is abhorrent resulting in improper and excessive Assessed Values.

These Assessor actions have blemished the confidence taxpayers have in this Office. By not producing public records the Office has created a public relations scenario of unhappy mistreated commercial property owners with numerous Appeals wasting the resources of the City and Borough of Juneau and Appeals not undertaken because of the written threat of higher taxation. [See Exhibit M].

The Juneau Assessor's Office excluding 21 or more commercial properties from computer modeling is improper and results in excessive assessed values [See Exhibit A]. That 21 commercial properties are over-assessed and excluded from Market Analysis on its face raises serious ethical questions about Data Management. Where the Assessed Value exceeds the Sale Price from 111% to 208%, the Office excludes the Sales Price from Market Analysis. This is improper.

Common sense and Fundamentals of Mass Appraisal, 2011 tells us Sales Price is Market Value. The Alaska Supreme Court defines Market Value as, "The price in money that the property could be sold for on the open market under fair conditions between an owner willing to sell and a buyer willing to buy, with a reasonable time allowed to find a purchaser."

The Office's computer modeling fails to capture Market Value by undisclosed manipulation of data inputs and exclusions. Imagine 21 commercial properties with lower market values are excluded from computer modeling because the Office wants higher assessed values. The Office's actions are improper and fail to protect the public.

Further, Michael Dahle told me that even if a commercial property is on his Addendum A, our Key Bank building for example, he may not include it in computer modeling. This is improper and results in excessive assessed values.

The Office hides behind undisclosed computer modeling by labeling commercial property as "Outlier" when the Sales Price is less than the Assessed Value. "Outliers" are properties that "Result from poor or outdated appraisals." [Assessment Administration, IAAO, 2003, p. 197]. It is improper for the Office to use "poor or outdated appraisals" in establishing assessed values.

The truth must come out that commercial property has been over-assessed for decades. The First National Bank Building Appraisal, 2015 is cause celebre, see. P 38, where the Appraiser reports Market Value at $600,000 and Assessed Value at $1,726,900.

The market area for analysis is improper for Downtown-Commercial as it includes six (6) properties. Data Management, 47-48, Fundamentals of Mass Appraisal, 2011, states "The (market) area needs to be large enough to ensure sufficient sales for analysis and model building. Neighborhoods should be large enough to generate at least 15 sales for use in modeling and preferably 30 or more." It is improper for the Office to exclude sales.

Excluding sales results in excessive commercial property assessed value and is contrary to public policy. Arguably, Mass Appraisal computer modeling is improper in such a small market.

It is much easier to establish assessed value using sales price and adjustments on an individual commercial property basis.

Pursuant to The Alaska Taxable 2021 Report, from the State of Alaska, the Office is required to "Collect sales data from all sources such as recorder' offices, realtors, developers and bankers." It is improper for the Office to violate or complain they did not collect data and use it.

The Office excluded the 1st Assembly building sale on 4/1/2019 for $750,000.

The Office excluded the 2nd Assembly building sale on 8/20/2021 for $1,250,000.

Excluding the above two Assembly building sales is improper and results in excessive assessed value by the Office.

Adjustments must be made for Personal Property. Our 234 Seward Street has not been adjusted downward for $17,085 of personal property. This is improper and results in excessive assessed value.

Basements must be not be lumped together with other rentable space, such as office or retail, because it is "less desirable". [Fundamentals of Mass Appraisal, 2011, Chapter 9, p. 357] It is improper for the Office to assess "Basement Space" the same as rentable office, retail or other commercial space because it may be below grade, without elevator or easy access, windowless, without ventilation, or lighting and may house a central heat station (oil tanks) for the building. Assessing the Basement Space the same as commercial space results in excessive assessed value. Our Basement Space has been lumped together with commercial space and results in excessive assessed value.

EXCESSIVE AND IMPROPER ASSESSMENT: LAST RETAIL SALE OF 2022 234 Seward Street

A vacant and obsolete 2-story with basement downtown retail building without an elevator that much like most of the Juneau Commercial Property Market has been over-assessed for years [**Assessed Value now $2,547,520**]. [See Exhibit I, First National Bank Building Appraisal, p. 38]

Purchased from a sophisticated and motivated seller by a local buyer in an arms-length transaction under difficult Pandemic business conditions that ravaged Juneau which lost over 6,000 jobs and $190,000,000 in wages [See A Southeast Conference Publication by Rain Coast Data, September 2021]. During this time, cruise ship business crashed and tourism dropped precipitously, indoor business activity depressed or closed, retail vacancies and concessions common. A purchase made during uncertain times where an adjustment for the above factors is necessary.

Sale Date: November 24, 2022

Exposure to Market and Sale: approximately 5 ½ months to 7 months

Square Footage:	First Floor-	4280 SF
	Second Floor-	2645 SF
	Total-	**6925 SF**

Sales Price: $ 1,250,000

Sales Price Per SF: $ 180.51

There is a **basement of 5,359 SF** that is not all usable, with mechanical, electrical, plumbing, ducting, walls obstructing any use, no windows, below grade with limited access.

Therefore, if you value the first and second floors at between $ 105 to $125 SF per Julie Dinneen's Appraisals and the basement at $ 50 to $62.50 SF the total fair market value of the property is, as follows:

6925 SF x $ 105 to $125= $ 727,125 to $ 865,000 (1st & 2nd Floors)
5359 SF x $ 50 to $ 62.50= $ 267,950 to $334,938 (basement)

["Basement space is least desirable," See Fundamentals of Mass Appraisal, IAAO, 2011, p. 357] Therefore, if the Juneau Mass Appraisal Computer Modeling does not account for basements to be valued lower, the model(s) values skew to high.

Total Fair Market Value= $ 995,075 to $ 1,199,938

Less: Furnishings, Fixtures and Equipment- <$ 17,085>
[Fundamentals of Mass Appraisal, IAAO, 2011, p. 76-77]
Less: Obsolescence and Repairs <$ 200,000>

Full Market Value-$ 777,990 to $ 1,032,915

COMMON SENSE MUST PREVAIL:

We bought the Key Bank building for $1,250,000. It is a market sale. The Assessed Value is $ 2,547,520. It is over-assessed by $1,297,520 or 204%.

We bought 224 2nd Street 1/25/2021 for $ 286,000. It is a market sale. The Assessed Value is $ 405,300. It is over-assessed by $119,300 or 142% [See Exhibit A]

In 2015,The First National Bank Building Assessed Value was $ 1,726,900 and the Market Value was $ 600,000. It was over-assessed by $ 1,126,900 or 288%. [See Exhibit I, p. 38 and the Appraiser's Notation].

It is beyond clear and convincing evidence that the Assessor has manipulated its Data Management program is contrary to the Fundamentals of Mass Appraisal, 2011, Chapter 2 in an improper manner. On pp. 47-48, it says *the areas for analysis "Need to be large*

enough to ensure sufficient sales for analysis and model building. Neighborhoods should be large enough to generate at least 15 sales for use in modeling and preferably 30 or more."

On p. 5 of the Juneau Assessment Valuations Summary Report-Interim, 2022 it states the Commercial-Downtown Count is "6." The notations refer to "Outliers." The Assessor misuses the "Outlier" Designation to his *advantage* to exclude 21 commercial properties from his analysis. Good public relations are required from the Assessor and this includes not seizing an advantage from taxpayers [See Exhibit M].

"The quality of the available data has a greater effect than anything else on valuation accuracy." [See Exhibit C, Fundamentals of Mass Appraisal, p. 32]

The Assessor labels commercial properties as "Outliers" and any other convenient reasons to exclude as many commercial properties that have been over-assessed for decades to continue his practice of over-assessment. It is certainly *strange* 21 over-assessed properties have been eliminated from Market Analysis by the Assessor.

The Assessment Administration, IAAO, 2003 states, "Outliers result from poor or outdated appraisals." The Office use of "poor or outdated appraisals" is improper.

Under USPAP and TAF 2010, U-21, the Juneau Assessor has a duty to provide open public records in a detailed Narrative Report and the failure to do so is "misleading" and compromises the Assessor Office. Afterall, the Assessor narrows his Market Analysis to Six (6) properties.

The Assessor must be required to provide his Appraisal and Narrative Report on these Six (6) commercial properties and all properties on the tax rolls to maintain confidence in the Office and good public relations.

The Assessment Administration, IAAO, 2003, Chapter 14 Public Relations and Customer Service has not been followed by the Juneau Assessor. Moreover, Michael Dahle has repeatedly said we do not "Settle" appeals. Yet the Appeal form states the Juneau Assessor's does settle appeal cases before the hearing date and the Assessment Administration, p.378 states there are many reasons to settle an Appeal.

Juneau Assessor Office Standards: International Association of Assessing Officers [Attached and incorporated by reference into our Appeal, including Code of Ethics]

The Code ER 1-1: Members shall not conduct their professional duties in a manner that could reasonably be expected to create the appearance of impropriety.

1) **Juneau Assessment Valuations Summary Report-Interim, 2022, Addendum A-Commercial Sales List** gives the ***appearance of impropriety*** in the following ways

    a) Fails to list the Assembly Building Sale, April 1, 2019 at $ 750,000-skews assessed values higher
    b) Fails to list the Assembly Building Sales 2nd, August 20, 2021 at $1,250,000-skews assessed values higher
    c) Last sale of 2022, our property at 234 Seward St, listed as Sales Price **"Confidential."** This is not true. The Sale Price was disclosed as $ 1,250,000. We returned the Assessor form in a timely manner and fully disclosed our Sale Price and Sale Date. Called a "steal" by Michael Dahle and an "outlier property" and that we were seeking "special treatment." These Assessor actions causes us to lose confidence in the Assessor's methods and professionalism.
    d) Not disclosing what 6 (six) properties are part of the Downtown Commercial Group and Descriptive Data such as: ownership history, land information, building measurements, construction quality, story heights, style, construction date, current condition, other amenities [required per Mass

Appraisal: Assessment Administration Law, Procedures and Valuation 2-6 Rev. 01/22]. This sample size is small and unreliable.

e) Addendum A is overbroad and inadequate by asking the Appellant to rely on "The Computer" and "The System."

Canon 2: Truthfulness ER 2-1: Members shall not make false or misleading statements (written or oral) in the course of performing their professional duties

The Response to Petition for Review/Determination Letter is unjust, a denial of due process and a taking without justification.

Michael Dahle stated to me last week when I visited the Assessor's Office, our Appeal was denied because he hadn't seen anything new. I have made repeated requests for Descriptive Data and the only thing he produced was the Report in #1 above which is overbroad, insufficient and asks to rely on "The Computer." Mary Hammond stated this week our appeal was under review by the junior appraiser.

We have met our burden to show the fair market value by disclosing the purchase price, date of purchase, condition of the property, surrounding business conditions and six (6) appraisals by Julie Dinneen and the many shortcomings in the Assessor's Office.

This Determination Letter is so poorly drafted and says if we appeal and lose at the BOE our assessed value may be $ 2,683,295. This is a threat and chilling, nothing less. It is a shock to be informed that the Assessor distinguishes between "Full Market Value" and "Assessed Value on Notice." The Assessor thus states, "Assessed Value on Notice" is not "Full Market Value." Wouldn't it be more fair if the Assessor stated the BOE will set the value at fair market value. Shouldn't "Assessed Value on Notice" be the fair market value? Where does the "Full Market Value" figure come from?

Michael Dahle stated to me Assessed Value will not go higher in a BOE appeal. This does not instill confidence in the system when we receive a written form that essentially says "Appeal at your own Peril!"

Canon 3: Conflict of Interest Members shall not engage in any activities in which they have, or may reasonably be considered by the public as having, a conflict of interest.

Michael Dahle should be **excused** from assessing our property, he said to me he was in the commercial property business and "You got a steal" and "I would have bought it."

This triggered my thinking we had a conflict of interest and I wondered if this self-proclaimed businessman would have bought 234 Seward St for $ 2,547,520 ?

It's only speculation, but he would not have bought the building for that price and no one else would have either. It would have sat for years on the market, but like other over-priced commercial properties in Juneau, such as the Assembly Building, which **sat on the market for 1,240 days**. Key Bank was a motivated seller and did not want to wait multiple years to sell this bank branch.

ER 3-3: Members shall not accept an assignment or participate in an activity where the member is or could reasonably be perceived as being unable to conduct the assignment or activity in an unbiased, objective manner.

We believe the Assessor's Office has been unable to act in an unbiased, objective manner.

The message to the public from the Assessor is ignore Sales Data, ignore Market Conditions, ignore years on the market, ignore that Juneau appraisers believe the normal exposure time for a bank building is three (3) to six (6) months (See attached First National Bank Building Appraisal), do not be diligent as required by the Alaska Taxable 2021 Report which states, "[the Assessor should] Collect sales data from all sources such as recorders' offices, realtors, developers and bankers" and keep taxpayers in the dark by not providing Descriptive Data (even when requested). The Assessor's track record is a money-grab, chills the appeal process, lacks due process and threatens higher Total Fair Market Value if you appeal.

Where is any Market Analysis provided to the Appellant?

Guidelines require the Assessor to use at least two (2) valuation methods to estimate the values of all investment properties; namely, the Income Approach, the Cost Approach or the Market Approach.

According to the Standard on Mass Appraisal of Real Property-2013 p. 11, 4.6.4 Commercial and Industrial Property:

The income approach is the most appropriate method in valuing commercial and industrial property if sufficient income data are available. Direct sales comparison models can be equally effective in large jurisdictions with sufficient sales. When a sufficient supply of sales data and income data is not available, the cost approach should be applied. However, values generated should be checked against available sales data. Cost factors, land values, and depreciation schedules must be kept current through periodic review.

The Assessor has failed to provide any of the above information despite my requests. None of your CAMA MODELING has been provided to us including the above. Michael refers to various "models and subsets" he has run, but does not provide anything more either orally or in writing. This approach is clearly wrong.

Income Approach to Value: None provided by Assessor

Sales Approach to Value: None provided by Assessor

Cost Approach to Value: None provided by Assessor

CAMA MODELING: None provided by the Assessor

We are not looking for "special treatment" as the Assessor has stated to me. We are looking for equity and openness of public records.

The Assessor has stated, our models are right. ***I have no idea about your models because they have not been disclosed! The Assessor Models are the tainted by the sales data inputted and excluded.***

The Standard on Mass Appraisal of Real Property, Approved 2013, paragraph 5.5 states,

"The assessment office staff must have confidence in the appraisals and be able to explain and defend them. The confidence begins with application of reliable appraisal techniques, generation of appropriate valuation reports, and review of preliminary values. **It may be helpful to have reports that list each parcel, its characteristics, and its calculated value.** Parcels with unusual characteristics, extreme values, or extreme changes in values should be identified for subsequent individual review. Equally important, summary reports should show average values, value changes, and ratio study statistics for various strata of properties. These should be reviewed to ensure the overall consistency of values for various types of property and various locations. (See the Uniform Standards of Professional Appraisal Practice, Standards Rule 6-7, for reporting requirements for mass appraisals [The Appraisal Foundation, Appraisal Standards Board 2012-2013].)

The staff should also be prepared to support individual valuations as required, preferably through comparable sales. At a minimum, staff should be able to produce a property record and explain the basic approach (cost, sales comparison or income) used to estimate the value of the property. ***A property owner should never be told simply that "the computer" or "the system" produced the appraisal.*** **In general, the staff should tailor the explanation to the taxpayer's knowledge and experience.** Equations converted to tabular form can be used to explain the basis for valuation.

In all cases, the assessment office staff should be able to produce sales or appraisals of similar properties in order to support (or least explain) the valuation of the property in question. Comparable sales can be obtained from reports that list sales by such features as type of property, area, size and age. Alternatively, interactive programs can be obtained or developed that identify and display the most comparable properties.

Assessors should notify property owners of their valuations in sufficient time for property owners to discuss their appraisals with the assessor and appeal the value if they choose to do so (see the Standard on Public Relations [IAAO 2011]. Statutes should provide for a formal appeals process beyond the assessor's level (see the Standard on Assessment Appeal [IAAO 2013b])."

The Assessor has not provided us with Descriptive Data that shows our sale or appraisals are at variance with the market. Our sale and appraisals are equitable and uniform. We have established Total Fair Market Value of our properties through confirmed sales and professional appraisals (using two approach methods) that meet our burden. Therefore, please find in favor of our Appeals, as follows:

1C070A050060-$ 1,032,915

1C070A020011-$ 850,000

1C070A040020-$295,000

1C070A020030-$ 1,200,000

1C070A040010-$ 875,000

1C070A020043-$4,750,000

EXHIBIT A

UNDISCLOSED BY THE ASSESSOR'S OFFICE

UNDISCLOSED BY THE ASSESSOR'S OFFICE

● Indicates Excluded from Juneau Assessor's Addendum A-Commercial Sales List
And Computer Modeling

	Date	Seller	Buyer	Address	Parcel No	Sales Price	2021 AV	AV > MV $	AV % MV
	12/2021 Listing	Akiyama Family Rentals	N/A	0 Riverside Dr	5B1601430016	$599,000	1135800	$536,800	203%
	12/2021 Pending	Harbor Lights Enterprises	N/A	1000 Harbor Way	1C060K510040	661000	812650	$151,650	123%
	12/2021 Pending	Gateway Properties	Confidential	8390 Airport	5B1501010014	$3,300,000	$3,804,450	$504,450	115%
	11/24/21	Key Bank of AK	Goldstein Improvement Co	234 Seward St	1C070A050060	$1,250,000	$2,598,400	$1,348,400	208%
●	11/13/21	W&B Rentals LLC	Aware Inc.	201 Cordova St	1D060L030011	$400,000	$445,000	$45,000	111%
		Construction Machinery			5B1201040052				
●	9/30/21	Industrial LLC	CCTHTA	1721/1725 Anka St	5B1201040051	$4,000,000	$5,106,550	$1,106,550	128%
●	9/28/21	Pacific Investment Group	SEARHC	0 Vintage Blvd	5B1601430017	$2,047,000	$2,521,350	$474,350	123%
●	9/17/21	RH Rentals LLC	SEARHC	225 Front St	1C070K810010	$1,850,000	$2,431,000	$581,000	131%
●	3/23/21	Northwest Holdings LLC	Viking Holdings LLC	214 Front St	1C070A030020	$1,450,000	$1,638,450	$188,450	113%
●	2/25/21	SE Newspapers	Amalga Distillery	134 N Franklin St	1C070A030070	$1,850,000	$2,075,450	$225,450	112%
●	1/5/21	Southeastern Newspapers	Goldstein Improvement Co	224 2nd St	1C070A040020	$286,000	$405,300	$119,300	142%
●	3/27/20	Pacific Investment Group	R&S Construction	0 Clinton Dr	5B1601442000	$565,000	$1,026,962	$461,962	182%
●	12/31/19	McKinnon et al	The Emporium Mall LLC	170 S Franklin	1C070K810140	$1,600,000	$2,131,200	$531,200	133%
●	9/6/19	Foodland, Inc.	Juneau Supermarkets LLC	601 W Willoughby Ave	1C060K660090	$11,250,000	$14,670,150	$3,420,150	130%
					5B1201010010				
●	9/3/19	Wells Fargo Bank NA	ODEX Juneau LLC	1610 Anka St	5B1201010030	$1,070,000	$1,746,929	$676,929	163%
●	8/2/19	Taku Oil Sales	Gas N Go LLC	5631 Glacier Hwy	5B1201060061	$500,000	$612,910	$112,910	123%
●	7/22/19	Bonnie Brae Partnership	Peter Peel	0 Douglas Highway	6D0801110010	$230,000	$464,100	$234,100	202%
●	4/1/19	Assembly Assoc LLC	Assembly Assoc LLC	211 4th St	1C070A090060	$750,000	$1,484,500	$734,500	198%
●	11/16/18	Stanley & Sons	Affordable Auto Ent. LLC	8825 Mallard St	5B1501040030	$750,000	$837,600	$87,600	112%
	8/21/18	Mark S. Reeder	RNL LLC	9309 Glacier Hwy	5B1601140070	$240,100	$308,850	$68,750	129%
					1C060U060020				
					1C060U050020				
					1C060U050023				
					1C060U050025				
●	7/20/18	First National Bank AK	DCI Commercial LLC	1108 F St	1C060U050024	$1,750,000	$2,462,950	$712,950	141%
●	3/13/18	Warner's Wharf LLC	Rocovich LLC	406 S Franklin St	1C070K830040	$4,150,000	$6,415,650	$2,265,650	155%
	2/2/18	Estate of David Salvidar	Timos Glamakidis	254 S Franklin St	1C070K820030	$995,000	$1,194,450	$199,450	120%
	9/19/17	B&K Ventures	Bad Dog Investments	2450 Industrial Blvd	4B1601010040	$750,000	$876,000	$126,000	117%
	12/15/16	Forrest Reetz LLC	Caelum AK LLC	800 Glacier Ave	1C0600040040	$1,100,000	$1,457,000	$357,000	132%
	3/30/16	First National Bank AK	Spickett's Palace LLC	238 Frot St	1C070A030040	$600,000	$2,639,300	$2,039,300	439%
	3/1/16	James L. White	C&M Rentals	10221 Glacier Hwy	4B1071100170	$697,000	$813,000	$116,000	117%

Property and Data Excluded from Addendum A-Commercial Sales List

In All Cases Sales Price is Lower Than Assessed Value

21 Commercial Properties Excluded from Market Analysis
And Computer Modeling (CAMA)

EXHIBIT B

Chapter 2
Data Management

Chapter 2 addresses the following all-important data issues: the data needed in mass appraisal, the collection of such data, and the systems for organizing, storing, retrieving, and updating data. Chapter 3, "Data Concepts, Analysis, and Tools," addresses how data are prepared for market analysis and model building.

As background, the totality of the information on maps and in records used to administer a property tax constitutes a *fiscal cadastre*. Organizing land and building records geographically and displaying parcel boundaries on maps enables assessors to identify and describe correctly all assessable parcels. A modern map-based fiscal cadastre combines (1) large-scale cadastral maps that accurately depict parcel boundaries and other geographic features, (2) files or registers containing information about land parcels, buildings, and taxpayers, and (3) a cadastral numbering system that uniquely links the parcels shown on maps with their related records.

Building and maintaining the fiscal cadastre usually are the most labor-intensive and, hence, most expensive aspects of property tax administration. Consequently, these activities need to be well planned, designed, and managed. Data management responsibilities encompass the determination of data needs, collection methods, and data storage and retrieval facilities. Work (or business) processes related to building and maintaining the cadastre are as follows:

- Compilation of cadastral maps and assignment of property identifiers
- Maintenance of land and building characteristic records
- Maintenance of sales records and other evidence of market values
- Maintenance of records of taxpayers (usually owners), taxes assessed, and tax payments.

This book concentrates on the first three processes and the database management systems that support these processes.

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agency is to bear the costs of collecting and maintaining the additional data. Before a data inventory system is redesigned, it is important to evaluate the quality and quantity of existing data.

Quality

Quality is measured by how accurately recorded information used to estimate values reflects the current features and condition of the property. Information often is accurate for properties that have been visited recently (e.g., to verify new construction based on a building permit), but it may be out of date for properties that have not been visited recently.

Oblique aerial photography and field studies are effective in evaluating the quality of existing data. The field study uses a sample of properties from different areas and classes, representing a good cross section of the jurisdiction. Data collectors take copies of existing property records to the field for verification and note corrections on the copies so statistical measures of the type and size of errors can be identified. Errors often can be categorized according to their effect on value. If errors exceed tolerances, a canvass of the type or group of properties in question is called for.

Photographs from a single flight can be used in a similar fashion. If repeated flights have been made, change detection software can be used to automate the process.

If time is not available for a field study or if oblique aerial photography has not been obtained, sales ratios can help indicate the quality of existing data. Poor uniformity is likely to be a result of poor data quality. Other indicators of poor quality are data errors in appealed properties.

Quantity

Quantity refers to how much data are currently available or need to be collected. Introduction of new software or a survey of existing property record information often reveals that additional data need to be collected. Determining what data, and in what form, requires careful evaluation. As noted, location data, site characteristic data, and structure characteristic data will be needed; collecting insignificant or difficult-to-obtain information can waste available resources.

Data on the *location* of properties are needed, because location helps to identify properties and affects the value of both land and buildings. Location can be described as follows:

- Belonging to a market area or neighborhood or zone. These areas usually are delineated by experts in local real estate markets, although geostatistical techniques can be employed. The areas need to be large

enough to ensure sufficient sales (or other market evidence) for analysis and model building. Neighborhoods should be large enough to generate at least 15 sales for use in modeling and preferably 30 or more.

- Adjoining a feature that affects value positively or negatively, such as fronting on a body of water or next to a railroad track.
- Being within a certain distance of such a feature, such as having a clear view of a body of water. Altitude and terrain differences can have similar effects.

With respect to *land* attributes, a property record should contain the following information:

- Size and dimensions of land plot (with units of measure, such as square meters, clearly identified)
- If applicable, the dimensions of components of the parcel (such as excess land or various soil classes)
- Land use code (actual use and presumed highest and best use)
- Site characteristics that significantly contribute to the desirability of the parcel, such as terrain.

A property record should provide for recording essential *building* and structure elements. Use of the sales comparison approach for residential properties requires the following information:

- Size (usually measured in floor area, although the areas of components may be needed)
- Quality rating (design, quality of materials, quality of workmanship)
- Year built and condition (state of repair)
- Significant construction features (such as materials used, wall and roof type, and story height for commercial and industrial structures)
- Other components that significantly contribute to desirability or construction costs in the locale (in the United States, important housing features are air conditioning, swimming pools, wood-burning fireplaces, and garage spaces).

The cost approach to value has more extensive data requirements. Data requirements for the income approach relate to the type of properties being appraised, although size, construction quality, effective age or condition, and location are almost always important.

The need for details of interior features and conditions of buildings (and, in general, anything that cannot be easily observed from the street) should be carefully weighed. Prices obviously can be affected by the desirability of interiors. Yet personal taste can influence the effect; that is, condition can be highly subjective. The presence or absence of a condition can be quite trivial. In addition, attempting an interior inspection is time-consuming and often unsuccessful, as discussed below.

EXHIBIT C

study, shows whether values are accurate and reliable and suggests improvements in methods and procedures.

Data Collection. Once data needs have been determined and the required forms and procedures developed, tested, and approved, data collection can begin. Quality control is crucial; property characteristics data should be thoroughly edited and tested before being used for valuation. At the same time, sales, cost, and income and expense data should be assembled and edited. The quality of the available data has a greater effect than anything else on valuation accuracy.

Valuation. Valuation initially involves market analysis, model development, model calibration, and calculation of preliminary values. A ratio study then evaluates the accuracy and consistency of values. When results are statistically acceptable, field reviews are conducted. The assessor lists values on the roll in a form satisfying legal requirements, certifies the roll, and mails value notices.

Value Defense. Assessors should plan for informal and formal appeals. Informal appeals give property owners the opportunity to make inquiries and contest values in an informal setting. The assessor can often resolve many appeals satisfactorily at this level. Good public relations and preparation are essential. In the formal appeals process, assessors must be ready to support values with comparable sales and other evidence.

Final Performance Analysis. The assessor conducts a final ratio study to measure and evaluate the accuracy and uniformity of the new values. This study plays a key role in summarizing the achievements of the reappraisal and planning future reappraisal activity.

Summary

A mass appraisal system provides for the systematic appraisal of properties as of a given date using standardized procedures and statistical testing. Effective mass appraisal requires an adequate budget, staff, and resources. Mass appraisal systems have grown with technology and are continually improving in both effectiveness and efficiency.

Mass appraisal involves periodic revaluations. There are ten essential steps in a reappraisal: performance analysis, the revaluation decision, analysis of available resources, planning and organization, system development, pilot study, data collection, valuation, value defense, and a final ratio study. Some jurisdictions reappraise annually; others do so on a fixed cycle or as the need dictates. Ratio studies can be used to monitor current performance and make interim adjustments between revaluations.

EXHIBIT D

The total potential sales for use in studies for AY2022 was 59 and it excludes the Assembly Building 1st sale and reports the Key Bank Building as "Confidential" and excludes it.

The Alaska Taxable 2021 Report, from the State of Alaska, sets forth the standard for the Juneau Assessor to follow in collecting sales data, as follows,

"Collect sales data from all sources such as recorders' offices, realtors, developers and bankers."

Even though buyers of property have a duty to disclose sales prices, the Assessor is required to look beyond ~~their~~ such reporting as above.

The assessor reported to me most sales have gone unreported by Buyers. Therefore, the Assessor knows or should have known he has a duty to undertake a reasonable investigation of sales and a duty to disclose those sales to the public and include them in his Tainted Algorithm Model.

I have obtained three (3) sales easily. They are as follows:

A. Assembly Building 1st from an appraiser;
B. Assembly Building 2nd from the assessor;
C. Key Bank Building from us.

On March 24, 2022, I asked Michael Dahle, Juneau Assessor,

"Would you be so kind to send me the Comparable Sale(s) of the Assembly Building with square feet and any adjustments."

He sent one (1) sale. The Assembly Building 2nd Sale. This sale was a gift. It says,

Last Sale Date: 08/20/2021
Last Sale Price: Gifted to legislature
Prior Sale Date: 08/20/2021
Prior Sale Price: Unverified at the time of the AY2022 analysis but since then we have received indication of a sale price of $1,250,000.

Michael Dahle knew or should have known of the Assembly Building 1st Sale and failed to disclose it. He also should have told me the Assessor designated this Sale an "Outlier Sale." It is not an "Outlier Sale."

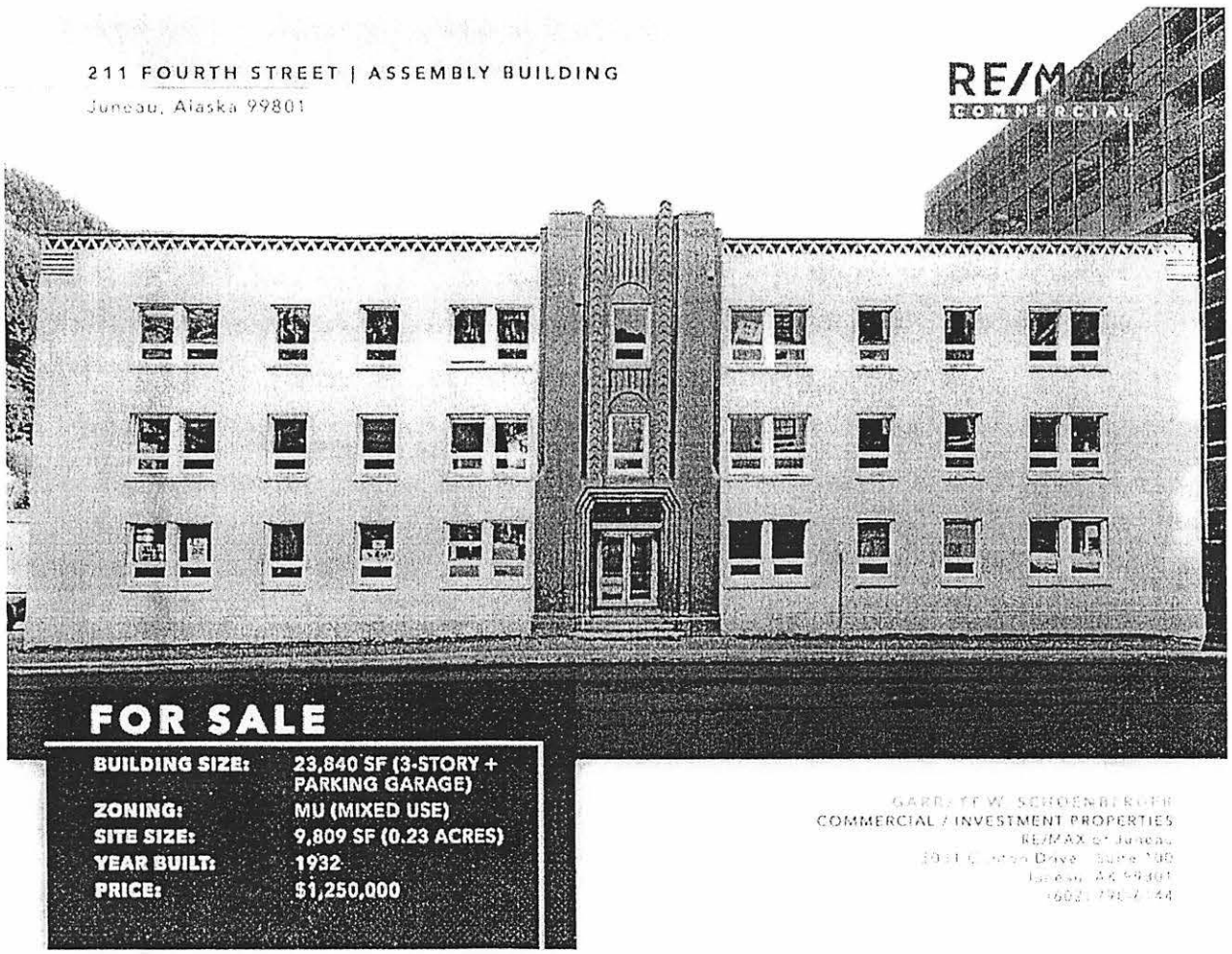
On the same day I sought the Sale Price of the Assembly Building 1st Sale*, I received the information* as follows:

Listed for Sale: May 29, 2015
Listing Sale Price: $2,650,000
Listing Price/SF: $ 111.16
Days For Sale on Market: 1,240
Last List Price: $850,000
Size: 23,840 Square Feet
Price/SF: $35.65
Sale Price: $ 750,000
Sale Date: 4/1/2019
Price/SF: $31.46

On the same day I sought the Sale Price of the Assembly Building 2nd Sale*, I received the information* as follows:

Listed for Sale: February 13, 2021
Sale Date: August 20, 2021
Sale Price: $ 1,250,000
Price/SF: $ $52.43

Broker Details: This was an arms-length transaction. Multiple offers were received on the property. Backup offer was at $ 1,150,000. Good marketing helped sell the property.



Comments: This is the sale of a multi-tenant office in Juneau. The building required a sprinkler system that would cost an additional $100,000. Thus, this was added to the sale price of $750,000 for an analysis price of $850,000.* At the time of sale, the building had significant vacancy with no reliable income or expenses. The buyers plan on spending $900,000 to remodel the building into an apartment. However, in order to remodel the building into apartments, the buyer will have to acquire a conditional use permit to change the use to office.

THE ASSEMBLY BUILDING 1ST SALE AND THE KEY BANK BUILDING SALE ARE GOOD MARKET COMPARABLES AND SHOULD NEVER HAVE BEEN EXCLUDED FROM THE ASSESSOR'S ALGORITHM!

SALE PRICE AVERAGE OF THE TWO BUILDINGS=$41.95

There are serious breaches going on at the Assessor's Office, as follows:

1. The Assessor knew or should have known he has a duty to collect sales per the above Alaska Taxable 2021 Report and breached his duty
2. The Assessor failed to collect data; or
3. The Assessor collected both of the Assembly Building sales comparables and acting in bad faith chose not to disclose the first Assembly Building sale to me.
4. I believe it is common knowledge the Assembly Building sold for $750,000, therefore to knowingly exclude it constitutes a breach of fiduciary duty, is an abuse of authority and was done in bad faith with the intention to keep commercial property values artificially high

5. The Juneau Assessor complains of a lack of sales data. Yet two (2) market sales above are in plain sight as Sales at "*prevailing general price levels*" AND
6. To not Report the Assembly Building 1st Sale and Key Bank Building Sale constitutes market manipulation by the Assessor's office.
7. The Juneau Assessor complained to me the Key Bank Building sale skewed his results and were outside his statistical modeling and were thereby identified as "Outlier Sales." Such a statement shows an utter disregard for the State of Alaska definition of "Outlier Sale." According to the State of Alaska there are two kinds of "Outlier Sales": Namely, Explained and Unexplained.

   (a)"Explained Outlier Sale-A sale that occurs of an improved piece of property but the assessed value may represent only the vacant land due to construction occurring after the assessment was made, causing the ratio to be low."

   (b) "Unexplained Outlier Sale-One that may have included property other than the real property being analyzed."
8. What the Juneau Assessor calls an "Outlier Sale" re The Key Bank Building and Assembly Building 1st Sale are beyond clear and convincing evidence a "Market Sale."
9. The Assessor has arbitrarily excluded two (2) market sales and both are the norm in any computer modeling.
10. If the Tainted Algorithm Model does not result in an Assessed Value close to the Sale Price and Prevailing General Price Levels, then ON ITS FACE the model must be adjusted with delicate professional skill to embrace the Sale Price and Prevailing General Price Levels or discarded.

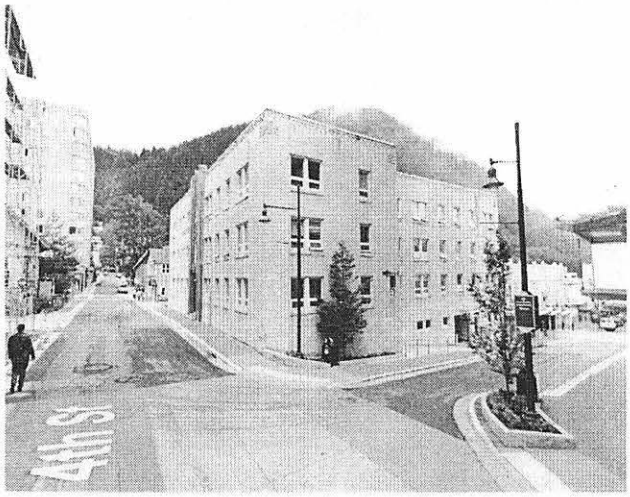
Let's compare the definition of "Outlier " in the Alaska Taxable 2021 Report from the State of Alaska, p. 26 and the "Outlier Explanation" in the "Assessment Report-Commercial Overview-Interim, City and Borough of Juneau, For Assessment Year 2022, Assessment Date (Effective Valuation Date): January 1, 2022, 2022 Report Date: March 23, 2022, p. 9.

This comparison is like comparing apples to oranges because the Juneau definition does not follow Alaska State law.

EXHIBIT E

Improved Commercial Comparable

Property Name	Assembly Building - 10655
City	Juneau
State	AK
Tax ID	1C070A090060
Grantor	Assembly Associates, et al
Grantee	Assembly Property LLC
Legal Description	Lts 6, 7 & 8, Blk 9, Juneau Townsite
Date	04/01/2019
Price	$850,000
Price Per Unit	
Transaction Type	Closed Sale
Financing	Conventional
Property Rights	Fee Simple
Days On Market	
ID	10655



Caption

Verification

Site

Acres	0.23	**Topography**	Generally Level
Land SF	9,809	**Zoning**	MU - Mixed Use
Road Frontage	200	**Flood Zone**	Zone X
Shape	Rectangular	**Encumbrance Or Easement**	Typical, perimeter
Utilities	All Available	**Environmental Issues**	None Noted

Improvements & Financial Considerations

GBA	23,840	**PGI**	
Rentable Area	0	**EGI**	
No. Of Units		**Expense Ratio**	
Year Built	1932 / periodic	**NOI**	
Renovations	Periodic	**Cap Rate**	
Condition		**EGIM**	

Comments

This is the sale of a multi-tenant office in Juneau. The building required a sprinkler system that would cost an additional $100,000. Thus, this was added to the sale price of $750,000 for an analysis price of $850,000. At the time of sale, the building had significant vancancy with no reliable income or expenses. The buyers plan on spending $900,000 to remodel the building into an apartment. However, in order to remodel the building into apartments, the buyer will have to acquire a conditional use permit to change the use to office.

Improvements Comments

EXHIBIT F

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sold at the same time equals 100 percent and all the sales were at arm's length. Plottage should be considered. However, these sales often involve related parties and may not represent full market value. Inclusion in a ratio study is only possible if a combination of sales conveying full interest occurs at one time. (Even in this rare situation, the sale should be used only if needed to produce an adequate sample.)

Land Contracts—This is an installment sale in which the buyer initially pays only part of the purchase price and agrees to make additional payments at ... intervals. Title does not transfer until the final payment is ... of sale is the date on which ...

Poor or Outdated Appraisals Cause Outliers-The Juneau Assessor Inputs or Excludes Improper and Excessive Data into Computer Mass Appraisal Modeling Causing Assessed Values Above Full Market Value

... likely to be ... includes items of real or personal property as a portion of the price. The transaction should not be used if the items traded constitute the entire price. Otherwise, if the value of the traded items is stipulated, can be ascertained, or is small in comparison with the total price, the sale can be used by including the value of the items traded in the total purchase price. As a general rule, however, exclude sales involving trades if the full price cannot be reliably established and there is an otherwise adequate number of valid sales.

Outliers—Outliers are properties with very high or low sales ratios. They may result from poor or outdated appraisals, non-arm's-length sales, or a mismatch between the property sold and the property appraised. Particularly when the sample is small, outliers can distort ratio studies and therefore should be reviewed carefully. One reasonable approach is to flag for review all ratios that lie above or below selected cut-off points, say 0.25 and 2.00. Another approach is to review all ratios that fall more than two standard deviations from the mean ratio (usually about 5 percent of the ratios).

With an outlier ratio, if the sale is invalid, its elimination will improve the accuracy of ratio statistics calculated for the sample. When samples are large, outliers can be ignored or, preferably, automatically excluded by cut-off points set to exclude predominantly invalid sales.

Although sales screening and verification are necessary, their goal is to obtain an adequate number of valid sales, not to find reasons to exclude sales. Most sales are usable for the sales comparison approach and ratio studies, although many require adjustments. In large samples, the accidental inclusion of a few invalid sales will have little effect on ratio studies. Research, in the form of office or field review, should be performed on outlier sales. Often the outlier sales status can be resolved based on data supplied by a third-party sales source in the office. In situations in which data from a third-party sales source cannot resolve the outlier sales status, field inspection of these sales can often reveal property data characteristic errors that, when corrected, transform the outlier sale into a usable sale.

EXHIBIT G

IAAO

IAAO Code of Ethics and Standards of Professional Conduct

Preamble

Members and certificants (referred to herein collectively as "members") of the International Association of Assessing Officers ("IAAO"), as well as non-members of IAAO involved in IAAO activities, should conduct themselves in a professional manner that reflects favorably upon themselves, the organization, the appraisal profession, and the property tax system, and should avoid any action that could discredit themselves or these entities. They should exhibit appropriate professional conduct in their interactions with all individuals whom they encounter in connection with their professional roles, including colleagues, employees, clients, and owners of property subject to assessment.

This Code of Ethics and Standards of Professional Conduct (the "Code") establishes the minimum standards of conduct to which all IAAO members must adhere. We must do more, however, than simply obey the rules. Public trust in our performance is the foundation of our credibility. We must therefore embrace the highest ethical principles, and the pursuit of excellence, accountability, transparency, inclusivity, and responsiveness must be integral to our behavior. This is embodied in the IAAO Statement of Values, which serves as a foundation for the Code.

IAAO Core Values

The core values of the International Association of Assessing Officers include the following:

- We are committed to diversity, equity, and inclusion.
- We embrace transparency, integrity, honesty, and stewardship of resources.
- We respect the worth and dignity of all individuals.
- We are dedicated to excellence in assessment administration and the property tax system worldwide.
- We are accountable to the public good.
- We encourage the appropriate use of technology and tools for fair and equitable assessment administration.

These core values are reflected in the following Code of the International Association of Assessing Officers.

I. The Code

This Code sets out Canons of Ethics, to which all members should strive to adhere in their professional roles and in their activities as a member of IAAO. Each Canon is accompanied by enforceable Ethical Rules. Violation of an Ethical Rule, supplying misleading or false information to the Ethics Committee or refusing to cooperate with an Ethics Committee proceeding may subject a member to disciplinary action, sanction, or revocation of membership.

Exceptions
If compliance with or adherence to any Canon or Ethical Rule set forth in the Code would constitute a violation of the law of any jurisdiction, such Canon or Ethical Rule shall be void and of no force or effect in such jurisdiction.

In stating each individual Canon or Ethical Rule, no attempt has been made to enumerate all of the various circumstances and conditions that will excuse an IAAO member from strict observance; however, IAAO recognizes that illness, acts of God, and various other events beyond the control of an IAAO member may make it inequitable to insist upon a strict observance in a particular case. When an IAAO member, in the exercise of reasonable care, commits a violation due to illness, acts of God, or other circumstances beyond their control, it is expected that the Ethics Committee will act in a manner that will avoid an inequitable result.

Canon 1: Professional Duties

Members shall conduct their professional duties and any activities as a member of IAAO in a manner that reflects credit upon themselves, their profession and the organization.

Ethical Rules

ER 1-1 Members shall not conduct their professional duties in a manner that could reasonably be expected to create the appearance of impropriety.

ER 1-2 Members shall not accept an appraisal or assessment-related assignment which they are not qualified to perform.

ER 1-3 Members shall follow local laws and regulations relating to the appraisal, assessment, and taxation of property within their jurisdictions.

ER 1-4 Members must make available all public records in their custody for public review, unless access to such records is specifically limited or prohibited by law, or the information has been obtained on a confidential basis and the law permits such information to be treated confidentially.

ER 1-5 Members must make reasonable efforts to inform the public about their rights and responsibilities under the law and the property tax system.

ER 1-6 Members shall cooperate with public officials to improve the efficiency and effectiveness of the property tax system, and of public administration in general.

ER 1-7 Members shall not engage in misconduct of any kind that leads to a conviction, guilty plea, or no contest plea, for a crime directly related to the member's professional role or involving fraud, dishonesty, or false statements, or for which the underlying facts relating to the conviction constitute a violation of these Canons or Ethical Rules.

ER 1-8 Members shall not violate an applicable law in the performance of a member's professional role or in interactions with those a member encounters in connection with the member's professional role, including laws prohibiting harassment, discrimination, or retaliation in the workplace.

ER 1-9 Members shall not engage in harassment, discrimination, or retaliation in connection to IAAO activities.

Canon 2: Truthfulness

Members shall not make false or misleading statements (written or oral) in the course of performing their professional duties.

Ethical Rules

ER 2-1 Members shall not provide inaccurate, untruthful, or misleading information to solicit assessment-related assignments or use misleading claims or promises of relief.

ER 2-2 Members shall not claim or imply that they have specific qualifications unless they in fact have such qualifications.

ER 2-3 Members shall not claim, imply, or hold themselves out as having an IAAO professional designation unless authorized by IAAO to do so.

ER 2-4 Members shall provide appropriate attribution to the source(s) of any materials quoted or cited in writings or speeches.

Canon 3: Conflict of Interest

Members shall not engage in any activities in which they have, or may reasonably be considered by the public as having, a conflict of interest.

Ethical Rules

ER 3-1 Members shall not accept an appraisal or assessment-related assignment that can reasonably be construed as being in conflict with their responsibility to their jurisdiction, employer, or client, or in which they have an unrevealed personal interest or bias.

ER 3-2 Members shall not accept an assignment or responsibility in which there is a personal interest (whether individually or of a member's family or close personal connection) without full disclosure of that interest.

ER 3-3 Members shall not accept an assignment or participate in an activity where the member is or could reasonably be perceived as being unable to conduct the assignment or activity in an unbiased, objective manner.

Canon 4: Support of IAAO

Members shall abide by and support the provisions of the IAAO governing documents, rules, and policies.

Ethical Rules

ER 4-1 Members shall not violate the IAAO governing documents, rules, or policies.

ER 4-2 Members shall not knowingly make false statements or submit misleading information when completing an IAAO application for membership or professional designation, and shall promptly submit any significant information in the possession of such member when requested to do so as part of an IAAO application.

ER 4-3 Members shall cooperate fully with the IAAO Board of Directors, Ethics Committee and the staff of IAAO in all matters related to the enforcement of this Code, as set forth in the IAAO governing documents and specific rules and procedures for enforcement, as may be adopted and amended by the Board of Directors from time to time, including by timely providing complete and accurate information as requested.

ER 4-4 Members shall submit promptly any significant information in the possession of a member concerning the status of litigation related to an ethics matter when requested to do so by the chair of the Ethics Committee; and shall not knowingly submit misleading information to the chair of the Ethics Committee concerning the status of litigation.

ER 4-5 Members shall not knowingly provide any false information to the IAAO, or cheat or assist another in cheating in connection with any course or examination, including any IAAO professional designation test.

Canon 5: Compliance with Appropriate Professional Practice Standards

Members shall comply with the applicable standards of practice in their jurisdiction.

Ethical Rules

ER 5-1 Members in the United States shall observe the requirements of the *Uniform Standards of Professional Appraisal Practice* and members residing outside the United States shall follow appraisal standards that govern appraisers within their jurisdiction.

II. ENFORCEMENT

Anyone who believes that an IAAO member has violated the IAAO Code of Ethics may submit a written complaint to IAAO.

IAAO may also initiate a review of a member's actions or behavior without the filing of a formal complaint.

Filing a Complaint

Formal complaints or allegations shall be signed by the complainant and officially filed at IAAO Headquarters within one year of the alleged violation. The complaint or allegation shall include the following information:

- The name of the person(s) submitting the complaint and the name and any other identifying detail (e.g., title, jurisdiction) of the person(s) ["respondent(s)"] alleged to have committed the violation.
- A description of the event, including the date and circumstances of the alleged violation.
- A statement explaining any relevant prior interactions or professional or personal relationship that the person filing has with the person(s) named in the complaint.
- Names and contact information of witnesses, if applicable.

To the extent practical, the complainant should provide details, specific facts, and documentation of the allegations. Additionally, the complainant(s) should provide their contact information, including a phone number and email address.

The complaint shall also include the following statement:

I authorize IAAO to contact me regarding this complaint, if deemed necessary. I authorize IAAO to release this complaint and all other supporting material I have provided, or may provide in the future, to the subject of the complaint, members of IAAO's Ethics Committee, the IAAO Board of Directors, IAAO's attorney(s), and others as deemed appropriate by IAAO or as required by law.

The complainant may include verifiable supporting documentation, including signed witness statements. Complaints shall be submitted to IAAO's Headquarters using the *Code of Ethics Complaint Form.*

IAAO has the sole discretion to determine which complaints should be pursued, how they should be pursued, and what action, if any, should be taken. IAAO may also, in its sole discretion, defer review of, or action on, a complaint unless and until the allegations have been investigated by a third-party entity with jurisdiction over the actions and greater investigative authority than IAAO, such as the member's employer or a court.

Process of Evaluating Violations

Upon receiving a complaint, the IAAO Executive Director will conduct a preliminary review to determine whether the complaint, on its face, alleges a violation of the IAAO Code of Ethics. In conducting this preliminary review of a complaint, the IAAO Executive Director may communicate with complainant to clarify or request more information, and/or may supplement the complaint with information that it develops through its own investigation but has no obligation to do so.

If, based on the preliminary review of the complaint, the allegation does not indicate a violation of IAAO's Code of Ethics (e.g., because it relates to matters outside the scope of this Code of Ethics or the conduct does not rise to the level of a violation), the IAAO Executive Director may administratively close the complaint without further action. The complainant and respondent will be notified of this closure. The complainant has the right to appeal the Executive Director's decision, in writing, to IAAO Headquarters within 30 calendar days. In that event, IAAO's Ethics Committee will conduct an independent review and determine whether to uphold the dismissal of the complaint or return the matter to the Executive Director for initiation of a full disciplinary proceeding. The complainant and respondent will be notified of the Ethics Committee's decision.

If the IAAO Executive Director determines the allegation presents evidence of a violation of the Code of Ethics, the IAAO Executive Director shall convene the Ethics Committee and share the complaint with them for further review. The IAAO Executive Director shall also forward the complaint to the respondent unless the Ethics Committee determines that consideration of the complaint should be deferred.

The respondent shall have 30 calendar days from the date of notice of a complaint to respond in writing to the allegations. The respondent should provide a full statement of relevant facts and verifiable supporting documentation, which may include signed witness statements. If the respondent does not respond to the notice or dispute the allegations within 30 calendar days, the allegations against the respondent in the complaint may be deemed to be fact. While the Ethics Committee or the IAAO Executive Director may seek additional information, it is not the duty of the Ethics Committee or any other representative of IAAO to find evidence outside the case presented by the complainant. All submissions from the complainant or respondent and any other information presented to the Ethics Committee for consideration shall be provided to the respondent before the Ethics Committee hearing or determination of the case.

The respondent may also request a virtual hearing on the matter before the Ethics Committee. The respondent may provide a brief statement and respond to questions from the Ethics Committee. The hearing will not include witnesses. If the respondent is represented by an attorney, the attorney may share the respondent's time for presenting a statement but may not appear in lieu of the respondent. If the complaint alleges misconduct towards the complainant, the complainant may also elect to participate in the hearing, make a brief statement, and respond to questions from the Ethics Committee, but the complainant is not obligated to appear for the hearing. If the complainant participates, the respondent may listen to the complainant's portion of the hearing and may respond during the hearing. Documents not submitted to the Ethics Committee in advance of the hearing will not be considered by the Ethics Committee.

If the respondent does not request a hearing, the Ethics Committee will render a decision based on the written record.

The Ethics Committee will meet in executive session to decide on the complaint. The Ethics Committee shall decide, based solely on the record before it, whether the respondent has committed a violation of the Code of Ethics and any sanctions to be imposed.

Notice of the disposition of the proceeding will be given to the complainant and respondent within 30 calendar days. Notice of any disciplinary sanction will be sent to the respondent within 30 calendar days of its issuing. If a disciplinary sanction is imposed, the notice will include an explanation of the basis for the decision and a statement of any appeal rights.

Sanctions

Sanctions for violation of this Code of Ethics may include one or more of the following, in IAAO's discretion:

- Assignment of remedial education
- Private reprimand and warning
- Public letter of censure
- Removal from IAAO volunteer position(s)
- Restrictions on privileges and rights as a member, including holding leadership or committee roles
- Suspension or expulsion from participating in IAAO events or activities
- Suspension or revocation of IAAO instructor credentials
- Denial or non-renewal of professional designation(s)
- Suspension or revocation of professional designation(s)
- Suspension or expulsion from membership or
- Other corrective or disciplinary action, as determined in IAAO's discretion.

Appeals
All respondents have the right to appeal an adverse decision resulting in a sanction (other than assignment of remedial education or a private reprimand and warning) regarding an alleged violation of the IAAO Code of Ethics. Such appeals shall be submitted in writing to IAAO Headquarters within 30 calendar days of the date of the determination notice and shall state with specificity the grounds for appeal. If no request for appeal is made within 30 calendar days, the decision, as issued, will become final.

The IAAO Executive Committee shall review an appeal within 60 calendar days of receipt of the appeal. Appeals shall include a signed statement from the subject of the disciplinary action containing their full statement of the facts relevant to the alleged violation and the specific basis for appeal. New information will not be considered for appeal unless it was unavailable at the time of the Ethics Committee's determination. If such new information is provided, the appeal will be remanded to the Ethics Committee for a determination as to whether it warrants modification of the Ethics Committee's determination or sanction.

The IAAO Executive Committee will conduct an initial review of the appeal to determine whether the specific grounds for appeal raise a question of: (I) a procedural error, or (II) an arbitrary and capricious decision by the Ethics Committee. Appeals that do not meet that threshold standard shall be denied. If an appeal meets that threshold standard, the President shall forward the appeal to the IAAO Board of Directors for review. The Board of Directors shall review the record in the case, including the request for appeal. The Board's review shall be limited to a determination of whether: (I) a procedural error contributed to the Ethics Committee's decision, or (II) the Ethics Committee's decision was arbitrary and capricious. The Board of Directors may affirm, modify, or reverse the adverse decision made by the Ethics Committee. The decision on appeal is final and binding. Notification of the decision on appeal and an explanation of the basis for the decision will be sent to the appellant within 14 calendar days of its issuing.

Reinstatement
If an individual has been expelled from membership or had their professional designation revoked, eligibility for reinstatement may be reconsidered on the following basis:

- In the event of a felony conviction related to the individual's professional role, no earlier than three years from the conviction or completion of sentence (if any), whichever is later.
- In any other event, no earlier than two years from the final decision of expulsion or revocation.

In addition to other facts required by IAAO, an individual seeking reinstatement of eligibility for membership or professional designation shall fully set forth the circumstances of the expulsion

or revocation decision, as well as all relevant facts and circumstances since the decision that are relevant to the application for reinstatement. When expulsion or revocation was because of felony conviction, the individual bears the burden of demonstrating that the individual has been rehabilitated.

Application for reinstatement, relevant documentation required of all applicants for membership or professional designation, and all relevant evidence supporting the reinstatement request shall be submitted in writing to IAAO Headquarters. The IAAO Ethics Committee shall determine whether the reinstatement shall be granted. Unless and until IAAO makes a decision to reestablish eligibility for reinstatement, the individual will remain ineligible for reinstatement. The applicant will be notified of the decision within 60 calendar days of receipt by IAAO of all the required documentation from the applicant. The decision of the IAAO Ethics Committee may be appealed to the IAAO Board of Directors.

Deliberations
An attorney representing IAAO may be present and offer advice for any deliberations contemplated under these procedures.

Majority vote applies, where a quorum is present, for all actions taken by the Ethics Committee or the Board of Directors.

No individual who is a member of the Ethics Committee or the Board of Directors, or the Executive Director, will participate in deliberations or decisions involving the Code of Ethics where the individual has a significant past or current family, business, or personal/social relationship with the complainant or respondent based on the information disclosed by either or otherwise has a conflict of interest.

Publication and Reporting
IAAO may, as deemed appropriate, report sanctions other than assignment of remedial education or a private reprimand and warning, and the underlying facts of the violation, to interested parties, including without limitation to persons seeking information about an individual's membership or professional designation status, as solely determined by IAAO. IAAO also may publish the information on IAAO's website. If the sanction resulted from a violation reported to IAAO in a disciplinary complaint, IAAO will notify the complainant that it has completed its disciplinary proceeding and, if any public sanction has been imposed, of the disciplinary action taken.

Notifications to the complainant or third parties will not occur until either the time for an appeal has expired or a decision on an appeal is made.

Responsibility for Notifying IAAO of Current Contact Information
IAAO members are solely responsible for ensuring that their IAAO account includes their current mailing and email addresses. If an individual does not receive notice(s) from IAAO related to disciplinary proceedings, actions, or appeals due to the individual's failure to notify IAAO in a timely manner of a change of address, that lack of notification shall not be considered as the basis for an appeal or reconsideration of any decision in the matter.

Revisions to the Code of Ethics were adopted by the IAAO Board of Directors on November 5, 2021; the Enforcement Section was adopted by the IAAO Board of Directors on May 26, 2022.

EXHIBIT H

Standard on Mass Appraisal of Real Property

Approved April 2013

International Association of Assessing Officers

This standard replaces the January 2012 *Standard on Mass Appraisal of Real Property* and is a complete revision. The 2012 *Standard on Mass Appraisal of Real Property* was a partial revision that replaced the 2002 standard. The 2002 standard combined and replaced the 1983 *Standard on the Application of the Three Approaches to Value in Mass Appraisal*, the 1984 *Standard on Mass Appraisal*, and the 1988 *Standard on Urban Land Valuation*. IAAO assessment standards represent a consensus in the assessing profession and have been adopted by the Executive Board of the International Association of Assessing Officers (IAAO). The objective of the IAAO standards is to provide a systematic means for assessing officers to improve and standardize the operation of their offices. IAAO standards are advisory in nature and the use of, or compliance with, such standards is voluntary. If any portion of these standards is found to be in conflict with national, state, or provincial laws, such laws shall govern. Requirements found in the *Uniform Standards of Professional Appraisal Practice (USPAP)* also have precedence over technical standards.

Acknowledgments

At the time of the 2012 revision (approved April 2013) the Technical Standards Committee was composed of Alan Dornfest, AAS, chair; Doug Warr, AAS; Robert Gloudemans; Michael Prestridge, Mary Reavey; Dennis Deegear, associate member; and Chris Bennett, staff liaison. Bill Marchand also participated in revising the standard while serving as committee chair in 2013.

The standard benefited from comments by Pete Davis.

Revision Notes

The last full revision of the *Standard on Mass Appraisal of Real Property* was in February 2002.

A partial revision, approved January 2012, was made to section 3.3

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Standard on Mass Appraisal of Real Property

1. Scope

This standard defines requirements for the mass appraisal of real property. The primary focus is on mass appraisal for ad valorem tax purposes. However, the principles defined here should also be relevant to CAMAs (CAMAs) (or automated valuation models) used for other purposes, such as mortgage portfolio management. The standard primarily addresses the needs of the assessor, assessment oversight agencies, and taxpayers.

This standard addresses mass appraisal procedures by which the fee simple interest in property can be appraised at market value, including mass appraisal application of the three traditional approaches to value (cost, sales comparison, and income). Single property appraisals, partial interest appraisals, and appraisals made on an other-than-market-value basis are outside the scope of this standard. Nor does this standard provide guidance on determining assessed values that differ from market value because of statutory constraints such as use value, classification, or assessment increase limitations.

Mass appraisal requires complete and accurate data, effective valuation models, and proper management of resources. Section 2 provides an introduction to mass appraisal. Section 3 focuses on the collection and maintenance of property data. Section 4 summarizes the primary considerations in valuation methods, including the role of the three approaches to value in the mass appraisal of various types of property. Section 5 addresses model testing and quality assurance. Section 6 discusses certain managerial considerations: staff levels, data processing support, contracting for reappraisals, and benefit-cost issues.

2. Introduction

Market value for assessment purposes is generally determined through the application of mass appraisal techniques. Mass appraisal is the process of valuing a group of properties as of a given date and using common data, standardized methods, and statistical testing. To determine a parcel's value, assessing officers must rely upon valuation equations, tables, and schedules developed through mathematical analysis of market data. Values for individual parcels should not be based solely on the sale price of a property; rather, valuation schedules and models should be consistently applied to property data that are correct, complete, and up-to-date.

Properly administered, the development, construction, and use of a CAMA system results in a valuation system characterized by accuracy, uniformity, equity, reliability, and low per-parcel costs. Except for unique properties, individual analyses and appraisals of properties are not practical for ad valorem tax purposes.

3. Collecting and Maintaining Property Data

The accuracy of values depends first and foremost on the completeness and accuracy of property characteristics and market data. Assessors will want to ensure that their CAMA systems provide for the collection and maintenance of relevant land, improvement, and location features. These data must also be accurately and consistently collected. The CAMA system must also provide for the storage and processing of relevant sales, cost, and income and expense data.

3.1 Overview

Uniform and accurate valuation of property requires correct, complete, and up-to-date property data. Assessing offices must establish effective procedures for collecting and maintaining property data (i.e., property ownership, location, size, use, physical characteristics, sales price, rents, costs, and operating expenses). Such data are also used for performance audits, defense of appeals, public relations, and management information. The following sections recommend procedures for collecting these data.

3.2 Geographic Data

Assessors should maintain accurate, up-to-date cadastral maps (also known as assessment maps, tax maps, parcel boundary maps, and property ownership maps) covering the entire jurisdiction with a unique identification number for each parcel. Such cadastral maps allow assessing officers to identify and locate all parcels, both in the field and in the office. Maps become especially valuable in the mass appraisal process when a geographic information system (GIS) is used. A GIS permits graphic displays of sale prices, assessed values, inspection dates, work assignments, land uses, and much more. In addition, a GIS permits high-level analysis of nearby sales, neighborhoods, and market trends; when linked to a CAMA system, the results can be very useful. For additional information on cadastral maps, parcel identification systems, and GIS, see the *Standard on Manual Cadastral Maps and Parcel Identifiers* (IAAO 2004), *Standard on Digital Cadastral Maps and Parcel Identifiers* (IAAO 2012), *Procedures and Standards for a Multipurpose Cadastre* (National Research Council 1983), and *GIS Guidelines for Assessors* (URISA/IAAO 1999).

3.3 Property Characteristics Data

The assessor should collect and maintain property characteristics data sufficient for classification, valuation, and other purposes. Accurate valuation of real property by any method requires descriptions of land and building characteristics.

3.3.1 Selection of Property Characteristics Data

Property characteristics to be collected and maintained should be based on the following:

- Factors that influence the market in the locale in question
- Requirements of the valuation methods that will be employed
- Requirements of classification and property tax policy
- Requirements of other governmental and private users
- Marginal benefits and costs of collecting and maintaining each property characteristic

Determining what data on property characteristics to collect and maintain for a CAMA system is a crucial decision with long-term consequences. A pilot program is one means of evaluating the benefits and costs of collecting and maintaining a particular set of property characteristics. (see Gloudemans and Almy 2011, 46–49). In addition, much can be learned from studying the data used in successful CAMAs in other jurisdictions. Data collection and maintenance are usually the most costly aspects of a CAMA. Collecting data that are of little importance in the assessment process should be avoided unless another governmental or private need is clearly demonstrated.

The quantity and quality of existing data should be reviewed. If the data are sparse and unreliable, a major recanvass will be necessary. Data that have been confirmed to be reliable should be used whenever possible. New valuation programs or enhancements requiring major recanvass activity or conversions to new coding formats should be viewed with suspicion when the existing database already contains most major property characteristics and is of generally good quality.

The following property characteristics are usually important in predicting residential property values:

Improvement Data

- Living area
- Construction quality or key components thereof (foundation, exterior wall type, and the like)
- Effective age or condition
- Building design or style
- Secondary areas including basements, garages, covered porches, and balconies
- Building features such as bathrooms and central air-conditioning
- Significant detached structures including guest houses, boat houses, and barns

Land Data

- Lot size
- Available utilities (sewer, water, electricity)

Location Data

- Market area
- Submarket area or neighborhood
- Site amenities, especially view and golf course or water frontage
- External nuisances, (e.g., heavy traffic, airport noise, or proximity to commercial uses).

For a discussion of property characteristics important for various commercial property types, see *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, chapter 9).

3.3.2 Data Collection

Collecting property characteristics data is a critical and expensive phase of reappraisal. A successful data collection program requires clear and standard coding and careful monitoring through a quality control program. The development and use of a data collection manual is essential to achieving accurate and consistent data collection. The data collection program should result in complete and accurate data.

3.3.2.1 Initial Data Collection

A physical inspection is necessary to obtain initial property characteristics data. This inspection can be performed either by appraisers or by specially trained data collectors. In a joint approach, experienced appraisers make key subjective decisions, such as the assignment of construction quality class or grade, and data collectors gather all other details. Depending on the data required, an interior inspection might be necessary. At a minimum, a comprehensive exterior inspection should be conducted.

3.3.2.2 Data Collection Format

Data should be collected in a prescribed format designed to facilitate both the collecting of data in the field and the entry of the data into the computer system.

A logical arrangement of the collection format makes data collection easier. For example, all items requiring an interior inspection should be grouped together. The coding of data should be as objective as possible, with measurements, counts, and check-off items used in preference to items requiring subjective evaluations

(such as "number of plumbing fixtures" versus "adequacy of plumbing: poor, average, good"). With respect to check-off items, the available codes should be exhaustive and mutually exclusive, so that exactly one code logically pertains to each observable variation of a building feature (such as structure or roof type). The data collection format should promote consistency among data collectors, be clear and easy to use, and be adaptable to virtually all types of construction. Specialized data collection formats may be necessary to collect information on agricultural property, timberland, commercial and industrial parcels, and other property types.

3.3.2.3 Data Collection Manuals

A clear, thorough, and precise data collection manual is essential and should be developed, updated, and maintained. The written manual should explain how to collect and record each data item. Pictures, examples, and illustrations are particularly helpful. The manual should be simple yet complete. Data collection staff should be trained in the use of the manual and related updates to maintain consistency. The manual should include guidelines for personal conduct during field inspections, and, if interior data are required, the manual should outline procedures to be followed when the property owner has denied access or when entry might be risky.

3.3.2.4 Data Accuracy Standards

The following standards of accuracy for data collection are recommended.

- Continuous or area measurement data, such as living area and exterior wall height, should be accurate within 1 foot (rounded to the nearest foot) of the true dimensions or within 5 percent of the area. (One foot equates to approximately 30 centimeters in the metric system.) If areas, dimensions, or volumes must be estimated, the property record should note the instances in which quantities are estimated.
- For each objective, categorical, or binary data field to be collected or verified, at least 95 percent of the coded entries should be accurate. Objective, categorical, or binary data characteristics include such attributes as exterior wall material, number of full bathrooms, and waterfront view. As an example, if a data collector captures 10 objective, categorical, or binary data items for 100 properties, at least 950 of the 1,000 total entries should be correct.
- For each subjective categorical data field collected or verified, data should be coded correctly at least 90 percent of the time. Subjective categorical data characteristics include data items such as quality grade, physical condition, and architectural style.

3.3.2.5 Data Collection Quality Control

A quality control program is necessary to ensure that data accuracy standards are achieved and maintained. Independent quality control inspections should occur immediately after the data collection phase begins and may be performed by jurisdiction staff, project consultants, auditing firms, or oversight agencies. The inspections should review random samples of finished work for completeness and accuracy and keep tabulations of items coded correctly or incorrectly, so that statistical tests can be used to determine whether accuracy standards have been achieved. Stratification by geographic area, property type, or individual data collector can help detect patterns of data error. Data that fail to meet quality control standards should be re-collected.

The accuracy of subjective data should be judged primarily by conformity with written specifications and examples in the data collection manual. The data reviewer should substantiate subjective data corrections with pictures or field notes.

3.3.3 Data Entry

To avoid duplication of effort, the data collection form should be able to serve as the data entry form. Data entry should be routinely audited to ensure accuracy.

Data entry accuracy should be as close to 100 percent as possible, and should be supported by a full set of range and consistency edits. These are error or warning messages generated in response to invalid or unusual data items. Examples of data errors include missing data codes and invalid characters. Warning messages should also be generated when data values exceed normal ranges (e.g., more than eight rooms in a 1,200-square-foot residence). The warnings should appear as the data are entered. When feasible, action on the warnings should take place during data entry. Field data entry devices provide the ability to edit data as it is entered and also eliminate data transcription errors.

3.3.4 Maintaining Property Characteristics Data

Property characteristics data should be continually updated in response to changes brought about by new construction, new parcels, remodeling, demolition, and destruction. There are several ways of updating data. The most efficient method involves building permits. Ideally, strictly enforced local ordinances require building permits for all significant construction activity, and the assessor's office receives copies of the permits. This method allows the assessor to identify properties whose characteristics are likely to change, to inspect such parcels on a timely basis (preferably as close to the assessment date as possible), and to update the files accordingly.

Another method is aerial photography, which also can be helpful in identifying new or previously unrecorded construction and land use.

Some jurisdictions use self-reporting, in which property owners review the assessor's records and submit additions or corrections. Information derived from multiple listing sources and other third-party vendors can also be used to validate property records.

Periodic field inspections can help ensure that property characteristics data are complete and accurate. Assuming that most new construction activity is identified through building permits or other ongoing procedures, a physical review including an on-site verification of property characteristics should be conducted at least every 4 to 6 years. Reinspections should include partial remeasurement of the two most complex sides of improvements and a walk around the improvement to identify additions and deletions. Photographs taken at previous physical inspections can help identify changes.

3.3.5 Alternative to Periodic On-site Inspections

Provided that initial physical inspections are timely completed and that an effective system of building permits or other methods of routinely identifying physical changes is in place, jurisdictions may employ a set of digital imaging technology tools to supplement field re-inspections with a computer-assisted office review. These imaging tools should include the following:

- Current high-resolution street-view images (at a sub-inch pixel resolution that enables quality grade and physical condition to be verified)
- Orthophoto images (minimum 6" pixel resolution in urban/suburban and 12" resolution in rural areas, updated every 2 years in rapid growth areas, or 6–10 years in slow growth areas).
- Low level oblique images capable of being used for measurement verification (four cardinal directions, minimum 6-inch pixel resolution in urban/suburban and 12-inch pixel resolution in rural areas, updated every 2 years in rapid growth areas or, 6–10 years in slow growth areas).

These tool sets may incorporate change detection techniques that compare building dimension data (foot prints) in the CAMA system to georeferenced imagery or remote sensing data from sources (such as LiDAR [light detection and ranging]) and identify potential CAMA sketch discrepancies for further investigation.

Assessment jurisdictions and oversight agencies must ensure that images meet expected quality standards. Standards required for vendor-supplied images should be spelled out in the Request for Proposal (RFP) and contract for services, and images should be checked for compliance with specified requirements. For general guidance on preparing RFPs and contracting for vendor-supplied services, see the *Standard on Contracting for Assessment Services* [IAAO 2008].

In addition, appraisers should visit assigned areas on an annual basis to observe changes in neighborhood condition, trends, and property characteristics. An on-site physical review is recommended when significant construction changes are detected, a property is sold, or an area is affected by catastrophic damage. Building permits should be regularly monitored and properties that have significant change should be inspected when work is complete.

3.4 Sale Data

States and provinces should seek mandatory disclosure laws to ensure comprehensiveness of sale data files. Regardless of the availability of such statutes, a file of sale data must be maintained and sales must be properly reviewed and validated. Sale data are required in all applications of the sales comparison approach, in the development of land values and market-based depreciation schedules in the cost approach, and in the derivation of capitalization rates or discount rates in the income approach. Refer to *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 2) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011 chapter 2) for guidelines on the acquisition and processing of sale data.

3.5 Income and Expense Data

Income and expense data must be collected for income-producing property and reviewed by qualified appraisers to ensure their accuracy and usability for valuation analysis. (see Section 1.1.) Refer to *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 2) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, chapter 2) for guidelines addressing the collection and processing of income and expense data.

3.6 Cost and Depreciation Data

Current cost and depreciation data adjusted to the local market are required for the cost approach (see Section 1.2). Cost and depreciation manuals and schedules can be purchased from commercial services or created in house. See *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 1) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, 180–193) for guidelines on creating manuals and schedules.

4. Valuation

Mass appraisal analysis begins with assigning properties to use classes or strata based on highest and best use, which normally equates to current use. Some statutes require that property be valued for ad valorem tax purposes at current use regardless of highest and best use. Zoning and other land use controls normally dictate highest and best use of vacant land. In the absence of such restrictions, the assessor must determine the highest and best use of the land by analyzing the four

components—legally permissible, physically possible, appropriately supported, and financially feasible—thereby resulting in the highest value. Special attention may be required for properties in transition, interim or nonconforming uses, multiple uses, and excess land.

4.1 Valuation Models

Any appraisal, whether single-property appraisal or mass appraisal, uses a model, that is, a representation in words or an equation of the relationship between value and variables representing factors of supply and demand. Mass appraisal models attempt to represent the market for a specific type of property in a specified area. Mass appraisers must first specify the model, that is, identify the supply and demand factors and property features that influence value, for example, square feet of living area. Then, they must calibrate the model, that is, determine the adjustments or coefficients that best represent the value contribution of the variables chosen, for example, the dollar amount the market places on each square foot of living area. Careful and extensive market analysis is required for both specification and calibration of a model that estimates values accurately. Mass appraisal models apply to all three approaches to value: the cost approach, the sales comparison approach, and the income approach.

Valuation models are developed for defined property groups. For residential properties, geographic stratification is appropriate when the value of property attributes varies significantly among areas and each area is large enough to provide adequate sales. It is particularly effective when housing types and styles are relatively uniform within areas. Separate models are developed for each market area (also known as economic or model areas). Subareas or neighborhoods can serve as variables in the models and can also be used in land value tables and selection of comparable sales. (see *Mass Appraisal of Real Property* [Gloudemans 1999, 118–120] or *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, 139–143] for guidelines on stratification.) Smaller jurisdictions may find it sufficient to develop a single residential model.

Commercial and income-producing properties should be stratified by property type. In general, separate models should be developed for apartment, warehouse/industrial, office, and retail properties. Large jurisdictions may be able to stratify apartment properties further by type or area or to develop multiple models for other income properties with adequate data.

4.2 The Cost Approach

The cost approach is applicable to virtually all improved parcels and, if used properly, can produce accurate valuations. The cost approach is more reliable for newer structures of standard materials, design, and workmanship. It produces an estimate of the value of the fee simple interest in a property.

Reliable cost data are imperative in any successful application of the cost approach. The data must be complete, typical, and current. Current construction costs should be based on the cost of replacing a structure with one of equal utility, using current materials, design, and building standards. In addition to specific property types, cost models should include the cost of individual construction components and building items in order to adjust for features that differ from base specifications. These costs should be incorporated into a construction cost manual and related computer software. The software can perform the valuation function, and the manual, in addition to providing documentation, can be used when nonautomated calculations are required.

Construction cost schedules can be developed in-house, based on a systematic study of local construction costs, obtained from firms specializing in such information, or can be custom-generated by a contractor. Cost schedules should be verified for accuracy by applying them to recently constructed improvements of known cost. Construction costs also should be updated before each assessment cycle.

The most difficult aspects of the cost approach are estimates of land value and accrued depreciation. These estimates must be based on non-cost data (primarily sales) and can involve considerable subjectivity. Land values used in the cost approach must be current and consistent. Often they must be extracted from sales of improved property because sales of vacant land are scarce. Section 1.5 provides standards for land valuation in mass appraisal.

Depreciation schedules can be extracted from sales data in several ways. See *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 4) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, 189–192).

4.3 The Sales Comparison Approach

The sales comparison approach estimates the value of a subject property by statistically analyzing the sale prices of similar properties. This approach is usually the preferred approach for estimating values for residential and other property types with adequate sales.

Applications of the sales comparison approach include direct market models and comparable sales algorithms (see *Mass Appraisal of Real Property* [Gloudemans 1999, chapters 3 and 4], *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, chapters 4 and 6], and the *Standard on Automated Valuation Models* [IAAO 2003a]). Comparable sales algorithms are most akin to single property appraisal applications of the sales comparison approach. They have the advantages of being familiar and easily explained and can compensate for less well-specified or calibrated models, because the models are

used only to make adjustments to the selected comparables. They can be problematic if the selected comparables are not well validated or representative of market value. Because they predict market value directly, direct market models depend more heavily on careful model specification and calibration. Their advantages include efficiency and consistency, because the same model is directly applied against all properties in the model area.

Users of comparable sales algorithms should be aware that sales ratio statistics will be biased if sales used in the ratio study are used as comparables for themselves in model development. This problem can be avoided by (1) not using sales as comparables for themselves in modeling or (2) using holdout or later sales in ratio studies.

4.4 The Income Approach

In general, for income-producing properties, the income approach is the preferred valuation approach when reliable income and expense data are available, along with well-supported income multipliers, overall rates, and required rates of return on investment. Successful application of the income approach requires the collection, maintenance, and careful analysis of income and expense data.

Mass appraisal applications of the income approach begin with collecting and processing income and expense data. (These data should be expressed on an appropriate per-unit basis, such as per square foot or per apartment unit.) Appraisers should then compute normal or typical gross incomes, vacancy rates, net incomes, and expense ratios for various homogeneous strata of properties. These figures can be used to judge the reasonableness of reported data for individual parcels and to estimate income and expense figures for parcels with unreported data. Actual or reported figures can be used as long as they reflect typical figures (or typical figures can be used for all properties).

Alternatively, models for estimating gross or net income and expense ratios can be developed by using actual income and expense data from a sample of properties and calibrated by using multiple regression analysis. For an introduction to income modeling, see *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 3) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy (2011, chapter 9). The developed income figures can be capitalized into estimates of value in a number of ways. The most direct method involves the application of gross income multipliers, which express the ratio of market value to gross income. At a more refined level, net income multipliers or their reciprocals, overall capitalization rates, can be developed and applied. Provided there are adequate sales, these multipliers and rates should be extracted from a comparison of actual or estimated incomes with sale prices (older income and sales data should be adjusted to the valuation date as appropriate). Income multipliers and overall rates developed in this manner tend to provide reliable, consistent, and readily supported valuations when good sales and income data are available. When adequate sales are not available, relevant publications and local market participants can be consulted.

4.5 Land Valuation

State or local laws may require the value of an improved parcel to be separated into land and improvement components. When the sales comparison or income approach is used, an independent estimate of land value can be made and subtracted from the total property value to obtain a residual improvement value. Some computerized valuation techniques provide a separation of total value into land and building components.

Land values should be reviewed annually. At least once every 4 to 6 years the properties should be physically inspected and revalued. The sales comparison approach is the primary approach to land valuation and is always preferred when sufficient sales are available. In the absence of adequate sales, other techniques that can be used in land appraisal include allocation, abstraction, anticipated use, capitalization of ground rents, and land residual capitalization. (See *Mass Appraisal of Real Property* [Gloudemans1999, chapter 3] or *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, 178–180].)

4.6 Considerations by Property Type

The appropriateness of each valuation approach varies with the type of property under consideration. Table 1 ranks the relative usefulness of the three approaches in the mass appraisal of major types of properties. The table assumes that there are no major statutory barriers to using all three approaches or to obtaining cost, sales, and income data. Although relying only on the single best approach for a given type of property can have advantages in terms of efficiency and consistency, the use of two or more approaches provides helpful cross-checks and flexibility and can thus produce greater accuracy, particularly for less typical properties.

4.6.1 Single-Family Residential Property

The sales comparison approach is the best approach for single-family residential property, including condominiums. Automated versions of this approach are highly efficient and generally accurate for the majority of these properties. The cost approach is a good supplemental approach and should serve as the primary approach when the sales data available are inadequate. The income approach is usually inappropriate for mass appraisal of single-family residential properties, because most of these properties are not rented.

4.6.2 Manufactured Housing

Manufactured or *mobile* homes can be valued in a number of ways depending on the local market and ownership status. Often mobile homes are purchased sepa-

Table 1. Rank of typical usefulness of the three approaches to value in the mass appraisal of major types of property

	Cost approach	Sales comparison approach	Income approach
Single-family residential	2	1	3
Multifamily residential	3	1,2	1,2
Commercial	3	2	1
Industrial	1,2	3	1,2
Non-agricultural land		1	2
Agricultural*		2	1
Special-purpose**	1	2,3	2,3

**Includes farm, ranch, and forest properties.*

***Includes institutional, governmental, and recreation properties*

rately and situated on a rented space in a mobile home park. In this case the best strategy is to model the mobile homes separately from the land. At other times mobile homes are situated on individual lots and bought and sold similar to stick-built homes. Particularly in rural areas they may be intermixed with stick-built homes. In these cases they can be modeled in a manner similar to that for other residential properties and included in the same models, as long as the model includes variables to distinguish them and recognize any relevant differences from other homes (e.g., mobile homes may appreciate at a rate different from that for stick built homes).

4.6.3 Multifamily Residential Property

The sales comparison and income approaches are preferred in valuing multifamily residential property when sufficient sales and income data are available. Multiple regression analysis (MRA) and related techniques have been successfully used in valuing this property type. Where adequate sales are available, direct sales models can be used. MRA also can be used to calibrate different portions of the income approach, including the estimation of market rents and development of income multipliers or capitalization rates. As with other residential property, the cost approach is useful in providing supplemental valuations and can serve as the primary approach when good sales and income data are not available.

4.6.4 Commercial and Industrial Property

The income approach is the most appropriate method in valuing commercial and industrial property if sufficient income data are available. Direct sales comparison models can be equally effective in large jurisdictions with sufficient sales. When a sufficient supply of sales data and income data is not available, the cost approach should be applied. However, values generated should be checked against available sales data. Cost factors, land values, and depreciation schedules must be kept current through periodic review.

4.6.5 Nonagricultural Land

The sales comparison approach is preferred for valuing nonagricultural land. Application of the sales comparison approach to vacant land involves the collection of sales data, the posting of sales data on maps, the calculation of standard unit values (such as value per square foot, per front foot, or per parcel) by area and type of land use, and the development of land valuation maps or computer-generated tables in which the pattern of values is displayed. When vacant land sales are not available or are few, additional benchmarks can be obtained by subtracting the replacement cost new less depreciation of improvements from the sale prices of improved parcels. The success of this technique requires reliable cost data and tends to work best for relatively new improvements, for which depreciation is minimal.

Another approach is a *hybrid* model decomposable into land and building values. Although these models can be calibrated from improved sales alone, separation of value between land and buildings is more reliable when both vacant and improved sales are available.

4.6.6 Agricultural Property

If adequate sales data are available and agricultural property is to be appraised at market value, the sales comparison approach is preferred. However, most states and provinces provide for the valuation of agricultural land at use value, making the sales comparison approach inappropriate for land for which market value exceeds use value. Thus it is often imperative to obtain good income data and to use the income approach for agricultural land. Land rents are often available, sometimes permitting the development and application of overall capitalization rates. Many states and provinces have soil maps that assign land to different productivity classes for which typical rents can be developed. Cost tables can be used to value agricultural buildings.

4.6.7 Special-Purpose Property

The cost approach tends to be most appropriate in the appraisal of special-purpose properties, because of the distinctive nature of such properties and the general absence of adequate sales or income data.

4.7 Value Reconciliation

When more than one approach or model is used for a given property group, the appraiser must determine which to use or emphasize. Often this can be done by comparing ratio study statistics. Although there are advantages to being consistent, sometimes an alternative approach or method is more reliable for special situations and atypical properties. CAMA systems should allow users to document the approach or method being used for each property.

4.8 Frequency of Reappraisals

Section 4.2.2 of the *Standard on Property Tax Policy* (IAAO 2010) states that current market value implies annual assessment of all property. Annual assessment does not necessarily mean, however, that each property must be re-examined each year. Instead, models can be recalibrated or market adjustment factors derived from ratio studies or other market analyses applied based on criteria such as property type, location, size, and age.

Analysis of ratio study data can suggest groups or strata of properties in greatest need of physical review. In general, market adjustments can be highly effective in maintaining equity when appraisals are uniform within strata and recalibration can provide even greater accuracy. However, only physical reviews can correct data errors and, as stated in Sections 3.3.4 and 3.3.5, property characteristics data should be reviewed and updated at least every 4 to 6 years. This can be accomplished in at least three ways:

- Re-inspecting all property at periodic intervals (i.e., every 4 to 6 years)
- Re-inspecting properties on a cyclical basis (e.g., one-fourth or one-sixth each year)
- Re-inspecting properties on a priority basis as indicated by ratio studies or other considerations while still ensuring that all properties are examined at least every sixth year

5. Model Testing, Quality Assurance, and Value Defense

Mass appraisal allows for model testing and quality assurance measures that provide feedback on the reliability of valuation models and the overall accuracy of estimated values. Modelers and assessors must be familiar with these diagnostics so they can evaluate valuation performance properly and make improvements where needed.

5.1 Model Diagnostics

Modeling software contains various statistical measures that provide feedback on model performance and accuracy. MRA software contains multiple sets of diagnostic tools, some of which relate to the overall predictive accuracy of the model and some of which relate to the relative importance and statistical reliability of individual variables in the model. Modelers must understand these measures and ensure that final models not only make appraisal sense but also are statistically sound.

5.2 Sales Ratio Analyses

Regardless of how values were generated, sales ratio studies provide objective, bottom-line indicators of assessment performance. The IAAO literature contains extensive discussions of this important topic, and the *Standard on Ratio Studies* (2013a) provides guidance for conducting a proper study. It also presents standards for key ratio statistics relating to the two primary aspects of assessment performance: level and uniformity. The following discussion summarizes these standards and describes how the assessor can use sales ratio metrics to help ensure accurate, uniform values.

5.2.1 Assessment Level

Assessment level relates to the overall or general level of assessment of a jurisdiction and various property classes, strata, and groups within the jurisdiction. Each group must be assessed at market value as required by professional standards and applicable statutes, rules, and related requirements. The three common measures of central tendency in ratio studies are the median, mean, and weighted mean. The *Standard on Ratio Studies* (2013a) stipulates that the median ratio should be between 0.90 and 1.10 and provides criteria for determining whether it can be concluded that the standard has not been achieved for a property group. Current, up-to-date valuation models, schedules, and tables help ensure that assessment levels meet required standards and values can be statistically adjusted between full reappraisals or model recalibrations to ensure compliance.

5.2.2 Assessment Uniformity

Assessment uniformity relates to the consistency and equity of values. Uniformity has several aspects, the first of which relates to consistency in assessment levels between property groups. It is important to ensure, for example, that residential and commercial properties are appraised at similar percentages of market value (regardless of the legal assessment ratios that may then be applied) and that residential assessment levels are consistent among neighborhoods, construction classes, age groups, and size groups. Consistency among property groups can be evaluated by comparing measures of central tendency calculated for each group. Various graphs can also be used for this purpose. The *Standard on Ratio Studies* (IAAO 2013a) stipulates that the level of appraisal for each major group of properties should be within 5 percent of the overall level for the jurisdiction and provides criteria for determining whether it can be concluded from ratio data that the standard has not been met.

Another aspect of uniformity relates to the consistency of assessment levels within property groups. There are several such measures, the preeminent of which is the coefficient of dispersion (COD), which represents the average percentage deviation from the median ratio. The lower the COD, the more uniform the ratios within the property group. In addition, uniformity can be viewed spatially by plotting sales ratios on thematic maps.

The *Standard on Ratio Studies* (IAAO 2013a) provides the following standards for the COD:

- Single-family homes and condominiums: CODs of 5 to 10 for newer or fairly similar residences and 5 to 15 for older or more heterogeneous areas
- Income-producing properties: CODs of 5 to 15 in larger, urban areas and 5 to 20 in other areas
- Vacant land: CODs of 5 to 20 in urban areas and 5 to 25 in rural or seasonal recreation areas
- Rural residential, seasonal, and manufactured homes: CODs of 5 to 20

The entire appraisal staff must be aware of and monitor compliance with these standards and take corrective action where necessary. Poor uniformity within a property group is usually indicative of data problems or deficient valuation procedures or tables and cannot be corrected by application of market adjustment factors.

A final aspect of assessment uniformity relates to equity between low- and high-value properties. Although there are statistical subtleties that can bias evaluation of price-related uniformity, the IAAO literature (see particularly *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, 385–392 and Appendix B] and the *Standard on Ratio Studies*) [IAAO 2013a] provide guidance and relevant measures, namely, the price-related differential (PRD) and coefficient of price-related bias (PRB).

The PRD provides a simple gauge of price related bias. The *Standard on Ratio Studies* (IAAO 2013a) calls for PRDs of 0.98 to 1.03. PRDs below 0.98 tend to indicate assessment progressivity, the condition in which assessment ratios increase with price. PRDs above 1.03 tend to indicate assessment regressivity, in which assessment ratios decline with price.

The PRB indicates the percentage by which assessment ratios change whenever values double or are halved. For example, a PRB of −0.03 would mean that assessment levels fall by 3 percent when value doubles. The *Standard on Ratio Studies* calls for PRBs of −0.05 to +0.05 and regards PRBs outside the range of −0.10 to +0.10 as unacceptable.

Because price is observable only for sale properties, there is no easy correction for the PRB, which is usually due to problems in valuation models and schedules. Sometimes other ratio study diagnostics will provide clues. For example, high ratios for lower construction classes may indicate that base rates should be reduced for those classes, which should in turn improve assessment ratios for low-value properties.

5.3 Holdout Samples

Holdout samples are validated sales that are not used in valuation but instead are used to test valuation performance. Holdout samples should be randomly selected with a view to obtaining an adequate sample while ensuring that the number of sales available for valuation will provide reliable results for the range of properties that must be valued (holdout samples of 10 to 20 percent are typical). If too few sales are available, later sales can be validated and used for the same purpose. (For a method of using sales both to develop and test valuation models, see "The Use of Cross-validation in CAMA Modeling to Get the Most Out of Sales" (Jensen 2011)

Since they were not used in valuation, holdout samples can provide more objective measures of valuation performance. This can be particularly important when values are not based on a common algorithm as cost and MRA models are. Manually assigning land values, for example, might produce sales ratio statistics that appear excellent but are not representative of broader performance for both sold and unsold properties. Comparable sales models that value a sold property using the sale of a property as a comparable for itself can produce quite different results when tested on a holdout group.

When a new valuation approach or technique is used for the first time, holdout sales can be helpful in validating use of the new method. In general, however, holdout samples are unnecessary as long as valuation models are based on common algorithms and schedules and the value assigned to a sale property is not a function of its price. Properly validated later sales can provide follow-up performance indicators without compromising the number of sales available for valuation.

5.4 Documentation

Valuation procedures and models should be documented. Appraisal staff should have at least a general understanding of how the models work and the various rates and adjustments made by the models. Cost manuals should be current and contain the rates and adjustments used to value improvements by the cost approach. Similarly, land values should be supported by tables of rates and adjustments for features such as water frontage, traffic, and other relevant influences. MRA models and other sales comparison algorithms should document final equations and should be reproducible, so that rerunning the model produces the same value. Schedules of rental rates, vacancy rates, expense ratios, income multipliers, and capitalization rates should document how values based on the income approach were derived.

It can be particularly helpful to prepare a manual, booklet, or report for each major property type that provides a narrative summary of the valuation approach and methodology and contains at least the more common rates and adjustments. Examples of how values were computed for sample properties can be particularly helpful. The manuals serve as a resource for current staff and can be helpful in training new staff or explaining the valuation process to other interested parties. Once prepared, the documents should be updated when valuation schedules change or methods and calculation procedures are revised.

5.5 Value Defense

The assessment office staff must have confidence in the appraisals and be able to explain and defend them. This confidence begins with application of reliable appraisal techniques, generation of appropriate valuation reports, and review of preliminary values. It may be helpful to have reports that list each parcel, its characteristics, and its calculated value. Parcels with unusual characteristics, extreme values, or extreme changes in values should be identified for subsequent individual review. Equally important, summary reports should show average values, value changes, and ratio study statistics for various strata of properties. These should be reviewed to ensure the overall consistency of values for various types of property and various locations. (See the *Uniform Standards of Professional Appraisal Practice*, Standards Rule 6-7, for reporting requirements for mass appraisals [The Appraisal Foundation, Appraisal Standards Board 2012–2013].)

The staff should also be prepared to support individual valuations as required, preferably through comparable sales. At a minimum, staff should be able to produce a property record and explain the basic approach (cost, sales comparison, or income) used to estimate the value of the property. A property owner should never be told simply that "the computer" or "the system" produced the appraisal. In general, the staff should tailor the explanation to the taxpayer's knowledge and expertise. Equations converted to tabular form can be used to explain the basis for valuation.

In all cases, the assessment office staff should be able to produce sales or appraisals of similar properties in order to support (or at least explain) the valuation of the property in question. Comparable sales can be obtained from reports that list sales by such features as type of property, area, size, and age. Alternatively, interactive programs can be obtained or developed that identify and display the most comparable properties.

Assessors should notify property owners of their valuations in sufficient time for property owners to discuss their appraisals with the assessor and appeal the value if they choose to do so (see the *Standard on Public Relations* [IAAO 2011]). Statutes should provide for a formal appeals process beyond the assessor's level (see the *Standard on Assessment Appeal* [IAAO 2013b]).

6. Managerial Considerations

6.1 Overview

Mass appraisal requires human, computing, and other resources to be well managed. This section discusses certain key managerial considerations.

6.2 Staffing

A successful in-house appraisal program requires a sufficiently large staff comprising persons skilled in general administration and supervision, appraisal, mapping and drafting, data processing, and secretarial and clerical functions. Typical staffing sizes and patterns for jurisdictions of various sizes are illustrated in *Property Appraisal and Assessment Administration* (Eckert et al. 1990, chapter 16) and in *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, 22–25).

Unless efficiency or practical concerns dictate otherwise, persons performing the various mass appraisal functions should be employees of the assessor. When these functions are not performed by assessment staff, it is imperative that they be adequately provided by other departments, an oversight agency, a service bureau, a qualified contractor, or another source. Strong lines of communication must be established between the assessment staff and the designated support groups.

6.3 Data Processing Support

CAMAs require considerable data processing support. (See the *Standard on Facilities, Equipment, Computers, and Supplies* [IAAO 2003b].)

6.3.1 Hardware

The hardware should be powerful enough to support applications of the cost, sales comparison, and income approaches, as well as data maintenance and other routine operations. Data downloading, mass calculations, GIS applications, and Web support tend to be the most computer-intensive operations. Processing speed and efficiency requirements should be established before hardware acquisition. Computer equipment can be purchased, leased, rented, or shared with other jurisdictions. If the purchase option is chosen, the equipment should be easy to upgrade to take advantage of technological developments without purchasing an entirely new system.

6.3.2 Software

CAMA software can be developed internally, adapted from software developed by other public agencies, or purchased (in whole or in part) from private vendors. (Inevitably there will be some tailoring needed to adapt externally developed software to the requirements of

the user's environment.) Each alternative has advantages and disadvantages. The software should be designed so that it can be easily modified; it should also be well documented, at both the appraiser–user and programmer levels.

CAMA software works in conjunction with various general-purpose software, typically including word processing, spreadsheet, statistical, and GIS programs. These programs and applications must be able to share data and work together cohesively.

Security measures should exist to prevent unauthorized use and to provide backup in the event of accidental loss or destruction of data.

6.4 Contracting for Appraisal Services

Reappraisal contracts can include mapping, data collection, data processing, and other services, as well as valuation. They offer the potential of acquiring professional skills and resources quickly. These skills and resources often are not available internally. Contracting for these services not only can allow the jurisdiction to maintain a modest staff and to budget for reappraisal on a periodic basis, but also makes the assessor less likely to develop in-house expertise. (See the *Standard on Contracting for Assessment Services* [IAAO 2008].)

6.5 Benefit-Cost Considerations

6.5.1 Overview

The object of mass appraisal is to produce equitable valuations at low costs. Improvements in equity often require increased expenditures.

Benefit-cost analysis in mass appraisal involves two major issues: policy and administration.

6.5.2 Policy Issues

An assessment jurisdiction requires a certain expenditure level simply to inventory, list, and value properties. Beyond that point, additional expenditures make possible rapid improvements in equity initially, but marginal improvements in equity diminish as expenditures increase. At a minimum, jurisdictions should budget to meet statutory requirements and the performance standards contained in the *Standard on Ratio Studies* (IAAO 2013a) and summarized in Section 5.2.

6.5.3 Administrative Issues

Maximizing equity per dollar of expenditure is the primary responsibility of assessment administration. To maximize productivity, the assessor and managerial staff must effectively plan, budget, organize, and control operations and provide leadership. This must be accomplished within the office's legal, fiscal, economic, and social environment and constraints (IAAO 1990, chapter 16).

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Glossary

Abstraction Method—Method of land valuation in the absence of vacant land sales, whereby improvement values obtained from the cost model are subtracted from sale prices of improved parcels to yield residual land value estimates. Also called land residual technique.

Accrued Depreciation—(1) The amount of depreciation, from any and all sources, that affects the value of the property in question on the effective date of the appraisal. (2) In accounting, the amount reserved each year or accumulated to date in the accounting system for replacement of a building or other asset. When depreciation is recorded as a dollar amount, it may be deductible from total plant value or investment to arrive at the rate base for public utilities. *See also Depreciation.*

Acquisition Value—An assessed value based on the cost of acquiring the property; increases in this value are usually limited until the next qualifying sale.

Adaptive Estimation Procedure (AEP)—A computerized, iterative, self-referential procedure using properties for which sales prices are known to produce a model that can be used to value properties for which sales prices are not known. Also called Feedback.

Adjusted Sale Price—The sale price that results from adjustments made to the stated sale price to account for the effects of time, personal property, financing, or the like.

Adjustments—Modifications in the reported value of a variable, such as sale price or gross income. For example, adjustments can be used to estimate market value in the sales comparison approach by adjusting the sale price of the comparable for differences between comparable and subject properties.

Ad Valorem Tax—A tax levied in proportion to the value of the thing(s) being taxed.

Aerial Photograph—A photograph of a part of the earth's surface taken by an aircraft-supported camera.

Agricultural Property—Improved or unimproved land devoted to or available for the production of crops or other agricultural products, livestock, and agricultural support buildings.

Allocation Method—A method used to value land, in the absence of vacant land sales, by using a typical ratio of land to improvement value. Also called land ratio method.

Appraisal Foundation, The—The organization authorized by the United States Congress as the source of appraisal standards and appraiser qualifications.

Appraisal Ratio—(1) The ratio of the appraised value to an indicator of market value. (2) By extension, an estimated fractional relationship between the appraisals and market values of a group of properties. *See also Level of Appraisal.*

Appraisal Ratio Study—A ratio study using independent expert appraisals as indicators of market value.

Arm's-Length Sale—A sale between two unrelated parties, both seeking to maximize their positions from the transaction.

Assessment Cycle—A legally sanctioned reappraisal period generally ranging from 1 to 10 years.

Assessment Date—The status date for tax purposes. Appraised values reflect the status of the property and any partially completed construction as of this date.

Assessment Equity—The degree to which assessments bear a consistent relationship to market value.

Assessment Level—The common or overall ratio of assessed values to market values.

Assessment Maps—*See Cadastral Map.*

Assessment Ratio—(1) The fractional relationship an assessed value bears to the market value of the property in question. (2) By extension, the fractional relationship the total of the assessment roll bears to the total market value of all taxable property in a jurisdiction. *See Level of Assessment.*

Assessment Ratio Study—An investigation intended to determine the assessment ratio and assessment equity.

Audit—A systematic investigation or appraisal of procedures or operations for the purpose of determining conformity with specifically prescribed criteria.

Audit, Performance—An analysis of an organization to determine whether or not the quantity and quality of work performed meets standards. Ratio studies are an important part of performance audits of an assessing organization.

Audit, Procedural—An examination of an organization to determine whether established or recommended procedures are being followed.

Audit Program—The procedures undertaken or particular work done by an accountant in conducting an examination.

Audit Trail—A set of records of the changes made to another set of records.

Automated Valuation Model—A computer program for property valuation that analyzes data using an automated process. *See also Computer-Assisted Mass Appraisal.*

Base Year Value—In a nonmarket-value assessment system, the assessed value established as of a specific year.

Benchmark—(1) A term used in land surveying to mean a known point of reference. (2) In property appraisal, a property of known value and of known effective age and replacement cost. (3) By extension, a model property to be used in determining by comparison the grade or quality class of other properties.

Cadastral Map—A scale map displaying property ownership boundaries and showing the dimensions of each parcel with related information such as parcel identifier, survey lines, and easements.

Calibration—The process of estimating the coefficients in a mass appraisal model.

CAMA—*See Computer-assisted Mass Appraisal.*

Capitalization Rate—Any rate used to convert an estimate of future income to an estimate of market value; the ratio of net operating income to market value.

Capitalization of Ground Rents—A method of estimating land value in the absence of comparable sales; applicable where there is an income stream, for example, to farmland and commercial land leased on a net basis.

Class—A set of items defined by common characteristics. (1) In property taxation, property classes such as residential, agricultural, and industrial may be defined. (2) In assessment, building classification systems based on type of building design, quality of construction, or structural type are common. (3) In statistics, a predefined category into which data may be put for further analysis. For example, ratios may be grouped into the following classes: less than 0.500, 0.500 to 0.599, 0.600 to 0.699, and so forth.

Coding—(1) The act of reducing a description of a unique object, such as a parcel of real estate, to a set of one or more measures or counts of certain of its characteristics, such as square footage, number of bathrooms, and the like. (2) Encoding, a related term, is usually used to refer to the act of translating coded descriptions useful to human beings into a form that can be processed by computers. (3) Coding is sometimes also used to refer to the writing of instructions that direct the processing done by computers.

Coefficient—(1) In a mathematical expression, a number or letter preceding and multiplying another quantity. For example, in the expression, $5X$, 5 is the coefficient of X, and in the expression aY, a is the coefficient of Y. (2) A dimensionless statistic, useful as a measure of change or relationship, for example, correlation coefficient.

Coefficient of Price-Related Bias (PRB)—A measure of vertical equity between lower and higher value properties. The PRB indicates the percentage by which assessment ratios change whenever values double or are halved, for example, a PRB of −0.035 means that ratios fall by 3.5 percent when values double and increase by 3.5 percent when values are halved.

Commercial Property—In general, any nonindustrial, nonresidential realty of a commercial enterprise. Includes realty used as a retail or wholesale establishment, hotel or motel, service station, commercial garage, warehouse, theater, bank, nursing home, and the like.

Comparable Sales; Comparables—(1) Recently sold properties that are similar in important respects to a property being appraised. The sale price and the physical, functional, and locational characteristics of each of the properties are compared to those of the property being appraised in order to arrive at an estimate of value. (2) By extension, the term *comparables* is sometimes used to refer to properties with rent or income patterns comparable to those of a property being appraised.

Comparative Unit Method—(1) A method of appraising land parcels in which an average or typical value is estimated for each stratum of land. (2) A method of estimating replacement cost in which all the direct and indirect costs of a structure (except perhaps architect's fees) are aggregated and specified with reference to a unit of comparison, such as square feet of ground area or floor area or cubic content. Separate factors are commonly specified for different intervals of the unit of comparison and for different story heights, and separate schedules are commonly used for different building types and quality classes.

Computer-Assisted Assessment System—A system for assessing real and personal property with the assistance of a computer. A computer may be used, for example, in the appraisal process, in keeping track of ownership and exemption status, in printing the assessment roll, in coordinating the workload of real property appraisers and personal property appraisers with respect to the assessment of commercial and industrial properties, and in a number of other areas.

Computer-Assisted Mass Appraisal (CAMA)—A system of appraising property, usually only certain types of real property, that incorporates computer-supported statistical analyses such as multiple regression analysis and adaptive estimation procedure to assist the appraiser in estimating value.

Cost—The money expended in obtaining an object or attaining an objective; generally used in appraisal to mean the expense, direct and indirect, of constructing an improvement.

Cost Approach—(1) One of the three approaches to value, the cost approach is based on the principle of substitution—that a rational, informed purchaser would pay no more for a property than the cost of building an acceptable substitute with like utility. The cost approach seeks to determine the replacement cost new of an improvement less depreciation plus land value. (2) The method of estimating the value of property by (a) estimating the cost of construction based on replacement or reproduction cost new or trended historic cost (often adjusted by a local multiplier), (b) subtracting depreciation, and (c) adding the estimated land value. The land value is most frequently determined by the sales comparison approach.

Cost Schedules—Charts, tables, factors, curves, equations, and the like intended to help estimate the cost of replacing a structure from a knowledge of some other factors, such as its quality class and number of square feet.

Data—The general term for masses of numbers, codes, and symbols. *Data* is the plural of datum, one element of data.

Data Edit—The process of examining recorded data to ensure that each element of data is reasonable and is consistent with others recorded for the same object, such as a parcel of real estate. Data editing, which may be done by persons or by computer, is essentially a mechanical process, distinct from verifying the correctness of the recorded information by calling or writing property owners.

Data Management—The human (and sometimes computer) procedures employed to ensure that no information is lost through negligent handling of records from a file, that all information is properly supplemented and up-to-date, and that all information is easily accessible.

Depreciation—Loss in value of an object, relative to its replacement cost new, reproduction cost new, or original cost, regardless of the cause of the loss in value. Depreciation is sometimes subdivided into three types: physical deterioration (wear and tear), functional obsolescence (suboptimal design in light of current technologies or tastes), and economic obsolescence (poor location or radically diminished demand for the product). *See also Accrued Depreciation.*

Depreciation Schedules—Tables used in mass appraisal that show the typical loss in value at various ages or effective ages for different types of properties.

Discount Rate—The rate of return on investment; the rate an investor requires to discount future income to its present worth.

Economic Area—*See Market Area.*

Equity—(1) In assessment, the degree to which assessments bear a consistent relationship to market value. Measures include the coefficient of dispersion, coefficient of variation, and price-related differential. (2) In popular usage, a synonym for tax fairness. (3) In ownership, the net value of property after liens and other charges have been subtracted.

Expense Ratios—The ratio of expenses to gross income.

Factor—(1) An underlying characteristic of something (such as a house) that may contribute to the value of a variable (such as its sale price) but is observable only indirectly. For example, construction quality is a factor defined by workmanship, spacing of joists, and materials used. Factor definition and measurement may be done subjectively or by a computer-assisted statistical algorithm known as factor analysis. (2) Loosely, any characteristic used in adjusting the sale prices of comparables. (3) The reciprocal of a rate. Assessments may be equalized by multiplying them by a factor equal to the reciprocal of the assessment ratio, and value can be estimated using the income approach by multiplying income by a factor equal to the reciprocal of the discount rate.

Feedback—*See Adaptive Estimation Procedure.*

Front Foot—The unit or standard of linear measure used in measuring frontage.

Geographic Information System (GIS)—(1) A database management system used to store, retrieve, manipulate, analyze, and display spatial information. (2) One type of computerized mapping system capable of integrating spatial data (land information) and attribute data among different layers on a base map.

Gross Income—The payments to an owner that a property can generate before expenses are deducted.

Gross Income Multiplier—A capitalization technique that uses the ratio between the sale price of a property and its potential gross income or its effective gross income.

Holdout Sample—A sample not used in model development but rather to test the model. The sample is usually drawn randomly and provides an objective test of the model when applied to properties not used to develop the model.

Improvements—Buildings, other structures, and attachments or annexations to land that are intended to remain so attached or annexed, such as sidewalks or sewers.

Income Approach—One of the three approaches to value, based on the concept that current value is the present worth of future benefits to be derived through income production by an asset over the remainder of its economic life. The income approach uses capitalization to convert the anticipated benefits of the ownership of property into an estimate of present value.

Industrial Property—In general, any property used in a manufacturing activity, such as a factory, wholesale bakery, food processing plant, mill, mine, or quarry.

Integrity—The quality of a data element or program being what it says it is; usually distinguished from validity, the quality of its being what it should be in terms of some ultimate purpose. After data are edited and encoded and programs are prepared, their integrity is ensured by safeguards that prevent accidental or unauthorized tampering with them.

Land—(1) In economics, the surface of the earth and all the natural resources and natural productive powers over which possession of the earth's surface gives man

control. (2) In law, a portion of the earth's surface, together with the earth below it, the space above it, and all things annexed thereto by nature or by man. *See also Improvements.*

Land Residual Technique—*See Abstraction Method.*

Legal Description—A delineation of dimensions, boundaries, and relevant attributes of a real property parcel that serve to identify the parcel for all purposes of law. The description may be in words or codes, such as metes and bounds or coordinates. For a subdivided lot, the legal description would probably include lot and block numbers and subdivision name.

Level of Appraisal—The common, or overall, ratio of appraised values to market values. Three concepts are usually of interest: the level required by law, the true or actual level, and the computed level, based on a ratio study.

Level of Assessment; Assessment Ratio—The common or overall ratio of assessed values to market values. Compare Level of Appraisal. Note: The two terms are sometimes distinguished, but there is no convention determining their meanings when they are. Three concepts are commonly of interest: what the assessment ratio is legally required to be, what the assessment ratio actually is, and what the assessment ratio seems to be, on the basis of a sample and the application of inferential statistics. When level of assessment is distinguished from assessment ratio, *level of assessment* usually means either the legal requirement or the true ratio, and *assessment ratio* usually means the true ratio or the sample statistic.

Linear Regression—A kind of statistical analysis used to investigate whether a dependent variable and a set of one or more independent variables share a linear correlation and, if they do, to predict the value of the dependent variable on the basis of the values of the other variables. Regression analysis of one dependent variable and only one independent variable is called simple linear regression, but it is the word *simple* (not linear) that distinguishes it from multiple regression analysis with its multiple independent variables.

Location—The numerical or other identification of a point (or object) sufficiently precise so the point can be situated. For example, the location of a point on a plane can be specified by a pair of numbers (plane coordinates) and the location of a point in space can be specified by a set of three numbers (space coordinates). However, location may also be specified in terms other than coordinates. A location may be specified as being at the intersection of two specific lines by identifying it with some prominent and known feature (e.g., "on top of Pikes Peak" or "at the junction of the Potomac and Anacostia Rivers").

Map—A conventional representation, usually on a plane surface and at an established scale, of the physical features (natural, artificial, or both) of a part or the whole of the earth's surface. Features are identified by means of signs and symbols, and geographical orientation is indicated.

Map, Tax—A map drawn to scale and delineated for lot lines or property lines or both, with dimensions or areas and identifying numbers, letters, or names for all delineated lots or parcels.

Market—(1) The topical area of common interest in which buyers and sellers interact. (2) The collective body of buyers and sellers for a particular product.

Market Adjustment Factors—Market adjustment factors, reflecting supply and demand preferences, are often required to adjust values obtained from the cost approach to the market. These adjustments should be applied by type of property and area and are based on sales ratio studies or other market analyses. Accurate cost schedules, condition ratings, and depreciation schedules will minimize the need for market adjustment factors.

Market Analysis—A study of real estate market conditions for a specific type of property.

Market Area—A geographic area, typically encompassing a group of neighborhoods, defined on the basis that the properties within its boundaries are subject to similar economic forces and supply and demand factors. A separate valuation model is often developed for each market area. Smaller or mid-sized jurisdictions may constitute a single market area.

Market Value—Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States is:

The most probable price (in terms of money) which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- The buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto;

- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market-Value Standard—A requirement of law or practice that the assessment ratio of all properties be equal to one. Two issues are implicit here: that fractional assessment levels be avoided and that all property be assessed on the basis of its market value and not on the basis of its value in some particular use—for example, agriculture—unless that use is the only use to which the property can legally be put (in which case its use value would be equal to its market value).

Mass Appraisal—The process of valuing a group of properties as of a given date, using standard methods, employing common data, and allowing for statistical testing.

Mass Appraisal Model—A mathematical expression of how supply and demand factors interact in a market.

Model—(1) A representation of how something works. (2) For purposes of appraisal, a representation (in words or an equation) that explains the relationship between value or estimated sale price and variables representing factors of supply and demand.

Model Area—*See Market Area.*

Model Calibration—The development of adjustments, or coefficients, based on market analysis, that identifies specific factors with an actual effect on market value.

Model Specification—The formal development of a model in a statement or equation, based on data analysis and appraisal theory.

Multiple Regression, Multiple Regression Analysis (MRA)—A particular statistical technique, similar to correlation, used to analyze data in order to predict the value of one variable (the dependent variable), such as market value, from the known values of other variables (called *independent variables*), such as lot size, number of rooms, and so on. If only one independent variable is used, the procedure is called simple regression analysis and differs from correlation analysis only in that correlation measures the strength of relationship, whereas regression predicts the value of one variable from the value of the other. When two or more variables are used, the procedure is called multiple regression analysis. *See Linear Regression.*

Neighborhood—(1) The environment of a subject property that has a direct and immediate effect on value. (2) A geographic area (in which there are typically fewer than several thousand properties) defined for some useful purpose, such as to ensure for later multiple regression modeling that the properties are relatively homogeneous and share important locational characteristics.

Net Income—The income expected from a property after deduction of allowable expenses.

Net Income Multiplier—A factor expressing the relationship between value and net operating income; the reciprocal of the overall rate.

Objective—The quality of being definable by specific criteria without the need for judgment.

Open Market—A freely competitive market in which any buyer or seller may trade and in which prices are determined by competition.

Overall Rate (OAR)—A capitalization rate that blends all requirements of discount, recapture, and effective tax rates for both land and improvements; used to convert annual net operating income into an indicated overall property value.

Parcel—A contiguous area of land described in a single legal description or as one of a number of lots on a plat; separately owned, either publicly or privately; and capable of being separately conveyed.

Parcel Identifier—A code, usually numerical, representing a specific land parcel's legal description. The purpose of parcel identifiers is to permit reference to legal descriptions by using a code of uniform and manageable size, thereby facilitating record keeping and handling. Also called parcel identification number.

Personal Property—Consists of every type of property that is not real property. Personal property is movable without damage to itself or the real estate and is subdivided into tangible and intangible.

Price, Adjusted Sale—The sale price that results from adjustments made to the stated sale price to account for the effects of time, personal property, atypical financing, and the like.

Price, Market—The value of a unit of goods or service, expressed in terms of money, as established in a free and open market. Note: This term is sometimes distinguished from *market value* on the ground that the latter term assumes that buyers and sellers are informed, but this assumption is also implied by the phrase *free and open market.* Compare Price, Sale.

Price, Sale—(1) The actual amount of money exchanged for a unit of goods or services, whether or not established in a free and open market. An indicator of market value. (2) Loosely used synonymously with *offering* or *asked* price. Note: The sale price is the *selling price* to the vendor and the *cost price* to the vendee.

Property—(1) An aggregate of things or rights to things. These rights are protected by law. There are two basic types of property: real and personal. (2) The legal interest of an owner in a parcel or thing.

Property Record Card (Form)—An assessment document with blanks for the insertion of data for property

identification and description, for value estimation, and for property owner satisfaction. The basic objectives of property record forms are (1) to serve as a repository of most of the information deemed necessary for identifying and describing a property, valuing a property, and assuring property owners that the assessor is conversant with their properties, and (2) to document property appraisals. Use of properly designed property record forms permits an organized and uniform approach to amassing a property inventory.

Ratio, Assessment—*See Assessment Ratio.*

Ratio Study—A study of the relationship between appraised or assessed values and market values. Indicators of market values may be either sales (sales ratio study) or independent *expert* appraisals (appraisal ratio study). Of common interest in ratio studies are the level and uniformity of the appraisals or assessments. *See also Level of Appraisal and Level of Assessment.*

RCN—Replacement cost new or reproduction cost new.

RCNLD—Replacement cost new less depreciation or reproduction cost new less depreciation.

Real Estate—The physical parcel of land and all improvements permanently attached. Compare Real Property.

Real Property—Consists of the interests, benefits, and rights inherent in the ownership of land plus anything permanently attached to the land or legally defined as immovable; the bundle of rights with which ownership of real estate is endowed. To the extent that *real estate* commonly includes land and any permanent improvements, the two terms can be understood to have the same meaning. Also called *realty.*

Reappraisal—The mass appraisal of all property within an assessment jurisdiction accomplished within or at the beginning of a reappraisal cycle (see below, sense 2). Also called revaluation or reassessment.

Reappraisal Cycle—(1) The period of time necessary for a jurisdiction to have a complete reappraisal. For example, a cycle of 5 years occurs when one fifth of a jurisdiction is reappraised each year and also when a jurisdiction is reappraised all at once every 5 years. (2) The maximum interval between reappraisals as stated in laws.

Reassessment—(1) The relisting and revaluation of all property, or all property of a given class, within an assessment district by order of an authorized officer or body after a finding by such an officer or body that the original assessment is too faulty for correction through the usual procedures of review and equalization. (2) The revaluation of all real property by the regularly constituted assessing authorities, as distinguished from assessment on the basis of valuations most or all of which were established in some prior year. *See also Revaluation.*

Reciprocal—The result obtained when one is divided by a given number.

Reconciliation—The final step in the valuation process wherein consideration is given to the relative strengths and weaknesses of the three approaches to value, the nature of the property appraised, and the quantity and quality of available data in formation of an overall opinion of value (either a single point estimate or a range of value). Also termed *correlation* in some texts.

Regression Analysis—*See Multiple Regression Analysis.*

Reliability—The degree to which measures are free from random error and therefore yield consistent results; the extent to which a procedure yields consistent results on repeated trials.

Replacement Cost; Replacement Cost New (RCN)—The cost, including material, labor, and overhead, that would be incurred in constructing an improvement having the same utility to its owner as a subject improvement, without necessarily reproducing exactly any particular characteristics of the subject. The replacement cost concept implicitly eliminates all functional obsolescence from the value given; thus, only physical depreciation and economic obsolescence need to be subtracted to obtain replacement cost new less depreciation (RCNLD).

Replacement Cost New Less Depreciation (RCLD)—In the cost approach, replacement cost new less physical incurable depreciation.

Reproduction Cost; Reproduction Cost New—The cost of constructing a new property, reasonably identical (having the same characteristics) with the given property except for the absence of physical depreciation, using the same materials, construction standards, design, and quality of workmanship, computed on the basis of prevailing prices and on the assumption of normal competency and normal conditions.

Residential Property—Property used for housing such as single-family residences, duplexes, or apartment buildings.

Residual—The difference between an observed value and a predicted value for a dependent variable.

Residual Technique—A method of arriving at the unknown value of a property component by subtracting the known values of other components from a known overall value.

Revaluation—A reappraisal of property, especially a complete reappraisal of real property after assessment for 1 or more years on valuations most (or all) of which were established in some prior year. Compare Reassessment and Reappraisal.

Review—(1) Consideration by a board of appeals, a board of equalization, a board of review, or a court of individual, property class, or district assessments, wheth-

er for the purpose of adding omitted taxable property, removing exempt property, or equalizing the valuations placed on listed property. (2) The act or process of critically studying a report, such as an appraisal, prepared by another.

Sale, Arm's-Length—A sale in the open market between two unrelated parties, each of whom is reasonably knowledgeable of market conditions and under no undue pressure to buy or sell.

Sale Price—*See Price, Sale; Price, Adjusted Sale.*

Sales Comparison Approach—One of three approaches to value, the sales comparison approach estimates a property's value (or some other characteristic, such as its depreciation) by reference to comparable sales.

Sales Data—(1) Information about the nature of the transaction, the sale price, and the characteristics of a property as of the date of sale. (2) The elements of information needed from each property for some purpose, such as appraising properties by the direct sales comparison approach.

Sales File—A file of sales data.

Sales Ratio Study—A ratio study that uses sale prices as proxies for market values.

Schedules—Tables, equations, or some other means of presenting the relationship between the values of two or more variables that are functionally related. For example, cost schedules present the relationship between cost per square foot and living area for a number of quality classes, building heights, and other characteristics.

Single-Property Appraisal—Systematic appraisal of properties one at a time.

Site—The location of a person, thing, or event.

Site Characteristics—(1) Characteristics of (and data that describe) a particular property, especially land size, shape, topography, drainage, and so on, rather than location and external economic forces.

Software—(1) Computer programs. (2) Those parts of a computer system that are not machinery or circuits; procedures and possibly documentation are included along with programs.

Special-Purpose Property—A property adapted for a single use.

Standard 6—*See Uniform Standards of Professional Appraisal Practice.*

Stratify—To divide, for purposes of analysis, a sample of observations into two or more subsets according to some criterion or set of criteria.

Stratum, Strata (pl.)—A class or subset that results from stratification.

Subarea—*See Neighborhood.*

Subclass—A group of properties within a class, smaller than the class, usually (although not necessarily) defined by stratification rather than by sampling.

Subject Property—The property being appraised.

Subjective—Having the quality of requiring judgment in arriving at an appropriate answer of value of a variable (such as the quality class of a structure).

Three Approaches to Value—A convenient way to group the various methods of appraising a property. The cost approach encompasses several methods for estimating replacement cost new of an improvement less depreciation plus land value. The sales comparison approach estimates values by comparison with similar properties for which sales prices are known. The methods included in the income approach are based on the assumption that value equals the present worth of the rights to future income.

Time-Adjusted Sale Price—The price at which a property sold, adjusted for the effects of price changes reflected in the market between the date of sale and the date of analysis.

Trending—Adjusting the values of a variable for the effects of time. Usually used to refer to adjustments of assessments intended to reflect the effects of inflation and deflation and sometimes also, but not necessarily, the effects of changes in the demand for microlocational goods and services.

Trending Factor—A figure representing the increase in cost or sale price over a period of time. Trending accounts for the relative difference in the value of a dollar between two periods.

Uniformity—The equality of the burden of taxation in the method of assessment.

Uniform Standards of Professional Appraisal Practice (USPAP)—Annual publication of the Appraisal Standards Board of The Appraisal Foundation: "These Standards deal with the procedures to be followed in performing an appraisal, appraisal review, or appraisal consulting service and the manner in which an appraisal, appraisal review, or appraisal consulting service is communicated. ... Standard 6 establishes requirements for the development and reporting of mass appraisals of a universe of properties for ad valorem tax purposes or any other intended use" (The Appraisal Foundation, Appraisal Standards Board 2002, Preamble, p. 6).

Unit of Comparison—A property as a whole or some smaller measure of the size of the property used in the sales comparison approach to estimate a price per unit.

Use Class—(1) A grouping of properties based on their use rather than, for example, their acreage or construction. (2) One of the following classes of property: single-family residential, multifamily residential, agricultural, commercial, industrial, vacant land, and institutional/exempt. (3) Any subclass refinement of the above—for

example, townhouse, detached single-family, condominium, house on farm, and so on.

Use Value—(1) The value of property in a specific use. (2) Property entirely used for a specific purpose or use that may entitle the property to be assessed at a different level than others in the jurisdiction. Examples of properties that may be assessed at use value under the statutes include agricultural land, timberland, and historical sites.

USPAP—*See Uniform Standards of Professional Appraisal Practice.*

Valuation—(1) The process of estimating the value—market, investment, insured, or other properly defined value—of a specific parcel or parcels of real estate or of an item or items of personal property as of a given date. (2) The process or business of appraising, of making estimates of the value of something. The value usually required to be estimated is market value.

Valuation Date—The specific date as of which assessed values are set for purposes of property taxation. This date may also be known as the *date of finality*. *See also Assessment Date.*

Valuation Model—A representation in words or in an equation that explains the relationship between value or estimated sale price and variables representing factors of supply and demand.

Value—(1) The relationship between an object desired and a potential owner; the characteristics of scarcity, utility, desirability, and transferability must be present for value to exist. (2) Value may also be described as the present worth of future benefits arising from the ownership of real or personal property. (3) The estimate sought in a valuation. (4) Any number between positive infinity and negative infinity. *See also Market Value.*

Variable—An item of observation that can assume various values, for example, square feet, sale prices, or sales ratios. Variables are commonly described using measures of central tendency and dispersion.

Verify—To check the accuracy of something. For example, sales data may be verified by interviewing the purchaser of the property, and data entries may be verified by check digits.

Assessment Standards of the International Association of Assessing Officers

Guide to Assessment Standards

Standard on Assessment Appeal

Standard on Automated Valuation Models

Standard on Contracting for Assessment Services

Standard on Digital Cadastral Maps and Parcel Identifiers

Standard on Manual Cadastral Maps and Parcel Identifiers

Standard on Mass Appraisal of Real Property

Standard on Oversight Agency Responsibilities

Standard on Professional Development

Standard on Property Tax Policy

Standard on Public Relations

Standard on Ratio Studies

Standard on Valuation of Personal Property

Standard on Valuation of Property Affected by Environmental Contamination

Standard on Verification and Adjustment of Sales

To download the current approved version of any of the standards listed above, go to:
IAAO Technical Standards

EXHIBIT I

Real Estate Appraisal



FIRST NATIONAL BANK BUILDING
238 Front Street
Juneau, Alaska

AS OF
August 17, 2015

PREPARED FOR
Amy Elmore
First National Bank Alaska

PREPARED BY
Kim M. Wold
ALASKA APPRAISAL ASSOCIATES, INC.

Alaska Appraisal Associates, Inc.

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Seattle, WA 98178
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September 11, 2015

Amy Elmore
First National Bank Alaska
1751 Gambell
Suite 113
Anchorage, AK 99510

RE: **First National Bank Building**
238 Front Street
Juneau, Alaska

Dear Ms. Elmore:

Pursuant to your request, we have prepared an appraisal for the above referenced property. The purpose of this appraisal is to estimate the market value of the fee simple interest in the above-referenced property for potential sale. No personal property, furniture, fixtures, equipment, or other non-realty items are included in the value estimate. This appraisal is intended for the exclusive use of First National Bank Alaska.

This appraisal report has been completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation as well as the bylaws of the Appraisal Institute. Furthermore, this appraisal conforms with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) as revised June 1994 and codified under 12 CFR 323.

The attached report details the scope of the appraisal, level of reporting, definition of value, valuation methodology, and pertinent data researched and analyzed in the development of this appraisal.

We certify that we have no present or contemplated future interest in the property appraised beyond this estimate of value.

This appraisal report and all of the appraiser's work in connection with the appraisal assignment are subject to the Limiting Conditions and Assumptions, and all other terms stated in the report. Any use of the appraisal by any party, regardless of whether such use is authorized or intended by the appraiser, constitutes acceptance of all such Limiting Conditions and Assumptions, and all other terms stated in the report.

Extraordinary Assumptions: It is assumed that: (1) The bank vaults and the basement neither contribute to nor detract from the property value. (2)The possible adverse effects of the presence of lead based paint or asbestos containing materials has not been considered in the valuation of the subject property. If this assumption should prove to be incorrect, the value estimates may change.

Hypothetical Conditions: None

In my opinion, the value of the subject property, as of August 17, 2015, was as follows:

MARKET VALUE

SIX HUNDRED THOUSAND DOLLARS ($600,000)

Respectfully Submitted,
ALASKA APPRAISAL ASSOCIATES, INC.

Kim M. Wold
Licensed General Appraiser

jw

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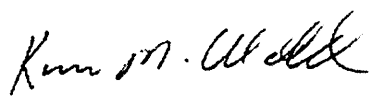
Summary of Salient Facts

Subject Property	First National Bank Building 238 Front Street Juneau, Alaska
Property Overview	A 5,443 square foot site zoned mixed use. The site is improved with a two story, plus mezzanine, mixed use commercial building containing 12,580 square feet.
Interest Appraised	Fee Simple
Date of Inspection	August 17, 2015
Date of Valuation	August 17, 2015
Date of Report	September 11, 2015
Highest and Best Use Land as Vacant	Commercial development
Highest and Best Use As Improved	As improved subject to remodeling
Sales Comparison Approach	$635,000
Income Capitalization Approach	$450,000
Reconciled Market Value	$600,000
Extraordinary Assumptions	It is assumed that: (1) The bank vaults and the basement neither contribute to nor detract from the property value. (2)The possible adverse effects of the presence of lead based paint or asbestos containing materials has not been considered in the valuation of the subject property. If this assumption should prove to be incorrect, the value estimates may change.
Hypothetical Conditions	None

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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with Uniform Standards of Professional Appraisal Practice.
- I, Kim M. Wold, have personally made a visual inventory of the subject property.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, Kim M. Wold, have completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute.



Kim M. Wold
The date of this report is September 11, 2015

Limiting Conditions and Assumptions

This appraisal and report were customized for a specific property, use, and user, at a specific time. Therefore, this appraisal and report are only reliable under the following:

Limiting Conditions:

1. That the appraiser is not required to give further consultation, testimony, or attend in court with reference to the property in question unless arrangements have been previously made.
2. Possession of this report or a copy thereof does not carry with it the right of publication or distribution. Neither all nor any part of the contents of this report (especially any opinions and conclusions, the identity of the appraiser or the appraisal firm) shall be disseminated to the public or distributed to any individual or entity by any means without prior written permission of the appraiser.
3. When it is being used only for the intended use stated herein by the intended user stated herein.
4. When it is used in a timely manner, as the appraiser cannot be responsible for unforeseen market changes that occur after the valuation date.
5. When the distribution of the total valuation, if any, in this report between land and improvements is applied only under the reported highest and best use of the property. The allocation of value for land and improvements must not be used in conjunction with the subject property and other properties, as it may result in an unreliable conclusion.
6. It is understood that any sketches and maps are presented only to assist the reader of the report in visualizing the property.
7. When the user has read and understands the report in its entirety. Any lack of understanding about this appraisal could result in its misuse, which might put the user in jeopardy.
8. Secondary opinions and conclusions made by the appraiser are formed only to contribute to the Primary Appraiser Generated Information (PAGI). This is the information that the intended user will isolate and rely on. Unless specifically listed as a PAGI, these secondary opinions include but are not limited to square footage calculations, effective age, highest and best use, replacement cost new, etc. Isolating and inappropriately using any of the secondary appraiser generated information out of context could jeopardize the user.

General Assumptions

This assignment cannot proceed without making some general assumptions; however, these assumptions should not be taken lightly or as a matter of fact. If any of these assumptions are found to be inaccurate, the opinions and conclusions reached herein could be in error and jeopardize the user. The appraiser(s) are not competent in these fields; however, each of these assumptions can be explored by other experts and professions. The user should decide if these assumptions are acceptable. The appraiser is not competent in the following fields and makes no guarantees, express or implied, regarding the topics of these assumptions. Unless otherwise stated, described, and considered in this report, it is assumed that:

9. Title to the property is good and marketable. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Unless otherwise stated, it is also assumed that the property is free and clear of any liens or encumbrances.
10. The property is under responsible ownership and competent management.
11. All engineering studies, land surveys, and other professional reports relied on by the appraiser are correct. Should such studies not be provided to the appraiser, it is assumed that there are no hidden or unapparent conditions of the property, subsoil, structure, or any other property component that would render it more or less valuable.
12. The property is in full compliance with all applicable federal, state, and local laws and regulations.
13. The property conforms to all applicable zoning and land use regulations and restrictions.
14. All required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any state or national government, or private entity or organization, have been or can be obtained or renewed for any use on which the opinion of value is based. This includes the American Disabilities Act.
15. The use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass.
16. There are no hazardous or toxic materials on, in, or near the property. The presence of substances such as, but not limited to, asbestos, urea formaldehyde foam insulation, radon, mold, and other potentially hazardous or toxic materials would significantly affect the value opinion. Unless otherwise stated, the opinions and conclusions are predicated on the assumption that there is no such material on, in, or near the property which would cause a loss in value.
17. Any proposed improvements are assumed to be completed in a good competent manner, in accordance with the submitted plans and specifications.
18. The structure was properly designed and constructed. This means that each individual building component is reliable and has been properly installed. It is assumed that no defects have occurred over time. This includes, but is not limited to termite damage. All mechanical components are assumed to be in operable condition and are appropriate for the structure. All electrical and plumbing equipment is assumed to be appropriate and in working order. It is assumed that the insulation is adequate.
19. The property has a plentiful supply of potable water, and that adequate sewage disposal is available.
20. If a survey was not provided to the appraiser, the public records are assumed to be correct with respect to size and shape.
21. The property has a legal and physical means of ingress and egress.
22. The subject property is legally and physically suitable for occupancy and livability.
23. Market forces remain relatively constant in the future. If an opinion of marketing time is formed, the user should be cautious when relying on this opinion, as the appraiser cannot foresee spastic changes in these forces.
24. All files, work papers, and documents developed in connection with this assignment are the property of Alaska Appraisal Associates, Inc. Information, estimates, and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to

assist the client in visualizing the property; no other use of these plans is intended or permitted.

25. The liability of Alaska Appraisal Associates, Inc. and its employees is limited to the intended user only. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the intended user, the intended user shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the intended user agrees that in the event of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party) or any awards or settlements of any type in such suit, regardless of outcome, the intended user will hold the appraiser completely harmless in any such action.
26. If there are any tracts that, according to map, plat, or survey, indicate riparian and/or littoral rights, said rights are assumed to go with the land, unless easements or deeds are found by the appraiser to the contrary.

Definitions

Market Value, as defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), is:

> The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.[1]
>
> 1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting knowledgeably, for self-interest, and assuming that neither is under duress.
>
> 2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the terms identified by the appraiser as applicable in an appraisal (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value.
>
>   - Identification of the specific property rights to be appraised.
>   - Statement of the effective date of the value opinion.
>   - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
>   - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above- or below-market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
>
> 3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market

[1] For further discussion of this important term, see *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute, 2008), 20-25.

under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale (12 C.F.R. Part 34.43(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)

4. The International Valuation Standards Council defines *market value* for the purpose of international standards, as follows: "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after property marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion." (*International Valuation Standards*, 8th ed., 2007).

5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (*Uniform Standards for Federal Land Acquisitions)*

6. The Alaska Supreme Court defines *market value* as follows: "The price in (terms of) money that the property could be sold for on the open market under fair conditions between an owner willing to sell and a buyer willing to buy, with a reasonable time allowed to find a purchaser. State v. 7.026 Acres, Sup. St. Op. No. 601, 466 P2d 364, 365; (1970)." The opinion further reads, in part: "The highest and most profitable use for which the property is adaptable is to be considered, to the extent that the prospect of demand for such use affects the market value while the property is privately held. Fair market value is normally based on a parcel's fee simple value."

7. The definition of market value applied for estate taxation purposes is contained in Revenue Ruling 59-60 and also in Section 20.2031(b) of the Treasury regulations, as follows:

   "The amount at which the property would change hands between a willing buyer and willing seller, when the former is not under any compulsion to buy, and latter is not under any compulsion to sell, both parties having a reasonable knowledge of relevant facts."

   The Treasury regulation goes on to state: "The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate... . All relevant facts and elements of value as of the applicable valuation date shall be considered in every case."

   Regulation 20.2031(b) requires a residential or commercial appraiser to follow the valuation guidelines when preparing a residential home appraisal for tax purposes or retrospective date of death valuations, and that appraiser should hold a designation and be qualified as stated under regulations Section 1.170A-17(a).[2]

A **Fee Simple** interest is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

> Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

A **Leased Fee** interest is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

> An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

---

[2] See Susan Kassell, Office of Chief Counsel, Department of the Treasury, Internal Revenue Service INVO 2009-0016 Release Date 1/2/08, UIL 170.00-00, in reference to holders of the MAI, SRA, SRPA, and SREA designations of members of the Appraisal Institute: "The Service does not consider any particular organization's recognized appraisal designations to be superior to, or preferred over, those of any other organization. The example was included in the proposed regulations merely as an illustration of the types of designations that would satisfy the education and experience requirement and was not intended to indicate any preference for designations offered by a particular organization. In addition, the proposed regulation refers to designations "similar to" those provided as examples. The Service recognizes that there are other organizations awarding designations that would also be recognized professional appraiser organizations."

Leasehold Interest is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

> The tenant's possessory interest created by a lease.

Extraordinary Assumption is defined in the *Uniform Standards of Professional Appraisal Practice*, 2012-2013 Edition (The Appraisal Foundation), as:

> An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.
>
> Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Hypothetical Condition is defined in the *Uniform Standards of Professional Appraisal Practice*, 2012-2013 Edition (The Appraisal Foundation), as:

> A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.
>
> Comment. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Exposure Time is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

> The time a property remains on the market.
>
> The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

Based on a review of the Juneau marketplace, an exposure time of three to six months is estimated for the subject property. Exposure time is predicated on a reasonable listing price at or slightly above the market value estimate for the property. It is assumed that a sale will be consummated for cash or terms equivalent to cash and that the property will be adequately exposed on the open market and handled by a real estate broker who is knowledgeable and has the competency to properly present a property of this type. The most typical purchaser for a property such as the subject would be an owner/user.

Marketing Time is defined in the *Dictionary of Real Estate Appraisal, 5th ed.* (Chicago: Appraisal Institute, 2010), as:

> An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

A marketing time of three to six months is estimated for the subject property, based on current economic conditions, supply, demand, sales activity, and the prevailing interest rate environment.

Appraisal Specifics

Privacy Statement

In compliance with the Gram-Leach-Bliley Act, the appraiser will not provide any nonpublic personal information to any person or entity where that information will be used for solicitation purposes. This information may be shared among parties to process and service the consumer's transaction.

Electronic Signature

My original signature has been copied to this report electronically. This report was delivered to the client by Email. While there is no way to prevent unethical or criminal tampering, this signature is password protected. If you are an intended user as described in this report and have concerns about its authenticity, you may send the report to me for verification.

Legal Description

The property is legally described as:

> Lot 3 of Block G and that part of Lot 2 of Block G and Lot 4 of Block 3 of the Townsite of Juneau, according to the plat thereof on file in the office of the recorder for said recording district, described as: Begin at the north corner of Lot 3 of Block G, run thence north 41 degrees 17' west on the southwesterly

boundary of Franklin Street 4.0 feet; thence, at right angles to the southwesterly boundary of Franklin, south 48 degrees 42' west 48.93 feet to the east corner of Lot 3 of Block 3; thence on a southeasterly extension of the southwest line of Lot 4 of Block 3 to the westerly boundary of Lot 3 of Block G; thence north to the northwest corner of Lot 3 of Block G; thence on the northwesterly line of Lot 3 of Block G to the point of beginning, Juneau Recording District, First Judicial District, State of Alaska.

Appraisal Purpose
The purpose of this appraisal is to estimate the market value of the subject property.

Intended Use
The intended use of this appraisal is for potential sale. This appraisal and report may be inappropriate for other uses and jeopardize the user. This appraisal may not be used or relied on for any use except the stated use without the express written consent of the appraiser. The appraiser, appraiser's firm, and related parties assume no obligation, liability, or accountability for any other use without such written consent.

Intended User(s)
This appraisal is intended for the exclusive use of First National Bank Alaska. Regardless of who pays for this appraisal the intended user is First National Bank Alaska only. The scope of work in this appraisal is customized for the intended user. This appraisal and report may be inappropriate for other users and may put them in jeopardy. Therefore, regardless of the means of possession of this report, this appraisal may not be used or relied on by anyone other than the herein stated intended user. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability to any third party.

Three-Year Sale History
There have been no sales transactions involving the subject property within the preceding three years.

Current Listing/Pending Contracts
There are no current listings or pending contracts encumbering the subject property.

Ostensible Owner
Title to the property vests to First National Bank Alaska, PO Box 100720, Anchorage, Alaska 99510.

Appraisal Scope

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to determine the appropriate scope of work. USPAP defines the scope of work as:

> The amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following:

- the degree to which the property is inspected or identified;
- the extent of research into physical or economic factors that could affect the property;
- the extent of data research; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

This Appraisal Report is intended to comply with the reporting requirements set forth under Standard Rule 2-2 of USPAP for a real property appraisal report. There may be insufficient information presented for this report to be understood. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's work file. The information contained in the report is specific to the needs of the client and for the intended use stated in this report.

Scope of Work

- The subject property was identified to the appraiser by the client providing the property address and the current owner's name. A tax card and plat were pulled for that address through the tax assessor's office and/or title agency records. The physical property was located by common address.

- The following approaches to value have been considered in the scope of work decision for the main "Value Opinion":

  - The Cost Approach was not performed.
  - The Direct Comparison Approach was performed.
  - The Income Approach was performed.

- Additional information concerning the scope of work is conveyed throughout the report.

- Please be aware that the term "Inspection" may be used in this report. The term inspection found anywhere in this report is to mean a "Personal Visual Inventory" of the subject's or comparable property's components. This is opposed to a "Building Inspection," which investigates the appropriateness and soundness of various components of the improvements.

- The American Disability Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property or comparables to determine whether or not they are in conformity with one or more of the requirements of the Act.

- The signee(s) on the Certification is competent in all aspects of this assignment.

Extent of Research of the Subject Property

- The flood zone information for the subject property was obtained through our appraisal software from a third party provider based on the property address.

- Unless otherwise stated, the appraiser(s) has made no evaluation of the structural, electrical, plumbing, and/or mechanical systems. We have assumed that these systems are operable and adequate for their intended use.

- The subject property's assessment and tax information was researched for past sales and physical characteristic information. The subject property's zoning was obtained from an interview with the zoning authority personnel.

- The subject property data that was obtained from second-hand sources was validated by the appraiser personally accessing the subject property. In addition, the owner was interviewed concerning past sales, utilities, and physical property characteristics.

- I, Kim M. Wold, did personally make a visual inventory of the subject property while walking over the land, through the interior, and around the exterior of the subject property. I am familiar with the subject neighborhood and the market area. I have worked in and around this area for a number of years. I did drive through parts of this neighborhood in conjunction with this assignment, noting such things as the typical style/design, age, size, quality, and use of the properties. The appraiser(s) has completed no research concerning the character of the inhabitants of the neighborhood such as sex offenders, nor has any study been made of crime statistics committed in the area surrounding the subject property.

- The subject property was not measured by the appraiser for purposes of this appraisal. The appraiser relied on measurements set forth in assessment records for the subject property.

- Unless a professional inspection, structural engineer study, or similar report was provided to the appraiser, the subject property information was obtained by a method of data gathering known as a "Personal Visual Inventory." This consists of the appraiser compiling notes of what components are there and how many of them there are. This personal visual inventory was made on-site or from the curb. The extent of the subject property accessed was stated above and did not include accessing any part of the property that could not be walked through in an upright manner, or that required the use of special equipment such as a ladder. None of the property components were dissected or invasively inspected by the appraiser.

- The appraiser has not performed a "Building Inspection" which is a process utilized to rate the appropriateness and usability of the various components of the structure. This process involves inspecting and testing. Should you have concerns about these issues, please seek a qualified professional to investigate these issues for you. The information obtained from an inspection may affect the value of the subject property, so the appraisal should be made after the inspection rather than vice versa.

- Neither police records nor past issues of newspapers have been researched concerning the subject property's past use for anything that might affect the safety or health of present and future occupants. This includes, but is not limited to, the by-products of methamphetamine production, infectious disease, or environmental hazards.

- If available in the normal course of business, the appraiser has evaluated any previous sales within the preceding three years prior to the effective date of the appraisal, and any current contract, listing, or option of the subject property for its applicability in forming an opinion of current market value and/or marketability.

Extraordinary Assumptions / Hypothetical Conditions

- There are extraordinary assumptions utilized in forming the opinions and conclusions of the primary appraiser generated information. Please refer to the Letter of Transmittal and Summary of Salient Facts earlier in this report for further information.

- There are no hypothetical conditions utilized in forming the opinions and conclusions of the primary appraiser generated information.

Extent of the Analysis & Associated Research

- The following analysis and associated research have been performed in conjunction with the main opinion of value:

- The Direct Sales Comparison Approach was performed by an analysis in which the subject is compared to similar properties that have a recent marketing history.

    - A qualitative analysis was performed. Many of the property characteristics were considered including; the date of sale, location, and utility. A line by line adjustment grid was utilized.

    - The comparable properties were obtained from a thorough search of office files, assessor's records, title agency records, and/or through local realtors. Some comparable sale information was obtained from appraisers involved in the valuation of commercial properties in Southeast Alaska. The tax data was supplied by the local assessor's office. The physical property characteristics were verified by a curbside visual inventory. An attempt was made to verify the sales prices and dates of sales by a telephone interview with one of the parties in the transaction or real estate sales agent. Some of the data that could not be verified may have been used in the analysis. The data records were analyzed for errors and inconsistencies. Records that showed a large discrepancy from the other data was not used. Sales prices are not public record in Alaska. While sales prices were confirmed with at least one knowledgeable party, there is no certainty that the information is correct.

- The Income Capitalization Approach was performed by the "Direct Capitalization" method. The anticipated net income stream is capitalized into an indication of value by division of the market capitalization rate.

    - The income that the subject property is anticipated to generate is based on the market rental rate for the subject property. The appraiser also reviewed expenses provided by the owner, as well as comparable expense ratios.

    - An opinion of the credit and vacancy rate is based on the appraiser's knowledge of the market and interviews with real estate agents that regularly work this market area.

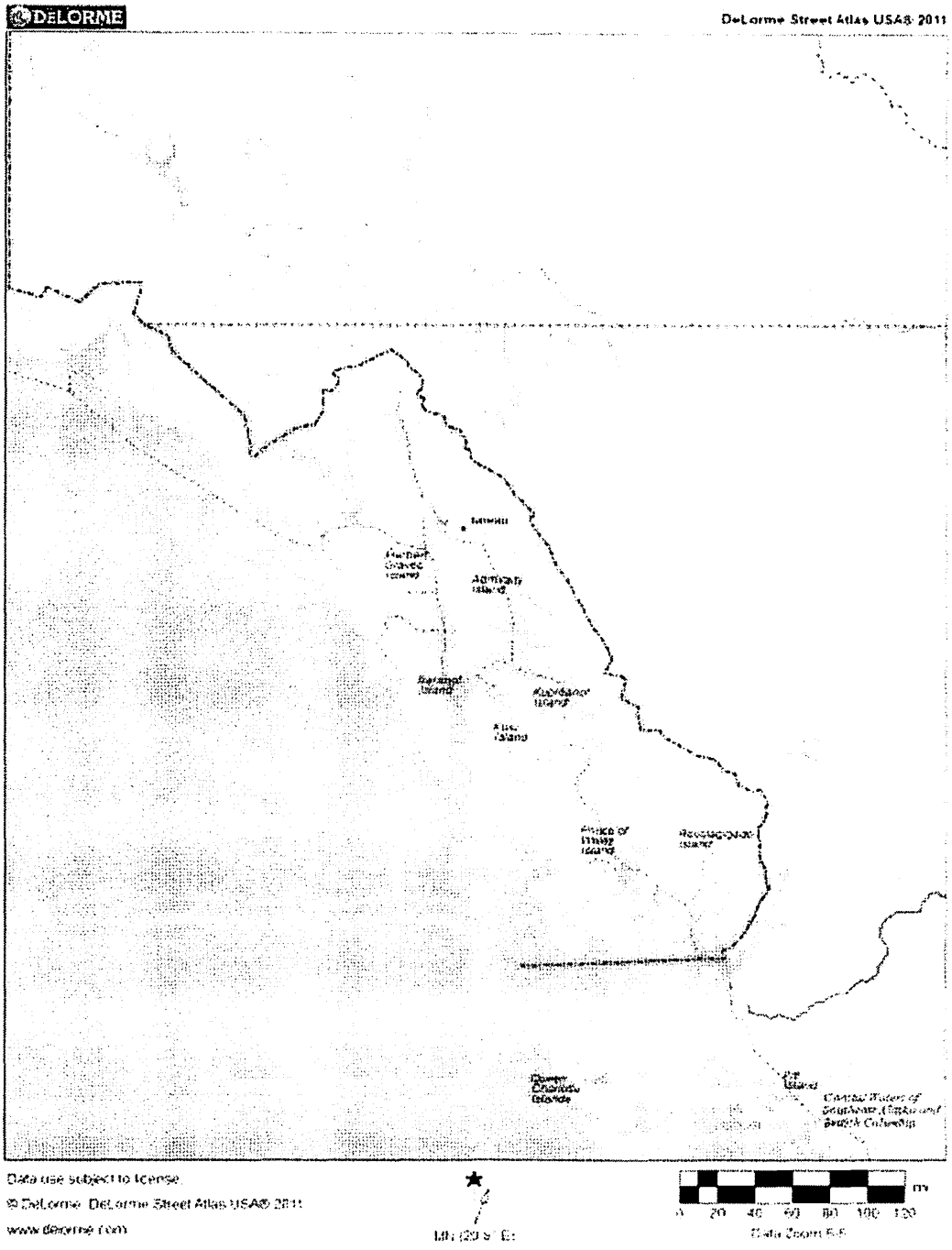
    - The anticipated expenses were based on the appraiser's knowledge of the market and interviews with real estate agents that regularly work this market area.

    - An opinion of the capitalization rate was formed by use of the band of investment.

Additional Information

- The projected use of the subject property is consistent with those permitted uses included in the mixed use zoning classification.

Southeast Alaska Map



Juneau Area Analysis

Juneau is located on the mainland of Southeast Alaska, opposite Douglas Island. Juneau is geographically centered in the heart of the Inside Passage, along Gastineau Channel and lies 900 miles northwest of Seattle, and 577 miles southeast of Anchorage. The city and borough encompasses 2,716.7 square miles and 538.3 square miles of water, with a year round climate that is termed mild maritime. Juneau is the both the economic as well as transportation hub of northern Southeast Alaska, providing supplies, services, and transportation to the outlying communities in the region. Juneau International Airport has an ILS equipped runway serviced by Alaska Airlines and Delta Airlines. Several commuter and air taxi airlines operate from the airport as well.

Juneau was originally a fish camp for Tlingit Indians. Gold was discovered in approximately 1900 and preceded the establishment of the City of Juneau. The State Capitol was transferred from Sitka to Juneau in 1906, while Alaska was US Territory.

The population of Juneau was 33,026 as of 2014. There are an estimated 12,342 households (average household size of 2.66 persons). The percentage of residents in the 15 to 34 year old group is declining at a rate of approximately 1 percent per year, while the 45 to 64 year old age group is increasing at a rate of 3 percent per year. Currently the median age is 35.3 years. The 2014 median household income is $81,490.

The economy of Juneau is broad based; however, federal, state, and local government employs approximately 41 percent of the workers in the community (7,000 jobs all totaled), and because of the high concentration of public sector employment, the job market is viewed as being relatively stable. State employment, which is largely supported by oil revenues, remains the largest portion of Juneau's economic base.

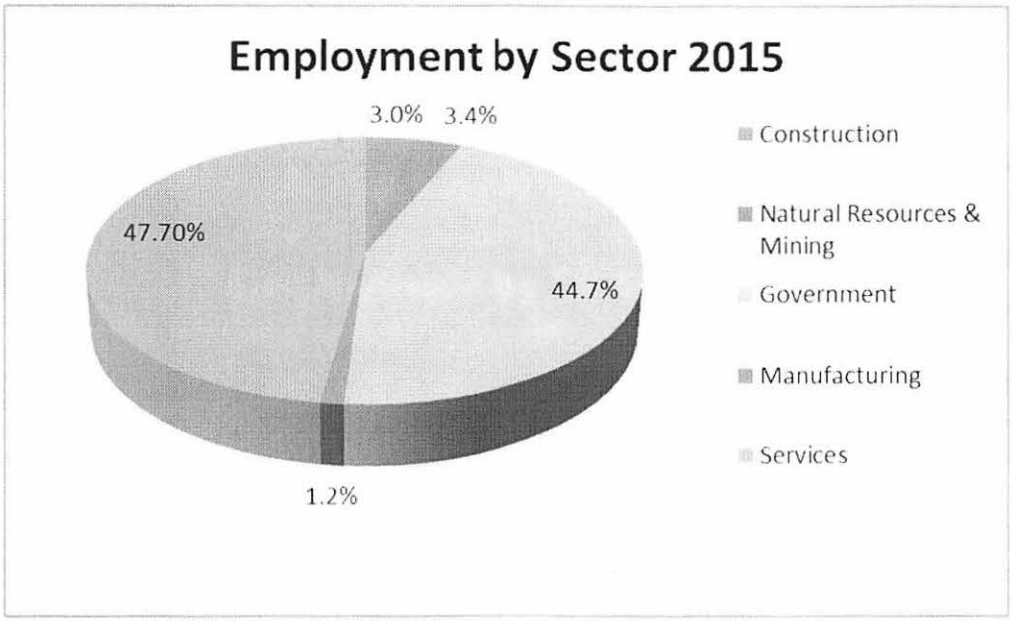
Tourism is the largest private sector employer, providing over 2,200 jobs and contributing over $636 million counting all income from sources associated with the cruise industry. The tourism industry is recovering after a significant drop in 2010. Per capita tourist spending is slowly recovering. The number of cruise passengers visiting Juneau over the past five years is shown as follows:

2009	-	1,030,000
2010	-	879,310
2011	-	875,947
2012	-	937,000
2013	-	995,000
2014	-	953,000

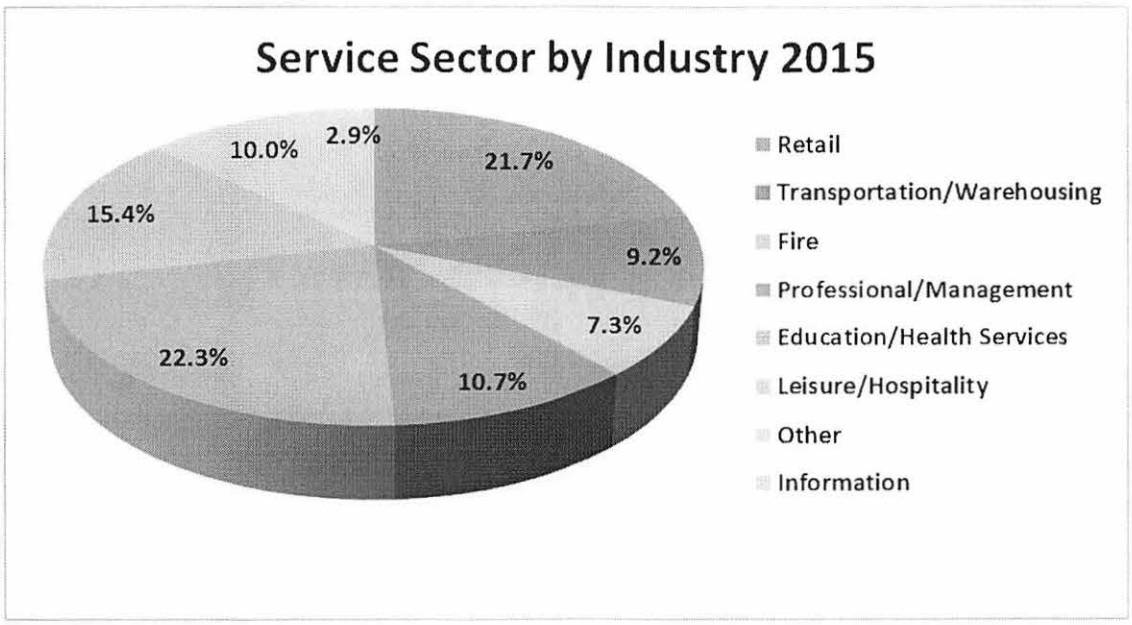
The decline in 2014 is attributed to a reduction in capacity. An increase is expected for 2015 to 994,000 passengers. Per capita spending by cruise passengers in 2014 was $172, injecting $163,916,000 into the Juneau economy.

Commercial fishing and mining play lesser roles in the Juneau economy.

The percentage of employment by sector in Juneau in 2015 is shown on the following chart:



A breakdown of the Services sector is shown on the following chart:



The Greens Creek Mine, which is located west of Juneau, is the largest silver producer in the United States. Employment, housing, and support services for Greens Creek Mine are provided in Juneau. The Kensington Mine began production in July 2010. Currently, the Greens Creek Mine and the Kensington Mine have approximately 330 and 200 employees, respectively. They had a combined expected 2011 payroll of $50 million. The average salary is $91,000 per miner.

Juneau is well established as a service, supply, and medical center for the northern regions of Southeast Alaska. Bartlett Hospital is a regional medical facility equipped with state of the art diagnostic equipment. Big box retail establishments include Fred Meyer, Costco, Wal-Mart, and Home Depot.

The fishing industry helps to diversify the local economy. DIPAC operates a salmon hatchery in Juneau. The hatchery employs 40 persons and supports 650 jobs in the region and $25 million in labor income. Taku Smokeries and Alaska Glacier Seafoods have processing plants in Juneau. There are several custom, value added processing plants, including Alaska Seafood and Northern Keta. The primary species harvested are the five species of salmon, shrimp, crab, halibut, and black cod. Salmon prices have experienced a large year over year decline due to the effect of large harvests and the appreciating US Dollar.

The residential housing market is in a state of inadequate supply of single family residential units, condominiums, and apartments. The City/Borough of Juneau estimates that the current inventory is 400 units short of meeting demand; however, the number appears high considering recent construction activity. Recent sales are indicating some modest appreciation. Several apartment projects are currently under construction or are in the planning stages.

The Alaska Housing Finance Corporation's 2015 Rent Survey indicated the following average adjusted apartment rental and vacancy rates.

Apt Type	Rental Amt	Vacancy Rate
Efficiency	$ 892	2.7%
One Bedroom	$1,072	1.8%
Two Bedroom	$1,330	3.6%
Three Bedroom	$1,836	6.2%

The overall apartment vacancy factor was 3.6 percent, based on a survey sample of 870 units. At a rate this low, vacancy can be attributed solely to periodic unit turnover, and for all intents and purposes there are few, if any, vacant units in Juneau. Rental rates have increased year over year, except for efficiency units. The average overall rent increase was 2.9 percent. Excluding the efficiency units, the increase was 3.7 percent. There have been several multi-family apartment and condominium complexes completed in the past 18 months and more units are under construction or planned. The market for apartment rentals is becoming more balanced.

The commercial real estate market is stable, with supply and demand seemingly in balance except for tourism-industry related properties. Pricing appears firm with few signs of stress related to the economy. Rental demand has strengthened over the past 12 months.

Confidence toward the near term future of Juneau's residential sector of the economy in 2015 remains strong despite concerns over the state budget. Residential construction increased, based on the population and household formation growth over the past year.

Developers have single family, condominium, and apartment projects under construction. Most of these projects are targeted toward the lower and median price markets. Commercial construction is slow with a low level of speculative development. Development of new residential subdivisions is commencing.

Due to projected declines in oil revenues to the State of Alaska, some market participants are taking a more cautious view of the economy and future real estate price expectations. Relative to the real estate market, residential and commercial mortgage funding is available for owner occupied and leased buildings. Speculative construction or investor purchases would be more difficult to finance. The universe of local potential purchasers in the current economic environment is somewhat reduced.

There are a number of public projects programmed over the next several years which are subject to state and/or federal funding. The Juneau Ports and Harbor Department has programmed $71,000,000 in various projects over the next several years.

The near term economic performance in Juneau is stable. Mining will continue to be a stabilizing factor over the long-term, although the recent decline in gold and silver prices could become problematic if the trend continues due to high fixed costs of extraction. Some optimism is returning to the real estate market. The near term outlook for the tourism industry is for a moderate increase in per capita spending.

A significant factor that could adversely affect the future local economy is the fallout of the decline in oil prices. The State of Alaska is projecting a $3.5 Billion budget deficit. The Governor's budget shows a sharp decrease in the capital improvement budget, which will adversely affect construction employment two to three years forward. Some state employment is also at risk if state revenues continue at depressed levels.

Some of the negative consequences of lower oil prices may be offset by lower energy costs to consumers as well as energy intensive industries.

Commodity prices over the past six months have been in a steep decline. Leading the decline were grains, as well as commodity and precious metals. Gold and silver have bottomed and have begun a slow recovery. Later in the cycle was the decline in oil prices, which have fallen from approximately $100 per barrel to below $60 per barrel for West Texas Intermediate Crude. Brent Crude has also fallen in a similar percentage as compared to West Texas Intermediate.

Some oil analysts projected a near term bottoming of oil prices in the $30 to $50 per barrel range; however, there has been recent stabilization in the $58 to $60 per barrel range. Some analysts expect the bottom to occur in the first quarter of 2015. They are projecting a recovery to about $70 per barrel later in 2015 and a slow climb thereafter. Other analysts are expecting continued lower oil prices over the next one to two years.

Oil and metal prices hold the potential to have a significant effect on the Juneau economy and real estate market. Oil's economic influence is both direct and indirect. Oil production on the

North Slope is not expected to see any significant cuts in production as a result of lower prices. The Alaska Journal of Commerce notes that most of the Alaska oil producers have capital budgets planned for two or three years in advance and that many of these projects are multi-year. Therefore, there is a high probability that these capital projects will continue as scheduled. Any production decline or loss of employment on the North Slope would have very limited impact on the Juneau economy.

Of greater concern is the loss of corporate income tax and royalty income declines that are anticipated to impact the State of Alaska capital and operating budgets. Current Alaska budgets indicate a 3.5 billion dollar deficit. The State has budget reserves that can be utilized to offset the budget deficit over the near term; however, if oil prices remain depressed over a period of several years, there would likely be a restructuring required of state and local government operations.

Juneau has significant state employment as Alaska's capitol. Therefore, any across the board cuts would likely result in the loss of some state employment in Juneau. If this were to occur, it is expected there would be secondary employment losses in the private sector as a result of the multiplier effect of the base industry.

As long as the price of oil doesn't remain depressed for more than a year, any potential damage to the Juneau economy should remain contained.

The governor allowed the resumption of spending on several mega capital projects throughout the state. The only project that affected the Juneau economy is the Juneau access project. The road is expected to cost $574,000,000; however, as the Juneau Empire points out, the state only needs to provide $9,000,000 more in project funding, with the balance to be paid by the federal government. To date, the Juneau access project has had little impact on the Juneau economy and its cancelation would not be harmful to the local economy, but rather simply eliminates the future impacts of a large capital project.

Another significant factor affecting the private sector economy is the strengthening of the US Dollar relative to other major foreign currencies. While a strong dollar is viewed as a sign of national economic health, the strong dollar is a negative to US export industries. Juneau has three private sector industries that are significantly affected by commodity prices and the strong dollar. These industries are the fishing, tourism, and mining sectors.

The tourism industry is one that is viewed to largely benefit from the decline in oil prices. US citizens constitute the largest portion of the Alaska tourism industry and should benefit with increased disposable income due to lower gasoline costs relating to transportation and lower costs of heating and cooling residences. The cruise ship industry is heavily energy dependent and should see lower operating costs with the potential to extend port times by increased sailing speed between ports. Tour operators will also benefit by lower energy costs. The probable result is increased discretionary spending by tourists in the Juneau market.

The strong US Dollar may have a negative effect on foreign tourists visiting Alaska; however, the majority of foreign visitors are wealthy and would therefore have less impact than travelers on tight budgets.

The seafood processing and fishing industries have a significant portion of their operating budget dedicated to energy costs. Local processors, with the exception of Excursion Inlet Packing company, are not expected to see any change in operating costs. Excursion Inlet Packing Company's plant is self-contained and generates its own energy using diesel generators. The lower cost of oil and gas will be a major benefit to Excursion Inlet Packing Company. Fishermen and tender operators in the Juneau economy will enjoy the benefits of lower energy costs and may see increased profits.

The mining industry is also energy intensive. The Greens Creek and Kensington mines are profitable at depressed levels of commodity and precious metals. The benefits of lower cost energy should significantly increase profitability. It is uncertain what the long term effect of the US Dollar would have on precious metal prices.

Relative to Juneau's real estate market, the decline in energy and metal prices is expected to be limited. Alaska's oil industry has minimal presence in Juneau. Lower energy prices will prove to be beneficial to Juneau's seafood and mining industries.

According to Wall Street analysts, the business and consumer benefits of lower energy prices relative to transportation and heating costs will increase profits and consumer discretionary spending, and would mitigate State of Alaska employment layoffs, should they occur.

There is expected to be no material change in supply or demand within the Juneau real estate marketplace. There is very limited speculative construction that has taken place in Juneau over the past five years. Therefore, there is little risk of an over supply in any segment of the real estate market, unless a black swan event was to occur.

Energy costs constitute one of the single greatest operating expenses of multifamily, commercial, and industrial properties in Juneau. Properties which are dependent on oil heat will see at least a near term benefit from lower oil prices.

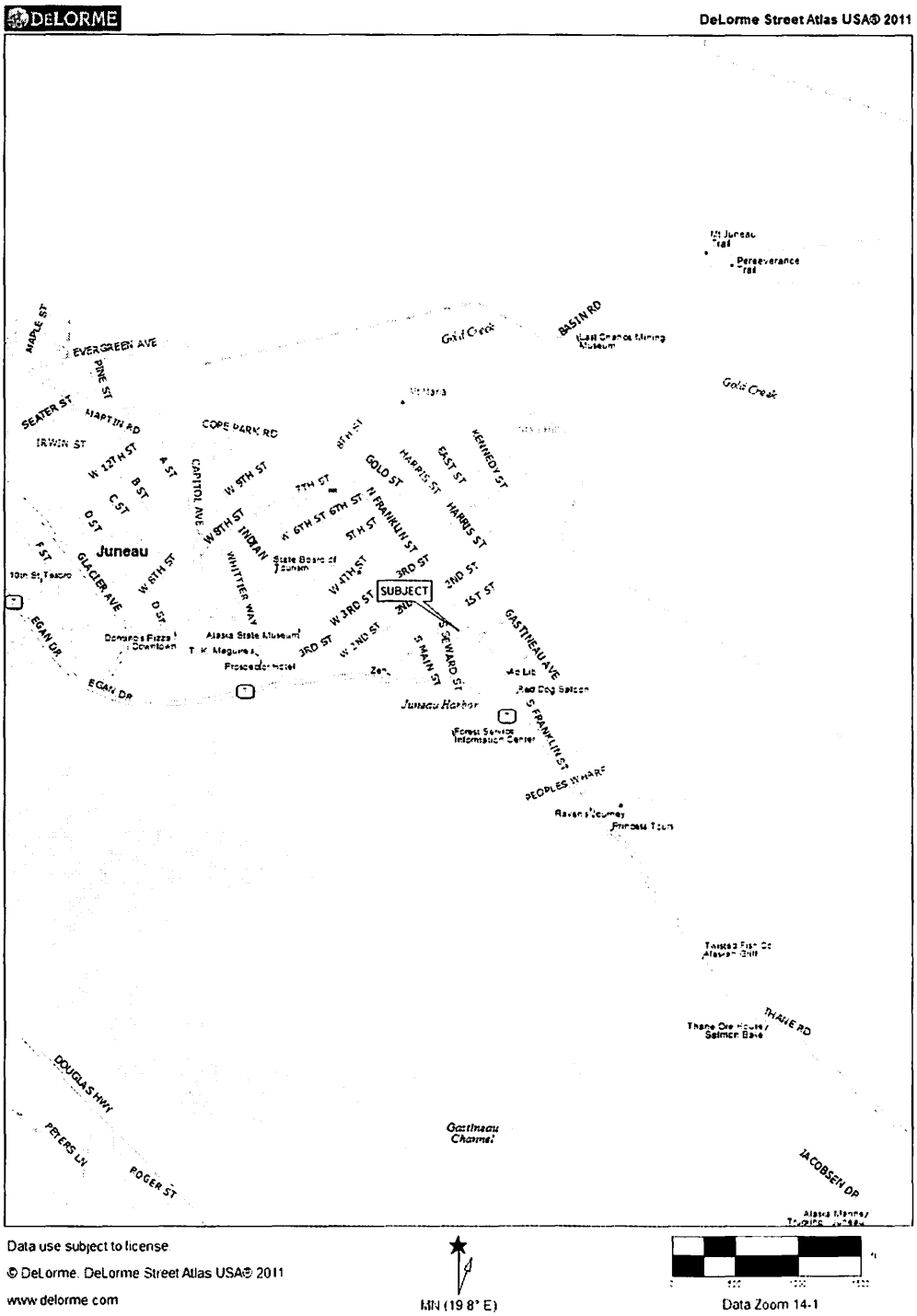
Economists are projecting a 2.5 to 3 percent GDP growth for 2015, which should provide support for the US economy. Second quarter 2015 GDP came in at 3.7 percent. While most economists are predicting increased interest rates in the US, Federal Reserve interest rate policies are currently neutral. The US Treasury security and bond yield curve is beginning to steepen. Two major lenders operating in Alaska currently have cost of funds well under 1 percent, with further declines expected. Coupled with low growth in Europe and Japan, and a slowing China economy, the interest rate trend could go in either direction.

If commercial mortgage rates fall, then equity dividend rates would increase if overall capitalization rates remain stable. The opposite would also be true, which would make commercial real estate less attractive to investors.

Banks operating in Alaska are significantly under-lent relative to deposits. This is creating significant competition, which is benefitting borrowers through lower rates and more favorable terms.

Relative to the subject property, there is insufficient market activity to discern any major concern on the part of market participants.

Neighborhood Map



Neighborhood Analysis

The subject property is located in a sub-neighborhood that is part of the central business district, known as the Juneau Tourist District. This neighborhood is an historic district. Franklin Street is an arterial roadway leading from the center of the central business district southward to the AJ Tailings rock dump and further out to the remote community of Thane.

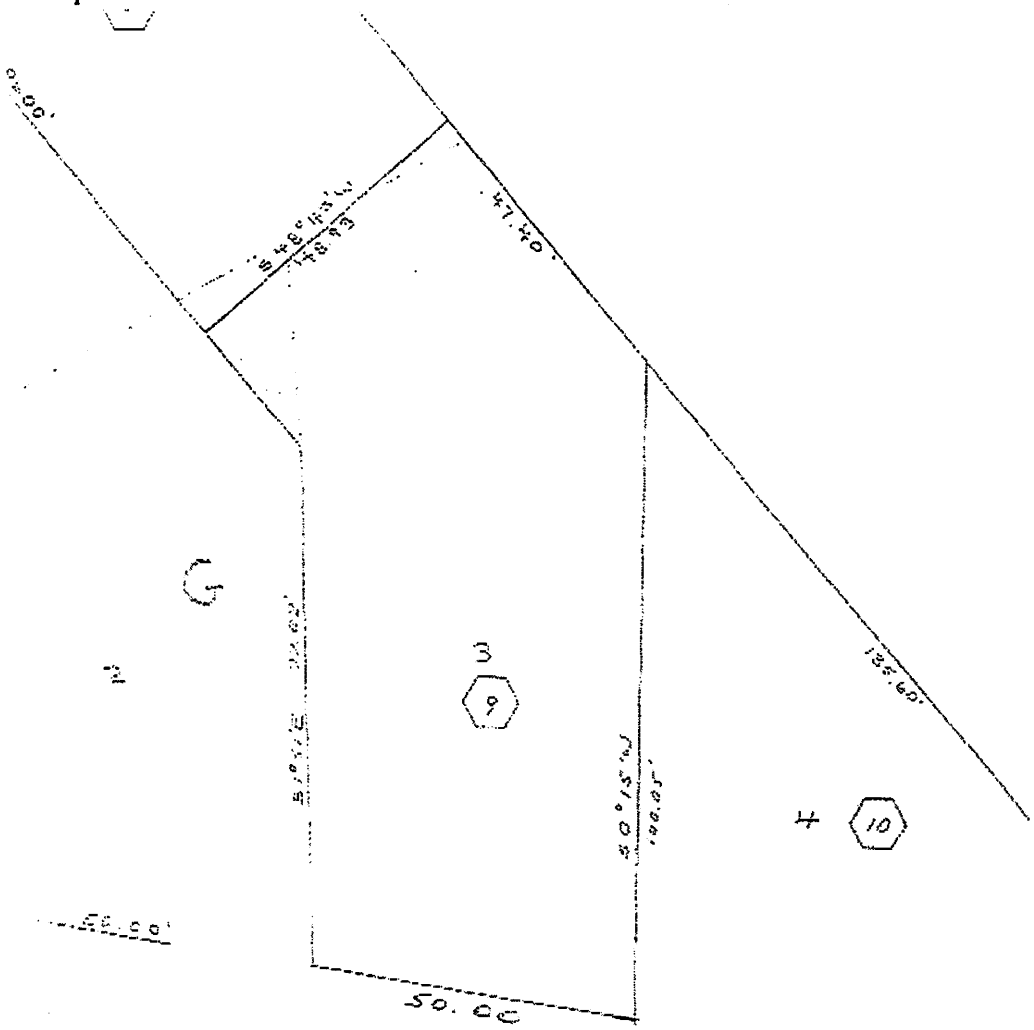
This is the oldest part of Juneau which was mostly developed between 1900 and 1960 during the mining era. The South Franklin Street area was neglected from 1960 through the mid 1980s. A revitalization started in the mid 1980s which was driven by the development of the municipal owned cruise ship wharfs. This revitalization has continued with the construction of private docks on South Franklin and AJ Tailings dump sites. The predominance of buildings in this neighborhood have been historically restored as the area has transformed into the tourist retail sales center of Juneau. Cruise passenger spending is approximately $180,000,000 on goods, food and beverages, and tours.

The waterfront portions of South Franklin Street are either tidelands or filled land. The uplands consist of a narrow strip of level land butted up to a steeply sloping hillside. The neighborhood has been developed to include walkways and a public plaza with landscaping and artwork. The area has served up to 1,030,000 tourists who arrive on docked and anchored cruise ships.The 2015 season expects to see 994,000 passengers.

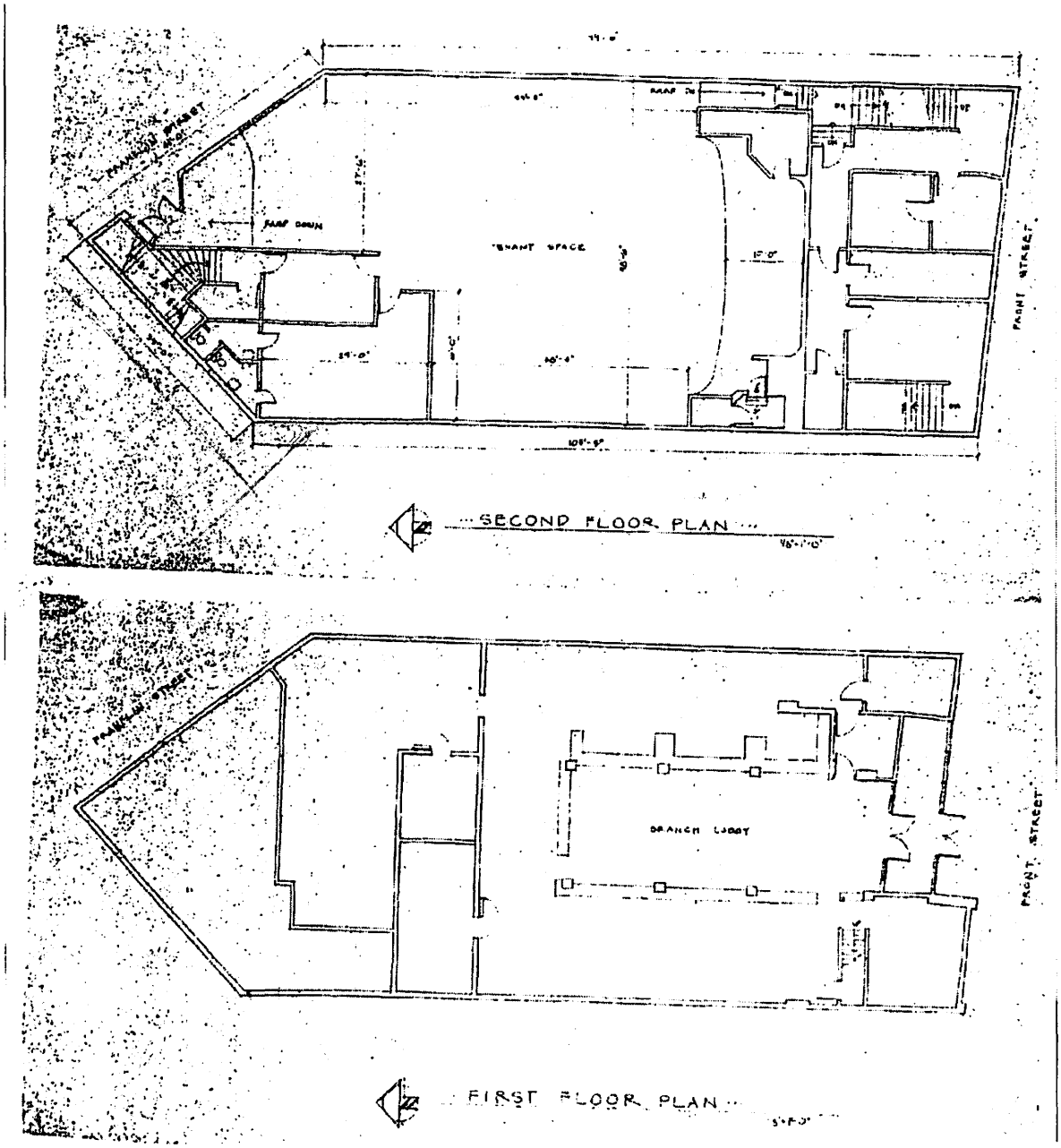
The predominant use in the neighborhood is tourist related retail uses on the first floor, consisting of gift and jewelry shops. The upper levels tend to be occupied by offices and/or tourist or cruise ship support businesses or retail inventory warehousing. There are also restaurants and tourist related service businesses. The Mt. Roberts Tram, located in the heart of the South Franklin Street neighborhood, is a major tourist attraction. The City/Borough of Juneau recently completed a waterfront promenade running from the AJ Tailing dump site to the Merchant's Wharf area. This has increased the tourist traffic to the South Franklin Street neighborhood.

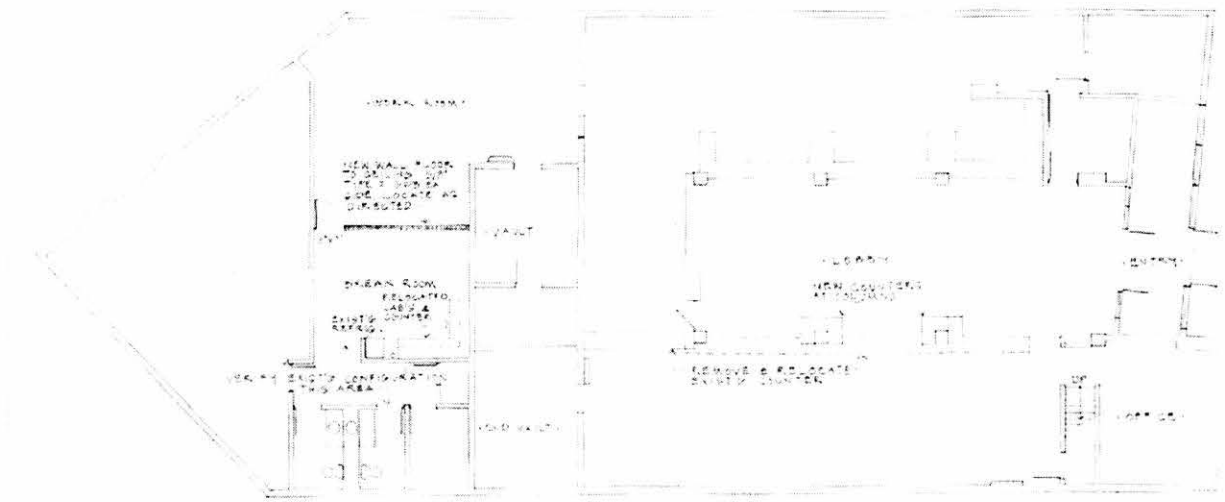
The neighborhood provides an average environment for the subject property. The use of the first floor of the subject property for a retail or service establishment would be homogeneous with the neighborhood as a whole. The economics of the tourist retail industry and commercial real estate market in general provide good support for stable real estate values.

Plat Map



Improvement Sketches


FRANKLIN STREET
RAMP DOWN
TENANT SPACE
FRONT STREET
SECOND FLOOR PLAN
FRANKLIN STREET
BRANCH LOBBY
FRONT STREET
FIRST FLOOR PLAN



Description of Site

Location

The site is located to the north side of Front Street, mid-block. The site is located within the Juneau central business district, as well as the historic district.

Site Size and Shape

The site is irregular in shape with dimensions of approximately 50 feet by 77.02 feet by 23.97 feet by 48.93 feet by 47.40 feet by 100.05 feet. The gross site area is 5,943 square feet.

Site Topography

The site is tiered. The site is partially excavated below grade of Front Street. Then there is a level bench that is at grade of Front Street. The soil conditions are adequate to support commercial development.

Frontage/Access

The site has 50 feet of frontage on Front Street. This is a one lane, asphalt surfaced roadway. Street improvements include sidewalks, curbs, gutters, storm sewers, and street lighting.

There is 47.40 feet of frontage on North Franklin Street. This is a one way, asphalt surface roadway with sidewalks, curbs, storm sewers, and street lighting.

On street parking is allowed on Front Street. On street parking is permitted on the easterly side of North Franklin Street.

The site has average ingress and egress.

Utilities

All utilities commonly found within the City/Borough of Juneau are available to the site, including water, sewer, telephone, and electrical services.

Site Improvements

One lot of clearing, excavation, grading, and fill.

Flood Zone

The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject flood map information is as follows:

Map No.	02110C1567D
Map Date	August 19, 2013
Zone	X

Easements/ Encroachments

There are no known adverse easements or encroachments.

Hazardous Materials/

The on-site inspection of the property did not reveal any indication of

Toxic Waste

hazardous materials, toxic waste, or other environmental hazards. The appraiser is not an expert in the identification of hazardous materials, toxic waste, or other environmental hazards. Therefore, the user is advised to conduct their own investigation or to retain the services of a professional to assess the potential for hazardous materials, toxic waste, or other environmental hazards.

Users of this report are cautioned, given the age of the building, there is a relatively high risk as to the presence of lead based paint and asbestos containing materials in the subject property.

Site Comments

The site is one of the larger parcels within the central business district of Juneau. The configuration is irregular. It is atypical that the site has frontage on Front Street and North Franklin Street. The site has average location attributes within the Juneau central business district; however, has fair exposure to tourist traffic.

Description of the Improvements

This is an irregular shaped commercial building with two street frontages. There is a partial first floor with a mezzanine, plus a full second floor. There is also a small basement level. Entry to the building is via a double man door that accesses an ATM vestibule with another double door set leading into the lobby. The first floor is partitioned to include an office in the southwest corner and ATM and storage areas in the southeast corner. The center interior is open, except for teller lines. There are two vault areas, a work/storage room, a break room, and two restrooms.

The mezzanine is accessed via two interior flights of stairs. This area is partitioned and may have previously been used as an office or apartment area.

There is a short flight of steps leading to a theater. There is also a double man door entry entering the theater space from North Franklin Street. The theater is mostly open, although there are side stage rooms. There are two partitioned areas which may have included a concession stand. There are two two fixture restrooms in the theater area.

A basement area is located at the Front Street side of the building. The basement houses the building heat plant. This is a low headroom area.

The gross building area is calculated as follows:

First Floor	-	4,449 SF
Mezzanine	-	1,182 SF
Second Floor	-	5,999 SF
Basement	-	750 SF
Gross Area	-	12,580 SF

The building has a concrete perimeter foundation with a floor slab. The superstructure is masonry, Class C construction. The roof is built up tar. There is a storefront style window set along a portion of the Front Street facing superstructure. The front façade has extensive window glazing with anodized frames and thermal pane glazing. The fascia has a historic décor over a stucco finish. There is a 4 foot wide awning extending along the front of the building.

The first floor interior has tile and carpet on the floors. The interior walls are sheetrock. The ceiling is part coffered with a stamped tin ceiling. The outer periphery of the lobby area has dropped acoustic tile. The break room and restrooms have sheet vinyl flooring, sheetrock walls, and dropped acoustic ceilings. There is some wood panel wainscot. The break room has 8 feet of base and upper cabinetry with a laminate countertop.

The restrooms have asphalt tile floors with sheetrock walls and ceilings. Each restroom has a wall hung basin and a toilet.

The first floor has fluorescent light fixtures with cove lighting for the coffered ceiling.

There are two vaults set in heavy concrete enclosures that impair the utility of the first floor.

The mezzanine and second floor have a mix of finishes, including what appears to be asbestos tile, linoleum, and carpeting on the floors. The walls are predominantly lath and plaster with some wood paneling. The ceilings are lath and plaster, except in the theater area, where they are dropped acoustic tile.

There is 110/220 electrical service to the building. The first floor electrical service is adequate for office use, as far as outlets, switching, and light fixtures. The upper levels of the building have substandard electrical service.

The building is heated with electric hydronic boilers. There are two boilers located in the basement area.

The plumbing in the building is dated. The first floor plumbing fixtures have been replaced. The second floor plumbing service and fixtures likely need 100 percent replacement.

The assessor's records were reviewed to determine the maintenance history of the property. It was noted that in 1989, the roof was repaired and minor interior improvements were made to the bank area. The front façade was repaired in 1998. The date of the boiler replacement is unknown, but it appears as though it may have been within the past 10 years.

The condition of the building fascia is considered fair. Repair or replacements will have to conform with the historic district building standards. The first floor is generally in above average condition. The upper floors are in poor condition and will require extensive demolition before repurposing of the space can take place. In the course of demolition, it may be necessary to remediate for lead based paint and asbestos containing materials. It is likely that the roof is nearing the point in time where replacement is necessary.

The functional utility of the first floor is fair. Because it is unlikely that the first floor will be used in the future by a bank, the ATM vestibule partition will need to be removed. The manager's office and the ATM and storage rooms at the front of the building will also need to be replaced. After removal of the teller lines, it may be necessary to replace floor coverings. The bank vaults are a specialized tenant improvement that will likely not prove to be useful for a future tenant. The interior of the vaults is considered to have little utility, except for storage. They impair the traffic pattern within the first floor. It is likely that the cost of demolition would exceed the market value of the reclaimed square footage. Therefore, the vaults are considered to have incurable functional obsolescence.

The upper levels have been used for a theater. There are 20 foot ceiling heights in the theater. This use is considered to be obsolete.

Should the upper floors be repurposed, it is likely that these areas would be required to be brought into compliance with current building codes. This compliance would apply to structural systems, electrical, plumbing, and heating systems. It is also likely that the entire building would require a fire sprinkler system. There is additional concern that access to the upper floors would require compliance with ADA regulations.

The insulation qualities of the building are poor.

Property Assessment and Taxes

Tax Parcel ID#	1C070A030040
Tax Year:	2015
Assessed Value Land	$594,300
Assessed Value Improvements:	$1,132,600
Total Assessed Value:	$1,726,900
Tax Rate:	$10.76 per $1,000
Real Estate Taxes:	$18,581

The assessed value is excessive and should be appealed.

Zoning Analysis

District: MU2 – Mixed Use

Conforming: The subject property is a conforming use.

***Applicable* Permitted Uses:**

- Single family and duplex residences
- Child care home, 8 or fewer children
- Day care home, 8 or fewer people
- Home occupations
- Common wall developments
- Professional offices not more than 2,500 SF
- Social, fraternal clubs and lodges, union halls, yacht clubs, and similar uses
- Parks and open spaces
- Transit center

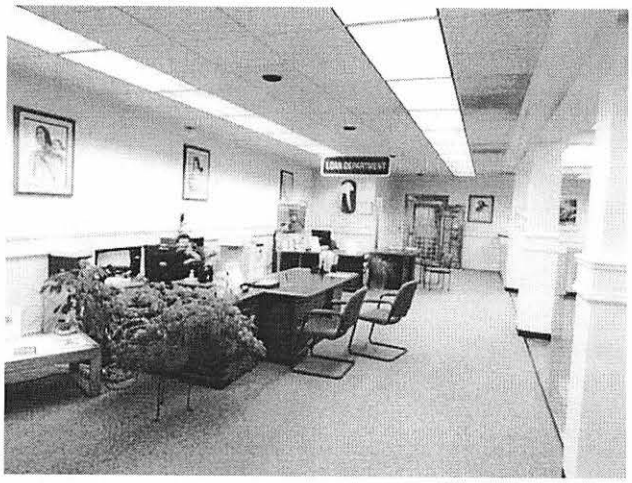
Minimum Standards:

Size:	5,000 SF
Road Frontage:	50 feet
Front Setback:	5 feet
Side Setback:	5 feet
Rear Setback:	5 feet
Building Height:	35 feet
Parking:	Per code

Subject Photographs



Front view of the subject property



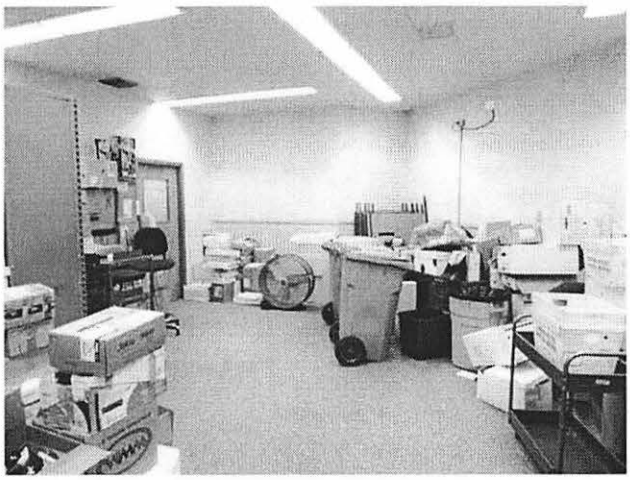
Interior view of the loan department



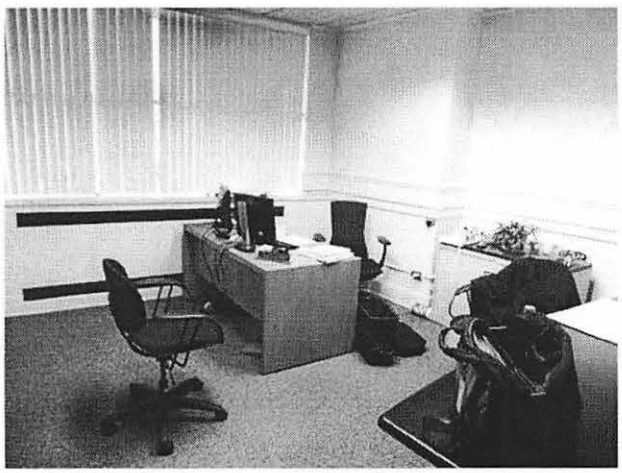
Interior view of the lobby and teller line



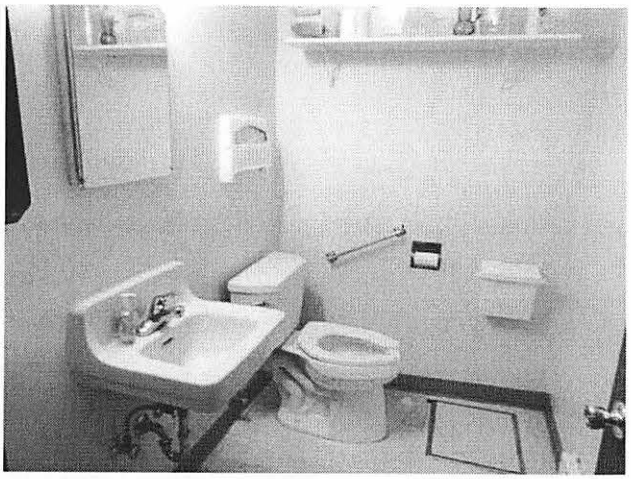
Interior view of the teller line



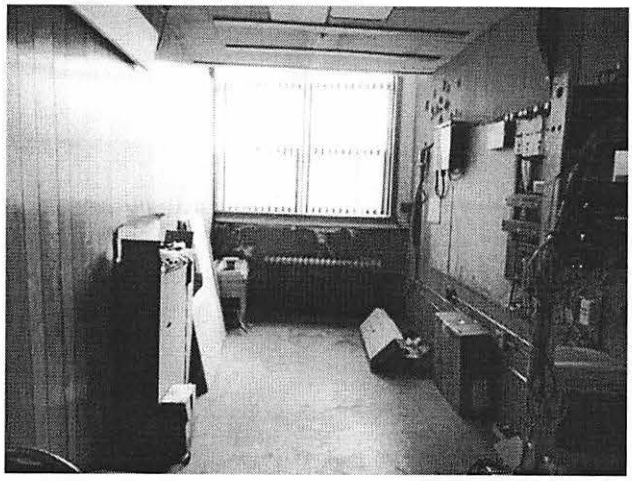
Interior view of work/storage room



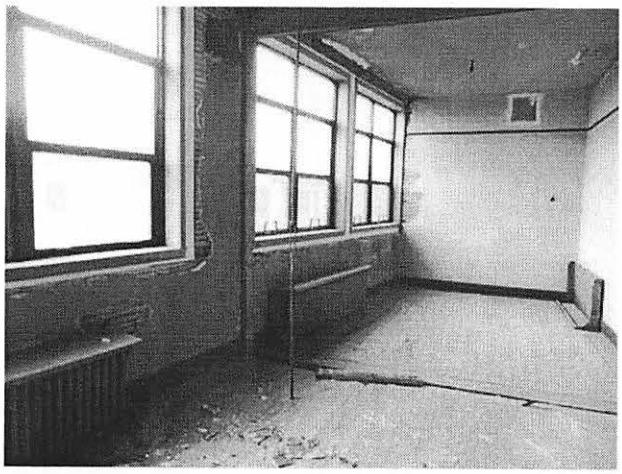
Interior view of the manager's office



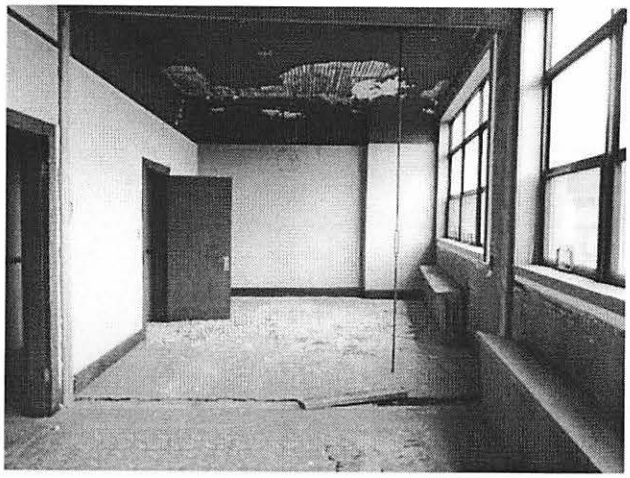
Interior view of a typical restroom



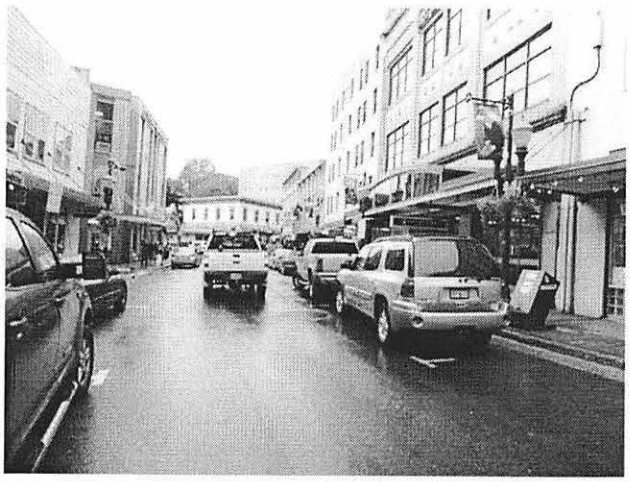
Interior view of the mezzanine area



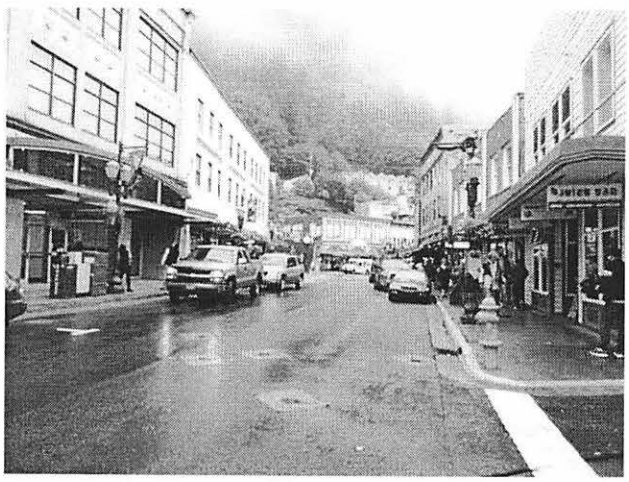
Interior view of the mezzanine area



Interior view of the mezzanine area



Street scene of Front Street viewing west



Street scene of Front Street viewing east

Highest and Best Use

The property's value is dependent on an opinion of highest and best use for the subject site as if vacant and as improved or proposed.

Highest and best use may be defined as

> the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.[3]

The theoretical focus of highest and best use analysis is on the potential uses of the land as though vacant. In practice; however, the contributory value of the existing improvements and any possible alteration of those improvements are also important in determining highest and best use and, by extension, in developing an opinion of the market value of the property.

In the analysis of highest and best use of land as though vacant, the appraiser seeks the answers to several questions:

- Should the land be developed or left vacant?
- If left vacant, when would future development be financially feasible?
- If developed, what kind of improvement should be built?

In the highest and best use of the property as improved, additional questions must be answered:

- Should the existing improvements on the property be maintained in their current state, should they be altered in some manner to make them more valuable, or should they be demolished to create a vacant site for a different use?
- If renovation or redevelopment is warranted, when should the new improvements be built?

In general, if the value of a property as improved is greater than the value of the land as though vacant, the highest and best use is the use of the property as improved. However, a property's existing use may represent an interim use, which begins with the land value for the new highest and best use and adds the contributory value of the current improvements until the new highest and best use can be achieved. In practice, a property owner who is redeveloping a parcel of land may remove an improvement even when the value of the property as improved exceeds the value of the vacant land. The cost of demolition and any remaining improvement value are taken into consideration in the test of financial feasibility for redevelopment of the land. Likewise, if an improved property has value but may have greater value if modified in some way, the cost of modifying the improvements and the value gained in that modification are accounted for in the determination of highest and best use.

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[3] *The Appraisal of Real Estate* 11th Edition, Page 297, Appraisal Institute

As market/marketability analysis progresses to highest and best use analysis, appraisers first consider the reasonably probable uses of a site that can be legally undertaken. In the analysis of pertinent data, four steps are implicit and are applied in the following order to develop adequate support for the appraiser's highest and best use opinion:

1. Legally permissible
2. Physically possible
3. Financially feasible
4. Maximally productive

These criteria are generally considered sequentially. The tests of physical possibility and legal permissibility can be applied in either order, but they both must be applied before the tests of financial feasibility and maximum productivity. A use may be financially feasible, but this is irrelevant if it is legally prohibited or physically impossible.

Highest and Best Use As Vacant

The site has an irregular configuration and is atypically large for an interior lot located within the central business district. The only significant development constraints are parcel size, configuration, and topography. There are adequate transportation and utility linkages to support development.

The site is zoned for mixed use development. This zoning classification permits office, retail, service establishments and multi-family residential occupancies.

The surrounding neighborhood is a part of the historic district. Most of the structures are older buildings that were built in the early 1900s. The Sealaska Heritage Institute is the most recent new construction in downtown Juneau and is located one-half block south of the subject property. The area is principally developed with buildings having two to four stories.

It is financially feasible to develop new commercial improvements for owner occupancy. The financial feasibility for speculative developments would need to be determined on a case by case basis.

The highest and best use, as vacant, would be commercial or mixed use development for an owner/user.

Highest and Best Use As Improved

The property is improved with a mixed use building. The first floor has been used as a retail banking facility with the upper levels dominated by a theater. Neither of these uses are likely to continue in the future. Therefore, the building will require repurposing as far as the interior partitioning, mechanical, electrical, and heating systems. Demolition costs are expected to be substantial. The first floor of the building would be repurposed into a retail or service related occupancy that would also include a storage component. The vault areas are of no value for most users. The upper floors will likely remain unoccupied for a period of time until it is financially feasible to repurpose the space.

The improvements are incapable of contributing income sufficient to provide a market rate of return to the land.

The improvements are not considered to contribute to the overall property value and constitute an interim use of the site.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

- The Cost Approach
- The Direct Sales Comparison Approach
- The Income Capitalization Approach

This appraisal includes the following:

- Cost Approach: This approach is applicable; however, is not necessary in order to produce a credible estimate of value and has not been developed.

- Direct Sales Comparison Approach: This approach is applicable, necessary, and has been fully developed.

- Income Capitalization Approach: This approach is applicable, necessary, and has been fully developed.

Direct Sales Comparison Approach

The following steps describe the applied process of the Direct Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.

2. The most pertinent data is further analyzed and the quality of the transaction is determined.

3. The most meaningful unit of value for the subject property is determined.

4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.

5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

We have researched and analyzed four comparables in this approach. The sales selected were deemed to be the most recent and comparable data available. The comparable sales are summarized on the following Improved Comparable Sales Summary Table, followed by descriptive analyses.

IMPROVED SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Building Size (SF)	Price/ SF
1.	117 N Franklin St	12/31/2012	$1,150,000	15,990	$71.92
2.	225 Front St	07/23/2009	$775,000	17,099	$45.32
3.	230 Second Street	01/27/2012	$700,000	9,385	$74.59
4.	200 Seward St	10/08/2013	$700,000	8,911	$78.55

Improved Sale No. 1

Property Identification	
Record ID	321
Property Type	Mixed Use, Tourist
Address	117 N Franklin St, Juneau, Alaska 99801
Location	Tourist District
Sale Data	
Grantor	Ruben & Ana Pereyra
Grantee	Fishbone Rentals LLC
Sale Date	December 31, 2012
Deed Book/Page	2012-008422-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash
Verification	Confirmed by Kim M. Wold
Sale Price	$1,150,000
Land Data	
Land Size	0.254 Acres or 11,048 SF
Zoning	MU, Mixed Use
Topography	Terraced
Utilities	W,S,T,E
Shape	Irregular
General Physical Data	
Building Type	Single Tenant
Gross SF	15,990
Construction Type	Wood Frame
Roof Type	Comp Shingle
Foundation	Concrete
Electrical	110/220
HVAC	Oil Heat
Sprinklers	No
Stories	2
Year Built	1900 Reno 2006
Condition	Fair
Indicators	
Sale Price/Gross SF	$71.92
Floor Area Ratio	1.45
Land to Building Ratio	0.69:1

Improved Sale No. 1 (Cont.)

Legal Description

Lots 7 and 8, fraction of Lot 6, Block 13, Juneau Townsite, Juneau Recording District.

Remarks

This is an historic building originally built as the first Alaska legislative hall. The building was remodeled into an Elks lodge in 1956. A 2006 remodel converted the first floor to a restaurant, bar, and retail area. The second floor is a large meeting hall with stage. There is a mezzanine apartment. The structural shell was sound; however, the building needed a number of upgrades and required remodeling of the second floor to generate income. The intended use is to convert the building into a night club, including restaurant, bar, and dance hall.



Improved Sale No. 2

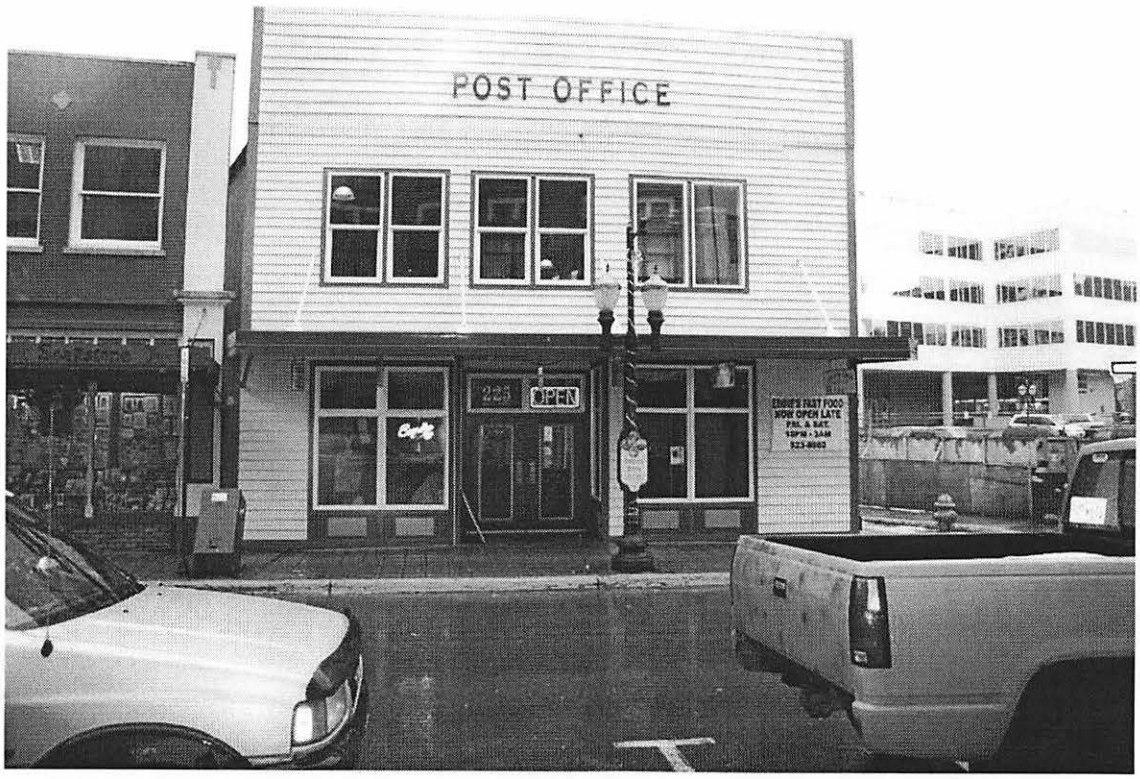
Property Identification	
Record ID	294
Property Type	Mixed Use, Tourist
Address	225 Front St, Juneau, Alaska 99801
Location	Tourist District
Sale Data	
Grantor	Thomas E. Neubauer, et al
Grantee	RH Rentals LLC
Sale Date	July 23, 2009
Deed Book/Page	2009-005587-0
Property Rights	Leased Fee
Conditions of Sale	Motivated Seller
Financing	Cash
Verification	Confirmed by Kim M. Wold
Sale Price	$775,000
Land Data	
Land Size	0.259 Acres or 11,300 SF
Zoning	MU, Mixed Use
Topography	Below Grade
Utilities	W,S,T,E
Shape	Irregular
General Physical Data	
Building Type	Single Tenant
Gross SF	17,099
Construction Type	Wood Frame
Roof Type	Membrane
Foundation	Concrete
Electrical	110/220
HVAC	Oil
Sprinklers	No
Stories	2
Year Built	1900
Condition	Fair
Indicators	
Sale Price/Gross SF	$45.32
Floor Area Ratio	1.51
Land to Building Ratio	.66:1

Legal Description
Lot 1, Block 81, Plat 354, Juneau Recording District.

Improved Sale No. 2 (Cont.)

Remarks

This is a corner site located in the central business district. The site is improved with a two story structure which was mostly vacant at the time of sale. The building was condemned by the City/Borough of Juneau. The seller was under severe financial pressure by his lender to sell the property.



Improved Sale No. 3

Property Identification	
Record ID	292
Property Type	Mixed Use, Tourist
Address	230 Second Street, Juneau, Alaska 99801
Location	Tourist District
Sale Data	
Grantor	Goosepoint Properties
Grantee	Carlson Commemorative LLC
Sale Date	January 27, 2012
Deed Book/Page	2013-003808-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash
Verification	Confirmed by Kim M. Wold
Sale Price	$700,000
Land Data	
Land Size	0.113 Acres or 4,913 SF
Zoning	MU, Mixed Use
Topography	Level
Utilities	W,S,T,E
Shape	Irregular
General Physical Data	
Building Name	Klein Building
Building Type	Multi Tenant
Gross SF	9,385
Construction Type	Wood Frame
Roof Type	Membrane
Foundation	Concrete
Electrical	110/220
HVAC	Oil
Sprinklers	No
Stories	3
Year Built	1904
Condition	Poor
Indicators	
Sale Price/Gross SF	$74.59
Floor Area Ratio	1.91
Land to Building Ratio	.52:1

Legal Description
Lot 4, Block 4, Juneau Townsite, Juneau Recording District

Improved Sale No. 3 (Cont.)

Remarks

This is an older building located on the periphery of the Juneau Tourist District. This is a mixed use building having retail, office, and residential occupancies. The quality is average. The building is in in fair to poor condition. Approximately $173,000 in repairs are needed.



Improved Sale No. 4

Property Identification	
Record ID	359
Property Type	Commercial, Mixed Use
Address	200 Seward St, Juneau, Alaska
Location	CBD
Sale Data	
Grantor	Elton Engstrom Jr
Grantee	Goldstein Imprrovement Co
Sale Date	October 08, 2013
Deed Book/Page	2013-006859-0
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash
Sale Price	$700,000
Land Data	
Land Size	0.113 Acres or 4,913 SF
Zoning	MU, Mixed Use
Topography	Sloping
Utilities	W,S,T,E
Shape	Irregular
General Physical Data	
Building Type	Multi Tenant
Gross SF	8,911
Construction Type	Masonry
Roof Type	Built up tar
Foundation	Concrete
Electrical	110/220
HVAC	HWB
Sprinklers	No
Stories	2
Year Built	1946
Condition	Average
Indicators	
Sale Price/ SF	$78.55
Floor Area Ratio	1.81
Land to Building Ratio	.55:1
Occupancy at Sale	100%

Legal Description
Lot 4, Block 5, Townsite of Juneau, Juneau Recording District.

Improved Sale No. 4 (Cont.)

Remarks

This is a multi tenant building located in the commercial district of Juneau. The purchaser bought the property for its land value and will continue the use of the improvements to produce interim income.



Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Economic Trends (time)
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables, and the adjustments applied.

Improved Sales Summary and Adjustment Grid					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Name:					
Address:	238 Front St	117 N Franklin St	225 Front St	230 Second Street	200 Seward St
City:	Juneau	Juneau	Juneau	Juneau	Juneau
Date of Sale:		12/31/2012	7/23/2009	1/27/2012	10/8/2013
Sale Price:		$1,150,000	$775,000	$700,000	$700,000
Sale Price/SF:		$71.92	$45.32	$74.59	$78.55
Property Rights:	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple
% Adjustment					
Conditions of Sale:	Normal	Normal	Motivated Seller	Normal	Normal
% Adjustment					
Economic Conditions	8/17/2015	12/31/2012	7/23/2009	1/27/2012	10/8/2013
Months Elapsed		31.97	73.87	43.27	22.60
% Adjustment		0.00%	0.00%	0.00%	0.00%
Adjusted Price/SF:		**$71.92**	**$45.32**	**$74.59**	**$78.55**
Location:	Average	Inferior	Similar	Inferior	Inferior
% Adjustment					
$ Adjustment		$0.00	$0.00	$0.00	$0.00
Building Size (Sq. Ft.):	11,560	15,990	17,099	9,385	8,911
Comparison		Inferior	Inferior	Superior	Superior
$ Adjustment		$0.00	$0.00	$0.00	$0.00
Age/Condition:	1900	1900	1900	1904	1946
Comparison		Superior	Superior	Superior	Superior
$ Adjustment		$0.00	$0.00	$0.00	$0.00
Quality:	Average	Similar	Similar	Similar	Similar
% Adjustment					
$ Adjustment		$0.00	$0.00	$0.00	$0.00
Functional Utility:	Fair	Superior	Similar	Superior	Superior
% Adjustment					
$ Adjustment		$0.00	$0.00	$0.00	$0.00
Overall Comparison		Superior	Inferior	Superior	Superior
Net Adjustments:		$0.00	$0.00	$0.00	$0.00
Adjusted Price/Sq. Ft.:		**$71.92**	**$45.32**	**$74.59**	**$78.55**
Average Price/Sq. Ft:		**$67.60**			
Reconciled Price/Sq. Ft.:		**$55.00**			

Adjustment Notes

The comparables have received adjustments for various characteristics that influence value. Downward, or negative adjustments have been made when a comparable possesses a superior characteristic, while upward, or positive adjustments have been for inferior characteristics. The intent of this process is to bring the comparables to approximate parity with the subject.

The comparables were located in the central business district of Juneau. The sales occurred between July 2009 and December 2013. The gross sales prices ranged from $700,000 to $1,150,000. Comparables 1, 3, and 4 were sold for fee simple property rights. Comparable No. 2 was subject to leases.

The conditions of sale were normal for Sales 1, 3, and 4. Comparable No. 2 was a sale under threat of foreclosure, which likely reduced the sales price.

No economic trends adjustment is made to the comparables, as the market is viewed as stable.

The comparables indicate an unadjusted price range of $45.32 to $78.55 per square foot.

The comparables were analyzed on a qualitative basis. Comparables that are inferior would be low indicators of the value per square foot. Comparables that are similar would require no adjustments. Comparables that are superior would be high indicators of the value per square foot.

The subject's location was considered average. The subject's land to building ratio was also average. Comparables 1, 3, and 4 were inferior in location, as they lacked the subject's tourist exposure. Comparable No. 2 was similar in location and land to building ratio.

The subject's building size, which reflects the above grade usable area, not including the vaults, was 11,560 square feet. Comparables 1 and 2 were larger improvements and would receive a modest upward adjustment. Comparables 3 and 4 were slightly smaller and would receive a modest downward adjustment.

The subject's age and condition was based on a date of construction of 1900 and the overall condition is poor. This rating reflects both the condition of the upper floors of the building as well as the likelihood that significant remodeling would be required on the first floor before occupancy could take place. All of the comparables were not dissimilar in the date of construction, but were each considered superior as far as condition and the fact that the premises were able to generate rental income. Each of the comparables would receive a downward adjustment.

The subject's quality was average. Each of the comparables was considered to be similar.

The subject's functional utility was rated as fair. Comparables 1, 3, and 4 were considered superior. Comparable No. 2 was similar in functional utility.

Sales Comparison Approach Conclusion

The comparables indicate an average adjusted sales price of $67.60 per square foot. Overall, Comparables 1, 3, and 4 were rated as superior. Comparable No. 2 was rated as inferior.

We would estimate a value of $55 per square foot for the subject. The subject's value is calculated as follows:

11,560 SF x $55/SF = $635,800 (Rounded to $635,000)

Based on the above analysis, we have reconciled to a value of **$635,000**.

Income Capitalization Approach

The Income Capitalization Approach to value is based on the present worth of the future rights to income. This type of analysis considers the property from an investor's point of view, the basic premise being that the amount and quality of the income stream are the basis for the value of the property.

Direct Capitalization Analysis

The process of capitalization is the conversion of net income to value. Net income is the residual income after vacancy and collection loss and operating expenses.

Potential Gross Income (PGI)

Historic Income

The property has been owner occupied and therefore, there is no income history or current income produced by the property. The property was vacated as of September 9, 2015, when First National Bank relocated to its new facility.

Market Rent

The following comparable rentals were considered in estimating the market rent for the subject property.

Comparable Rentals

No.	Location	Tenant	Area (SF)	Services	Annual Rent/SF
1	114 Front St	Kaili's Fine Gifts	2,032	T,I,H,M	$21.72
2	114 Front St	Jewel Box	949	T,I,H,M	$22.32
3	114 Front St	Hearthside Books	932	T,I,H,M	$24.96
4	130 Front St	Heritage Coffee	4,000	T,I,H,M	$18.00
5	202 Front St	Juneau Drug	5,123	T,I,H,M	$13.53
6	175 S Franklin St	Bear's Lair	1,260	T,I,H,M	$27.60
7	175 S Franklin St	Native Coop	760	T,I,H,M	$22.92

Analysis of Comparable Rents

Each of the comparables was located within one block of the subject property.

Comparables 1, 2, and 3 are located in the Triangle Building, which is located adjacent to the east of the subject property. These were substantially smaller storefronts. The contract rents ranged from $21.72 to $24.96 per square foot per year. The largest storefront has the lowest rental rate, which is to be expected. Comparable No. 1 is the best rental indicator from the Triangle building. It should be noted that the annual rent for this space is $44,135. The annual rental amount would be the minimum that the subject's first floor space would generate.

Comparable No. 4 is a long term lease with Heritage Coffee as the lessee. Daniel Glidmann, property manager for the property, indicated that the annual rent was $72,000. He was unsure what the lease area was, but 4,000 square feet is believed to be a reasonable approximation. The area includes retail as well as storage components. Mr. Glidmann manages the buildings located in the block immediately west of the subject's block and is considered the most knowledgeable property manager in this area of the Juneau central business district. He stated that, to his knowledge, the highest annual rent found for properties located north of Front Street was $6,000 per month or $72,000 per year. It was his opinion that the maximum annual rent for any space in a building located north of Front Street would be $72,000 regardless of the building's leasable area.

Comparable No. 5 is a corner storefront one lot west of the subject. This is one of the largest rental spaces in the commercial district lying north of Front Street. The annual rent is $13.53 per square foot, which includes the retail as well as a storage component. This is a good comparable for the subject.

Comparables 6 and 7 are located one block east of the subject. These are substantially smaller storefronts and are considered superior to the subject.

Income Projection
The market rent for the subject will be divided into two components; i.e., the retail space of 3,508 square feet and the storage/break room area of 1,170 square feet. The retail space is estimated to have a market rent of $18 per square foot per year. The storage/break room area is estimated to have a market rent of $12 per square foot per year. No income is projected for the upper floors of the property, as they were not considered to be in a rentable condition without substantial renovation expenses.

Vacancy and Collection Loss
The vacancy rate in the central business district of Juneau is less than 5 percent. Tenant turnover is relatively infrequent. Due to the fact that the subject property is to become vacant and there will be a period of income loss for lease up or construction of tenant improvements, we will use a 5 percent vacancy factor.

Expense Projection
Expenses to be incurred in the operation of the property include management, insurance, real estate taxes, maintenance, and replacement reserves.

Management expense is estimated at 6 percent per year, based on prevailing management fees in the Juneau central business district.

Insurance is estimated at $3,918 per year, based on First National Bank's actual insurance premium.

Real estate taxes would be based on a 10.76 millage levy. Due to the fact that the property is substantially over-valued for assessment purposes, we will add the millage levy to the overall capitalization rate, which effectively reduces the assessed valuation to its true value.

Maintenance is estimated at $7,000 per year, which factors in the overall age and condition, as well as maintenance responsibilities of the property.

Replacement reserves are estimated at 12 percent of effective gross income. This expense provides funds for the orderly replacement of short life building components, including the roof, exterior paint, heat plant, interior paint, floor coverings, etc. Due to the fact that less than half of the building generates income, it is necessary to increase the reserve expense well above what is normally forecast.

Capitalization Rate
The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sales price.

NOI ÷ Sale Price = Capitalization Rate

Band of Investment
This technique utilizes lender and real estate investor investment criteria to develop, or synthesize a capitalization rate. There are four key inputs necessary for this method:

1. The loan-to-value ratio (M)
2. The mortgage interest rate (i)
3. The loan term (n)
4. The equity cap rate or equity dividend rate (R_E)

The mortgage variables are used to build the mortgage constant (R_M), which is the total amount of the payments made in one year, expressed as a percentage of the original loan amount.

Formula:

R_M x M	=	Rate
R_E x (1-M)	=	Rate
	=	Cap Rate (R_O)

We have researched mortgage rates and terms typical of the subject market segment for the Juneau area. The mortgage rate was based on a 15 year amortizing mortgage with an interest rate of 4.5 percent and a 75 percent loan to value ratio.

An equity dividend rate of 12 percent was estimated based on the *Investor Survey* published by RealtyRates.com for the 3rd Quarter 2015.

The table below details the Band of Investment calculations.

Capitalization Rate Analysis					
Mortgage Interest Rate	4.50%		Loan To Value Ratio	75%	
Typical Market Points	0.00		Debt Coverage Ratio	0.00	
Loan Term (Years)	15		Equity Dividend Rate	12.00%	
Band of Investment					
Mortgage Constant	Loan Ratio				
0.09180 x	75%	=	0.0688	Mortgage Component	
Equity Dividend Rate	Equity Ratio				
12% x	0.25	=	0.03	Equity Component	
Capitalization Rate			**9.88%**		

Capitalization Rate Conclusion

The millage levy for the real estate taxes is $10.76 per $1,000, or .001076. This will be added to the capitalization rate calculated above to yield the overall capitalization rate, as follows:

Capitalization Rate	-	.009880
Real Estate Tax Levy	-	.001076
TOTAL CAP RATE	-	.010956

We will conclude a rounded overall capitalization rate of 11 percent.

Income Capitalization Approach Summary

Based on the analysis detailed above and on the following page, we have reconciled to an income capitalization approach value estimate of **$450,000**.

Income Analysis

Analyst: Kim Wold
Analysis Date: 8/17/2015
Property Address: 238 Front St
Square Foot Area: 4,678 **No. Units:** 2

Unit	Income	Income Type	# Units or SF Size	Annual	% of PGI
First Floor Retail Area	$18.00	$/SF	3,508	$63,144	81.8%
First Floor Storage Area	$12.00	$/SF	1,170	$14,040	18.2%

Potential Gross Income (PGI):		**$77,184**	100%
Vacancy & Collection Loss;	**5.00%**	**$3,859**	
Other Income:			
Effective Gross Income (EGI):		**$73,325**	95%

Expenses	Amount $ or %	Expense Type	Annual	$/SF
Management	6%	% of EGI	$4,399	$0.94
Insurance	$3,918	Lump Sum	$3,918	$0.84
RE Tax (Loaded in Cap Rate)				
Maintenance	$7,000	Lump Sum	$7,000	$1.50
Reserves	12%	% of EGI	$8,799	$1.88

Total Expenses:	**$24,116**	**$5.16**
Expense Ratio (Expenses/EGI):	**32.89%**	
Reimbursable Expenses:		

Net Operating Income:	**$49,208**	**$10.52**
Capitalization Rate:	**11.00%**	
Value:	**$447,349**	**$95.63**
Rounded:	**$450,000**	**$96.19**

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Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed.

Value Indications

Sales Comparison Approach	$635,000
Income Capitalization Approach	$450,000

Value Conclusion

The sales comparison approach analyzed four sales located within the subject neighborhood. These sales were adjusted on a qualitative basis. Each of the properties had substantial physical and functional depreciation. The sales comparison approach is considered the best indicator of value.

The income capitalization approach estimated market rent for the subject's first floor usable space only. This approach did not factor any contribution value for the upper floors. This approach is considered to set the lower limit of value for the property.

Greatest weight is given to the sales comparison approach.

Based on the data and analyses developed in this appraisal, we have reconciled to a value estimate of **$600,000**, as of August 17, 2015, subject to the Limiting Conditions and Assumptions of this appraisal.

Appraisal Qualifications

Kim M. Wold

EXPERIENCE

Employed by the Ketchikan Gateway Borough from January 1976 to October 1978 as a Junior Appraiser with subsequent advancement to an Appraiser position. The position involved the revaluation of approximately 5,000 properties within the Ketchikan Gateway Borough.

Founded Alaska Appraisal Associates, Inc. and served as President and Chief Appraiser from October 1978 to present. Also associated during this period with Hugh A. Thompson and Associates Inc. of Redmond, Washington.

PROFESSIONAL TRAINING

Attended numerous and appraisal related courses presented by the American Institute of Real Estate Appraisers, Northwest Center for Professional Education, Marshall Valuation Service, University of Alaska, and the International Right of Way Association.

Completed courses sponsored by the American Institute of Real Estate Appraisers and the Appraisal Institute in conjunction with the University of Portland, University of Colorado, University of San Diego, and Arizona State University. These courses include:

Basic Valuation Principles 1978	-	Course 1A
Residential Valuation 1978	-	Course 8
Capitalization Theory 1979	-	Course 1B
Case Studies 1981	-	Course 2-1
Appraisal Report Writing 1981	-	Course 2-2
Investment Analysis 1982	-	Course 6
Standards of Professional Practice 1983	-	Course 2-3
Litigation Valuation 1985	-	Course 4
Standards of Professional Practice 1991	-	Course 410/420
State Certification/License - Residential 1991		
State Certification/License - Commercial 1991		
Highest & Best Use and Market Analysis, 1993	-	Course 520
Advanced Residential Report Writing, 1995	-	Course 500
Standards of Professional Practice, 1997	-	Course 410/420
Automated Valuation Models, 1999		
Technical Inspection of Real Estate, 1999		
Internet and Appraising, 1999		
Standards of Professional Practice, 2000	-	Course 410/420
Law and Value; Communication Corridors, Tower Sites, and Property Rights, 2001		
Attacking & Defending an Appraisal in Litigation, 2001		
Valuation of Detrimental Conditions in Real Estate, 2002		

Appraisal Litigation Practice and
Courtroom Management, 2003
The Road Less Traveled; Special Purpose Properties, 2004
Hospitality Properties, 2004
Standards of Professional Practice, 2004
Rates & Ratios; Making Sense of GIMs, OARs & DCF, 2004
Supporting Capitalization Rates, 2004
Condominiums, Co-Ops, and PUDs, 2006
What Clients Would Like Their Appraisers to Know, 2006
Residential Highest and Best Use, 2007
Standards of Professional Practice, 2007
Current Issues and Misconceptions in the Appraisal Process, 2007
Business Practices and Ethics, 2009
Uniform Standards of Professional Appraisal Practice, 2009
Highest and Best Use and Market Analysis, 2009
Understanding the New Interagency Appraisal and Evaluation Guidelines, 2011
General Appraiser Site Valuation & Cost Approach, 2011
Self Storage: Emerging Core Asset, 2011
Appraisal Curriculum Overview, 2011
Fundamentals of Separating Real Property, Personal Property,
and Intangible Business Assets, 2012
Standards of Professional Practice, 2013
Uniform Standards of Professional Appraisal Practice Update, 2014
Litigation Appraising – Specialized Topics, 2014
Forecasting Revenue, 2015

PROFESSIONAL LICENSING

Licensed by the State of Alaska, Department of Commerce and Economic Development, Division of Occupational Licensing, in September, 1991 as a General Real Estate Appraiser. Current license expires June 30, 2015.

PROFESSIONAL AFFILIATIONS

Senior Member	-	National Association of Review Appraisers and Mortgage Underwriters
Associated Member	-	Appraisal Institute
Fee Appraiser	-	Federal Housing Authority (FHA/HUD #2218)

AREAS APPRAISED IN ALASKA

Areas in which appraisals have been completed include Bristol Bay, Bethel, Anchorage, Haines, Hoonah, Juneau, Yakutat, Sitka, Wrangell, Petersburg, Craig, Klawock, Hydaburg, Metlakatla, Thorne Bay, Hollis, Ketchikan, Unalaska, Chignik, St. Paul Island, and numerous remote locations throughout Southeast Alaska.

Appraisals have also been completed in the Seattle metropolitan area.

TYPES OF PROPERTIES APPRAISED

Single and multi-family residential, income producing properties, special purpose properties such as sawmills and fish processing plants, tidelands, logging camps, grocery stores, shopping centers, aviation facilities. Extensive experience appraising urban and remote acreage of varying highest and best uses such as residential, commercial, industrial, agricultural, forestry, mining claims, tidelands, recreational, etc.

TYPES OF APPRAISALS

Appraisals have been conducted for a multitude of purposes including market value, insurance, estate, ad valorem, eminent domain, charitable contributions, syndication, etc.

SPECIAL PROJECTS

Served as a member of the Ketchikan Gateway Borough Land Selection Committee evaluating municipal land selections (1980).

Appraised State lands in the Ketchikan and Prince of Wales Island area to assist in reconstituting the University of Alaska Land Trust (1987).

Served as a member of the Alaska Mental Health Land Valuation Panel evaluating Southeast Alaska lands to settle the Weiss v. State of Alaska litigation (1988).

Conducted physical and legal attribute identification of Southeast Alaska lands and improved properties for the reconstitution of the Mental Health Land Trust (1993).

PUBLISHED ARTICLES

No published articles in the preceding 10 years.

EXPERT WITNESS

Testified as an expert witness in proceedings before the U.S. Bankruptcy Court. Testified in the Superior Courts within the States of Alaska and Washington in regard to real estate and business valuations. Testified before the Boards of Equalization for the Ketchikan Gateway Borough and the City of Craig. Testified in Internal Revenue Service tax appeal hearings.

Specific Cases Testified – In re: Salmon Falls Resort, LLC, US Bankruptcy Case No. K09-00301-DMD; Trident Seafoods Corporation v. Commonwealth Insurance Company; Case No. 2010-CV-00214-RAJ; In re: Alaska Fur Gallery, US Bankruptcy Case No. A09-00196-DMD; Carrie L. McLaughlin v. Gary L. Looney, Case No. 1KE-11-12 CI

APPRAISAL CLIENTS

Government Agencies - Federal Deposit Insurance Corporation, Alaska Native Health Service, Alaska Renewable Resource Corporation, Alaska Department of Natural Resources, Alaska State Building Authority, Alaska Housing Finance Corporation, Bureau of Indian Affairs, U.S. Department of Agriculture -Forest Service, Ketchikan Public Utilities, Metlakatla Housing Authority, National Oceanic & Atmospheric Administration.

Municipalities - Cities of Craig, Klawock, Petersburg, Ketchikan, Thorne Bay, Whittier; Ketchikan Gateway Borough; City/Borough of Juneau; City/Borough of Sitka; Haines Borough

Financial Institutions - Alaska Pacific Bank, Commercial Fisheries and Agricultural Cooperative Bank, First Bank of Ketchikan, First National Bank of Anchorage, Seafirst Mortgage Corporation, Tongass Federal Credit Union, Ward Cove Credit Union, KeyBank National Association, Wells Fargo Bank, Frontier Bank, Federal National Mortgage Association, First Heritage Bank, Alaska Growth Capital, Native American Bank, Cascade Bank, True North Federal Credit Union, Northrim Bank, Toyota Financial Services, Banner Bank

Fisheries - Craig Fisheries, E.C. Phillips Cold Storage, Ward Cove Packing Company, Wrangell Seafoods, Silver Lining Seafoods, Excursion Inlet Packing Co., Hoonah Seafoods, Canadian Fisheries Co., North Pacific Processors, Sitka Sound Seafoods, Norquest, YKI Fisheries, Salamataof Seafoods, Pacific Star Seafoods, Ocean Beauty Seafoods, Trident Seafoods, Pelican Seafoods, Westward Seafoods, Harbor Crown Seafoods, Alyeska Seafoods, Maruha Nircho, Silver Bay Seafoods

Forestry - Alaska Timber Corporation, Louisiana Pacific Corporation, Georgia Pacific Corporation, Pacific Forest Products, Mitkof Lumber, Wrangell Forest Products, Valentine Logging, Sealaska Timber Corporation, Whitestone Logging.

Native Corporations - AHTNA, Inc., Cape Fox Corporation, Sealaska Corporation, Shaan Seet Corporation, Kootznoowoo Inc., Klawock-Heenya Corporation, Ketchikan Indian Corporation, Tlingit-Haida Regional Housing Authority, Klukwan, Inc., Huna Totem, Gold Belt Corporation, Central Council of Tlingit & Haida Indian Tribes of Alaska

Tourism - Waterfall Resort, Yes Bay Lodge, Clover Pass Resort, Whale Pass Lodge, Hyda-Way Lodge, King Salmon Motel, Tides Inn, Royal Executive Suites, Scandia Inn, Beachcomber Inn, Driftwood Lodge, Mink Bay Lodge, Juneau Travel Lodge, Stikine Inn, Fireweed Lodge, Leonard's Landing, Sure Strike Lodge, El Capitan Lodge, Rocky Point Lodge, Juneau Hotel

Addenda

First National Bank Alaska

September 1, 2015

Alaska Appraisal Associates, INC.
10000 Rainier Ave S
Seattle, WA 98178

Fax: 866-416-1789

Re: 238 Front Street / 100 N. Franklin Street – Juneau, AK
Legal: See attached Exhibit "A"

Dear Kim Wold:

This letter is to accept your appraisal bid for above referenced property. First National Bank Alaska is requesting you perform an Appraisal Report for no more than $5,500.00. Please have this done by September 16, 2015. Please send the appraisal and invoice to me upon completion at the address below:

First National Bank Alaska
Special Credits Section Amy Elmore
P. O. Box 100720
Anchorage, AK 99510

If you have any questions, please call me at (907) 777-3374.

Sincerely,

2015.09.01 16:31:50 -08'00'

Amy Elmore, NMLS #728630
Special Credits Officer
Loan Servicing Division
Special Credits Section
Fax: (907) 777-4334
aelmore@FNBAlaska.com

1751 Gambell Suite 113 • P.O. Box 100720 • Anchorage, Alaska 99510-0720

EXHIBIT "A"

Lot Three (3) of Block "G" and that part of Lot Two (2) of Block "G" and Lot Four (4) of Block Three (3) of the Townsite of Juneau, according to the plat thereof on file in the office of the recorder for said recording district, described as: Begin at the north corner of Lot Three (3) of Block "G", run thence north 41° 17' west on the southwesterly boundary of Franklin Street 4.0 feet; thence, at right angles to the southwesterly boundary of Franklin, south 48° 43' west 48.93 feet to the east corner of Lot Three (3) of Block Three (3); thence, on a southeasterly extension of the southwest line of Lot Four (4) of Block Three (3) to the westerly boundary of Lot Three (3) of Block "G"; thence, north to the northwest corner of Lot Three (3) of Block "G"; thence, on the northwesterly line of Lot Three (3) of Block "G" to the point of beginning.

EXHIBIT J

KEY BANK BUILDING-FURNISHINGS, FIXTURES AND EQUIPMENT

234 SEWARD STREET, JUNEAU ALASKA

The following furnishings, fixtures and equipment are in good condition and do not show excessive wear and tear:

Carpet-$2500
Light fixtures-$2,000
Table-$500 (1)
File cabinet-$50 (1)
Wood bookcase-$100 (2)
Credenza-$600 (12)
Office desk large w/ glass top-$7,000 (7)
Chairs-$200 (8)
Chairs ergonomic-$600 (6)
Conference table oval-$2,100 (3)
Conference table chairs-$450 (18)
Round kitchen table-$75
Kitchen table chairs-$50 (2)
Formal chairs-$850 (17)
Trash cans-$10 (10)

Totals-$17,085. ,

appraisal model) may need to be adjusted for personal property, financing, and changes in value between the sale date and the appraisal date. The purpose of these adjustments is to isolate the price that would have been paid for real property on the date of analysis, usually the effective appraisal date. These adjustments should be made with the same care, regardless of whether the sales took place before or after the effective appraisal date.

Adjustments for Personal Property

Some sales of real estate include significantly valuable personal property. If these sales are used in ratio studies or mass appraisal, the value of the personal property should be estimated and subtracted from the sale price to determine the price paid for the real property alone. Legal definitions help determine what constitutes personal property. The preferred method of adjusting for personal property is to identify the personal property items in each sale, obtain or make an estimate of their market value, and subtract it from the total purchase price. Personal property items often included in the purchase of residential property are wall-to-wall carpets, curtains, draperies, furniture, above-ground swimming pools, and refrigerators and other movable appliances. In new residences, estimated value can usually be obtained from the buyer or builder. In older residences, personal property has usually depreciated, making an estimate more difficult. If the buyer or seller has furnished an estimate of personal property value that appears reasonable, the estimate can be accepted and subtracted from the sale price. If the items are listed and described without giving a value, an appraiser can make a reasonable estimate or, if the value appears trivial, assume zero value.

In commercial, industrial, and multifamily residential sales, personal property can be more than a trivial percentage of the total sale price, and a reasonable value for personal property must be estimated. Personal property that may be included in such sales is machinery and equipment, trade fixtures, inventories, furnishings, and business licenses. A contentious item is the value of goodwill. Transfer documents and sales questionnaires can include questions that identify and obtain the estimated value of such items. A personal inspection may be required for unusual items or for sales in which the value of personal property is a large proportion of the sale price. When the amount of personal property is substantial and a reliable estimate of value cannot be obtained, the sale may be excluded.

When adequate data on personal property are not available, another procedure is to estimate reasonable percentage allowances by type of property. This is best done by reviewing a sample of transfers for each type of property and determining the percentage of the purchase price usually attributable to personal property. Although not as accurate as an individual analysis of each sale, the procedure can

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be cost-effective and is preferred to ignoring personal property items completely or making an arbitrary across-the-board adjustment. When adequate personal property data have been obtained for some sales but not others, the technique can be used to make a reasonable, or typical, adjustment for sales lacking personal property data.

Adjustments for Atypical Financing

The market value of property is its most probable selling price in terms of cash or the equivalent. When financing reflects prevailing market practices and interest rates, sale prices can be considered equivalent to cash. Under such conditions, neither the buyer nor the seller gains any advantage as a result of the manner of financing; hence, there is no reason for the sale price to differ significantly from its cash value. Indeed, in such situations the seller usually receives all cash for the property, if not directly from the buyer, then from a bank or other third-party lender.

Appraisers have long recognized that nonmarket, or "creative," financing tends to inflate sale prices, because creative financing usually involves below-market interest rates. Unless compensating adjustments are made to the sale prices of property so financed, using the sales in valuation models or ratio studies produces distorted results. Values are overstated and sales ratios understated.

Except in periods of unusually tight money and high interest rates, most transfers are financed at prevailing market terms and rates; thus they will *not* require financing adjustments. Adjustments should be considered when (1) the seller and lender are the same party and the financing terms are atypical; (2) the buyer assumes an existing mortgage with a nonmarket interest rate; (3) the buyer assumes an existing lease; (4) the seller pays points; (5) the buyer pays delinquent taxes; or (6) a seller makes repair allowances to the buyer. In general, sale prices should not be adjusted for real estate commissions or other closing costs, except for points paid by the seller. As with the treatment of personal property, the preferred means of adjusting for financing is by individual parcel.

When the seller and lender are the same party, an arrangement known as a *seller carryback* or contract for sale, the appraiser should analyze the down payment, interest rate, and other circumstances of the sale. If it appears that the seller has accepted no more than the usual degree of risk at approximately the market rate of interest, no adjustment is required. However, a contract rate of interest different from the market rate requires an adjustment.

To determine the amount of the adjustment, calculate the present value of the difference in monthly payments required at the contract and market rates of interest. Subtract this amount from the sale price if the contract rate is below the

EXHIBIT K

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Office, Retail, and General Commercial Properties

Although the variety and complexity of office, retail, and general commercial properties can make their analysis difficult, effective models can be developed for these properties if adequate sales and property characteristics data are available. Sales must be adequately screened, and sales with significant personal property or atypical financing must be either removed or adjusted. The dependent variable in additive models should be price per unit, usually per square foot or per square meter. Location can affect office and retail properties differently, and in larger jurisdictions, office properties should usually be modeled separately from retail properties.

The following variables are often important in office and retail models:

- *Primary property type or use.* Common uses include office, medical office, retail, restaurant, fast food, and bank.
- *Secondary uses.* An example is retail use in an office property.
- *Size.* The relationship between size and value is often different for retail and office properties. Separate size variables can be included for primary and secondary use.
- *Stories.* First-floor retail space can command a substantial premium over upper-level space. Basement space is least desirable.
- *Quality.* Investors and other market participants often assign office buildings desirability codes of A, B, C, or D, with A designating *trophy* properties that attract the best tenants.
- *Effective age or condition.* Renovations can enhance value, and it is important to distinguish effective from actual age.
- *Location.* Location desirability for retail properties relates to traffic patterns and can be captured by including variables for major streets and corner location. Accessibility and parking can also be important.

Commercial and Industrial Condominiums

Some jurisdictions have sufficient sales to support commercial or industrial condominium models. Relevant variables include size, use or interior finish, story or floor level, construction quality, age or condition, and location. Binary variables can be included for individual buildings or projects or groups of similar buildings and projects, similar to neighborhood variables in non-condominium models. In addition to capturing location, such variables can reduce or eliminate the need for construction quality and age variables, since units in a building, project, or group of similar projects are usually similar in these respects.

EXHIBIT L

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the computation of effective age. See Chapter 3, "Data Concepts, Analysis, and Tools." Typically, several refinements to mass appraisal models are required before they perform well enough to be used to generate values for assessment purposes.

Reporting Opinions of Value

Appraisers report value conclusions in both single-property appraisal and mass appraisal. Customary practice and *USPAP* requirements lay out single-property appraisal documentation and reporting requirements in considerable detail. The basic reporting requirement is, "In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading" (TAF 2010, U-21) Often a detailed narrative report is required, although form reports can suffice for some purposes.

Such detail usually is impractical when appraisals are made for property tax purposes. However, reporting requirements in mass appraisal are evolving in the direction of more detail, largely as a result of *USPAP,* the opportunities presented by the Internet and government Web sites, and the level of detail required by assessment hearings. The most general form of mass appraisal reporting has been the public assessment roll, which minimally contains property or taxpayer identifiers and the assessed value. Good practice also stipulates an individual assessment notice, especially when an assessment is changed. (See the IAAO *Standard on Public Relations* [2010b].) Often a summary of the assessment process accompanies a notice. In general, taxpayers also can obtain a copy of the property record form (card) for their properties. Manuals also might be available for public inspection or purchase. Although *USPAP* does not explicitly require a written mass appraisal report, it contains standards on the scope and content of such reports. *USPAP* also recognizes traditional forms of procedural documentation.

Summary of Distinctions

Single-property appraisers and mass appraisers usually face different sets of user requirements, which can hinder mutual understanding. Single-property appraisers may use the assessor's data on the subject property and on the comparables they select as the starting point, although a contemporary inspection of each property usually is required. On the other hand, maintaining the property inventory is the biggest challenge assessors and other mass appraisers face. *Client satisfaction* arguably is more straightforward for the single-property appraiser: Only a single valuation is in question. As long as it is logical and supported by evidence, the result likely will be accepted. Of course, there can be a downstream risk that the appraiser's competence will be questioned, should something go wrong. If this

EXHIBIT M

Public Relations and Customer Service 14

Introduction

Public relations in an assessment office often functions as an afterthought or a means to address an impending crisis. Instead, public relations should be an integral part of the office with a long-term goal of better informing the public. An effective public relations program requires good communication between the assessment office and the public.

Public relations can be defined as the methods and means by which a person or an organization seeks to promote a favorable relationship with the public. It is the art of making people like and understand the assessment office. A good public relations program is the assessor's first line of defense. Good public relations starts with an administration that is fair, open, and efficient.

As noted in the *Standard on Public Relations,*

> *The purpose of public relations in the assessment profession is to provide current and useful information on assessment policies and operations and to respond to public opinion. Public relations is essential to increase public awareness of the assessment process and, therefore, should be an integral part of every assessment office's work. The public needs to understand what the office does and how, why, and for whom its services are performed. An effective public relations program results in more accurate and thorough coverage from the media* (IAAO 2001).

Assessment valuation appraisal and the functions of an assessment office may be difficult for the public to comprehend. Technical terms and procedures used by the assessor must be made understandable. A lack of understanding regarding a process or procedure can lead to frustration, especially when it comes to property

valuation issues and taxes. When the questions are the most difficult and the pul the most frustrated, the opportunities to build goodwill are the greatest. The pul may never agree with the values determined by the assessment office, but they m be afforded the opportunity to better understand the appraisal process.

Typically, the better informed the public, the fewer the number of appeals a complaints. Other benefits to the assessor of a good public relations program incl a reduction in tension and misconceptions, a shortening of the time required resolve problems, a public more willing to provide information requested by assessor, more effective communication of needs, and a long-range base of supp

Public relations should promote understanding and create goodwill for services provided, by seeking to gain a favorable opinion but in an econom manner. Public relations efforts are not always free. Often it is a combination of media coverage and the development of a comprehensive public relations progr A good public relations program is very similar to an effective marketing progr A strategy must be developed to target the appropriate audience.

The assessor's role should be to inform and to create a positive identity for office. Too often there is a perception by the public that assessment offices (along v other government agencies) are uncaring and inefficient. A well-developed pu relations plan should take the initiative to establish the desired identity and to di any misconceptions that currently exist. Public relations should be proactive, reactive. The public relations plan should attempt to anticipate negative comm and seek out ways to create the positive identity desired by the assessor. "In crea and maintaining an image, know that some people will be receptive and open, s impressed, some minds changed and some will be totally resistant to anything do. Expect it and be realistic" (Marconi 1996).

Public relations in an assessment office should follow the same steps found private-sector public relations plan. The office should promote understanding generate goodwill toward the products and services provided. Property assessm are the assessor's product. As with any business, the better the product, the r accepted it will be. Good public relations cannot save a bad product. The pro (values) established by the assessment office must be accurate before a pu relations program can be effective. Services provided by the assessor's office con all forms—from providing values to maintaining property descriptions to answe general questions. The degree to which the public accepts the information is dir related to the amount of goodwill that will be generated.

The best way to develop an effective public relations program is to treat o in the manner they wish to be treated. Another way to think about it is to trea property owner the way a customer at a store should be treated. Find the pers office that provides great service, and learn by the example. Good public rela does not have to be original, just effective.

TO: THE BOARD OF EQUALIZATION AND ASSESSOR

RE: HOUSEKEEPING

On June 27, 2022 I received the attached email from Adam Gottschalk, Attorney-Advisor for the Board of Equalization

Adam stated, "...Taxpayers challenging methodology have the burden of showing either fraud or the clear adoption of a fundamentally wrong principle of valuation."

The Assessor's written materials say this appeal is not a trial subject to evidentiary rules but a less formal process.

The Meeting of Board of Equalization (BOE) and Presentation of Real Property Appeal that I received states, "....As the appellant (you) bear the burden of proof. The only grounds for adjustment of an assessment are proof of unequal, excessive, improper, or under valuation based on the facts that are stated in your written appeal or proven at the appeal hearing."

To me the Adam Standard above is at odds with the BOE Standard.

I am disappointed by this apparent discrepancy and wonder if even before the Hearing starts there is bias against taxpayers in the process.

If there is a discrepancy and the BOE Standard is the standard for this appeal, I request that Adam be excused from participating in this appeal.

Please confirm the Standard for an Appeal.

If the goal posts keep moving, the process is unfair.

Thank you for your consideration.

Greg Adler
The Goldstein Improvement Company

To: The Board of Equalization, the Assessor, and Greg Adler

From: Adam Gottschalk, Attorney-Advisor for the Board of Equalization

Subject: Ex Parte Communication Disclosure

Date: June 27, 2022

On Monday, June 20, 2022, Juneau Empire published a story on the 2021 commercial property appeals (available at https://www.juneauempire.com/news/50-hike-in-property-tax-assessments-results-means-city-just-recently-finished-last-years-appeals/). On Tuesday, I received a call from Greg Adler about a statement I made to the story's reporter, which was:

> [T]he general purpose of the board process is to correct errors (e.g. being assessed for a deck that doesn't exist, being assessed for substantially more than just paid). Under Alaska law, assessors have considerable discretion on methodology; taxpayers challenging methodology have the burden of showing either fraud or the clear adoption of a fundamentally wrong principle of valuation.

Mr. Adler wanted to talk about above-assessment sales. I briefly stated there may be circumstances in which a recent sale does not prove error (I believe the examples I gave were if a purchaser got a bad deal or if there were other factors/considerations in the sale) and told Mr. Adler that if he has evidence regarding a recent sale, he should consider bringing it to the hearing.

Mr. Adler and I did not discuss his specific parcel or circumstances. I believe the entire call was two or three minutes, and I do not believe my statement clarification will affect the Board's impartiality in this matter or Parties' opportunities to be heard by a fair and neutral Board.

Respectfully,

Adam Gottschalk

Adam Gottschalk

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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

GOLDSTEIN IMPROVEMENT COMPANY
130 SEWARD ST STE 001
JUNEAU AK 99801

Board of Equalization (BOE) and Presentation of Real Property Appeal	
Date of BOE	Wednesday, June 29, 2022
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	June 15, 2022
Parcel Identification	1C070A020030
Property Location	110 SEWARD ST
Appeal No.	APL20220156
Sent to Email Address:	gregadler@mac.com

ATTENTION OWNER

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

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to city.clerk@juneau.org Attn.: Assessment Appeal} by **4:00 PM Wednesday, June 22, 2022** and will be included in the packets for the Board so the members have an opportunity to review the materials before the hearing.

Your Board of Equalization packet will be ready for you to pick up in the Clerk's office after **2:00 PM Thursday, June 23, 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**

CAPITALIZATION RATES ARE 7.5%-7.75%

This was provided to Julie Dinneen and is part of her Appraisal for The Goldstein Building at 130 Seward Street. It was provided to the Assessor along with a rent roll of Income and Expenses.

Rent Abatement 11/16/2021

TEMPORARY REDUCTIONS

	Rent	Temporary Reduction
ANNIE KALLS	$ 4,200	$ 3,150
LITTLE TOKYO	$ 8,300	$ 4,725
ANNIE KALLS STORAGE	$ 525	$ 390
PLANT STUDIO STORAGE	$ 440	$ 420
HERITAGE NORTHWEST COFFEE	$ 8,925	$7,980
ROOKERY	$ 400	$ 300
THE PLANT STUDIO	$ 2,257.50	$ 1,900

CONCLUSION:

COVID HAS IMPACTED OUR TENANTS. BUSINESS IS POOR. WE ARE TRYING TO HELP BUSINESSES SURVIVE.

IT IS HYPOCRISY TO ASSERT CAPITALIZATION RATES ARE IN THE 5-6% AS THE ASSESSOR HAS ASSERTED.

LOW CAPITALIZATION RATES LEAD TO HIGH VALUES.

WITH EXPENSES CONTINUING AND RENT ABATING THE NET OPERATING INCOME WAS DOWN.

CAPITALIZATION RATES IN JUNEAU ARE HIGHER DURING COVID. JULIE DINNEEN STATES CAPITALIZATION RATES RANGE FROM 7.5% TO 10.86% (for Restaurants).

See our Section 8 on Capitalization Rates.

Goldstein Improvement Company

11/16/2021

Rental Property	Tenants	Monthly Rent	Non Taxable Rent	TEMP REDUCTIO
Goldstein Building (GB)				
124 Seward Street	Annie Kaills	4,200.00		3,150.00
126 Seward Street	NorthWind Architects	3,150.00		
128 Seward Street	Capital Barber	735.00		
140 Seward Street	Little Tokyo/ PhoTai	6,300.00		4,725.00
130 Seward Street	Main Building			
Lobby	Woodbury Financial - Karen Hansen	708.50		
Lobby	State of Alaska - WIC Storage		0.00	
Basement	In & Out Painting	201.94		
	Otis Elevator Company	0.00		
	State of Alaska - Legislative Affairs Storage		2,270.10	
	Annie Kaills - Storage	525.00		390.00
	Shoefly - Storage	105.00		
	Dalberg Design - Storage	210.00		
	Sketch - Storage	83.33		
	Plant Studio Storage	440.00		420.00
Second Floor				
201	Verizon	1,630.13		
	Verizon (electrical reimbursement)	450.00		
202 - 203	Deborah Mellison	898.60		
204 - 205	Alaska Trollers Association	1,036.03		
206	Otis Elevator Company	1,002.51		
207 - 208	State of Alaska		0.00	
209	Todd Montalbo	850.00		
200, 210 - 216	Alaska Network of Domestic Violence & Sexual Assault		3,999.80	
217	Stellar Group	694.00		
218 - 219	J.M. Walsh	825.00		
220	Law office of Kathleen Strausbaugh	500.00		

	221	Law office of Kris Barnum	350.00		
	222	Goldstein Bookkeeping Office	0.00		
	Third Floor	State of Alaska - OCS		0.00	
		East Care Acupuncture	1,093.27		
	304/305	MARINE ENGINEERS UNION	843.60		
	306	VACANT (421.00)			
	307	VACANT (421.00)			
	308	LAW OFFICE (RENT BEGINS 2/1/2022) (421.00)			
	309	SOA PUBLIC DEFENDER (PROX 2/1/2022) (1006.00)			
	Fourth Floor	State of Alaska - OCS		17,656.00	
	Fifth Floor	State of Alaska - WIC		7,682.50	
		State of Alaska - Ombudsman		2,090.19	
	505	LOBBYING OFFICE (rent begins 2/1/2022) (1100.00)			
	504	CRANOR COUNSELING	650.00		
	Parking not included in rent				
		State of Alaska - LAA		90.00	
		Urban Eskimo	73.50		
		Clifton / Bauer	94.00		
			26,256.94	33,788.59	
GFS Building (GFS)					
	140 Front Street	Heritage Northwest - Coffee	8,925.00		7,980.00
	110 Seward Street	Segal Company	650.00		
	Upstairs Offices				
	5	Big Brothers Big Sisters of Southeast Alaska		1,000.00	
	2	Rookery	400.00		300.00
	3	Mooncycle Medicine	440.00		
	4	Yevette Soutiere	350.00		
	1	Carlton Smith	813.75		
	116 Seward Street	TEASE SALON (rent begins 2/1/2022) (1890.00)			
	118 Seward Street	The Plant Studio	2,257.50		1,900.00
			13,144.44	1,000.00	

COST APPROACH TO VALUE IS NOT FEASIBLE

122 Front Street **Assessor Square Feet: 4250**
(0011) **Julie Dinneen Appraiser Square Feet: 4250**

Assesssor Bldg Cost $ Per Square Feet: 146.94
Northwind Bldg Cost $ Per Square: 572.31

Building Costs Per Robert Gloudemans, Author, Fundamentals of Mass Appraisal, IAAO, 2011 (See Section 2):

Hybrid Cost/Sales Method

Replacement Cost New (RCN): $2,550,000 (Northwind Architects)
Less: Depreciation: $117,695
Replacement Cost with Depreciation: $4,432,305
Replacement Cost with Depreciation Per $ SF: $572.31
Assessor Replacement Cost: $ 506,800

$4,432,305 vs. $506,800 DOES NOT COMPUTE-THE ASSESSOR COST APPROACH IS MISLEADING AND MUST BE REJECTED

Adjusted based on ratio of recent sales prices (time-adjusted sales prices): Not disclosed by Assessor

Caveat: Mary Hammond, Assessor, informed me today she uses Marshall and Swift figures from 2018. With computer models isn't the concept to use current values as of January 1. Her figures are out of date. Her figures do not accurately reflect what it costs to excavate and build a basement and additional stories.

COST APPROACH TO VALUE IS NOT FEASIBLE

110 Seward Street **Assessor Square Feet: 10,359**
(30) **Julie Dinneen Appraiser Square Feet: 12,604**

Assesssor Bldg Cost $ Per Square Feet: 132.81
Northwind Bldg Cost $ Per Square: 542.89

Building Costs Per Robert Gloudemans, Author, Fundamentals of Mass Appraisal, IAAO, 2011 (see Section 2):

Hybrid Cost/Sales Method

Replacement Cost New (RCN): $7,562,400 (Northwind Architects)
Less: Depreciation: $719,776
Replacement Cost with Depreciation: $6,842,624
Replacement Cost with Depreciation Per $ SF: $542.89
Assessor Replacement Cost: $981,200

$6,842,624 vs. $981,200 DOES NOT COMPUTE-THE ASSESSOR COST APPROACH IS MISLEADING AND MUST BE REJECTED

Adjusted based on ratio of recent sales prices (time-adjusted sales prices): Not disclosed by Assessor

Caveat: Mary Hammond, Assessor, informed me today she uses Marshall and Swift figures from 2018. With computer models isn't the concept to use current values as of January 1. Her figures are out of date. Her figures do not accurately reflect what it costs to excavate and build a basement and additional stories.

COST APPROACH TO VALUE IS NOT FEASIBLE

130 Seward Street (0043)

Assessor Square Feet: 44,750
Julie Dinneen Appraiser Square Feet: 59,187

Assesssor Bldg Cost $ Per Square Feet: 150.06
Northwind Bldg Cost $ Per Square: 640.31

Building Costs Per Robert Gloudemans, Author, Fundamentals of Mass Appraisal, IAAO, 2011 (See Section 2):

Hybrid Cost/Sales Method

Replacement Cost New (RCN): $41,451,000 (Northwind Architects)
Less: Depreciation: $3,552,693
Replacement Cost with Depreciation: $37,898,307
Replacement Cost with Depreciation Per $ SF: $640.31
Assessor Replacement Cost: $5,358,700

$37,898,307 vs. $5,358,700 DOES NOT COMPUTE-THE ASSESSOR COST APPROACH IS MISLEADING AND MUST BE REJECTED

Adjusted based on ratio of recent sales prices (time-adjusted sales prices): Not disclosed by Assessor

Caveat: Mary Hammond, Assessor, informed me today she uses Marshall and Swift figures from 2018. With computer models isn't the concept to use current values as of January 1. Her figures are out of date. Her figures do not accurately reflect what it costs to excavate and build a basement and additional stories.

COST APPROACH TO VALUE IS NOT FEASIBLE

201 Seward Street (10)

Assessor Square Feet: 7,517
Julie Dinneen Appraiser Square Feet: 8,826

Assesssor Bldg Cost $ Per Square Feet: 148
Northwind Bldg Cost $ Per Square: 423.06

Building Costs Per Robert Gloudemans, Author, Fundamentals of Mass Appraisal, IAAO, 2011 (See Section 2):

Hybrid Cost/Sales Method

Replacement Cost New (RCN): $4,413,000 (Northwind Architects)
Less: Depreciation: $679,067
Replacement Cost with Depreciation: $3,733,933
Replacement Cost with Depreciation Per $ SF: $423.06
Assessor Replacement Cost: $640,100

$3,733,933 vs. $640,100 DOES NOT COMPUTE-THE ASSESSOR COST APPROACH IS MISLEADING AND MUST BE REJECTED

Adjusted based on ratio of recent sales prices (time-adjusted sales prices): Not disclosed by Assessor

Caveat: Mary Hammond, Assessor, informed me today she uses Marshall and Swift figures from 2018. With computer models isn't the concept to use current values as of January 1. Her figures are out of date. Her figures do not accurately reflect what it costs to excavate and build a basement and additional stories.

COST APPROACH TO VALUE IS NOT FEASIBLE

234 Seward Street (0060)

Assessor Square Feet: 6,608
Julie Dinneen Appraiser Square Feet: 12,284

Assesssor Bldg Cost $ Per Square Feet: 194
Northwind Bldg Cost $ Per Square: 540.10

Building Costs Per Robert Gloudemans, Author, Fundamentals of Mass Appraisal, IAAO, 2011 (See Section 2):

Hybrid Cost/Sales Method

Replacement Cost New (RCN): $7,347,000 (Northwind Architects)
Less: Depreciation: $712,428
Replacement Cost with Depreciation: $6,634,572
Replacement Cost with Depreciation Per $ SF: $540.10
Assessor Replacement Cost: $1,716,700

$6,634,572 vs. $1,716,700 DOES NOT COMPUTE-THE ASSESSOR COST APPROACH IS MISLEADING AND MUST BE REJECTED

Adjusted based on ratio of recent sales prices (time-adjusted sales prices): Not disclosed by Assessor

Caveat: Mary Hammond, Assessor, informed me today she uses Marshall and Swift figures from 2018. With computer models isn't the concept to use current values as of January 1. Her figures are out of date. Her figures do not accurately reflect what it costs to excavate and build a basement and additional stories.

July 14, 2022

To Whom It May Concern:

I called the Juneau Assessor Office originally thinking I would have a short conversation about why our taxes at the Key Bank Building, 234 Seward Street, were more than doubled from the time we purchased the building on Novemer 24, 2021 to January 1, 2022. I thought I would ask a few questions, I'd get some satisfactory answers and that would be it.

When I am spoken or written to I try to listen.

I called the Assessor Office expecting to have a friendly call. I spoke with Mr. Dahle who reminisced that he was in commercial real estate and we got "A Steal." He said, "I would have bought it for $ 1,250,000."

I was not expecting the Assessor to speak to me in this manner.

It shook me up.

Naturally, I wondered if Mr. Dahle would have bought the Key Bank Building for $2,547,520 which is what he assessed it 1 month after we bought it.

I do not believe he would have bought it at that price or anyone else.

Shortly thereafter, Mr. Dahle sent me an Email dated March 22, 2022 at 3:320 p.m. and copied Mary Hammond.

In the section entitled, General Question Mr. Dahle gave me some general unsolicited advice.

Without attribution Mr. Dahle stated,

> "The next tenants of closed branches were indicated as follows:
>
> 7.5% other banks
> 26% stores
> 19% restaurants
> 17% health clinics
> 10.5% fitness
> 7.5% other financial services"

In the next paragraph, Mr. Dahle stated "The average time to sell was 9.5 months and the time to sublease just over a year."

In the next paragraph, Mr. Dahle stated "I think that addresses all of the questions that you have asked so far that weren't answered directly in our conversations."

First of all, Mr. Dahle is using the above the information as his own without identifying the source.

Plagiarism is described as theft of someone's words or ideas...Fraud is misrepresentation that aims to gain an unfair advantage. [library.hccs.edu/plagiarmism/definitions].

Mr. Dahle has stolen the above words from somewhere and does not disclose where he obtained this information. He presented the information in this email, future phone calls and face to face meetings as his own. He told me the Key Bank Building was not a market sale because it was not exposed to the market for 9 ½ months. At first, I wanted to believe Mr. Dahle and wondered where he obtained this information. Mr. Dahle's practice though is to use data unscrupulously and not disclose it. He is a prime example of bad data in and bad data out. This is a serious offense. It is consistent with the patterns I see in Mr. Dahle's work.

It bugged me that "9 ½ months" was such a specific time frame for a bank building to be exposed to the market. If less than 9 ½ months Mr. Dahle said it probably was not a market sale.

Then, one day I decided to search the internet. I found the article Mr. Dahle has stolen the above information. The article is attached herein. Mr. Dahle stole the information he presented to me as fact from a March 2, 2020 article entitled, "If a Bank Branch Has to Close, What Are the Most Likely Reuse Scenarious?"

Mr. Dahle stole the intellectual property of Mr. Walter Bialas who was then Vice President of Research with the real estate services firm JLL.

JLL happened to advise Key Bank on the sale of their building to us.

Mr. Dahle relied on JLL and stole their information.

Mr. Dahle misrepresented what Mr. Bialas said in the article. He cherry-picked information you might say.

Mr. Bialas did not say the Key Bank Building had to be exposed to the market for 9 ½ months for it be a market sale.

Please see my email to Mr. Bialas regarding "Was A Reasonable Time Allowed to Find a Purchaser?" and other questions.

Mr. Bialas answered, "Your Juneau asset is unique-an historic urban bank building. That is very different from the typical suburban-

oriented branch bank in the lower 48, which is what our comments centered on in the article you attached....We noted that some well located branches do get picked up for other uses like fast casual restaurants and the like."

"Yours looks to fall into that category-old branch with high ceilings and historic flavor in the downtown. Repurposing that into a specialty retailer makes perfect sense, with the challenge being finding that unique retailer that would fit the asset. It looks like you were able to do that. Since the asset was so unique relative to the multitude of typical suburban branch banks around the country, your marketing time of a couple of months seems appropriate, as does your sale price that was close to the asking price. It could have been much longer, but the confluence of the asset hitting the market and a unique tenant looking for space worked in your favor."

By clear and convincing proof, our burden of proof with respect to the above matter has been proven. Our purchase of the Key Bank Building was a market sale. The assessed value must match our purchase price.

Mr. Dahle stole the words from Mr. Bialas and misrepresented what they said to me. He never disclosed where he obtained these words or data. He presented these words and ideas as his own. Mr. Dahle has committed plagiarism. Plagiarism is fraud. Fraud is grounds to have our appeals granted.

In view of Mr. Dahle's fraud he has tainted all of his testimony in all appeals and I request all of his testimony be disregarded as fraudulent.

Specifically, with respect to our appeal Parcel Identification 1C070A050060 I demand that based on the above the facts and the

written material herein our Appeal for this parcel be granted in our favor in the amount of $ 1,005,277.

In regards to Appeals 1C070A020011 and 1C070A020030 they must be granted in view of the fraud committed by Mr. Dahle which goes to the heart of the matter and is pervasive throughout our appeals.

Not only has Mr. Dahle committed atrocious acts to deny innocent and good commercial property owners, the backbone of the Juneau community, due process but his methodology is incompetent. He relies on a 2 year old article, takes it out of context, misapplies and misrepresents what it says, does not disclose where he obtained his information and presents it as his own. This methodology is present throughout all of our properties assessed value.

It is an abuse of your office to not stop these fraudulent practices now.

We are happy to utilize Mr.Bialas as our expert, with current and truthful statistics. Mr. Bialas provided us with two comparable recent sales in Juneau. The Four Points Hotel and Glacier Village both were sold in 2018 and 2019 with Cap Rates of 10%. This is useful information that to my knowledge has been excluded from the Sales List provided by the Assessor's Office. The Assessor's Office used a 3% and 4.5% Cap Rate in our first two Appeals. Reverse our first two appeals because they have been tainted by the lies of Mr. Dahle. In our hearings Mr. Dahle stated he used a 6.5% Cap Rate. You must stop the ongoing fraud.

Regarding the four Appeals we have remaining I respectfully request they be suspended until a later date after the Assembly has had the opportunity to review and rule on this matter.

In you wish to discuss this further please do not hesitate to contact me at 310-612-1312.

We wish to resolve all matters amicably, but in lieu of that we have been in contact with Mr. Garth Schlemlein.

Sincerely,

Greg Adler
Goldstein Improvement Company

//Attachments pp. 24, Dahle emails, bank branch closing article, Definition of Plagiarim, letter from Greg Adler to Walter Bialas, email from Walter Bialas to Greg Adler, emails between Mr. Dahle and Greg Adler, emails between Greg Adler and Walter Bialas, 10% Cap Rates in Juneau from MSCI Real Capital Analytics

From: **Michael Dahle** Michael.Dahle@juneau.org
Subject: RE: GOLDSTEIN IMPROVEMENT COMPANY-Forwarding Your News Release as Requested
Date: March 22, 2022 at 3:20 PM
To: Greg Adler gregadler@mac.com
Cc: Mary Hammond mary.hammond@juneau.org

Greg,

In regards to your question about the $54,400 miscellaneous category on the assessed value. The cost approach that was done in 2018 was done within our CAMA (Computer Assisted Mass Appraisal) system. Previous cost reports also used the Marshall & Swift valuation tables but were performed in a different software. With the current CAMA software some items related to a building end up in the miscellaneous category. In your case the items included in that section include a storage area, the canopy, an enclosed porch and the vault.

You asked what model was used to value your property.

Land
The land value was set in 2005 at 612,300 based on a per SF model. It was decreased by 4% on 07/01/2019 by Robin Potter to a land model in Govern, our CAMA system, of $40 per SF with a 20% locational adjustment which appears to be for the corner influence. (12,245 * 40 * 1.2 = 587,800)

In reviewing the sales as part of the analysis for setting commercial property values as of 01/01/2021 it was apparent that our commercial values were under market. As a first step towards addressing this a trending was applied for the AY2021 values. For most properties that meant a 50% increase to the land portion of the value. For improved properties that resulted in a 20% increase to the value on average.

Your property received that trend. (587,800 + 50% = $881,700)

For assessment year 2022 a 2% decrease was applied to properties in the downtown area. That was applied to both the land and the building components. The decrease to downtown commercial properties was applied even though the sales indicated that we were not overvalued in that area. It was applied in our effort to improve the uniformity of commercial subgroup valuation levels.

For the land portion this meant a reduction to $864,066. (881,700 – 2% = $864,066)

I have reviewed the base rate and locational adjustment applied to this property and it is uniform with surrounding properties.

Building
The building value is based on a cost report done in 2018 in Govern per an inspection. Within Govern it splits the value into two segments, the main building and miscellaneous components such as a storage area, the vault, etc. (1,662,300 + 54,400 = $1,716,700)

The 2% reduction was applied to the main building segment. (1,662,300 – 2% = $1,629,054)

The miscellaneous segment did not change for AY2022.

I have also attached a current cost report on the building. This is based on the last routine inspection which was done in 2018. The effective year built and amount of depreciation seems high based on the building having been remodeled in 2007 and 2008 and on my observations from the times I have walked by the building, however, we certainly will take a look at the items detailed in the appraisal. Also of note is that when the building was remodeled in 2007 and 2008 no change was made to the building value as should have happened.

The valuation history is included again below.

In regards to the outlier classification, that refers not to the sale per se but to the sales position within each data set of the analysis process. Part of the analysis of each data set includes a step to determine if any of the data points in the set are an outlier. For a particular sale, whether or not it is considered an outlier can change from one data set to another. In one set it may be an outlier while in another set it may not be an outlier.

This is the definition of an outlier that we use:

> 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.

General Question:
Have you explored at all whether another bank may be interested in a downtown location or whether you are thinking you will need to repurpose the building? From the quick research that I have done I have seen mixed signals. Some of the statements that I have seen are that there still are some branch closings but it has slowed from prior years, some banks have announced plans to open a significant number of new branches, half of the banks surveyed had plans to open new branches, closures are connected to less profitable regions, that the branch is not going away but how they deliver services is changing, and that the very significant number of people still physically going into the bank branches provides a tremendous opportunity to banks if they will capitalize on it.

Branch density is declining but branches remain the predominant factor in new accounts and customer retention so it is mainly the closing of duplicate or overlapping branches that have seen closure.

The next tenants of closed branches were indicated as follows:

7.5% other banks
26% stores
19% restaurants
17% health clinics
10.5% fitness
7.5% other financial services

The average time to sell was 9.5 months and the time to sublease just over a year.

I think that addresses all of the questions that you have asked so far that weren't answered directly in our conversations.
Sincerely,

Michael Dahle

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

CITY AND BOROUGH OF JUNEAU

3/21/2022 4:06:21PM Page 1

Cost Report - Commercial

1309		Record	1
Parcel Code Number	1C070A050060	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	234 SEWARD ST	Perimeter	391
Effective Year Built	1987	Class	B
Year Built	1914	Height	
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Bank	Total Area	6,608.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		6608		171.00		1,129,968
Exterior Wall	Concrete Formed	6608		22.30		147,358
Heating & Cooling	Heating & Cooling	6608		613.00		613
Heating & Cooling	Hot Water	6608		13.00		85,904
Architect Fee		6608		7.30		48,238
Sprinklers	Sprinklers	11698		4.06		47,484
Fire Alarm System		6608		1.46		9,646
Basement	Unfinished	4630		57.00		263,910
Sub Total						$1,733,133.36
Local Multiplier				1.43	[X]	$2,478,381.00
Current Multiplier				1.13	[X]	$2,800,571.00
Neighborhood Multiplier					[X]	$2,800,571.00
Depreciation - Physical				34.00	[-]	$952,194.00

Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$1,848,377.00
Cost to Cure			
Neighborhood Adjustment			
Replacement Cost less Depreciation			$1,848,377

Miscellaneous Improvements

Miscellaneous Improvement	STORAGE 2 1 2018 PE	[+]	3,800
Miscellaneous Improvement	CANOPY 2 1 2018 PER	[+]	13,400
Miscellaneous Improvement	ENCLOSED PORCH 2 1	[+]	2,200
Miscellaneous Improvement	VAULT 2 1 2018 PER	[+]	35,000

Total Improvement Value	$1,902,800

City and Borough of Juneau
Assessment History Report

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$864,066.00	$54,400.00	$1,629,054.00	$2,547,520.00
2021	$881,700.00	$54,400.00	$1,662,300.00	$2,598,400.00
2020	$587,800.00	$54,400.00	$1,662,300.00	$2,304,500.00
2019	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2018	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2017	$612,300.00		$1,680,000.00	$2,292,300.00
2016	$612,300.00		$1,680,000.00	$2,292,300.00
2015	$612,300.00		$1,680,000.00	$2,292,300.00
2014	$612,300.00		$1,680,000.00	$2,292,300.00
2013	$612,300.00		$1,680,000.00	$2,292,300.00
2012	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2011	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2010	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2009	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2008	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2007	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2006	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2005	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2004	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2003	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2002	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2000	$496,000.00	$0.00	$787,300.00	$1,283,300.00



PROPERTY TYPES>RETAIL

If a Bank Branch Has to Close, What Are the Most Likely Reuse Scenarios?

As banks downsize their bricks-and-mortar footprint, their vacated spaces can be turned to other uses.

Mar 02, 2020

Banks continue to shutdown branches across the country, but investors [illegible] reuse opportunities for these locations.

The typical closed branch encompasses around 8,000 to 14,000 sq. ft. of space, with some branches reaching up to 25,000 sq. ft. or 35,000 sq. ft., says Walter Bialas, vice

president of research with real estate services firm JLL. This is where creative reuse of space comes into play.

"Take a 25,000 square foot outparcel, for example," says Bialas. "With larger retailers under pressure and limited growth in that sector, you have to match a user with the space. Even many restaurants are not this large, so it becomes a challenge to lease or sell the space and maybe develop a plan to divide the space for multiple users, which is why office type users often fit the best."

A typical fast-food restaurant encompasses anywhere between 1,000 sq. ft. and 3,000 sq. ft., says Navin Nagrani, executive vice president at Hilco Real Estate, a real estate services company. Fast casual restaurants can occupy anywhere between 2,000 sq. ft. to 4,500 sq. ft.

"A branch bank tends to have a certain footprint and is mostly geared to an office use," says Bialas. "Having a branch turn into a financial services office for an insurance company is an easy fit. As you move into other uses like retail or restaurants or health clinics, it requires a complete rebuild of the space."

However, in Chicago, the top two leading uses of closed bank branches in 2019 were fast casual restaurants and health clinics. Nineteen percent of closed branches changed use to fast casual restaurants, while 17 percent changed their use to health clinics. Only 7.5 percent of closed bank facilities went to other financial institutions, according to a [illegible] report.

A fast-food restaurant operator "may actually want to take over a bank branch" because of their high visibility and infrastructure, says Nagrani. Most branches already have space dedicated to drive-throughs and receiving zoning for this type of layout "sometimes can be difficult to get" for restaurants, he notes.

"The costs to repurpose a branch can be significant," says Bialas. "However, the level of investor interest will depend on various characteristics [such as] intended use, overall location, size of the branch, competition or complementary nearby uses, area demographics, etc. Good location will garner interest and potentially an investor willing to adapt the property into something new or different."

While a few large institutions announce reuse plans in advance of closing a branch, other institutions "may see this as a sunk cost and will look for a buyer or a renter passively, [illegible] and then turn it back to the landlord or a buyer [if one] is found," says Bialas. Well-positioned suburban spaces, in areas with stable or growing demographics, can often be repurposed by another bank or financial institution because they have similar office-oriented space requirements.

The average time to sell a vacated branch is nine and a half months, while the average time to sublease is slightly over a year, according to the JLL report. Outparcels and endcaps with high visibility and quality signage are often in high demand. In-line spaces, in contrast, can be more difficult to fill and are more commonly repurposed for other uses, such as restaurants, convenience stores or clinics, JLL data shows.

"Visibility is key. Parking in suburban locations is also paramount and [outparcels and endcaps] often have ample parking proximate," says Bialas. "In-line space, in contrast, lacks some of these ingredients and may need to be transitioned to some complementary retail use."

Urban bank branches situated in easy-to-access locations "will probably stay in use," despite the size of the facility being too large by today's standards and branch functions turning more digital, according to Bialas. But branches that are lacking in visibility, access or demographics may "struggle to find a reuse plan" and remain vacant for a considerable length of time.

Along with office, medical and restaurant uses, Nagrani says former branches could also be repurposed for use as online "food pick-up or delivery" and marijuana dispensaries.

Banks continue to close branches across the country with no end in sight, according to JLL research. Close to 1,700 branches closed in 2019, around a 1.9 percent decline in the number of branches in the market. The trend is even more pronounced for the top 25 institutions, as large banks closed 1,450 branches, equality to roughly a 3.7 percent decline in their locations.

Definition of Plagiarism

plagiarize \ 'plaje,riz \ vb -ed/ -ing/ -s [plagiary + -ize] vt: to steal and pass off as one's own (the ideas or words of another) : use (a created production) without crediting the source <a learned book of his...had been coolly *plagiarized* and issued in short version -- *Times Lit. Supp.*> ~ *vi* : to commit literary theft : present as new and original an idea or product derived from an existing source

FROM: *Webster's Third New International Dictionary of the English Language Unabridged*, (Springfield, Ma: Merriam-Webster, Inc., 1986, p.1728).

About Plagiarism

Plagiarism is a matter of serious concern for students, faculty and academic institutions. Most academic institutions impose high standards of academic integrity and penalties for violations can result in a failing grade on an assignment, in a course, and even suspension or expulsion from an institution. The UAF Student Code of Conduct defines academic standards expected at the University of Alaska Fairbanks

STUDENTS' RIGHTS AND RESPONSIBILITIES

Student Code of Conduct

The university may initiate disciplinary action and impose sanctions on any student or student organization found responsible for committing, attempting to commit, or intentionally assisting in the commission of any of the following prohibited forms of conduct:

a. cheating, plagiarism or other forms of academic dishonesty;

Plagiarism:

A Basic, Comprehensive Definition Often, definitions of plagiarism describe it as the theft of someone's words or ideas. At the same time, most of them aren't as clear that plagiarism is a kind of fraud. Fraud is misrepresentation that aims to gain an unfair advantage.

library.hccs.edu/plagiarism/definitions

Walter,

The Seller's Asset Manager was JLL. (See email from real estate broker Carlton Smith dated June 23 attached)

THE QUESTION:

WAS A REASONABLE TIME ALLOWED TO FIND A PURCHASER?

Subject property was on the open market for 2 months and the Seller received interest during the contingency period for 1 more month for a total of 3 months.

Thank you for speaking with me this morning.

Regarding the Key Bank Building (late 1800s BH Behrends Bank Building) at 234 Seward Street, Juneau Alaska 99801.

Square Feet- 12,284
Basement- 5359 SF
Street Level- 4280 SF
2nd Floor- 2645 SF

Land-12,245 SF
Stories-2
Parking-17 (Drive-thru banking set up)
Vacant-Yes

End of the block, Street (Main St) to Street (Seward) property along 3rd St. (See attached)

This property came on the market, was marketed for and closed.

For Sale: 7/23/2021 (Co-broker agreement signed)
Asking Price: $1,495,000
Selling Price: $1,250,000
Purchase Contract Dated: 9/27/2021
Contingency Period End: 11/1/2021
Closing Date: 11/24/2021

From Marketing to Purchase Contract: 2 months

From Marketing to Contingency End: 3 months
From Marketing to Closing: 4 months

Recent Comparable Bank Anchorage Listing: $1,275,000 (see attached)

The subject property is in a good downtown location, there are complimentary uses on the surrounding streets and it was adaptable to other uses as clearly shown by Foggy Mountain Sports (signed lease for the first floor and basement March 31, 2022; grand opening July 8, 2022 and the Public Employees Union (signed lease for the part of the first floor and second floor on ...._

Properties such as this are often in high demand as shown by the Leases that were executed, the good location, street to street location with 2 corners, high visibility and ample parking.

The marketing time to sell a vacant bank branch in Juneau, Alaska exposure to the market could be anywhere from immediately to a few months in a small market such as Juneau, Alaska if priced at fair market value.

If a bank building was priced above or way above fair market value it could sit on the market for a long to very long time until the Seller reduced the selling price to fair market value.

I am also wondering if you have an opinion on captializaiton rates. Juneau is a town dependent on tourism; specifically, cruise ships. During the pandemic Juneau lost an estimated $190M and 6,000 jobs and many businesses struggled to survive. We abataed rent for many tenants. The Assessor has used from a capitalization rate of 3 to 6.5%. During this period in Juneau, Alaska I believe cap rates went up as net income went down with rent abatements speciafically for retail business like restaurants, gift shops catering to tourists. Do you have an opinion on whether cap rates went up during this time frame.

Also, I am wondering if you could provide a general building cost replacement new figure range?

If you would address the issues in an email back to me it would be appreciated.

Thank you for your help, it is appreciated.

Sincerely,

Greg Adler
Goldstein Improvement Company
310-612-1312

On Jul 14, 2022, at 9:41 AM, Bialas, Walter (Avison Young - US) <Walter.Bialas@avisonyoung.com> wrote:

Greg,

I took a close look at your note.

Starting with the cap rate question, I attached a run from Real Capital Analytics for general commercial real estate sales in Juneau over the last 5 years. Not surprising, there not may transactions due to the overall small scale of the market. Unfortunately, most of the deals have no price attached. I am guessing AK might be like TX with most deals keeping sale prices (and cap rates) confidential. As to building costs, I have no information on that topic in AK.

10% CAP RATES

I am not really sure how to answer the core question with the assessor. Your Juneau asset is unique - an historic urban bank building. That is very different from the typical suburban-oriented branch bank in the lower 48, which is what our comments centered on in the article you attached. For those non-descript assets, re-use of a branch can be a challenge, unless to goes back to office space for an insurance or financial services company (like a State Farm or H&R Block office). We noted that some well located branches do get picked up for other uses like fast casual restaurants and the like.

Yours looks to fall into that category - old branch with high ceilings and historic flavor in the downtown. Repurposing that into a specialty retailer makes perfect sense, with the challenge being finding that unique retailer that would fit the asset. It looks like you were able to do that.

Since the asset was so unique relative to the multitude of typical suburban branch banks around the country, your marketing time of a couple of months seems appropriate, as does your sale price that was close to the asking price. It could have been much longer, but the confluence of the asset hitting the market and a unique tenant looking for space worked in your favor. I am not sure what we can say to respond to the assessors comments regarding having pushed the pricing up and then maybe not selling or it staying on-market for a longer period.

Sorry we can't help further.

Walter Bialas

From: **Bialas, Walter (Avison Young - US)** Walter.Bialas@avisonyoung.com
Subject: RE: Juneau, Alaska Bank Building-Reasonable Time on Open Market
Date: July 14, 2022 at 9:41 AM
To: Greg Adler gregoryladler@gmail.com

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1+ 214 974 9749 Mobile 1+ 703 919 8553
walter.bialas@avisonyoung.com

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From: Greg Adler <gregoryladler@gmail.com>
Sent: Wednesday, July 13, 2022 7:10 PM
To: Bialas, Walter (Avison Young - US) <Walter.Bialas@avisonyoung.com>
Subject: Re: Juneau, Alaska Bank Building-Reasonable Time on Open Market

CAUTION: External Sender

Walter,

Thank you for your help.

It would wonderful to hear back from you.

Greg Adler

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> Subject: Re: Juneau, Alaska Bank Building-Reasonable Time on Open Market
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The subject property is a good property. We paid fair market value. The property was exposed to the market for a reasonable amount of time.

We signed leases within 4 months and 7 months of our Closing Date.

This indicates the subject property is in demand because of the all the factors I have cited.

Two leases were signed as follows:

1. Foggy Mountain Sports (like Patagonia)-March 31 2022 (4 months from Closing Date)
2. Public Employees Union (biggest union in Ak)-June 23, 2022 (7 months from Closing Date)

I forgot to attach the Anchorage Building comp of $1,275,000

Thank you

Greg

[redacted]

Juneau CRE
Sales.xls

From: **Greg Adler** gregoryladler@gmail.com
Subject: Juneau, Alaska Bank Building-Reasonable Time on Open Market
Date: July 11, 2022 at 2:34 PM
To: walter.bialas@avisonyoung.com

Walter,

Thank you for speaking with me this morning.

I have attached a letter and some backup.

Thank you, in advance, for your response.

Greg Adler
310-612-1312

Walter.docx

March 2, 2020 Article...ent.pdf

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Date: July 13, 2022 at 5:09 PM
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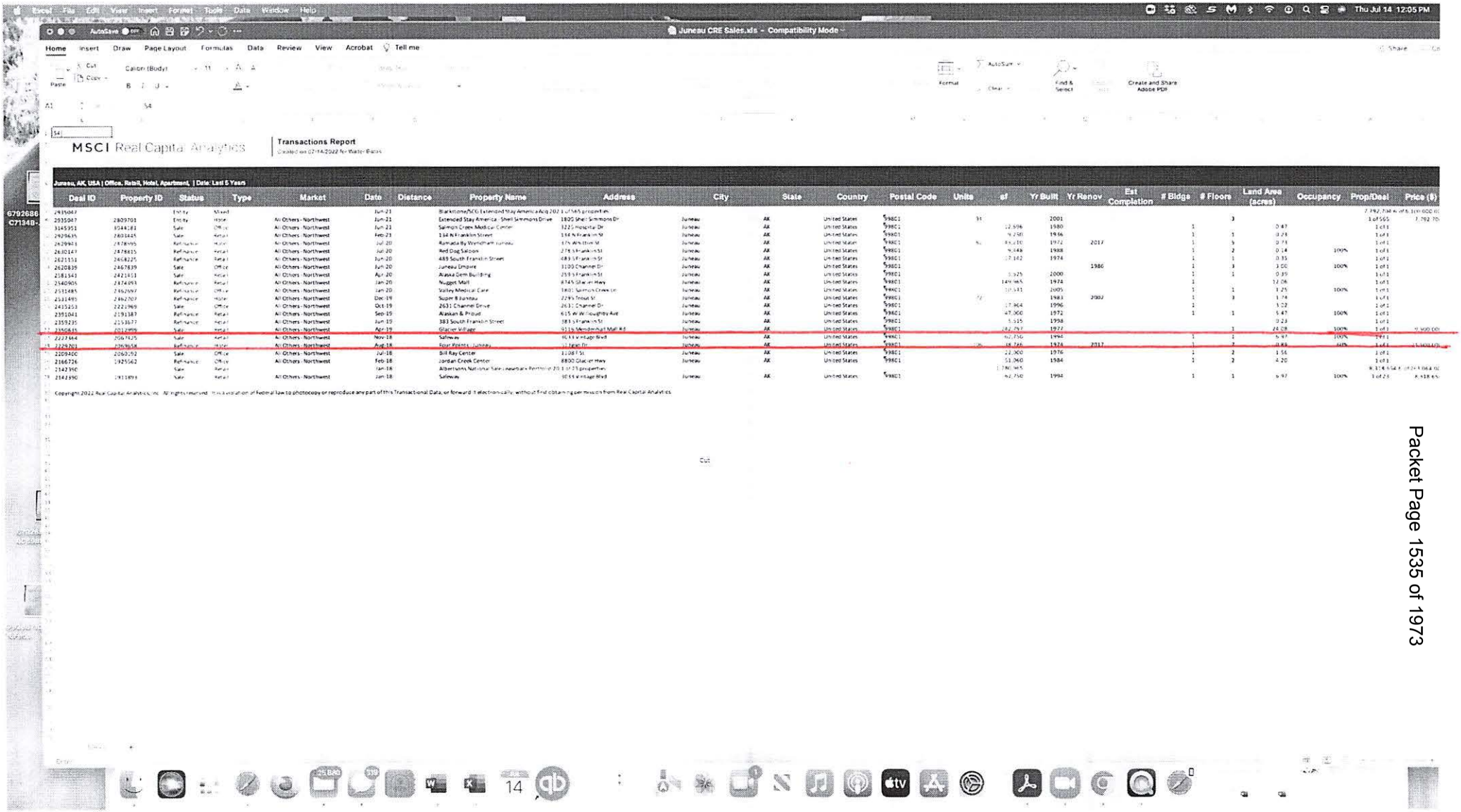
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COMPARABLE SALES FROM MSCI REAL CAPITAL ANALYTICS

NAME	DATE	CAPITALIZATION RATE
GLACIER VILLAGE	APRIL 2019	10%
FOUR POINTS JUNEAU	AUGUST 2018	10%



Juneau CRE Sales.xls - Compatibility Mode

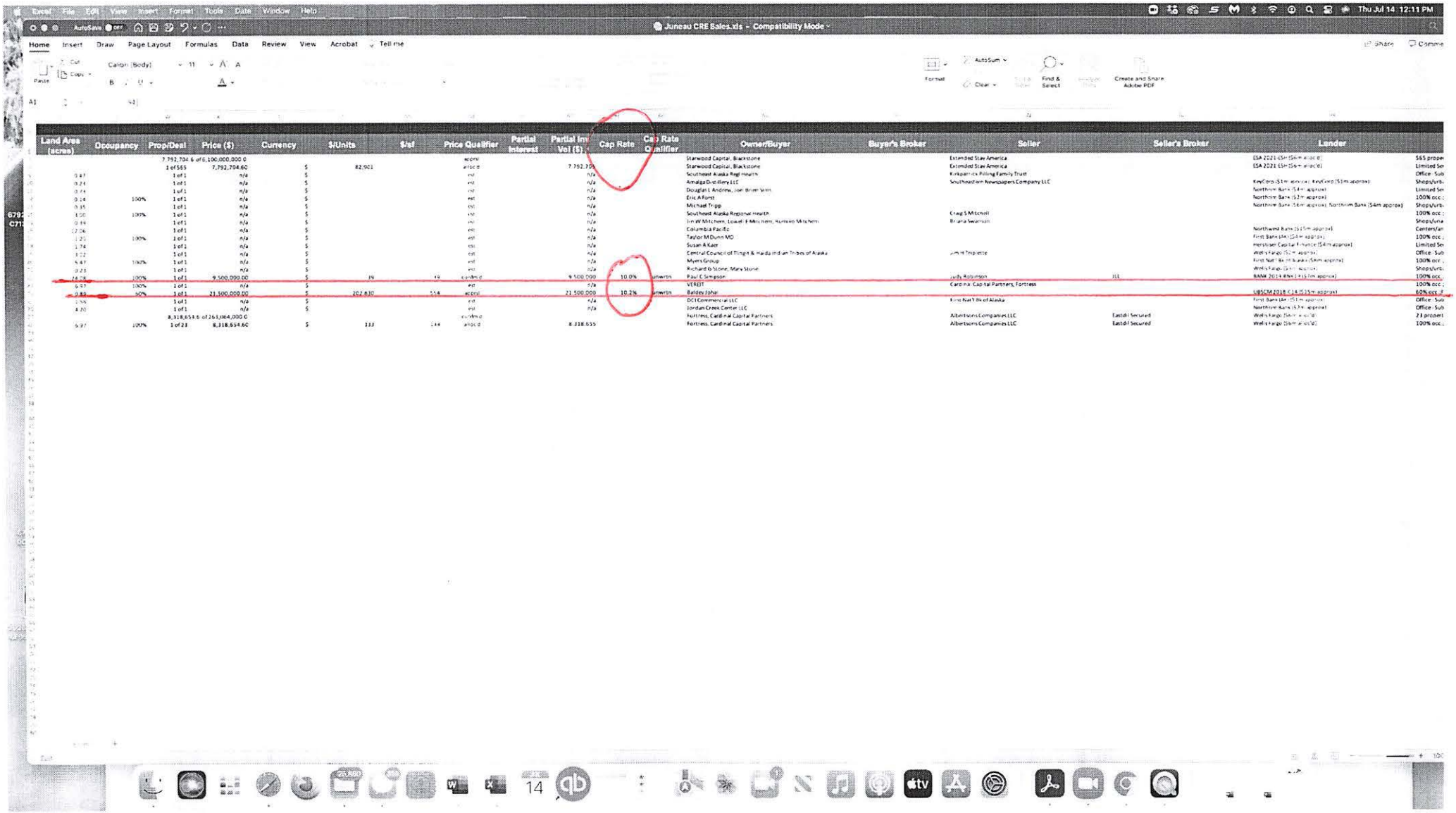
MSCI Real Capital Analytics

Transactions Report

Juneau, AK, USA | Office, Retail, Hotel, Apartment, | Date: Last 5 Years

Deal ID	Property ID	Status	Type	Market	Date	Distance	Property Name	Address	City	State	Country	Postal Code	Units	sf	Yr Built	Yr Renov	Est Completion	# Bldgs	# Floors	Land Area (acres)	Occupancy	Prop/Deal	Price ($)
2935047		Entity	Mixed		Jun-21		Blackstone/GCG Extended Stay America Acq 202 1 of 565 properties															1 of 565	
2935047	2809701	Entity	Hotel	All Others - Northwest	Jun-21		Extended Stay America - Shell Simmons Drive	1800 Shell Simmons Dr	Juneau	AK	United States	99801	91		2001				3			1 of 1	
3145951	3548181	Sale	Office	All Others - Northwest	Jun-21		Salmon Creek Medical Center	3225 Hospital Dr	Juneau	AK	United States	99801		12,696	1980			1		0.47		1 of 1	
2929635	2803445	Sale	Retail	All Others - Northwest	Feb-21		134 N Franklin Street	134 N Franklin St	Juneau	AK	United States	99801		9,250	1936			1	1	0.23		1 of 1	
2629983	2478995	Refinance	Hotel	All Others - Northwest	Jul-20		Ramada By Wyndham Juneau	175 Ahitna St	Juneau	AK	United States	99801	96	44,210	1972	2017		1	5	0.73		1 of 1	
2630147	2478815	Refinance	Retail	All Others - Northwest	Jul-20		Red Dog Saloon	278 S Franklin St	Juneau	AK	United States	99801		9,448	1988			1	2	0.14	100%	1 of 1	
2621151	2468225	Refinance	Retail	All Others - Northwest	Jun-20		489 South Franklin Street	489 S Franklin St	Juneau	AK	United States	99801		17,142	1974			1	1	0.35		1 of 1	
2620839	2467839	Sale	Office	All Others - Northwest	Jun-20		Juneau Empire	3100 Channel Dr	Juneau	AK	United States	99801				1986		1	3	3.00	100%	1 of 1	
2181343	2421913	Sale	Retail	All Others - Northwest	Apr-20		Alaska Gem Building	259 S Franklin St	Juneau	AK	United States	99801		5,925	2000			1	1	0.39		1 of 1	
2540905	2374093	Refinance	Retail	All Others - Northwest	Jan-20		Nugget Mall	8745 Glacier Hwy	Juneau	AK	United States	99801		149,965	1974			1		12.06		1 of 1	
2531485	2462697	Refinance	Office	All Others - Northwest	Jan-20		Valley Medical Care	1801 Salmon Creek Ln	Juneau	AK	United States	99801		30,581	2005			1	1	1.25	100%	1 of 1	
2531495	2462707	Refinance	Hotel	All Others - Northwest	Dec-19		Super 8 Juneau	2295 Trout St	Juneau	AK	United States	99801	72		1983	2002		1	3	1.74		1 of 1	
2415253	2221969	Sale	Office	All Others - Northwest	Oct-19		2631 Channel Drive	2631 Channel Dr	Juneau	AK	United States	99801		17,864	1996			1		3.52		1 of 1	
2351041	2193187	Refinance	Retail	All Others - Northwest	Sep-19		Alaskan & Proud	615 W Willoughby Ave	Juneau	AK	United States	99801		47,300	1972			1	1	5.47	100%	1 of 1	
2359235	2153677	Refinance	Retail	All Others - Northwest	Jun-19		383 South Franklin Street	383 S Franklin St	Juneau	AK	United States	99801		5,515	1998					0.23		1 of 1	
2350635	2012999	Sale	Retail	All Others - Northwest	Apr-19		Glacier Village	9115 Mendenhall Mall Rd	Juneau	AK	United States	99801		282,797	1977				3	24.08	100%	1 of 1	9,900,000
2227364	2067425	Sale	Retail	All Others - Northwest	Nov-18		Safeway	9011 Vintage Blvd	Juneau	AK	United States	99801		62,756	1994			1	1	6.97	100%	1 of 1	
2229701	2069658	Refinance	Hotel	All Others - Northwest	Aug-18		Four Points - Juneau	51 Egan Dr	Juneau	AK	United States	99801	76	66,786	1974	2017		1	7	0.84	84%	1 of 1	13,500,000
2209406	2050292	Sale	Office	All Others - Northwest	Jul-18		Bill Ray Center	3 1087 St	Juneau	AK	United States	99801		22,300	1976			1	2	1.56		1 of 1	
2166726	1925562	Refinance	Office	All Others - Northwest	Feb-18		Jordan Creek Center	8800 Glacier Hwy	Juneau	AK	United States	99801		51,060	1984			1	2	4.20		1 of 1	
2142390		Sale	Retail		Jan-18		Albertsons National Sale Leaseback Portfolio 20 1 of 23 properties							780,365								1 of 23	8,314,654
2142390	1911893	Sale	Retail	All Others - Northwest	Jan-18		Safeway	9011 Vintage Blvd	Juneau	AK	United States	99801		62,756	1994			1	1	6.97	100%	1 of 23	8,314,654

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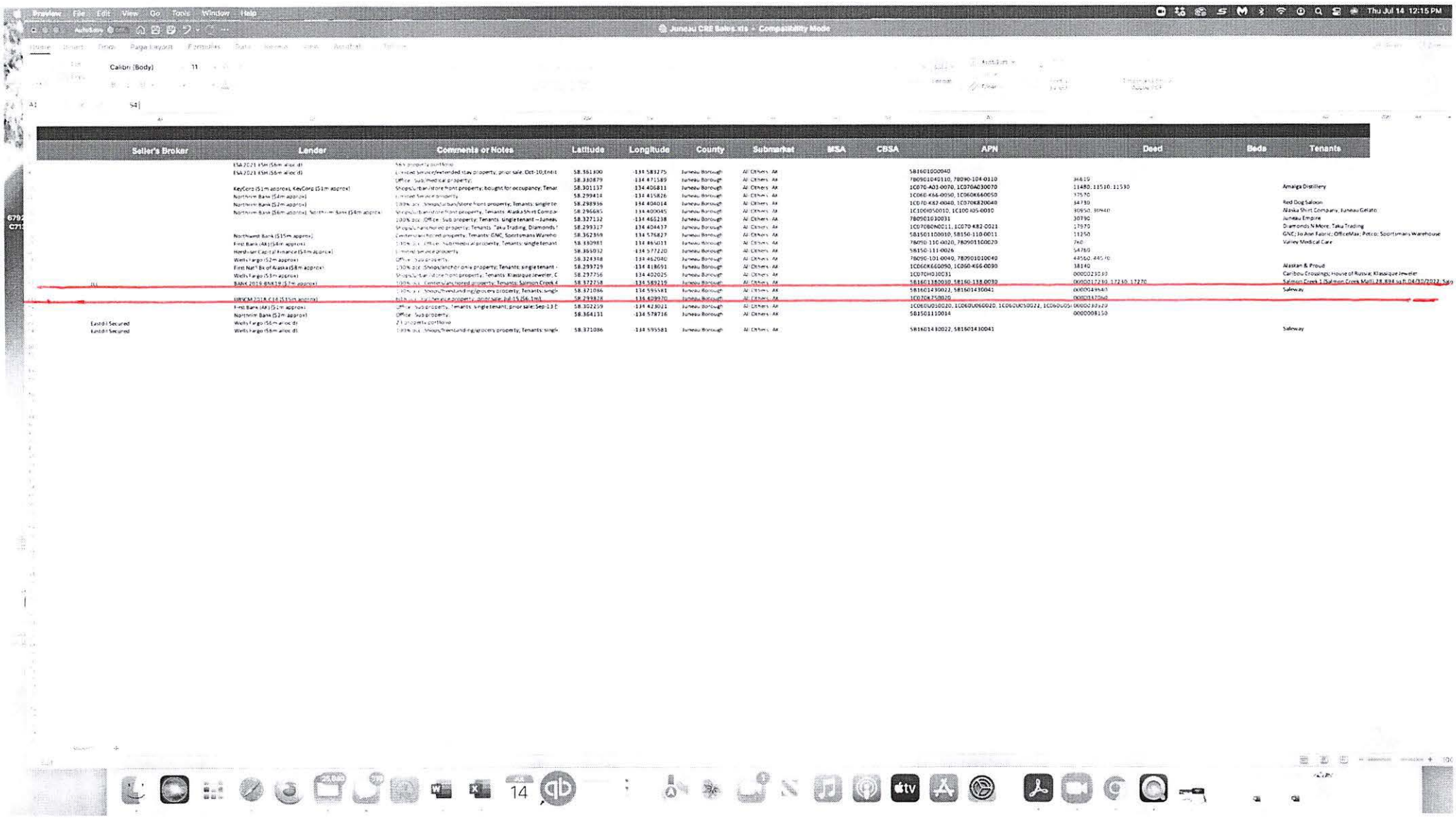


Thu Jul 14 12:11 PM

Juneau CRE Sales.xls - Compatibility Mode

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Land Area (acres)	Occupancy	Prop/Deal	Price ($)	Currency	$/Units	$/sf	Price Qualifier	Partial Interest	Partial Int Val ($)	Cap Rate	Cap Rate Qualifier	Owner/Buyer	Buyer's Broker	Seller	Seller's Broker	Lender	
		7,792,704 6 of 6	6,100,000.0				appro					Starwood Capital, Blackstone		Extended Stay America		ESA 2021 (5m (5m + misc d)	$65 prope
		1 of 565	7,792,704.60	$	82,901		allocat		7,792,704			Starwood Capital, Blackstone		Extended Stay America		ESA 2021 (5m (5m + misc'd)	Limited Se
0.47		1 of 1	n/a	$			est		n/a			Southeast Alaska Regional Health		Kirkpatrick Pilling Family Trust			Office - Sub
0.24		1 of 1	n/a	$			est		n/a			Amalga Distillery LLC		Southeastern Newspapers Company LLC		KeyCorp ($1m approx.); KeyCorp ($1m approx.)	Shops/urb
0.74		1 of 1	n/a	$			est		n/a			Douglas L Andrew, Joel Brian Sim				Northern Bank ($4m approx)	Limited Se
0.24	100%	1 of 1	n/a	$			est		n/a			Eric A Forst				Northern Bank ($2m approx)	100% occ ;
0.35		1 of 1	n/a	$			est		n/a			Michael Tripp				Northern Bank ($6m approx); Northern Bank ($4m approx)	Shops/urb
1.00	100%	1 of 1	n/a	$			est		n/a			Southeast Alaska Regional Health		Craig S Mitchell			100% occ ;
0.69		1 of 1	n/a	$			est		n/a			Jim W Mitchem, Lowell E Mitchem, Kumiko Mitchem		Briana Swanson			Shops/una
12.06		1 of 1	n/a	$			est		n/a			Columbia Pacific				Northwest Bank ($15m approx)	Centers/an
1.21	100%	1 of 1	n/a	$			est		n/a			Taylor M Dunn MD				First Bank (AK) ($4m approx)	100% occ ;
1.74		1 of 1	n/a	$			est		n/a			Susan A Kaer				Heritage Capital Finance ($4m approx)	Limited Se
3.22		1 of 1	n/a	$			est		n/a			Central Council of Tlingit & Haida Indian Tribes of Alaska		Jamie Triplette		Wells Fargo ($2m approx)	Office - Sub
5.47	100%	1 of 1	n/a	$			est		n/a			Myers Group				First Nat'l Bk of Alaska ($4m approx)	100% occ ;
0.23		1 of 1	n/a	$			est		n/a			Richard G Stone, Mary Stone				Wells Fargo ($3m approx)	Shops/urb
14.78	100%	1 of 1	9,500,000.00	$	19	19	confirmed		9,500,000	10.0%	unverified	Paul C Simpson		Judy Robinson	JLL	BANA 2014 ($4m [+1] 5m approx)	100% occ ;
6.97	100%	1 of 1	n/a	$			est		n/a			VEREIT		Cardinal Capital Partners, Fortress			100% occ ;
0.83	50%	1 of 1	21,500,000.00	$	202,830	554	appro		21,500,000	10.2%	unverified	Baldev Johar				UBSCM 2018 ($4.5 [+5] 5m approx)	60% occ ; F
1.56		1 of 1	n/a	$			est		n/a			DCI Commercial LLC		First Nat'l Bk of Alaska		First Bank (AK) ($1m approx)	Office - Sub
4.70		1 of 1	n/a	$			est		n/a			Jordan Creek Center LLC				Northern Bank ($2m approx)	Office - Sub
		8,318,654 6 of 23	63,064,000.0				confirmed					Nutmeg, Cardinal Capital Partners		Albertsons Companies LLC	Eastdil Secured	Wells Fargo ($6m + misc'd)	23 proper
5.97	100%	1 of 23	8,318,654.60	$	133	133	allocat		8,318,655			Fortress, Cardinal Capital Partners		Albertsons Companies LLC	Eastdil Secured	Wells Fargo ($6m + misc'd)	100% occ ;



Seller's Broker	Lender	Comments or Notes	Latitude	Longitude	County	Submarket	MSA	CBSA	APN	Deed	Beds	Tenants
	ESA 2021 ESH ($6m alloc d)	56% property portfolio										
	ESA 2021 ESH ($6m alloc d)	Limited service/extended stay property; prior sale: Oct-10;Entit	58.361400	-134.583275	Juneau Borough	All Others - AK			5B1601000040			
		Office - Sub/medical property;	58.380879	-134.471589	Juneau Borough	All Others - AK			78090104Q110, 78090-104-0110	36819		
	KeyCorp ($1m approx); KeyCorp ($1m approx)	Shops/urban/store front property; bought for occupancy; Tenar	58.301137	-134.406811	Juneau Borough	All Others - AK			1C070-A03-0070, 1C070A030070	11480; 11510; 11530		Amalga Distillery
	Northrim Bank ($4m approx)	Limited service property;	58.299418	-134.415826	Juneau Borough	All Others - AK			1C060-K64-0050, 1C060K640050	37570		
	Northrim Bank ($2m approx)	100% occ - Shops/urban/store front property; Tenants: single te	58.298936	-134.404014	Juneau Borough	All Others - AK			1C070-K82-0040, 1C070K820040	34730		Red Dog Saloon
	Northrim Bank ($6m approx); Northrim Bank ($6m approx	Shops/urban/store front property; Tenants: Alaska Shirt Compar	58.296685	-134.400045	Juneau Borough	All Others - AK			1C100405-0010, 1C100 405-0010	30950; 30940		Alaska Shirt Company; Juneau Gelato
		100% occ - Office - Sub property; Tenants: single tenant -- Juneau	58.327132	-134.460238	Juneau Borough	All Others - AK			78090103Q031	30790		Juneau Empire
		Shops/urban/mixed property; Tenants: Taku Trading, Diamonds I	58.299317	-134.404437	Juneau Borough	All Others - AK			1C070B0N0011, 1C070 K82-0021	17970		Diamonds N More; Taku Trading
	Northwest Bank ($15m approx);	Center/urban/mixed property; Tenants: GNC; Sportsmans Wareho	58.362369	-134.576827	Juneau Borough	All Others - AK			5B1501100010, 5B150-110-0011	11250		GNC; Jo Ann Fabric; OfficeMax; Petco; Sportsmans Warehouse
	First Bank (AK) ($4m approx)	100% occ - Office - Sub/medical property; Tenants: single tenant	58.330981	-134.465011	Juneau Borough	All Others - AK			78090-110-0020, 78090110020	760		Valley Medical Care
	Herdusen Capital Finance ($3m approx)	Limited service property;	58.365032	-134.577220	Juneau Borough	All Others - AK			5B150-111-0026	54780		
	Wells Fargo ($2m approx)	Office - Sub property;	58.324358	-134.462040	Juneau Borough	All Others - AK			78090-101-0040, 78090101004Q	44560; 44570		
	First Nat'l Bk of Alaska ($4m approx)	100% occ - Shops/anchor only property; Tenants: single tenant -	58.299729	-134.418691	Juneau Borough	All Others - AK			1C066K660050, 1C060-K66-0030	38140		Alaskan & Proud
	Wells Fargo ($3m approx)	Shops/urban/store front property; Tenants: Klassique Jeweler, C	58.297756	-134.402025	Juneau Borough	All Others - AK			1C070H030C31	0000023030		Caribou Crossings; House of Russia; Klassique Jeweler
(L)	BANK 2019 BNK19 ($7m approx)	100% occ - Center/urban/mixed property; Tenants: Salmon Creek M	58.372758	-134.589219	Juneau Borough	All Others - AK			5B1601180030, 5B160-118-0030	0000017210, 17210, 17270		Salmon Creek 1;Salmon Creek Mall; 28,434 sq ft 04/30/2022; Sale
		100% occ - Shops/hwy/anchor/grocery property; Tenants: single	58.371086	-134.595581	Juneau Borough	All Others - AK			5B1601430022, 5B160143004I	0000049640		Safeway
	UBSCM 2018-C14 ($15m approx)	81% occ - Lodging/resort property; prior sale: Jul-15 ($6.1m);	58.293874	-134.409970	Juneau Borough	All Others - AK			1C020K250010	0000037040		
	First Bank (AK) ($1m approx)	Office - Sub property; Tenants: single tenant; prior sale: Sep-13 ($	58.302259	-134.423021	Juneau Borough	All Others - AK			1C060U010020, 1C060U060020, 1C060UC50022, 1C060U05(	0000030420		
	Northrim Bank ($2m approx)	Office - Sub property;	58.364131	-134.578716	Juneau Borough	All Others - AK			5B1501110014	0000008150		
Eastdil Secured	Wells Fargo ($6m alloc d)	21 property portfolio										
Eastdil Secured	Wells Fargo ($6m alloc d)	100% occ - Shops/hwy/anchor/grocery property; Tenants: single	58.371086	-134.595581	Juneau Borough	All Others - AK			5B1601430022, 5B160143004I			Safeway

8 234 SEWARD STREET IS A MARKET SALE BECAUSE IT MEETS THE CRITERIA FOR A MARKET SALE, INCLUDING REASONABLE EXPOSURE TO THE MARKET

REASONABLE EXPOSURE TO THE MARKET, PACKET PAGE 858 FROM THE ASSESSOR SAYS,

"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."

THE KEY BANK BUILDING, 234 SEWARD STREET, WAS EXPOSED TO THE MARKET FOR THREE (3) MONTHS. CONSIDERING THE ADVERTISING THAT WAS DONE, THE SIGNS THAT WERE UP, THE ACCESSIBILITY, VISIBILITY, CORNER TO CORNER LOCATION, HIGH CEILINGS, HISTORIC FEATURES (HUGE COLUMNS AND HIGH CEILINGS) AMPLE PARKING, AND LARGE BASEMENT AND CENTRAL LOCATION IT IS CONFIRMED AS A MARKET SALE.

9 FULL ARTICLE ENTITLED, "IF A BANK BRANCH HAS TO CLOSE, WHAT ARE THE MOST LIKELY RESUSE SCENARIOUS?"



PROPERTY TYPES>RETAIL

If a Bank Branch Has to Close, What Are the Most Likely Reuse Scenarios?

As banks downsize their bricks-and-mortar footprint, their vacated spaces can be turned to other uses.

Sebastian Obando | Mar 02, 2020

Banks continue to shutdown branches across the country, but investors see creative reuse opportunities for these locations.

The typical closed branch encompasses around 8,000 to 14,000 sq. ft. of space, with some branches reaching up to 25,000 sq. ft. or 35,000 sq. ft., says Walter Bialas, vice

president of research with real estate services firm JLL. This is where creative reuse of space comes into play.

"Take a 25,000 square foot outparcel, for example," says Bialas. "With larger retailers under pressure and limited growth in that sector, you have to match a user with the space. Even many restaurants are not this large, so it becomes a challenge to lease or sell the space and maybe develop a plan to divide the space for multiple users, which is why office type users often fit the best."

A typical fast-food restaurant encompasses anywhere between 1,000 sq. ft. and 3,000 sq. ft., says Navin Nagrani, executive vice president at Hilco Real Estate, a real estate services company. Fast casual restaurants can occupy anywhere between 2,000 sq. ft. to 4,500 sq. ft.

"A branch bank tends to have a certain footprint and is mostly geared to an office use," says Bialas. "Having a branch turn into a financial services office for an insurance company is an easy fit. As you move into other uses like retail or restaurants or health clinics, it requires a complete rebuild of the space."

However, in Chicago, the top two leading uses of closed bank branches in 2019 were fast casual restaurants and health clinics. Nineteen percent of closed branches changed use to fast casual restaurants, while 17 percent changed their use to health clinics. Only 7.5 percent of closed bank facilities went to other financial institutions, according to a JLL Branch Banking 2020 report.

A fast-food restaurant operator "may actually want to take over a bank branch" because of their high visibility and infrastructure, says Nagrani. Most branches already have space dedicated to drive-throughs and receiving zoning for this type of layout "sometimes can be difficult to get" for restaurants, he notes.

"The costs to repurpose a branch can be significant," says Bialas. "However, the level of investor interest will depend on various characteristics [such as] intended use, overall location, size of the branch, competition or complementary nearby uses, area demographics, etc. Good location will garner interest and potentially an investor willing to adapt the property into something new or different."

While a few large institutions announce reuse plans in advance of closing a branch, other institutions "may see this as a sunk cost and will look for a buyer or a renter passively, choosing to keep the asset on the books until the lease is up and then turn it back to the landlord or a buyer [if one] is found," says Bialas. Well-positioned suburban spaces, in areas with stable or growing demographics, can often be repurposed by another bank or financial institution because they have similar office-oriented space requirements.

The average time to sell a vacated branch is nine and a half months, while the average time to sublease is slightly over a year, according to the JLL report. Outparcels and endcaps with high visibility and quality signage are often in high demand. In-line spaces, in contrast, can be more difficult to fill and are more commonly repurposed for other uses, such as restaurants, convenience stores or clinics, JLL data shows.

"Visibility is key. Parking in suburban locations is also paramount and [outparcels and endcaps] often have ample parking proximate," says Bialas. "In-line space, in contrast, lacks some of these ingredients and may need to be transitioned to some complementary retail use."

Urban bank branches situated in easy-to-access locations "will probably stay in use," despite the size of the facility being too large by today's standards and branch functions turning more digital, according to Bialas. But branches that are lacking in visibility, access or demographics may "struggle to find a reuse plan" and remain vacant for a considerable length of time.

10 RETAIL LEASE EXECUTED MARCH 31, 2022 (4 MONTHS FROM CLOSE OF ESCROW) (NOT EXECUTED MORE THAN A YEAR AFTER CLOSE OF ESCROW)

RETAIL LEASE

THIS LEASE dated the 31st day of MARCH, 2022 by and between **Goldstein Improvement Company**, 130 Seward St, Suite 001, Juneau, Alaska 99801 hereinafter called "Landlord," and, **Foggy Mountain Inc.**, _____ Juneau, Alaska 99801 hereinafter called "Tenant" and known collectively as "the parties."

WITNESSETH

In consideration of the mutual covenants and agreements contained in this Lease, Landlord and Tenant agree as follows:

TERM. This Lease shall be for a term of five (5) years (the "Lease" and/or "Lease Term") commencing on June 1, 2022 (sometimes the "Commencement Date"). Unless sooner terminated as hereinafter provided, the expiration date of this Lease is May 31, 2027. Tenant may move into the Premises prior to the Commencement Date. Landlord agrees to provide Tenant with access to the Premises during and in coordination with Landlord's work in order Tenant may begin the process of moving Tenant's inventory, staging, displays including concept and interior design into the Premises prior to Tenant's opening, currently scheduled for June 1, 2022 (hereinafter "early term").

2. RENT. All monetary obligations of Tenant to Landlord under this Lease are deemed to be rent ("Rent"). Beginning on the Commencement Date, continuing on the first (1st) day of each succeeding month during the term of this Lease, Tenant shall pay Landlord Base Rent as follows: Seven Thousand Five Hundred Dollars ($7,500) monthly or Ninety Thousand Dollars ($90,000) hereinafter "Base Rent") per year subject to the adjustments herein including but not limited to the CPI-U, Exhibits A and B herein and paragraphs 2 & 9. In addition to any and all monetary obligations, it is Tenant's sole responsibility to pay all applicable sales and city taxes to Landlord as they become due. If any additional said tax is due, raised or employed in a different manner Tenant shall pay said additional amount to Landlord.

Other Rent due includes:

a. Annual CPI-U adjustments herein
b. Paragraph 2.2
c. Parking at market rate during the option periods
d. Reimbursement to Landlord monthly for any increase in electrical costs due to Tenant's new lighting plan, lighting installation and use,
e. Sales tax increases over five percent (5%)
f. Tenant may sublet a portion of the basement known as "Storage 002" to another tenant, upon written approval of Landlord pursuant to paragraph 15 herein. All rent from Foggy Mountain, Inc. subleasing shall be shared equally between Landlord and



11 OFFICE LEASE EXECUTED JUNE 23, 2022 (7 MONTHS FROM CLOSE OF ESCROW) (NOT EXECUTED MORE THAN A YEAR AFTER CLOSE OF ESCROW)

OFFICE LEASE

THIS LEASE dated the 23 day of JUNE, 2022 by and between **Goldstein Improvement Company**, 130 Seward St, Suite 001, Juneau, Alaska 99801 hereinafter called "Landlord," and, **Alaska Public Employees Union,** 211 Fourth Street, Suite 306 Juneau, Alaska 99801 hereinafter called "Customer and/or Tenant" and known collectively as "the parties."

WITNESSETH

In consideration of the mutual covenants and agreements contained in this Lease, Landlord and Customer agree as follows:

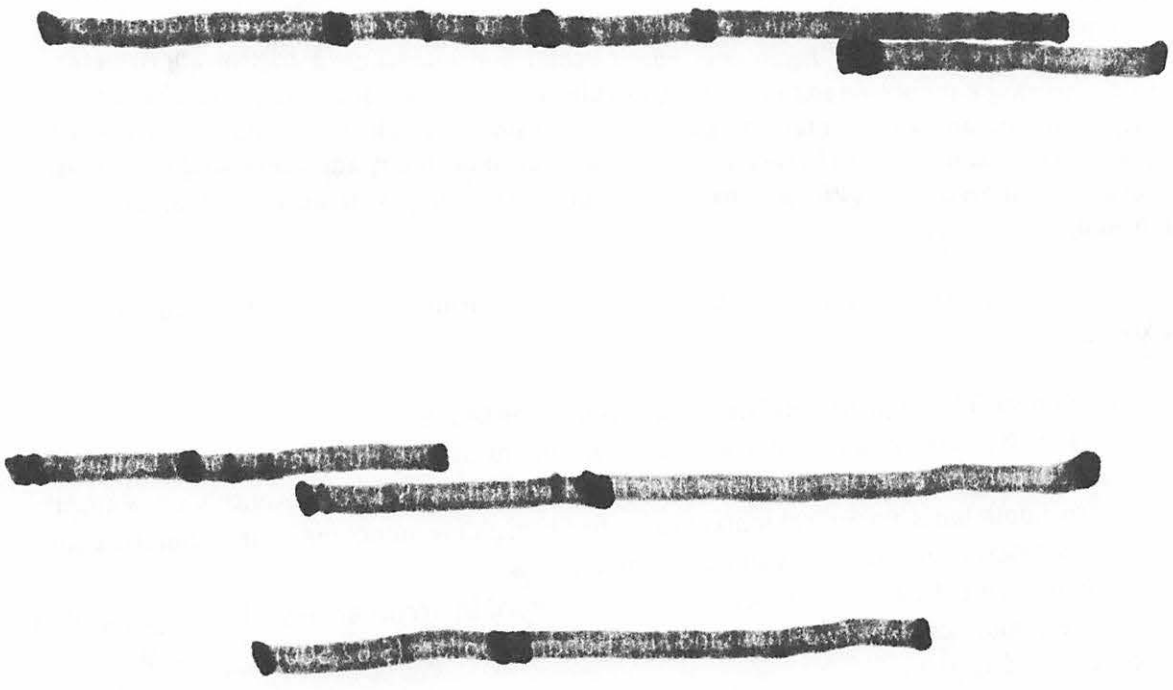
TERM. This Lease shall be for a term of ten (10) years (the "Lease" and/or "Lease Term") commencing on October 1, 2022 (sometimes the "Commencement Date"). Unless sooner terminated as hereinafter provided, the expiration date of this Lease is September 30, 2032. In the event Customer move-in date precedes October 1, 2022 the Lease shall commence from said earlier move-in date and pro-rata rent shall be due to Landlord.

2. RENT. All monetary obligations of Customer to Landlord under this Lease are deemed to be rent ("Rent"). Beginning on the Commencement Date, continuing on the first (1st) day of each succeeding month during the term of this Lease, Customer shall pay Landlord Base Rent as follows: Seven Thousand Three Hundred Dollars ($7,300) monthly or Eighty-Seven Thousand Six Hundred Dollars ($ 87,600) (hereinafter "Base Rent") per year subject to the adjustments herein including but not limited to the CPI-U, Exhibits A and B herein and paragraph 2 herein. In addition to any and all monetary obligations, it is Customer's sole responsibility to pay all applicable sales and city taxes to Landlord as they become due. If any additional said tax is due, raised or employed in a different manner Customer shall pay said additional amount to Landlord.

Other Rent Due (hereinafter "Other Rent Due") includes but is not limited to the following:

a. Annual CPI-U adjustments herein pursuant to the Lease
b. Ten (10) parking spaces at Lease Commencement at One Hundred Twenty Dollars ($ 120) per space or One Thousand Two Hundred Dollars ($ 1,200) monthly on a month to month basis. Parking at market rate after Lease Commencement, in Landlord's sole discretion in accordance with Paragraph 7 below
c. Improvement payments by Customer to Landlord in accordance with Paragraph 8 in the amount of Sixty-Two Thousand Five Hundred Dollars ($ 62,500)
d. City and Sales Taxes

Landlord's Initials (JH) (____) Customer's Initials (JK) (____)



TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. BOTH PARTIES HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF COUNSEL AS TO THE LEGAL CONSEQUENCES OF THIS LEASE AND RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES, INCLUDING BUT NOT LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR TENANT'S INTENDED USE.

Landlord's Initials (DH) (____) Customer's Initials (JK) (____)

THE PARTIES HERETO HAVE EXECUTED THIS LEASE AT THE PLACE AND ON THE DATES SPECIFIED ABOVE THEIR RESPECTIVE SIGNATURES.

Executed at Juneau, Alaska
On, 6/23, 2022

By LANDLORD:

GOLDSTEIN IMPROVEMENT COMPANY: _____
Name Printed: Daniel Glidman
Title: Agent for Goldstein Improvement Company
Address: The Goldstein Improvement Company, Attn: Daniel Glidman,
130 Seward Street, Suite 001
Juneau, Alaska 99801
Telephone: 907-321-0790
Email: glidmann@gmail.com

Executed at Juneau, Alaska
On, _____, 2022

By LANDLORD:

GOLDSTEIN IMPROVEMENT COMPANY: _____
Name Printed: Charles Dolginer
Title: President, Goldstein Improvement Company
Address: The Goldstein Improvement Company, Attn: Daniel Glidman,
130 Seward Street, Suite 001
Juneau, Alaska 99801
Telephone: 310-709-5596
Email: glidmann@gmail.com

[Signatures continue on next page]

Executed at Los Angeles, California

On, _____, 2022

By LANDLORD: _____

GOLDSTEIN IMPROVEMENT COMPANY
Name Printed: Melvin Adler
Title: Vice President, Goldstein Improvement Company
Address: The Goldstein Improvement Company, Attn: Daniel Glidman,
130 Seward Street, Suite 001
Juneau, Alaska 99801
Telephone: 818-455-2253

By TENANT:

Executed at Juneau, Alaska
On, _____, 2022

Alaska Public Employees Union.: _____

Name Printed: Mr. Jeff Kasper
Tite: Southeast Regional Manager/Political Director
Alaska Public Employees Union
Address: 211 Fourth Street, Suite 306 Juneau, Alaska 99801
Telephone: 907-957-1341
Email: jkasper@apea-aft.org

APPELLANT MATERIAL

Received 7/16 & 7/17

NOTICE OF APPEAL:

We believe the City and Borough of Juneau should be ENJOINED FROM PROCEEDING WITH THE FIFTEEN (15) MINUTE HEARINGS BECAUSE OF A LACK OF DUE PROCESS.

I incorporate by reference all the written materials we have submitted to the BOE, hearing video's and transcripts, email correspondence with the Assessor's Office and City Clerk's Office and its personnel and Julie Dinneen's MAI Appraisals for all our properties being appealed .

We were surprised that our experience with the Assessor's Office and in particular Assessor Dahle, has been adversarial and not friendly. When I visited him in the Assessor's office recently he insisted it was common knowledge commercial property assessments had not been raised in a decade and that he had reviewed the written materials I had submitted to him and that there was nothing new and our appeals were all denied. I submitted voluminous written material which shows the complexity of the issues. When I spoke with Assessor Hammond a few days later by phone she insisted our appeals were under review in her office and the appeals had not been denied. The same can be said for our experience with our two (2) appeals to date. In other jurisdictions, assessor and BOE interactions have been transparent with all parties seeking the truth and a fair resolution.

Rather than misapply the term "Common Knowledge," it should be applied to Net Operating Income. Net Operating Income is down in Juneau because of monthly rent abatements [SEE ATTACHED EXHIBIT 1], the Assessor has this information, cruise ships either not visiting Juneau or visiting on a limited basis with fewer tourists and major lost revenue---all during the pandemic. Our restaurant tenant's and other tenants are struggling to stay open, and if open, finding employees. A Cap Rate closer to this type of tenant is closer to a 10% Cap Rate. This is not accounted for by the Assessor. It is clear Net Operating Income is not stable. It is not clear what the future holds. Yet, this "Common Knowledge" has no resonance with the Assessor who use a 3% Capitalization Rate [SEE ATTACHED EXHIBIT 2] (122 Front St Appeal #1C070A020011) and a 4.5% capitalization rate[SEE ATTACHED EXHIBIT 2-5] (110 Seward St Appeal #1C070A020030). **The conflicting testimony of Assessor Dahle rises to the level of fraud.** ***Assessor Dahle excluded the Glacier Village and Four Points Juneau confirmed sales from his Sales Lists with ten percent (10%) Cap Rates [SEE EXHIBIT 44].*** He knows the Cap Rates he used in his written analysis was 3% and 4.5%, yet lies that he used a Cap Rate of 6.5% during our hearing. The Assessor's Office uses a 3% and 4.5% Cap Rate, despite Assessor Dahle's testimony in our hearings that he uses a 6.5% Cap Rate. **Julie Dinneen, our MAI appraiser, uses a Cap Rate of 7.5%-7.75% [SEE EXHIBITS 2-5 AND APPRAISALS].** Our appraiser's Cap Rate is

the "Common Knowledge" we should use. The Assessor's application of Cap Rates in the 3% to 4.5% range is a fundamental error in methodology. Therefore, our appeals must be granted.

Moreover, the Assessor stated we did not provide Profit and Loss Statements [SEE EXHIBITS 6-7] [SEE EXHIBIT 42]. This is a fraudulent statement. We provided the statements in a timely manner [SEE EXHIBITS 3 AND 5 AND APPRAISALS]. Not only did the Assessor have this information, but Assessor Dahle emailed me two (2) days before our hearing and asked for Profit and Loss Information. I emailed him back, he had the information in our Appraisals. One day before our hearing Assessor Hammond emailed me and asked for Profit and Loss Information. I emailed her we had provided the information as above. Nevertheless, I called our accountant and forwarded to both of them Profit and Loss Statements for Three (3) years for the Goldstein Improvement Company. **Assessor Hammond and Assessor Dahle failed to correct the misinformation on pp. 10 and 11 of the Meeting of Board of Equalization (BOE) and Presentation of Real Property Appeal [SEE EXHIBITS 6-7].** Thus, the Assessor's Presentation was fraudulent because it did not inform the BOE that we provided Profit and Loss Information in a timely manner. The failure to act and inform the BOE by the Assessor is a fundamental lapse in judgment causing a fundamental error in methodology used in the valuation of our two appeals.

According to the Assessment Administration, IAAO, 2003, Chapter 14, pp. 353-371, the Juneau Assessor's Office has not integrated a successful public relations program which is evidenced by a large number of appeals and unhappy taxpayers who feel said Office does not operate in a transparent manner and is taking without due process of law.

I started this process naively and the interactions I have experienced have led to more questions. The first interaction was with Assessor Dahle who told me "We got a Steal" when we bought the Key Bank Building. I wondered how he knew this, then he offered that he had been in commercial real estate and would have bought the building. I thought it was inappropriate to make these remarks. Then, I thought he's taxing us a month after we bought the building at 2.4X what we paid and I was shaking my head because I thought he never would have bought the Key Bank Building at 2.4X what we paid. I knew then and I know now our purchase was an arm's length transaction and that the property was exposed to the market for a reasonable time. [SEE EXHIBITS 8-11] ***[SEE EXHIBIT 44 Expert Real Estate Advisor Mr. Walter Bialas, states the Key Bank Building was exposed to the market for a reasonable time and the price we paid was fair market value].*** I knew the Seller was considering two competing offers and selected our offer in the end. I know our purchase of the Key Bank Building was a market sale. What I learned later is that the Assessor excluded a very large group of commercial property from their computer modeling by jacking up assessed values to distort the ratio analysis **[SEE EXHIBIT 28]**. Our Key Bank Building purchase was a minor player in this conspiracy and cover up. ***The most egregious case of over-assessment is the Key Bank Building [SEE EXHIBIT 45] which has been over-assessed in the amount of $19,821,920 and over-taxed by the City and Borough of Juneau in the amount of $218,041. Since 2005 our properties have been over-assessed $40,547,410 and over-taxed by $574,385 [SEE EXHIBIT 45].***

Since

When I read the Appeal Form, it said if we appeal the BOE could tax us at a specific higher amount ($ 800,340 more for our 6 appeals; appeal #60 $135,775; appeal #11 $109,522; appeal # 20 $21,169; appeal #30 $102,861; appeal #10 $ 79,632; and appeal #43 $351,381. I knew this Notice was not appropriate and that our rights were chilled even before we started the process of Appeal [SEE EXHIBIT 12]. I felt violated by the Notice. Assessor Dahle's Notice of Appeal was designed to quash appeals before the process started. We weighed the costs. I am certain other potential Appellants did not appeal because of the threat of higher property taxation. Assessor Dahle emailed me saying, he had to notify Appellants about the higher amount exposure. It was his duty, he said. Assessor Dahle's intentions are fraudulent because the higher amount he calls "Full Market Value" vs. "Assessed Value on Notice" are ambiguous terms to taxpayers and his higher amount is based on a Cost Approach using fake building cost figures to back into the amounts he wants to set as the Assessed Value.

When I received the BOE Notice it said all of my appeals started at 5:30 p.m. So I prepared to start all appeals at the same time and was prepared to present our cases globally and not one at a time. This procedure disrupted my presentation and led to a disjointed presentation which was unfair [SEE EXHIBIT 43]. Moreover, each appeal was limited to **FIFTEEN (15) MINUTES**. The **FIFTEEN (15) MINUTE HEARING** is clearly a violation of procedural due process.

We are dealing with complex issues, with a good amount of money at stake which will perpetuate for years to come and the BOE's FIFTEEN (15) MINUTE HEARING is so burdensome as to take away our rights to establish our burden of proof.

This is clearly a violation of due process. Also, it appears the BOE did not seriously weigh any of our evidence [SEE THE HEARING AUDIO VIDEO AND TRANSCRIPT]. On its face, the **FIFTEEN (15) MINUTE HEARING** is designed to further "Put Down" a taxpayer rebellion to unfair taxation. The BOE's sole purpose is to deny appeals not to weigh evidence. This constitutes a fundamental error in methodology.

The BOE did not consider that with Zoom hearings Appellant's would be in other time zones. By starting at 5:30 p.m. it was unfair to me in a later time zone to continue the hearings past 9:30 p.m. I was told by the BOE chair that I did not have to be present and the hearings could continue and the BOE would make a determination without my participation. This was a violation of my due process rights, and an indication of the railroad job the BOE was following. This is a fundamental error and wreaks of an unjust hearing process.

In my second hearing, when I asked for a bathroom break my request was denied. But, I had to go to the bathroom. ***It was inhumane to not permit a bathroom break.*** The hearing continued without my presence, without a brief suspension to allow me to go to the bathroom.

I exited the screen [SEE THE HEARING ADUDIO VIDEO AND TRANSCRIPT]. Upon my return, there was no indication from the BOE that they would bring me up to date or that they had waited for my return. This was a due process violation of my rights and the second hearing on this basis should be remanded and done again with a longer time limit or no time limit with the Chair proceeding over the hearings ruling on a reasonable time as the hearing progresses. **Chairman Epstein trampled on my personal rights, INHUMANELY NOT PERMITTING A BATHROOM BREAK and due process [SEE THE HEARING AUDIO VISUAL AND TRANSCRIPT].**

At the end of the hearing, I requested that new members of the BOE be on our future appeals. My request was denied and the members of the Board stated that they wanted the same board members to hear all of my appeals [SEE THE HEARING AUDIO VISUAL AND TRANSCRIPT]. I believe this is an unfair process and violation of my due process rights. I believe the board members who heard my 1st and 2nd appeals are biased and did not weigh the evidence presented to them. I request new BOE members hear my appeals. I believe it is a fundamental error to have the same board members hear all of my appeals. Therefore, the two hearings that have been held to date should be done again and the Chair, BOE, Assessor or Assembly set procedures in this regard. **Bathroom breaks should be permitted.**

We request a fair examination and investigation of the issues. ***Particularly, please focus on Assessor Dahle's fraud and plagiarism respecting the Key Bank Building [SEE EXHIBIT 44].*** On its face, it appears the Assessor's Office has treated commercial property owners unfairly for decades. While the Assessor's Office presents its case for more taxation through over-assessment by religiously stating it is "Common Knowledge" commercial property owners have not had an increase in taxes in a decade. Like my first interaction with Assessor Dahle where he said our purchase of the Key Bank Building was "A Steal" and this set me off because I knew he was wrong is the same reaction I have to: It is "Common Knowledge" commercial property owners have not seen a tax increase in a decade [SEE THE FOLLOWING PAGES HEREIN]. I did not know the facts (at first) but instinctively I wondered if this was a true statement. "Common Knowledge" has to be backed by evidence. I kept hearing this common knowledge refrain so I checked our properties history. ***A review of our property histories reveals that there has been a serious over-assessment of commercial property in Juneau for a long time.*** We had appraisals completed and they show a huge gap, in most cases, between Assessed Value and Fair Market Value [SEE THE FOLLOWING PAGES AND EXHIBITS 31-32]. ***It is clear to me the Assessor did not raise assessments more over the years because they had already tapped into commercial property owners so much, more taxation just made no sense.*** Yet, the current Assessor's agenda is to sock it to commercial property owners even more. ***The commercial property tax increases in 2021 and 2022 are outrageous.***

The Assembly must instruct the Assessor's Office to return to 2020 Assessed Values until an examination and investigation of the Assessor's Office is completed.

We advise that the Assessor must not impose the increased property taxes on commercial property owners for 2022. The tax increase must be stayed until a complete investigation is completed and recommendations are made to the Assembly. This investigation

must be overseen by an Oversight Board whose members include an equal number of commercial property owners. The Assembly shall recommend a hearing officer be appointed to undertake said investigation who shall report to the Oversight Board. Said investigation must include the years 2021 and 2022 where commercial property owners expect adjustments to assessed value to be made and commercial property taxes adjusted retroactively to 2020 levels or lower. Such investigation must encompass the last decade, as the Assessor has repeatedly stated commercial property taxes over the last decade were low and needed to be doubled. Said investigation must also include a study of whether a shift in the tax burden occurred. I believe a shift occurred over the last decade where commercial property owners carried an unfair burden of taxation.

Further Appeals to the Superior Court shall be stayed, until said Findings have been delivered to the Assembly in writing and the Assembly has completed its work on this matter. In the event taxpayers are dissatisfied with the results of the Assembly's actions they shall be entitled to pursue legal action.

In view of the long history of over-assessment by the Assessor's Office, the assignment moving forward shall be as follows: The Assembly shall appoint a hearing officer, establish an Oversight Board, replace members of the BOE and the Assessor's Office if the Findings indicate over-assessment has taken place. If Findings are made that over-assessment occurred all remedies must be considered to compensate commercial property owners, including but not limited to a cap on future assessment valuations.

If the Assembly is not able to see the issues as clearly as commercial property owners, then the Assembly will place a further burden on commercial property owners whose only remedy will be legal action. I have discussed this matter with Mr. Garth Schlemlein, Attorney at Law.

First Hearing: 122 Front Street (1C070A020011)

Please see Packet Pages 1111-1114
2-story building

Please see **Document: Cost Report-Commercial**

Total Neighborhood Multiplier (also known as Dahle Total Building Cost)

TOTAL NEIGHBORHOOD MULTIPLIER=BUILDING COSTS [SEE EXHIBIT 13-14].
(See Packet Pages 1104-1105 which are attached herein)

Section 1- 2450 SF	$360,300	$147.06
Section 2- 1800 SF	$264,204	$146.78

Totals	4250 SF	$624,504	$146.94

$146.94 SF is not a realistic or feasible building cost. Assessor Dahle backs into his Assessed Value. This is a fraudulent practice enabling to Assessor Dahle to make his statement it is "Common Knowledge Commercial Property Has Doubled in Value" and the "Substantial Growth in Property Valuations." The sinister Application of Assessor Dahle's fraudulent practice is to manipulate and distort the Ratio of Assessed Value to Sale Price. ***This constitutes a fundamental error in methodology and is grounds for all appeals to be overturned and granted.***

MAI Appraiser Julie Dinneen's appraisal practice is to obtain building costs by gathering data from local architects, contractors and published articles [SEE EXHIBIT 39]. She does not have or use Marshall and Swift because the building costs in this guide are not local or reliable in her estimation [SEE EXHIBIT 39].

Dawson Construction states Juneau commercial building costs average $450-$750 SF [SEE EXHIBIT 17].

Northwind Architects states Juneau commercial building costs average $600 TO $700 SF [SEE EXHIBIT 18].

MAI Appraiser Julie Dinneen states, commercial building costs are $ 450 SF or higher in Juneau [SEE EXHIBIT 40].

OTHER EXAMPLES OF BUILDING COSTS ARE AS FOLLOWS:

The Juneau Airport Terminal Project commercial building costs are **$450 SF (2020)**
BRH Behavior Health Project commercial building costs are **$600 SF (2021)**
UAS Auke Bay Science Building Project commercial building costs are **$800 SF (2022)**

On the face of it, using Marshall and Swift 2018 commercial building costs is the improper year to use resulting inaccurate and unequal commercial building costs. The Juneau Assessor must use 2022 building costs and depreciation schedules. He does not.

THE COST APPROACH IS NOT RELEVANT OR RELIABLE AND MUST NOT BE USED BY THE ASSESSOR

The COST APPROACH is not feasible, as MAI Appraiser Julie Dinneen states, because it results in absurdly high commercial building valuations that are not relevant or reliable and cannot be

reconciled with the Income or Sales Approaches to Value **[SEE THE BUILDING COST CHART ABOVE].**

Second Hearing: 110 Seward Street (1C070A020030)

Please see Packet Pages
2-story building with basement

Please see **Document: Cost Report-Commercial**

Total Neighborhood Multiplier (also known as Assessor Dahle Total Building Cost)

TOTAL NEIGHBORHOOD MULTIPLIER=BUILDING COSTS [SEE EXHIBIT 15-16].
(See Packet Pages 1104-1105 which are attached herein)

Incorrect Square Feet Used Per Juneau Assessor (See Packet pp. 298-99)

Section 1-	3763 SF	$ 680,387	$180.81
Section 2-	2887 SF	$ 436,002	$151.02
Section 3-	3709 SF	$ 557.509	$150.31
Totals	***10,359 SF***	**$ 1,673,898**	**$161.59**

Correct Square Feet Per Julie Dinneen, MAI Appriaser

	110 Seward St	**116-118 Seward St**		
First Floor	3763 SF	**2891 SF**	$ 680,387	$180.81
Second Floor	3705 SF	0	$ 557,509	$ 150.47
Basement (finished) (packet p. 297)	2245 SF	0	$ 436,002	$ 194.21
Totals	***12,604 SF***		**$1,673,898**	**$ 132.81**

The Juneau Assessor has made a fundamental error in methodology because he uses a SF figure that is incorrect. Julie Dinneen, our MAI appraiser, states the SF as 12,604 [SEE JULIE DINNEEN APPRAISAL; SEE EXHIBIT 4 LAST PAGE; SEE PACKET P. 173]. The Juneau Assessor states the SF as 10,359 [SEE EXHIBIT 16 pp. 10-11; SEE PACKET pp.298-299] . The Juneau Assessor uses a building cost of $132.81. This is far below actual building costs in Juneau. This error results in excessive and improper building valuation. This figure is also used as part of the calculation of Full Market Value that the Assessor uses to "Inform" the public that they may be subject to a higher assessment. The Juneau Assessor methodology is composed of

improper data and he uses it as a sword against the public to threaten higher taxation if an Appellant appeals.

224 2ND STREET EXAMPLE OF IMPROPER APPLICATION OF RATIO OF ASSESSED VALUE TO SALE PRICE [SEE EXHIBIT 23].

GOAL: FIND A REASONABLE APPROACH TO VALUE-What happened here is the Assessor manipulated the Assessed Value in 2021 higher to $405,300 but the ratio was 1.42 which is outside the variance (1.5-3) permitted by the Assessor to stay within the concept of Market Sale and not be an Outlier Property. Nevertheless, 224 2nd Street was excluded from Ratio Analysis Studies by the Assessor (see attached 2021 and 2022 Sales Lists).

TARGET RATIO	$\frac{AV}{SP} = 1$
2020 ASSESSOR VALUE	$\frac{\$270,200}{\text{SALE PRICE 2021 } \$286,000} = .94$
FRAUDULENT RATIO	$\frac{\$405,300}{\$286,000} = 1.42$
JJULIE DINNEEN RATIO	$\frac{\$295,000}{\$286,000} = 1.03$

The reasonableness of Julie Dinneen's MAI Appraisal is plain to see. The unreasonableness of Assessor Dahle's Fraudulent Methodology is plain to see and results in excessive and improper taxation.

Assessor Dahle's game is to increase Assessed Value to put as many commercial properties into the Outlier Class as possible. This is a misuse of the Outlier Concept by application. Jurisdictions are composed of Outlier Properties, but an enormous amount of Outlier Properties raises suspicion that the Ratio Analysis has been tampered with and covered up. This has the impact of excluding lower priced properties from Ratio Analysis whether done by saying the Sale Price was not a Market Sale, arbitrarily creating values not related to income, cost or sales approaches or eliminating commercial properties where the Sales Price is less than the Assessed Value.

RECOMMENDATION: **Based on the Appraisal Analysis in the above Julie Dinneen MAI Appraisal and her other Appraisals (5 in total) the Assembly, Board of Equalization and Assessor Office accept the research, analysis and opinion of Julie Dinneen in the amount of $295,000 and use her work to guide you in recommending the fair market value of all of our properties.**

SALES APPROACH-Key Bank Building: 234 Seward Street

TARGET RATIO	$\frac{\text{AV}}{\text{SP}} = 1$
FRAUDULENT DAHLE 2022 ASSESSOR VALUE	$\frac{\$2,547,520}{} = 2.1\%$
SALE PRICE END OF 2021	$1,232,915
LESS PERSONAL PROPERTY (Packet p. 684)	**($1,250,000 less $17,085)**
ASSESSED VALUE*	$\frac{\$1,232,915}{} = 1$

$1,232,915

*-Closing costs and obsolescence when subtracted from the assessed value above comes to a true assessed value of $ 1,005,277. This is our recommended Assessed Value.

The Key Bank Building was vacant upon purchase. Therefore, the Income Approach is not available. The Cost Approach is wildly inaccurate. Consequently, the Sales Approach is the best approach to use. This is a market sale. It is improper for the Assessor to not use the Assessed Value above of $ 1,232,915 [SEE EXHIBIT 35 DEDUCTING PERSONAL PROPERTY FROM THE SALE PRICE].

Assessor Dahle mines data to achieve his fraudulent aims. Assessor Dahle claims he was not able to obtain the Assembly Building comparable sales 2X. The Assembly Building sold twice and both times Assessor Dahle conveniently was not able to obtain these comparable sales. Assessor Dahle could have phoned the broker to obtain this information but he choose not to phone the broker. Assessor Dahle's inaction is clearly fraud. **[SEE EXHIBITS 24-25**]. In fraudulent modeling, it is burdensome on the Appellant to sort through data, some undisclosed, some manipulated and some applied to achieve deceitful ends. Assessor Dahle sets forth his Outlier Standard as follows, ...On its face his standard complies with the IAAO. But, IAAO cautions against using false data because false data in results in false data out. so that most commercial sales fall within Assessor Dahle's 1.5 to 3 variance scale he uses to exclude commercial property from his CAMA Approach. You would think in a small city such as Juneau using as many commercial sales would be the goal. Under the Mass Appraisal Method the IAAO states you must use 15 properties and that 30 properties are preferred. Assessor Dahle's methodology uses 6 and sometimes 7 properties. Assessor Dahle waffles on property #7, our 234 Seward St Bank Building, sometimes calling it a Market Sale and mostly calling it a non-market sale. The Mass Appraisal Method is improper where the Juneau Assessor is working with 6 or 7 commercial properties. Common sense tells you the Assessor would have been better off laying the 6 or 7 properties out on his office desk to compare the income and sale approaches to value. The Cost Approach would not have been used because it is not feasible in Juneau as property valuations would be so high as to be non-sensical.

The 7th property is instructive in terms of Assessor Dahle's methodology. This is the Key Bank Building at 234 Seward Street. On November 24, 2021 it sold for $1,250,000. It is a market sale. On January 1, 2022 Assessor Dahle states the Assessed Value is $2,547,000. This is a blatant and fraudulent practice. The only reason Assessor Dahle calls this a non-market sale is because it was not exposed to the market for a long enough time. Assessor Dahle stated the right amount of time is 9 1/2 months. Assessor Dahle makes this conclusion based on an article he read **(SEE Attached Article EXHIBIT 9 AND EXHIBIT 44)** and **selectively cherry picks data** from the article to misrepresent what the article clearly says **[SEE EXHIBITS 8-11**]. The article is entitled, **If A Bank Branch Has To Close, What Are the Most Likely Reuse Scenarios** by Sebastian Obando, March 2, 2020 in Wealth Management [SEE EXHIBIT 9]. Assessor Dahle plagiarizes the work of Mr. Walter Bialas as his own. Assessor Dahle steals the words and ideas

of Mr. Bialas and presented them to me in his email to me [SEE EXHIBIT 44] to "Gain an unfair advantage."

"Fraud is misrepresentation that aims to gain unfair advantage"
[library.hccs.edu/plagiarism/definitions]

Assessor Dahle uses his position of power with the City to destroy commercial property owners including us. I was accused by Assessor Hammond on seeking special treatment. ***The only special treatment I received was the fraud committed by Assessor Dahle and the complicit actions of Assessor Hammond and the Board of Equalization.*** Mr. Bialas explains (SEE EXHIBIT 44] Assessor Dahle's skills are in full display: his incompetence, his fraud, his stealing of intellectual property, his lack of knowledge of the market both because our purchase was a market sale exposed to the market for a reasonable amount of time and the sale price reasonable and also because Assessor Dahle fails to include market comparable sales with ten percent (10%) CAPITALIZATION RATES [SEE EXHIBIT 44***]. Assessor Dahle is on a mission to "GRAB THE MONEY" as Peter Micciche, Alaska State Senator told me. The question remains: Who sent him?***

The Key Bank Building is not an average building. It has great street appeal and presence with a corner to corner location, huge columns out front, extremely tall ceilings on the first floor, historic presence as the BH Behrends Bank, a huge finished basement for storage and inventory, ample parking with 17 spaces, great signage, center of downtown location and a destination location (hereinafter known as "helpful characteristics"). The property was marketed for two months and sold in four (4) months. We executed a lease with Foggy Mountain within four (4) months of closing escrow. We executed a lease with the Union in seven (7) months from the close of escrow [SEE EXHIBITS 8-11]. The property was fully leased up in seven (7) months. **Clearly, the Key Bank Building did not require the average time to sell or lease up.** Clearly, Mr. Dahle can do better than rely on an article in Wealth Magazine from two (2) years ago; before the pandemic. Nevertheless, it is not opinion that this article says a vacant building with the above **"helpful characteristics"** will sell in a shorter time. This article is evidence to support our purchase of the Key Bank Building was a market sale with reasonable exposure to the market. **Assessor Dahle cherry-picked one line from the article to perpetuate his fraud that this sale was not a market sale.**

Assessor Dahle has stated, even if he were to include the Key Bank Building in his CAMA approach the assessed values he uses would not change. This underscores the massive fraud Assessor Dahle is undertaking. The Key Bank Building is one commercial property, but he has employed this technique to include and exclude properties to justify over-assessing commercial property in Juneau.

Summary

The Income Approach is the right appraisal approach in historic downtown Juneau. An investor will look at the income and expenses to determine the value and what he would pay for a

building. With much and varied depreciation and obsolescence the Income Approach is clearly the best approach according to the IAAO. An investor would have to determine the capitalization rate, but during a pandemic with no tourists, restaurants closed, workers hard to find, no or limited cruise ships in port, traveling very slow, boutique gift shops nearly out of business, net operating income is down and not stable. No one, including an investor can foretell if another pandemic will make business conditions worse still. Capitalization rates must reflect this new reality. The Assessor has ignored and shunned these facts. This is not opinion. Capitalization rates have increased and when applied to net operating income fair market value of commercial buildings in downtown Juneau are also down. Julie Dinneen explained restaurants have about a 10 cap rate in her appraisals. She used 7.5 to 7.75 in evaluating our buildings. Julie's analysis is sound. Assessor Dahle's analysis falls on deaf ears but he is powerful and seemingly all knowing but wrong when he uses cap rates as low as 3 to justify his over-valued assessments.

4) The Sales Approach is a second best approach, but you cannot exclude so many sales in the mass appraisal method. 6 or 7 properties is not adequate. It should be 15 at least, prefer 30 or more according to the IAAO. It appears the assessor has improperly doubled commercial property values and used the IAAO standard of 1.5 and 3x variance from assessed value to identify outlier properties which under normal circumstances would be acceptable, except the assessor has arbitrarily raised assessed values so that most are falsely identified as outlier properties. Almost all properties where the sales price is less than assessed value are excluded. This is fundamentally crooked and unfair resulting in excessive commercial property valuations. This must be reversed and Appellant's appeals and other Appellant's appeals must be granted.

In view of the fraudulent actions of the Juneau Assessor, I suggest our Appraisals are confirmed as Assessor Values. Further, until this matter is resolved fully commercial property values shall be rolled back to 2020 levels or sales prices.

THE FIFTEEN (15) MINUTE HEARING

To present the information herein, additional relevant information including the written materials I have submitted (more than 1500 pp) and the Appraisals at a BOE hearing or any hearing requires more than FIFTEEN (15) MINUTES.

The BOE hearings of FIFTEEN (15) MINUTES allotted the Appellant is fundamentally an unfair procedure, a violation of due process and a travesty of justice.

It will save the City and Borough of Juneau and appellants much time, aggravation, emotional distress and money if a settlement can be reached. Mr. Dahle explicitly told me the Juneau Assessor Office does not settle. The solution should not be to go to Superior Court. The process should not be adversarial. The process should be open, informative and fair based on the IAAO.

We and other appellant's are going to be subjected to unfair taxation of millions of dollars if you permit the improper, excessive and unequal wrongdoing of the Juneau Assessor to continue.

UNDER NO STANDARD IS THE FIFTEEN (15) MINUTE HEARING PROPER.

THE FIFTEEN (15) MINUTE HEARING IS IMPROPER.

THE FIFTEEN (15) MINUTE HEARING is designed to get the appeals done quickly, without proper examination. THE FIFTEEN (15) MINUTE HEARING IS A FARCE AND NOT FAIR.

THE FIFTEEN (15) MINUTE HEARING MUST BE STOPPED NOW.

IF THE FIFTEEN (15) MINUTE HEARING IS NOT STOPPED YOU ARE EXPOSING THE CITY TO LIABILITY.

Alaska CPI from 2012 to 2022 averaged 1.5% annually [SEE EXHIBIT 34].

"Full and True Value" vs. "Assessed Value on Notice" [SEE EXHIBIT 12].

The Juneau Assessor is mandated to assess property on January 1 at its "Full and True Value," Alaska Statute 29.45.060.

The Juneau Assessor's violates this Statute by creating a category of assessment called, "Assessed Value on Notice."

The so-called "Assessed Value on Notice" is a lower number in the Determination Letter than the "Full Market Value (May be recommended to the BOE)." The Assessor would be doing his job if he used the "Full Market Value."

But, to not use "Full Market Value" and threaten it "MAY BE RECOMMENDED TO THE BOE" IS IMPROPER.

This Assessor practice has the effect to stop or chill appeals.

Moreover, the Assessor's figures in the "Full Market Value" category are improperly arrived at using the Cost Approach where building costs are manipulated.

This is an abhorrent practice in need of serious reform and remediation.

In practical terms, the Juneau Assessor would like me to believe they are wonderful by assessing our property at below "Full Market Value." Our appetites are supposed to be wetted by getting "a deal" on assessed value. The lower value in "Assessed Value on Notice" is designed to stop opposition and quiet Appellant's led to believe they are getting a deal. What Appellant's are getting is an obscene increase in commercial property assessment after a decade of over-assessment!

122 Front Street (1C070A020011) [SEE EXHIBIT 27].

2005-	$866,300	**OVER ASSESSMENT**	**EST.**	**$16,300**
2006-	$1,095,100	**OVER ASSESSMENT**	**EST.**	**$245,100**
2007-	$1,128,500	**OVER ASSESSMENT**	**EST.**	**$278,500**
2008-	$1,509,300	**OVER ASSESSMENT**	**EST.**	**$659,300**
2009-	$1,509,300	**OVER ASSESSMENT**	**EST.**	**$659,300**
2010-	$1,509,300	**OVER ASSESSMENT**	**EST.**	**$659,300**
2011-	$1,583,700	**OVER ASSESSMENT**	**EST.**	**$733,700**
2012-	$1,583,700	**OVER ASSESSMENT**	**EST.**	**$733,700**
2013-	$1,583,700	**OVER ASSESSMENT**	**EST.**	**$733,700**
2014-	$1,583,700	**OVER ASSESSMENT**	**EST.**	**$733,700**
2015-	$1,589,300	**OVER ASSESSMENT**	**EST.**	**$739,300**
2016-	$1,577,400	**OVER ASSESSMENT**	**EST.**	**$727,400**
2017-	$1,577,400	**OVER ASSESSMENT**	**EST.**	**$727,400**
2018-	$1,594,700	**OVER ASSESSMENT**	**EST.**	**$744,700**
2019-	$1,594,700	**OVER ASSESSMENT**	**EST.**	**$744,700**
2020-	$1,572,900	**OVER ASSESSMENT**	**EST.**	**$722,900**
2021-	**$2,105,950**	**FRAUD ASSESSMENT**	**EST.**	**$1,255,950**
2022-	$2,063,831	**FRAUD ASSESSMENT**	**EST.**	**$1,213,831***

TOTALS OVER-ASSESSMENT: $11,669,481
1.1%=$128,364

***-OVER-ASSESSMENTS ARE HIGHER WHEN YOU ACCOUNT FOR INFLATION AND THE TIME VALUE OF MONEY. FOR EXAMPLE, THIS PROPERTY VALUED AT $1,200,000 WOULD HAVE BEEN VALUED AT MUCH LESS IN 2005 WHICH WOULD INCREASE THE GAP BETWEEN ASSESSED VALUE AND FAIR MARKET VALUE.**

JULIE DINNEEN APPRAISER FAIR MARKET VALUE-$850,000

FOUR PERCENT (4%) INCREASE OF ASSESSED VALUE OVER A DECADE

DECADE OF OVER-ASSESSMENT-We believe taxpayers have not reviewed their commercial property tax bills for decades and went along with the Assessor's Office. We believe a legal challenge to the Assessor's Office will open the Office to substantial exposure and liability.

110 Seward Street (1C070A020030) [SEE EXHIBIT 36].

2005-	$1,072,000	**OVER ASSESSMENT**	**EST.**	**$0**
2006-	$1,199,100	**OVER ASSESSMENT**	**EST.**	**$0**
2007-	$1,199,100	**OVER ASSESSMENT**	**EST.**	**$0**
2008-	$1,434,200	**OVER ASSESSMENT**	**EST.**	**$234,200**
2009-	$1,434,200	**OVER ASSESSMENT**	**EST.**	**$234,200**
2010-	$1,434,200	**OVER ASSESSMENT**	**EST.**	**$234,200**
2011-	$1,506,100	**OVER ASSESSMENT**	**EST.**	**$306,100**
2012-	$1,506,100	**OVER ASSESSMENT**	**EST.**	**$306,100**
2013-	$1,506,100	**OVER ASSESSMENT**	**EST.**	**$306,100**
2014-	$1,506,100	**OVER ASSESSMENT**	**EST.**	**$306,100**
2015-	$1,675,000	**OVER ASSESSMENT**	**EST.**	**$475,000**
2016-	$1,643,400	**OVER ASSESSMENT**	**EST.**	**$443,400**
2017-	$1,643,400	**OVER ASSESSMENT**	**EST.**	**$443,400**
2018-	$1,653,000	**OVER ASSESSMENT**	**EST.**	**$453,000**
2019-	$1,653,000	**OVER ASSESSMENT**	**EST.**	**$453,000**
2020-	$1,639,600	**OVER ASSESSMENT**	**EST.**	**$439,600**
2021-	**$1,968,800**	**FRAUD ASSESSMENT**	**EST.**	**$768,800**
2022-	**$1,929,966**	**FRAUD ASSESSMENT**	**EST.**	**$729,966**

TOTALS OVER-ASSESSMENT: $5,520,966*
1.1%=$ 60,731

***-OVER-ASSESSMENTS ARE HIGHER WHEN YOU ACCOUNT FOR INFLATION AND THE TIME VALUE OF MONEY. FOR EXAMPLE, THIS PROPERTY VALUED AT $1,200,000 WOULD HAVE BEEN VALUED AT MUCH LESS IN 2005 WHICH WOULD INCREASE THE GAP BETWEEN ASSESSED VALUE AND FAIR MARKET VALUE.**

JULIE DINNEEN APPRAISER FAIR MARKET VALUE-$1,200,000

FIFTEEN PERCENT (15%) INCREASE OF ASSESSED VALUE OVER A DECADE

DECADE OF OVER-ASSESSMENT-We believe taxpayers have not reviewed their commercial property tax bills for decades and went along with the Assessor's Office. We believe a legal challenge to the Assessor's Office will open the Office to substantial exposure and liability.

Building Cost Chart

Property	Marshall and Swift Building Cost per SF	Actual Juneau Actual Building Costs @ $600/SF	Juneau Building Costs @ $450/SF	Julie Dinneen MAI Appraiser Fair Market Value	Assessed Value
1C070A02011* (4250 SF)		$ 2,550,000	$1,912,500	$ 850,000	$ 2,063,831
1C070A020030 (12,604 SF)		$7,562,400	$ 5,671,800	$ 1,200,000	$ 1,929,966
1C0701040020 (LAND ONLY)		LAND ONLY	LAND ONLY	LAND ONLY	LAND ONLY
1C070A040010 (10,359 SF)		$ 6,215,400	$4,661,550	$ 875,000	$ 1,484,129
1C070A040043 (59,187 SF)		$ 35,512,200	$ 26,634,150	$ 4,750,000	$ 6,592,909
1C070A050060 (12,284 SF)		$ 7,370,400	$ 5,527,800	$ 5,527,800	$ 2,547,520

*SEE **EXHIBIT 41**. THIS PROPERTY IS AN OUTLIER BECAUSE OF ITS LARGE LAND SITE WHICH GIVES IT A HIGHER VALUATION

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10 RETAIL LEASE EXECUTED MARCH 31, 2022 (4 MONTHS FROM CLOSE OF ESCROW) (NOT EXECUTED MORE THAN A YEAR AFTER CLOSE OF ESCROW)

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18 NORTHWIND ARCHITECTS CONSTRUCTION BUILDING COSTS $600 TO $700 SF

19 CONSTRUCTION COSTS

20 NEW MAINTENANCE HANGAR BUILDING CONSTRUCTION COSTS $489 SF

21 JULIE DINNEEN MAI APPRAISER 122 FRONT STREET FAIR MARKET VALUE $850,000. COST APPRAOCH NOT USED AND NOT FEASIBLE

22 JULIE DINNEEN MAI APPRAISER 110 SEWARD STREET FAIR MARKET VALUE $1,200,000. COST APPROACH NOT USED AND NOT FEASIBLE

23 224 2ND STREET ASSESSMENT HISTORY REPORT (PARTIAL) FROM ASSESSOR

24 11/2/2021 STATEMENT FROM ASSESSOR DAHLE, "WE DID NOT AND STILL DO NOT HAVE A CONFIRMED SALE PRICE FOR THIS [ASSEMBLY] BUILDING. WE HAVE HEARD "STREET TALK" ABOUT WHAT IT MAY HAVE BEEN BUT THAT DOES NOT QUALIFY AS A CONFIRMED PRICE."

25 ASSESSOR OFFICE HAS A DUTY TO COLLECT SALES DATA AND IT FAILED TO SPEAK WITH BROKERS IN VIOLATION OF THIS DUTY TO COLLECT SALES DATA. THE ASSESSOR FAILED TO CONTACT THE BROKERS FOR THE ASSEMBLY BUILDING SALE

26 224 2ND STREET ASSESSMENT HISTORY REPORT (FULL) FROM ASSESSOR

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38 122 FRONT STREET-JUNEAU DOWNTOWN HISTORIC DISTRICT AND DESCRIPTION OF SUBJECT PROPERTY

39 JULIE DINNEEN MAI APPRAISER-USES LOCAL CONTRACTORS AND ARCHITECTS AND PUBLISHED ARTICLES TO OBTAIN COMMERCIAL BUILDING COSTS; SHE DOES NOT HAVE OR USE MARSHALL AND SWIFT, AS ACTUAL REGIOINAL AND LOCAL COST SOURCES ARE MORE RELIABLE

40 JULIE DINNEEN MAI APPRAISER-USES $ 450 SF OR HIGHER FOR COMMERCIAL BUILDING COSTS AND THE COST APPROACH WAS NOT USED BECAUSE IT WOULD RESULT IN A MUCH HIGHER VALUATION THAN THE INCOME AND SALES APPROACHES THAT CANNOT BE RECONCILED AND IS NOT RELEVANT

41 122 FRONT STREET IS AN OUTLIER IN THE MARKETPLACE WITH ITS SMALL BUILDING AND RELATIVELY LARGE SITE IN THE DOWNTOWN MARKET

42 EMAILS SHOWING ASSESSORDAHLE AND THE ASSESSORS OFFICE OBTAINED GOLDSTEIN IMPROVEMENT PROPERTIES PROFIT AND LOSS STATEMENTS FOR EACH INDIVIDUAL PROPERTY IN MAI APPRAISER JULIE DINNEEN'S APPRAISALS

LONG AGO AND IN A TIMELY MANNER AND THAT JUST BEFORE THE BOE HEARING HE REQUESTED THE SAME INFORMATION AGAIN (EMAIL CORRESPONDENCE WITH ASSESSOR DAHLE, ASSESSOR HAMMOND, ASSESSOR MORRIS AND DI CATHCART

43 THE FIFTEEN (15) MINUTE HEARING IS UNFAIR BECAUSE CHAIRMAN EPSTEIN ALLOWED ASSESSOR DAHLE TO INTERJECT THE KEY BANK BUILDING APPEAL (#1C070A050060) INTO OUR FIRST APPEALS THEREBY ALLOWING ASSESSOR DAHLE TO PREJUDICE THE BOE HEARING BOARD BY ASSERTING OUR PURCHASE OF THE KEY BANK BUILDING WAS NOT A MARKET SALE. BY ALLOWING ASSESSOR DAHLE'S TESTIMONY IT PERPETUATED THE FALSEHOOD THAT OUR APPEALS ARE WITHOUT MERIT. WE WERE NOT PERMITTED TO MAKE A GLOBAL PRESENTATION. YET, ASSESSOR DAHLE IS PERMITTED TO MAKE A GLOBAL PRESENTATION BY TAINTING THE EVIDENCE BEFORE WE HAVE THE OPPORTUNITY TO PRESENT OUR CASE. THE KEY BANK BUILDING WAS A MARKET SALE, WHICH MAKES CHAIRMAN EPSTEIN'S RULINGS PREJUDICIAL. ASSESSOR DAHLE'S TESTIMONY SHOULD HAVE NOT BEEN ALLOWED AND MUST BE STRICKEN FROM THE RECORD. THE CHAIRMAN EPSTEIN MADE A FUNDAMENTAL ERROR AND OUR APPEAL MUST BE GRANTED OR REMANDED TO BE HEARD AGAIN.

44 ASSESSOR DAHLE FRAUD AND PLAGIARISM RESPECTING THE KEY BANK BUILDING, APPEAL (#1C070A050060) WHERE HE STOLE THE INTELLECTUAL PROPERTY OF MR. WALTER BIALAS TO FALSELY CLAIM AND MAINTAIN OUR PURCHASE OF THE KEY BANK BUILDING WAS NOT A MARKET SALE. MR. WALTER BIALAS, WHOM ASSESSOR DAHLE RELIED ON

AS HIS EXPERT, CONCLUDED THE KEY BANK BUILDING WAS REASONABLY EXPOSED TO THE MARKET AND OUR PURCHASE PRICE WAS FAIR. THEREFORE, THE ASSESSOR ASSESSED VALUE MUST BE THE OWNER'S ESTIMATE OF VALUE $ 1,005,277 OR IN THE ALTERNATIVE $ 1,232,915 ($ 1,250,000 LESS PERSONAL PROPERTY INCLUDED IN THE SALE OF $ 17,085).

45 CITY AND BOROUGH OF JUNEAU HISTORY OF OVER-ASSESSMENT 2005-2022

46 CITY AND BOROUGH OF JUNEAU ASSESSMENT HISTORY REPORTS-SIX (6) APPEAL PROPERTIES

NOTICE OF APPEAL

EXHIBITS

1 RENT ABATEMENTS FOR GOLDSTEIN IMPROVEMENT LOWER NOI, INCREASE CAPITALIZATION RATES, INCOME STREAM STABILITY

116 Seward Street	TEASE SALON (rent begins 2/1/2022) (1890.00)			
118 Seward Street	The Plant Studio	2,257.50		1,900.0(
		13,144.44	1,000.00	
Goldstein Annex (GA)				
122 Front Street	Sketch	525.00		
124 Front Street	Asiana Gardens	4,950.00		3,450.0(
126 Front Street	Apartment - Asiana Gardens	2,350.00		
		7,433.75		
Flags of All Nations Building (FAN)				
119B - 2nd Street	Sonia Hendricks	1,658.99		
119A - 2nd Street	Bauer/Clifton	1,653.75		
		3,147 10		
Charles Goldstein Building (CG)				
201 Seward Street	Good Vibes Café	3,000.00		2,625.0(
205 Seward Street	Nana's Attic	1,149.00		860.00
209 Seward Street	Zoot's	2,100.00		1,680.0(
213 Seward Street	Apartment		1,450.00	
217 Seward Street	Don Morgan gallery	1,050.00		850.00
221 Seward Street	Giono Barrett	835.00		
216 2nd Street	Rainforest Farms	3,000.00		
Storage Area	Rookery Warehouse	1,000.00		
Parking not included in rent	Rookery	90.00		
	VACANT			
	Capital Barber	94 50		
	Carlton Smith	90.00		
		11,788.08	1,450.00	
Pioneer House				
3180 Pioneer Avenue	Seasonal tenant - September through May		3,400.00	

218 - 219	J.M. Walsh	825.00		
220	Law office of Kathleen Strausbaugh	500.00		
221	Law office of Kris Barnum	350.00		
222	Goldstein Bookkeeping Office	0.00		
Third Floor	State of Alaska - OCS		0.00	
	East Care Acupuncture	1,093.27		
304/305	MARINE ENGINEERS UNION	843.60		
306	VACANT (421.00)			
307	VACANT (421.00)			
308	LAW OFFICE (RENT BEGINS 2/1/2022) (421.00)			
309	SOA PUBLIC DEFENDER (PROX 2/1/2022) (1008.00)			
Fourth Floor	State of Alaska - OCS		17,556.00	
Fifth Floor	State of Alaska - WIC		[illegible]	
	State of Alaska - Ombudsman		[illegible]	
505	LOBBYING OFFICE (rent begins 2/1/2022) (1100.00)			
504	CRANOR COUNSELING	650.00		
Parking not included in rent				
	State of Alaska - LAA		90.00	
	Urban Eskimo	73.50		
	Clifton / Bauer	94.00		
		26,266.94	33,788.59	
GFS Building (GFS)				
140 Front Street	Heritage Northwest - Coffee	8,925.00		7,980.00
110 Seward Street	Segal Company	650.00		
Upstairs Offices				
5	Big Brothers Big Sisters of Southeast Alaska		1,000.00	
2	Rookery	400.00		300.00
3	Mooncycle Medicine	440.00		
4	Yevette Soutiere	350.00		
1	Carlton Smith	813.75		

Goldstein Improvement Company

11/16/2021

Rental Property	Tenants	Monthly Rent	Non Taxable Rent	TEMP REDUC
Goldstein Building (GB)				
124 Seward Street	Annie Kaills	4,200.00		3,150.00
126 Seward Street	NorthWind Architects	3,150.00		
128 Seward Street	Capital Barber	735.00		
140 Seward Street	Little Tokyo/ PhoTai	6,300.00		4,725.00
130 Seward Street	Main Building			
Lobby	Woodbury Financial - Karen Hansen	708.50		
Lobby	State of Alaska - WIC Storage		0.00	
Basement	In & Out Painting	201.94		
	Otis Elevator Company	0.00		
	State of Alaska - Legislative Affairs Storage		2,270.10	
	Annie Kaills - Storage	525.00		390.00
	Shoefly - Storage	105.00		
	Dalberg Design - Storage	210.00		
	Sketch - Storage	83.33		
	Plant Studio Storage	440.00		420.00
Second Floor				
201	Verizon	1,630.13		
	Verizon (electrical reimbursement)	450.00		
202 - 203	Deborah Mellison	898.60		
204 - 205	Alaska Trollers Association	1,036.03		
206	Otis Elevator Company	1,002.51		
207 - 208	State of Alaska		0.00	
209	Todd Montalbo	850.00		
200, 210 - 216	Alaska Network of Domestic Violence & Sexual Assault		3,999.80	
217	Stellar Group	694.00		

2 CAPITALIZATION RATES 122 FRONT STREET DEFINITELY NOT 3, MAYBE 6.5, BUT MOST REASONABLE AT 7.5-7.75 OR 10 FOR RESTAURANTS

CAPITALIZATION RATES

PROPERTY ADDRESS: 122 FRONT STREET

ASSIGNMENT: ESTABLISH A CAPITALIZATION RATE DURING A PANDEMIC, 6,000 JOBS LOST, $190 MILLION IN REVENUE LOST, RENT ABATEMENT GIVEN TO TENANTS PARTICULARY TO BUSINESSES SUCH AS RESTAURANTS AND RETAIL. A TEN PERCENT (10%) CAPITALIZATION IS CORRECT IN MANY CASES. WHERE THE NET OPERATING INCOME IS NOT STABLE AND LOWER CAPITALIZATION RATES ROSE.

ASSESSOR STATED CAP RATE IN HEARING: 6.5%
JULIE DINNEEN CAP RATE IN APPRAISAL: 7.5

ASSESSOR CAMA VALUE: $2,063,831

NET OPERATING INCOME: $62,021

CAP RATES

7.5=	**$ 826,949 [APPRAISER CAP RATE REASONABLE]**
7=	$ 886,014
6.5=	**$ 954,169 [ASSESSOR STATED CAP RATE IN HEARING]**
6=	$ 1,033,683
5.5=	$ 1,127,655
5=	$ 1,240,420
4.5=	$ 1,378,244
4=	$ 1,550,525
3.5=	$ 1,772,029
3=	**$ 2,067,367 [ASSESSOR VALUE WITH 3 CAP RATE IS FRAUD]**

JULIE DINNEEN APPRAISED VALUE: $ 850,000

APPELLANT PROVIDED CURRENT INCOME AND EXPENSE REPORTS TO THE ASSESSOR.

*-On page 10 of the MEETING OF THE BOARD OF EQUALIZATION (BOE) AND PRESENTATION OF REAL PROPERTY APPEAL (and Packet Page 138) the Assessor ***Falsely*** states, "Income Approach....The appellant did not submit P&L information for the Review process. **We provided the P&L information in our Appraisals in a timely manner**. Both Mary Hammond and Michael Dahle called me 1 and 2 days before the hearing on June 29 asking for this information. I told them they had it in the Appraisals. They failed to correct the record during our Hearing.

3 APPRAISER CAPITALIZATION OF NET INCOME, 122 FRONT STREET

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, some of the lowest cap rates from the 2018 to 2020 sales in Juneau are considered too low for the present time. A rate of 7.50% is considered reasonable. As shown, this rate applied to the projected NOI, value by this approach is **$830,000.**

CAPITALIZATION OF INCOME ANALYSIS

REVENUES	Area Rented		Rent per Month		Rent per SF		Rent per Year	
124 Front Street - Asiana Restaurant	1,622	SF	$	3,450	$	2.13	$	41,400
122 Front Street - Sketch Art Studio	378	SF	$	525	$	1.39	$	6,300
126 Front Street - 2nd Floor Apartment	1,800	SF	$	2,350	$	1.31	$	28,200
Parking Lot Revenue	18	stalls	$	95			$	20,520
Gross Revenue	3,818	SF					**$**	**96,420**
Stabilized Vacancy & Credit Loss		3%					$	(2,893)
Gross Effective Income							**$**	**93,527**
EXPENSES	4,250	sf GBA						
Professional Management Building Tenants		3%	x $75,900				$	(2,277)
Administration		$ 0.20	SF					(850)
Utilities Paid by Landlord		$2.45	SF x		378 SF			(926)
Utilities Paid by Landlord		$2.21	SF x		1,622 SF			(3,585)
Utilities Paid by Landlord		$0.80	SF x		1,800 SF			(1,440)
Building Maintenance		$ 1.25	SF					(5,313)
Parking Lot Maintenance		$262	per stall per year		18 stalls			(4,716)
Insurance		$ 0.50	SF					(2,125)
Real Estate Taxes								(9,000)
Reserve Allowance		$ 0.30	SF					(1,275)
Total Expenses							$	(31,506)
Net Operating Income							**$**	**62,021**
Capitalization Rate								7.50%
Indicated Value							**$**	**826,949**
Rounded							**$**	**830,000**

4 CAPITALIZATION RATES 110 SEWARD STREET DEFINITELY NOT 4.5, MAYBE 6.5, BUT MOST REASONABLE AT 7.5-7.75 OR 10 FOR RESTAURANTS

CAPITALIZATION RATES

PROPERTY ADDRESS: 110 SEWARD STREET

ASSIGNMENT: ESTABLISH A CAPITALIZATION RATE DURING A PANDEMIC, 6,000 JOBS LOST, $190 MILLION IN REVENUE LOST, RENT ABATEMENT GIVEN TO TENANTS PARTICULARY TO BUSINESSES SUCH AS RESTAURANTS AND RETAIL. A TEN PERCENT (10%) CAPITALIZATION IS CORRECT IN MANY CASES. WHERE THE NET OPERATING INCOME IS NOT STABLE AND LOWER CAPITALIZATION RATES ROSE.

ASSESSOR STATED CAP RATE IN HEARING: 6.5%
JULIE DINNEEN CAP RATE IN APPRAISAL: 7.75%

ASSESSOR CAMA VALUE: $1,929,966

NET OPERATING INCOME: $87,598

CAP RATES

7.75=	**$ 1,130,297 [APPRAISER CAP RATE REASONABLE]**
7.5=	$1,167,973
7=	$ 1,251,400
6.5=	**$ 1,347,662 [ASSESSOR STATED CAP RATE IN HEARING]**
6=	$ 1,459,967
5.5=	$ 1,592,691
5=	$ 1,751,960
4.5=	**$ 1,946,622 [ASSESSOR VALUE WITH 4.5 CAP RATE IS FRAUD]**

*-On page 11 of the MEETING OF THE BOARD OF EQUALIZATION (BOE) AND PRESENTATION OF REAL PROPERTY APPEAL (and Packet Page 299) the Assessor ***Falsely*** states, "Income Approach....The appellant did not submit P&L information for the Review process. **We provided the P&L information in our Appraisals in a timely manner**. Both Mary Hammond and Michael Dahle called me 1 and 2 days before the hearing on June 29 asking for this information. I told them they had it in the Appraisals. They failed to correct the record during our Hearing.

5 APPRAISER CAPITALIZATION OF NET INCOME, 110 SEWARD STREET

CAPITALIZATION OF INCOME

RENTAL INCOME	ABOVE GRADE SF		MONTHLY RENT	RENT/SF	ANNUAL RENT
Heritage Coffee Roasters	3,931	SF	$ 7,581	$ 1.93	$ 90,972
110 -Seward Segal Company	350	SF	$ 618	$ 1.77	$ 7,416
Suite 1 Carlton Smith Company	550	SF	$ 773	$ 1.41	$ 9,276
Suite 2 - Rookery Storage	378	SF	$ 285	$ 0.75	$ 3,420
Suite 3 Mooncycle Medicine	200	SF	$ 418	$ 2.09	$ 5,016
Suite 4 - Yvette Soutiere Law	200	SF	$ 333	$ 1.67	$ 3,996
Suite 5 - Big Brothers Big Sisters	1,174	SF	$ 950	$ 0.81	$ 11,400
116 Seward Street - Vacant	1,000	SF	$ 1,796	$ 1.80	$ 21,552
118 Seward - Plant Studio	825	SF	$ 1,805	$ 2.19	$ 21,660
Gross Revenue	8,608				$ 174,708
Stabilized Vacancy & Credit Loss		3.5%			$ (6,115)
Gross Effective Income					$ 168,593
EXPENSES	10,359	SF GBA	(above grade)		
Professional Management		5%			$ (8,430)
Administration		$ 0.30	SF		(3,108)
All Utilities to 2nd Floor		$2.45	SF	3,705	$ (9,077)
All But Power to Retail/Rest.		$2.40	SF	6,654	(15,970)
Building Maintenance		$ 1.70	SF		(17,610)
Insurance		$ 0.50	SF		(5,180)
Real Estate Taxes		$ 1.60	SF		(17,478)
Reserve Allowance		$ 0.40	SF		(4,144)
Total Expenses					$ (80,996)
Net Operating Income					$ 87,598
Capitalization Rate					7.75%
Indicated Value					$ 1,130,292
Rounded					$ 1,130,000

6 ASSESSOR WRITTEN FRAUDULENT STATEMENT THAT APPELLANT DID NOT SUBMIT PROFIT AND LOSS STATEMENTS-APPELLANT PROVIDED IN APPRAISALS IN TIMELY MANNER (122 FRONT STREET)

ction 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		1800		68.49		123,278
Exterior Wall	Stud Walls-Wood Siding	1800	10%	12.28		22,111
Heating & Cooling	Heating & Cooling	1800		611.00		611
Heating & Cooling	Hot Water	1800	100%	7.57		13,626
Architect Fee		1800		6.60		11,880
Sprinklers	Dry Sprinklers	1800	100%	5.35		9,630
Sub Total						$181,135.95
Local Multiplier					1.43 [X]	$259,024.00
Current Multiplier					1.02 [X]	$264,204.00
Neighborhood Multiplier					[X]	$264,204.00
Depreciation - Physical					20.00 [-]	$52,841.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$211,363.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$211,363
Total Improvement Value						$506,800

(11) 122 Front St.

undervalues

INCOME APPROACH

(1) The income approach was not the basis for setting most of the assessed value for 2022. The appellant did not submit P&L information for the Review process.

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.

7 ASSESSOR WRITTEN FRAUDULENT STATEMENT THAT APPELLANT DID NOT SUBMIT PROFIT AND LOSS STATEMENTS-APPELLANT PROVIDED IN APPRAISALS IN TIMELY MANNER (110 SEWARD STREET)

n 2	Description	Units	Percent	Cost	+/-	Total
ost		2887		70.27		202,869
rior Wall	Stud Walls-Wood Siding	2887		12.25		35,359
ating & Cooling	Heating & Cooling	2887		611.00		611
Heating & Cooling	Hot Water	2887	100%	7.57		21,855
Architect Fee		2887		6.60		19,054
Sprinklers	Dry Sprinklers	2887	100%	5.18		14,955
Fire Alarm System		2887		1.46		4,215
Sub Total						$298,918.30
Local Multiplier					1.43 [X]	$427,453.00
Current Multiplier					1.02 [X]	$436,002.00
Neighborhood Multiplier					[X]	$436,002.00
Depreciation - Physical					43.00 [-]	$187,481.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$248,521.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$248,521

Section 3	Description	Units	Percent	Cost	+/-	Total
Base Cost		3709		70.27		260,631
Exterior Wall	Stud Walls-Wood Siding	3709	100%	12.25		45,427
Heating & Cooling	Heating & Cooling	3709		611.00		611
Heating & Cooling	Hot Water	3709	100%	7.57		28,077
Architect Fee		3709		6.60		24,479
Sprinklers	Dry Sprinklers	3709	100%	4.74		17,581
Fire Alarm System		3709		1.46		5,415
Sub Total						$382,221.78
Local Multiplier					1.43 [X]	$546,577.00
Current Multiplier					1.02 [X]	$557,509.00
Neighborhood Multiplier					[X]	$557,509.00
Depreciation - Physical					43.00 [-]	$239,729.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$317,780.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$317,780

Miscellaneous Improvements

Miscellaneous Improvement	CANOPY 01.31.2018 P	[+]	27,100

Total Improvement Value $981,200

INCOME APPROACH

The income approach was not the basis for setting most of the assessed value for 2022. The appellant did not submit P&L information for the Review process.

Appellant Response for Assessment Year 2022 Petition for Review

(This is the section where you indicate your acceptance or rejection of the Assessor's Office conclusion. Initial your choice below and then sign and return this part of the form.)

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

Initial your choice for each parcel below.

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A050060	2,547,520	1,005,277	2,547,520	2,683,295
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Chilling! I'm sure some do not appeal because of this threat.

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A020011	2,063,831	850,000	2,063,381	2,173,353
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A040020	397,194	295,000	397,194	418,363
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A020030	1,929,966	1,200,000	1,929,966	2,032,827
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A040010	1,494,129	875,000	1,494,129	1,573,761
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

Parcel Number	*Assessed Value on Notice*	*Appellant's Estimate of Value*	*Assessed Value from Review*	*Full Market Value (May be recommended to the BOE.)*
1C070A020043	6,592,909	4,750,000	6,592,909	6,944,290
Initial here to **Accept** _____	Yes, I accept the recommended value determination provided by the Assessor.			
Initial here to **Reject** _____	No, I do not accept the recommended valuation provided by the Assessor. Schedule my Petition for Review for a Board of Equalization appeal hearing.			

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

Appellant's Signature _____ Date _____

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

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

Please indicate above if you accept our conclusion or you desire to appeal to the Board of Equalization. Please return your response to our office within 7 days which would be by June 14, 2022. If we do not hear back from you we will close the review/appeal.

If you have any questions you are welcome to contact us.

8 234 SEWARD STREET IS A MARKET SALE BECAUSE IT MEETS THE CRITERIA FOR A MARKET SALE, INCLUDING REASONABLE EXPOSURE TO THE MARKET

REASONABLE EXPOSURE TO THE MARKET, PACKET PAGE 858 FROM THE ASSESSOR SAYS,

"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."

THE KEY BANK BUILDING, 234 SEWARD STREET, WAS EXPOSED TO THE MARKET FOR THREE (3) MONTHS. CONSIDERING THE ADVERTISING THAT WAS DONE, THE SIGNS THAT WERE UP, THE ACCESSIBILITY, VISIBILITY, CORNER TO CORNER LOCATION, HIGH CEILINGS, HISTORIC FEATURES (HUGE COLUMNS AND HIGH CEILINGS) AMPLE PARKING, AND LARGE BASEMENT AND CENTRAL LOCATION IT IS CONFIRMED AS A MARKET SALE.

9 FULL ARTICLE ENTITLED, "IF A BANK BRANCH HAS TO CLOSE, WHAT ARE THE MOST LIKELY RESUSE SCENARIOUS?"



PROPERTY TYPES>RETAIL

If a Bank Branch Has to Close, What Are the Most Likely Reuse Scenarios?

As banks downsize their bricks-and-mortar footprint, their vacated spaces can be turned to other uses.

Sebastian Obando | Mar 02, 2020

Banks continue to shutdown branches across the country, but investors see creative reuse opportunities for these locations.

The typical closed branch encompasses around 8,000 to 14,000 sq. ft. of space, with some branches reaching up to 25,000 sq. ft. or 35,000 sq. ft., says Walter Bialas, vice

president of research with real estate services firm JLL. This is where creative reuse of space comes into play.

"Take a 25,000 square foot outparcel, for example," says Bialas. "With larger retailers under pressure and limited growth in that sector, you have to match a user with the space. Even many restaurants are not this large, so it becomes a challenge to lease or sell the space and maybe develop a plan to divide the space for multiple users, which is why office type users often fit the best."

A typical fast-food restaurant encompasses anywhere between 1,000 sq. ft. and 3,000 sq. ft., says Navin Nagrani, executive vice president at Hilco Real Estate, a real estate services company. Fast casual restaurants can occupy anywhere between 2,000 sq. ft. to 4,500 sq. ft.

"A branch bank tends to have a certain footprint and is mostly geared to an office use," says Bialas. "Having a branch turn into a financial services office for an insurance company is an easy fit. As you move into other uses like retail or restaurants or health clinics, it requires a complete rebuild of the space."

However, in Chicago, the top two leading uses of closed bank branches in 2019 were fast casual restaurants and health clinics. Nineteen percent of closed branches changed use to fast casual restaurants, while 17 percent changed their use to health clinics. Only 7.5 percent of closed bank facilities went to other financial institutions, according to a JLL Branch Banking 2020 report.

A fast-food restaurant operator "may actually want to take over a bank branch" because of their high visibility and infrastructure, says Nagrani. Most branches already have space dedicated to drive-throughs and receiving zoning for this type of layout "sometimes can be difficult to get" for restaurants, he notes.

"The costs to repurpose a branch can be significant," says Bialas. "However, the level of investor interest will depend on various characteristics [such as] intended use, overall location, size of the branch, competition or complementary nearby uses, area demographics, etc. Good location will garner interest and potentially an investor willing to adapt the property into something new or different."

While a few large institutions announce reuse plans in advance of closing a branch, other institutions "may see this as a sunk cost and will look for a buyer or a renter passively, choosing to keep the asset on the books until the lease is up and then turn it back to the landlord or a buyer [if one] is found," says Bialas. Well-positioned suburban spaces, in areas with stable or growing demographics, can often be repurposed by another bank or financial institution because they have similar office-oriented space requirements.

The average time to sell a vacated branch is nine and a half months, while the average time to sublease is slightly over a year, according to the JLL report. Outparcels and endcaps with high visibility and quality signage are often in high demand. In-line spaces, in contrast, can be more difficult to fill and are more commonly repurposed for other uses, such as restaurants, convenience stores or clinics, JLL data shows.

"Visibility is key. Parking in suburban locations is also paramount and [outparcels and endcaps] often have ample parking proximate," says Bialas. "In-line space, in contrast, lacks some of these ingredients and may need to be transitioned to some complementary retail use."

Urban bank branches situated in easy-to-access locations "will probably stay in use," despite the size of the facility being too large by today's standards and branch functions turning more digital, according to Bialas. But branches that are lacking in visibility, access or demographics may "struggle to find a reuse plan" and remain vacant for a considerable length of time.

Along with office, medical and restaurant uses, Nagrani says former branches could also be repurposed for use as online "food pick-up or delivery" and marijuana dispensaries.

Banks continue to close branches across the country with no end in sight, according to JLL research. Close to 1,700 branches closed in 2019, around a 1.9 percent decline in the number of branches in the market. The trend is even more pronounced for the top 25 institutions, as large banks closed 1,450 branches, equality to roughly a 3.7 percent decline in their locations.

10 RETAIL LEASE EXECUTED MARCH 31, 2022 (4 MONTHS FROM CLOSE OF ESCROW) (NOT EXECUTED MORE THAN A YEAR AFTER CLOSE OF ESCROW)

RETAIL LEASE

THIS LEASE dated the 31st day of MARCH, 2022 by and between **Goldstein Improvement Company**, 130 Seward St, Suite 001, Juneau, Alaska 99801 hereinafter called "Landlord," and, **Foggy Mountain Inc.**, _____ Juneau, Alaska 99801 hereinafter called "Tenant" and known collectively as "the parties."

WITNESSETH

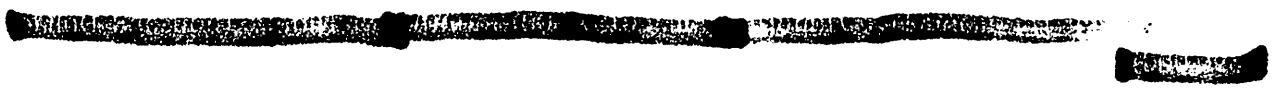
In consideration of the mutual covenants and agreements contained in this Lease, Landlord and Tenant agree as follows:

TERM. This Lease shall be for a term of five (5) years (the "Lease" and/or "Lease Term") commencing on June 1, 2022 (sometimes the "Commencement Date"). Unless sooner terminated as hereinafter provided, the expiration date of this Lease is May 31, 2027. Tenant may move into the Premises prior to the Commencement Date. Landlord agrees to provide Tenant with access to the Premises during and in coordination with Landlord's work in order Tenant may begin the process of moving Tenant's inventory, staging, displays including concept and interior design into the Premises prior to Tenant's opening, currently scheduled for June 1, 2022 (hereinafter "early term").

2. RENT. All monetary obligations of Tenant to Landlord under this Lease are deemed to be rent ("Rent"). Beginning on the Commencement Date, continuing on the first (1st) day of each succeeding month during the term of this Lease, Tenant shall pay Landlord Base Rent as follows: Seven Thousand Five Hundred Dollars ($7,500) monthly or Ninety Thousand Dollars ($90,000) hereinafter "Base Rent") per year subject to the adjustments herein including but not limited to the CPI-U, Exhibits A and B herein and paragraphs 2 & 9. In addition to any and all monetary obligations, it is Tenant's sole responsibility to pay all applicable sales and city taxes to Landlord as they become due. If any additional said tax is due, raised or employed in a different manner Tenant shall pay said additional amount to Landlord.

Other Rent due includes:

a. Annual CPI-U adjustments herein
b. Paragraph 2.2
c. Parking at market rate during the option periods
d. Reimbursement to Landlord monthly for any increase in electrical costs due to Tenant's new lighting plan, lighting installation and use,
e. Sales tax increases over five percent (5%)
f. Tenant may sublet a portion of the basement known as "Storage 002" to another tenant, upon written approval of Landlord pursuant to paragraph 15 herein. All rent from Foggy Mountain, Inc. subleasing shall be shared equally between Landlord and



11 OFFICE LEASE EXECUTED JUNE 23, 2022 (7 MONTHS FROM CLOSE OF ESCROW) (NOT EXECUTED MORE THAN A YEAR AFTER CLOSE OF ESCROW)

OFFICE LEASE

THIS LEASE dated the 23 day of JUNE, 2022 by and between **Goldstein Improvement Company**, 130 Seward St, Suite 001, Juneau, Alaska 99801 hereinafter called "Landlord," and, **Alaska Public Employees Union,** 211 Fourth Street, Suite 306 Juneau, Alaska 99801 hereinafter called "Customer and/or Tenant" and known collectively as "the parties."

WITNESSETH

In consideration of the mutual covenants and agreements contained in this Lease, Landlord and Customer agree as follows:

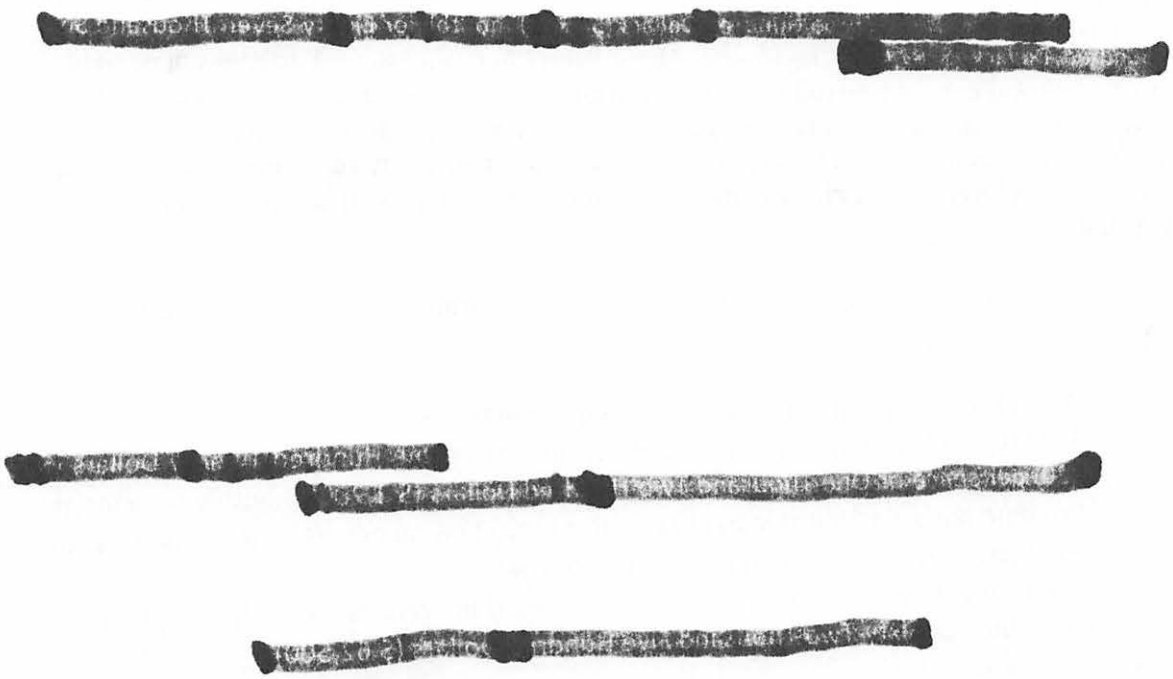
TERM. This Lease shall be for a term of ten (10) years (the "Lease" and/or "Lease Term") commencing on October 1, 2022 (sometimes the "Commencement Date"). Unless sooner terminated as hereinafter provided, the expiration date of this Lease is September 30, 2032. In the event Customer move-in date precedes October 1, 2022 the Lease shall commence from said earlier move-in date and pro-rata rent shall be due to Landlord.

2. RENT. All monetary obligations of Customer to Landlord under this Lease are deemed to be rent ("Rent"). Beginning on the Commencement Date, continuing on the first (1st) day of each succeeding month during the term of this Lease, Customer shall pay Landlord Base Rent as follows: Seven Thousand Three Hundred Dollars ($7,300) monthly or Eighty-Seven Thousand Six Hundred Dollars ($ 87,600) (hereinafter "Base Rent") per year subject to the adjustments herein including but not limited to the CPI-U, Exhibits A and B herein and paragraph 2 herein. In addition to any and all monetary obligations, it is Customer's sole responsibility to pay all applicable sales and city taxes to Landlord as they become due. If any additional said tax is due, raised or employed in a different manner Customer shall pay said additional amount to Landlord.

Other Rent Due (hereinafter "Other Rent Due") includes but is not limited to the following:

a. Annual CPI-U adjustments herein pursuant to the Lease
b. Ten (10) parking spaces at Lease Commencement at One Hundred Twenty Dollars ($ 120) per space or One Thousand Two Hundred Dollars ($ 1,200) monthly on a month to month basis. Parking at market rate after Lease Commencement, in Landlord's sole discretion in accordance with Paragraph 7 below
c. Improvement payments by Customer to Landlord in accordance with Paragraph 8 in the amount of Sixty-Two Thousand Five Hundred Dollars ($ 62,500)
d. City and Sales Taxes

Landlord's Initials (DH) (____) Customer's Initials (JK) (____)



TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. BOTH PARTIES HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF COUNSEL AS TO THE LEGAL CONSEQUENCES OF THIS LEASE AND RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES, INCLUDING BUT NOT LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR TENANT'S INTENDED USE.

Landlord's Initials (DH) (_____) Customer's Initials (JK) (_____)

THE PARTIES HERETO HAVE EXECUTED THIS LEASE AT THE PLACE AND ON THE DATES SPECIFIED ABOVE THEIR RESPECTIVE SIGNATURES.

Executed at Juneau, Alaska
On, 6/23, 2022

By LANDLORD:

GOLDSTEIN IMPROVEMENT COMPANY: _____
Name Printed: Daniel Glidman
Title: Agent for Goldstein Improvement Company
Address: The Goldstein Improvement Company, Attn: Daniel Glidman,
130 Seward Street, Suite 001
Juneau, Alaska 99801
Telephone: 907-321-0790
Email: glidmann@gmail.com

Executed at Juneau, Alaska
On, _____, 2022

By LANDLORD:

GOLDSTEIN IMPROVEMENT COMPANY: _____
Name Printed: Charles Dolginer
Title: President, Goldstein Improvement Company
Address: The Goldstein Improvement Company, Attn: Daniel Glidman,
130 Seward Street, Suite 001
Juneau, Alaska 99801
Telephone: 310-709-5596
Email: glidmann@gmail.com

[Signatures continue on next page]

Executed at Los Angeles, California

On, _____, 2022

By LANDLORD: _____

GOLDSTEIN IMPROVEMENT COMPANY
Name Printed: Melvin Adler
Title: Vice President, Goldstein Improvement Company
Address: The Goldstein Improvement Company, Attn: Daniel Glidman,
130 Seward Street, Suite 001
Juneau, Alaska 99801
Telephone: 818-455-2253

By TENANT:

Executed at Juneau, Alaska
On, _____, 2022

Alaska Public Employees Union.: _____

Name Printed: Mr. Jeff Kasper
Tite: Southeast Regional Manager/Political Director
Alaska Public Employees Union
Address: 211 Fourth Street, Suite 306 Juneau, Alaska 99801
Telephone: 907-957-1341
Email: jkasper@apea-aft.org

12 DETERMINATION LETTER: SHOWING THREAT OF HIGHER TAXATION TO APPELLANT'S AND NEW CATEGORY CREATED BY ASSESSOR CALLED "ASSESSED VALUE ON NOTICE" VS "FULL MARKET VALUE (MAY BE RECOMMENDED TO THE BOE")

Response to Petition for Review / Determination Letter

CITY AND BOROUGH OF JUNEAU

Finance Departmen
Assessor Divisio
155 S Seward St
Juneau AK 9980
(907) 586-5215 Ext. 490

Petition/Appeal Number: See List | Site Address: Varied

Parcel Number: See List | Owner/Appellant: Goldstein

June 7, 2022

This is our response and determination after review of your assessed value(s) based on your Petition for Review. This letter is being sent to get processes and timelines started. We can still discuss this and it can still be withdrawn or can become an administrative correction up to the point of a BOE hearing. If you desire to go to the BOE please let us know by June 14, 2022.

NO FINDINGS, AND NO DISCLOSURES

Petitions for Review and Appeals

- The appeal process starts with a Review by the Assessor's Office. If, at the conclusion of the Review, you do not wish to accept the findings of the Assessor's Office then you have the option for the Review to be converted into an official Appeal to the Board of Equalization. (One form serves both steps.)
- Definitions of reasons for appeal – The appellant must provide evidence proving one of the following.
  - Excessive – grossly disproportionate when compared to other assessments
  - Unequal – treated differently than other properties in the same property class
  - Improper – valuation methodology was improper
  - Undervalued – valued less than market or disproportionately lower than other assessments
- Be advised that if you choose to continue from a Review to a formal Appeal, if your value is not at full market value we may, in accordance with law, recommend an increase to full market value. This is one difference between the Review process, where we honor the value that was sent out with the notice, and the Appeal process, where after closer review of an individual parcel we may recommend market value. The BOE may choose to increase your value from the amount in the Assessment Notice to full market value.
- *State statute requires that the burden of proof is upon the appellant to provide evidence that one of the above conditions has been met (AS 29.45.210).*

Results of Review

Based upon the evidence that you provided we have made the following determination regarding the 2022 assessment valuation.

- No change is indicated for any of the appeals.

Where does "Fuel Market Value" come from?

13 MEETING OF BOARD OF EQUALIZATION (BOE) AND PRESENTATION OF REAL PROPERTY APPEAL-122 FRONT STREET

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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

GOLDSTEIN IMPROVEMENT COMPANY
130 SEWARD ST STE 001
JUNEAU AK 99801

Board of Equalization (BOE) and Presentation of Real Property Appeal	
Date of BOE	Wednesday, June 29, 2022
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	June 15, 2022
Parcel Identification	1C070A020011
Property Location	122 FRONT ST
Appeal No.	APL20220154
Sent to Email Address:	gregadler@mac.com

ATTENTION OWNER

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

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to city.clerk@juneau.org Attn.: Assessment Appeal} by **4:00 PM Wednesday, June 22, 2022** and will be included in the packets for the Board so the members have an opportunity to review the materials before the hearing.

Your Board of Equalization packet will be ready for you to pick up in the Clerk's office after **2:00 PM Thursday, June 23, 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**

CITY AND BOROUGH OF JUNEAU

ASSESSOR OFFICE

APPEAL #2022-0154

2022 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION June 29, 2022

Appellant: Goldstein / Greg Adler

Location: 122 Front St

Parcel No.: 1C070A020011

Property Type: Commercial

Appellant's basis for appeal: Excessive, unequal, & improper

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	<not provided>	$1,567,167	$1,567,167
Buildings:	<not provided>	$496,664	$496,664
Total:	**$850,000**	**$2,063,831**	**$2,063,831**

Subject Photo

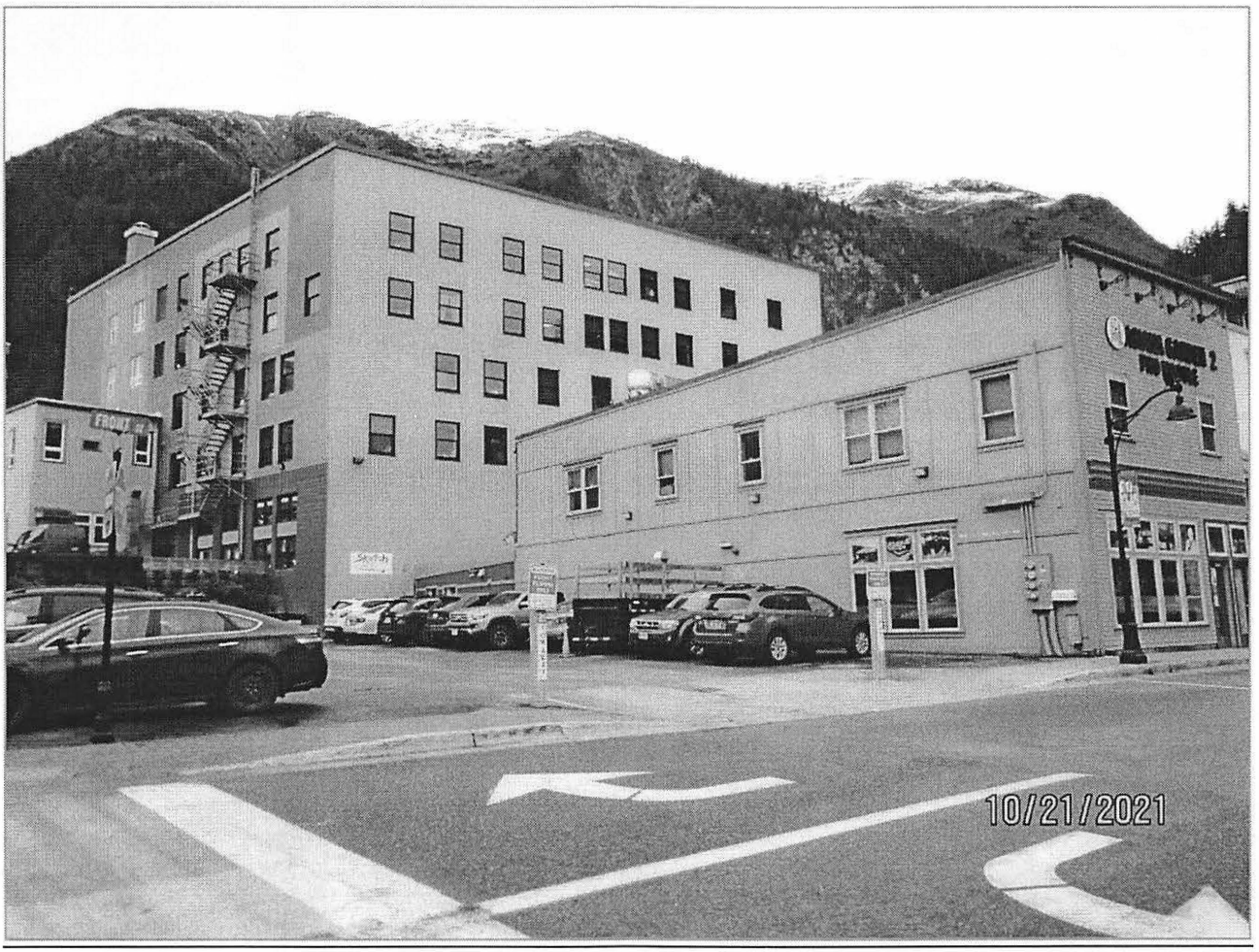


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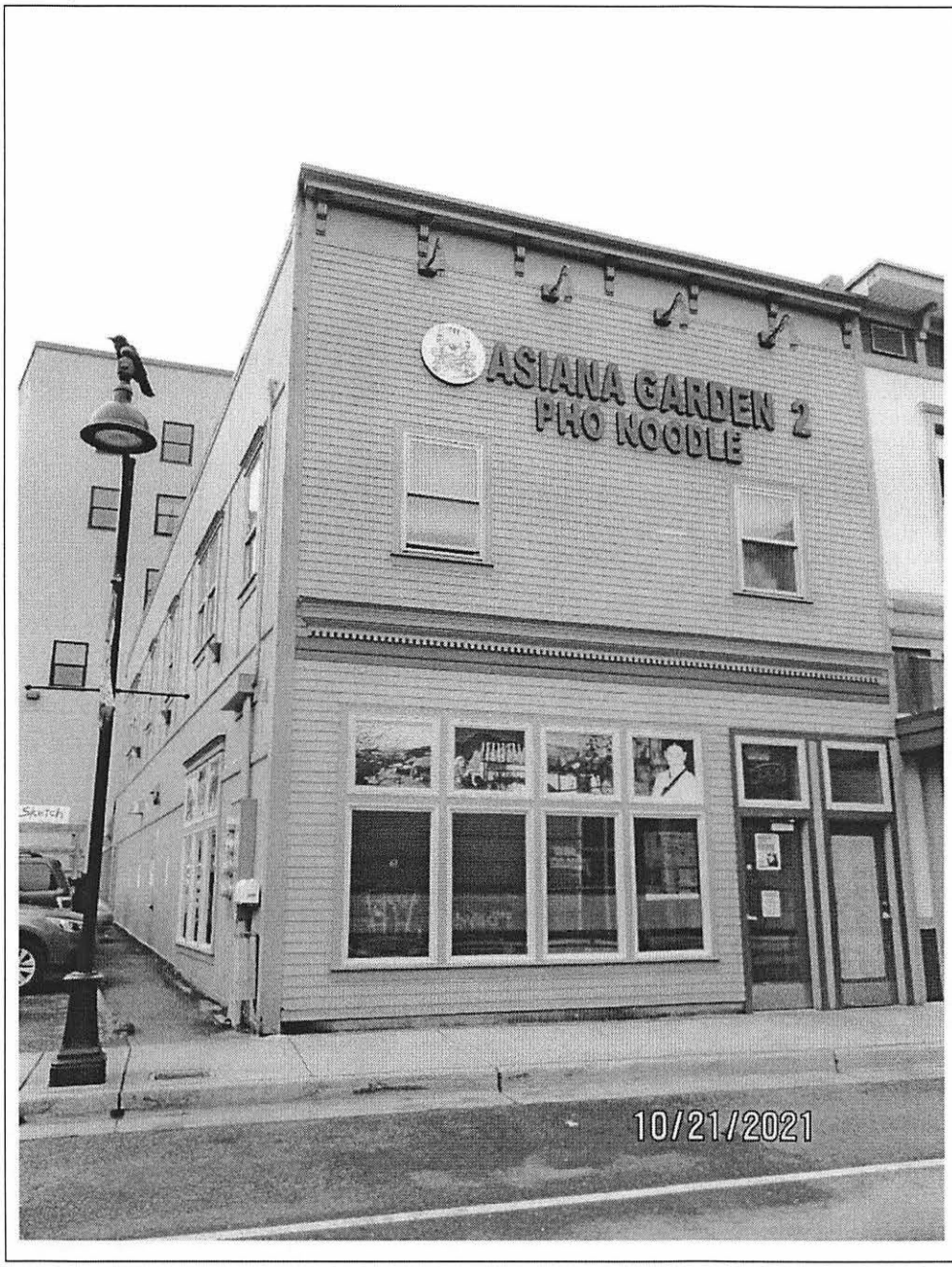
OVERVIEW

The subject is a downtown commercial property with a 2 story building and a parking lot.

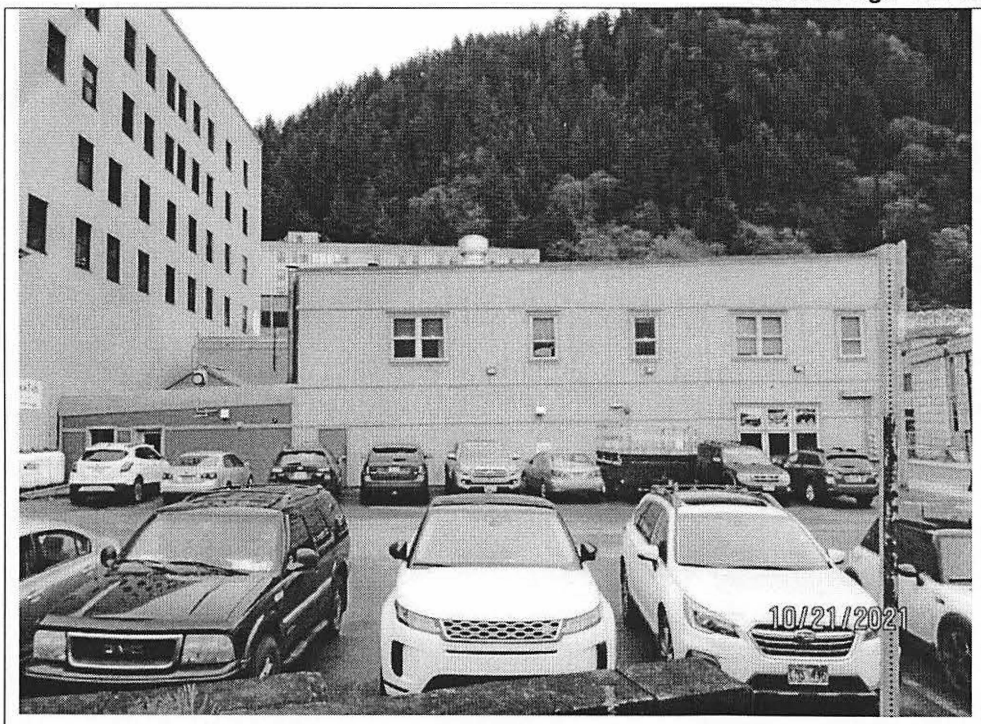
Subject Characteristics:

- Land
  - 10,879 sf lot
- Building
  - 4,250 SF (GBA)

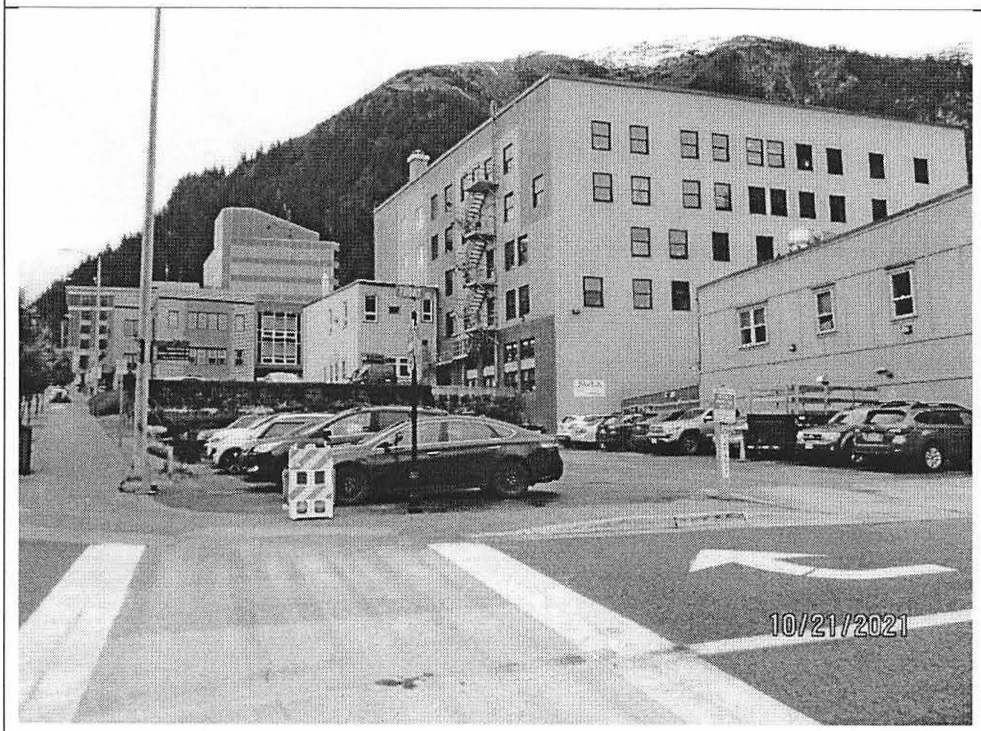
SUBJECT PHOTOS



Building Front



Building and Parking

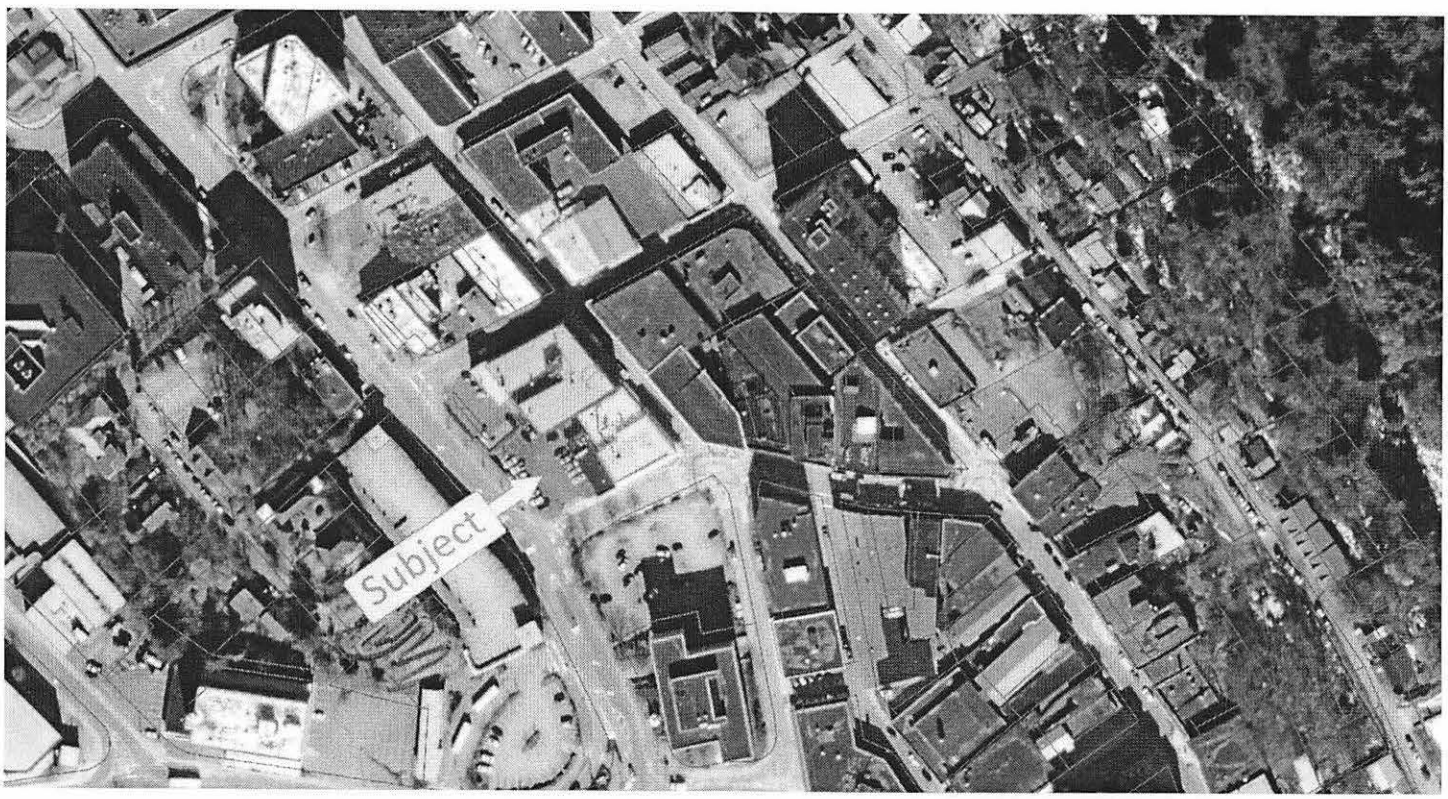


Parking

AREA MAP & AERIAL

The salmon shaded parcels are the 6 Goldstein appeals.





ASSESSED VALUES

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

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

LAND

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

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

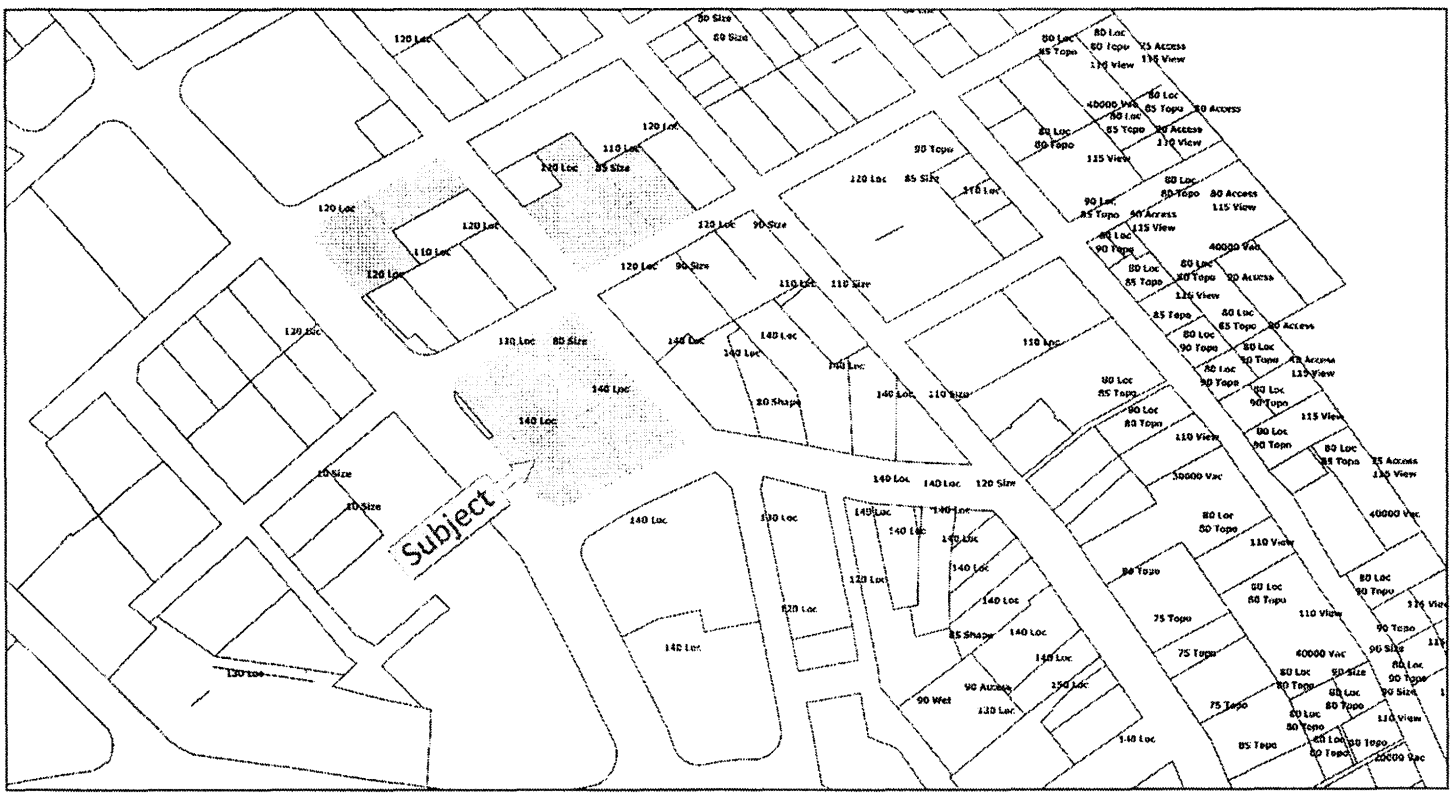
Land Characteristics:

- 10,879 sf lot
- Level, developed

Land Values




Subject


Subject

BUILDING(S)

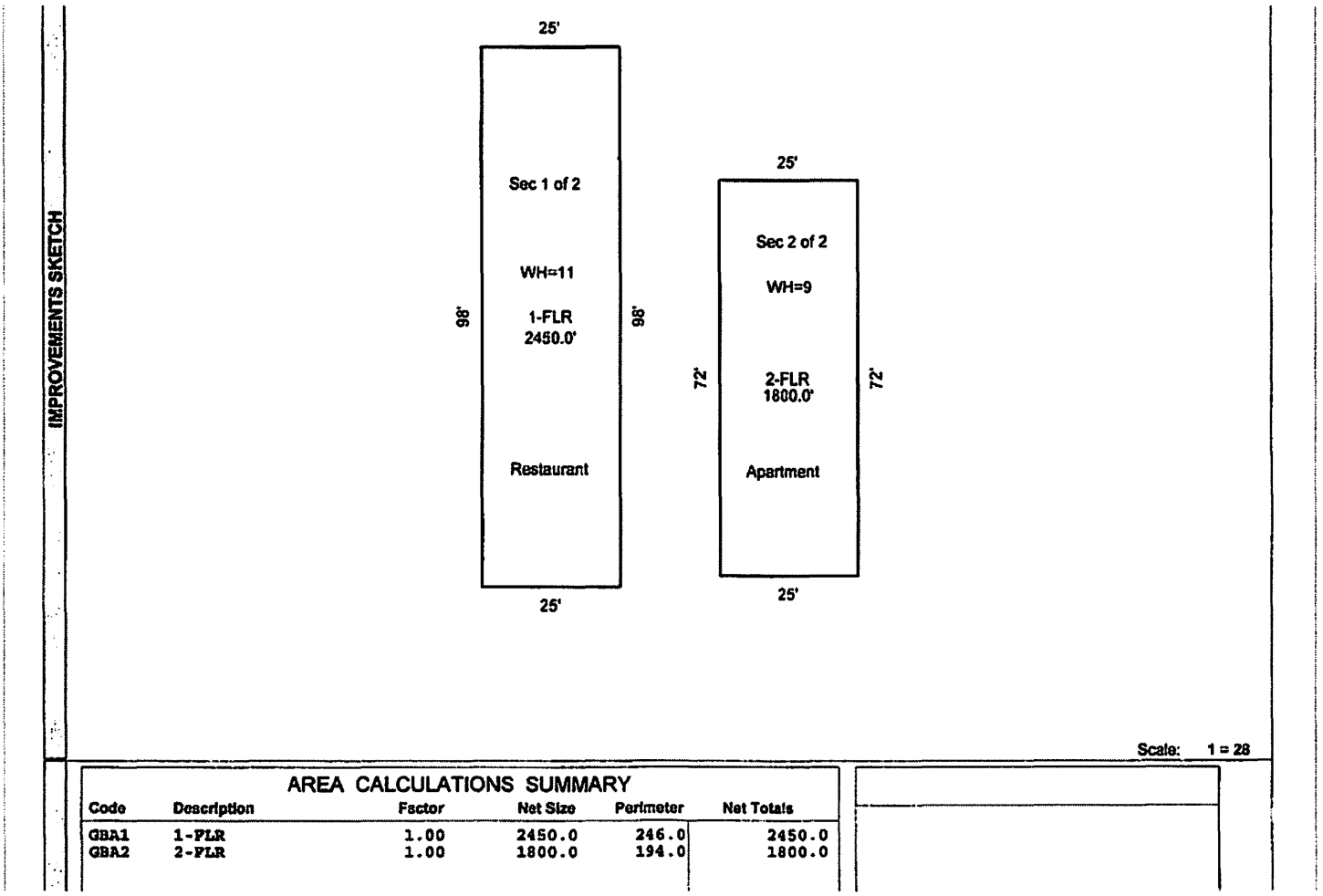
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 4,250 SF GBA

Sketch of Improvements:



AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	2450.0	246.0	2450.0
GBA2	2-FLR	1.00	1800.0	194.0	1800.0

COST REPORT

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

The cost report matches the building value from 2018. For 2022 the downtown building values were reduced by 2%.

Cost Report - Commercial

1281		Record	1
Parcel Code Number	1C070A020011	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	122 FRONT ST	Perimeter	246
Effective Year Built	2004	Class	D
Year Built	1898	Height	11
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Resid. Units	Total Area	2,450.00

1281		Record	2
Parcel Code Number	1C070A020011	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	122 FRONT ST	Perimeter	0
Effective Year Built	2003	Class	D
Year Built	1898	Height	10
Building Model	C- 13 Stores, Commercials	Rank	Average
Building Type	Mixed Retail w/ Resid. Units	Total Area	1,800.00

Section 1	Description	Units	Percent	Cost		+/-	Total
Base Cost		2450		68.49			167,796
Exterior Wall	Stud Walls-Wood Siding	2450		12.57			30,787
Heating & Cooling	Heating & Cooling	2450		611.00			611
Heating & Cooling	Hot Water	2450	100%	7.57			18,547
Architect Fee		2450		6.60			16,170
Sprinklers	Dry Sprinklers	2450	100%	5.35			13,108
Sub Total							$247,017.36
Local Multiplier				Time?	1.43	[X]	$353,235.00
Current Multiplier					1.02	[X]	$360,300.00
Neighborhood Multiplier						[X]	$360,300.00
Depreciation - Physical					18.00	[-]	$64,854.00
Depreciation - Functional						[-]	$0.00
Depreciation - Economic						[-]	$0.00
Percent Complete					100.00	[-]	$295,446.00
Cost to Cure							
Neighborhood Adjustment							
Replacement Cost less Depreciation							$295,446

Section 2	Description	Units	Percent	Cost		+/-	Total
Base Cost		1800		68.49			123,278
Exterior Wall	Stud Walls-Wood Siding	1800	10%	12.28			22,111
Heating & Cooling	Heating & Cooling	1800		611.00			611
Heating & Cooling	Hot Water	1800	100%	7.57			13,626
Architect Fee		1800		6.60			11,880
Sprinklers	Dry Sprinklers	1800	100%	5.35			9,630
Sub Total							$181,135.95
Local Multiplier					1.43	[X]	$259,024.00
Current Multiplier					1.02	[X]	$264,204.00
Neighborhood Multiplier						[X]	$264,204.00
Depreciation - Physical					20.00	[-]	$52,841.00
Depreciation - Functional						[-]	$0.00
Depreciation - Economic						[-]	$0.00
Percent Complete					100.00	[-]	$211,363.00
Cost to Cure							
Neighborhood Adjustment							
Replacement Cost less Depreciation							$211,363
Total Improvement Value							$506,800

(11) 122 FRONT ST.

undervalues

INCOME APPROACH

The income approach was not the basis for setting most of the assessed value for 2022. The appellant did not submit P&L information for the Review process.

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

1C070A020011
GOLDSTEIN IMPROVEMENT COMPANY
122 FRONT ST
JUNEAU TOWNSITE BL 2 LT 2A

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$1,567,167.00		$496,664.00	$2,063,831.00
2021	$1,599,150.00		$506,800.00	$2,105,950.00
2020	$1,066,100.00		$506,800.00	$1,572,900.00
2019	$1,087,900.00		$506,800.00	$1,594,700.00
2018	$1,087,900.00		$506,800.00	$1,594,700.00
2017	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2016	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2015	$1,087,900.00	$3,000.00	$498,400.00	$1,589,300.00
2014	$1,087,900.00		$495,800.00	$1,583,700.00
2013	$1,087,900.00		$495,800.00	$1,583,700.00
2012	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2011	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2010	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00

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.

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 appeal process, placing a higher priority on uniformity within existing models rather than uniformity with the whole which is being addressed through separate processes. Based on current assessment levels for this neighborhood the full market value for this property, which the BOE may adopt, would be $2,106,595.

Additional Details:

- The appellant states that their assessed value is excessive.
  - We find that, based on analysis of market sales, the value it is not excessive.
- The appellant states that their value is unequal.
  - We find that it was valued with the same methodology as other properties.
- The appellant states that their property is valued improperly.
  - The parcel was valued using proper methodology.
- 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 has submitted thousands of pages of paper copy and many electronic document files.
  - We have reviewed all of this material and find no basis for a reduction of their assessed value.

Also of note is that the BOE reviewed this property last year and upheld the value and that even though the sales indicate that the downtown values have continued to increase the downtown assessments were decreased by 2% this year in order to achieve greater uniformity in the commercial property values.

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 $2,063,831 is warranted and ask that the BOE uphold the assessed value.

Addendum A - Communications

See separate document.

Addendum B – Additional Response Details

See separate document.

14 ANALYSIS OF COST REPORT-COMMERCIAL: 122 FRONT STREET

3

Analysis of Cost Report-Commercial: 122 Front Street (1C070A020011)

Analysis Cost Report-Commercial: 122 Front Street (1C070A020011)

Summary: There is a total of 4,250 SF.

The building costs per SF the Assessor uses is $146.94 (not a net rentable figure). This figure is improper and excessively low. The building costs in Juneau range from $500 SF to $700 SF. Applying this range to the building SF results in a building cost of $2,125,000 to $ 2,975,000. The average replacement cost to build 4,250 SF is $ 2,550,000. No private investor would invest in a project like this with rents in the $2 SF range. A private investor would receive about at $2 per SF or $102,000 annually on an investment of 2,550,000 plus land costs of $1,567,167 totaling $4,117,167.

USING REAL CONSTRUCTION COSTS, NOT "MASSIVE FUNNY BUSINESS CONSTRUCTION COSTS"

Private Investor Estimated Investment-$4,117,167
Private Investor Annual Estimated Return-$102,000
Conclusion: Not a feasible investment
Conclusion: Not a feasible Model

USING CONSTRUCTION COSTS OF $145 SF WHEN THEY ARE $500 TO $700 SF IS IMPROPER AND EXCESSIVE, MISLEADING AND MASSIVE FUNNY BUSINESS

No one would make this investment. Therefore, the Hybrid Cost Sales Model or any Cost Model is improper and results in excessive value. Alternative methods of appraisal must be used. With income producing property the standard, according to The Fundamentals of Mass Appraisal is the Income Approach.

We have provided Income and Expense Reports to the Assessor. I received a call today, June 27, 2022, from Michael Dahle stating I had not provided any such Reports. I reminded Michael Dahle we had submitted appraisals for our properties and they included Income and Expense Reports.

Michael Dahle's email past 6 p.m. on June 27,2022 yesterday stated, "We have not received Income and Expense data, sometimes referred to as Profit and Loss Reports. The data in Julie Dinneen's appraisals is totals, summaries and averages. What we need is full income and expense details for the last 3 years for each individual property. Including indications of whether or not the rents are normal market rents or were discounted due to Covid." Michael Dahle's statement "...Of whether or not the rents are normal market rents or were discounted due to Covid" is clear evidence he knows business activity is depressed in Juneau with a loss of revenue of $190 million, 6,000 jobs lost, rents abated, concessions given, businesses closed (such as restaurants) and a State of Alaska contraction in the office

market. The state of the economy in Juneau is not rosy and not even good. Therefore, it clear that using a Capitalization Rate in the 5%-6% is without merit. Using a low capitalization leads to higher assessed values. This is a trick, a sleight of hand, misleading, and "Massive Funny Business" the Assessor employs. Julie Dinneen's Appraisal states capitalization rates are in the 7.5%-7.75% range. She states capitalization rates as follows: "Office: 8.25%; Restaurant 10.86%; Retail 8.6%; and Apartments 7.57%. It is improper and excessive to use capitalization rates in the 5%-6% range. In fact, it is unconscionable and "Massive Funny Business" to target commercial property owners to pay higher taxes based on false information.

Moreover, Michael Dahle has stated he used the Income Approach to Value in his computer modeling. How could he possibly complete valuation modeling if he does not have the information he needs. I submit based on this email Michael Dahle's computer modeling is in error, unequal, improper and excessive.

The Sales Approach would be the second approach to use, but the Assessor has tainted these numbers by excluding Market Sales, improperly calling Market Sales Outlier properties, mainitaining over-Assessed Values, engaging in improper Data Management by failing to "Collect sales data from all sources" and failing to disclose his methodology to the public so they could understand it. I would submit the Assessor believes new disclosure laws hamper his ongoing massive "Funny Business."

Additionally, I do not know how the Assessor comes up with his Depreciation figures. The Depreciation figures are substantial and must be recognized in any Sales or Income Approach to Value with proper adjustments. I do not see any such adjustments. This is improper and results in excessive value.

I was and remain very concerned about understanding what is going on in the Assessor's Office. The fundamental book on the Mass Appraisal Method is written by Robert Gloudmans. I have been in contact with Robert and he is helping me understand this expert area. Please see his email to me explaining the methodology the Juneau Assessor is using. Clearly, the Juneau Assessor has acted improperly because the Replacement Cost New (RCN) Value he comes up with is politely a fiction. The numbers are not close to reality. Julie Dinneen states in her Reports this methodology is improper and would not consider it. Architects say the Juneau Assessor's office is using building costs in a major, significant and corrupt way. I am a licensed contractor and I could never replace our buildings for $145 SF. The actual building cost figure is closer to $500 tp $700 SF.

Address: 122 Front Street

SF: 4,250

Assessor Total Building Replacement Costs Before Depreciation: $624,504

Assessor Building Costs $/SF: $145

Architect, Appraiser and Contractor Estimated Building Costs $/SF: $600

Architect, Appraiser and Contractor Total Estimated Building Costs: $2,550,000

Assessor Depreciation: $117,695

Depreciation Costs with Building Costs of $2,550,000: Unknown, not disclosed

Assessor Total Replacement Cost: $506,800*

Total Assessed Building Value: $496,664

*-This number is not good public relations. It does not warn taxpayers. This Total Replacement Cost Value threatens taxpayers and chills appeals. It is improper and excessive.

DESCRIPTION OF SUBJECT IMPROVEMENTS

The 124 and 126 Front Street building is listed on the Alaska Historic records site as the Kobach Studebaker Building (AHRS) No. Jun-182. It was constructed in 1898 with no architectural style and had a saloon on the ground floor. When constructed, the two-story building was of wood construction and measured 25 feet in width and 71 feet in depth. The original construction included a flat roof, a concrete perimeter wall with no basement, storefront windows on the first level and small plate glass windows on the second level. In 1984, T-111 siding replaced the original wood siding. The building has retained its original massing, windows and cornice

The AHRS records do not include the one story 25x26 foot building that butts up to the original building. The owners of the property stated that they believe this was built at the same time as the original building and is of concrete construction.

The improvements described above are located along the eastern edge of the site and lie close to the Heritage Coffee Roasters building to the east. To the west of the improvements is a paved parking area with 18 parking spaces; there are 23 spaces. however five are not located on the subject's legally described land area and belong to the Goldstein/FAN development to the north/northwest.

Today, the improvements, per the City and Borough of Juneau assessment records, include a two-story building with a ground level measuring 25 feet wide by 98 feet deep, and a second level of 25 feet wide by 72 feet in length The south and west exposed walls have wood siding and numerous double hung and fixed windows, and the north and east walls have metal siding. The building has mounted exterior lights, three electrical meters, a flat built up roof, and a ceiling height of 11 feet on the ground level and 9 feet on the second level. There are two glass and wood entrance doors on the Front Street side, one for the restaurant and one for access to the stairs accessing the second floor apartment, and there is a west side metal door that accesses the rear part of the restaurant. The one-story portion at the north end, where Sketch Studio is located has a metal and glass entrance door adjacent to a window.

BUILDING	GBA	Net Rentable Area	Efficiency	USE
122 Front Street	25x26 feet = 650 SF	378 SF	58%	Sketch Art Studio
124 Front Street	25x72 feet = 1,800 SF	1,622 SF	90%	Asiana Restaurant
126 Front Street	25x72 feet = 1,800 SF	1,800 SF	100%	5b2b apartment
Totals	4,250 SF	3,800 SF	89%	

15 ANALYSIS OF COST REPORT-COMMERCIAL: 110 SEWARD STREET

4

Analysis of Cost Report-Commercial: 110 Seward Street (1C070A020030)

Analysis Cost Report-Commercial: 110 Seward Street (1C070A020030)

Summary: There is a total of 12,604 SF not 10,359 SF as used by the Assessor. The Appraiser's inspection discloses the Assessor understates building SF by 2,245 SF. This is an approximately 20% under reporting of the SF of the building. Therefore, the Assessor's data is not accurate or clean. By inputting improper data for analysis the Assessor's results are misleading. Specifically, by using a building size 20% less than the actual building size is not only misleading, but the Total Improvement Value is distorted lower, the building cost per square foot is increased and the Assessor is able to back into any number his heart desires.

Moreover, the building costs per SF the Assessor uses is $132.81 if the SF is 12,604; and if you use the Assessor SF figure the building costs are $161.59 (not a net rentable figure). Both these figures are improper and excessively low. The building costs in Juneau range from $500 SF to $700 SF. Applying this range to the building SF results in a building cost of $6,302,000 to $ 8,822,800. No private investor would invest in a project like this with rents in the $2 SF range. A private investor would receive about $302,496 annually on an investment of $ 7,562,400 plus land costs of $967,848 totaling $8,530,298.. No one would make this investment. Therefore, the Hybrid Cost Sales Model or any Cost Model is improper and results in excessive value. Alternative methods of appraisal must be used. With income producing property the standard, according to The Fundamentals of Mass Appraisal is the Income Approach. We have provided Income and Expense Reports to the Assessor. I received a call today, June 27, 2022, from Michael Dahle\ stating I had not provided any such Reports. I reminded Michael Dahle we had submitted appraisals for our properties and they included Income and Expense Reports. The Sales Approach would be the second approach to use, but the Assessor has tainted these numbers by excluding Market Sales, improperly calling Market Sales Outlier properties, mainitaining over-Assessed Values, engaging in improper Data Management by failing to "Collect sales data from all sources" and failing to disclose his methodology to the public so they could understand it. I would submit the Assessor believes new disclosure laws hamper his ongoing massive "Funny Business."

USING REAL CONSTRUCTION COSTS, NOT "MASSIVE FUNNY BUSINESS CONSTRUCTION COSTS"

Private Investor Estimated Investment-$8,822,800
Private Investor Annual Estimated Return-$302,496
Conclusion: Not a feasible investment
Conclusion: Not a feasible Model

USING CONSTRUCTION COSTS OF $133 SF WHEN THEY ARE $500 TO $700 SF IS IMPROPER AND EXCESSIVE, MISLEADING AND MASSIVE FUNNY BUSINESS

Additionally, I do not know how the Assessor comes up with his Depreciation figures. The Depreciation figures are substantial and must be recognized in any Sales or Income Approach to Value with proper adjustments. I do not see any such adjustments. This is improper and results in excessive value.

I was and remain very concerned about understanding what is going on in the Assessor's Office. The fundamental book on the Mass Appraisal Method is written by Robert Gloudmans. I have been in contact with Robert and he is helping me understand this expert area. Please see his email to me explaining the methodology the Juneau Assessor is using. Clearly, the Juneau Assessor has acted improperly because the Replacement Cost New (RCN) Value he comes up with is politely a fiction. The numbers are not close to reality. Julie Dinneen states in her Reports this methodology is improper and would not consider it. Architects say the Juneau Assessor's office is using building costs in a major, significant and corrupt way. I am a licensed contractor and I could never replace our buildings for $132 SF to $162 SF. The actual building cost figure is closer to $500 tp $700 SF.

Address: 110 Seward

SF: 12,604

3763-Street level
3705-2d level
2245-Basement level

9713-Total

Address: 116-118 Seward

2891-Street level

Total Area-12,604

Total Above Grade-10,359

The above characteristics must be incorporated into Appraisal.

Total Building Replacement Costs Before Depreciation: $1,673,898

$/SF: $161.59

Depreciation: $719,776

Total Replacement Cost: $981,200

Total Assessed Value: $967,848*

*-This number is not good public relations. It does not warn taxpayers. This Total Assessed Value threatens taxpayers and chills appeals. It is improper and excessive.

DESCRIPTION OF IMPROVEMENTS

The subject improvements reflect the most prevalent type of construction at the turn of the century in downtown Juneau, where one and story buildings, most with basements, were constructed of wood framework and siding, with a combination of storefront and double hung windows and flat roofs.

The subject building was constructed in 1899 and on the AHRS records, is identified as #JUN205 and referred to as the Lewis Building. According to the records, it has no architectural style and was built as a two-story structure measuring 41 feet by 67 feet. It was built with wood framing and siding, a full concrete basement and a flat roof. Above the sidewalk canopy were fixed windows. On the second level were double hung windows. The building had a flat projecting cornice with decorative corbels.

The AHRS records report that in 1985 the owners added a similar cornice to the back, placed new double hung windows that matched the historic ones on the second floor, and added storefront windows (similar to the originals) on the street level. The transom windows were filled but appear as recessed panels and depict the original massing. The Goldstein Improvement Company acquired the building in 2005 and have upgraded and maintained as necessary to support the existing retail and office uses.

The two-story building abuts a one-story building with three retail spaces (116-118 Seward Street) that lies between the corner building and the 130 Seward Street five story Goldstein Building. The west side of the building has T-111 siding. As the photographs show, there are canopies above the sidewalks along the street side of both buildings.

As the photographs that follow show, the rented spaces in this building are attractive and include a mix of historical and contemporary finishes. The rear areas or utility areas of the building have relatively modest finishes that are functional.

SUMMARY OF BUILDING AREAS

	110 Seward Street	116-118 Seward Street	Totals	Rented Areas	Use
Street Level	3,763 SF	2,891 SF	6,654 SF	6,106 SF	Coffee shop and retail
2nd Level	3,705 SF	n/a	3,705 SF	2,502 SF	Offices
Basement Level	2,245 SF	n/a	2,245 SF	1,740 SF	Rented area for Heritage Coffee storage & Mechanical, electrical and heating systems
Total All Areas	9,713 SF	2,891 SF	12,604 SF	10,348 SF or 82%	
Total Above Grade Only (exc. Bsmt)	7,468 SF	2,891 SF	10,359 SF	8,608 SF or 83%	

16 MEETING OF BOARD OF EQUALIZATION (BOE) AND PRESENTATION OF REAL PROPERTY APPEAL-110 SEWARD STREET

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

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

GOLDSTEIN IMPROVEMENT COMPANY
130 SEWARD ST STE 001
JUNEAU AK 99801

Meeting of Board of Equalization (BOE) and Presentation of Real Property Appeal	
Date of BOE	Wednesday, June 29, 2022
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	June 15, 2022
Parcel Identification	1C070A020030
Property Location	110 SEWARD ST
Appeal No.	APL20220156
Sent to Email Address:	gregadler@mac.com

ATTENTION OWNER

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

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to city.clerk@juneau.org Attn.: Assessment Appeal} by **4:00 PM Wednesday, June 22, 2022** and will be included in the packets for the Board so the members have an opportunity to review the materials before the hearing.

Your Board of Equalization packet will be ready for you to pick up in the Clerk's office after **2:00 PM Thursday, June 23, 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**

CITY AND BOROUGH OF JUNEAU

ASSESSOR OFFICE

APPEAL #2022-0156

2022 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION June 29, 2022

Appellant: Goldstein / Greg Adler

Location: 130/140 Front St & 106/110 Seward St

Parcel No.: 1C070A020030

Property Type: Commercial – Restaurant/Retail/Office

Appellant's basis for appeal: excessive, unequal & improper

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	<not provided>	$ 967,848	$ 967,848
Buildings:	<not provided>	$ 962,118	$ 962,118
Total:	**$1,200,000**	**$ 1,929,966**	**$ 1,929,966**

Subject Photo

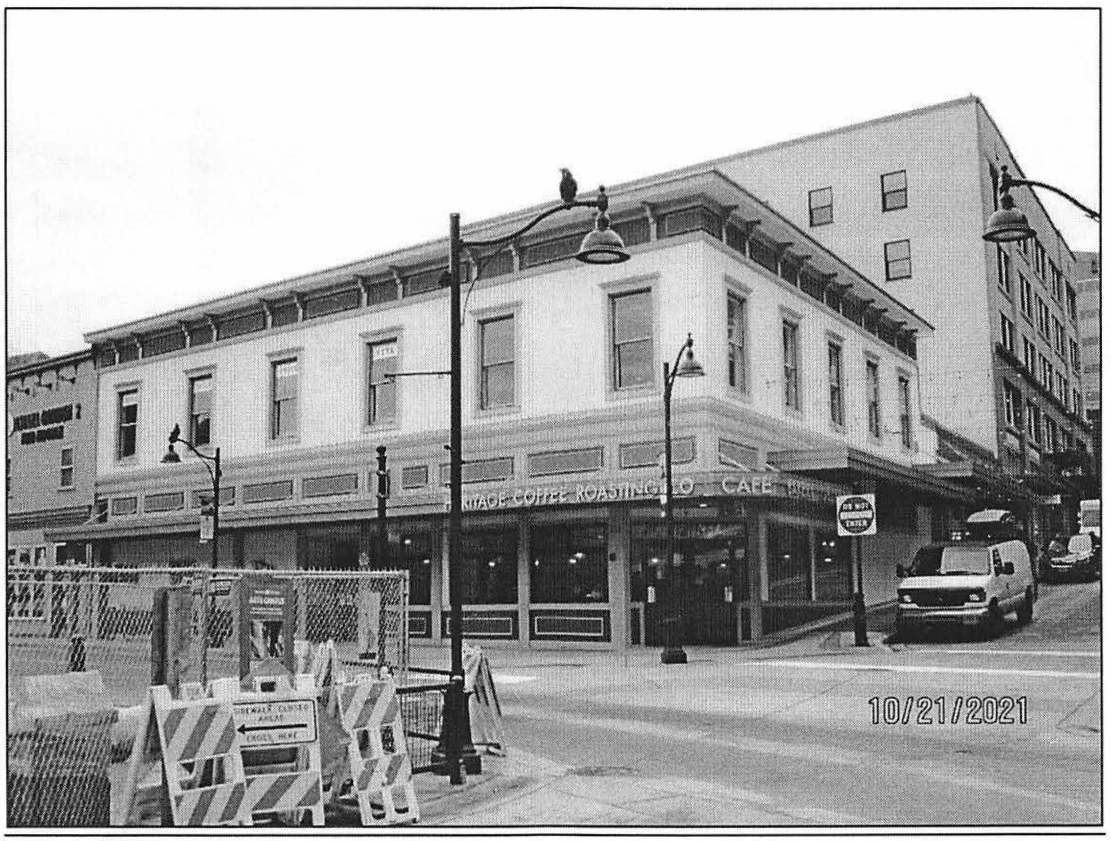


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OVERVIEW

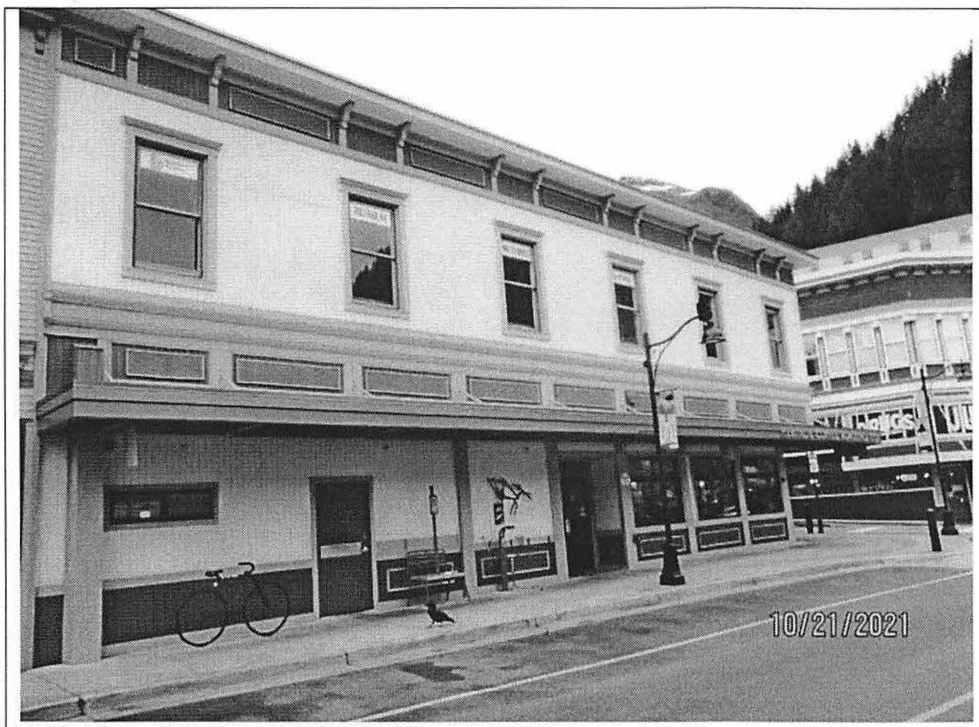
The subject is a downtown commercial building that has one story and two story sections and a basement.

Subject Characteristics:

- Land
  - 6,718 SF lot
  - 75 ' frontage along Front St
  - 92' frontage along Seward St
  - Fully developed lot
  - Located within the downtown business area

- Building
  - 12,605 SF GBA
  - 6,654 SF 1st level
  - 3,705.3 SF 2nd level
  - 2,245.4 SF Finished basement

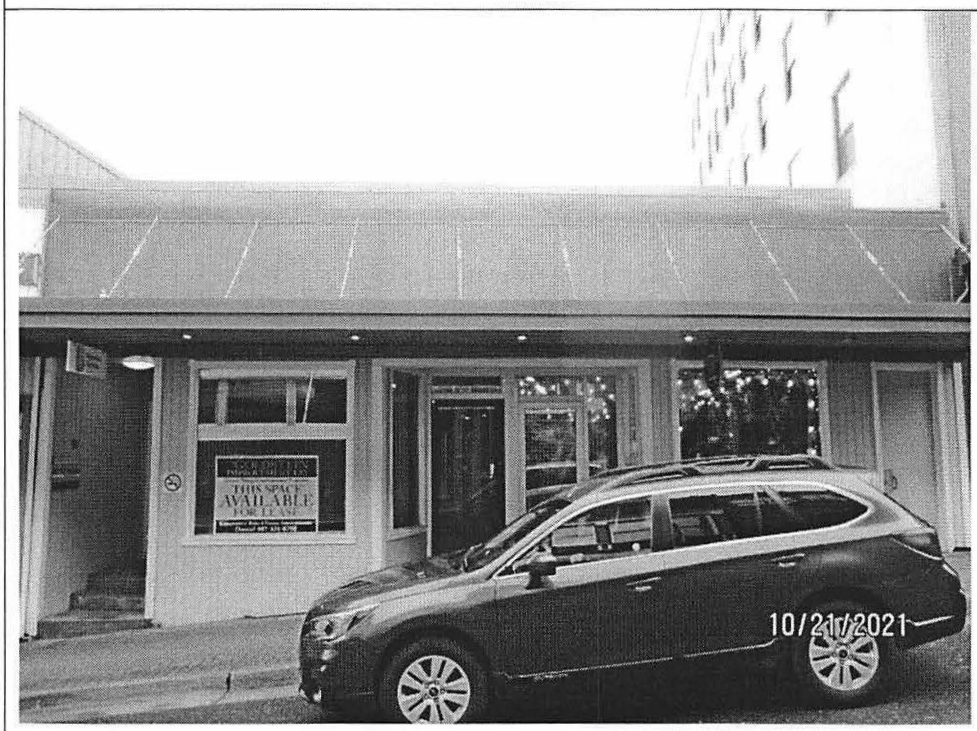
SUBJECT PHOTOS



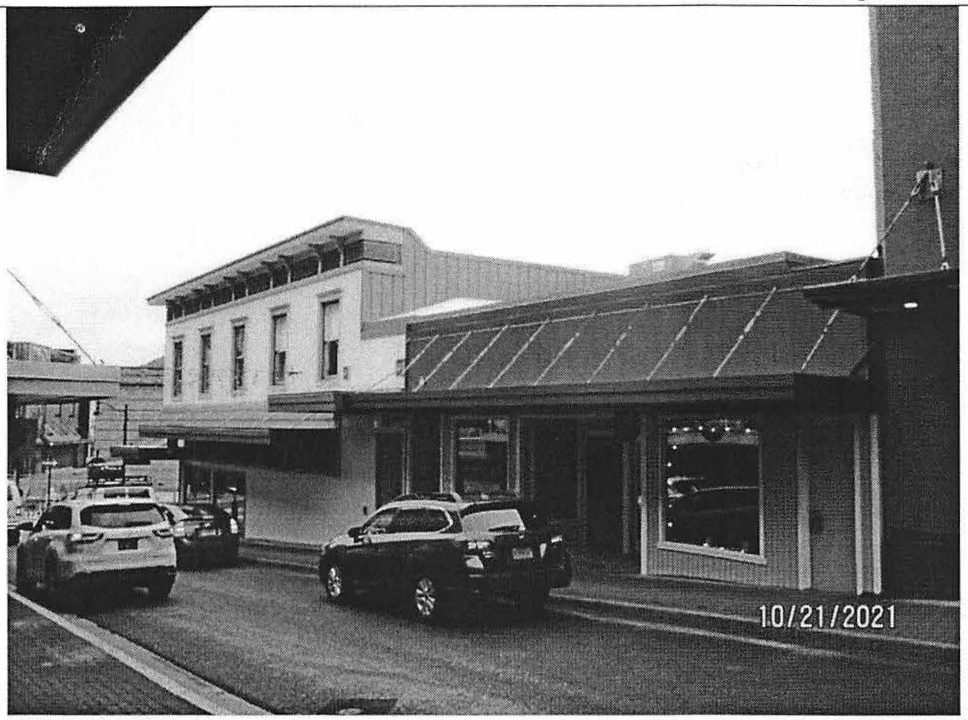
From Front St



From corner of Front St and Seward St



From Seward St

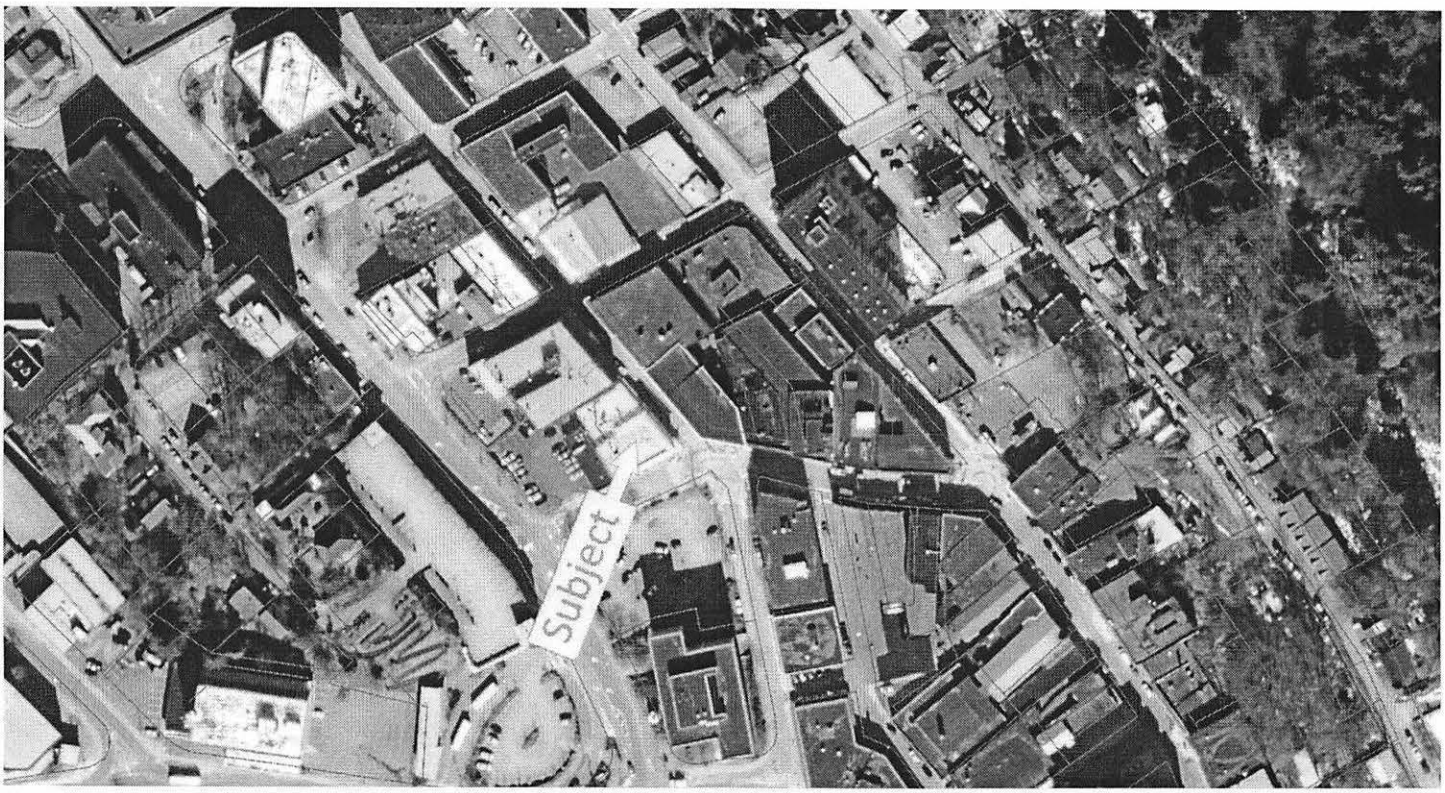


From Seward St

AREA MAP & AERIAL

The salmon shaded parcels are the 6 Goldstein appeals.





ASSESSED VALUES

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

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

LAND

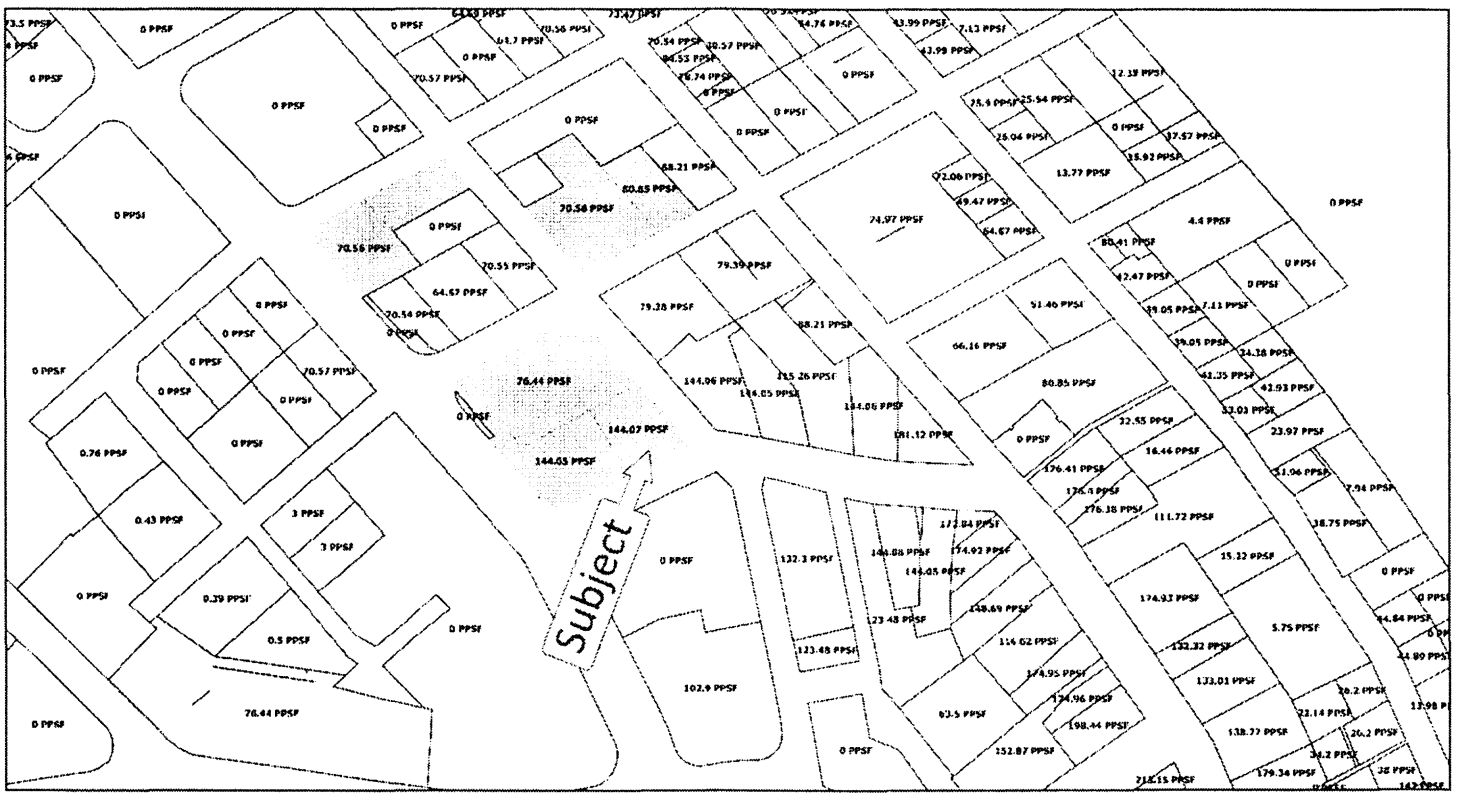
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation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

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

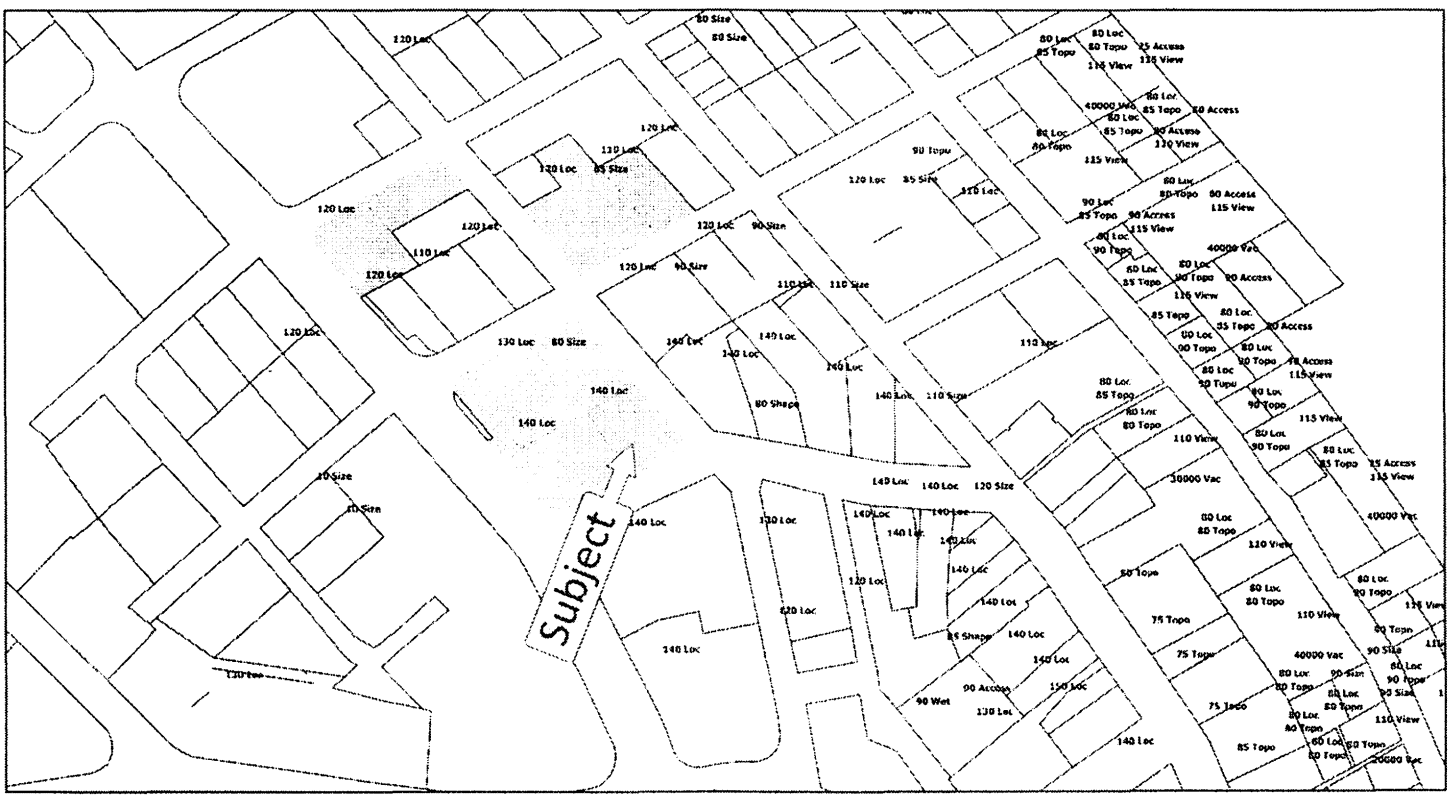
Land Characteristics:

- 6,718 SF lot
- Fully developed lot
- Located within the downtown business area

Land Values




Subject


Subject

BUILDING(S)

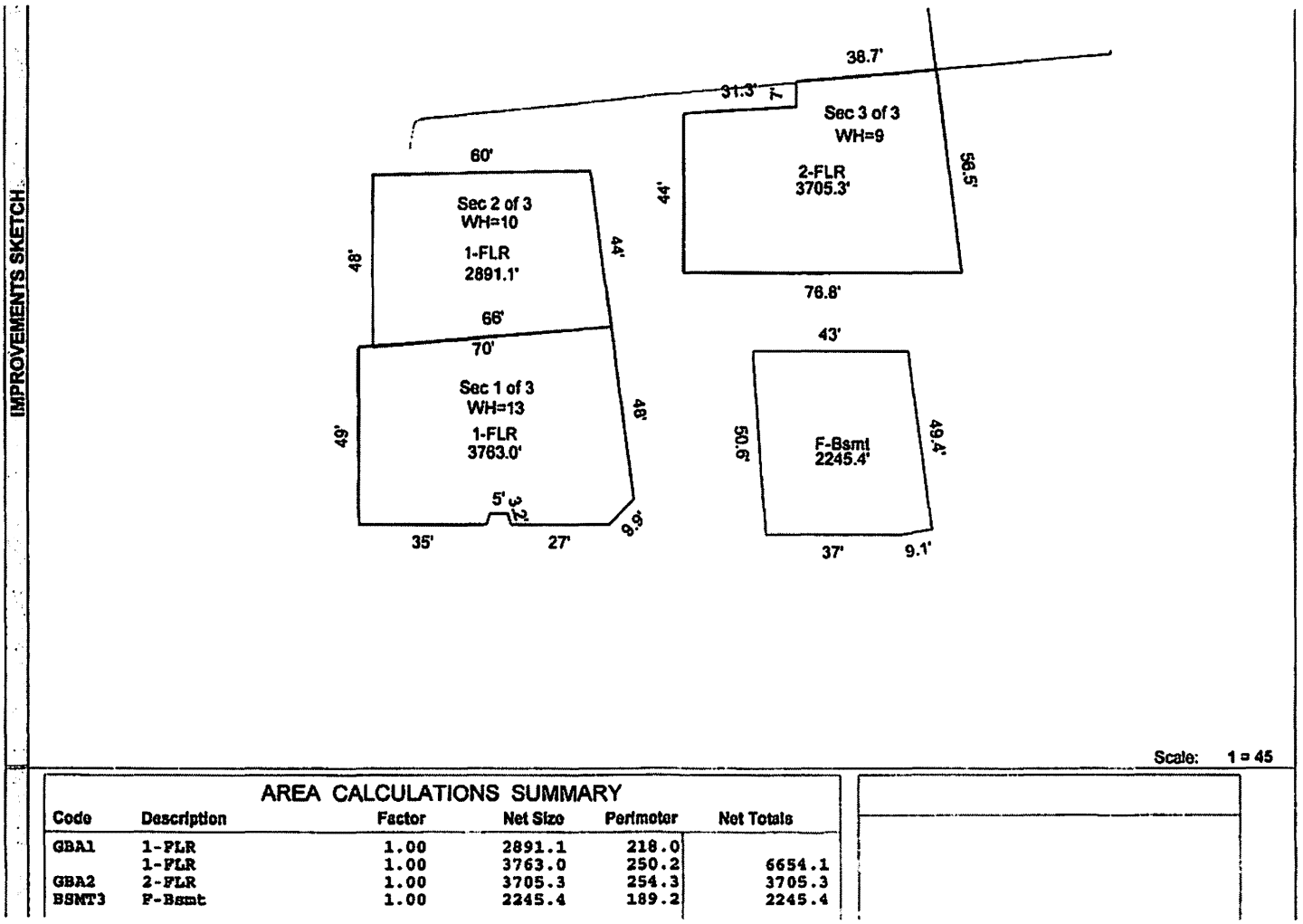
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 12,605 SF GBA
  - 6,654 SF 1st level
  - 3,705.3 SF 2nd level
  - 2,245.4 SF Finished basement

Sketch of Improvements:



AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	2891.1	218.0	
	1-FLR	1.00	3763.0	250.2	6654.1
GBA2	2-FLR	1.00	3705.3	254.3	3705.3
BSMT3	F-Bsmt	1.00	2245.4	189.2	2245.4

COST REPORT

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

The cost report matches the building value from 2018. For 2022 the downtown building values were reduced by 2%.

Cost Report - Commercial

1283		Record	1
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	250
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	13
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	3,763.00

1283		Record	2
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	0
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	2,887.00

1283		Record	3
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	0
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	3,709.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		3763		70.27		264,426
Exterior Wall	Stud Walls-Wood Siding	3763	100%	13.07		49,171
Heating & Cooling	Heating & Cooling	3763		611.00		611
Heating & Cooling	Hot Water	3763	100%	7.57		28,486
Architect Fee		3763		6.60		24,836
Sprinklers	Dry Sprinklers	5942	100%	4.42		26,264
Fire Alarm System		3763		1.46		5,494
Basement	Unfinished	2179		30.83		67,179
Sub Total						$466,465.51
Local Multiplier				1.43	[X]	$667,046.00
Current Multiplier				1.02	[X]	$680,387.00
Neighborhood Multiplier					[X]	$680,387.00
Depreciation - Physical				43.00	[-]	$292,566.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete				100.00	[-]	$387,821.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$387,821

Section 2	Description	Units	Percent	Cost		+/-	Total
Base Cost		2887		70.27			202,869
Exterior Wall	Stud Walls-Wood Siding	2887		12.25			35,359
Heating & Cooling	Heating & Cooling	2887		611.00			611
Heating & Cooling	Hot Water	2887	100%	7.57			21,855
Architect Fee		2887		6.60			19,054
Sprinklers	Dry Sprinklers	2887	100%	5.18			14,955
Fire Alarm System		2887		1.46			4,215
Sub Total							$298,918.30
Local Multiplier					1.43	[X]	$427,453.00
Current Multiplier					1.02	[X]	$436,002.00
Neighborhood Multiplier						[X]	$436,002.00
Depreciation - Physical					43.00	[-]	$187,481.00
Depreciation - Functional						[-]	$0.00
Depreciation - Economic						[-]	$0.00
Percent Complete					100.00	[-]	$248,521.00
Cost to Cure							
Neighborhood Adjustment							
Replacement Cost less Depreciation							$248,521

Section 3	Description	Units	Percent	Cost		+/-	Total
Base Cost		3709		70.27			260,631
Exterior Wall	Stud Walls-Wood Siding	3709	100%	12.25			45,427
Heating & Cooling	Heating & Cooling	3709		611.00			611
Heating & Cooling	Hot Water	3709	100%	7.57			28,077
Architect Fee		3709		6.60			24,479
Sprinklers	Dry Sprinklers	3709	100%	4.74			17,581
Fire Alarm System		3709		1.46			5,415
Sub Total							$382,221.78
Local Multiplier					1.43	[X]	$546,577.00
Current Multiplier					1.02	[X]	$557,509.00
Neighborhood Multiplier						[X]	$557,509.00
Depreciation - Physical					43.00	[-]	$239,729.00
Depreciation - Functional						[-]	$0.00
Depreciation - Economic						[-]	$0.00
Percent Complete					100.00	[-]	$317,780.00
Cost to Cure							
Neighborhood Adjustment							
Replacement Cost less Depreciation							$317,780

Miscellaneous Improvements				
Miscellaneous Improvement	CANOPY 01.31.2018 P		[+]	27,100

Total Improvement Value	$981,200

INCOME APPROACH

The income approach was not the basis for setting most of the assessed value for 2022. The appellant did not submit P&L information for the Review process.

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

1C070A020030
GOLDSTEIN IMPROVEMENT COMPANY
110 SEWARD ST
JUNEAU TOWNSITE BL 2 LTS 3 FR & 4

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$967,848.00	$27,100.00	$935,018.00	$1,929,966.00
2021	$987,600.00	$27,100.00	$954,100.00	$1,968,800.00
2020	$658,400.00	$27,100.00	$954,100.00	$1,639,600.00
2019	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2018	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2017	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2016	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2015	$671,800.00	$38,100.00	$965,100.00	$1,675,000.00
2014	$671,800.00		$834,300.00	$1,506,100.00
2013	$671,800.00		$834,300.00	$1,506,100.00
2012	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2011	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2010	$671,800.00	$0.00	$762,400.00	$1,434,200.00

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.

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 appeal process, placing a higher priority on uniformity within existing models rather than uniformity with the whole which is being addressed through separate processes. Based on current assessment levels for this neighborhood the full market value for this property, which the BOE may adopt, would be $2,032,827.

Additional Details:

- The appellant states that their assessed value is excessive.
  - We find that, based on analysis of market sales, the value it is not excessive.
- The appellant states that their value is unequal.
  - We find that it was valued with the same methodology as other properties.
- The appellant states that their property is valued improperly.
  - The parcel was valued using proper methodology.
- 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 has submitted thousands of pages of paper copy and many electronic document files.
  - We have reviewed all of this material and find no basis for a reduction of their assessed value.

Also of note is that the BOE reviewed this property last year and upheld the value and that even though the sales indicate that the downtown values have continued to increase the downtown assessments were decreased by 2% this year in order to achieve greater uniformity in the commercial property values.

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 $1,929,966 is warranted and ask that the BOE uphold the assessed value.

Addendum A - Communications

See separate document.

Addendum B – Additional Response Details

See separate document.

17 DAWSON CONSTRUCTION BUILDING COSTS $450 SF TO $750 SF

Hi Greg,

It was a pleasure visiting with you. As I mentioned, we are seeing commercial construction costs range from $450/SF - $750/SF and upwards depending on the intended use and level of finish.

Let me know if you have any questions.

Jeremy

Jeremy Carroll
C | (360) 746-9889
T | (360) 756-1000
F | (360) 756-1001
www.dawson.com

Quality People, Quality Work

18 NORTHWIND ARCHITECTS CONSTRUCTION BUILDING COSTS $600 TO $700 SF

From: James Bibb james@northwindarch.com
Subject: Goldstein Builidng Const Cost estimate
Date: June 22, 2022 at 9:40 AM
To: Gregoryladler@gmail.com
Cc: Sean Boily sean@northwindarch.com

Greg, based on current construction costs, (public projects, competitively bid), $700/sf is looking like a medium at the moment. Mindful of current market trends and strains of both transportation and the local trades for available managers and labor. We don't see this changing locally for the time-being. Private development may have a bit more leeway on the delivery.

This would include development costs including design, permitting and contingency....so, full project costs.

Basic tabulation would simply be an area x sf costs.

Does this give you enough information for a back of the napkin budget?

James bibb

James Bibb
NorthWind Architects, LLC
Principal Partner
126 Seward Street
Juneau, AK 99801

p.907.586.6150 (x202)
f.907.586.6181
c.907.321.4265
www.northwindarch.com
www.facebook.com/northwindarchitects

From: James Bibb <james@northwindarch.com>
Sent: Tuesday, June 28, 2022 10:19 AM
To: Sean Boily <sean@northwindarch.com>
Subject: FW: Juneau Building Costs

Greg's looking to carry the conversation of a potential building replacement costs modifying our WAG of $700 for the Goldstein to more of a 1-2 story, privately developed.

I'm not sure how much to modify the $700/sf range other than to back it down to potential $600 addressing more of a stream-lined or contractor negotiated scenario.

Thoughts?

James

From: Sean Boily <sean@northwindarch.com>
Date: Tuesday, June 28, 2022 at 11:05 AM
To: James Bibb <james@northwindarch.com>
Subject: RE: Juneau Building Costs

For a private client your numbers may be a bit high.

DIA (private non-profit) office building is a 3200 sf, half reno half new, wood framed construction, adding up to $670/sf including utility upgrades site work and landscaping (small site). 2 floors, no elevator. Complicated framing associated with

ProHNS (privately owned company) is a 6000sf wood frame building on a flat graded site 70% offices 30% industrial space. 2 stories, no elevator. $450/sf includes some utility development. Pretty simple construction and finishes.

This the same contractor for both projects. I think if the scale goes up there is economy. Also I think there is economy in new construction over fussy renovation.

19 CONSTRUCTION COSTS

20 NEW MAINTENANCE HANGAR BUILDING CONSTRUCTION COSTS $489 SF

Kim M Wold
Reliant LLC
Advisory Services | "Reliable Advice = Reliable Decisions"
Direct: 907.205.4101
Email: kim@reliantadvisory.com
9330 Vanguard Drive, Suite 201, Anchorage Alaska 99507
Fax: 907.929.2260
Website: www.reliantadvisory.com
Hi Greg,

This is the proposed cost of a new maintenance hangar at the airport.

I didn't include the actual budget as it is proprietary.

See the below cost info.

Kim

Hi Kim,

The total cost estimate is $7,188,589 and the building area is 14,705sf, so a cost of $489/sf.

21 JULIE DINNEEN APPRAISER 122 FRONT STREET FAIR MARKET VALUE $850,000. COST APPRAOCH NOT USED AND NOT FEASIBLE

JULIE DINNEEN COMPANY

REAL ESTATE APPRAISALS

March 25. 2022

Martin Jannol, PC
8383 Wilshire Boulevard
Suite 663
Beverly Hills, CA
90211

RE: Market Value Appraisal of 122, 124 & 126 Front Street, Juneau, Alaska. JDC File No. 2021-27B

Dear Mr. Jannol:

At your request, I have completed an appraisal of the above referenced real estate. which is in Juneau. The purpose of this appraisal is to determine the market value of the property for purpose of in-house work product by the owner, Goldstein Improvement Company. The property was inspected on July 20, of 2021 and the report was completed over the ensuing months. The effective date of the appraisal is November 20, 2021.

This report has been completed in conformance with the appraisal reporting standards formulated by the Uniform Standards of Professional Practice (USPAP) as formulated by the Appraisal Foundation.

Based upon my research and analysis, I have formed the opinion that the market value of the leased fee interest in the subject property, in-as condition, is **$850,000.**

Respectfully Submitted,

Julie C Dinneen

Julie C. Dinneen, MAI

302 WEST CHESTER STREET, LAFAYETTE, CO. 80026
(303) 579-3589

RECONCILIATION & FINAL VALUE

The conclusions to the two approaches to value are indicated below

Income Approach:	$830,000
Sales Comparison Approach:	$860,000

The two approaches relied upon in this appraisal form a tight range of value for this property. Both approaches to value have equal merit and support an estimate of the leased fee interest in the subject property of **$850,000.**

22 JULIE DINNEEN APPRAISER 110 SEWARD STREET FAIR MARKET VALUE $1,200,000. COST APPROACH NOT USED AND NOT FEASIBLE

RECONCILIATION & FINAL VALUE

The conclusions to the two approaches to value are indicated below.

Income Approach:	$1,130,000
Sales Comparison Approach:	$1,295,000

The two approaches relied upon in this appraisal form a fairly tight range of value for this property and support a value estimate of **$1,200,000.**

JULIE DINNEEN COMPANY

REAL ESTATE APPRAISALS

March 25, 2022

Martin Jannol, PC
8383 Wilshire Boulevard
Suite 663
Beverly Hills, CA
90211

RE: Market Value Appraisal of 130 and 140 Front Street and 106, 110 and 118 Seward Street, Juneau, Alaska. JDC File No. 2021-27F.

Dear Mr. Jannol:

At your request, I have completed an appraisal of the above referenced real estate, which is in Juneau. The purpose of this appraisal is to determine the market value of the property for purpose of in-house work product by the owner, Goldstein Improvement Company. The property was inspected on July 20, of 2021 and the report was completed over the ensuing months. The effective date of the appraisal is November 20, 2021.

This report has been completed in conformance with the appraisal reporting standards formulated by the Uniform Standards of Professional Practice (USPAP) as formulated by the Appraisal Foundation.

Based upon my research and analysis, I have formed the opinion that the market value of the leased fee interest in the subject property, in-as condition, is **$1,200,000.**

Respectfully Submitted,

Julie C. Dinneen, MAI

302 WEST CHESTER STREET, LAFAYETTE, CO. 80026
(303) 579-3589

23 224 2ND STREET ASSESSMENT HISTORY REPORT (PARTIAL) FROM ASSESSOR

City and Borough of Juneau
Assessment History Report

1C070A040020
GOLDSTEIN IMPROVEMENT COMPANY
224 SECOND ST
JUNEAU TOWNSITE BL 4 LT 3

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$397,194.00			$397,194.00
2021	$405,300.00			$405,300.00
2020	$270,200.00			$270,200.00

24 11/2/2021 STATEMENT FROM MICHAEL DAHLE, "WE DID NOT AND STILL DO NOT HAVE A CONFIRMED SALE PRICE FOR THIS [ASSEMBLY] BUILDING. WE HAVE HEARD "STREET TALK" ABOUT WHAT IT MAY HAVE BEEN BUT THAT DOES NOT QUALIFY AS A CONFIRMED PRICE."

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

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

25 ASSESSOR OFFICE HAS A DUTY TO COLLECT SALES DATA AND IT FAILED TO SPEAK WITH BROKERS IN VIOLATION OF THIS DUTY TO COLLECT SALES DATA. THE ASSESSOR FAILED TO CONTACT THE BROKERS FOR THE ASSEMBLY BUILDING SALE

THE ALASKA TAXABLE 2021 REPORT, FROM THE STATE OF ALASKA, SETS FORTH THE STANDARD FOR THE JUNEAU ASSESSOR TO FOLLOW IN COLLECTING SALES DATA, AS FOLLOWS:

"COLLECT SALES DATA FROM ALL SOURCES SUCH AS RECORDERS' OFFICES, REALTORS, DEVELOPERS AND BANKERS."

MR. DAHLE STATED, WROTE ON 11/2/2021, ABOUT 3 MONTHS AFTER THE CLOSE OF ESCROW, ***REGARDING THE ASSEMBLY BUILDING, "WE DID NOT AND STILL DO NOT HAVE A CONFIRMED SALE PRICE FOR THIS BUILDING. WE HAVE HEARD "STREET TALK" ABOUT IT MAY HAVE BEEN BUT THAT DOES NOT QUALIFY AS A CONFIRMED PRICE."***

MR. GARRETT SCHOENBERGER STATED ON JUNE 26, 2022, ***"I WAS NEVER CONTACTED BY ASSESSOR'S OFFICE ABOUT THE ASSEMBLY BUILDING. HAPPY TO HELP IN ANY WAY. GIVEN CURRENT DISCLOSURE LAW, I IMAGINE THEY (MR. DAHLE AND THE ASSESSOR'S OFFICE) HAVE THE COMP SINCE THE NEW OWNER IS REQUIRED TO DISCLOSE PURCHASE (SALES) PRICE."***

I MADE ONE (1) PHONE CALL AND OBTAINED THE ASSEMBLY BUILDING COMP.

MR. DAHLE AND THE ASSESSOR'S OFFICE FAILS TO DO THEIR JOB AND COLLECT DATA. THEIR INACTION IS CLEARLY DESIGNED TO PROMOTE THEIR FRAUDULENT SCHEME OF OVER TAXING COMMERCIAL PROPERTY OWNERS.

EXCLUDING THE ASSEMBLY BUILDING SALES (3 SALES) IS SHROUDED IN MR. DAHLE'S SINISTER SCHEME TO DECIMATE RATIO ANALYSIS BY KEEPING ASSESSED VALUES ARTIFICALLY HIGH. WITH ALMOST NO EFFORT MR. DAHLE COULD HAVE OBTAINED THE ASSEMBLY BUILDING COMP. REFRAINING FROM OBTAINING THE ASSEMBLY BUILDING COMPS IS IMPROPER AND RESULTS IN EXCESSIVE ASSESSED VALUE.

FAILURE OF ASSESSOR OFFICE TO COLLECT DATA

MARKET SALE: FIRST SALE OF ASSEMBLY BUILDING

LISTED FOR SALE: MAY 29, 2015

LISTING SALE PRICE: $2,650,000

LISTING PRICE/SF: $111.16

DAYS FOR SALE ON MARKET: 1,240

LAST LIST PRICE: $850,000

SIZE: 23,840 SF

SALE PRICE PER SF: $35.65

SALE PRICE: $750,000

SALE DATE: 4/1/2019

SALE PRICE PER SF: $31.46

MR. DAHLE NEVER OBTAINED THIS SALE.

THIS IS A MARKET SALE.

I RECEIVED THIS INFORMATION IN 1 DAY.

THIS PROPERTY WAS INTENTIONALLY EXCLUDED FROM MARKET SALES WITHOUT CAUSE.

CONCLUSION:

IF PRICED TO HIGH BUILDINGS DO NOT SELL. NONE OF OUR BUILDINGS WILL SELL FOR ASSESSED VALUE. THE KEY BANK BUILDING SOLD FOR LESS THAN HALF OF ASSESSED VALUE AND OUR 224 2ND STREET PROPERTY WE BOUGHT FOR SUBSTANTIALLY LESS THAN ASSESSED VALUE. THE SELLER KNEW ASSESSED VALUE WAS NOT AN INDICATION OF MARKET VALUE.

THIS REPRESENTS ONE (1) PROPERTY THAT WAS EXCLUDED FROM MR. DAHLE'S ANALYSIS AND IS REPRESENTATIVE OF A CLASS OF COMMERCIAL PROPERTY WRONGLY EXCLUDED FROM ANALYSIS. THIS IS A FUNDAMENTAL METHODOLOGY ERROR AND CAUSING OUR BURDEN OF PROOF TO BE MET AND AND OUR TWO APPEALS AND FUTURE APPEALS TO BE GRANTED.

FAILURE OF ASSESSOR OFFICE TO COLLECT DATA

MARKET SALE: SECOND SALE OF ASSEMBLY BUILDING

THIS PROPERTY WAS INTENTIONALLY EXCLUDED FROM MARKET SALES WITHOUT CAUSE.

CONCLUSION:

THIS REPRESENTS ONE (1) PROPERTY THAT WAS EXCLUDED FROM MR. DAHLE'S ANALYSIS AND IS ***REPRESENTATIVE OF A CLASS OF COMMERCIAL PROPERTY WRONGLY EXCLUDED FROM ANALYSIS.*** *THIS IS A FUNDAMENTAL METHODOLOGY ERROR AND CAUSING OUR BURDEN OF PROOF TO BE MET AND AND OUR TWO APPEALS AND FUTURE APPEALS TO BE GRANTED. WHERE THE SALES PRICE WAS LOWER THAN ASSESSED VALUE MR. DAHLE WOULD FIND AN ILLEGAL METHODOLOGY TO EXCLUDE IT, IN MANY CASES.*

SEE THE EMAIL CORRESPONDANCE ATTACHED ON THE NEXT FEW PAGES FROM THE BROKER

From: **Garrett Schoenberger** garrett.wade@me.com
Subject: RE: Assembly Building Comp
Date: March 29, 2022 at 11:44 AM
To: gregadler@mac.com

Assembly building was brought to market on 2/13/21 and closed on 8/20/21. Sales price of $1,250,000. Arms length. Multiple offers on property.

Let me know if you need anything else.

Here was my brochure for it.



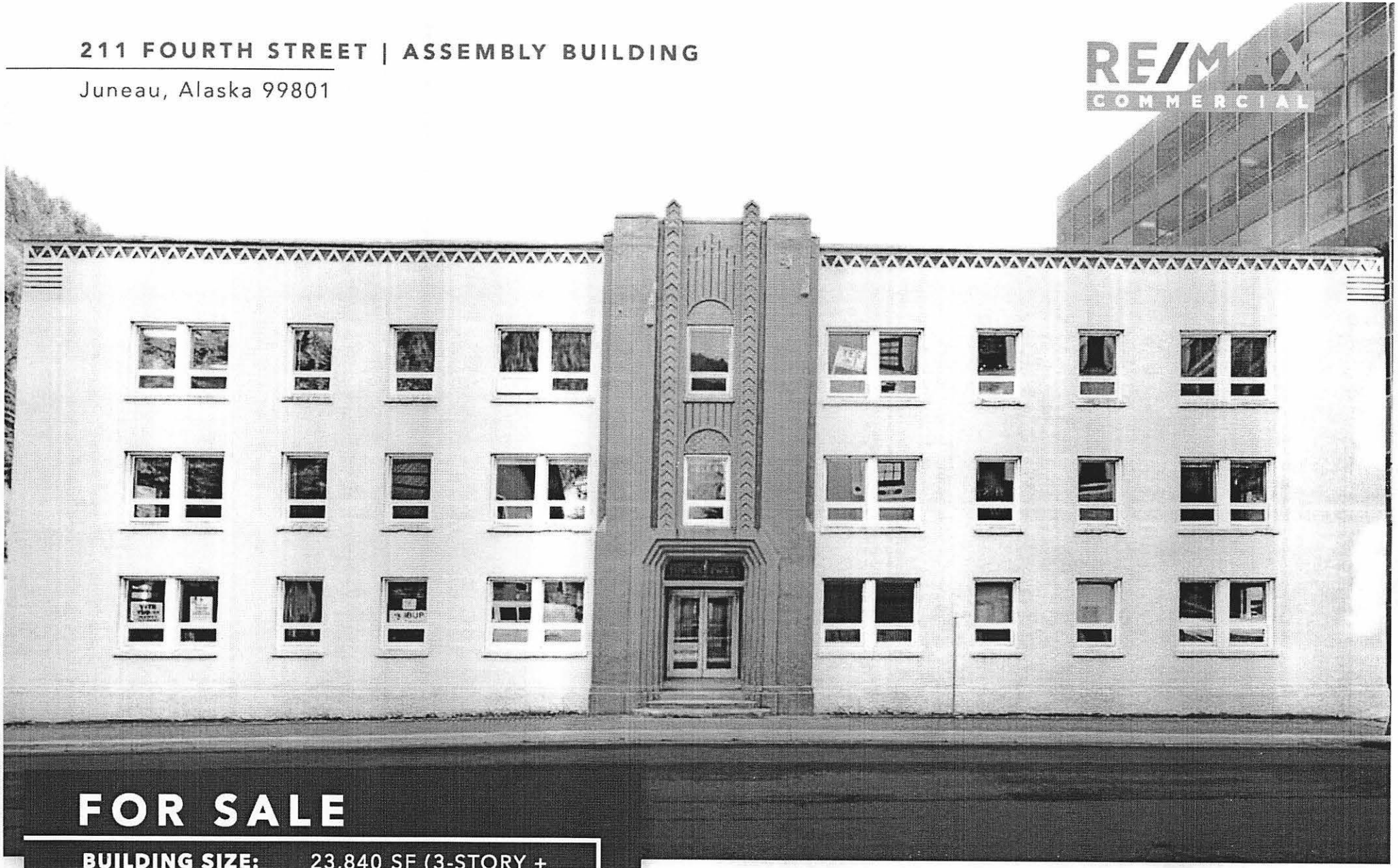
Assembly Buildin...ure.pdf

Garrett W. Schoenberger
RE/MAX of Juneau
3031 Clinton Drive - Suite 100
Juneau, AK 99801
(602) 790-6144

211 FOURTH STREET | ASSEMBLY BUILDING

Juneau, Alaska 99801

RE/MAX COMMERCIAL



FOR SALE

BUILDING SIZE:	23,840 SF (3-STORY + PARKING GARAGE)
ZONING:	MU (MIXED USE)
SITE SIZE:	9,809 SF (0.23 ACRES)
YEAR BUILT:	1932
PRICE:	$1,250,000

GARRETT W. SCHOENBERGER
COMMERCIAL / INVESTMENT PROPERTIES
RE/MAX of Juneau
3031 Clinton Drive - Suite 100
Juneau, AK 99801
(602) 790-6144

From: **Greg Adler** gregoryladler@gmail.com
Subject: Re: Assembly Building Comp
Date: June 26, 2022 at 10:15 AM
To: Garrett Schoenberger garrett.wade@me.com

Garrett,

Sorry to bug you.

We have our hearing this coming week Thursday.

It's my understanding the Assembly Bldg sales were excluded from Sales Data because they couldn't get the information.

Did you ever speak with Michael Dahle or anyone else in the Assessor's about the sale and provide them the information.

Have you ever been called by the Assessor's office to get sales comps?

They may have also defined this sale as "Outlier". Any thought s on that.

Thanks for your help,

Greg

> On Mar 29, 2022, at 11:44 AM, Garrett Schoenberger <garrett wade@me.com> wrote:
>
> <Assembly Building Property Brochure pdf>

From: **Garrett Schoenberger** garrett.wade@me.com
Subject: Re: Assembly Building Comp
Date: June 26, 2022 at 10:20 AM
To: Greg Adler gregoryladler@gmail.com

Hi Greg - I was never contacted by Assessor's office about the Assembly Building. Happy to help in any way. Given current disclosure law, I imagine they have the comp since the new owner is required to disclose purchase (sales) price.

Garrett W. Schoenberger
RE/MAX of Juneau
3031 Clinton Drive - Suite 100
Juneau, AK 99801
(602) 790-6144

> On Jun 26, 2022, at 9:15 AM, Greg Adler <gregoryladler@gmail.com> wrote:
>
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>
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> Have you ever been called by the Assessor's office to get sales comps?
>
> They may have also defined this sale as "Outlier". Any thought s on that.
>
> Thanks for your help.
>
> Greg
>
> > garrett.wade@me.com

26 224 2ND STREET ASSESSMENT HISTORY REPORT (FULL) FROM ASSESSOR

City and Borough of Juneau
Assessment History Report

1C070A040020
GOLDSTEIN IMPROVEMENT COMPANY
224 SECOND ST
JUNEAU TOWNSITE BL 4 LT 3

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$397,194.00			$397,194.00
2021	$405,300.00			$405,300.00
2020	$270,200.00			$270,200.00
2019	$245,700.00			$245,700.00
2018	$245,700.00			$245,700.00
2017	$246,000.00			$246,000.00
2016	$246,000.00			$246,000.00
2015	$246,000.00			$246,000.00
2014	$246,000.00			$246,000.00
2013	$246,000.00			$246,000.00
2012	$246,000.00	$0.00	$0.00	$246,000.00
2011	$246,000.00	$0.00	$0.00	$246,000.00
2010	$246,000.00	$0.00	$0.00	$246,000.00
2009	$246,000.00	$0.00	$0.00	$246,000.00
2008	$246,000.00	$0.00	$0.00	$246,000.00
2007	$246,000.00	$0.00	$0.00	$246,000.00
2006	$246,000.00	$0.00	$0.00	$246,000.00
2005	$245,600.00	$0.00	$0.00	$245,600.00
2004	$172,000.00	$0.00	$0.00	$172,000.00
2003	$172,000.00	$0.00	$0.00	$172,000.00
2002	$172,000.00	$0.00	$0.00	$172,000.00
2000	$172,000.00	$0.00	$0.00	$172,000.00

27 122 FRONT STREET ASSESSMENT HISTORY REPORT FROM ASSESSOR (FULL

City and Borough of Juneau
Assessment History Report

1C070A020011
GOLDSTEIN IMPROVEMENT COMPANY
122 FRONT ST
JUNEAU TOWNSITE BL 2 LT 2A

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$1,567,167.00		$496,664.00	$2,063,831.00
2021	$1,599,150.00		$506,800.00	$2,105,950.00
2020	$1,066,100.00		$506,800.00	$1,572,900.00
2019	$1,087,900.00		$506,800.00	$1,594,700.00
2018	$1,087,900.00		$506,800.00	$1,594,700.00
2017	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2016	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2015	$1,087,900.00	$3,000.00	$498,400.00	$1,589,300.00
2014	$1,087,900.00		$495,800.00	$1,583,700.00
2013	$1,087,900.00		$495,800.00	$1,583,700.00
2012	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2011	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2010	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00
2009	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00
2008	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00
2007	$707,100.00	$0.00	$421,400.00	$1,128,500.00
2006	$707,100.00	$0.00	$388,000.00	$1,095,100.00
2005	$707,100.00	$0.00	$159,200.00	$866,300.00
2004	$110,300.00	$0.00	$277,200.00	$387,500.00
2003	$110,300.00	$0.00	$277,200.00	$387,500.00
2002	$110,300.00	$0.00	$277,200.00	$387,500.00
2000	$110,300.00	$0.00	$131,500.00	$241,800.00

LAND VALUE COMPUTATIONS

SITE VALUE COMPUTATIONS

APPRAISAL YEAR		2005		2005		20__		20__		20__	
	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	
BASE LOT VALUE											
2,449 SF	65	159222									
10,879			65	707135							
NET ADJUSTMENT											
ADJUSTED SITE VALUE											

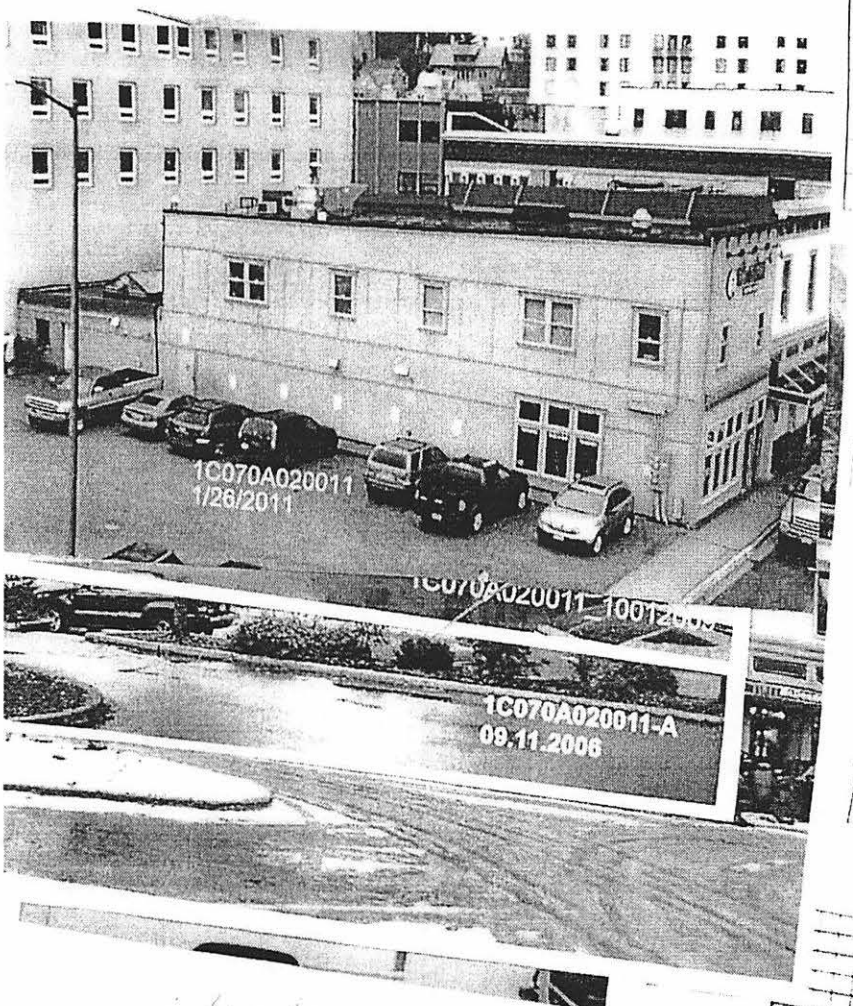
Year	Owner	Site	Buildings	Total	Reason for Change
2005		707100	159200	866300	✓ 12/05 for Completion
2006		707100	388000	1,095,100	
07		707100	421400	1,128,500	Office Condition Unit 4
2008	409 & 10	1087940	421400	1,509,340	
2011		1,038,500	495,800	1,534,300	CANVASS

REMARKS: 2006 - Due to size of lot 43,000 SF

Sprinkled above common wall

10/11/23 #302,100

PLACE PICTURE HERE



Parcel No 1C070A020011

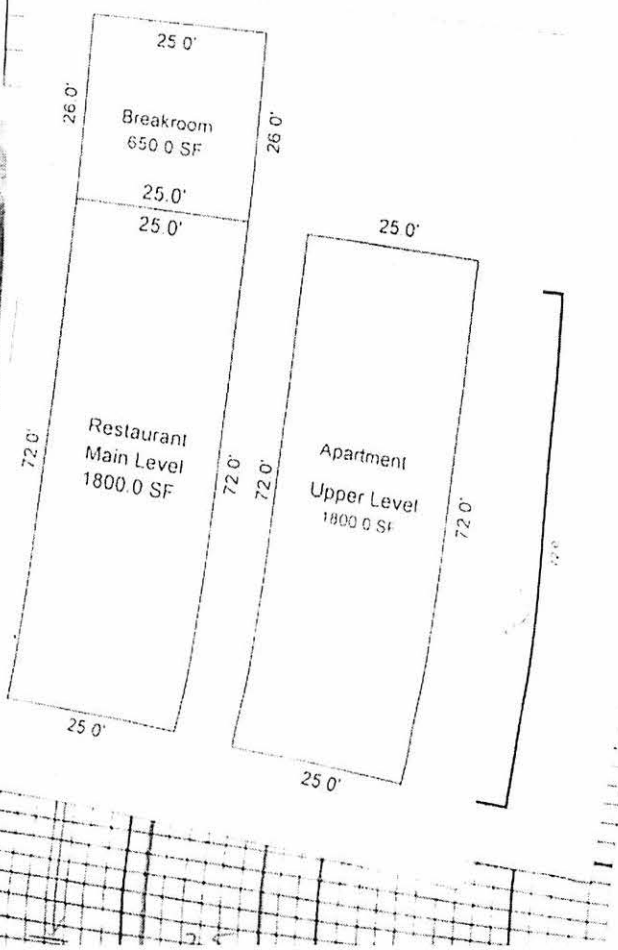
Property Address 124/126 Front Street

City

Owner

Client

Appraiser Name



BUILDING TYPE & USE	4. EXTERIOR	8. HEAT	
Apt. ☒ Office ☐ Loft	☒ Wood ☐ Metal	☐ None ☐ Space Heater	☐ BIOP
Hotel ☒ Store	☐ Stucco	☐ Hot Air, Forced	☐ BIGP
Church ☐ Bank	☐ Conc. Block ☐ Brick	☒ Hot Water	☐ BICP
Theater ☐ Garage	☐ Concrete Reinforced	☐ Comb. Heat & Cooling	☐ Open Porch
Gas Statn. ☐ Industrial	☐ Other	☐ Air Conditioning	☐ Closed Porch
Warehse. ☐ Greenhouse	☐ Fenestration	FIREPLACES	☐ Glazed Porch
Hospital ☐ Restaurant	☐ Trim	☐ 1st Floor ____ Type	☐ Deck
	☐ None ☐ Minimum	☐ Basemnt. ____ Type	☐ Risers
FOUNDATION	☐ Average ☐ Extensive		
Concrete	5. ROOF	9. PLUMBING	
Concrete Block	☒ Flat ☐ Gable ☐ Hip	Number of Fixtures	
Wood Posts	☐ Shakes ☐ Shingle	☐ Store	
Piling	☒ Built-up ☐ Comp.	☐ Garage	
No. Size Length	☐ Aluminum ☐ G.I.	☐ Warehouse	
	☐ Roll ☐ Tar Paper	☐ Apts. 3F 2F 1F NF	
	☐ Concrete		
BASEMENT	☐ Reinforced Concrete		
None	6. INTERIOR		
Full Height	☐ Open Stud	☐ Rms. 3F 2F 1F NF	
Partial x S.F.	☐ Wallboard		
Unfinished Parking	☒ Plasterboard		
Storage ☐ Utility	☐ Plaster		
Apartment	☐ Concrete Block	☐ Extra Fixtures	
Office	☐ Other	☐ Sauna - Grade	
Floor	☐ Story Height		
	☐ Basement	10. ELECTRICAL	
	☒ 1st	☒ Romex ☐ Conduit	
FRAME	☒ 2nd	☐ Min. Lights & Fixtures	
Wood ☐ Steel	7. FLOORS	☒ Adqt. Lights & Fixtures	
Conc. Block ☐ Brick	☐ Dirt ☒ Wood	☐ Good Fixtures	
Reinforced Concrete	☐ Concrete on Grade	☐ Excellent Fixtures	
Fireproofed Steel	☐ Conc. on Grade, Reinf.	☐ Building Elevators	
Concrete Panels	☐ Reinf. Conc., Supported	Type No. Cap. # Flrs.	
	☐ Tile	☐ Pass.	
	☒ Carpet	☐ Frgt.	

Lot Fr. 2&3

Onsite

008-002-2&3

Lump Sums

55/12 24 x 6.75 x 1.40 x 1.49 = 241

(51) 24 x 6 x 1.11 x 1.42 x 1.06 = 283

(22) 6 x 6 x 2.55 x 1.04 x 1.00 x 1.027

Year	Year	Year	Year	Year	Year	Year	Year
SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION
Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.

. Occupancy

. Building class and quality
. Exterior Wall

. No. of stories & height per story
. Average floor area

. Average perimeter 192

0. Age and condition Eff 20 YEAR

Marshall & Swift Manual

1. BASE SQUARE FOOT COST

SQUARE FOOT REFINEMENTS

2. Heating, cooling, ventilation Early 70's AC Need

3. Elevator deduction

4. Miscellaneous

5. Total lines 11 through 14

HEIGHT AND SIZE REFINEMENTS

6. Number of stories-multiplier

7. Height per story-multiplier (see Line 7)

8. Floor area-perimeter multiplier (see Lines 8 & 9)

9. Total (Lines 16x17x18)

Cost Report - Commercial

1281		Record	1
Parcel Code Number	**1C070A020011**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**122 FRONT ST**	**Perimeter**	246
Effective Year Built	2004	**Class**	D
Year Built	1898	**Height**	11
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	2,450.00

1281		Record	2
Parcel Code Number	**1C070A020011**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**122 FRONT ST**	**Perimeter**	0
Effective Year Built	2003	**Class**	D
Year Built	1898	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	1,800.00

Section 1	Description	Units	Percent	Cost		+/-	Total
Base Cost		2450		68.49			167,796
Exterior Wall	Stud Walls-Wood Siding	2450		12.57			30,787
Heating & Cooling	Heating & Cooling	2450		611.00			611
Heating & Cooling	Hot Water	2450	100%	7.57			18,547
Architect Fee		2450		6.60			16,170
Sprinklers	Dry Sprinklers	2450	100%	5.35			13,108
Sub Total							$247,017.36
Local Multiplier					1.43	[X]	$353,235.00
Current Multiplier					1.02	[X]	$360,300.00
Neighborhood Multiplier						[X]	$360,300.00
Depreciation - Physical					18.00	[-]	$64,854.00
Depreciation - Functional						[-]	$0.00
Depreciation - Economic						[-]	$0.00
Percent Complete					100.00	[-]	$295,446.00
Cost to Cure							
Neighborhood Adjustment							
Replacement Cost less Depreciation							$295,446

Canvass. Resketched, Revalued.
John_Sahnow - 7/14/2014 3:04:19 PM
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:42 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost			Total
Base Cost		1800		68.49			123,278
Exterior Wall	Stud Walls-Wood Siding	1800	10%	12.28			22,111
Heating & Cooling	Heating & Cooling	1800		611.00			611
Heating & Cooling	Hot Water	1800	100%	7.57			13,626
Architect Fee		1800		6.60			11,880
Sprinklers	Dry Sprinklers	1800	100%	5.35			9,630
Sub Total							$181,135.95
Local Multiplier					1.43	[X]	$259,024.00
Current Multiplier					1.02	[X]	$264,204.00
Neighborhood Multiplier						[X]	$264,204.00
Depreciation - Physical					20.00	[-]	$52,841.00
Depreciation - Functional						[-]	$0.00
Depreciation - Economic						[-]	$0.00
Percent Complete					100.00	[-]	$211,363.00
Cost to Cure							
Neighborhood Adjustment							
Replacement Cost less Depreciation							$211,363

2 FLOOR ADDITION COMPLETE REMODEL 2009
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:30 AM

Total Improvement Value $506,800

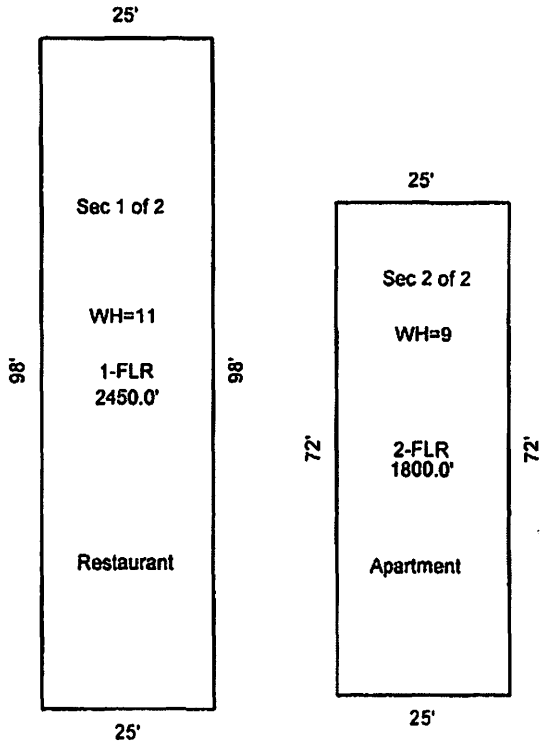
SKETCH/AREA TABLE ADDENDUM

Parcel No 1C070A020011

SUBJECT

Property Address	124/126 Front Street
City	State Zip
Owner	
Client	
Appraiser Name	

IMPROVEMENTS SKETCH



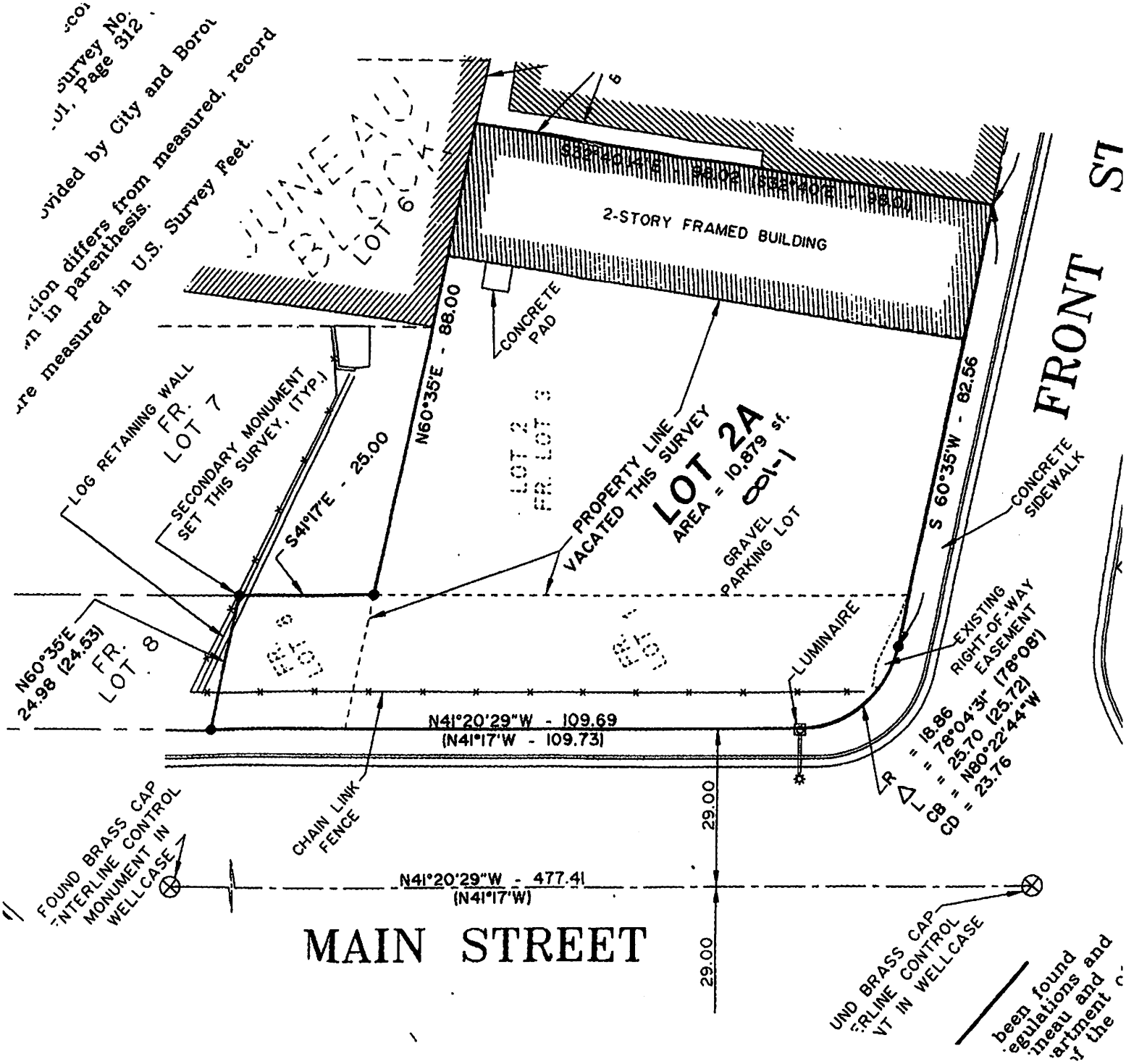
Scale: 1 = 28

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	2450.0	246.0	2450.0
GBA2	2-FLR	1.00	1800.0	194.0	1800.0

Net BUILDING Area (rounded w/ factors) 4250


Survey No.
Page 312
vided by City and Boro
ion differs from measured, record
n in parenthesis.
re measured in U.S. Survey Feet.
LOT 6
2-STORY FRAMED BUILDING
CONCRETE PAD
N60°35'E - 88.00
LOG RETAINING WALL
FR. LOT 7
SECONDARY MONUMENT SET THIS SURVEY, (TYP.)
S41°17'E - 25.00
PROPERTY LINE VACATED THIS SURVEY
LOT 2A
AREA = 10,879 sf.
GRAVEL PARKING LOT
S 60°35'W - 82.56
CONCRETE SIDEWALK
FRONT ST
N60°35'E
24.98 (24.53)
FR. LOT 8
LUMINAIRE
EXISTING RIGHT-OF-WAY EASEMENT
N41°20'29"W - 109.69
(N41°17'W - 109.73)
R = 18.86
Δ = 78°04'31" (78°08')
L = 25.70 (25.72)
CB = N80°22'44"W
CD = 23.76
CHAIN LINK FENCE
FOUND BRASS CAP
CENTERLINE CONTROL
MONUMENT IN
WELLCASE
N41°20'29"W - 477.41
(N41°17'W)
29.00
29.00
MAIN STREET
UND BRASS CAP
ERLINE CONTROL
NT IN WELLCASE
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artment
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28 UNDISCLOSED AND EXCLUDED COMMERCIAL PROPERTIES BY THE ASSESSOR WHICH DISTORTS HIS RATIO ANALYSIS

UNDISCLOSED BY THE ASSESSOR'S OFFICE

UNDISCLOSED BY THE ASSESSOR'S OFFICE

● Indicates Excluded from Juneau Assessor's Addendum A-Commercial Sales List And Computer Modeling

	Date	Seller	Buyer	Address	Parcel No	Sales Price	2021 AV	AV > MV $	AV % MV
	12/2021 Listing	Akiyama Family Rentals	N/A	0 Riverside Dr	5B1601430016	$599,000	1135800	$536,800	203%
	12/2021 Pending	Harbor Lights Enterprises	N/A	1000 Harbor Way	1C060K510040	661000	812650	$151,650	123%
	12/2021 Pending	Gateway Properties	Confidential	8390 Airport	5B1501010014	$3,300,000	$3,804,450	$504,450	115%
	11/24/21	Key Bank of AK	Goldstein Improvement Co	234 Seward St	1C070A050060	$1,250,000	$2,598,400	$1,348,400	208%
●	11/13/21	W&B Rentals LLC	Aware Inc.	201 Cordova St	1D060L030011	$400,000	$445,000	$45,000	111%
●	9/30/21	Construction Machinery Industrial LLC	CCTHTA	1721/1725 Anka St	5B1201040052 5B1201040051	$4,000,000	$5,106,550	$1,106,550	128%
●	9/28/21	Pacific Investment Group	SEARHC	0 Vintage Blvd	5B1601430017	$2,047,000	$2,521,350	$474,350	123%
●	9/17/21	RH Rentals LLC	SEARHC	225 Front St	1C070K810010	$1,850,000	$2,431,000	$581,000	131%
●	3/23/21	Northwest Holdings LLC	Viking Holdings LLC	214 Front St	1C070A030020	$1,450,000	$1,638,450	$188,450	113%
●	2/25/21	SE Newspapers	Amalga Distillery	134 N Franklin St	1C070A030070	$1,850,000	$2,075,450	$225,450	112%
●	1/5/21	Southeastern Newspapers	Goldstein Improvement Co	224 2nd St	1C070A040020	$286,000	$405,300	$119,300	142%
●	3/27/20	Pacific Investment Group	R&S Construction	0 Clinton Dr	5B1601442000	$565,000	$1,026,962	$461,962	182%
●	12/31/19	McKinnon et al	The Emporium Mall LLC	170 S Franklin	1C070K810140	$1,600,000	$2,131,200	$531,200	133%
●	9/6/19	Foodland, Inc.	Juneau Supermarkets LLC	601 W Willoughby Ave	1C060K660090 5B1201010010	$11,250,000	$14,670,150	$3,420,150	130%
●	9/3/19	Wells Fargo Bank NA	ODEX Juneau LLC	1610 Anka St	5B1201010030	$1,070,000	$1,746,929	$676,929	163%
●	8/2/19	Taku Oil Sales	Gas N Go LLC	5631 Glacier Hwy	5B1201060061	$500,000	$612,910	$112,910	123%
●	7/22/19	Bonnie Brae Partnership	Peter Peel	0 Douglas Highway	6D0801110010	$230,000	$464,100	$234,100	202%
●	4/1/19	Assembly Assoc LLC	Assembly Assoc LLC	211 4th St	1C070A090060	$750,000	$1,484,500	$734,500	198%
●	11/16/18	Stanley & Sons	Affordable Auto Ent. LLC	8825 Mallard St	5B1501040030	$750,000	$837,600	$87,600	112%
	8/21/18	Mark S. Reeder	RNL LLC	9309 Glacier Hwy	5B1601140070 1C060U060020 1C060U050020 1C060U050023 1C060U050025	$240,100	$308,850	$68,750	129%
●	7/20/18	First National Bank AK	DCI Commercial LLC	1108 F St	1C060U050024	$1,750,000	$2,462,950	$712,950	141%
●	3/13/18	Warner's Wharf LLC	Rocovich LLC	406 S Franklin St	1C070K830040	$4,150,000	$6,415,650	$2,265,650	155%
	2/2/18	Estate of David Salvidar	Timos Giamakidis	254 S Franklin St	1C070K820030	$995,000	$1,194,450	$199,450	120%
	9/19/17	B&K Ventures	Bad Dog Investments	2450 Industrial Blvd	4B1601010040	$750,000	$876,000	$126,000	117%
	12/15/16	Forrest Reetz LLC	Caelum AK LLC	800 Glacier Ave	1C0600040040	$1,100,000	$1,457,000	$357,000	132%
	3/30/16	First National Bank AK	Spickett's Palace LLC	238 Frot St	1C070A030040	$600,000	$2,639,300	$2,039,300	439%
	3/1/16	James L White	C&M Rentals	10221 Glacier Hwy	4B1071100170	$697,000	$813,000	$116,000	117%

Property and Data Excluded from Addendum A-Commercial Sales List

In All Cases Sales Price is Lower Than Assessed Value

21 Commercial Properties Excluded from Market Analysis And Computer Modeling (CAMA)

29 SALES LIST 2021 OF ASSESSOR MARKET SALES (NOTICE 224 2ND STREET AND THE ASSEMBLY BUILDING SALES ARE EXCLUDED EVEN THOUGH THEY ARE MARKET SALES)

Sales List

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

AY2021 Analysis Sales List

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

(1) These were the sales available to us for our market analysis for assessment year 2021.
(2) Some sales prices are confidential, specifically when the only sale source is the buyer.
(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis processone sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update9/29/2021 only sales prior to 11/26/2020 confidential.
(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060. 7B0901030071
(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.
(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.
(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was $3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be $4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios
(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.
(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.

30. SALES LIST 2022 OF ASSESSOR MARKET SALES (NOTICE 224 2ND STREET AND THE ASSEMBLY BUILDING SALES ARE EXCLUDED EVEN THOUGH THEY ARE MARKET SALES)

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
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 & /	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 LIMITEC	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		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 GR(	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 JU	21	JDCC_C_24
5B1401050100	12/22/20	479,138	489,253	399,789	0	HONSINGER DR	GSA LLC	17	SVLY_C
5B1201410060	02/05/21	371,000	377,802	302,940	0	COMMERCIAL BLVI	LINKUP ALASKA LLC	17	LMNC_C
4B1601050010	02/09/21	160,000	162,898	108,800	2274	INDUSTRIAL BLVD	SHEILA GOOD & JAMES	30	RVYC_C_24
5B1501050040	05/03/21	1,300,000	1,317,550	1,224,918	8717	MALLARD ST	PETE J THIBODEAU & R	30	SVLY_C
5B15011121E0	05/11/21	325,000	329,243	227,766	2211	JORDAN AVE	STEVEN M TORRENCE !	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

31 2022 RADICAL ERROR CHART: OVER CHARGES/OVER-ASSESSMENTS BY JUNEAU ASSESSOR

RADICAL ERROR CHART: OVER CHARGES/OVER-ASSESSMENTS BY JUNEAU ASSESSOR

2022

PARCEL #	ASSESSOR VALUE	APPRAISER VALUE	OVER-ASSESSED AMOUNT	ACTUAL A/V RATIO % (1)	ASSESSOR OVER-VALUED PROPERTY BY %
1C070A02011	2,063,831	850,000	1,213,831	2,063,831 850,000	2.4X
1C070A020030	1,929,966	1,200,000	729,966	1,929,966 1,200,000	1.6X
1C0701040020	397,194	295,000	102,194	397,194 295,000	1.4X
1C070A040010	1,494,129	875,000	619,129	1,494,129 875,000	1.7X
1C070A040043	6,592,909	4,750,000	1,842,909	6,592,909 4,750,000	1.4X

"(1)-The A/V Ratio represents the ratio expressed by dividing the municipal assessed value (A) by the market price (V), and is representative of the weighted mean ratio of real property only." [Alaska Taxable 2021 Report, p.28]

32 2021 RADICAL ERROR CHART: OVER CHARGES/OVER-ASSESSMENTS BY JUNEAU ASSESSOR

RADICAL ERROR CHART: OVER CHARGES/OVER-ASSESSMENTS BY JUNEAU ASSESSOR

2020

PARCEL #	ASSESSOR VALUE	APPRAISER VALUE	OVER-ASSESSED AMOUNT	ACTUAL A/V RATIO % (1)	ASSESSOR OVER-VALUED PROPERTY BY %
1C070A02011	1,572,900	850,000	722,900	1,572,900 850,000	1.9X
1C070A020030	1,639,600	1,200,000	439,600	1,639,600 1,200,000	1.4X
1C0701040020	270,200	295,000	<24,800>	270,200 295,000	.92X
1C070A040010	1,229,600	875,000	354,600	1,229,600 875,000	1.4X
1C070A040043	6,210,768	4,750,000	1,460,768	6,210,768 4,750,000	1.3X

"(1)-The A/V Ratio represents the ratio expressed by dividing the municipal assessed value (A) by the market price (V), and is representative of the weighted mean ratio of real property only." [Alaska Taxable 2021 Report, p.28]

RADICAL ERROR: OVER CHARGES/OVER-ASSESSMENTS BY JUNEAU ASSESSOR TOTALS: $2,953,068

MILL RATE: 10.56

COMMERCIAL PROPERTY OWNER TOTAL GROSSLY EXCESSIVE TAXATION: $31,184

>>>>WITH NO BASIS FOR INCREASING COMMERCIAL PROPERTY VALUES, WITH 2020 COMMERCIAL PROPERTY VALUES LOWER THAN ASSESSED VALUES, THE ASSESSOR AT THE VERY LEAST MUST RETURN TO 2020 ASSESSED COMMERCIAL PROPERTY VALUES.

33 ASSESSOR STEPS IN ASSESSING PROPERTY

Our property is "excessive/overvalued," "unequal to similar properties," and "improperly/incorrectly" as valued by the Assessor by the following clear and convincing proof:

The Assessor must use the following steps in assessing property:

Step 1- The Assessor MUST collect data from many sources, not just Disclosure Statements from Buyers or Listings (See Alaska Taxable 2021 Report, Volume LXI, January 2022, Part 3 Property Taxation, Assessment Statistics and Ratio Studies, pp. 25-28, it states "[the local assessor must] *Collect sales data from all sources such as recorders' offices, realtors, developers and bankers." (p.25)*

Step 2- Include all Market Sales, Assessment Report-Commercial Overview-Interim, City and Borough, For Assessment Year 2022, Assessment Dated (Effective Valuation Date): January 1, 2022 Assessment Procedures,Sales Validation and Verification, Addendum C, see below

Step 3-Use the following Ratio to determine if the Assessed Value is Market Value (from the citation in Step 1 above):

ASSESSED VALUE
SALES PRICE/APPRAISED VALUE

Step 4-Assessed Value=Sales Price/Appraised Value must be true because of Step 5 below

Step 5- Alaska Statute 29.45.060 states, "Full and True Value (a) The assessor shall assess property at its full and true value as of January 1 of the assessment year....The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and prevailing general price levels."

34 CPI HISTORY IN ALASKA-1.5% AVERAGE OVER 10 YEARS

Department of Labor and Workforce Development
RESEARCH AND ANALYSIS

Home MENU

CONSUMER PRICE INDEX (CPI)

Consumer Price Index for Urban Alaska (formerly Municipality of Anchorage) and the U.S.
Not Seasonally Adjusted – All Items – Urban Consumers
1960-Present

Note: the percent change is from the same period of the previous year.

Calculate inflation and deflation with our CPI Calculators

Downloadable CSV text file

	Urban Alaska		U.S.	
Year	Annual	Percent Change	Annual	Percent Change
2021	237.188	4.9	270.970	4.7
2020	226.153	-1.1	258.811	1.2
2019	228.676	1.4	255.657	1.8
2018	225.545	3.0	251.107	2.4
2017	218.873	.5	245.120	2.1
2016	217.830	.4	240.007	1.3
2015	216.909	.5	237.017	.1
2014	215.805	1.6	236.736	1.6
2013	212.381	3.1	232.957	1.5
2012	205.916	2.2	229.594	2.1
2011	201.427	3.2	224.939	3.2
2010	195.144	1.8	218.056	1.6
2009	191.744	1.2	214.537	-.4
2008	189.497	4.6	215.303	3.8
2007	181.237	2.2	207.342	2.8
2006	177.300	3.2	201.600	3.2
2005	171.800	3.1	195.300	3.4
2004	166.700	2.6	188.900	2.7
2003	162.500	2.7	184.000	2.3
2002	158.200	1.9	179.900	1.6
2001	155.200	2.8	177.100	2.8
2000	150.900	1.7	172.200	3.4

35 KEY BANK BUILDING PURCHASE WITH LIST OF PERSONAL PROPERTY-$17,085 DEDUCT FROM SALE PRICE

KEY BANK BUILDING-FURNISHINGS, FIXTURES AND EQUIPMENT

234 SEWARD STREET, JUNEAU ALASKA

The following furnishings, fixtures and equipment are in good condition and do not show excessive wear and tear:

Carpet-$2500
Light fixtures-$2,000
Table-$500 (1)
File cabinet-$50 (1)
Wood bookcase-$100 (2)
Credenza-$600 (12)
Office desk large w/ glass top-$7,000 (7)
Chairs-$200 (8)
Chairs ergonomic-$600 (6)
Conference table oval-$2,100 (3)
Conference table chairs-$450 (18)
Round kitchen table-$75
Kitchen table chairs-$50 (2)
Formal chairs-$850 (17)
Trash cans-$10 (10)

Totals-$17,085.

Therefore,

Purchase Price-	**$1,250,000**
Furnishings, Fixtures & Equipment-	**<$17,085>**
Closing Fee-	**<$300>**
Recording-	**<$40>**
Sales Price-	**$1,232,575**

36 110 SEWARD STREET ASSESSMENT HISTORY REPORT (FULL) FROM ASSESSOR

City and Borough of Juneau
Assessment History Report

1C070A020030
GOLDSTEIN IMPROVEMENT COMPANY
110 SEWARD ST
JUNEAU TOWNSITE BL 2 LTS 3 FR & 4

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$967,848.00	$27,100.00	$935,018.00	$1,929,966.00
2021	$987,600.00	$27,100.00	$954,100.00	$1,968,800.00
2020	$658,400.00	$27,100.00	$954,100.00	$1,639,600.00
2019	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2018	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2017	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2016	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2015	$671,800.00	$38,100.00	$965,100.00	$1,675,000.00
2014	$671,800.00		$834,300.00	$1,506,100.00
2013	$671,800.00		$834,300.00	$1,506,100.00
2012	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2011	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2010	$671,800.00	$0.00	$762,400.00	$1,434,200.00
2009	$671,800.00	$0.00	$762,400.00	$1,434,200.00
2008	$671,800.00	$0.00	$762,400.00	$1,434,200.00
2007	$436,700.00	$0.00	$762,400.00	$1,199,100.00
2006	$436,700.00	$0.00	$762,400.00	$1,199,100.00
2005	$436,700.00	$0.00	$635,300.00	$1,072,000.00
2004	$302,400.00	$0.00	$630,300.00	$932,700.00
2003	$302,400.00	$0.00	$630,300.00	$932,700.00
2002	$302,400.00	$0.00	$630,300.00	$932,700.00
2000	$302,400.00	$0.00	$592,200.00	$894,600.00

LAND VALUE COMPUTATIONS

Appraisal Year	19 85	19 96	19 87	19 00	19 2005
Base Lot Value					
	231,805				
		225164	235164		
				302 358	
					436 333
Item 13					
Net Adjust					
Adj. Land Value	231805	225164	235164		

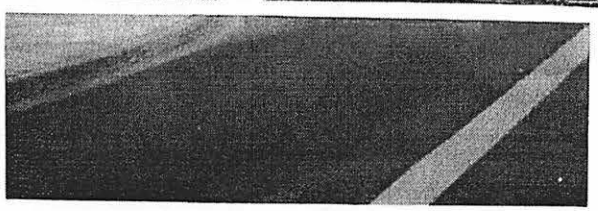
GENERAL LAND DESCRIPTION

Year	Owner	ASSESSED VALUATION Site	Buildings	Total	Reason for Change
2005		436700	635300	1,072,000	
06	407	436700	762400	1,199,100	
2008	409	671,800	762 400	1,434,200	
2010		671,800	763,600	1,435,400	
2011		638200	834 300	1472,500	Commercial

REMARKS:

PLACE PICTURE HERE

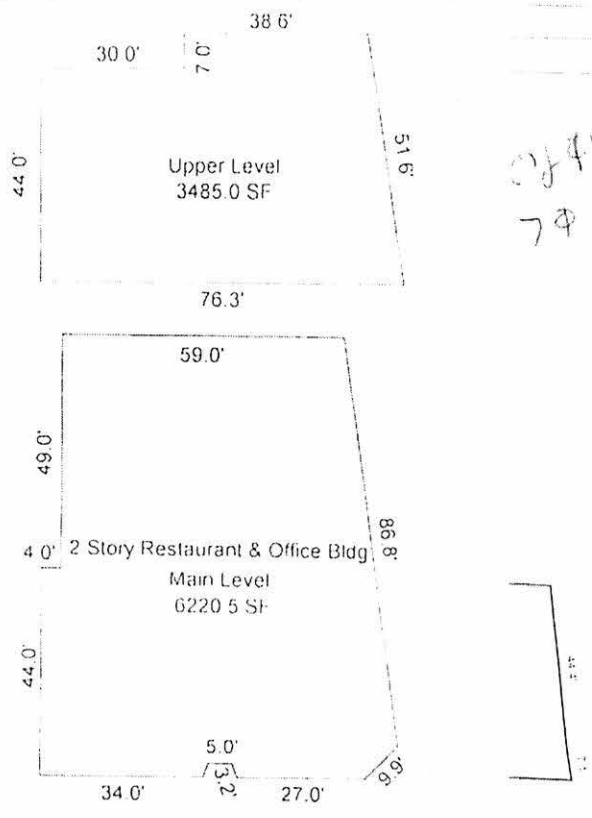




2/15/86

Parcel No 1C070A020030
Property Address 140 Front Street & 118 Seward Street
City
Owner
Client
Appraiser Name

Area



Good ☐ Normal ☑ Fair ☐ Poor ☐ ____ years

7-0-402.003-0
Lot 3 & 4
Dunsite

BUILDING TYPE & USE		4. EXTERIOR	8. HEAT	12. PORCHES
☐ Apt.	☑ Office ☐ Loft	☑ Wood ☐ Metal	☐ None ☐ Space Heater	☐ BIOP
☐ Hotel	☐ Store	☐ Stucco	☐ Hot Air, Forced	☐ BIGP
☐ Church	☐ Bank	☐ Conc. Block ☐ Brick	☑ Hot Water	☐ BICP
☐ Theater	☐ Garage	☐ Concrete Reinforced	☑ Comb. Heat & Cooling	☐ Open Porch
☐ Gas Statn.	☐ Industrial	☐ Other	☐ Air Conditioning	☐ Closed Porch
☐ Warehse.	☐ Greenhouse	☐ Fenestration	FIREPLACES	☐ Glazed Porch
☐ Hospital	☑ Restaurant	☐ Trim	☐ 1st Floor ____ Type	☐ Deck
		☐ None ☐ Minimum	☐ Basemnt. ____ Type	☐ Risers
1. FOUNDATION		☐ Average ☐ Extensive		
☑ Concrete		5. ROOF	9. PLUMBING	
☐ Concrete Block		☑ Flat ☐ Gable ☐ Hip	Number of Fixtures	Lump Sum 1986
☐ Wood Posts		☐ Shakes ☐ Shingle	☐ Store	
☐ Piling		☑ Built-up ☐ Comp.	☐ Garage	
No. Size Length		☐ Aluminum ☐ G.I.	☐ Warehouse	
		☐ Roll ☐ Tar Paper	☐ Apts. 3F 2F 1F NF	
		☐ Concrete		
2. BASEMENT		☐ Reinforced Concrete	Acoustic	
☐ None		6. INTERIOR		
☐ Full Height '		☐ Open Stud	☐ Rms. 3F 2F 1F NF	
☐ Partial x S.F.		☑ Wallboard		
☐ Unfinished Parking		☐ Plasterboard		
☐ Storage ☐ Utility		☐ Plaster		
☐ Apartment		☐ Concrete Block	☐ Extra Fixtures	
☐ Office		☐ Other	☐ Sauna - Grade	
☐ Floor		☐ Story Height		
		☐ Basement	10. ELECTRICAL	
		☐ 1st 14	☐ Romex ☐ Conduit	
3. FRAME		☐ 2nd 12	☐ Min. Lights & Fixtures	
☑ Wood ☐ Steel		7. FLOORS	☑ Adqt. Lights & Fixtures	
☐ Conc. Block ☐ Brick		☐ Dirt ☐ Wood	☐ Good Fixtures	
☐ Reinforced Concrete		☐ Concrete on Grade	☐ Excellent Fixtures	
☐ Fireproofed Steel		☐ Conc. on Grade, Reinf.	☐ Building Elevators	
☐ Concrete Panels		☐ Reinf. Conc., Supported	Type No. Cap. # Flrs.	
		☑ Tile ceramic 1st	☐ Pass.	
		☐ Carpet	☐ Frgt.	

	Year 86 SECTION	Year 86 SECTION	Year 86 SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION
4. Occupancy	Office	1st Floor	Second Floor					
5. Building class and quality 6. Exterior Wall	Cls. D Qual. C	Cls. D Qual. C	Cls. D Qual. C	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
7. No. of stories & height per story 8. Average floor area	No. 1 Ht. 12	No. 1 Ht. 12	No. 1 Ht. 12	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
9. Average perimeter								
10. Age and condition Marshall & Swift Manual	Ag 11 Con Sect. 11	Ag 11 Con Sect. 11	Ag 11 Con Sect. 11	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
11. BASE SQUARE FOOT COST	70.23	67.01	47.18					
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation	+ 2.20							
13. Elevator deduction								
14. Miscellaneous	+ 1.52	+ 1.36	+ 1.36					
15. Total lines 11 through 14	44.35	70.37	16.14					
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier	1	1						
17. Height per story-multiplier (see Line 7)	1	1.002	.257					
18. Floor area-perimeter multiplier (see Lines 8 & 9)	.775	1.03	1.015					
19. Combined ht. & size multiplier (Lines 16x17x18)	.775	1.162	1.041					
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)	43.44	81.78	7.22					
21. Current cost multiplier (Sect. 99, p. 3)								

Cost Report - Commercial

1283		Record	1
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	250
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	13
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	3,763.00

1283		Record	2
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	0
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	2,887.00

1283		Record	3
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	0
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	3,709.00

Cost Report - Commercial

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		3763		70.27		264,426
Exterior Wall	Stud Walls-Wood Siding	3763	100%	13.07		49,171
Heating & Cooling	Heating & Cooling	3763		611.00		611
Heating & Cooling	Hot Water	3763	100%	7.57		28,486
Architect Fee		3763		6.60		24,836
Sprinklers	Dry Sprinklers	5942	100%	4.42		26,264
Fire Alarm System		3763		1.46		5,494
Basement	Unfinished	2179		30.83		67,179
Sub Total						$466,465.51

Local Multiplier	1.43	[X]	$667,046.00
Current Multiplier	1.02	[X]	$680,387.00
Neighborhood Multiplier		[X]	$680,387.00
Depreciation - Physical	43.00	[-]	$292,566.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$387,821.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $387,821

42% incomplete, check 12/05 for finish Sold 6/1/2007 for $1.5M

Canvass. Entered data into Govern. Resketched, revalued.
John_Sahnow - 7/14/2014 4:14:31 PM

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:18:13 PM

01.31.2018 PER CANVAS COST, DEP, UPDATES DMHP 01.31.2018
Donna_Prince - 1/31/2018 9:43:04 AM

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		2887		70.27		202,869
Exterior Wall	Stud Walls-Wood Siding	2887		12.25		35,359
Heating & Cooling	Heating & Cooling	2887		611.00		611
Heating & Cooling	Hot Water	2887	100%	7.57		21,855
Architect Fee		2887		6.60		19,054
Sprinklers	Dry Sprinklers	2887	100%	5.18		14,955
Fire Alarm System		2887		1.46		4,215
Sub Total						$298,918.30

Local Multiplier	1.43	[X]	$427,453.00
Current Multiplier	1.02	[X]	$436,002.00
Neighborhood Multiplier		[X]	$436,002.00
Depreciation - Physical	43.00	[-]	$187,481.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$248,521.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $248,521

Cost Report - Commercial

Section 3	Description	Units	Percent	Cost		+/-	Total
Base Cost		3709		70.27			260,631
Exterior Wall	Stud Walls-Wood Siding	3709	100%	12.25			45,427
Heating & Cooling	Heating & Cooling	3709		611.00			611
Heating & Cooling	Hot Water	3709	100%	7.57			28,077
Architect Fee		3709		6.60			24,479
Sprinklers	Dry Sprinklers	3709	100%	4.74			17,581
Fire Alarm System		3709		1.46			5,415
Sub Total							$382,221.78
Local Multiplier					1.43	[X]	$546,577.00
Current Multiplier					1.02	[X]	$557,509.00
Neighborhood Multiplier						[X]	$557,509.00
Depreciation - Physical					43.00	[-]	$239,729.00
Depreciation - Functional						[-]	$0.00
Depreciation - Economic						[-]	$0.00
Percent Complete					100.00	[-]	$317,780.00
Cost to Cure							
Neighborhood Adjustment							
Replacement Cost less Depreciation							$317,780

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:27:02 PM

Miscellaneous Improvements

Miscellaneous Improvement	CANOPY 01.31.2018 P	[+]	27,100

Total Improvement Value $981,200

37 110 SEWARD STREET-JUNEAU DOWNTOWN HISTORIC DISTRICT AND DESCRIPTION OF SUBJECT PROPERTY

Juneau Downtown Historic District

The subject is located in this district, as shown on a following exhibit. The Juneau Downtown Historic District encompasses the historic commercial heart of the city. It extends along South Franklin Street, from the cruise terminal in the south to Second Street in the north, and westward along Second and Front Streets to Main Street.

This area was the center of Juneau's economic activity from its founding in 1880 as a gold mining camp, through its growth into an urbanized area in the early 20th century, including its eventual designation as the territorial capital in 1906.

The Juneau downtown buildings are an excellent representation of early twentieth century commercial architecture in small Pacific Coast communities. Late Victorian, late 19th and Early 20th Century American Movements, and Modern Movement architectural styles are represented by building in the Juneau Downtown Historic District which is listed on the National Register of Historic Places.

Hazardous Waste Issues

None were observed and it is assumed that none exist.

Flood Plain

A review of the CBJ FEMA 2013 mapping, the subject is not in flood plain.

DESCRIPTION OF IMPROVEMENTS

The subject improvements reflect the most prevalent type of construction at the turn of the century in downtown Juneau, where one and story buildings, most with basements, were constructed of wood framework and siding, with a combination of storefront and double hung windows and flat roofs.

The subject building was constructed in 1899 and on the AHRS records, is identified as #JUN205 and referred to as the Lewis Building. According to the records, it has no architectural style and was built as a two-story structure measuring 41 feet by 67 feet. It was built with wood framing and siding, a full concrete basement and a flat roof. Above the sidewalk canopy were fixed windows. On the second level were double hung windows. The building had a flat projecting cornice with decorative corbels.

The AHRS records report that in 1985 the owners added a similar cornice to the back, placed new double hung windows that matched the historic ones on the second floor, and added storefront windows (similar to the originals) on the street level. The transom windows were filled but appear as recessed panels and depict the original massing. The Goldstein Improvement Company acquired the building in 2005 and have upgraded and maintained as necessary to support the existing retail and office uses.

The two-story building abuts a one-story building with three retail spaces (116-118 Seward Street) that lies between the corner building and the 130 Seward Street five story Goldstein Building. The west side of the building has T-111 siding. As the photographs show, there are canopies above the sidewalks along the street side of both buildings.

As the photographs that follow show, the rented spaces in this building are attractive and include a mix of historical and contemporary finishes. The rear areas or utility areas of the building have relatively modest finishes that are functional.

SUMMARY OF BUILDING AREAS

	110 Seward Street	116-118 Seward Street	Totals	Rented Areas	Use
Street Level	3,763 SF	2,891 SF	6,654 SF	6,106 SF	Coffee shop and retail
2nd Level	3,705 SF	n/a	3,705 SF	2,502 SF	Offices
Basement Level	2,245 SF	n/a	2,245 SF	1,740 SF	Rented area for Heritage Coffee storage & Mechanical, electrical and heating systems
Total All Areas	9,713 SF	2,891 SF	12,604 SF	10,348 SF or 82%	
Total Above Grade Only (exc. Bsmt)	7,468 SF	2,891 SF	10,359 SF	8,608 SF or 83%	

38 122 FRONT STREET-JUNEAU DOWNTOWN HISTORIC DISTRICT AND DESCRIPTION OF SUBJECT PROPERTY

Juneau Downtown Historic District

The subject property lies within this district, as shown on a following exhibit.

The Juneau Downtown Historic District encompasses the historic commercial heart of the city. It extends along South Franklin Street, from the cruise terminal in the south to Second Street in the north, and westward along Second and Front Streets to Main Street.

This area was the center of Juneau's economic activity from its founding in 1880 as a gold mining camp, through its growth into an urbanized area in the early 20th century, including its eventual designation as the territorial capital in 1906.

The Juneau downtown buildings are an excellent representation of early twentieth century commercial architecture in small Pacific Coast communities. Late Victorian, late 19th and Early 20th Century American Movements, and Modern Movement architectural styles are represented by building in the Juneau Downtown Historic District which is listed on the National Register of Historic Places.

Hazardous Waste Issues

None were observed and it is assumed that none exist.

Flood Plain

A review of the CBJ FEMA 2013 mapping, the subject is not in flood plain.

DESCRIPTION OF SUBJECT IMPROVEMENTS

The 124 and 126 Front Street building is listed on the Alaska Historic records site as the Kobach Studebaker Building (AHRS) No. Jun-182. It was constructed in 1898 with no architectural style and had a saloon on the ground floor. When constructed, the two-story building was of wood construction and measured 25 feet in width and 71 feet in depth The original construction included a flat roof, a concrete perimeter wall with no basement, storefront windows on the first level and small plate glass windows on the second level. In 1984, T-111 siding replaced the original wood siding. The building has retained its original massing, windows and cornice.

The AHRS records do not include the one story 25x26 foot building that butts up to the original building. The owners of the property stated that they believe this was built at the same time as the original building and is of concrete construction.

The improvements described above are located along the eastern edge of the site and lie close to the Heritage Coffee Roasters building to the east. To the west of the improvements is a paved parking area with 18 parking spaces, there are 23 spaces. however five are not located on the subject's legally described land area and belong to the Goldstein/FAN development to the north/northwest.

Today, the improvements, per the City and Borough of Juneau assessment records. include a two-story building with a ground level measuring 25 feet wide by 98 feet deep, and a second level of 25 feet wide by 72 feet in length. The south and west exposed walls have wood siding and numerous double hung and fixed windows, and the north and east walls have metal siding. The building has mounted exterior lights, three electrical meters, a flat built up roof, and a ceiling height of 11 feet on the ground level and 9 feet on the second level. There are two glass and wood entrance doors on the Front Street side, one for the restaurant and one for access to the stairs accessing the second floor apartment, and there is a west side metal door that accesses the rear part of the restaurant. The one-story portion at the north end, where Sketch Studio is located has a metal and glass entrance door adjacent to a window

BUILDING	GBA	Net Rentable Area	Efficiency	USE
122 Front Street	25x26 feet = 650 SF	378 SF	58%	Sketch Art Studio
124 Front Street	25x72 feet = 1,800 SF	1,622 SF	90%	Asiana Restaurant
126 Front Street	25x72 feet = 1,800 SF	1,800 SF	100%	5b2b apartment
Totals	4,250 SF	3,800 SF	89%	

Flooring – the flooring varies and includes commercial tile or vinyl, residential grade

Overall Condition and Estimate of Remaining Economic Life

The subject is in good condition with tenant spaces of good quality. Historical buildings that are well maintained and upgraded often have useful lives that are well beyond 100 years. The estimated remaining life of this property is not less than 30 years.

39 JULIE DINNEEN MAI APPRAISER-USES LOCAL CONTRACTORS AND ARCHITECTS AND PUBLISHED ARTICLES TO OBTAIN COMMERCIAL BUILDING COSTS; SHE DOES NOT HAVE OR USE MARSHALL AND SWIFT, AS ACTUAL REGIOINAL AND LOCAL COST SOURCES ARE MORE RELIABLE

On July 7, 2022 Julie Dinneen wrote:

Greg, the sources I use are local contractors and architects, as well as published articles pertaining to new construction throughout the state. I don't have or use Marshall and Swift, as actual regional and local cost sources, I believe, are more reliable.

See More from Gregory Adler

--

JULIE DINNEEN, MAI
(303) 579-3589

40 JULIE DINNEEN MAI APPRAISER-USES $ 450 SF OR HIGHER FOR COMMERCIAL BUILDING COSTS AND THE COST APPROACH WAS NOT USED BECAUSE IT WOULD RESULT IN A MUCH HIGHER VALUATION THAN THE INCOME AND SALES APPROACHES THAT CANNOT BE RECONCILED AND IS NOT RELEVANT

On Jun 26, 2022, at 2:13 PM, julie dinneen <juliedinneencompany@gmail.com> wrote:

Absent Northwinds info that you got, mine would have been $450 SF or higher, based on info in my files, but this info is not in my reports as I included the two strongest approaches to value. Can CBJ defend their use of a cost approach as relevant given the prevailing rental rates for offices in the Juneau market and the downsizing of State offices?

If I had done a Cost Approach, I would have had to make a downward adjustment for economic obsolescence - the way that I would prove this is that the capitalized NOI would indicate a value much lower than the Cost Approach. When this happens, the appraiser needs to state why this is so -- and why the two approaches to value don't line up.

The chosen Sales Comparison sales should be similar to the subject in as many regards as possible - location, age, size, condition, tenancy, land to building ratio, parking, features such as HVAC and elevators. To be able to understand the assessment, a taxpayer would need to see the sales used -- in order to make reasonable challenges and comments.

41 122 FRONT STREET IS AN OUTLIER IN THE MARKETPLACE WITH ITS SMALL BUILDING AND RELATIVELY LARGE SITE IN THE DOWNTOWN MARKET

Conclusions of Sales Comparison Approach

The subject property is an outlier in the marketplace with its small building, and relatively large site in the downtown market. Both the building and the parking lot generate income to this property. Sales that are highly similar to the subject do not exist in the downtown market as none reflect a land to building ratio that falls in line with the subject.

Due to the lack of comparable data, the NOI/SF indicator was used to gather sales in the Juneau market that share this characteristic. Although the three sales are not similar in location or size, all produce similar NOI/SF indicators.

Based upon the market data, a range of NOI/SF of $13-15 is presented by the comparisons, and the subject's is $15. The market sales range in price per square foot of $185 to $218 SF with the high end reflective of the same NOI/SF as the subject.

The average of the three price per square foot indicators is $202 SF which is applied to the subject property. As shown on the following table, the subject is valued at $860,000 by this approach.

42 EMAILS SHOWING MICHAEL DAHLE AND THE ASSESSORS OFFICE OBTAINED GOLDSTEIN IMPROVEMENT PROPERTIES PROFIT AND LOSS STATEMENTS FOR EACH INDIVIDUAL PROPERTY IN MAI APPRAISER JULIE DINNEEN'S APPRAISALS LONG AGO AND IN A TIMELY MANNER AND THAT JUST BEFORE THE BOE HEARING HE REQUESTED THE SAME INFORMATION AGAIN (EMAIL CORRESPONDENCE WITH MICHAEL DAHLE, MARY HAMMOND, GREG MORRIS AND DI CATHCART

From: **Greg Adler** gregoryladler@gmail.com
Subject: Re: June 29, 2022 Board of Equalization Packet Links-Hearing Appeal Main Hearing Document From Goldstein Improvement Company
Date: June 28, 2022 at 12:52 PM
To: Di Cathcart Di.Cathcart@juneau.org

DI,

Thank you for your help.

Attached please find Hearing Appeal.

This is the main document I will use during the Hearing.

Please circulate it.

Also, Michael Dahle yesterday requested 3 years financials from the Goldstein Improvement Company for Alaska (coming in separate email)

He has had in his possession for months 2 years of financials included in the Julie Dinneen Appraisals.

So I am not sure why he needs this, but happy to provide.

Please also find the section of Julie's Appraisal Report stating capitalization rates are from 7.5% to 10.86% because of Covid and the State of Alaska reducing their space needs. (Coming in separate email)

Please note the reason for my the voluminous written material from us is the lack of transparency from the Assessor's Office.

Thank you for your help,

Greg Adler

PDF

HEARING APPEA...01.pdf

On Jun 28, 2022 at 12:42 PM, Di Cathcart <Di.Cathcart@juneau.org> wrote:

Hello again – in reviewing further I see this is a separate exhibit from the one already in the packet. I have forwarded both documents via fileshare to everyone.
Thank you,
Di

From: Greg Adler <gregoryladler@gmail.com>
Sent: Tuesday, June 28, 2022 10:11 AM
To: Di Cathcart <Di.Cathcart@juneau.org>
Subject: Re: June 29, 2022 Board of Equalization Packet Links

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

Di.

I did not see the attach document in the packet. I provided it to Michael weeks ago.

From: **Greg Adler** gregoryladler@gmail.com
Subject: Fwd: June 29, 2022 Board of Equalization Packet Links
Date: June 28, 2022 at 1:03 PM
To: Michael Dahle Michael.Dahle@juneau.org, Mary Hammond mary.hammond@juneau.org, Greg Morris Greg.Morris@juneau.org

Michael,

You have had our financials (2 years) for months in Julie Dinneen's Appraisals.

Happy to provide the Goldstein Improvement Company for the last 3 years.

Also, here are her Capitalization Rates which mirror the state of the economy in Juneau with Covid, lost revenue of $ 190 million, 6,000 jobs lost and the State of Alaska shrinking their presence in Juneau. Her rate is 7.5%-10.86%. Your stated rate of 5-6% is not reflective of the economy or business in Juneau. You have given lip service to the poor business environment in Juneau the last few years, it is time you do the right thing and reflect market conditions in the capitalization rates you use..

Sincerely,

Greg

> Begin forwarded message:
>
> **From:** Greg Adler <gregoryladler@gmail.com>
> **Subject:** Re: June 29, 2022 Board of Equalization Packet Links
> **Date:** June 28, 2022 at 12:58:38 PM PDT
> **To:** Di Cathcart <Di.Cathcart@juneau.org>
>
> Di,
>
> Attached are 3 Years Financials even though Michael has had 2 years financials for months
>
> I presume Michael will use the financials for an Income Approach to Value since his Cost Approach to Value is not feasible
>
> Also Julie Dinneen's capitalization sections.
>
> Thank you,
>
> Greg Adler

PDF
Capitalization Rates I...Ala.pdf

PDF
FS 2019.pdf

PDF
FS 2020.pdf

PDF
FS 2021.pdf

Fwd: June 29, 2022 Board of Equalization Packet Links
To: Michael Dahle <Michael.Dahle@juneau.org>, Mary Hammond <mary.hammond@juneau.org>, Greg Morris <Greg.Morris@juneau.org>

Michael,

You have had our financials (2 years) for months in Julie Dinneen's Appraisals.

Happy to provide the Goldstein Improvement Company for the last 3 years.

Also, here are her Capitalization Rates which mirror the state of the economy in Juneau with Covid, lost revenue of $ 190 million, 6,000 jobs lost and the State of Alaska shrinking their presence in Juneau. Her rate is 7.5%-10.86%. Your stated rate of 5-6% is not reflective of the economy or business in Juneau. You have given lip service to the poor business environment in Juneau the last few years, it is time you do the right thing and reflect market conditions in the capitalization rates you use..

Sincerely,

Greg

Re: June 29, 2022 Board of Equalization Packet Links
To: Di Cathcart <Di.Cathcart@juneau.org>

Di,

Attached are 3 Years Financials even though Michael has had 2 years financials for months.

I presume Michael will use the financials for an Income Approach to Value since his Cost Approach to Value is not feasible.

Also, Julie Dinneen's capitalization sections.

Thank you,

Greg Adler

Re: June 29, 2022 Board of Equalization Packet Links-Hearing Appeal Main Hearing Document From Goldstein Improvement Company
To: Di Cathcart <Di.Cathcart@juneau.org>

DI,

Thank you for your help.

Attached please find Hearing Appeal.

This is the main document I will use during the Hearing.

Please circulate it.

Also, Michael Dahle yesterday requested 3 years financials from the Goldstein Improvement Company for Alaska (coming in separate email)

He has had in his possession for months 2 years of financials included in the Julie Dinneen Appraisals.

So I am not sure why he needs this, but happy to provide.

Please also find the section of Julie's Appraisal Report stating capitalization rates are from 7.5% to 10.86% because of Covid and the State of Alaska reducing their space needs. (Coming in separate email)

Please note the reason for my the voluminous written material from us is the lack of transparency from the Assessor's Office.

Thank you for your help,

Greg Adler

43. THE FIFTEEN (15) MINUTE HEARING IS UNFAIR AND IT IS UNFAIR FOR CHAIRMAN EPSTEIN TO PERMIT MR. DAHLE TO INTERJECT THE KEY BANK BUILDING APPEAL INTO OUR FIRST APPEALS AND ALLOWING HIM TO PREJUDICE THE BOE HEARING BOARD BY ASSERTING OUR PURCHASE OF THE KEY BANK BUILDING WAS NOT A MARKET SALE. WE WERE NOT PERMITTED TO MAKE A GLOBAL PRESENTATION. YET, THE ASSESSOR IS PERMITTED TO MAKE A GLOBAL PRESENTATION BY TAINTING THE EVIDENCE BEFORE WE HAVE THE OPPORTUNITY TO PRESENT OUR CASE. THE KEY BANK BUILDING WAS A MARKET SALE, WHICH MAKES CHAIRMAN EPSTEIN'S AND MR. DAHLE'S IRON-FISTED HEARING TESTIMONY ASSESSOR PREJUDICE OUR APPEAL CASES.

Re: June 29, 2022 Board of Equalization Packet Links-Hearing Appeal Main Hearing Document From Goldstein Improvement Company
To: Di Cathcart <Di.Cathcart@juneau.org>

Di,

Regarding dates to continue the appeals, I know I saw an email re July dates. I've been traveling and cannot find your email but the last 2 weeks of July I will be traveling with my son. I am available the first 2 weeks of August.

Also, I must say the 15 minute hearing alotted to the Appellant which turns into something like 1 1/2 hours for the other side is not fair, particularly when the Chair stated "I don't have to attend hearings" for them to make a decision. The unfairness and predetermined actions of this process has caused me great neck pain.

Furthermore, when I stated the proceedings were prejudice because Mr. Dahle stated our 234 Seward Street property was not a market sale and an Outlier property during an appeal of a different property, when I was instructed each appeal must be separate and I wasn't permitted to present my 6 cases globally because there are overlapping issues, is improper, unequal treatment weighted in favor of the Assessor. I asked to present our 6 properties globally to save time. It seems the Assessor gets the benefits going each way. Moreover, when the Chair accused me of mentioning that 234 Seward was not an outlier property at this point in the hearing first was clearly wrong and upsetting. I was accused of being a liar. In light of this and the imposition of excess taxation without due process we are exploring our options. To continue such an unfair process without an explicit directive to increase taxes from the Assembly is underhanded to the good hardworking people of Juneau.

Respectfully,

Greg Adler

44 ASSESSOR DAHLE FRAUD AND PLAGIARISM RESPECTING THE KEY BANK BUILDING, APPEAL (#1C070A050060) WHERE HE STOLE THE INTELLECTUAL PROPERTY OF MR. WALTER BIALAS TO FALSELY CLAIM AND MAINTAIN OUR PURCHASE OF THE KEY BANK BUILDING WAS NOT A MARKET SALE. MR. WALTER BIALAS, WHOM ASSESSOR DAHLE RELIED ON AS HIS EXPERT, CONCLUDED THE KEY BANK BUILDING WAS REASONABLY EXPOSED TO THE MARKET AND OUR PURCHASE PRICE WAS FAIR. THEREFORE, THE ASSESSOR ASSESSED VALUE MUST BE THE OWNER'S ESTIMATE OF VALUE $ 1,005,277 OR IN THE ALTERNATIVE $ 1,232,915 ($ 1,250,000 LESS PERSONAL PROPERTY INCLUDED IN THE SALE OF $ 17,085).

July 14, 2022

To Whom It May Concern:

I called the Juneau Assessor Office originally thinking I would have a short conversation about why our taxes at the Key Bank Building, 234 Seward Street, were more than doubled from the time we purchased the building on Novemer 24, 2021 to January 1, 2022. I thought I would ask a few questions, I'd get some satisfactory answers and that would be it.

When I am spoken or written to I try to listen.

I called the Assessor Office expecting to have a friendly call. I spoke with Mr. Dahle who reminisced that he was in commercial real estate and we got "A Steal." He said, "I would have bought it for $ 1,250,000."

I was not expecting the Assessor to speak to me in this manner.

It shook me up.

Naturally, I wondered if Mr. Dahle would have bought the Key Bank Building for $2,547,520 which is what he assessed it 1 month after we bought it.

I do not believe he would have bought it at that price or anyone else.

Shortly thereafter, Mr. Dahle sent me an Email dated March 22, 2022 at 3:320 p.m. and copied Mary Hammond.

In the section entitled, General Question Mr. Dahle gave me some general unsolicited advice.

Without attribution Mr. Dahle stated,

> "The next tenants of closed branches were indicated as follows:
>
> 7.5% other banks
> 26% stores
> 19% restaurants
> 17% health clinics
> 10.5% fitness
> 7.5% other financial services"

In the next paragraph, Mr. Dahle stated "The average time to sell was 9.5 months and the time to sublease just over a year."

In the next paragraph, Mr. Dahle stated "I think that addresses all of the questions that you have asked so far that weren't answered directly in our conversations."

First of all, Mr. Dahle is using the above the information as his own without identifying the source.

Plagiarism is described as theft of someone's words or ideas...Fraud is misrepresentation that aims to gain an unfair advantage. [library.hccs.edu/plagiarmism/definitions].

Mr. Dahle has stolen the above words from somewhere and does not disclose where he obtained this information. He presented the information in this email, future phone calls and face to face meetings as his own. He told me the Key Bank Building was not a market sale because it was not exposed to the market for 9 ½ months. At first, I wanted to believe Mr. Dahle and wondered where he obtained this information. Mr. Dahle's practice though is to use data unscrupulously and not disclose it. He is a prime example of bad data in and bad data out. This is a serious offense. It is consistent with the patterns I see in Mr. Dahle's work.

It bugged me that "9 ½ months" was such a specific time frame for a bank building to be exposed to the market. If less than 9 ½ months Mr. Dahle said it probably was not a market sale.

Then, one day I decided to search the internet. I found the article Mr. Dahle has stolen the above information. The article is attached herein. Mr. Dahle stole the information he presented to me as fact from a March 2, 2020 article entitled, "If a Bank Branch Has to Close, What Are the Most Likely Reuse Scenarious?"

Mr. Dahle stole the intellectual property of Mr. Walter Bialas who was then Vice President of Research with the real estate services firm JLL.

JLL happened to advise Key Bank on the sale of their building to us.

Mr. Dahle relied on JLL and stole their information.

Mr. Dahle misrepresented what Mr. Bialas said in the article. He cherry-picked information you might say.

Mr. Bialas did not say the Key Bank Building had to be exposed to the market for 9 ½ months for it be a market sale.

Please see my email to Mr. Bialas regarding "Was A Reasonable Time Allowed to Find a Purchaser?" and other questions.

Mr. Bialas answered, "Your Juneau asset is unique-an historic urban bank building. That is very different from the typical suburban-

oriented branch bank in the lower 48, which is what our comments centered on in the article you attached....We noted that some well located branches do get picked up for other uses like fast casual restaurants and the like."

"Yours looks to fall into that category-old branch with high ceilings and historic flavor in the downtown. Repurposing that into a specialty retailer makes perfect sense, with the challenge being finding that unique retailer that would fit the asset. It looks like you were able to do that. Since the asset was so unique relative to the multitude of typical suburban branch banks around the country, your marketing time of a couple of months seems appropriate, as does your sale price that was close to the asking price. It could have been much longer, but the confluence of the asset hitting the market and a unique tenant looking for space worked in your favor."

By clear and convincing proof, our burden of proof with respect to the above matter has been proven. Our purchase of the Key Bank Building was a market sale. The assessed value must match our purchase price.

Mr. Dahle stole the words from Mr. Bialas and misrepresented what they said to me. He never disclosed where he obtained these words or data. He presented these words and ideas as his own. Mr. Dahle has committed plagiarism. Plagiarism is fraud. Fraud is grounds to have our appeals granted.

In view of Mr. Dahle's fraud he has tainted all of his testimony in all appeals and I request all of his testimony be disregarded as fraudulent.

Specifically, with respect to our appeal Parcel Identification 1C070A050060 I demand that based on the above the facts and the

written material herein our Appeal for this parcel be granted in our favor in the amount of $ 1,005,277.

In regards to Appeals 1C070A020011 and 1C070A020030 they must be granted in view of the fraud committed by Mr. Dahle which goes to the heart of the matter and is pervasive throughout our appeals.

Not only has Mr. Dahle committed atrocious acts to deny innocent and good commercial property owners, the backbone of the Juneau community, due process but his methodology is incompetent. He relies on a 2 year old article, takes it out of context, misapplies and misrepresents what it says, does not disclose where he obtained his information and presents it as his own. This methodology is present throughout all of our properties assessed value.

It is an abuse of your office to not stop these fraudulent practices now.

We are happy to utilize Mr.Bialas as our expert, with current and truthful statistics. Mr. Bialas provided us with two comparable recent sales in Juneau. The Four Points Hotel and Glacier Village both were sold in 2018 and 2019 with Cap Rates of 10%. This is useful information that to my knowledge has been excluded from the Sales List provided by the Assessor's Office. The Assessor's Office used a 3% and 4.5% Cap Rate in our first two Appeals. Reverse our first two appeals because they have been tainted by the lies of Mr. Dahle. In our hearings Mr. Dahle stated he used a 6.5% Cap Rate. You must stop the ongoing fraud.

Regarding the four Appeals we have remaining I respectfully request they be suspended until a later date after the Assembly has had the opportunity to review and rule on this matter.

In you wish to discuss this further please do not hesitate to contact me at 310-612-1312.

We wish to resolve all matters amicably, but in lieu of that we have been in contact with Mr. Garth Schlemlein.

Sincerely,

Greg Adler
Goldstein Improvement Company

//Attachments pp. 24, Dahle emails, bank branch closing article, Definition of Plagiarim, letter from Greg Adler to Walter Bialas, email from Walter Bialas to Greg Adler, emails between Mr. Dahle and Greg Adler, emails between Greg Adler and Walter Bialas, 10% Cap Rates in Juneau from MSCI Real Capital Analytics

From: **Michael Dahle** Michael.Dahle@juneau.org
Subject: RE: GOLDSTEIN IMPROVEMENT COMPANY-Forwarding Your News Release as Requested
Date: March 22, 2022 at 3:20 PM
To: Greg Adler gregadler@mac.com
Cc: Mary Hammond mary.hammond@juneau.org

Greg,

In regards to your question about the $54,400 miscellaneous category on the assessed value. The cost approach that was done in 2018 was done within our CAMA (Computer Assisted Mass Appraisal) system. Previous cost reports also used the Marshall & Swift valuation tables but were performed in a different software. With the current CAMA software some items related to a building end up in the miscellaneous category. In your case the items included in that section include a storage area, the canopy, an enclosed porch and the vault.

You asked what model was used to value your property.

Land
The land value was set in 2005 at 612,300 based on a per SF model. It was decreased by 4% on 07/01/2019 by Robin Potter to a land model in Govern, our CAMA system, of $40 per SF with a 20% locational adjustment which appears to be for the corner influence. (12,245 * 40 * 1.2 = 587,800)

In reviewing the sales as part of the analysis for setting commercial property values as of 01/01/2021 it was apparent that our commercial values were under market. As a first step towards addressing this a trending was applied for the AY2021 values. For most properties that meant a 50% increase to the land portion of the value. For improved properties that resulted in a 20% increase to the value on average.

Your property received that trend. (587,800 + 50% = $881,700)

For assessment year 2022 a 2% decrease was applied to properties in the downtown area. That was applied to both the land and the building components. The decrease to downtown commercial properties was applied even though the sales indicated that we were not overvalued in that area. It was applied in our effort to improve the uniformity of commercial subgroup valuation levels.

For the land portion this meant a reduction to $864,066. (881,700 – 2% = $864,066)

I have reviewed the base rate and locational adjustment applied to this property and it is uniform with surrounding properties.

Building
The building value is based on a cost report done in 2018 in Govern per an inspection. Within Govern it splits the value into two segments, the main building and miscellaneous components such as a storage area, the vault, etc. (1,662,300 + 54,400 = $1,716,700)

The 2% reduction was applied to the main building segment. (1,662,300 – 2% = $1,629,054)

The miscellaneous segment did not change for AY2022.

I have also attached a current cost report on the building. This is based on the last routine inspection which was done in 2018. The effective year built and amount of depreciation seems high based on the building having been remodeled in 2007 and 2008 and on my observations from the times I have walked by the building, however, we certainly will take a look at the items detailed in the appraisal. Also of note is that when the building was remodeled in 2007 and 2008 no change was made to the building value as should have happened.

The valuation history is included again below.

In regards to the outlier classification, that refers not to the sale per se but to the sales position within each data set of the analysis process. Part of the analysis of each data set includes a step to determine if any of the data points in the set are an outlier. For a particular sale, whether or not it is considered an outlier can change from one data set to another. In one set it may be an outlier while in another set it may not be an outlier.

This is the definition of an outlier that we use:

> 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.

General Question:
Have you explored at all whether another bank may be interested in a downtown location or whether you are thinking you will need to repurpose the building? From the quick research that I have done I have seen mixed signals. Some of the statements that I have seen are that there still are some branch closings but it has slowed from prior years, some banks have announced plans to open a significant number of new branches, half of the banks surveyed had plans to open new branches, closures are connected to less profitable regions, that the branch is not going away but how they deliver services is changing, and that the very significant number of people still physically going into the bank branches provides a tremendous opportunity to banks if they will capitalize on it.

Branch density is declining but branches remain the predominant factor in new accounts and customer retention so it is mainly the closing of duplicate or overlapping branches that have seen closure.

The next tenants of closed branches were indicated as follows:

7.5% other banks
26% stores
19% restaurants
17% health clinics
10.5% fitness
7.5% other financial services

The average time to sell was 9.5 months and the time to sublease just over a year.

I think that addresses all of the questions that you have asked so far that weren't answered directly in our conversations.
Sincerely,

Michael Dahle

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

CITY AND BOROUGH OF JUNEAU

3/21/2022 4:06:21PM

Cost Report - Commercial

1309		Record	1
Parcel Code Number	1C070A050060	Number of Stories (Building)	02
Owner Name	GOLDSTEIN IMPROVEMENT COMPANY	Number of Sections	1
Parcel Address	234 SEWARD ST	Perimeter	391
Effective Year Built	1987	Class	B
Year Built	1914	Height	
Building Model	C- 15 Offices, Medical, Public Buildings	Rank	Average
Building Type	Bank	Total Area	6,608.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		6608		171.00		1,129,968
Exterior Wall	Concrete, Formed	6608		22.30		147,358
Heating & Cooling	Heating & Cooling	6608		613.00		613
Heating & Cooling	Hot Water	6608		13.00		85,904
Architect Fee		6608		7.30		48,238
Sprinklers	Sprinklers	11698		4.06		47,434
Fire Alarm System		6608		1.46		9,648
Basement	Unfinished	4630		57.00		263,910
Sub Total						$1,733,133.36
Local Multiplier				1.43	[X]	$2,478,381.00
Current Multiplier				1.13	[X]	$2,800,571.00
Neighborhood Multiplier					[X]	$2,800,571.00
Depreciation - Physical				34.00	[-]	$952,194.00

Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$1,848,377.00
Cost to Cure			
Neighborhood Adjustment			
Replacement Cost less Depreciation			$1,848,377

Miscellaneous Improvements

Miscellaneous Improvement	STORAGE 2 1 2018 PE	[+]	3,800
Miscellaneous Improvement	CANOPY 2 1 2018 PER	[+]	13,400
Miscellaneous Improvement	ENCLOSED PORCH 2 1	[+]	2,200
Miscellaneous Improvement	VAULT 2 1 2018 PER	[+]	35,000
Total Improvement Value			$1,902,800

City and Borough of Juneau
Assessment History Report

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$864,066.00	$54,400.00	$1,629,054.00	$2,547,520.00
2021	$881,700.00	$54,400.00	$1,662,300.00	$2,598,400.00
2020	$587,800.00	$54,400.00	$1,662,300.00	$2,304,500.00
2019	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2018	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2017	$612,300.00		$1,680,000.00	$2,292,300.00
2016	$612,300.00		$1,680,000.00	$2,292,300.00
2015	$612,300.00		$1,680,000.00	$2,292,300.00
2014	$612,300.00		$1,680,000.00	$2,292,300.00
2013	$612,300.00		$1,680,000.00	$2,292,300.00
2012	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2011	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2010	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2009	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2008	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2007	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2006	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2005	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2004	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2003	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2002	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2000	$496,000.00	$0.00	$787,300.00	$1,283,300.00



PROPERTY TYPES>RETAIL

If a Bank Branch Has to Close, What Are the Most Likely Reuse Scenarios?

As banks downsize their bricks-and-mortar footprint, their vacated spaces can be turned to other uses.

Mar 02, 2020

Banks continue to shutdown branches across the country, but investors [illegible] reuse opportunities for these locations.

The typical closed branch encompasses around 8,000 to 14,000 sq. ft. of space, with some branches reaching up to 25,000 sq. ft. or 35,000 sq. ft., says Walter Bialas, vice

president of research with real estate services firm JLL. This is where creative reuse of space comes into play.

"Take a 25,000 square foot outparcel, for example," says Bialas. "With larger retailers under pressure and limited growth in that sector, you have to match a user with the space. Even many restaurants are not this large, so it becomes a challenge to lease or sell the space and maybe develop a plan to divide the space for multiple users, which is why office type users often fit the best."

A typical fast-food restaurant encompasses anywhere between 1,000 sq. ft. and 3,000 sq. ft., says Navin Nagrani, executive vice president at Hilco Real Estate, a real estate services company. Fast casual restaurants can occupy anywhere between 2,000 sq. ft. to 4,500 sq. ft.

"A branch bank tends to have a certain footprint and is mostly geared to an office use," says Bialas. "Having a branch turn into a financial services office for an insurance company is an easy fit. As you move into other uses like retail or restaurants or health clinics, it requires a complete rebuild of the space."

However, in Chicago, the top two leading uses of closed bank branches in 2019 were fast casual restaurants and health clinics. Nineteen percent of closed branches changed use to fast casual restaurants, while 17 percent changed their use to health clinics. Only 7.5 percent of closed bank facilities went to other financial institutions, according to a [illegible] report.

A fast-food restaurant operator "may actually want to take over a bank branch" because of their high visibility and infrastructure, says Nagrani. Most branches already have space dedicated to drive-throughs and receiving zoning for this type of layout "sometimes can be difficult to get" for restaurants, he notes.

"The costs to repurpose a branch can be significant," says Bialas. "However, the level of investor interest will depend on various characteristics [such as] intended use, overall location, size of the branch, competition or complementary nearby uses, area demographics, etc. Good location will garner interest and potentially an investor willing to adapt the property into something new or different."

While a few large institutions announce reuse plans in advance of closing a branch, other institutions "may see this as a sunk cost and will look for a buyer or a renter passively, [wanting] to keep the asset on the books until the lease is up and then turn it back to the landlord or a buyer [if one] is found," says Bialas. Well-positioned suburban spaces, in areas with stable or growing demographics, can often be repurposed by another bank or financial institution because they have similar office-oriented space requirements.

The average time to sell a vacated branch is nine and a half months, while the average time to sublease is slightly over a year, according to the JLL report. Outparcels and endcaps with high visibility and quality signage are often in high demand. In-line spaces, in contrast, can be more difficult to fill and are more commonly repurposed for other uses, such as restaurants, convenience stores or clinics, JLL data shows.

"Visibility is key. Parking in suburban locations is also paramount and [outparcels and endcaps] often have ample parking proximate," says Bialas. "In-line space, in contrast, lacks some of these ingredients and may need to be transitioned to some complementary retail use."

Urban bank branches situated in easy-to-access locations "will probably stay in use," despite the size of the facility being too large by today's standards and branch functions turning more digital, according to Bialas. But branches that are lacking in visibility, access or demographics may "struggle to find a reuse plan" and remain vacant for a considerable length of time.

Along with office, medical and restaurant uses, Nagrani says former branches could also be repurposed for use as online "food pick-up or delivery" and marijuana dispensaries.

Banks continue to close branches across the country with no end in sight, according to JLL research. Close to 1,700 branches closed in 2019, around a 1.9 percent decline in the number of branches in the market. The trend is even more pronounced for the top 25 institutions, as large banks closed 1,450 branches, equality to roughly a 3.7 percent decline in their locations.

Definition of Plagiarism

plagiarize \ 'plaje,riz \ vb -ed/ -ing/ -s [plagiary + -ize] vt: to steal and pass off as one's own (the ideas or words of another) : use (a created production) without crediting the source <a learned book of his...had been coolly *plagiarized* and issued in short version -- *Times Lit. Supp.*> ~ *vi* : to commit literary theft : present as new and original an idea or product derived from an existing source

FROM: *Webster's Third New International Dictionary of the English Language Unabridged*, (Springfield, Ma: Merriam-Webster, Inc., 1986, p.1728).

About Plagiarism

Plagiarism is a matter of serious concern for students, faculty and academic institutions. Most academic institutions impose high standards of academic integrity and penalties for violations can result in a failing grade on an assignment, in a course, and even suspension or expulsion from an institution. The UAF Student Code of Conduct defines academic standards expected at the University of Alaska Fairbanks

UAF

STUDENTS' RIGHTS AND RESPONSIBILITIES

Student Code of Conduct

The university may initiate disciplinary action and impose sanctions on any student or student organization found responsible for committing, attempting to commit, or intentionally assisting in the commission of any of the following prohibited forms of conduct:

a. cheating, plagiarism or other forms of academic dishonesty;

Plagiarism:

A Basic, Comprehensive Definition Often, definitions of plagiarism describe it as the theft of someone's words or ideas. At the same time, most of them aren't as clear that plagiarism is a kind of fraud. Fraud is misrepresentation that aims to gain an unfair advantage.

library.hccs.edu/plagiarism/definitions

Walter,

The Seller's Asset Manager was JLL. (See email from real estate broker Carlton Smith dated June 23 attached)

THE QUESTION:

WAS A REASONABLE TIME ALLOWED TO FIND A PURCHASER?

Subject property was on the open market for 2 months and the Seller received interest during the contingency period for 1 more month for a total of 3 months.

Thank you for speaking with me this morning.

Regarding the Key Bank Building (late 1800s BH Behrends Bank Building) at 234 Seward Street, Juneau Alaska 99801.

Square Feet- 12,284
Basement- 5359 SF
Street Level- 4280 SF
2nd Floor- 2645 SF

Land-12,245 SF
Stories-2
Parking-17 (Drive-thru banking set up)
Vacant-Yes

End of the block, Street (Main St) to Street (Seward) property along 3rd St. (See attached)

This property came on the market, was marketed for and closed.

For Sale: 7/23/2021 (Co-broker agreement signed)
Asking Price: $1,495,000
Selling Price: $1,250,000
Purchase Contract Dated: 9/27/2021
Contingency Period End: 11/1/2021
Closing Date: 11/24/2021

From Marketing to Purchase Contract: 2 months

From Marketing to Contingency End: 3 months
From Marketing to Closing: 4 months

Recent Comparable Bank Anchorage Listing: $1,275,000 (see attached)

The subject property is in a good downtown location, there are complimentary uses on the surrounding streets and it was adaptable to other uses as clearly shown by Foggy Mountain Sports (signed lease for the first floor and basement March 31, 2022; grand opening July 8, 2022 and the Public Employees Union (signed lease for the part of the first floor and second floor on ...._

Properties such as this are often in high demand as shown by the Leases that were executed, the good location, street to street location with 2 corners, high visibility and ample parking.

The marketing time to sell a vacant bank branch in Juneau, Alaska exposure to the market could be anywhere from immediately to a few months in a small market such as Juneau, Alaska if priced at fair market value.

If a bank building was priced above or way above fair market value it could sit on the market for a long to very long time until the Seller reduced the selling price to fair market value.

I am also wondering if you have an opinion on captializaiton rates. Juneau is a town dependent on tourism; specifically, cruise ships. During the pandemic Juneau lost an estimated $190M and 6,000 jobs and many businesses struggled to survive. We abataed rent for many tenants. The Assessor has used from a capitalization rate of 3 to 6.5%. During this period in Juneau, Alaska I believe cap rates went up as net income went down with rent abatements speciafically for retail business like restaurants, gift shops catering to tourists. Do you have an opinion on whether cap rates went up during this time frame.

Also, I am wondering if you could provide a general building cost replacement new figure range?

If you would address the issues in an email back to me it would be appreciated.

Thank you for your help, it is appreciated.

Sincerely,

Greg Adler
Goldstein Improvement Company
310-612-1312

On Jul 14, 2022, at 9:41 AM, Bialas, Walter (Avison Young - US) <Walter.Bialas@avisonyoung.com> wrote:

Greg,

I took a close look at your note.

Starting with the cap rate question, I attached a run from Real Capital Analytics for general commercial real estate sales in Juneau over the last 5 years. Not surprising, there not may transactions due to the overall small scale of the market. Unfortunately, most of the deals have no price attached. I am guessing AK might be like TX with most deals keeping sale prices (and cap rates) confidential. As to building costs, I have no information on that topic in AK.

10% CAP RATES

I am not really sure how to answer the core question with the assessor. Your Juneau asset is unique - an historic urban bank building. That is very different from the typical suburban-oriented branch bank in the lower 48, which is what our comments centered on in the article you attached. For those non-descript assets, re-use of a branch can be a challenge, unless to goes back to office space for an insurance or financial services company (like a State Farm or H&R Block office). We noted that some well located branches do get picked up for other uses like fast casual restaurants and the like.

Yours looks to fall into that category - old branch with high ceilings and historic flavor in the downtown. Repurposing that into a specialty retailer makes perfect sense, with the challenge being finding that unique retailer that would fit the asset. It looks like you were able to do that.

Since the asset was so unique relative to the multitude of typical suburban branch banks around the country, your marketing time of a couple of months seems appropriate, as does your sale price that was close to the asking price. It could have been much longer, but the confluence of the asset hitting the market and a unique tenant looking for space worked in your favor. I am not sure what we can say to respond to the assessors comments regarding having pushed the pricing up and then maybe not selling or it staying on-market for a longer period.

Sorry we can't help further.

Walter Bialas

From: **Bialas, Walter (Avison Young - US)** Walter.Bialas@avisonyoung.com
Subject: RE: Juneau, Alaska Bank Building-Reasonable Time on Open Market
Date: July 14, 2022 at 9:41 AM
To: Greg Adler gregoryladler@gmail.com

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1+ 214 974 9749 Mobile 1+ 703 919 8553
walter.bialas@avisonyoung.com

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From: Greg Adler <gregoryladler@gmail.com>
Sent: Wednesday, July 13, 2022 7:10 PM
To: Bialas, Walter (Avison Young - US) <Walter.Bialas@avisonyoung.com>
Subject: Re: Juneau, Alaska Bank Building-Reasonable Time on Open Market

CAUTION: External Sender

Walter,

Thank you for your help.

It would wonderful to hear back from you.

Greg Adler

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The subject property is a good property. We paid fair market value. The property was exposed to the market for a reasonable amount of time.

We signed leases within 4 months and 7 months of our Closing Date.

This indicates the subject property is in demand because of the all the factors I have cited.

Two leases were signed as follows:

1. Foggy Mountain Sports (like Patagonia)-March 31 2022 (4 months from Closing Date)
2. Public Employees Union (biggest union in Ak)-June 23, 2022 (7 months from Closing Date)

I forgot to attach the Anchorage Building comp of $1,275,000

Thank you

Greg

[redacted]

Juneau CRE
Sales.xls

From: **Greg Adler** gregoryladler@gmail.com
Subject: Juneau, Alaska Bank Building-Reasonable Time on Open Market
Date: July 11, 2022 at 2:34 PM
To: walter.bialas@avisonyoung.com

Walter,

Thank you for speaking with me this morning.

I have attached a letter and some backup.

Thank you, in advance, for your response.

Greg Adler
310-612-1312

Walter.docx

March 2, 2020 Article...ent.pdf

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Date: July 13, 2022 at 5:09 PM
To: Bialas, Walter (Avison Young - US) Walter.Bialas@avisonyoung.com

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> [redacted]

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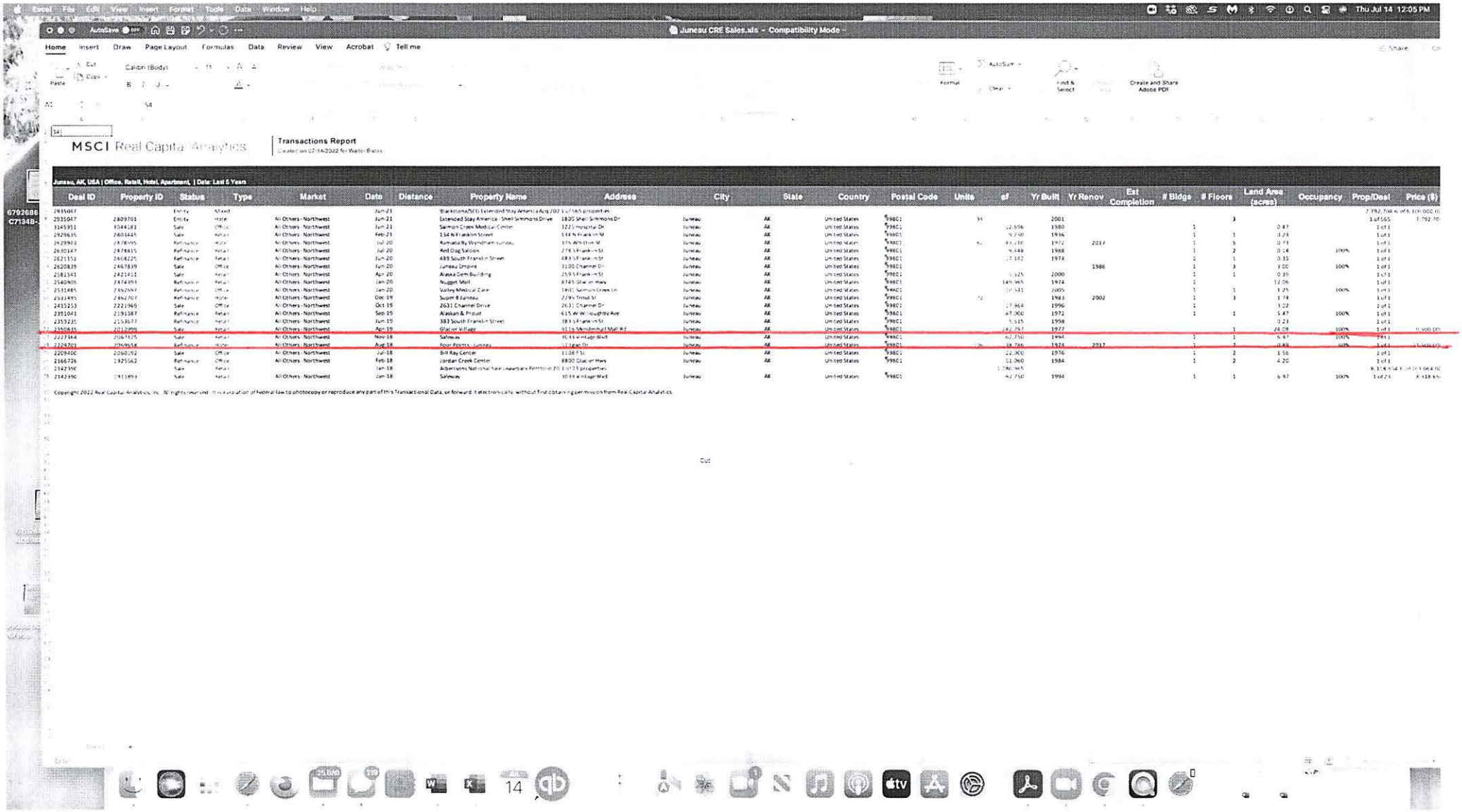
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COMPARABLE SALES FROM MSCI REAL CAPITAL ANALYTICS

NAME	DATE	CAPITALIZATION RATE
GLACIER VILLAGE	APRIL 2019	10%
FOUR POINTS JUNEAU	AUGUST 2018	10%



Juneau CRE Sales.xls - Compatibility Mode

MSCI Real Capital Analytics

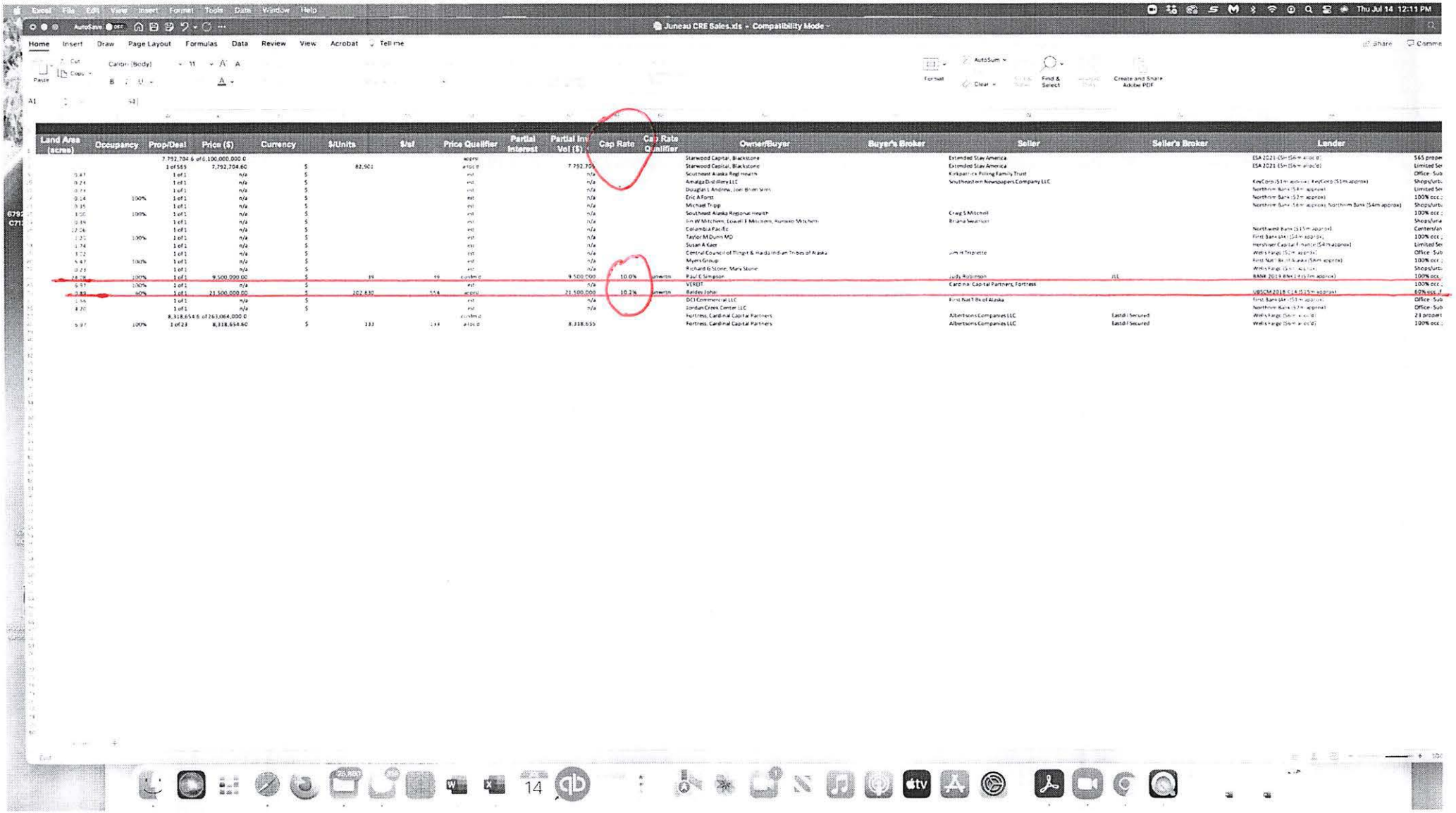
Transactions Report

Created on 07/14/2022 for Walter Bass

Juneau, AK, USA | Office, Retail, Hotel, Apartment, | Date: Last 5 Years

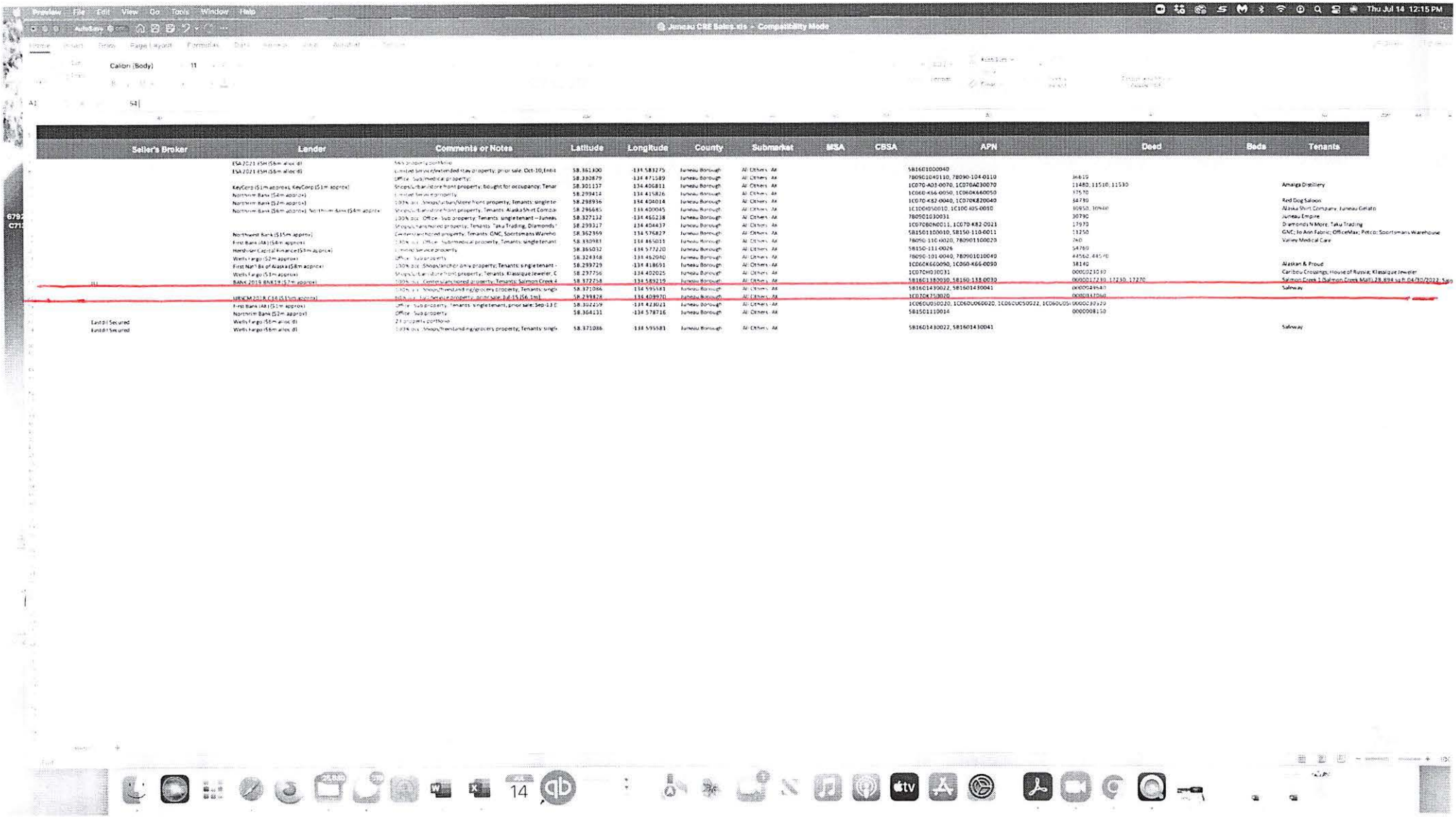
Deal ID	Property ID	Status	Type	Market	Date	Distance	Property Name	Address	City	State	Country	Postal Code	Units	sf	Yr Built	Yr Renov	Est Completion	# Bldgs	# Floors	Land Area (acres)	Occupancy	Prop/Deal	Price ($)
2935067		Entity	Mixed		Jun-21		Blackstone/SEC Extended Stay America Acq /07 1 of 565 properties																7,792,700 of 565
2935047	2809701	Entity	Hotel	All Others - Northwest	Jun-21		Extended Stay America - Shell Simmons Drive	1800 Shell Simmons Dr	Juneau	AK	United States	99801	91		2001				3				1 of 565	7,792,700
3145951	3044281	Sale	Office	All Others - Northwest	Jun-21		Salmon Creek Medical Center	3220 Hospital Dr	Juneau	AK	United States	99801		12,696	1980			1	1	0.47		1 of 1	
2929635	2803445	Sale	Retail	All Others - Northwest	Feb-21		134 N Franklin Street	134 N Franklin St	Juneau	AK	United States	99801		9,750	1916			1	1	0.24		1 of 1	
2629963	2878995	Refinance	Hotel	All Others - Northwest	Jul-20		Ramada By Wyndham Juneau	375 Whittier St	Juneau	AK	United States	99801	76	44,210	1972	2017		1	5	0.73		1 of 1	
2630147	2878815	Refinance	Retail	All Others - Northwest	Jul-20		Red Dog Saloon	278 S Franklin St	Juneau	AK	United States	99801		9,448	1988			1	2	0.14	100%	1 of 1	
2621151	2468225	Refinance	Retail	All Others - Northwest	Jun-20		489 South Franklin Street	489 S Franklin St	Juneau	AK	United States	99801		17,162	1974			1	1	0.35		1 of 1	
2620839	2467839	Sale	Office	All Others - Northwest	Jun-20		Juneau Empire	3100 Channel Dr	Juneau	AK	United States	99801				1986		1	3	3.00	100%	1 of 1	
2581343	2421451	Sale	Retail	All Others - Northwest	Apr-20		Alaska Gem Building	259 S Franklin St	Juneau	AK	United States	99801		5,525	2000			1	1	0.39		1 of 1	
2540905	2374893	Refinance	Retail	All Others - Northwest	Jan-20		Nugget Mall	8745 Glacier Hwy	Juneau	AK	United States	99801		149,365	1974			1		12.06		1 of 1	
2531485	2362697	Refinance	Office	All Others - Northwest	Jan-20		Valley Medical Care	1801 Salmon Creek Ln	Juneau	AK	United States	99801		39,141	2005			1	1	1.25	100%	1 of 1	
2531495	2362707	Refinance	Hotel	All Others - Northwest	Dec-19		Super 8 Juneau	2295 Trout St	Juneau	AK	United States	99801	72		1983	2002		1	3	1.74		1 of 1	
2415253	2221965	Sale	Office	All Others - Northwest	Oct-19		2631 Channel Drive	2631 Channel Dr	Juneau	AK	United States	99801		17,964	1996			1		1.22		1 of 1	
2351041	2193387	Refinance	Retail	All Others - Northwest	Sep-19		Alaskan & Proud	615 W Willoughby Ave	Juneau	AK	United States	99801		47,000	1972			1	1	5.47	100%	1 of 1	
2359235	2153677	Refinance	Retail	All Others - Northwest	Jun-19		383 South Franklin Street	383 S Franklin St	Juneau	AK	United States	99801		5,515	1958					0.23		1 of 1	
2350635	2012999	Sale	Retail	All Others - Northwest	Apr-19		Glacier Village	9114 Mendenhall Mall Rd	Juneau	AK	United States	99801		242,767	1977				1	24.08	100%	1 of 1	9,900,000
2227364	2067325	Sale	Retail	All Others - Northwest	Nov-18		Safeway	9114 Vintage Blvd	Juneau	AK	United States	99801		62,750	1994			1	1	6.97	100%	1 of 1	
2229701	2069634	Refinance	Hotel	All Others - Northwest	Aug-18		Four Points - Juneau	51 Egan Dr	Juneau	AK	United States	99801	126	98,736	1974	2017		1	7	0.83	64%	1 of 1	17,500,000
2229400	2068792	Sale	Office	All Others - Northwest	Jul-18		Bill Ray Center	3100 FSS	Juneau	AK	United States	99801		22,000	1976			1	2	1.56		1 of 1	
2166726	1925562	Refinance	Office	All Others - Northwest	Feb-18		Jordan Creek Center	8800 Glacier Hwy	Juneau	AK	United States	99801		51,060	1984			1	2	4.20		1 of 1	
2142396		Sale	Retail		Jan-18		Albertsons National Sale Leaseback Portfolio 20 1 of 23 properties							1,280,965								8,314,654 of 23	1,064,000
2142490	1911893	Sale	Retail	All Others - Northwest	Jan-18		Safeway	9114 Vintage Blvd	Juneau	AK	United States	99801		62,750	1994			1	1	6.97	100%	1 of 23	8,318,654

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Juneau CRE Sales.xls - Compatibility Mode

Land Area (acres)	Occupancy	Prop/Deal	Price ($)	Currency	$/Units	$/sf	Price Qualifier	Partial Interest	Partial Int Val ($)	Cap Rate	Cap Rate Qualifier	Owner/Buyer	Buyer's Broker	Seller	Seller's Broker	Lender	
		7,792,704.6 of	6,100,000.0				appro					Starwood Capital, Blackstone		Extended Stay America			$65 proper
		1 of 585	7,792,704.60	$	82,901		actual		7,792,704			Starwood Capital, Blackstone		Extended Stay America		ESA 2021 ($1n ($64m actual))	Limited Se
5.47		1 of 1	n/a	$			est		n/a			Southeast Alaska Regional Health		Kirkpatrick Polling Family Trust			Office - Sub
0.24		1 of 1	n/a	$			est		n/a			Amalga Distillery LLC		Southeastern Newspapers Company LLC		KeyCorp ($1m approx); KeyCorp ($1m approx)	Shops/urb
0.73		1 of 1	n/a	$			est		n/a			Douglas L Andrew, Joel Brian Sims				Northern Bank ($3m approx)	Limited Se
0.14	100%	1 of 1	n/a	$			est		n/a			Eric A Forst				Northern Bank ($2m approx)	100% occ ;
0.35		1 of 1	n/a	$			est		n/a			Michael Tripp				Northern Bank ($6m approx); Northern Bank ($4m approx)	Shops/urb
1.00	100%	1 of 1	n/a	$			est		n/a			Southeast Alaska Regional Health		Craig S Mitchell			100% occ ;
0.19		1 of 1	n/a	$			est		n/a			Jin W Mitchem, Lowell E Mitchem, Ruriko Mitchem		Briana Swanson			Shops/una
27.06		1 of 1	n/a	$			est		n/a			Columbia Pacific				Northwest Bank ($15m approx)	Center/an
1.25	100%	1 of 1	n/a	$			est		n/a			Taylor M Dunn MD				First Bank (AK) ($4m approx)	100% occ ;
1.74		1 of 1	n/a	$			est		n/a			Susan A Kaer				Hershner Capital Partner ($4m approx)	Limited Se
1.02		1 of 1	n/a	$			est		n/a			Central Council of Tlingit & Haida Indian Tribes of Alaska		Jim H Triplette		Wells Fargo ($2m approx)	Office - Sub
4.47	100%	1 of 1	n/a	$			est		n/a			Myers Group				First Nat Bk of Alaska ($4m approx)	100% occ ;
0.23		1 of 1	n/a	$			est		n/a			Richard G Stone, Mary Stone				Wells Fargo ($1 [illegible]	Shops/urb
24.08	100%	1 of 1	9,500,000.00	$	19	19	confirmed		9,500,000	10.0%	Lahvertn	Paul E Simpson		Judy Robinson	JLL	BANA 2019 ENC ($15.5m approx)	100% occ ;
5.97	100%	1 of 1	n/a	$			est		n/a			VERDT		Cardinal Capital Partners, Fortress			100% occ ;
3.89	60%	1 of 1	21,500,000.00	$	202,830	114	appro		21,500,000	10.2%	Lahvertn	Baldev Johal				UBSCM 2018 C14 ($15m approx)	60% occ ; F
1.56		1 of 1	n/a	$			est		n/a			DCI Commercial LLC		First Nat'l Bk of Alaska		First Bank (AK) ($3.1m approx)	Office - Sub
8.70		1 of 1	n/a	$			est		n/a			Jordan Creek Center LLC				Northern Bank ($7m approx)	Office - Sub
		8,318,654.6 of	263,004,000.0				confirmed					Fortress, Cardinal Capital Partners		Albertsons Companies LLC	Eastdil Secured	Wells Fargo ($6m approx)	21 proper
5.97	100%	1 of 23	8,318,654.60	$	333	133	actual		8,318,655			Fortress, Cardinal Capital Partners		Albertsons Companies LLC	Eastdil Secured	Wells Fargo ($6m approx)	100% occ ;



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Seller's Broker	Lender	Comments or Notes	Latitude	Longitude	County	Submarket	MSA	CBSA	APN	Deed	Beds	Tenants
	ESA 2021 ESM ($6m alloc'd)	565 property portfolio							5B1601000040			
	ESA 2021 ESM ($6m alloc'd)	Limited Service/extended stay property; prior sale: Oct-10,Enbl	58.382100	-134.583275	Juneau Borough	AK Others - AK			78090104Q110, 78090-104-0110	36819		
		Office - Sub/medical property;	58.382879	-134.471589	Juneau Borough	AK Others - AK			78090-104-0110	36819		
	KeyCorp ($1m approx), KeyCorp ($1m approx)	Shops/urban/store front property; bought for occupancy; Tenar	58.301137	-134.406811	Juneau Borough	AK Others - AK			1C070-A03-0070, 1C070A030070	11480, 11510, 11530		Amalga Distillery
	Northrim Bank ($4m approx)	Limited Service property	58.299414	-134.415826	Juneau Borough	AK Others - AK			1C060-K66-0050, 1C060K660050	37570		
	Northrim Bank ($2m approx)	100% occ. Shops/urban/store front property; Tenants: single te	58.298936	-134.406014	Juneau Borough	AK Others - AK			1C070-K62-0040, 1C070K620040	34780		Red Dog Saloon
	Northrim Bank ($6m approx), Northrim Bank ($4m approx	Shops/urban/store front property; Tenants: Alaska Shirt Compa	58.296685	-134.400045	Juneau Borough	AK Others - AK			1C1D0050010, 1C1D0 405 0010	30950, 30940		Alaska Shirt Company; Juneau Gelato
		100% occ. Office - Sub property; Tenants: single tenant – Juneau	58.327132	-134.465238	Juneau Borough	AK Others - AK			78090103O031	30790		Juneau Empire
		Shops/urban/mixed property; Tenants: "Taku Trading, Diamonds "	58.299317	-134.404437	Juneau Borough	AK Others - AK			1C070B0N0011, 1C070-K82-0021	17970		Diamonds N More; Taku Trading
	Northwest Bank ($15m approx)	Center/anchored property; Tenants: GNC, Sportsmans Wareho	58.362369	-134.576827	Juneau Borough	AK Others - AK			5B150110O010, 5B150-110-0011	11250		GNC; Jo Ann Fabric; OfficeMax; Petco; Sportsmans Warehouse
	First Bank (AK) ($4m approx)	100% occ. Office - Sub/medical property; Tenants: single tenant	58.380981	-134.465011	Juneau Borough	AK Others - AK			78090-110-0020, 78090110O020	760		Valley Medical Care
	Herdliver Capital Finance ($3m approx)	Limited Service property	58.365032	-134.577210	Juneau Borough	AK Others - AK			5B150-111-0026	54760		
	Wells Fargo ($2m approx)	Office - Sub property	58.324368	-134.462040	Juneau Borough	AK Others - AK			78090-101-0040, 78090101O040	44562, 44548		
	First Nat'l Bk of Alaska ($8m approx)	100% occ. Shops/anchor only property; Tenants: single tenant -	58.299729	-134.418691	Juneau Borough	AK Others - AK			1C060K660090, 1C060-K66-0090	38140		Alaskan & Proud
	Wells Fargo ($1m approx)	Shops/urban/store front property; Tenants: Klassique Jeweler, C	58.297756	-134.402025	Juneau Borough	AK Others - AK			1C07OH0J0031	0000021080		Caribou Crossings; House of Russia; Klassique Jeweler
(1)	BANK 2019 BNK19 ($7m approx)	100% occ. Center/anchored property; Tenants: Salmon Creek A	58.372758	-134.589219	Juneau Borough	AK Others - AK			5B16G1180030, 5B160-118-0030	0000017230, 17230, 17270		Salmon Creek 1 (Salmon Creek Mall), 78,434 sq ft 04/30/2012, Sale
		100% occ. Shops/freestanding/grocery property; Tenants: singl	58.371086	-134.595581	Juneau Borough	AK Others - AK			5B16G1430022, 5B160143O041	0000034630		Safeway
	UBSCM 2018 C14 ($15m approx)	565 property portfolio - Center/anchored property; prior sale: Jul-15 ($6.1m)	58.299328	-134.409270	Juneau Borough	AK Others - AK			1C0TDK750020	0000017060		
	First Bank (AK) ($1m approx)	Office - Sub property; Tenants: single tenant, prior sale: Sep-13 ($	58.302259	-134.423021	Juneau Borough	AK Others - AK			1C060U030020, 1C060U060020, 1C060UC50022, 1C060U05(	0000030329		
	Northrim Bank ($2m approx)	Office - Sub property	58.364131	-134.578716	Juneau Borough	AK Others - AK			5B15C1110014	0000008150		
East dil Secured	Wells Fargo ($6m alloc'd)	21 property portfolio										
East dil Secured	Wells Fargo ($6m alloc'd)	100% occ. Shops/freestanding/grocery property; Tenants: singl	58.371086	-134.595581	Juneau Borough	AK Others - AK			5B16G1430022, 5B160143O041			Safeway

45 CITY AND BOROUGH OF JUNEAU HISTORY OF OVER-ASSESSMENT 2005-2022

CITY AND BOROUGH OF JUNEAU HISTORY OF OVER-ASSESSMENT 2005-2022

ADDRESS	OVER-ASSESSMENT	OVER-TAXED
234 SECOND STREET (60)	$19,821,920	$218,041
122 FRONT STREET (11)	$11,669,481	$128,364
130 SEWARD STREET (43)	$8,138,751	$89,526
201 SECOND STREET (10)	$6,853,279	$75,386
110 SEWARD STREET (30)	$5,520,966	$60,731
224 SECOND STREET (20)	$212,494	$2,337
TOTALS	***$40,547,410***	***$574,385***

234 Second Street (1C070A050060) [SEE EXHIBIT 45].

Year	Assessed Value	Sale Price**		Over-Assessment
2005-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2006-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2007-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2008-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2009-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2010-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2011-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2012-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2013-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2014-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2015-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2016-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2017-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2018-	$ 2,329,000	$1,250,000	EST.	$1,079,000
2019-	$ 2,329,000	$1,250,000	EST.	$1,079,000
2020-	$ 2,304,500	$1,250,000	EST.	$1,054,500
2021-	**$ 2,598,400**	**$1,250,000**	**EST.**	**$1,348,400**
2022-	$ 2,547,520	$1,250,000	EST.	$1,297,520

TOTALS OVER-ASSESSMENT: $ 19,821,920*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 1,348,400

1.1%=$ 218,041

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

****-This figure will be lower if adjusted for personal property at $17,085 and obsolesence.**

122 Front Street (1C070A020011) [SEE EXHIBIT 27 AND 45].

Year	Assessed Value	Appraised Value		Over-Assessment
2005-	$ 866,300	$1,200,000	EST.	$16,300
2006-	$ 1,095,100	$1,200,000	EST.	$245,100
2007-	$ 1,128,500	$1,200,000	EST.	$278,500
2008-	$ 1,509,300	$1,200,000	EST.	$659,300
2009-	$ 1,509,300	$1,200,000	EST.	$659,300
2010-	$ 1,509,300	$1,200,000	EST.	$659,300
2011-	$ 1,583,700	$1,200,000	EST.	$733,700
2012-	$ 1,583,700	$1,200,000	EST.	$733,700
2013-	$ 1,583,700	$1,200,000	EST.	$733,700
2014-	$ 1,583,700	$1,200,000	EST.	$733,700
2015-	$ 1,589,300	$1,200,000	EST.	$739,300
2016-	$ 1,577,400	$1,200,000	EST.	$727,400
2017-	$ 1,577,400	$1,200,000	EST.	$727,400
2018-	$ 1,594,700	$1,200,000	EST.	$744,700
2019-	$ 1,594,700	$1,200,000	EST.	$744,700
2020-	$ 1,572,900	$1,200,000	EST.	$722,900
2021-	**$ 2,105,950**	**$1,200,000**	**EST.**	**$1,255,950**
2022-	$ 2,063,831	$1,200,000	EST.	$1,213,831

TOTALS OVER-ASSESSMENT: $ 11,669,481*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 1,255,950

1.1%=$ 128,364

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

130 Seward Street (1C070A040043) [SEE EXHIBIT 45].

(also 119 Second Street)

Year	Assessed Value	Appraised Value		Over-Assessment
2005-	$ 4,525,400	$4,750,000	EST.	$0
2006-	$ 4,534,800	$4,750,000	EST.	$0
2007-	$ 4,812,200	$4,750,000	EST.	$62,200
2008-	$ 4,812,200	$4,750,000	EST.	$62,200
2009-	$ 4,812,200	$4,750,000	EST.	$62,200
2010-	$ 4,812,200	$4,750,000	EST.	$62,200
2011-	$ 4,812,200	$4,750,000	EST.	$62,200
2012-	$ 4,812,200	$4,750,000	EST.	$62,200
2013-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2014-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2015-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2016-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2017-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2018-	$ 5,119,200	$4,750,000	EST.	$369,200
2019-	$ 5,119,200	$4,750,000	EST.	$369,200
2020-	$ 5,353,668	$4,750,000	EST.	$603,668
2021-	**$ 5,456,052**	$4,750,000	**EST.**	**$706,052**
2022-	$ 5,346,931	$4,750,000	EST.	$596,931

TOTALS OVER-ASSESSMENT: $ 8,138,751*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 706,052

1.1%=$ 89,526

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

201 Second Street (1C070A040010) [SEE EXHIBIT 45].

Year	Assessed Value	Appraised Value	Over-Assessment	
2005-	$ 1,169,500	$875,000	EST.	$294,500
2006-	$ 1,183,900	$875,000	EST.	$308,900
2007-	$ 1,183,900	$875,000	EST.	$308,900
2008-	$ 1,266,300	$875,000	EST.	$391,300
2009-	$ 1,266,300	$875,000	EST.	$391,300
2010-	$ 1,266,300	$875,000	EST.	$391,300
2011-	$ 1,266,300	$875,000	EST.	$391,300
2012-	$ 1,266,300	$875,000	EST.	$391,300
2013-	$ 1,192,200	$875,000	EST.	$317,200
2014-	$ 1,192,200	$875,000	EST.	$317,200
2015-	$ 1,192,200	$875,000	EST.	$317,200
2016-	$ 1,192,200	$875,000	EST.	$317,200
2017-	$ 1,192,200	$875,000	EST.	$317,200
2018-	$ 1,254,200	$875,000	EST.	$379,200
2019-	$ 1,254,200	$875,000	EST.	$379,200
2020-	$ 1,229,600	$875,000	EST.	$354,600
2021-	**$ 1,524,350**	**$875,000**	**EST.**	**$667,350**
2022-	$ 1,494,129	$875,000	EST.	$619,129

TOTALS OVER-ASSESSMENT: $ 6,853,279*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 667,350

1.1%=$ 75,386

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

****-This figure will be lower if adjusted for personal property at $17,085 and obsolesence.**

110 Seward Street (1C070A020030) [SEE EXHIBIT 36 AND 45].

Year	Assessed Value	Appraised Value		Over-Assessment
2005-	$1,072,000	$1,200,000	EST.	$0
2006-	$1,199,100	$1,200,000	EST.	$0
2007-	$1,199,100	$1,200,000	EST.	$0
2008-	$1,434,200	$1,200,000	EST.	$234,200
2009-	$1,434,200	$1,200,000	EST.	$234,200
2010-	$1,434,200	$1,200,000	EST.	$234,200
2011-	$1,506,100	$1,200,000	EST.	$306,100
2012-	$1,506,100	$1,200,000	EST.	$306,100
2013-	$1,506,100	$1,200,000	EST.	$306,100
2014-	$1,506,100	$1,200,000	EST.	$306,100
2015-	$1,675,000	$1,200,000	EST.	$475,000
2016-	$1,643,400	$1,200,000	EST.	$443,400
2017-	$1,643,400	$1,200,000	EST.	$443,400
2018-	$1,653,000	$1,200,000	EST.	$453,000
2019-	$1,653,000	$1,200,000	EST.	$453,000
2020-	$1,639,600	$1,200,000	EST.	$439,600
2021-	**$1,968,800**	**$1,200,000**	**EST.**	**$768,800**
2022-	$1,929,966	$1,200,000	EST.	$729,966

TOTALS OVER-ASSESSMENT: $5,520,966*

DAHLE'S FOLLY OVER-ASSESSMENT: $ 768,800

1.1%=$ 60,731

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

224 Second Street (1C070A040020) [SEE EXHIBIT 45].

Year	Assessed Value	Appraised Value		Over-Assessment
2005-	$ 245,600	$295,000	EST.	$0
2006-	$ 246,000	$295,000	EST.	$0
2007-	$ 246,000	$295,000	EST.	$0
2008-	$ 246,000	$295,000	EST.	$0
2009-	$ 246,000	$295,000	EST.	$0
2010-	$ 246,000	$295,000	EST.	$0
2011-	$ 246,000	$295,000	EST.	$0
2012-	$ 246,000	$295,000	EST.	$0
2013-	$ 246,000	$295,000	EST.	$0
2014-	$ 246,000	$295,000	EST.	$0
2015-	$ 246,000	$295,000	EST.	$0
2016-	$ 246,000	$295,000	EST.	$0
2017-	$ 246,000	$295,000	EST.	$0
2018-	$ 245,700	$295,000	EST.	$0
2019-	$ 245,700	$295,000	EST.	$0
2020-	$ 270,200	$295,000	EST.	$0
2021-	**$ 405,300**	**$295,000**	**EST.**	**$110,300**
2022-	$ 397,194	$295,000	EST.	$102,194

TOTALS OVER-ASSESSMENT: $ 212,494*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 110,300

1.1%=$ 2,337

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

46 CITY AND BOROUGH OF JUNEAU ASSESSMENT HISTORY REPORTS-SIX (6) APPEAL PROPERTIES

City and Borough of Juneau
Assessment History Report

1C070A040010
GOLDSTEIN IMPROVEMENT COMPANY INC
201 SEWARD ST
JUNEAU TOWNSITE BL 4 LTS 1 2 & 7 FR

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$866,565.00	$13,300.00	$614,264.00	$1,494,129.00
2021	$884,250.00	$13,300.00	$626,800.00	$1,524,350.00
2020	$589,500.00	$13,300.00	$626,800.00	$1,229,600.00
2019	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2018	$614,100.00	$13,300.00	$626,800.00	$1,254,200.00
2017	$614,100.00		$578,100.00	$1,192,200.00
2016	$614,100.00		$578,100.00	$1,192,200.00
2015	$614,100.00		$578,100.00	$1,192,200.00
2014	$614,100.00		$578,100.00	$1,192,200.00
2013	$614,100.00		$578,100.00	$1,192,200.00
2012	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2011	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2010	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2009	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2008	$614,100.00	$0.00	$652,200.00	$1,266,300.00
2007	$614,100.00	$0.00	$569,800.00	$1,183,900.00
2006	$614,100.00	$0.00	$569,800.00	$1,183,900.00
2005	$614,100.00	$0.00	$555,400.00	$1,169,500.00
2004	$491,300.00	$0.00	$275,200.00	$766,500.00
2003	$491,300.00	$0.00	$275,200.00	$766,500.00
2002	$491,300.00	$0.00	$275,200.00	$766,500.00
2000	$491,300.00	$0.00	$126,300.00	$617,600.00

	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
BASE LOT VALUE										
12,021	$ 50/FF	601,050								
NET ADJUSTMENT										
ADJUSTED SITE VALUE										

ADJUSTED LAND VALUE

ASSESSED VALUATION

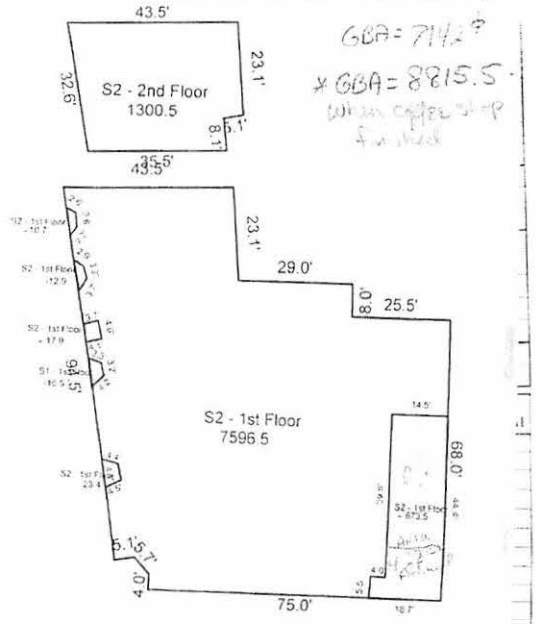
Year	Owner	Site	Buildings	Total	Reason for Change
2004		491,350	475,000	966,350	
2005		611,050	555,000	1,166,050	
2006		641,010	569,000	1,210,010	
2008		641,010	450,000	1,091,010	08.23 Corr - Except H

REMARKS:

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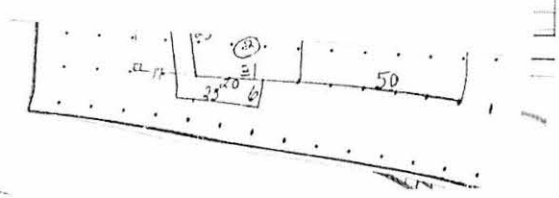






GBA = 7114 ?

* GBA = 8815.5



O
M **1C070A040010**
JUNEAU TOWNSITE BL 4 LT 1,2 & 7 FR
CHARLES GOLDSTEIN BLDG
Pr GOLDSTEIN IMPROVEMENT
130 SEWARD ST STE 001
JUNEAU AK 99801

Date Built 1909

YEAR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☒ Fair ☐ Poor ☐	2 years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	___ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	___ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	___ years

U.S. Survey
Subdivision Townsite of Juneau
Block 4 Lot 1,2,#7
Parcel No. 1-A-021-004-127

BUILDING TYPE & USE
☐ Apt. ☐ Office ☐ Loft
☐ Hotel ☒ Store
☐ Church ☐ Bank
☐ Theater ☐ Garage
☐ Gas Stat'n. ☐ Industrial
☐ Warehse. ☐ Greenhouse
☐ Hospital ☐ Restaurant

1. FOUNDATION
☐ Concrete
☐ Concrete Block
☐ Wood Posts
☐ Piling
No. Size Length

2. BASEMENT
☐ None
☐ Full Height
☐ Partial x S.F.
☐ Unfinished Parking
☐ Storage ☐ Utility
☐ Apartment
☐ Office
☐ Floor

3. FRAME
☐ Wood ☐ Steel
☐ Conc. Block ☐ Brick
☐ Reinforced Concrete
☐ Fireproofed Steel
☐ Concrete Panels

4. EXTERIOR
☐ Wood ☒ Metal
☐ Stucco
☐ Conc. Block ☐ Brick
☐ Concrete Reinforced
☐ Other
☐ Fenestration
☐ Trim
None ☐ Minimum
Average Extensive

5. ROOF
☐ Flat ☐ Gable ☐ Hip
☐ Shakes ☐ Shingle
☐ Built-up ☐ Comp.
☐ Aluminum ☐ G.I.
☐ Roll ☐ Tar Paper
☐ Concrete
☐ Reinforced Concrete

6. INTERIOR
☐ Open Stud
☐ Wallboard
☒ Plasterboard
☐ Plaster
☐ Concrete Block
☐ Other
☐ Story Height
☐ Basement
☐ 1st
☐ 2nd

7. FLOORS
☐ Dirt ☒ Wood
☐ Concrete on Grade
☐ Conc. on Grade, Reinf.
☐ Reinf. Conc., Supported
☒ Tile
☐ Carpet

8. HEAT
☐ None ☒ Space Heater
☐ Hot Air, Forced
☒ Hot Water
☐ Comb. Heat & Cooling
☐ Air Conditioning

FIREPLACES
☐ 1st Floor ___ Type
☐ Basemnt. ___ Type

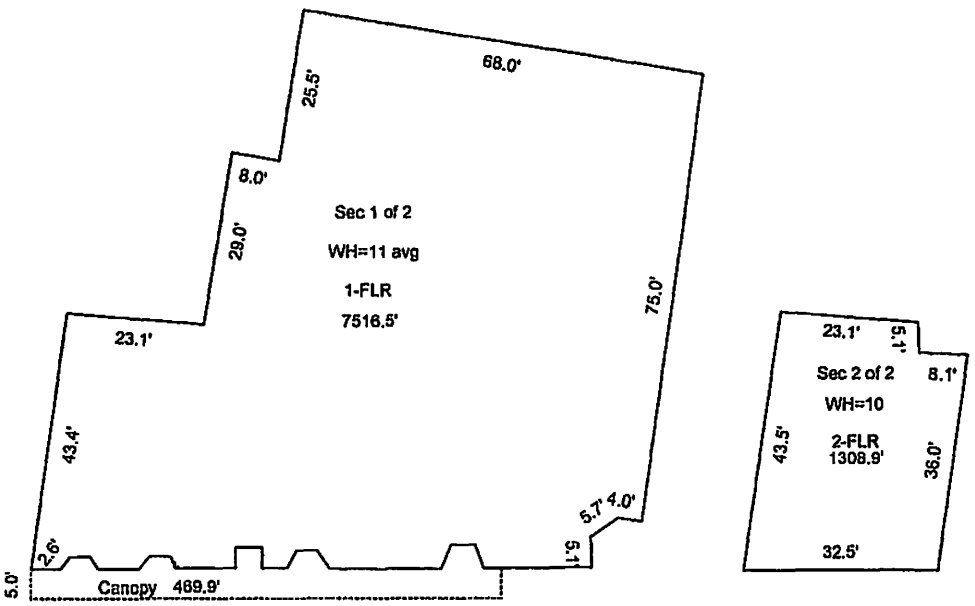
9. PLUMBING
Number of Fixtures
☐ Store
☐ Garage
☐ Warehouse
☐ Apts. 3F 2F 1F NF
☐ Rms. 3F 2F 1F NF
☐ Extra Fixtures
☐ Sauna - Grade

10. ELECTRICAL
☐ Romex ☐ Conduit
☒ Min. Lights & Fixtures
☐ Adqt. Lights & Fixtures
☐ Good Fixtures
☐ Excellent Fixtures
☐ Building Elevators
Type No. Cap. # Flrs.
☐ Pass.
☐ Frgt.

12. PORCHES
☐ BIOP
☐ BIGP
☐ BICP
☐ Open Porch
☐ Closed Porch
☐ Glazed Porch
☐ Deck
☐ Risers

Lump Sums
MEZZ
1780 [illegible] 7482
[illegible] 7502

	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION
4. Occupancy								
5. Building class and quality 6. Exterior Wall	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
7. No. of stories & height per story 8. Average floor area	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
9. Average perimeter								
10. Age and condition Marshall & Swift Manual	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
11. BASE SQUARE FOOT COST								
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation								
13. Elevator deduction								
14. Miscellaneous								
15. Total lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)								
19. Combined ht. & size multiplier (Lines 16x17x18)								
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)								
21. Current cost multiplier (Sect. 99, p. 3)								
22. Local multiplier (Sect. 99, p. 5 & 6)								
23. Final sq. ft. cost (l. 20 x l. 21 x l. 22)								
24. Area								
25. Line 23 x 24								
26. Lump sums (Line 32)								
27. REPLACEMENT COST (Line 25 + Line 26)								
28. Depreciation % (Sect. 97)								
29. Depreciation amount (Line 27 – Line 29)								
30. DEPRECIATED COST (Line 27 – Line 29)								


68.0'
25.5'
8.0'
28.0'
Sec 1 of 2
WH=11 avg
1-FLR
7516.5'
75.0'
23.1'
43.4'
5.7'
4.0'
5.1'
2.6'
5.0'
Canopy 469.9'
23.1'
5.1'
Sec 2 of 2
8.1'
WH=10
43.5'
2-FLR
1308.9'
36.0'
32.5'

Cost Report - Commercial

1298		Record	1
Parcel Code Number	**1C070A040010**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY INC**	**Number of Sections**	1
Parcel Address	**201 SEWARD ST**	**Perimeter**	402
Effective Year Built	1990	**Class**	D
Year Built	1900	**Height**	
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	8,825.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		8825		68.49		604,407
Exterior Wall	Stud -Metal Siding	8825	100%	12.83		113,225
Exterior Wall	Stud Walls-Wood Siding	8825				
Heating & Cooling	Heating & Cooling	8825		611.00		611
Heating & Cooling	Hot Water	8825	100%	7.57		66,805
Architect Fee		8825		6.60		58,245
Sprinklers	Dry Sprinklers	9295		4.21		39,132
Fire Alarm System		8825		1.46		12,885
Sub Total						$895,309.23

Local Multiplier	1.43	[X]	$1,280,292.00
Current Multiplier	1.02	[X]	$1,305,898.00
Neighborhood Multiplier		[X]	$1,305,898.00
Depreciation - Physical	52.00	[-]	$679,067.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$626,831.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $626,831

1/24/2017 PER PERMIT/CANVIS REVIEW UPDATED RECORD DMHP
donna_prince - 1/24/2017 3:25:05 PM
3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:35:36 PM
1.31.2018 PER CANVAS COST, DEP, UPDATE FILE DMHP 1.31.2018
Donna_Prince - 1/31/2018 1:26:43 PM

Miscellaneous Improvements

Miscellaneous Improvement	Canopy 01.31.2018 P	[+]	13,300

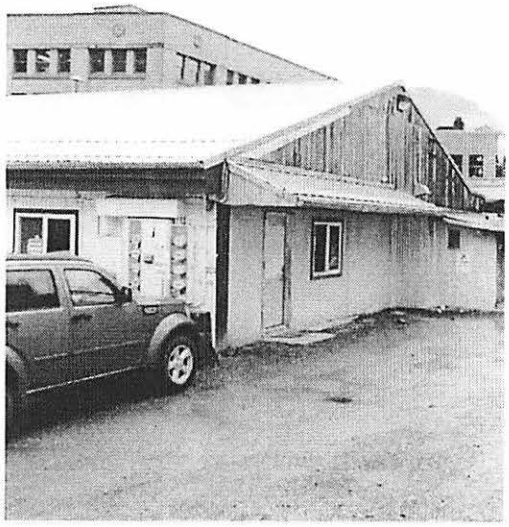
Total Improvement Value $640,100



1C070A040010_1_10152012



1C070A040010_2



1C070A040010_3

City and Borough of Juneau
Assessment History Report

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$864,066.00	$54,400.00	$1,629,054.00	$2,547,520.00
2021	$881,700.00	$54,400.00	$1,662,300.00	$2,598,400.00
2020	$587,800.00	$54,400.00	$1,662,300.00	$2,304,500.00
2019	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2018	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2017	$612,300.00		$1,680,000.00	$2,292,300.00
2016	$612,300.00		$1,680,000.00	$2,292,300.00
2015	$612,300.00		$1,680,000.00	$2,292,300.00
2014	$612,300.00		$1,680,000.00	$2,292,300.00
2013	$612,300.00		$1,680,000.00	$2,292,300.00
2012	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2011	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2010	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2009	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2008	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2007	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2006	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2005	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2004	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2003	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2002	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2000	$496,000.00	$0.00	$787,300.00	$1,283,300.00

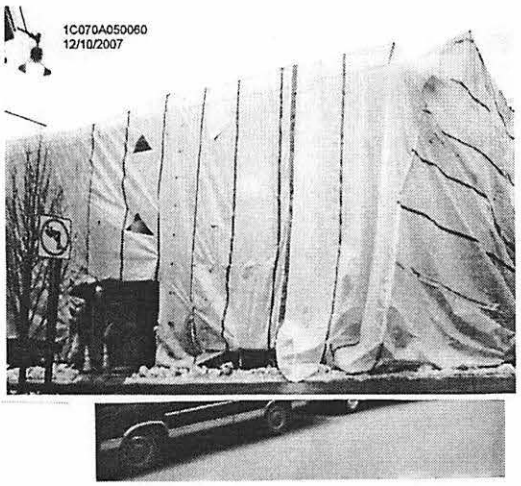
	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
BASE LOT VALUE										
ITEM 13										
NET ADJUSTMENT										
ADJUSTED LAND VALUE										

ASSESSED VALUATION

Year	Owner	Site	Buildings	Total	Reason for Change

REMARKS:

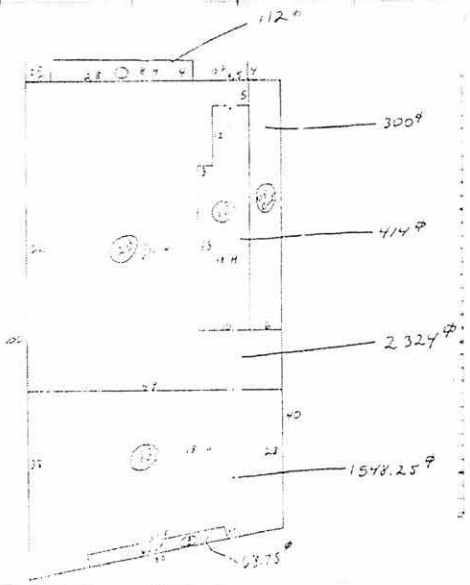
PLACE PICTURE HERE



BUILDING AREA CALCULATION

Square Feet — Ground Area

Floor or Part	Width	Length	Area
BANK			6,722 ☐



Parcel No. 1-A-001-005-576
Block 5 Lot 5,7,8
Subdivision TOWNSITE OF JUNEAU
U.S. Survey

1C070A050060
JUNEAU TOWNSITE BL 5 LTS 5, 6 & 7
KEY BANK OF ALASKA
CORELOGIC COMMAND REAL ESTATE SERVICES
PO BOX 961009
FT WORTH TX 76161

Date Built 1914

YEAR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	..... years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	..... years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	..... years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	..... years

BUILDING TYPE & USE
☐ Apt. ☑ Office ☐ Loft
☐ Hotel ☐ Store
☐ Church ☐ Bank
☐ Theater ☐ Garage
☐ Gas Statn. ☐ Industrial
☐ Warehse. ☐ Greenhouse
☐ Hospital ☐ Restaurant

1. FOUNDATION
☐ Concrete
☐ Concrete Block
Wood Posts
☐ Piling
No. Size Length

2. BASEMENT
☐ None
☑ Full Height
☐ Partial x S.F.
☐ Unfinished Parking
☐ Storage ☐ Utility
☐ Apartment
☑ Office
☐ Floor

3. FRAME
☐ Wood ☐ Steel
☐ Conc. Block ☐ Brick
☑ Reinforced Concrete
☐ Fireproofed Steel
☐ Concrete Panels

4. EXTERIOR
☐ Wood ☐ Metal
☐ Stucco
☐ Conc. Block ☐ Brick
☒ Concrete Reinforced
☐ Other
☑ Fenestration
☐ Trim
☐ None ☐ Minimum
☐ Average ☐ Extensive

5. ROOF
☑ Flat ☐ Gable ☐ Hip
☐ Shakes ☐ Shingle
☒ Built-up ☐ Comp.
☐ Aluminum ☐ G.I.
☐ Roll ☐ Tar Paper
☐ Concrete
☐ Reinforced Concrete

6. INTERIOR
☐ Open Stud
☐ Wallboard
☑ Plasterboard
☐ Plaster
☐ Concrete Block
☐ Other
☐ Story Height
☐ Basement
☑ 1st
☑ 2nd

7. FLOORS
☐ Dirt ☐ Wood
☐ Concrete on Grade
☐ Conc. on Grade, Reinf.
☐ Reinf. Conc., Supported
☒ Tile
☐ Carpet

8. HEAT
☐ None ☐ Space Heater
☐ Hot Air, Forced
☑ Hot Water
☐ Comb. Heat & Cooling
☐ Air Conditioning

FIREPLACES
☐ 1st Floor ___ Type
☐ Basemnt. ___

9. PLUMBING
Number of Fixtur
☐ Store
☐ Garage
☐ Warehouse
☐ Apts. 3F 2F 1F
☐ Rms. 3F 2F 1F
☐ Extra Fixtures
☐ Sauna - Grade

10. ELECTRICAL
☐ Romex ☒ Conc
☐ Min. Lights & Fix
☐ Adqt. Lights & Fi
☑ Good Fixtures
☐ Excellent Fixtures
☐ Building Elevator
Type No. Cap. #
☐ Pass.

12. PORCHES
☐ BIOP
☐ BIGP
☐ BICP
☑ Open Porch 279 ft
☐ Closed Porch
☐ Glazed Porch
☐ Deck

	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year	Year	Year	Year
4. Occupancy								
5. Building class and quality 6. Exterior Wall	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
7. No. of stories & height per story 8. Average floor area 9. Average perimeter	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
10. Age and condition Marshall & Swift Manual	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
11. BASE SQUARE FOOT COST								
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation								
13. Elevator deduction								
14. Miscellaneous								
15. Total lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)								
19. Combined ht. & size multiplier (Lines 16x17x18)								
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)								
21. Current cost multiplier (Sect. 99, p. 3)								
22. Local multiplier (Sect. 99, p. 5 & 6)								
23. Final sq. ft. cost (l. 20 x l. 21 x l. 22)								
24. Area								
25. Line 23 x 24								
26. Lump sums (Line 32)								
27. REPLACEMENT COST (Line 25 + Line 26)								
28. Depreciation % (Sect. 97)								

Cost Report - Commercial

1309		Record	1
Parcel Code Number	**1C070A050060**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**234 SEWARD ST**	**Perimeter**	391
Effective Year Built	1986	**Class**	B
Year Built	1914	**Height**	
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Bank	**Total Area**	6,608.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		6608		159.01		1,050,738
Exterior Wall	Concrete, Formed	6608		20.67		136,572
Heating & Cooling	Heating & Cooling	6608		613.00		613
Heating & Cooling	Hot Water	6608		12.00		79,296
Architect Fee		6608		7.30		48,238
Sprinklers	Sprinklers	11698		3.74		43,751
Fire Alarm System		6608		1.46		9,648
Basement	Unfinished	4630		52.58		243,445
Sub Total						$1,612,301.18

Local Multiplier	1.43	[X]	$2,305,591.00
Current Multiplier	1.03	[X]	$2,374,759.00
Neighborhood Multiplier		[X]	$2,374,759.00
Depreciation - Physical	30.00	[-]	$712,428.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$1,662,331.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $1,662,331

per ph w/Carol Davis 9/24/99;BLD2007-00461 incomplete, reinspect 12/08.-km;

6/11/10 Chg Mail Addr Per Rtn Mail & Per UB Screen/tlu;

8/15/11 Chg Mail Addr Per 2011 Tax Statement Addr Corr Form. See File for Form/tlu;
11/15/12 Canvass. Updated sketch, cost, photo. jcs

02.01.2018 PER CANVAS COST AND DEP UPDATE FILE DMHP 02.01.2018
Donna_Prince - 2/1/2018 9:25:46 AM

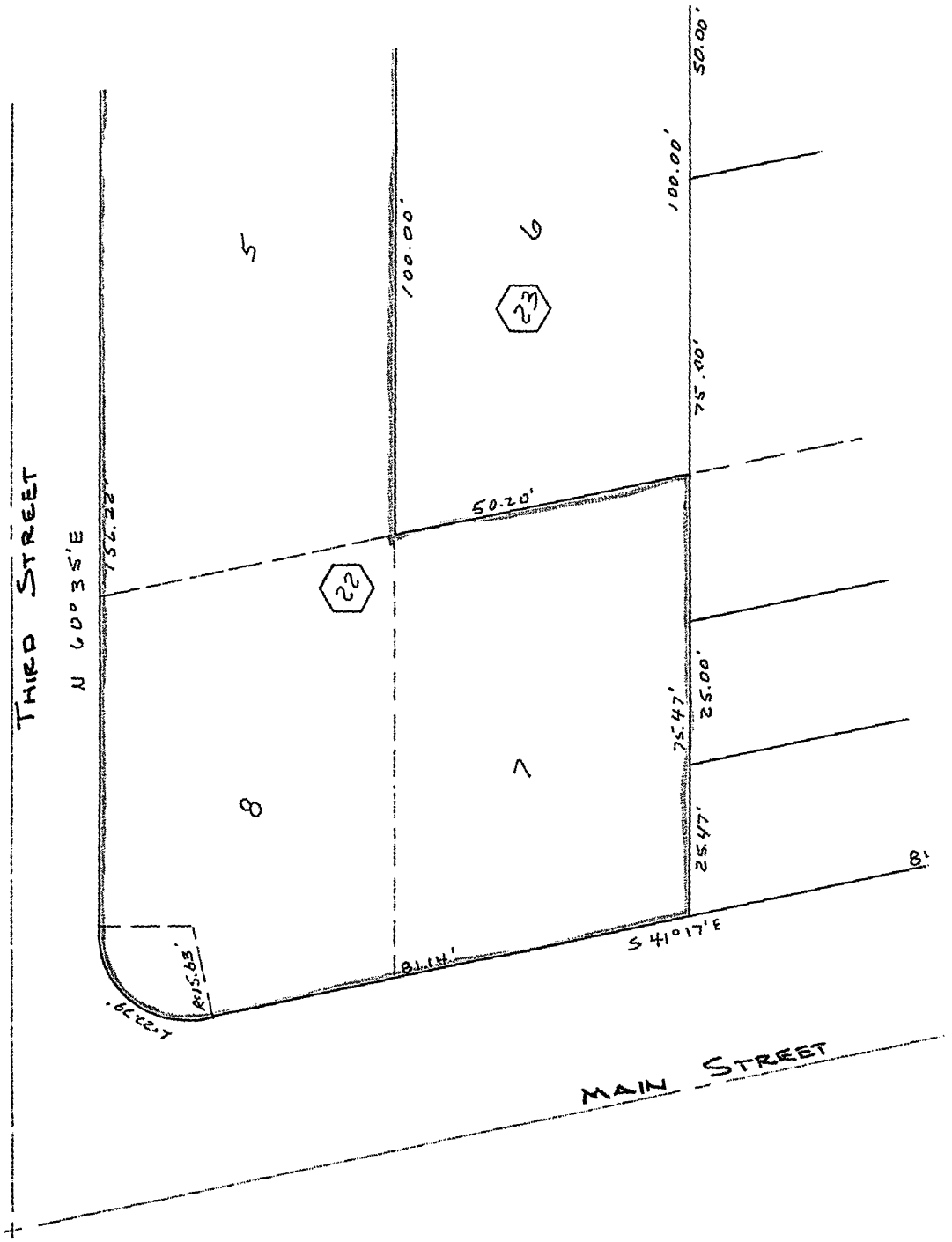
Miscellaneous Improvements

Miscellaneous Improvement	STORAGE 2.1.2018 PE	[+]	3,800
Miscellaneous Improvement	CANOPY 2.1.2018 PER	[+]	13,400
Miscellaneous Improvement	ENCLOSED PORCH 2.1.	[+]	2,200
Miscellaneous Improvement	VAULT 2.1.2018 PER	[+]	35,000

Total Improvement Value $1,716,700



1C070A050060_1_11152012


THIRD STREET
N 60°35'E
152.22'
5
6
23
100.00'
100.00'
50.00'
75.00'
50.20'
22
8
7
75.47'
25.00'
25.47'
B1
S 41°17'E
81.14'
R=15.65'
L=22.79'
MAIN STREET

City and Borough of Juneau
Assessment History Report

1C070A040020
GOLDSTEIN IMPROVEMENT COMPANY
224 SECOND ST
JUNEAU TOWNSITE BL 4 LT 3

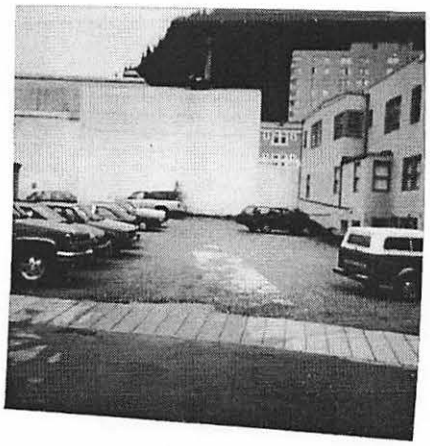
YEAR ID	LAND VALUE	MISC VALUE	BLDG VALUE	CAMA VALUE
2022	$397,194.00			$397,194.00
2021	$405,300.00			$405,300.00
2020	$270,200.00			$270,200.00
2019	$245,700.00			$245,700.00
2018	$245,700.00			$245,700.00
2017	$246,000.00			$246,000.00
2016	$246,000.00			$246,000.00
2015	$246,000.00			$246,000.00
2014	$246,000.00			$246,000.00
2013	$246,000.00			$246,000.00
2012	$246,000.00	$0.00	$0.00	$246,000.00
2011	$246,000.00	$0.00	$0.00	$246,000.00
2010	$246,000.00	$0.00	$0.00	$246,000.00
2009	$246,000.00	$0.00	$0.00	$246,000.00
2008	$246,000.00	$0.00	$0.00	$246,000.00
2007	$246,000.00	$0.00	$0.00	$246,000.00
2006	$246,000.00	$0.00	$0.00	$246,000.00
2005	$245,600.00	$0.00	$0.00	$245,600.00
2004	$172,000.00	$0.00	$0.00	$172,000.00
2003	$172,000.00	$0.00	$0.00	$172,000.00
2002	$172,000.00	$0.00	$0.00	$172,000.00
2000	$172,000.00	$0.00	$0.00	$172,000.00

ITEM 13											
NET ADJUSTMENT											
ADJUSTED LAND VALUE											

		ASSESSED VALUATION			
Year	Owner	Site	Buildings	Total	Reason for Change
2004		24600	—	24600	

REMARKS:

PLACE PICTURE HERE



BUILDING AREA CALCULATION

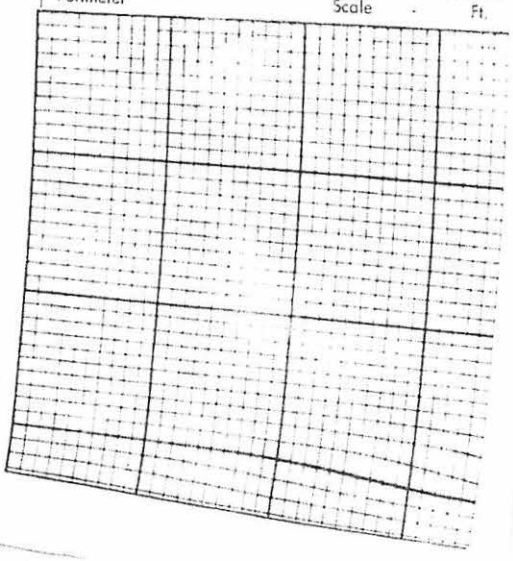
Square Feet — Ground Area

Floor or Part	Width	Length	Area

TOTAL AREA

Perimeter

Scale . Ft.



1C070A040020
JUNEAU TOWNSITE BL 4 L 3
SOUTHEASTERN NEWSPAPER CORP
3100 CHANNEL DR
JUNEAU AK 99801

Date Built

YEAR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	years

Parcel No. 1-B-0220-004-000
Block 4 Lot 2
Subdivision
U.S. Survey

BUILDING TYPE & USE
☐ Apt. ☐ Office ☐ Loft
☐ Hotel ☐ Store
☐ Church ☐ Bank
☐ Theater ☐ Garage
☐ Gas Stn. ☐ Industrial
☐ Warehse. ☐ Greenhouse
☐ Hospital ☐ Restaurant

1. FOUNDATION
☐ Concrete
☐ Concrete Block
☐ Wood Posts
☐ Piling
No. Size Length

2. BASEMENT
☐ None
☐ Full Height
☐ Partial x S.F.
☐ Unfinished Parking
☐ Storage ☐ Utility
☐ Apartment
☐ Office
☐ Floor

3. FRAME
☐ Wood ☐ Steel
☐ Conc. Block ☐ Brick
☐ Reinforced Concrete
☐ Reinforced Steel
☐ Concrete Panels

4. EXTERIOR
☐ Wood ☐ Metal
☐ Stucco
☐ Conc. Block ☐ Brick
☐ Concrete Reinforced
☐ Other
☐ Fenestration
☐ Trim
☐ None ☐ Minimum
☐ Average ☐ Extensive

5. ROOF
☐ Flat ☐ Gable ☐ Hip
☐ Shakes ☐ Shingle
☐ Built-up ☐ Comp.
☐ Aluminum ☐ G.I.
☐ Roll ☐ Tar Paper
☐ Concrete
☐ Reinforced Concrete

6. INTERIOR
☐ Open Stud
☐ Wallboard
☐ Plasterboard
☐ Plaster
☐ Concrete Block
☐ Other
☐ Story Height
☐ Basement
☐ 1st
☐ 2nd

7. FLOORS
☐ Dirt ☐ Wood
☐ Concrete on Grade
☐ Conc. on Grade, Reinf.
☐ Reinf. Conc., Supported
☐ Tile
☐ Carpet

8. HEAT
☐ None ☐ Space Heater
☐ Hot Air, Forced
☐ Hot Water
☐ Comb. Heat & Cooling
☐ Air Conditioning

FIREPLACES
1st Floor ____ Type
Basemnt. ____ Type

9. PLUMBING
Number of Fixtures
☐ Store
☐ Garage
☐ Warehouse
☐ Apts. 3F 2F 1F NF
☐ Rms. 3F 2F 1F NF
☐ Extra Fixtures
☐ Sauna - Grade

10. ELECTRICAL
☐ Romex ☐ Conduit
☐ Min. Lights & Fixtures
☐ Adqt. Lights & Fixtures
☐ Good Fixtures
☐ Excellent Fixtures
☐ Building Elevators
Type No. Cap. = Flrs.
☐ Pass.
☐ Frgt.

12. PORCHES
☐ BIOP
☐ BIGP
☐ BICP
☐ Open Porch
☐ Closed Porch
☐ Glazed Porch
☐ Deck
☐ Risers

Lump Sums

	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION
4. Occupancy								
5. Basement Cost and Quality 6. Exterior Wall	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
7. No. Stories & Height per story 8. Average Floor Area	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
9. Average perimeter								
10. Age and condition Marshall & Swift Manual	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
11. BASIC SQUARE FOOT COST								
SQUARE FOOT REFINEMENTS								
12. Heating, ventilation								
13. Electrical								
14. Miscellaneous								
15. Total Lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)								
19. Combined ht. & size multiplier (Lines 16x17x18)								
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)								
21. Current cost multiplier (Sect. 99, p. 3)								
22. Local multiplier (Sect. 99, p. 5 & 6)								
23. Final sq. ft. cost (Line 20 x Line 21 x Line 22)								
24. Area								
25. Line 23 x 24								
26. Lump sums (Line 32)								
27. REPLACEMENT COST (Line 25 + Line 26)								
28. Depreciation % (Sect. 97)								
29. Depreciation amount (Line 27 x Line 28)								
30. DEPRECIATED COST (Line 27 – Line 29)								

Continuing Appraisal



1C070A040020_1_10152012

City and Borough of Juneau
Assessment History Report

1C070A020043
GOLDSTEIN IMPROVEMENT COMPANY
119 SECOND ST
JUNEAU TOWNSITE BL 2 LT 5A1

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$1,216,278.00	$29,700.00	$5,346,931.00	$6,592,909.00
2021	$1,241,100.00	$29,700.00	$5,456,052.00	$6,726,852.00
2020	$827,400.00	$29,700.00	$5,353,668.00	$6,210,768.00
2019	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2018	$795,600.00	$29,700.00	$5,119,200.00	$5,944,500.00
2017	$795,600.00		$5,774,100.00	$6,569,700.00
2016	$795,600.00		$5,774,100.00	$6,569,700.00
2015	$795,600.00		$5,774,100.00	$6,569,700.00
2014	$795,600.00		$5,774,100.00	$6,569,700.00
2013	$795,600.00		$5,774,100.00	$6,569,700.00
2012	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2011	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2010	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2009	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2008	$795,600.00	$0.00	$4,812,200.00	$5,607,800.00
2007	$733,600.00	$0.00	$4,812,200.00	$5,545,800.00
2006	$733,600.00	$0.00	$4,534,800.00	$5,268,400.00
2005	$733,600.00	$0.00	$4,525,400.00	$5,259,000.00
2004	$392,800.00	$0.00	$2,677,900.00	$3,070,700.00
2003	$392,800.00	$0.00	$2,677,900.00	$3,070,700.00
2002	$392,800.00	$0.00	$2,677,900.00	$3,070,700.00
2000	$392,800.00	$0.00	$1,428,200.00	$1,821,000.00

SITE VALUE COMPUTATIONS

APPRAISAL YEAR		20 05		20 05		20		20		20	
	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
BASE LOT VALUE												
982068	/50 ϕ	491034										
14671 ϕ	50			733550								
NET ADJUSTMENT												
ADJUSTED SITE VALUE												

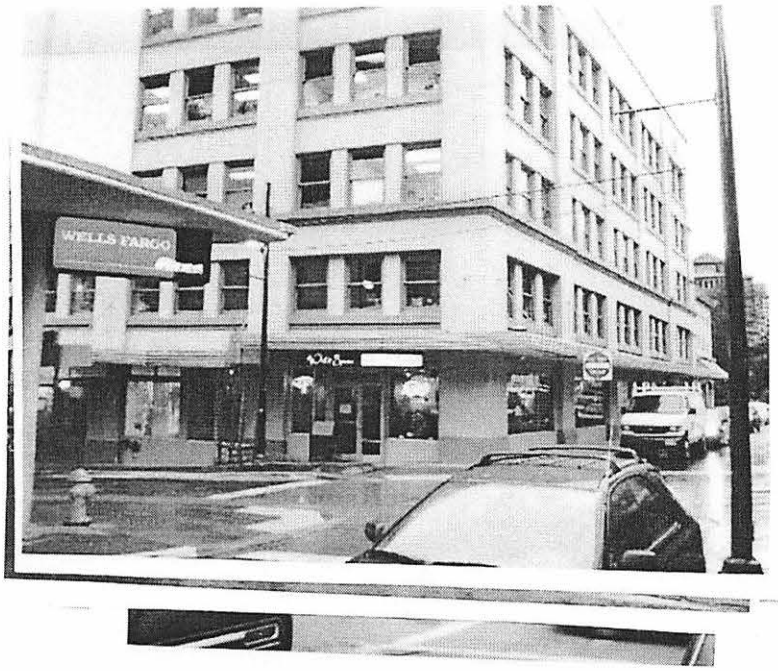
NET ADJUSTMENT
ADJUSTED LAND VALUE 245 517 [illegible] [illegible]

		ASSESSED VALUATION			
Year	Owner	Site	Buildings	Total	Reason for Change
2004		392800	2677900	3,070,700	
2005		491,000	4,386,500	4877500	
05		733600	4525400	5259000	Lot Consolidation
2006		733600	4534800	5268400	
07		733600	4812600	5546200	
		↓			Area Change

REMARKS:

Lot Area with office square footage

PLACE PICTURE HERE



BUILDING AREA CALCULATION 12/15

Square Feet — Ground Area

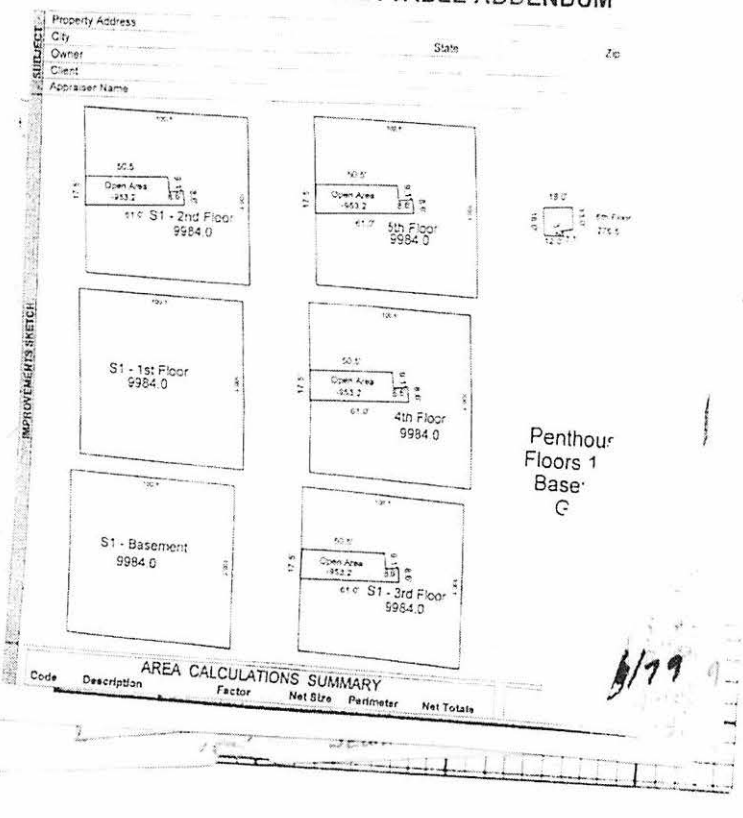
Floor or Part	Width	Length	Area
1st	100	100	10,000
2 - 5	(Irregular angles)		
1st & Basement			9840.6
2nd			8881.89
3 - 5			8860.95
Penthouse			256.324
		TOTAL AREA	

Notes:

SKETCH/AREA TABLE ADDENDUM

Property Address
City State Zip
Owner
Client
Appraiser Name

SUBJECT IMPROVEMENTS SKETCH



AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals

0-002-586

Lot 5 & 6

te of Juneau

BUILDING TYPE & USE

- [ ] Apt. [x] Office [ ] Loft
- [ ] Hotel [x] Store
- [ ] Church [ ] Bank
- [ ] Theater [ ] Garage
- [ ] Gas Statn. [ ] Industrial
- [ ] Warehse. [ ] Greenhouse
- [ ] Hospital [ ] Restaurant

1. FOUNDATION

- [ ] Concrete
- [ ] Concrete Block
- Wood Posts
- [ ] Piling
- No. Size Length

2. BASEMENT

- [ ] None
- [ ] Full Height 12
- [ ] Partial x S.F.
- [ ] Unfinished Parking
- [ ] Storage [ ] Utility
- [ ] Apartment
- [ ] Office
- [ ] Floor

3. FRAME

- [ ] Wood [ ] Steel
- [ ] Conc. Block [ ] Brick
- [x] Reinforced Concrete
- Fireproofed Steel
- Concrete Panels

4. EXTERIOR

- [ ] Wood [ ] Metal
- [x] Stucco
- [ ] Conc. Block [ ] Brick
- [ ] Concrete Reinforced
- [ ] Other
- [ ] Fenestration
- [ ] Trim
- [ ] None [ ] Minimum
- [ ] Average [ ] Extensive

5. ROOF

- [ ] Flat [ ] Gable [ ] Hip
- [ ] Shakes [ ] Shingle
- [x] Built-up [ ] Comp.
- [ ] Aluminum [ ] G.I.
- [ ] Roll [ ] Tar Paper
- [ ] Concrete
- [ ] Reinforced Concrete

6. INTERIOR

- [ ] Open Stud
- [ ] Wallboard
- [ ] Plasterboard
- [x] Plaster
- [ ] Concrete Block
- [ ] Other
- [ ] Story Height
- [ ] Basement
- [ ] 1st
- [ ] 2nd

7. FLOORS

- [ ] Dirt [ ] Wood
- [ ] Concrete on Grade
- [ ] Conc. on Grade, Reinf.
- [ ] Reinf. Conc., Supported
- [x] Tile

8. HEAT

- [ ] None [ ] Space Heater
- [ ] Hot Air, Forced
- [x] Hot Water
- [ ] Comb. Heat & Cooling
- [ ] Air Conditioning

FIREPLACES

- [ ] 1st Floor ____ Type
- [ ] Basemnt. ____ Type

9. PLUMBING

Number of Fixtures

- [ ] Store
- [ ] Garage
- [ ] Warehouse
- [ ] Apts. 3F 2F 1F NF
- [ ] Rms. 3F 2F 1F NF

Fixtures

- [ ] Sat ia - Grade

10. ELECTRICAL

- [ ] Romex [x] Conduit
- [ ] Min. Lights & Fixtures
- [x] Adqt. Lights & Fixtures
- [ ] Good Fixtures
- [ ] Excellent Fixtures
- [ ] Building Elevators
- Type No. Cap. # Flrs.
- [ ] Pass.

12. PORCHES

- [ ] BIGP
- [ ] BICP
- [ ] Open Porch
- [ ] Closed Porch
- [ ] Glazed Porch
- [ ] Deck
- [ ] Risers

Lump Sums

	Year 01 SECTION	Year SECTION	Year SECTION	SECTION	SECTION	SECTION	SECTION	SECTION
4. Occupancy								
5. Building class and quality 6. Exterior Wall	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
7. No. of stories & height per story 8. Average floor area	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
9. Average perimeter								
10. Age and condition Marshall & Swift Manual	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
11. BASE SQUARE FOOT COST								
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation								
13. Elevator deduction								
14. Miscellaneous								
15. Total lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)								
19. Combined ht. & size multiplier (Lines 16x17x18)								
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)								
21. Current cost multiplier (Sect. 99, p. 3)								
22. Local multiplier (Sect. 99, p. 5 & 6)								
Final sq. ft. cost (L. 20 x L. 21 x L. 22)								

Cost Report - Commercial

1287		Record	1
Parcel Code Number	**1C070A020043**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**119 SECOND ST**	**Perimeter**	411
Effective Year Built	1990	**Class**	D
Year Built	1946	**Height**	12
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Office Building	**Total Area**	44,750.00

1287		Record	2
Parcel Code Number	**1C070A020043**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**119 SECOND ST**	**Perimeter**	136
Effective Year Built	1990	**Class**	D
Year Built	1946	**Height**	10
Building Model	C- 15 Offices, Medical, Public Buildings	**Rank**	Average
Building Type	Office Building	**Total Area**	1,900.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		44750		87.57		3,918,757
Exterior Wall	Stud -Textured Plywood	44750	100%	13.91		622,648
Heating & Cooling	Heating & Cooling	44750		603.00		603
Heating & Cooling	Hot Water	44750	100%	12.00		537,000
Architect Fee		44750		6.80		304,300
Sprinklers	Dry Sprinklers	55532		3.43		190,475
Fire Alarm System		44750		1.46		65,335
Basement	Unfinished	9781		33.46		327,272
Sub Total						$5,966,390.89
Local Multiplier					1.43 [X]	$8,531,939.00
Current Multiplier					1.00 [X]	$8,531,939.00
Neighborhood Multiplier					[X]	$8,531,939.00
Depreciation - Physical					40.00 [-]	$3,412,776.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$5,119,163.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$5,119,163

02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
Donna_Prince - 2/6/2018 10:01:04 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost		+/-	Total
Base Cost		1900		87.57			166,383
Exterior Wall	Stud -Textured Plywood	1900		13.26			25,194
Heating & Cooling	Heating & Cooling	1900		603.00			603
Heating & Cooling	Hot Water	1900		12.00			22,800
Architect Fee		1900		6.80			12,920
Sprinklers	Sprinklers	2850		4.89			13,936
Fire Alarm System		1900		1.46			2,774
Sub Total							$244,610.45
Local Multiplier					1.43	[X]	$349,793.00
Current Multiplier					1.00	[X]	$349,793.00
Neighborhood Multiplier						[X]	$349,793.00
Depreciation - Physical					40.00	[-]	$139,917.00
Depreciation - Functional						[-]	$0.00
Depreciation - Economic						[-]	$0.00
Percent Complete					100.00	[-]	$209,876.00
Cost to Cure							
Neighborhood Adjustment							
Replacement Cost less Depreciation							$209,876

02.06.2018 PER CANVAS COST DEP UPDATE FILE DMHP 02.06.2018
Donna_Prince - 2/6/2018 10:02:03 AM

Miscellaneous Improvements

Miscellaneous Improvement	Canopy 02.06.2018 P	[+]	29,700

Total Improvement Value $5,358,700

SKETCH/AREA TABLE ADDENDUM

Parcel No 1C070A020043

SUBJECT

Property Address

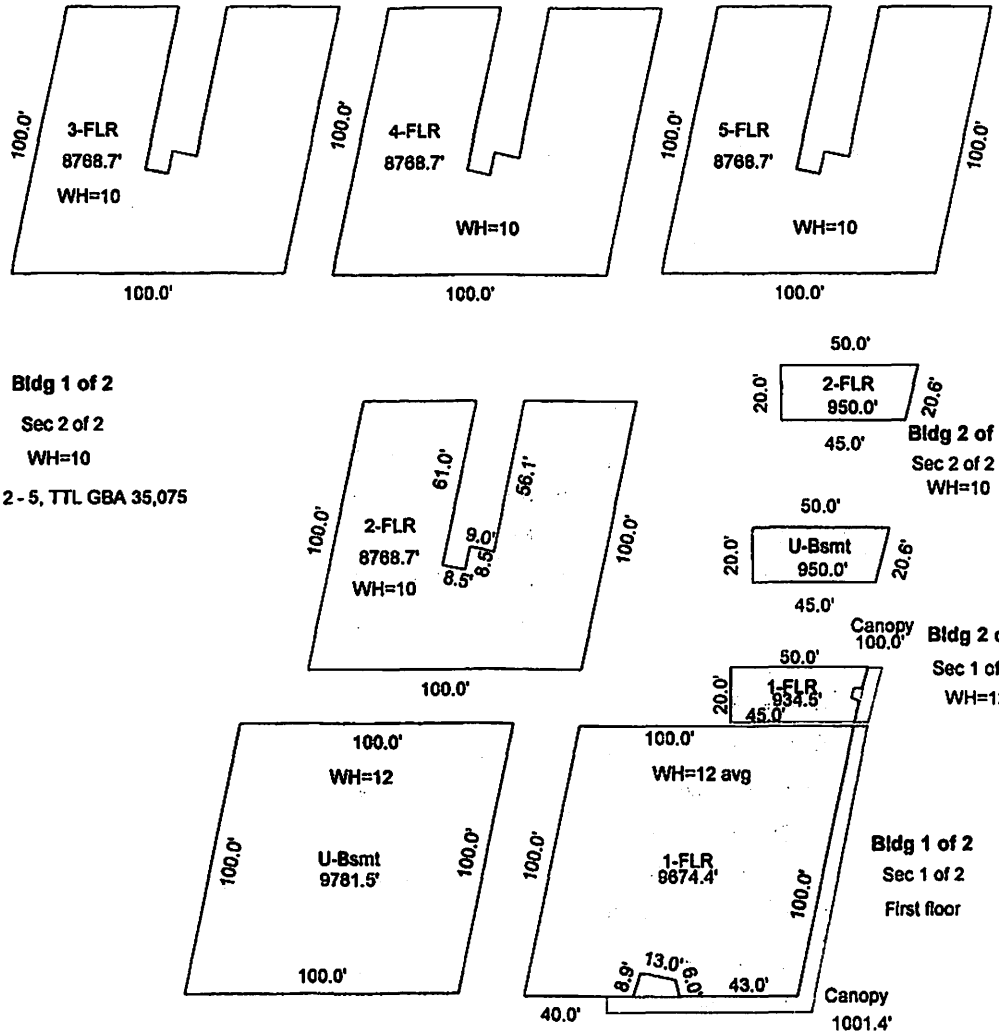
City State Zip

Owner

Client

Appraiser Name jcs

IMPROVEMENTS SKETCH



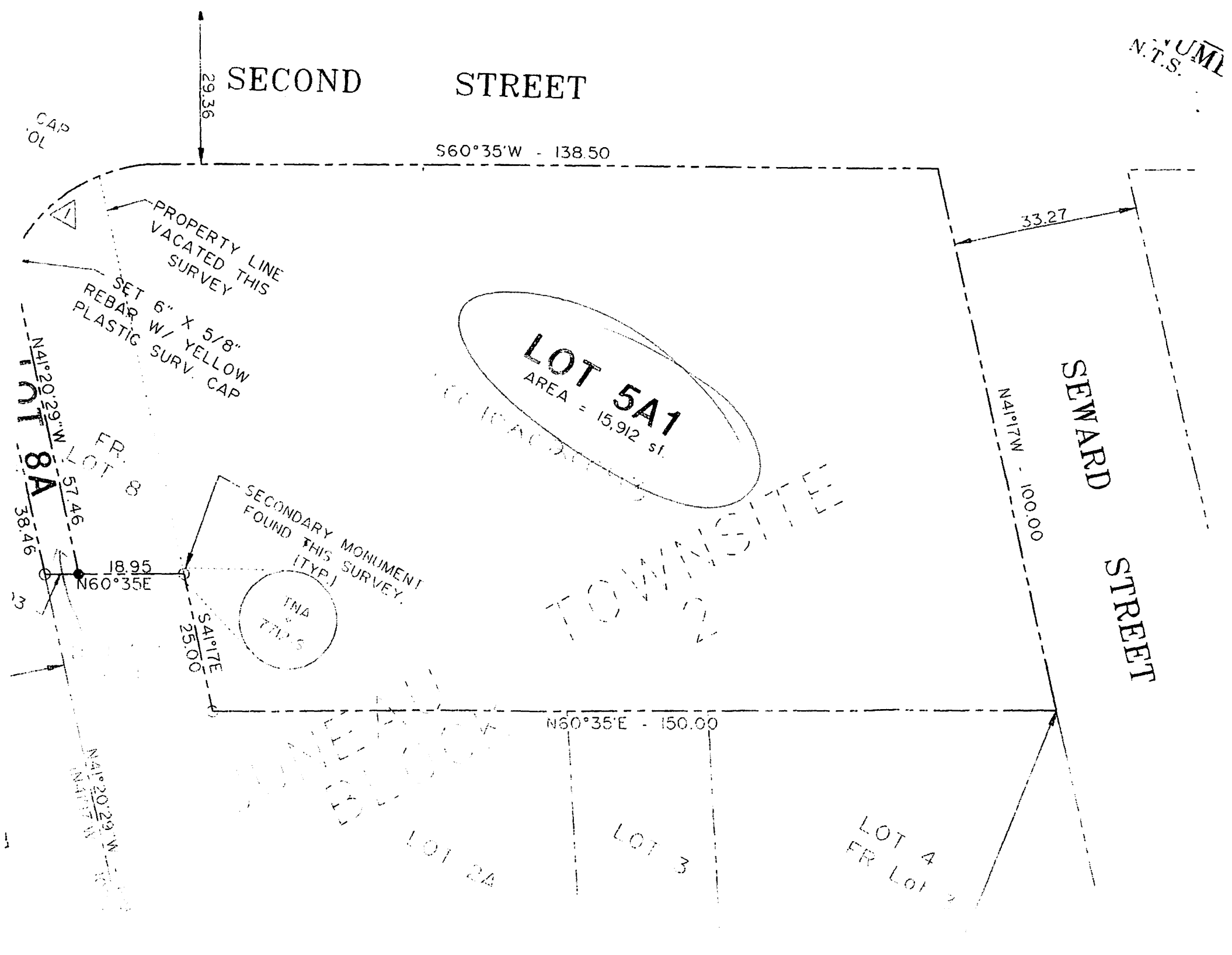
Scale: 1 = 70

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	9674.4	410.9	
	1-FLR	1.00	934.5	140.4	10608.9
GBA2	2-FLR	1.00	8768.7	525.6	
	2-FLR	1.00	950.0	135.6	9718.7
GBA3	3-FLR	1.00	8768.7	525.6	8768.7
GBA4	4-FLR	1.00	8768.7	525.6	8768.7
GBA5	5-FLR	1.00	8768.7	525.6	8768.7
BSMT2	U-Bsmt	1.00	9781.5	400.0	
	U-Bsmt	1.00	950.0	135.6	10731.5
P/P5	Canopy	1.00	1001.4	361.9	
	Canopy	1.00	100.0	51.2	1101.4
Net BUILDING Area		(rounded w/ factors)			46634

BUILDING AREA BREAKDOWN

	Breakdown			Subtotals
1-FLR				
0.5 x	1.2	x	5.8	3.6
	2.7	x	45.7	123.5
	43.0	x	5.8	249.4
0.5 x	19.0	x	89.3	847.8
0.5 x	2.7	x	12.7	17.1
0.5 x	0.6	x	2.7	0.8
0.5 x	5.8	x	1.5	4.3
0.5 x	2.8	x	8.5	11.9
	81.0	x	89.3	7235.9
	38.2	x	8.5	324.6
0.5 x	19.0	x	89.3	847.8
0.5 x	1.8	x	8.5	7.7
0.5 x	7.7	x	2.3	8.7
	7.8	x	45.0	352.1
	4.5	x	43.9	196.1
	47.7	x	7.7	368.0
0.5 x	7.8	x	1.7	6.5
0.5 x	2.7	x	1.2	1.7
0.5 x	3.2	x	0.8	1.3
2-FLR				
0.5 x	11.3	x	55.0	310.6
89 items	(rounded w/o factors)			46634


SECOND STREET
29.36
S60°35'W - 138.50
PROPERTY LINE VACATED THIS SURVEY
SET 6" X 5/8" REBAR W/ YELLOW PLASTIC SURV. CAP
LOT 5A1
AREA = 15,912 sf.
SEWARD STREET
33.27
N41°17W - 100.00
LOT 8A
N41°20'29"W - 57.46
38.46
18.95
N60°35E
SECONDARY MONUMENT FOUND THIS SURVEY. (TYP.)
S41°17E - 25.00
FR. LOT 8
N60°35'E - 150.00
LOT 24
LOT 3
LOT 4
N.T.S.



1C070A020043_1_10112012



1C070A020043_2_10112012



1C070A020043_3_10112012-001



1C070A020043_4_10112012

City and Borough of Juneau
Assessment History Report

1C070A020011
GOLDSTEIN IMPROVEMENT COMPANY
122 FRONT ST
JUNEAU TOWNSITE BL 2 LT 2A

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$1,567,167.00		$496,664.00	$2,063,831.00
2021	$1,599,150.00		$506,800.00	$2,105,950.00
2020	$1,066,100.00		$506,800.00	$1,572,900.00
2019	$1,087,900.00		$506,800.00	$1,594,700.00
2018	$1,087,900.00		$506,800.00	$1,594,700.00
2017	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2016	$1,087,900.00	$3,000.00	$486,500.00	$1,577,400.00
2015	$1,087,900.00	$3,000.00	$498,400.00	$1,589,300.00
2014	$1,087,900.00		$495,800.00	$1,583,700.00
2013	$1,087,900.00		$495,800.00	$1,583,700.00
2012	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2011	$1,087,900.00	$0.00	$495,800.00	$1,583,700.00
2010	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00
2009	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00
2008	$1,087,900.00	$0.00	$421,400.00	$1,509,300.00
2007	$707,100.00	$0.00	$421,400.00	$1,128,500.00
2006	$707,100.00	$0.00	$388,000.00	$1,095,100.00
2005	$707,100.00	$0.00	$159,200.00	$866,300.00
2004	$110,300.00	$0.00	$277,200.00	$387,500.00
2003	$110,300.00	$0.00	$277,200.00	$387,500.00
2002	$110,300.00	$0.00	$277,200.00	$387,500.00
2000	$110,300.00	$0.00	$131,500.00	$241,800.00

LAND VALUE COMPUTATIONS

SITE VALUE COMPUTATIONS

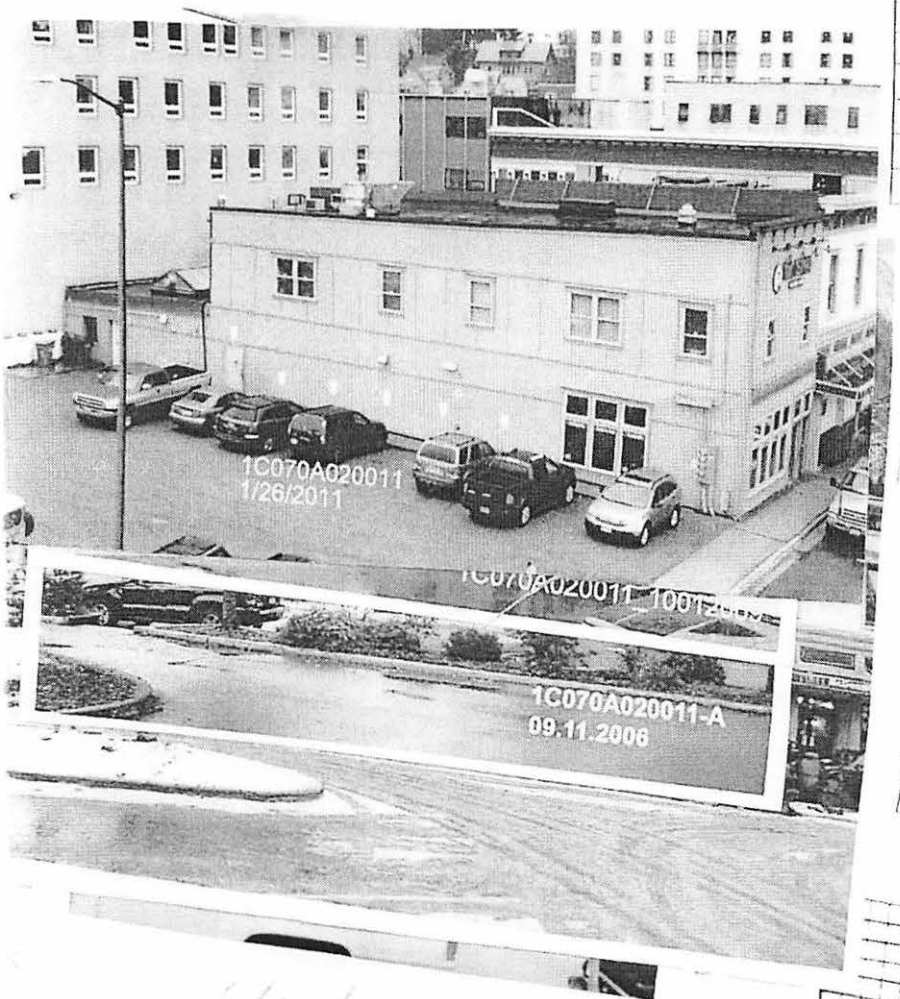
APPRAISAL YEAR		2005		20__		20__		20__		20__
	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
BASE LOT VALUE										
2,449.5	65	159222								
10,879			65	707135						
NET ADJUSTMENT										
ADJUSTED SITE VALUE										

Year	Owner	Site	Buildings	Total	Reason for Change
2005		707100	159200	866300	✓ 12/05 for Completion
2006		707100	388000	1,095,100	
07		707100	421400	1,128,500	Engine Correction Land +
2008	409 & 10	1087900	421400	1,509,300	
2011		1,077,500	495800	1,573,300	CANVASS

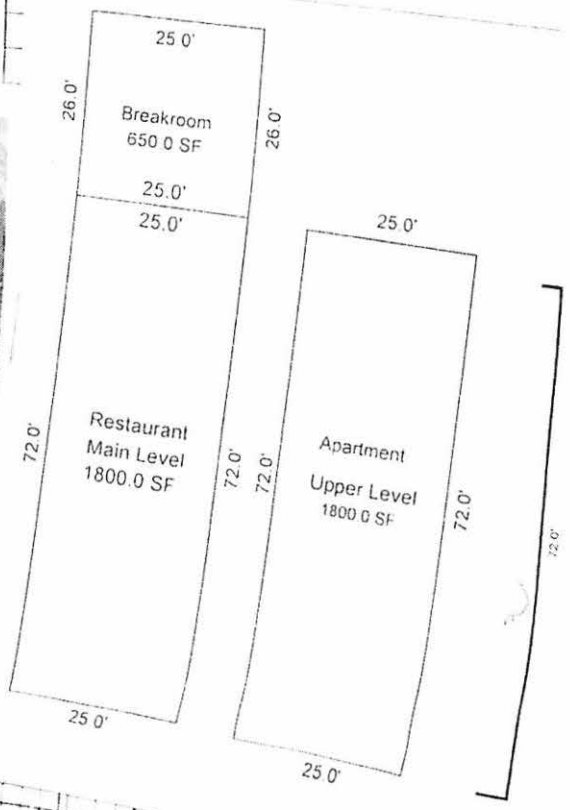
REMARKS: 1982 - Due to size of Lot added

Square foot adjustment was 11
1.01 1/12/03 #300,000

PLACE PICTURE HERE



Parcel No 1C070A020011
Property Address 124/126 Front Street
City
Owner
Client
Appraiser Name



6/27/83

Good ☐ Normal ☐ Fair ☐ Poor ☐ ____ years

Lot Fr. 2&3 Townsite

A-008-002-2&3

Packet Page 1804 of 1973

BUILDING TYPE & USE			4. EXTERIOR	8. HEAT	12. PORCHES
☐ Apt.	☒ Office	☐ Loft	☒ Wood ☐ Metal	☐ None ☐ Space Heater	☐ BIGP
☐ Hotel	☒ Store		☐ Stucco	☐ Hot Air, Forced	☐ BICP
☐ Church	☐ Bank		☐ Conc. Block ☐ Brick	☐ Hot Water	☐ Open Porch
☐ Theater	☐ Garage		☐ Concrete Reinforced	☐ Comb. Heat & Cooling	☐ Closed Porch
☐ Gas Statn.	☐ Industrial		☐ Other	☐ Air Conditioning	☐ Glazed Porch
☐ Warehse.	☐ Greenhouse		☐ Fenestration	FIREPLACES	☐ Deck
☐ Hospital	☐ Restaurant		☐ Trim	☐ 1st Floor ____ Type	☐ Risers
			☐ None ☐ Minimum	☐ Basemnt. ____ Type	
1. FOUNDATION			☐ Average ☐ Extensive		
☐ Concrete			5. ROOF	9. PLUMBING	
☐ Concrete Block			☒ Flat ☐ Gable ☐ Hip	Number of Fixtures	
☐ Wood Posts			☐ Shakes ☐ Shingle	☐ Store	
☐ Piling			☒ Built-up ☐ Comp.	☐ Garage	
No. Size Length			☐ Aluminum ☐ G.I.	☐ Warehouse	
			☐ Roll ☐ Tar Paper	☐ Apts. 3F 2F 1F NF	
			☐ Concrete		
2. BASEMENT			☐ Reinforced Concrete		
☐ None			6. INTERIOR		
☐ Full Height			☐ Open Stud	☐ Rms. 3F 2F 1F NF	
☐ Partial x S.F.			☐ Wallboard		
☐ Unfinished Parking			☒ Plasterboard		
☐ Storage ☐ Utility			☐ Plaster		
☐ Apartment			☐ Concrete Block	☐ Extra Fixtures	
☐ Office			☐ Other	☐ Sauna - Grade	
☐ Floor			☐ Story Height		
			☐ Basement	10. ELECTRICAL	
3. FRAME			☒ 1st	☒ Romex ☐ Conduit	
☐ Wood	☐ Steel		☒ 2nd	☐ Min. Lights & Fixtures	
☐ Conc. Block	☐ Brick		7. FLOORS	☒ Adqt. Lights & Fixtures	
☐ Reinforced Concrete			☐ Dirt ☒ Wood	☐ Good Fixtures	
☐ Fireproofed Steel			☐ Concrete on Grade	☐ Excellent Fixtures	
☐ Concrete Panels			☐ Conc. on Grade, Reinf.	☐ Building Elevators	
			☐ Reinf. Conc., Supported	Type No. Cap. # Flrs.	
			☐ Tile	☐ Pass.	
			☒ Carpet	☐ Frgt.	

Lump Sums 1980

50/2 24 x 6.75 x 1.00 x 1.49 = 241

(1) [illegible] 1.11 x [illegible] x 1.06 = 28

(2) [illegible] 24 x 7.55 x 1.04 x [illegible] x 1.027 =

1.39

	Year	Year	Year	Year	Year	Year	Year	Year
	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION	SECTION
	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
4. Occupancy								
5. Building class and quality								
6. Exterior Wall								
7. No. of stories & height per story								
8. Average floor area								
9. Average perimeter								
10. Age and condition Marshall & Swift Manual	1980 Est 20 YEAR							
11. BASE SQUARE FOOT COST								
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation	Only 7% Is Now							
13. Elevator deduction								
14. Miscellaneous								
15. Total lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)								
[illegible]ined ht. & size multiplier (Lines 16x17x18)								

Cost Report - Commercial

1281		Record	1
Parcel Code Number	**1C070A020011**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**122 FRONT ST**	**Perimeter**	246
Effective Year Built	2004	**Class**	D
Year Built	1898	**Height**	11
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	2,450.00

1281		Record	2
Parcel Code Number	**1C070A020011**	**Number of Stories (Building)**	02
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**122 FRONT ST**	**Perimeter**	0
Effective Year Built	2003	**Class**	D
Year Built	1898	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Resid. Units	**Total Area**	1,800.00

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		2450		68.49		167,796
Exterior Wall	Stud Walls-Wood Siding	2450		12.57		30,787
Heating & Cooling	Heating & Cooling	2450		611.00		611
Heating & Cooling	Hot Water	2450	100%	7.57		18,547
Architect Fee		2450		6.60		16,170
Sprinklers	Dry Sprinklers	2450	100%	5.35		13,108
Sub Total						$247,017.36

Local Multiplier	1.43	[X]	$353,235.00
Current Multiplier	1.02	[X]	$360,300.00
Neighborhood Multiplier		[X]	$360,300.00
Depreciation - Physical	18.00	[-]	$64,854.00
Depreciation - Functional		[-]	$0.00
Depreciation - Economic		[-]	$0.00
Percent Complete	100.00	[-]	$295,446.00
Cost to Cure			
Neighborhood Adjustment			

Replacement Cost less Depreciation $295,446

Canvass. Resketched, Revalued.
John_Sahnow - 7/14/2014 3:04:19 PM
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:42 AM

Cost Report - Commercial

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		1800		68.49		123,278
Exterior Wall	Stud Walls-Wood Siding	1800	10%	12.28		22,111
Heating & Cooling	Heating & Cooling	1800		611.00		611
Heating & Cooling	Hot Water	1800	100%	7.57		13,626
Architect Fee		1800		6.60		11,880
Sprinklers	Dry Sprinklers	1800	100%	5.35		9,630
Sub Total						$181,135.95
Local Multiplier					1.43 [X]	$259,024.00
Current Multiplier					1.02 [X]	$264,204.00
Neighborhood Multiplier					[X]	$264,204.00
Depreciation - Physical					20.00 [-]	$52,841.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$211,363.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$211,363

2 FLOOR ADDITION COMPLETE REMODEL 2009
01.30.2018 PER CANVAS COST, RECORD UPDATES DMHP 1.30.2018
Donna_Prince - 1/30/2018 9:42:30 AM

Total Improvement Value $506,800

SKETCH/AREA TABLE ADDENDUM

Parcel No 1C070A020011

SUBJECT

Property Address 124/126 Front Street

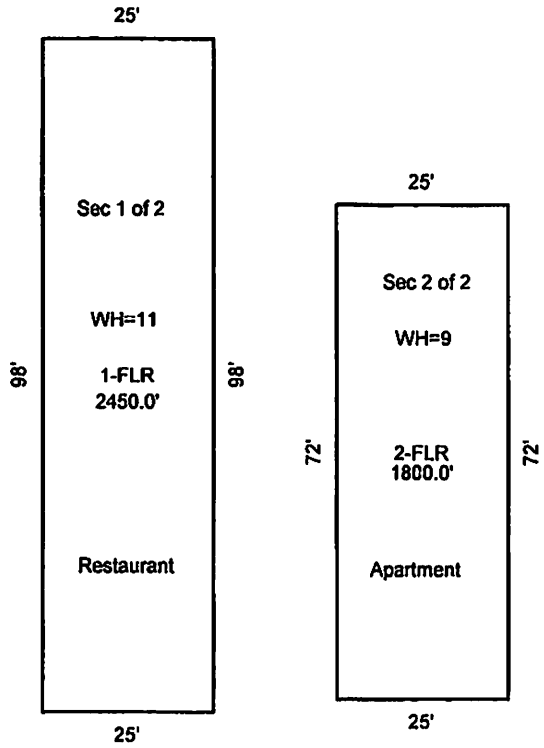
City State Zip

Owner

Client

Appraiser Name

IMPROVEMENTS SKETCH



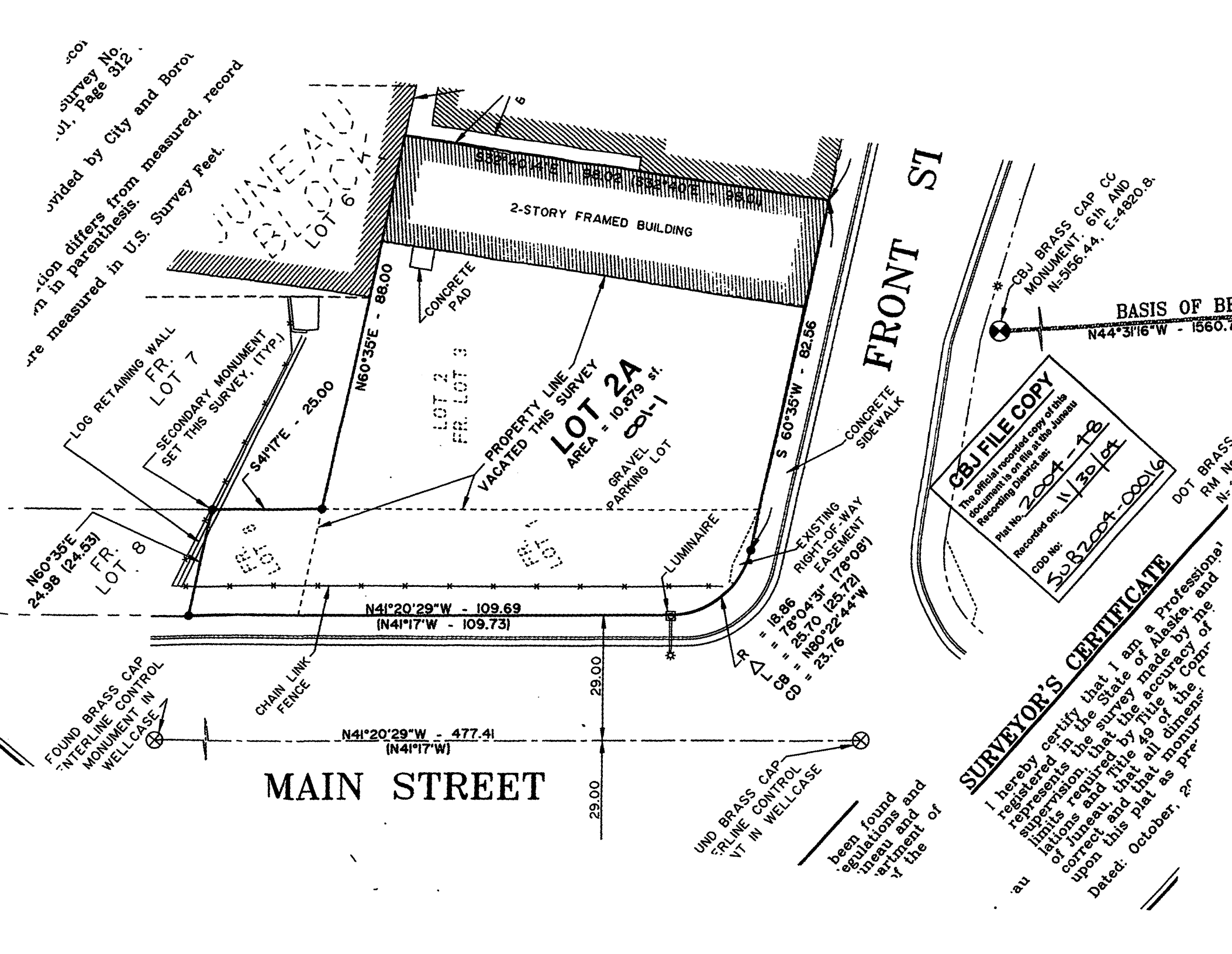
Scale: 1 = 28

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	2450.0	246.0	2450.0
GBA2	2-FLR	1.00	1800.0	194.0	1800.0

Net BUILDING Area (rounded w/ factors) 4250


Survey No.
Page 312
Provided by City and Boro
ction differs from measured, record
in parenthesis.
are measured in U.S. Survey Feet.
LOT 6
2-STORY FRAMED BUILDING
S88°40'42"E - 98.02 (S88°40'E - 98.0')
CONCRETE PAD
N60°35'E - 88.00
LOG RETAINING WALL
FR. LOT 7
SECONDARY MONUMENT SET THIS SURVEY, (TYP.)
S41°17'E - 25.00
FR. LOT 8
N60°35'E 24.98 (24.53)
PROPERTY LINE VACATED THIS SURVEY
LOT 2A
AREA = 10,879 sf.
001-1
GRAVEL PARKING LOT
S 60°35'W - 82.56
CONCRETE SIDEWALK
FRONT ST
EXISTING RIGHT-OF-WAY EASEMENT
LUMINAIRE
N41°20'29"W - 109.69
(N41°17'W - 109.73)
R = 18.86
Δ = 78°04'31" (78°08')
L = 25.70 (25.72)
CB = N80°22'44"W
CD = 23.76
CHAIN LINK FENCE
FOUND BRASS CAP CENTERLINE CONTROL MONUMENT IN WELLCASE
N41°20'29"W - 477.41
(N41°17'W)
29.00
29.00
MAIN STREET
UND BRASS CAP
ERLINE CONTROL
NT IN WELLCASE
been found
egulations and
ineau and
artment of
f the
CBJ BRASS CAP CC
MONUMENT. 6th AND
N=5156.44, E=4820.8.
BASIS OF BE
N44°31'16"W - 1560.
CBJ FILE COPY
The official recorded copy of this document is on file at the Juneau Recording District as:
Plat No. 2004-48
Recorded on: 11/30/04
CDD No: SUB2004-00016
DOT BRASS
RM N
SURVEYOR'S CERTIFICATE
I hereby certify that I am a Professional
registered in the State of Alaska, and
represents the survey made by me
supervision, that the accuracy of
limits required by Title 4 Comm
lations and Title 49 of the
of Juneau, that all dimens
correct and that monur
upon this plat as pre
Dated: October, 2
au

City and Borough of Juneau
Assessment History Report

1C070A020030
GOLDSTEIN IMPROVEMENT COMPANY
110 SEWARD ST
JUNEAU TOWNSITE BL 2 LTS 3 FR & 4

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$967,848.00	$27,100.00	$935,018.00	$1,929,966.00
2021	$987,600.00	$27,100.00	$954,100.00	$1,968,800.00
2020	$658,400.00	$27,100.00	$954,100.00	$1,639,600.00
2019	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2018	$671,800.00	$27,100.00	$954,100.00	$1,653,000.00
2017	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2016	$671,800.00	$38,100.00	$933,500.00	$1,643,400.00
2015	$671,800.00	$38,100.00	$965,100.00	$1,675,000.00
2014	$671,800.00		$834,300.00	$1,506,100.00
2013	$671,800.00		$834,300.00	$1,506,100.00
2012	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2011	$671,800.00	$0.00	$834,300.00	$1,506,100.00
2010	$671,800.00	$0.00	$762,400.00	$1,434,200.00
2009	$671,800.00	$0.00	$762,400.00	$1,434,200.00
2008	$671,800.00	$0.00	$762,400.00	$1,434,200.00
2007	$436,700.00	$0.00	$762,400.00	$1,199,100.00
2006	$436,700.00	$0.00	$762,400.00	$1,199,100.00
2005	$436,700.00	$0.00	$635,300.00	$1,072,000.00
2004	$302,400.00	$0.00	$630,300.00	$932,700.00
2003	$302,400.00	$0.00	$630,300.00	$932,700.00
2002	$302,400.00	$0.00	$630,300.00	$932,700.00
2000	$302,400.00	$0.00	$592,200.00	$894,600.00

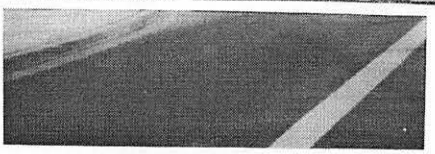
Item 13					
Net Adjust					
Adj. Land Value					

		ASSESSED VALUATION			
Year	Owner	Site	Buildings	Total	Reason for Change
2005		436,700	635,300	1,072,000	
6 4 0 7					
2008	4 0 9				
200					
20					

REMARKS:

PLACE PICTURE HERE





Parcel No 1C070A020030
Property Address 140 Front Street & 118 Seward Street
City
Owner
Client
Appraiser Name

Area



Parcel No. 1-C07-0-A02-003-0
Block 2 Lot 3&4
Subdivision Townsite
U.S. Survey

Owr 1C070A020030
Mai JUNEAU TOWNSITE BL 2 LT 3 FR & 4
CENTRAL COUNCIL OF TLINGIT & HAIDA
ELIAS DURAN
Prof 9097 GLACIER HWY
JUNEAU AK 99801

Date Built 1925

AR	CONDITION	Est. Remain. Econ. Life
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years
	OBSERVED PHYSICAL CONDITION Good ☐ Normal ☐ Fair ☐ Poor ☐	____ years

BUILDING TYPE & USE
☐ Apt. ☑ Office ☐ Loft
☐ Hotel ☐ Store
☐ Church ☐ Bank
☐ Theater ☐ Garage
☐ Gas Stan. ☐ Industrial
☐ Warehse. ☐ Greenhouse
☐ Hospital ☑ Restaurant

1. FOUNDATION
☑ Concrete
☐ Concrete Block
☐ Wood Posts
☐ Piling
No. Size Length

2. BASEMENT
☐ None
☐ Full Height
☐ Partial x S.F.
☐ Unfinished Parking
☐ Storage ☐ Utility
☐ Apartment
☐ Office
☐ Floor

3. FRAME
☑ Wood ☐ Steel
☐ Conc. Block ☐ Brick
☐ Reinforced Concrete
☐ Fireproofed Steel
☐ Concrete Panels

4. EXTERIOR
☑ Wood ☐ Metal
☐ Stucco
☐ Conc. Block ☐ Brick
☐ Concrete Reinforced
☐ Other
☐ Fenestration
☐ Trim
☐ None ☐ Minimum
☐ Average ☑ Extensive

5. ROOF
☑ Flat ☐ Gable ☐ Hip
☐ Shakes ☐ Shingle
☑ Built-up ☐ Comp.
☐ Aluminum ☐ G.I.
☐ Roll ☐ Tar Paper
☐ Concrete
☐ Reinforced Concrete

6. INTERIOR
☐ Open Stud
☑ Wallboard
☐ Plasterboard
☐ Plaster
☐ Concrete Block
☐ Other
☐ Story Height
☐ Basement
☐ 1st
☐ 2nd

7. FLOORS
☐ Dirt ☐ Wood
☐ Concrete on Grade
☐ Conc. on Grade, Reinf.
☐ Reinf. Conc., Supported
☐ Tile
☐ Carpet

8. HEAT
☐ None ☐ Space Heater
☐ Hot Air, Forced
☑ Hot Water
☑ Comb. Heat & Cooling
☐ Air Conditioning

FIREPLACES
☐ 1st Floor ____ Type
☐ Basemnt. ____ Type

9. PLUMBING
Number of Fixtures
☐ Store
☐ Garage
☐ Warehouse
☐ Apts. 3F 2F 1F NF
☐ Rms. 3F 2F 1F NF
☐ Extra Fixtures
☐ Sauna - Grade

10. ELECTRICAL
☐ Romex ☐ Conduit
☐ Min. Lights & Fixtures
☑ Adqt. Lights & Fixtures
☐ Good Fixtures
☐ Excellent Fixtures
☐ Building Elevators
Type No. Cap. # Flrs.
☐ Pass.
☐ Frgt.

12. PORCHES
☐ BIOP
☐ BIGP
☐ BICP
☐ Open Porch
☐ Closed Porch
☐ Glazed Porch
☐ Deck
☐ Risers

Lump Sums 1985

	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION	Year SECTION
4. Occupancy								
5. Building class and quality 6. Exterior Wall	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.	Cls. Qual.
7. No. of stories & height per story 8. Average floor area	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.	No. Ht.
9. Average perimeter								
10. Age and condition Marshall & Swift Manual	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.	Ag Con Sect.
11. BASE SQUARE FOOT COST								
SQUARE FOOT REFINEMENTS								
12. Heating, cooling, ventilation								
13. Elevator deduction								
14. Miscellaneous								
15. Total lines 11 through 14								
HEIGHT AND SIZE REFINEMENTS								
16. Number of stories-multiplier								
17. Height per story-multiplier (see Line 7)								
18. Floor area-perimeter multiplier (see Lines 8 & 9)								
19. Combined ht. & size multiplier (Lines 16x17x18)								
FINAL CALCULATIONS								
20. Refined sq. ft. cost (Line 15 x Line 19)								
21. Current cost multiplier (Sect. 99, p. 3)								
22. Local multiplier (Sect. 99, p. 5 & 6)								
23. Final sq. ft. cost (l. 20 x l. 21 x l. 22)								
24. Area								
25. Line 23 x 24								
26. Lump sums (Line 32)								
27. REPLACEMENT COST (Line 25 + Line 26)								
28. Depreciation % (Sect. 97)								
29. Depreciation amount (Line 27 x Line 28)								
30. DEPRECIATED COST (Line 27 - Line 29)								
31. Total Building Appraisal								

Cost Report - Commercial

1283		Record	1
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	250
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	13
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	3,763.00

1283		Record	2
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	0
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	2,887.00

1283		Record	3
Parcel Code Number	**1C070A020030**	**Number of Stories (Building)**	01
Owner Name	**GOLDSTEIN IMPROVEMENT COMPANY**	**Number of Sections**	1
Parcel Address	**110 SEWARD ST**	**Perimeter**	0
Effective Year Built	1993	**Class**	D
Year Built	1896	**Height**	10
Building Model	C- 13 Stores, Commercials	**Rank**	Average
Building Type	Mixed Retail w/ Office Units	**Total Area**	3,709.00

Cost Report - Commercial

Section 1	Description	Units	Percent	Cost	+/-	Total
Base Cost		3763		70.27		264,426
Exterior Wall	Stud Walls-Wood Siding	3763	100%	13.07		49,171
Heating & Cooling	Heating & Cooling	3763		611.00		611
Heating & Cooling	Hot Water	3763	100%	7.57		28,486
Architect Fee		3763		6.60		24,836
Sprinklers	Dry Sprinklers	5942	100%	4.42		26,264
Fire Alarm System		3763		1.46		5,494
Basement	Unfinished	2179		30.83		67,179
Sub Total						$466,465.51
Local Multiplier					1.43 [X]	$667,046.00
Current Multiplier					1.02 [X]	$680,387.00
Neighborhood Multiplier					[X]	$680,387.00
Depreciation - Physical					43.00 [-]	$292,566.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$387,821.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$387,821

42% incomplete, check 12/05 for finish Sold 6/1/2007 for $1.5M

Canvass. Entered data into Govern. Resketched, revalued.
John_Sahnow - 7/14/2014 4:14:31 PM

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:18:13 PM

01.31.2018 PER CANVAS COST, DEP, UPDATES DMHP 01.31.2018
Donna_Prince - 1/31/2018 9:43:04 AM

Section 2	Description	Units	Percent	Cost	+/-	Total
Base Cost		2887		70.27		202,869
Exterior Wall	Stud Walls-Wood Siding	2887		12.25		35,359
Heating & Cooling	Heating & Cooling	2887		611.00		611
Heating & Cooling	Hot Water	2887	100%	7.57		21,855
Architect Fee		2887		6.60		19,054
Sprinklers	Dry Sprinklers	2887	100%	5.18		14,955
Fire Alarm System		2887		1.46		4,215
Sub Total						$298,918.30
Local Multiplier					1.43 [X]	$427,453.00
Current Multiplier					1.02 [X]	$436,002.00
Neighborhood Multiplier					[X]	$436,002.00
Depreciation - Physical					43.00 [-]	$187,481.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete					100.00 [-]	$248,521.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$248,521

Cost Report - Commercial

Section 3	Description	Units	Percent	Cost	+/-	Total
Base Cost		3709		70.27		260,631
Exterior Wall	Stud Walls-Wood Siding	3709	100%	12.25		45,427
Heating & Cooling	Heating & Cooling	3709		611.00		611
Heating & Cooling	Hot Water	3709	100%	7.57		28,077
Architect Fee		3709		6.60		24,479
Sprinklers	Dry Sprinklers	3709	100%	4.74		17,581
Fire Alarm System		3709		1.46		5,415
Sub Total						$382,221.78
Local Multiplier				1.43	[X]	$546,577.00
Current Multiplier				1.02	[X]	$557,509.00
Neighborhood Multiplier					[X]	$557,509.00
Depreciation - Physical				43.00	[-]	$239,729.00
Depreciation - Functional					[-]	$0.00
Depreciation - Economic					[-]	$0.00
Percent Complete				100.00	[-]	$317,780.00
Cost to Cure						
Neighborhood Adjustment						
Replacement Cost less Depreciation						$317,780

3.5.17 PER FIELD REVIEW/CANVAS, ADDED PHOTO, GOVERN UPDATES, CALLBACK FOR 2017 FOR INCOME AND MARKET RESEARCH. DMHP 3.5.17
Donna_Prince - 3/5/2017 2:27:02 PM

Miscellaneous Improvements

Miscellaneous Improvement	CANOPY 01.31.2018 P	[+]	27,100

Total Improvement Value $981,200

SKETCH/AREA TABLE ADDENDUM

Parcel No 1C070A020030

SUBJECT

Property Address 140 Front Street & 118 Seward Street

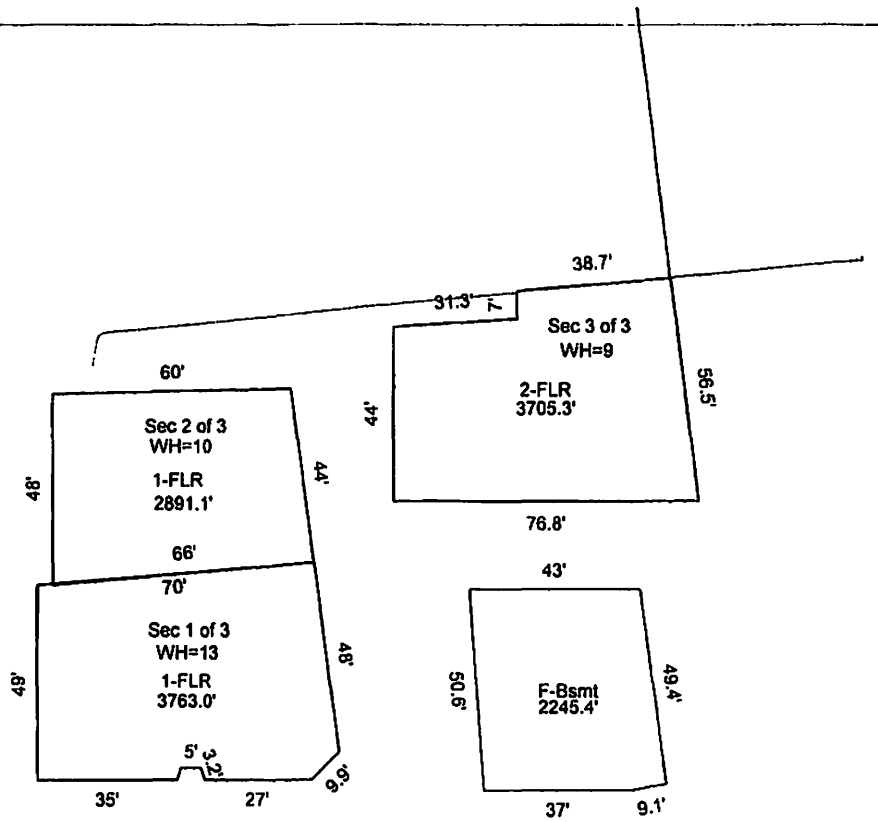
City State Zip

Owner

Client

Appraiser Name

IMPROVEMENTS SKETCH



Scale: 1 = 45

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	1-FLR	1.00	2891.1	218.0	
	1-FLR	1.00	3763.0	250.2	6654.1
GBA2	2-FLR	1.00	3705.3	254.3	3705.3
BSMT3	F-Bsmt	1.00	2245.4	189.2	2245.4

Net BUILDING Area (rounded w/ factors) 10359

Operating Expenses

The owners of the subject property have provided two years of operating data that reflect six properties in the immediate area of the subject, including the subject. These expenses reflect 2019 and 2020 and are summarized on the following table.

The expenses are expressed on a dollar per square foot basis. Also included on the following table are expenses from other commercial mixed-use properties in the marketplace. The totality of this information is to provide ample data to rely upon in making expense projections for the subject property.

On a table on a following page, expense comparisons are arrayed along with the subject's actual and projected expenses. The projections made for the subject are supported both by its history and by the expense comparisons.

Vacancy and Credit Loss

The subject has enjoyed high occupancy rates over the past several years, and currently, 2.7% of the net rentable area is vacant which accounts for 3.1% of the potential gross revenue. These two indicators support projection of stabilized vacancy for the subject property of 3%.

Gross Effective Income

This is gross income less the vacancy allowance and is **$741,775.**

Operating Expenses

The owners of the subject property have provided two years of operating data that reflect six properties in the immediate area of the subject, and the include the subject. in the subject. The expenses provided are for 2019 and 2020 and represent 91,237 SF of above grade retail, restaurant, office and parking stall rentals in six buildings in the downtown area.

As shown on a following exhibit, the expenses are expressed on a dollar per square foot basis. This information is carried forward to a table that includes the above information, along with operating expense data from other Juneau buildings. The totality of this information is to provide ample data to rely upon in making expense projections for the subject property.

INCOME APPROACH

It is an assumption of this approach that the value of the property is predicated upon the income stream that it can produce. This approach determines value by capitalizing the net income before recapture.

In this approach, the operating history of the subject property will be examined, and the rentals rates being achieved will be measured against competing properties. A stabilized income and expense forecast will be made for the subject property that reflects the highest and best use findings. The stabilized NOI will be capitalized to form a value conclusion for the subject property.

Subject Revenues

The subject property generates income from the rental of retail, restaurant spaces an apartment and a rear storage area. On the following table, the current tenancy at the subject is summarized.

TENANCY IN SUBJECT PROPERTY

Tenant	Rent	Area Rented	Rent /SF	Comments
201 Seward Street - Good Vibes Cafe	$2,494 (with COVID discount)	1,435 SF	$1.74 SF	Non COVID rent is $2.850 or $1.99 SF
205 Seward Street - Nana's Attic	$817 w/COVID discount	495 SF	$1.65 SF	Non COVID rent is $1,092 or $2.21 SF
209 Seward Street - Zoots	$1,596 w/COVID discount	1,079 SF	$1.48 SF	Non COVID rent is $1,995 or $1.85 SF
213 Seward Street – 2nd floor Apartment	$1,378	1,100 SF	$1.25 SF	Includes 1 parking space behind building valued at $80 month which is $.07 SF
217 Seward Street – Don Morgan Gallery	$808	494 SF	$1.64 SF	
221 Seward Street – Giono Barret	$793	530 SF	$1.50 SF	
216 2nd Street – Rainforest Farms	$2,850	1,230 SF	$2.32 SF	Has a 120 SF covered front porch
NHN – Rookery Warehouse	$950	750 SF	$1.27 SF	
Total		**7,113 SF**		

An important step in this approach is to determine whether the contractual rental rates at the subject property, as summarized above, fall in line with the marketplace. To measure, the quality of the income stream, it is necessary to determine whether these rates fall in line with the marketplace, or are they above market rents or below market rents? These questions will be answered by researching and analyzing rental comparisons in the broad neighborhood.

Rental comparisons for restaurant, retail spaces and apartment spaces in the subject's market area will be presented and analyzed in this section in order to determine if the subject's rates fall in line with the market in which it competes.

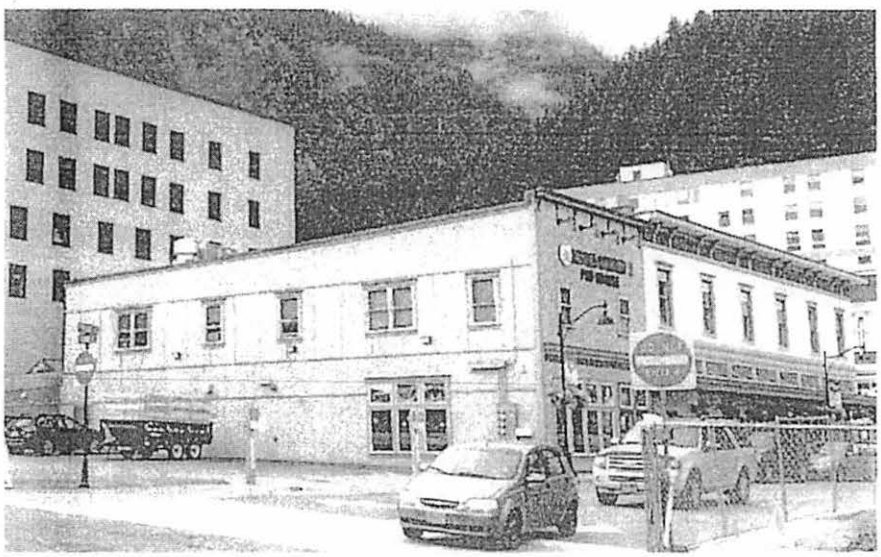
Subject Restaurant Spaces

The Good Vibes Café enjoys a corner location and Rainforest Farms, prior to operating in the MMJ market, was tenanted by Heritage Coffee. This space has features that would be useful to a restaurant/café use.

Good Vibes is 1,435 SF and rents for $1.74 SF per month which reflects a reduced rate for COVID. The normalized rate is $1.99 SF. This tenant pays for electricity. Rainforest Farms is 1,230 SF and is rented for $2,850 per month or $2.32 SF plus electricity.

Restaurant/Cafe Rental Comparisons

Restaurant Rental Comparison No. 1 is Asiana at 124 Front Street. This rectangular, deep space is 1,622 SF and is rented for **$2.13 SF**, which reflects a COVID discounted rent. This tenant uses a relatively high amount of water and reimburses the landlord for this utility. The tenant also pays for propane use in the commercial kitchen. The tenant pays for electricity.



Rental Comparison No. 2 is at 134 N. Franklin Street, a corner location at Franklin and 2nd Streets. This one-story building was built in 1936 as the Alaska Power and Light Company building. It is of reinforced concrete construction and reflects an Art Deco style. The interior has high ceilings and the two exposed sides of this space have a significant number of windows. The building has a full basement.

This space had been used for retail space for years. After being vacated, it was well exposed to the marketplace before leasing in 2016. The lessee rented the 1,872 SF space at **$1.60 SF** with the intention of opening up a new distillery in town (Amalga Distillery). The tenant occupies some of the basement area at a rate of $.60 SF. All utilities are paid by the tenant. Adding for water, sewer, heat and trash which are included at the two subject locations, an adjustment of $.12 SF is necessary to bring this comparison in line with the subjects. Assuming this tenant pays only power. A rate of **$1.72 SF** is indicated after making the above noted adjustment.



Restaurant Rental No. 3 is located in the Airport Shopping Center in the Mendenhall Valley at 9121 Glacier Highway Unit 7. This shopping center was built between 1963 and 1997 and has several one- and two-story buildings on a large, corner site.

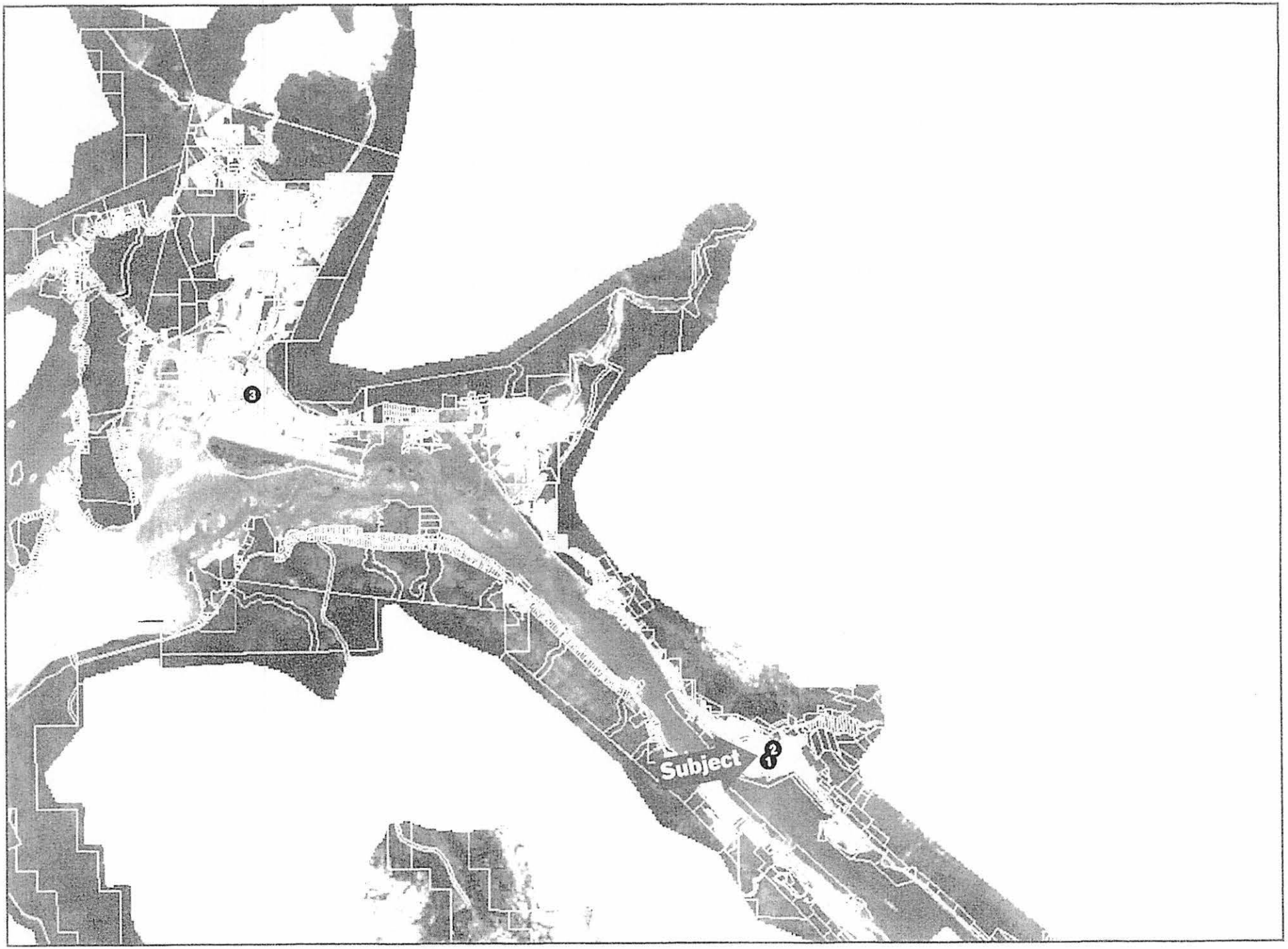
This space has a rounded greenhouse feature that brings a lot of light into the space. The space was rented to open the Bowl of Pho restaurant in the former Jovanny's location. On site parking is available to this restaurant. This 2,450 SF restaurant rents for **$1.91 SF** and includes all utilities except for power.





Conclusions of Restaurant Rental Comparisons

The three rental comparisons range from **$1.75 to $2.13 SF** after adjustments. The Good Vibes Restaurant is rented for $1.74 SF plus power which falls at the low end of this range, and does reflect a market-oriented rate. The Rainforest Farms tenant is paying $2.32 SF for 1,230 SF which falls above the high end of the range. The current rate for this tenant reflects an above market rent.



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Street Level Retail Spaces

The subject property has several street front spaces on Seward Street. The following rental comparisons are located in the neighborhood.

Street Level Comparisons No. 1 and No. 2 are located at 224 – 228 Seward Street in at two story building that has been converted to three condominiums on Seward Street called "Sommers on Seward". There are three street front units and a walk-up office level. There is a small parking lot at the rear, accessible from Main Street, and the full basement has room for storage. Each of the street level spaces has its own restroom and both a street front and rear door.

228 Seward Street is advertised for rent at **$1.60 SF** plus electric and is a 1,320 SF space with a restroom and high ceilings. It is available for sale as well. 224 Seward Street is a 1,335 SF condominium with its own restroom and has very recently sold. Prior to the sale, it was renting for **$1.50 SF** plus electric.

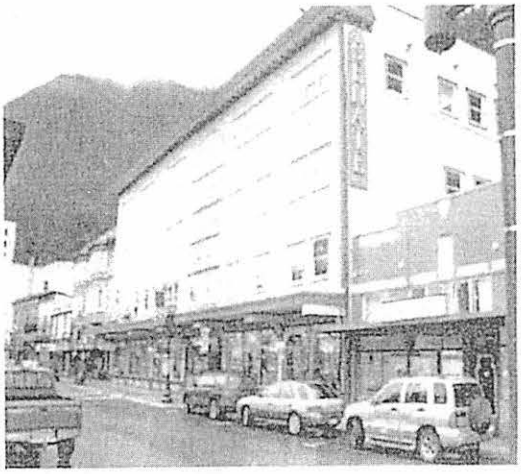






Street Level Rental Comparison No. 3 is located in the Senate Building which has a large high ceiling atrium area with a double door entrance on South Franklin Street. A wide stairwell and elevator access the upper floors from the atrium. The spaces in the atrium are rented for $1.79 to $3.09 SF including all utilities with the high end reflective of a space with window exposure to the street.

To compare this range to the subject property, the cost of power, estimated at $.08 SF per month, must be deducted, adjusting the range from **$1.71 to $3.01 SF** for this comparison.

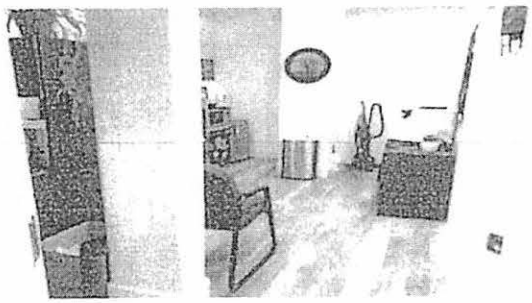


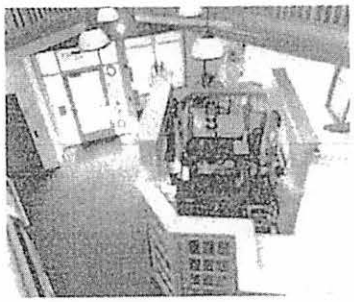


Street Level Retail/Service Comparison No. 4 is the 225 Front Street building, a remodeled turn of the century building with two floors and an elevator. The floor plan includes many small spaces that are suitable for retail, service or office uses. On the street level, which has a large atrium, are tenants that occupy 600 SF to 850 SF spaces, and pay rent of **$1.90 to $2.46 SF** including utilities and common area maintenance.



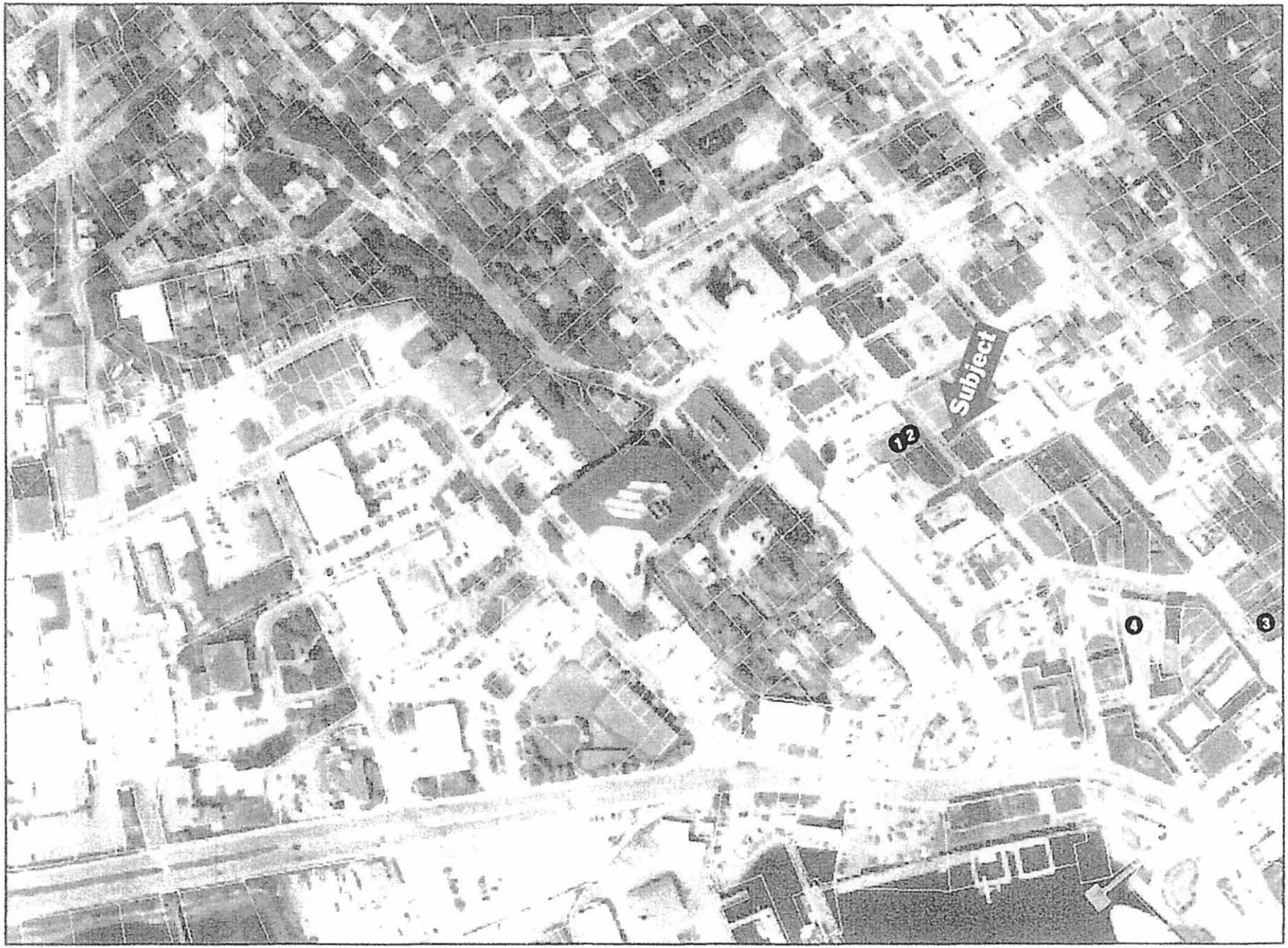






Conclusions of Retail Comparisons

The four comparisons indicate a range of $1.50 SF to $3.01 SF with the high end an outlier. Most of the comparisons fall between $1.50 SF to $1.80 SF. The subject retail spaces are rented for $1.48 SF to $1.65 SF, a range that is well supported by the market data.



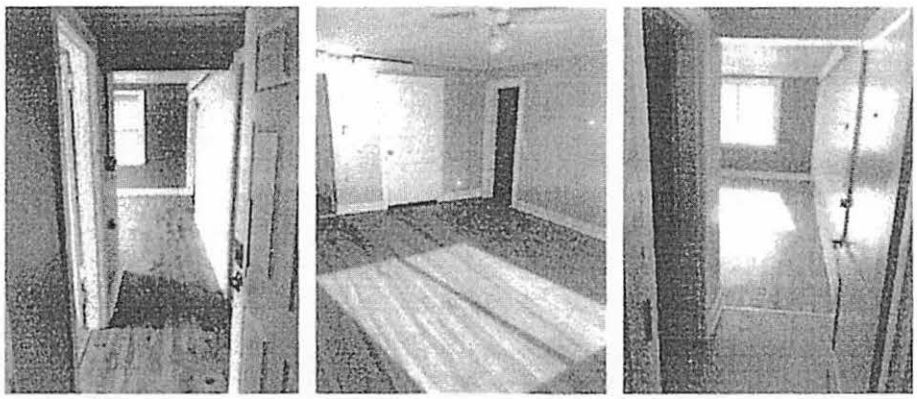
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Apartment Rental Income

There is one apartment at 213 Seward Street. It is accessed by an interior stair to the second level. Due to window placement and ingress/egress issues, this 1,100 SF apartment is marketed as a large studio. It has a single and a double French door in the apartment that separates areas while bringing in light. The double French door defines the bedroom area, which has a large walk-in closet.

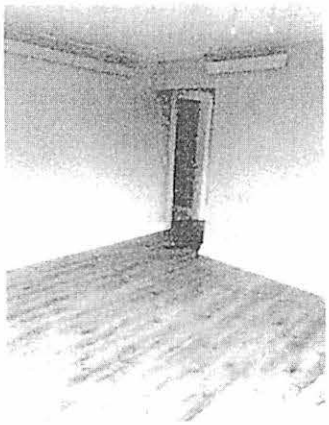
The apartment has a full bath, a kitchen with all appliances, and a washer/dryer. It has two street facing windows and one east facing window. The apartment is heated by a Toyo Stove. Rent is $1,378 month and includes a parking spot behind the building. Parking in this area is worth $85 month, which would indicate rent for just the apartment of $1,293 month which equates to $1.18 SF plus electric.

Apartment Rental Comparison No. 1 is the LeMann Bluff Apartments located at 361 Distin Avenue which is a 1933 concrete apartment development on a bluff site near the Governor's Mansion with 30 units. This building was acquired several years ago and is in the process of upgrading the interiors of the apartments. Efficiency apartments are approximately 600 SF and are rented for $908 SF plus electric, or $1.51 SF. There is an on-site laundry but no on-site parking. The efficiencies are in a that was acquired in 2016 and that has been steadily upgrading since then. The photographs below depict the interiors of the units.

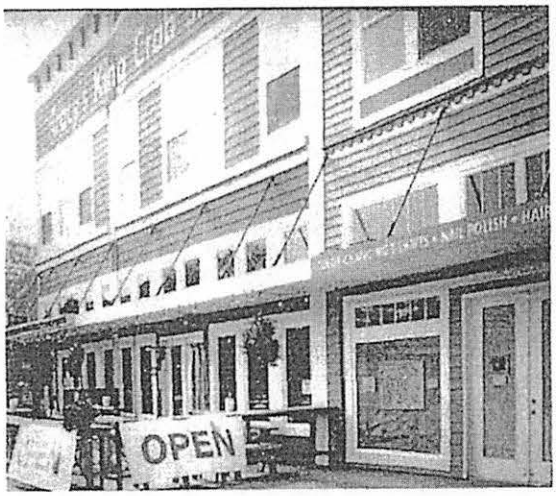






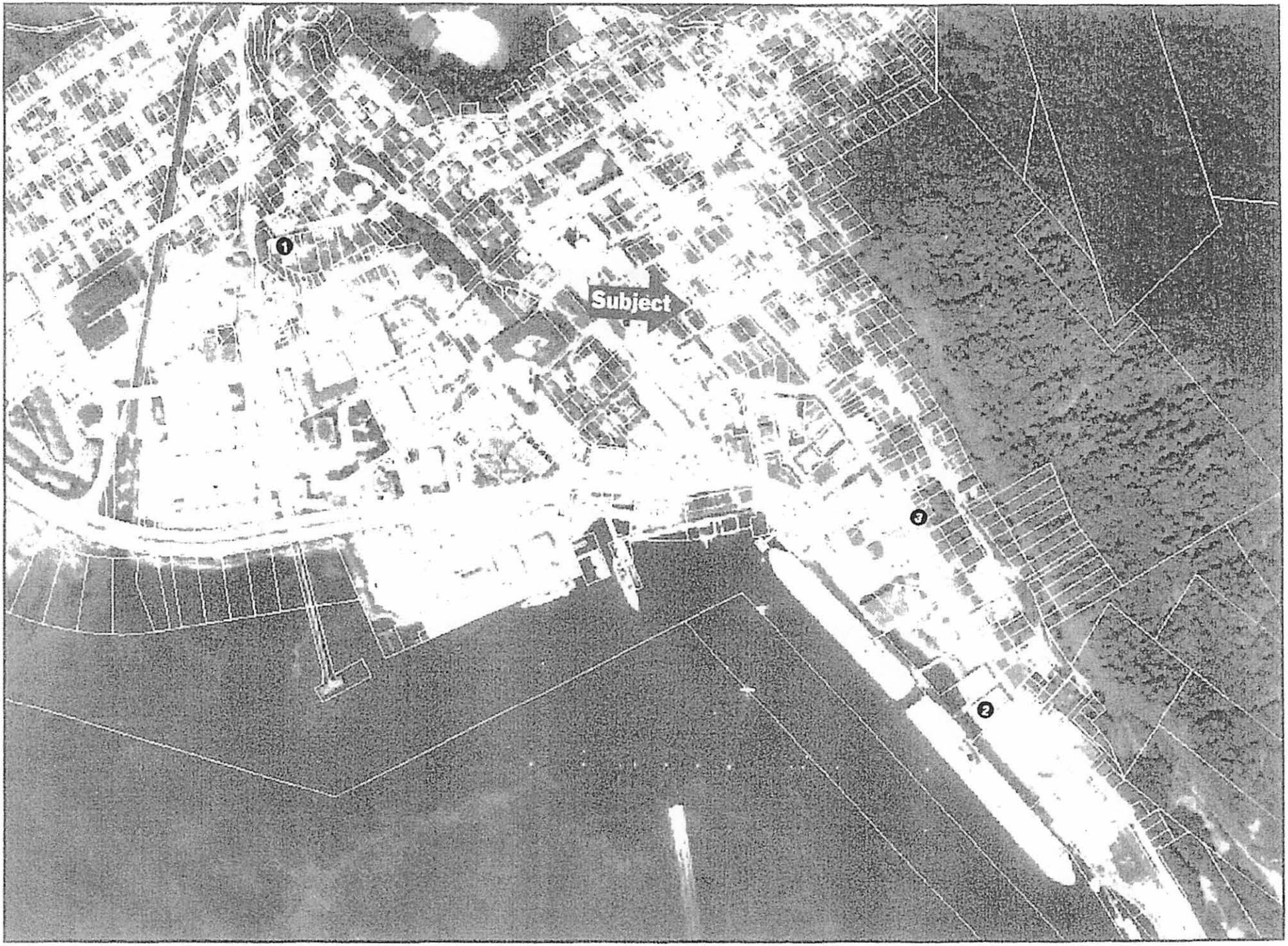


Apartment Rental Comparison No. 2 is located in the People's Wharf building which is near to the Mt. Robert's Tram and to the seawalk. The street level spaces are retail in this older building and the second level has walk up 1,250 SF apartments with 3b2b floor plans. One of the apartments is rented on a year-round basis for $1,700 month or **$1.32 SF**. The apartment has a washer and dryer. Tenants pay for electric heat and lights.





Apartment Rental Comparison No. 3 is 259 S. Franklin Street, a contemporary low rise in the subject's neighborhood. This building primarily has 3b2b, 1,350 SF apartments. Tenancy in this building includes both short term and long-term rentals. A one-year rental recently expired and is available for $1,996 month which equates to $1.48 SF. Water/sewer and garbage are included and heat and lights are paid by the tenants. There is a coin op laundry on site.



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Conclusions of Apartment Comparisons

The three comparisons are located in the downtown area and rent for a gross amount per month of $908 to $1,996 and from $1.32 to $1.51 SF with the tenants paying for electric heat and lights.

The subject, after backing out the value of the parking spot, rents for $1,293 month or $1.18 SF. It is truly an outlier given its large size of 1,100 SF with a studio type layout. Other than a downtown location, it is not very comparable to the typical apartments in its price range. While an outlier as to size and layout, the subject apartment does fall within the gross monthly range, but at its low end. Its layout is most similar to the 361 Distin Avenue apartment building, where efficiencies rent for $908; the subject is almost twice the size of these 600 SF units. The rental amount of $1,293 month is considered a "market" rent in this analysis.

Parking Rental Income

There are a few parking spaces at the rear of the buildings that are used for parking. As noted, one is used by the apartment tenant. Parking stalls close to the street rent for $95-$100 in this area. At this rear location, $85 is estimated for four spaces.

Projection of Gross Revenues

It has been determined in the foregoing sections that the rates being charged to the tenants in the subject property, with few exceptions, do represent market rates. Many tenants are receiving reduced rents if their businesses are impacted by the pandemic. When the pandemic is no longer a factor, rents will resume to their normal amounts, which will be 15% to 25% higher. It is not possible at this time to estimate when this will take place.

As shown on Page 51, gross revenues for the subject property, applying the rental information presented, is **$143,172.**

Vacancy and Credit Loss

The subject has enjoyed high occupancy rates over the past several years. Management has given several tenants COVID discounts to help them to weather this difficult time. On balance, a 5% vacancy and credit loss which is an industry standard for a successful development, is applied in this analysis.

Gross Effective Income

This is gross income less the vacancy allowance and is **$136,241.**

Operating Expenses

The owners of the subject property have provided two years of operating data that reflect six properties in the immediate area of the subject, including the subject. These expenses reflect 2019 and 2020 and are summarized on the following table.

The expenses are expressed on a dollar per square foot basis. Also included on the following table are expenses from other commercial mixed-use properties in the marketplace. The totality of this information is to provide ample data to rely upon in making expense projections for the subject property.

On a table on a following page, expense comparisons are arrayed along with the subject's actual and projected expenses. The projections made for the subject are supported both by its history and by the expense comparisons.

GOLDSTEIN IMPROVEMENT COMPANY OPERATING HISTORY						
		2020			2019	
TOTAL REVENUES	$	1,342,217		$	1,410,366	
Gross Effective Income	$	**1,342,217**		$	**1,410,366**	
GBA		91,237			91,237	
$/GBA	$	14.71		$	15.46	
EXPENSES		**EXPENSE/YEAR**	**EXPENSE/SF**		**EXPENSE/YEAR**	**EXPENSE/SF**
Admin/Legal/Accounting						
Legal fees	$	-		$	105	$ 0.001
Security	$	237	$ 0.003	$	-	
Advertising	$	-		$	100	$ 0.001
Contributions	$	100	$ 0.001	$	-	
Office Supplies	$	1,530	$ 0.017	$	2,599	$ 0.028
Postage and Delivery	$	407	$ 0.004	$	206	$ 0.002
Printing and Reproduction	$	-		$	165	$ 0.002
Dues and Subscriptions	$	925	$ 0.010	$	925	$ 0.010
Bank Service Charges	$	311	$ 0.003	$	98	$ 0.001
Finance Charges	$	95	$ 0.001	$	469	$ 0.005
Licenses, Fees, Taxes, Permits	$	3,132	$ 0.034	$	2,523	$ 0.028
Misc.	$	52	$ 0.001	$	2,409	$ 0.026
Subtotal Administration	$	6,784		$	9,599	
GBA All Properties		91,237			91,237	
Indicated Expense per SQ. FT	$	0.07		$	0.11	
Utilities						
Internet	$	2,816	$ 0.03	$	2,626	$ 0.03
Cell Phone	$	3,046	$ 0.03	$	4,241	$ 0.05
Electric	$	36,997	$ 0.41	$	46,557	$ 0.51
Fuel Oil	$	101,440	$ 1.11	$	113,581	$ 1.24
Telephone	$	2,305	$ 0.03	$	3,877	$ 0.04
Trash	$	20,529	$ 0.23	$	19,284	$ 0.21
Water	$	21,920	$ 0.24	$	31,574	$ 0.35
Subtotal Utilities	$	**189,053**		$	**221,740**	
GBA All Properties		91,237			91,237	
Indicated Expense per SQ. FT.	$	2.07		$	2.43	
Maintenance Related						
Building Repairs and Mtn.	$	96,430	$ 1.06	$	227,677	$ 2.49
Wages - Laborers	$	37,760	$ 0.41	$	66,430	$ 0.73
Payroll tax Laborers	$	2,983	$ 0.03	$	5,248	$ 0.06
Workers Compensation	$	12,595	$ 0.14	$	9,513	$ 0.10
Small tools and Equipment	$	1,768	$ 0.02	$	5,652	$ 0.06
Freight	$	-		$	859	$ 0.01
Auto Expense	$	8,418	$ 0.09	$	8,673	$ 0.10
Subtotal	$	**159,854**		$	**324,012**	
GBA All Properties	$	91,237		$	91,237	
Indicated Expense per SQ. FT.	$	1.75		$	3.55	
Janitorial						
Janitor Supplies	$	9,395	$ 0.10	$	12,197	$ 0.13
Janitor wages	$	34,705	$ 0.38	$	32,266	$ 0.35
Payroll Tax Janitor 7.9%	$	2,742	$ 0.03	$	2,549	$ 0.03
Subtotal	$	46,842		$	47,012	
GBA All Properties		91,237			91,237	
Indicated Expense per SQ FT	$	0.51		$	0.52	
INSURANCE	$	36,135		$	27,266	
GBA All Properties		91,237			91,237	
Indicated Expense per SQ FT	$	**0.40**		$	**0.30**	
REAL ESTATE TAXES	$	131,691		$	129,578	
GBA All Properties	$	91,327		$	91,327	
	$	**1.44**		$	**1.42**	

Operating Expense Summary – Comparisons & Subject Property

Above Grade Square Footage	16,200	83,700	26,630	14,220	16,532	91,327	91,327	8,826
Year of Data	2020	2020	2020	2020	2019	2019	2020	2021
Use	Office & service	Retail, off. & Apt. & Parking	Offices, service & retail	Offices & Medical Clinics	Offc, food service, retail, clinics	Offc, clinic, service	Retail, food service, offices, 2 apt & parking stalls	Restaurant, retail, café, apt.
Admin. Expenses	$.37	$.41	$.74	$.45	$.10	$.11	$.07	$.30
Utilities	$3.59	$2.64	$1.86	$3.04	$2.31	$2.43	$2.07	$2.45
Mtn & Repairs	$1.13	$1.62	$1.82	$1.77	$1.84	$3.55(1)	$1.75	$1.70
Insurance	n/a	$.53	$.29	$.63	$.35	$.30	$.40	$.50
Taxes	$2.34	$.97	$1.14	$2.07	$1.01	$1.42	$1.44	$1.03

(1) Significant maintenance in this year for non-reoccurring projects that are typically capitalized

Professional Management – the owners of the subject property perform these duties. In Juneau, professional management is typically 5% of collected income. In this analysis, 5% is projected.

Administrative Expenses - a review of the table above indicates that the range for this category is quite wide, at $.10 to $.74 SF. The tendency of the data supports a narrower range of $.10 SF to $.45 SF and supports a projection of $.35 SF.

Utilities – the expense comparisons indicate a range of $1.86 SF to $3.59 SF with the tendency in the narrower range of $2.30 to $2.64 SF. Given this range, an expense of $2.45 SF is supported for tenants that are provided all utilities in their leases. The subject's tenants all pay for power, which accounts for $.05 SF of the total. As such, the landlord paid utilities at the subject are projected at $2.40 SF. 333

Maintenance & Repairs - the 2019 indicator for the six Goldstein Improvement Company owned buildings, was impacted by capital projects, which in 2020 were not a factor. 2019 included significant expense in the window replacement project in the Goldstein Building at 130 Seward Street. The other expense comparisons indicate a range of $1.13 SF to $4.07 SF; the high and low ends of this range are outliers. The remaining indicators provide a narrower range of $1.62 SF to $1.84 SF. Based upon this range, $1.65 SF is applied in this analysis.

Insurance - the subject's umbrella policy results in an expense that is favorable, compared to stand-alone properties. The comparisons range from $.29 to $.63 SF and the six GIC properties reflect a lower range of $.30 to $.40 SF. The market data is given weight in making a projection for the subject (as a standalone property) of $.50 SF.

Real Estate Taxes reflect the expense in the Juneau market before 2021, in which assessments increased, primarily a result of the assessors' increases to commercial land values. The projected expense reflects the 2021 assessment for the subject which equates to $1.82 SF.

Reserve Allowance – this allowance is a fund that builds up to be used as needed for replacement of short-lived items such as boilers, roofs, carpet, etc. It is not commonly an expense item in a profit and loss statement provided by owners. RealtyRates provides information regarding reserve allowance requirements (see table in Addenda). The ranges are $.35 - $.90 SF/YR for offices and $.35 - $1.10 SF for retail uses. Considering the number of upgrades and repairs to this building in recent years, a $.40 SF reserve allowance is reasonable.

Capitalization of Net Income

The following table summarizes capitalization rates from sales of commercial properties in Juneau.

Sale Comparison	Sale Date	Cap Rate	Use & Comments
3100 Channel Drive Juneau	June 2020	7.37%	Good quality office building with 20% warehouse built originally for Juneau Empire. At sale date, was mostly occupied by tenants.
5360-5368 Commercial Blvd. Juneau	May 2018	7.85%	Mixed use commercial bldg. of streel frame and metal construction with office, apartment, service, and shop uses.
Willo Park 10002 Glacier Highway Juneau	April 2019	7.54%	Established State office tenant under new 10-year lease. Building has been fully occupied for many years.
3225 Hospital Drive, Juneau	July 2021	7.00%	Fully occupied office and medical building in good condition
8390 Airport Boulevard, Juneau	August 2021	6.90%	Fully occupied office, retail service building in good condition
225 Front Street, Juneau	September 2021	8.07%	Renovated two story bldg. in downtown Juneau in good condition. Purchased by dominant tenant

RealtyRates is a national service that quarterly provides investment criteria that pertain to investment grade properties in the United States of all types. While not highly applicable to the Juneau market, which has few properties that would be considered investment grade, this publication does provide an indicator of national trends with respect to capitalization rates and other financing criterion.

The 4Q report relies on third quarter data. The composite capitalization rate of 8.77% is down from a year ago at 8.94% based upon a decrease of 31 basis points in treasury rates and no change in equity dividend rates.

The composite capitalization rate for the office sector was 8.16% in 2020 and is currently 8.25%. The restaurant sector 2020 rate was 10.81% and is currently 10.86%. The retail sector rate for 2020 was 8.58% and is now 8.60%. For apartments, the 2020 rate was 7.50% and is now 7.57%.

The tables from this survey that support the above indicators are included in the Addenda. Below are the surveyed rates for each sector noted above, indicating the low, high and average "Surveyed" capitalization rates for each sector:

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.75% is considered reasonable.

As shown, this rate applied to the projected NOI, the market value by this approach is **$860,000.**

CAPITALIZATION OF INCOME

RENTAL INCOME	TENANT AREAS	MONTHLY RENT	RENT/SF	ANNUAL RENT
201 Good Vibes Café	1,435 SF	$ 2,494	$ 1.74	$ 29,928
205 Nana's Attic	495 SF	$ 817	$ 1.65	$ 9,804
209 Zoots	1,079 SF	$ 1,596	$ 1.48	$ 19,152
213 Second Floor Apartment	1,100 SF	$ 1,283	$ 1.17	$ 15,396
217 Don Morgan Gallery	494 SF	$ 808	$ 1.64	$ 9,696
221 Giono Barret	530 SF	$ 793	$ 1.50	$ 9,516
216 2nd St. Rainforest Farms	1,230 SF	$ 2,850	$ 2.32	$ 34,200
Rear Rookery Warehouse	750 SF	$ 950	$ 1.27	$ 11,400
Four gravel parking spots	4	$ 85		$ 4,080
GROSS REVENUES	7,113 SF			**$ 143,172**
Stabilized Vacancy & Credit Loss	5%			$ (7,159)
GROSS EFFECTIVE INCOME				**$ 136,013**
EXPENSES	8,826 SF GBA			
Professional Management	5%			$ (6,801)
Administration	$ 0.30 SF			(2,648)
Water, sewer, heat, trash	$2.40 SF			$ (21,182)
Maintenance and Upkeep	$ 1.65 SF			(14,563)
Insurance	$ 0.50 SF			(4,413)
Real Estate Taxes	$ 1.82 SF			(16,097)
Reserve Allowance	$ 0.40 SF			(3,530)
TOTAL EXPENSES				$ (69,234)
NET OPERATING INCOME				$ 66,779
CAPITALIZATION RATE				7.75%
INDICATED VALUE				**$ 861,667**
ROUNDED				**$ 860,000**

GIC RENTAL ROLL

Goldstein Improvement Company

11/16/2021

Rental Property	Tenants	Monthly Rent	Non Taxable Rent	TEMP REDUCTION	APPROX SQ FT
Goldstein Building (GB)					
124 Seward Street	Annie Kaills	4,200.00		3,150.00	2037 MAIN 861 MEZZ
126 Seward Street	NorthWind Architects	3,150.00			1392 MAIN 960 MEZZ
128 Seward Street	Capital Barber	735.00			280
140 Seward Street	Little Tokyo/ PhoTai	6,300.00		4,725.00	2510
130 Seward Street	Main Building				
Lobby	Woodbury Financial - Karen Hansen	708.50			
Lobby	State of Alaska - WIC Storage		0.00		
Basement	In & Out Painting	201.94			
	Otis Elevator Company	0.00			
	State of Alaska - Legislative Affairs Storage		2,270.10		
	Annie Kaills - Storage	525.00		390.00	
	Shoefly - Storage	105.00			100
	Dalberg Design - Storage	210.00			
	Sketch - Storage	83.33			
	Plant Studio Storage	440.00		420.00	
Second Floor					
201	Verizon	1,630.13			
	Verizon (electrical reimbursement)	450.00			
202 - 203	Deborah Mellison	898.60			444
204 - 205	Alaska Trollers Association	1,036.03			480
206	Otis Elevator Company	1,002.51			
207 - 208	State of Alaska		0.00		
209	Todd Montalbo	850.00			475
200, 210 - 216	Alaska Network of Domestic Violence & Sexual Assault		3,999.80		
217	Stellar Group	694.00			361
218 - 219	J.M. Walsh	825.00			403
220	Law office of Kathleen Strausbaugh	500.00			240

Goldstein Annex (GA)					
122 Front Street	Sketch	525.00			
124 Front Street	Asiana Gardens	4,950.00		3,450.00	
126 Front Street	Apartment - Asiana Gardens	2,350.00			
		7,433.75			
Flags of All Nations Building (FAN)					
119B - 2nd Street	Sonia Hendricks	1,658.99			660
119A - 2nd Street	Bauer/Clifton	1,653.75			660 MAIN 500 BASEMENT
		3,147.10			
Charles Goldstein Building (CG)					
201 Seward Street	Good Vibes Café	3,000.00		2,625.00	
205 Seward Street	Nana's Attic	1,149.00		860.00	
209 Seward Street	Zoot's	2,100.00		1,680.00	
213 Seward Street	Apartment		1,450.00		
217 Seward Street	Don Morgan gallery	1,050.00		850.00	
221 Seward Street	Giono Barrett	835.00			
216 2nd Street	Rainforest Farms	3,000.00			
Storage Area	Rookery Warehouse	1,000.00			
Parking not included in rent	Rookery	90.00			
	VACANT				
	Capital Barber	94.50			
	Carlton Smith	90.00			
		11,788.08	1,450.00		
Pioneer House					
3180 Pioneer Avenue	Seasonal tenant - September through May		3,400.00		
Simpson Building					
200 Seward Street	Salt - Restaurant	6,690.00		5,600.00	
220 Seward Street	Urban Eskimo	1,050.00		850.00	
222 Seward Street	V's Cellar Door - Restaurant	1,260.00		945.00	

GIC OPERATING EXPENSES

6:34 PM
05/27/21
Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20	
Ordinary Income/Expense		
Income		
Rental Income		
Taxable Rent	859,794.30	
State of Alaska Rent	411,950.46	
Non-Profit Rent	59,997.60	
Residential Rent	33,475.00	
Total Rental Income		1,365,217.36
Fee Income		
Vending Commissions	11.46	
Total Fee Income		11.46
Total Income		1,365,228.82
Expense		
Security System		237.26
Rent - 1099		4,410.00
Pass Thru		286,400.78
Reconciliation Discrepancies		0.10
Payroll Wages		
Wages - Janitor	34,704.96	
Wages - Laborer	37,760.00	
Wages - Officer Monthly	322,228.00	
Total Payroll Wages		394,692.96
Payroll Employer Taxes		
Federal FICA 941	30,217.68	
Federal FUTA 940	252.00	
Alaska SUTA	720.65	
Califonia ETT	14.00	
California UI	238.00	
Total Payroll Employer Taxes		31,442.33
Contributions		100.00
Office Supplies		1,530.46
Postage & Delivery		402.48
Dues and Subscriptions		925.00
Small Tools & Equipment		1,768.43
Janitorial Supplies		9,394.74
Repairs & Maintenance		
Sanding/Snow Removal - NEC	7,608.51	
Windows - NEC	6,869.18	
Sprinkler - NEC	8,581.83	
Windows	3,012.65	
Materials Only	1,687.78	
Landscape	987.00	
Building R&M	10,487.89	
Boiler R&M	259.86	
Plumbing R&M	21,716.66	
Electrical R&M	4,506.52	

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20	
Lighting R&M	5,020.00	
Elevator R&M	10,721.54	
Fire Alarm Service	10,906.89	
Sanding/Snow Removal	2,834.66	
Equipment Repairs	213.74	
Repairs & Maintenance - Other	915.16	
Total Repairs & Maintenance		96,329.87
Utilities		
Internet	2,816.00	
Cell Phone	3,045.88	
Electric	36,996.54	
Fuel Oil	101,439.55	
Telephone	2,304.99	
Trash	20,528.66	
Water	21,920.27	
Total Utilities		189,051.89
Equipment Rental		251.95
Automobile Expense		
Auto Fuel	3,075.81	
Auto Repair & Maintenance	2,574.69	
Vehicle Registration	268.00	
Auto Insurance	2,101.78	
Parking Fees	50.00	
Automobile Expense - Other	348.00	
Total Automobile Expense		8,418.28
Construction Expense		
Design - NEC	7,750.00	
Labor - NEC	5,275.38	
Waste	504.86	
Construction Permits	3,142.68	
Time and Materials	100,804.94	
Materials	7,216.92	
Total Construction Expense		124,694.78
Professional Fees		
Recycling - NEC	3,286.50	
Security - NEC	1,323.00	
Accounting - NEC	18,198.05	
Janitorial Services - NEC	21,453.82	
Total Professional Fees		44,261.37
Insurance		
Prop & Liability (Business)	28,810.57	
Prop & Liability (Umbrella)	7,323.80	
Workers' Compensation	12,595.00	

6:34 PM
05/27/21
Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20
Total Insurance	48,729.37
Bank Service Charges	311.10
Finance Charge	94.80
Licenses, Fees, Taxes, Permits	3,132.05
Property Tax	131,691.19
Miscellaneous	52.38
Total Expense	1,378,323.57
Net Ordinary Income	-13,094.75
Other Income/Expense	
Other Income	
Bristol-Myers Squibb Dividend	6,235.20
Interest Income	14.47
Other Income	
Sales Tax discount	300.00
Other Income - Other	-7,640.01
Total Other Income	-7,340.01
Total Other Income	-1,090.34
Net Other Income	-1,090.34
Net Income	**-14,185.09**

7:12 PM
05/27/21
Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss Prev Year Comparison
January through December 2020

	Jan - Dec 20	Jan - Dec 19	$ Change
Ordinary Income/Expense			
Income			
Rental Income			
Taxable Rent	859,794.30	909,245.72	-49,451.42
State of Alaska Rent	411,950.46	421,122.90	-9,172.44
Non-Profit Rent	59,997.60	59,997.60	0.00
Residential Rent	33,475.00	20,000.00	13,475.00
Total Rental Income	1,365,217.36	1,410,366.22	-45,148.86
Fee Income			
Vending Commissions	11.46	24.21	-12.75
Total Fee Income	11.46	24.21	-12.75
Total Income	1,365,228.82	1,410,390.43	-45,161.61
Expense			
Legal Fees	0.00	105.00	-105.00
Family Disbursement	0.00	27,501.00	-27,501.00
Security System	237.26	0.00	237.26
Rent - 1099	4,410.00	4,410.00	0.00
Pass Thru	286,400.78	0.00	286,400.78
Reconciliation Discrepancies	0.10	125.62	-125.52
Payroll Wages			
Wages - Janitor	34,704.96	32,265.68	2,439.28
Wages - Laborer	37,760.00	66,430.00	-28,670.00
Wages - Officer Monthly	322,228.00	300,727.00	21,501.00
Total Payroll Wages	394,692.96	399,422.68	-4,729.72
Payroll Employer Taxes			
Federal FICA 941	30,217.68	30,613.58	-395.90
Federal FUTA 940	252.00	252.00	0.00
Alaska SUTA	720.65	703.92	16.73
Califonia ETT	14.00	14.00	0.00
California UI	238.00	280.00	-42.00
Total Payroll Employer Taxes	31,442.33	31,863.50	-421.17
Advertising	0.00	100.00	-100.00
Contributions	100.00	0.00	100.00
Office Supplies	1,530.46	2,599.09	-1,068.63
Postage & Delivery	402.48	206.17	196.31
Printing and Reproduction	0.00	164.99	-164.99
Dues and Subscriptions	925.00	925.00	0.00
Small Tools & Equipment	1,768.43	5,662.35	-3,893.92
Janitorial Supplies	9,394.74	12,196.77	-2,802.03
Freight	0.00	859.41	-859.41
Construction Yard Storage	0.00	1,470.00	-1,470.00
Repairs & Maintenance			
Sanding/Snow Removal - NEC	7,608.51	0.00	7,608.51
Windows - NEC	6,869.18	0.00	6,869.18
Sprinkler - NEC	8,581.83	0.00	8,581.83
Windows	3,012.65	21,343.37	-18,330.72

7:12 PM
05/27/21
Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss Prev Year Comparison
January through December 2020

	Jan - Dec 20	Jan - Dec 19	$ Change
Materials Only	1,687.78	1,113.89	573.89
Landscape	987.00	2,135.96	-1,148.96
Building R&M	10,487.89	65,909.20	-55,421.31
Boiler R&M	259.86	727.72	-467.86
Plumbing R&M	21,716.66	31,154.32	-9,437.66
Electrical R&M	4,506.52	55,757.17	-51,250.65
Lighting R&M	5,020.00	5,040.11	-20.11
Painting R&M	0.00	13,810.25	-13,810.25
Elevator R&M	10,721.54	10,710.00	11.54
Fire Alarm Service	10,906.89	3,411.45	7,495.44
Sanding/Snow Removal	2,834.66	7,147.14	-4,312.48
Equipment Repairs	213.74	3,142.06	-2,928.32
Repairs & Maintenance - Other	915.16	6,224.51	-5,309.35
Total Repairs & Maintenance	96,329.87	227,627.15	-131,297.28
Utilities			
Internet	2,816.00	2,626.45	189.55
Cell Phone	3,045.88	4,241.14	-1,195.26
Electric	36,996.54	46,557.21	-9,560.67
Fuel Oil	101,439.55	113,580.91	-12,141.36
Telephone	2,304.99	3,876.98	-1,571.99
Trash	20,528.66	19,283.72	1,244.94
Water	21,920.27	31,573.89	-9,653.62
Total Utilities	189,051.89	221,740.30	-32,688.41
Equipment Rental	251.95	4,328.00	-4,076.05
Automobile Expense			
Auto Fuel	3,075.81	4,402.47	-1,326.66
Auto Repair & Maintenance	2,574.69	2,315.13	259.56
Vehicle Registration	268.00	0.00	268.00
Auto Insurance	2,101.78	0.00	2,101.78
Parking Fees	50.00	1,665.00	-1,615.00
Automobile Expense - Other	348.00	290.00	58.00
Total Automobile Expense	8,418.28	8,672.60	-254.32
Construction Expense			
Design - NEC	7,750.00	0.00	7,750.00
Labor - NEC	5,275.38	0.00	5,275.38
Waste	504.86	982.07	-477.21
Construction Permits	3,142.68	0.00	3,142.68
Time and Materials	100,804.94	302,527.73	-201,722.79
Materials	7,216.92	85,023.73	-77,806.81
Labor	0.00	6,836.00	-6,836.00
Parking	0.00	125.00	-125.00
Total Construction Expense	124,694.78	395,494.53	-270,799.75
Professional Fees			
Recycling - NEC	3,286.50	0.00	3,286.50
Security - NEC	1,323.00	0.00	1,323.00
Security	0.00	5,376.00	-5,376.00

RECONCILIATION & FINAL VALUE

The conclusions to the two approaches to value are indicated below.

Income Approach:	$860,000
Sales Comparison Approach:	$930,000

The two approaches relied upon in this appraisal form a tight range of value for this property. More weight is given to the Income Approach, which is more fine-tuned to the operation of this property, in concluding to a value of **$875,000.**

JULIE DINNEEN COMPANY

REAL ESTATE APPRAISALS

March 25, 2022

Martin Jannol, PC
8383 Wilshire Boulevard
Suite 663
Beverly Hills, CA
90211

RE: Market Value Appraisal of Charlie Goldstein Building, 201, 205, 209, 213, 217 and 221 Seward Street, and 216 Second Street, Juneau, Alaska. JDC File No. 2021-27E.

Dear Mr. Jannol:

At your request, I have completed an appraisal of the above referenced real estate, which is in Juneau. The purpose of this appraisal is to determine the market value of the property for purpose of in-house work product by the owner, Goldstein Improvement Company. The property was inspected on July 20, of 2021 and the report was completed over the ensuing months. The effective date of the appraisal is November 20, 2021.

This report has been completed in conformance with the appraisal reporting standards formulated by the Uniform Standards of Professional Practice (USPAP) as formulated by the Appraisal Foundation.

Based upon my research and analysis, I have formed the opinion that the market value of the leased fee interest in the subject property, in-as condition, is **$875,000.**

Respectfully Submitted,

Julie C Dinneen

Julie C. Dinneen, MAI

302 WEST CHESTER STREET, LAFAYETTE, CO. 80026
(303) 579-3589

INCOME APPROACH

It is an assumption of this approach that the value of the property is predicated upon the income stream that it can produce. This approach determines value by capitalizing the net income before recapture.

In this approach, the operating history of the subject property will be examined, and the rentals rates being achieved will be measured against competing properties. A stabilized income and expense forecast will be made for the subject property that reflects the highest and best use findings. The stabilized NOI will be capitalized to form a value conclusion for the subject property.

Projection of Revenues

The subject property generates income from the rental of retail and restaurant spaces, office spaces and parking stalls. An analysis of the current rent roll indicates that approximately 75% of revenues are from office leasing, 19% from commercial spaces on the street level, 6% from basement storage uses and less than 1% from parking. These revenue departments will be separately discussed below.

Office Space Leasing

Office space leasing is the most significant income producing department for this building as the 130 Seward Street building has four floors of office space, as well as one office in the 119 2nd Street building. The offices range in size from 200 SF to 10,032 SF. There are three State agencies leasing office space of 1,147 SF, 5,631 SF and 10,032 SF. The 10,032 SF space rental includes ten parking spaces to the rear of the building.

The rental range for these three agencies is $1.40 SF to $1.82 SF, however, the HS&S OCS lease of $1.76 SF needs to be adjusted downward for the value of the ten parking spaces included in the lease, which, at $90 per month would equate to $.09 SF. The rent attributed to the office space would be $1.67 SF. The adjusted rental rate range for the three state agencies, then, would be $1.40 SF, $1.67 SF and $1.82 SF.

The private sector and nonprofit sector have offices in the building that range from 200 SF to 2,296 SF. The rental rates range from $1.63 to $2.00 SF. The one office in the 119 2nd Street building is above this range, at $2.39 SF.

There are two recent leases in the building, both to the private sector: a 304 SF office on the fifth floor has been rented for $2.14 SF including janitorial, and a 456 SF office on the third floor has been rented for $1.76 SF including janitorial.

There are leases negotiated recently that will begin on February 2022: a 513 SF, fifth floor office for $2.14 SF including janitorial, and a 746 SF office on the third floor that will also begin on February 1, 2022 at a rate of $1.92 SF including janitorial.

At this writing, there is 1,715 SF of vacant office space in the Goldstein Building or 4.9% of the office area in that building. The owners have a small office in the building used for

administrative purposes. Its contributed value will be reflected in a lower administrative expense to the building when operating expenses are addressed later in this section.

Office Rental Comparisons

In this section, office space leasing for both small and larger rental areas is presented in order to determine if the current lease rates at the subject property fall in line with the marketplace.

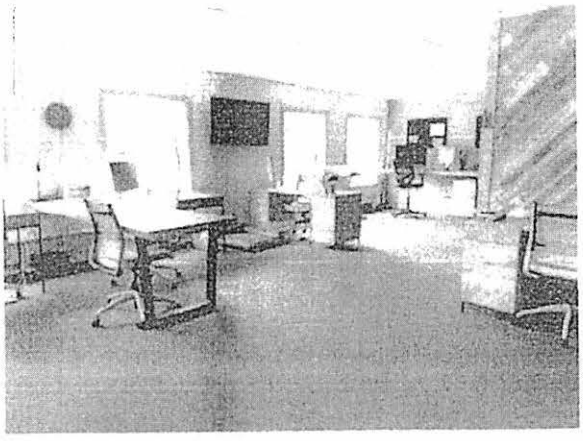
Office Rental Comparison No. 1 reflects office leasing in the Senate Building, a renovated historical building at 175 South Franklin Street. This building is close to the intersection of S. Franklin Street and Front Street and has a tenancy that is year-round.

This building has four levels and an elevator. Two levels are retail and/or service related and the upper two levels are offices. The building is well maintained. The top floor tenancy has been stable for years, and renewals took place in 2018 and 2019. There is no off-street parking associated with this building. Office rental rates have remained stable over the past five years. At $2.00 to $2.21 SF including utilities.

Oceana renewed in March of 2019 for five years. This tenant has 3,527 SF of fourth floor view space and pays $2.10 SF including utilities. Altman Rogers occupies 1,697 SF on the fourth floor and pays $2.21 SF which includes utilities. The three-year lease began in January of 2018. There is a newer lease on the third floor that required the changing of the floor plan and new tenant finishes to create this leased space. This contemporary space is rented for $2.00 SF and is 1,500 SF in size. Adding the cost of janitorial service, at $.11 SF, adjusts the above rentals to **$2.11 SF to $2.32 SF**

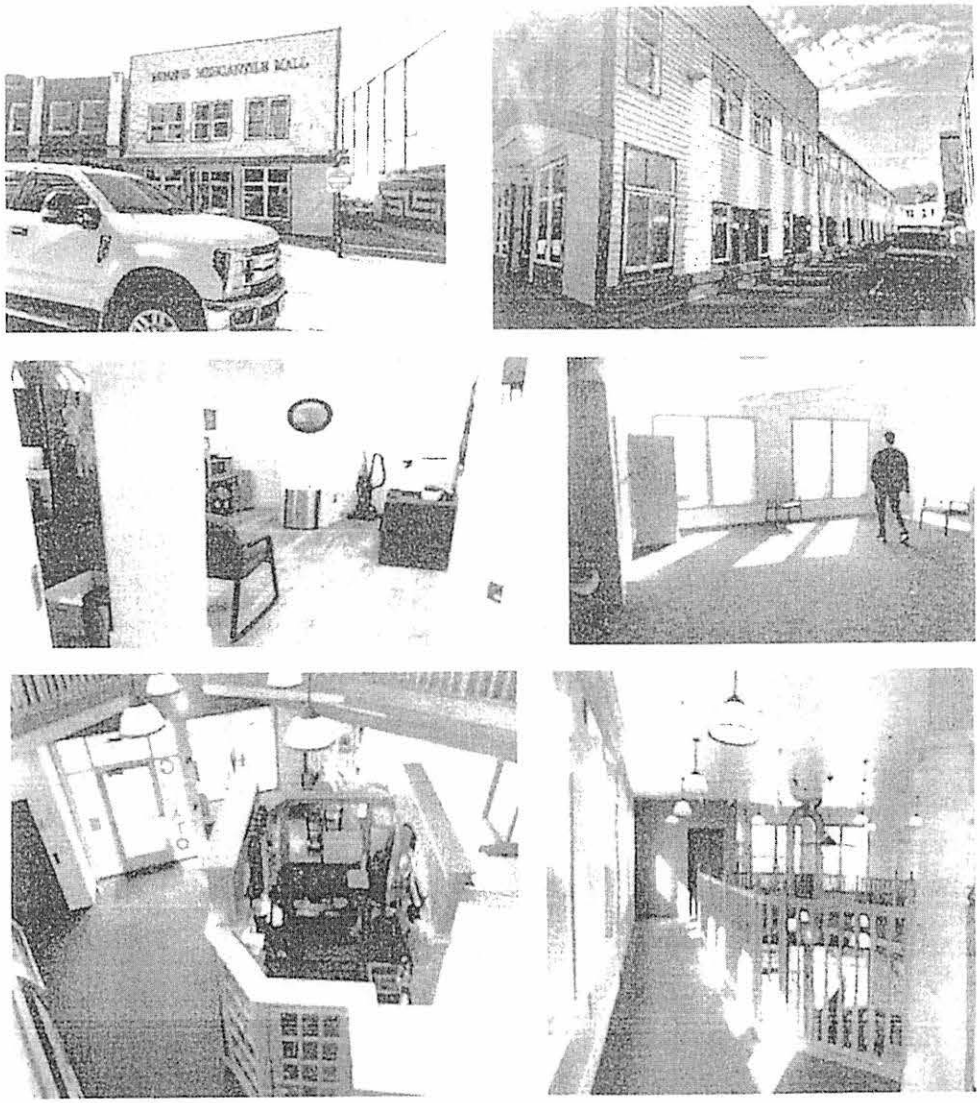
There are smaller rental spaces on the second mezzanine level which are dominated by wellness and salon-oriented uses. These spaces range from 200 to 960 SF in size and rent for $2.09 to $2.71 SF including utilities and common area charges. This range is adjusted for janitorial service of $.11 SF, indicating **$2.20 to $2.82 SF** for smaller spaces.





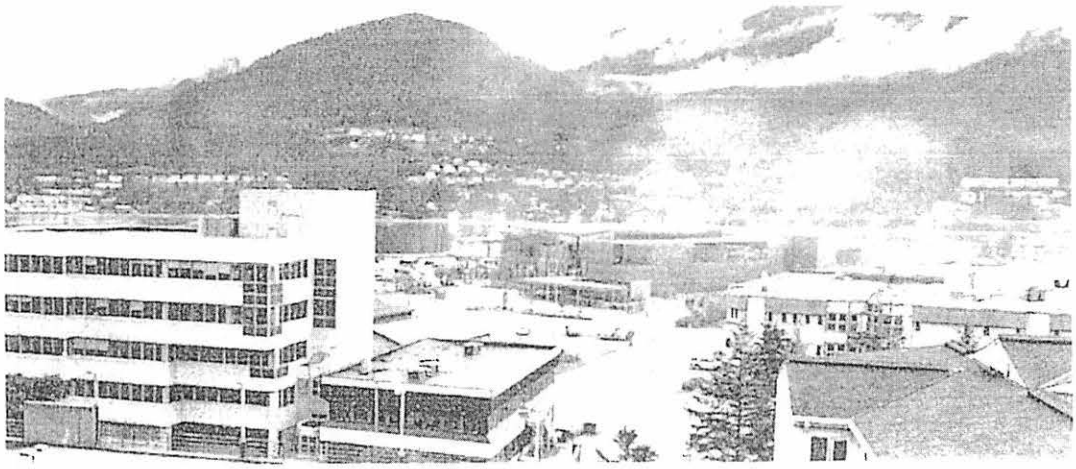


Office Rental Comparison No. 2 reflects office leasing in the 225 Front Street building. This is a two-story building with wide hallways and a front atrium, with many windows along Shattuck Way bringing in natural light. The leased spaces in this elevator served building are good comparisons for the small offices in the subject property. The leased areas are 600 to 850 SF and rent for $1.90 - $2.46 SF including all utilities. There is no on-site parking. Adding janitorial service at $.11 SF adjusts this comparison to $2.01 to $2.57 SF.



Office Rental Comparison No. 3 reflects a 2019 renewal of the DEC office space at the 410 Willoughby Office building. This location lies west of the core downtown area in the Willoughby District. The three-story office building is of wood construction and abuts paved parking areas. The State of Alaska renewed a lease for 22,270 SF of office space at a rate of **$2.40 SF** that is full service and includes 129 parking spaces. The renewal was negotiated based upon the owner upgrading the space at a reported cost of $2,000,000 or approximately $73 SF. This is a full-service lease that includes parking. The ten-year lease ends on February 28, 2029.

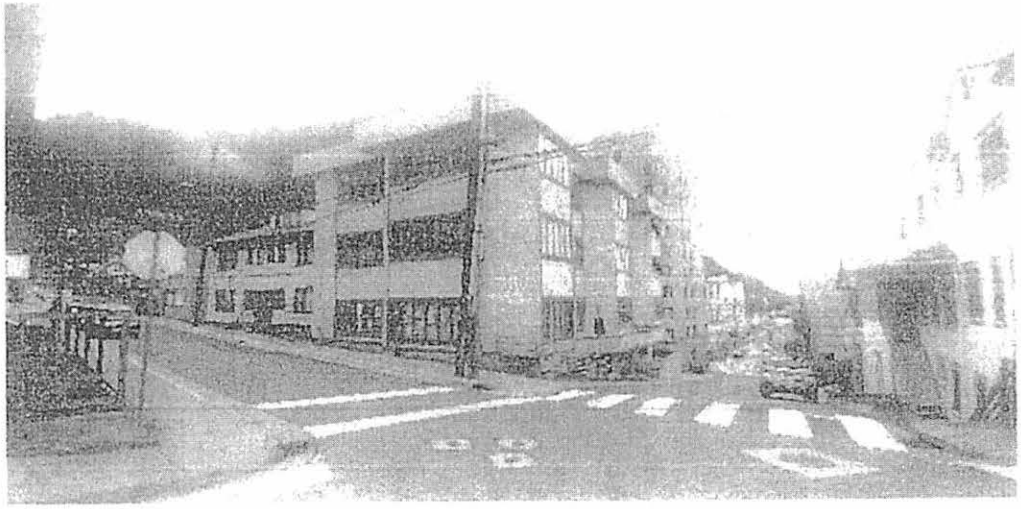
Assuming that the value of 129 parking spaces is $80-$90 per space per month at this location, it would contribute approximately $.40 SF to the overall rate, leaving $2.00 SF to the office area. This rate includes janitorial service.

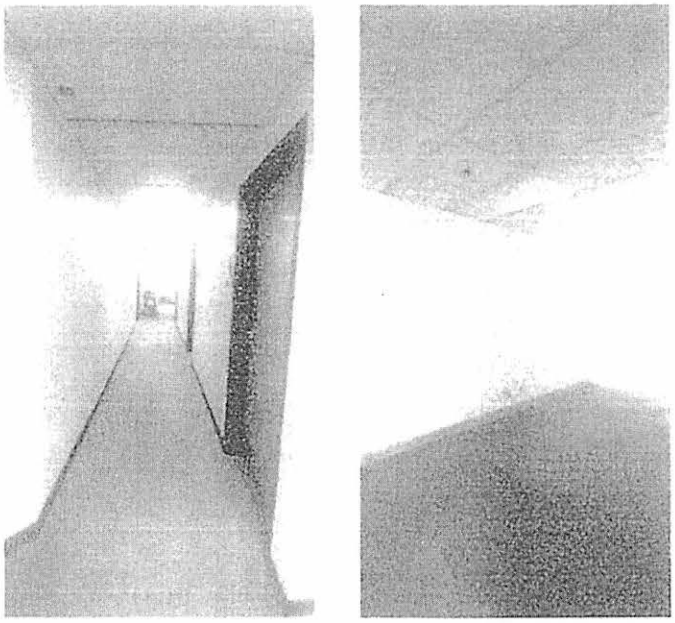


Office Rental Comparison No. 4 is the 431 N. Franklin Street building located at the corner of 5th Street and N. Franklin Street. This four-story building is built into the sloped hillside and has a partial first level and three floors above grade

The State of Alaska HS&S Agency lease on the second floor was set to end, and was renewed for five years in 2021. The 2,446 SF of office space is rented on a full-service basis which includes janitorial serve, at **$1.98 SF**.

The renewal required that maintenance and service be completed on the elevator, door hardware, broken windows and for carpet cleaning or replacement. There is no parking included in this office lease.

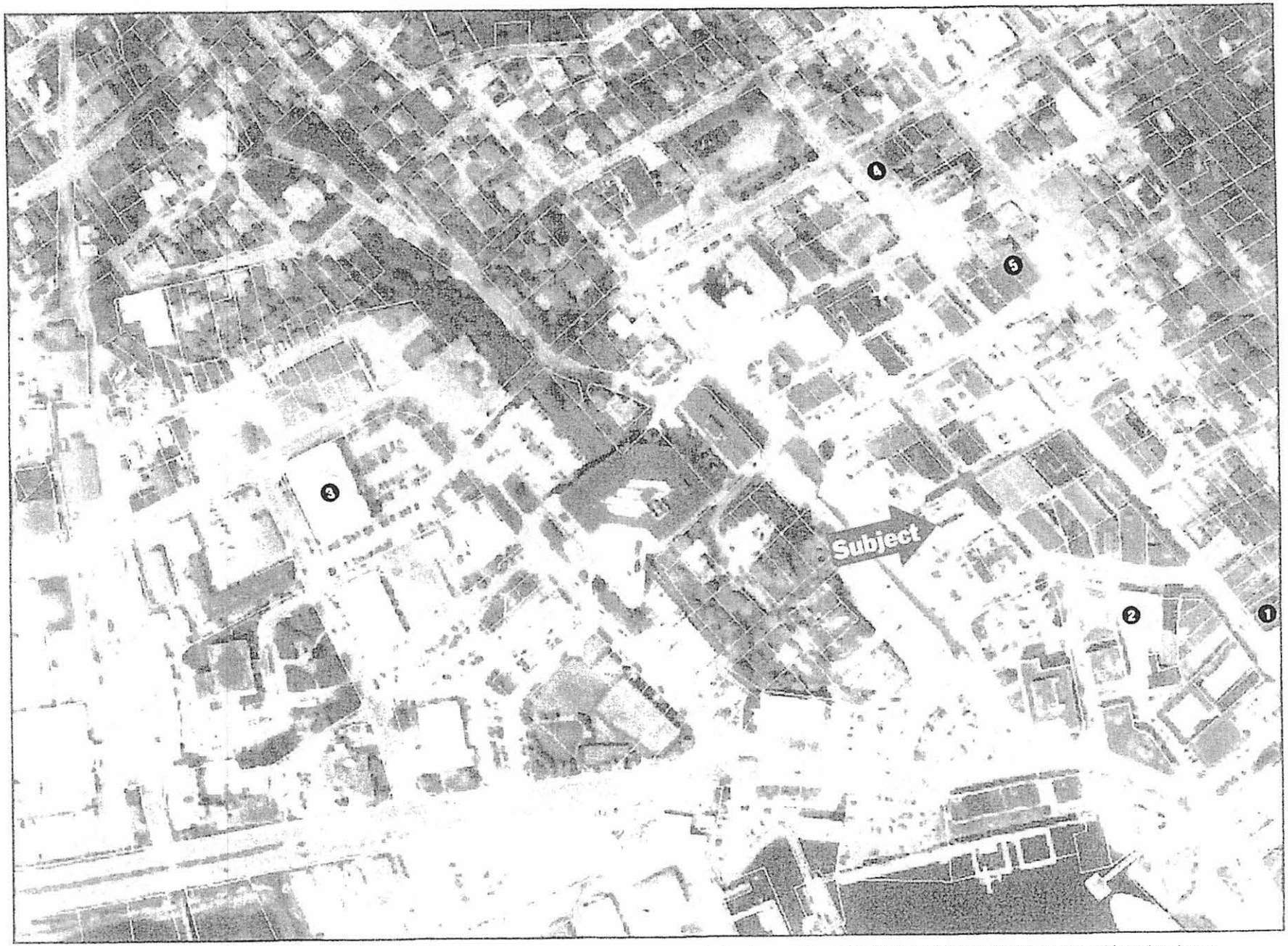




Office Rental Comparison No. 5 is located at 302 Gold Street in a building that has two levels, one at grade with North Franklin Street and one at grade with Gold Street. This is a concrete and glass, two story walk-ups with covered and open parking. In April of 2019, a 1,500 SF office was leased for $2.00 SF on a full-service basis, including utilities and four open parking stalls. The parking stalls are located at the Gold Street entrance to the building. The space is contemporary in style and design and includes six offices with windows, a reception area, and a shared kitchen/break room.

The value of parking stalls is $80 to $100 per month and $90 is applied in this analysis to back into the rate applicable to the office area. The parking contributes $.24 SF month, indicating an office rate of $1.76 SF. This is adjusted upward by $.11 SF for janitorial service, to **$1.87 SF.**





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Conclusion of Office Rental Comparisons

The office comparisons, adjusted for janitorial, range from $2.01 to $2.82 SF for small spaces, with most falling between $2.00 and $2.50 SF. At the subject, the range is $1.63 to $2.39 SF with outliers at both ends. Most tenants pay $1.80 SF and higher. It is noteworthy that there is a new lease at $2.03 SF, and a lease will start in February at $2.14 SF. Considering the foregoing, the subject's rates are supported by the marketplace. For the vacant offices in the subject, the projected market rent is $2.10 SF.

The medium sized rental comparisons indicate adjusted rates of $1.87 to $2.32 SF and the one large rental comparison indicates a rate of $2.00 SF. he two state leases comparisons, after parking is deducted, indicate a range of $1.98 SF to $2.00. In the subject property, the lease rates fall below this range, at $1.40 SF to $1.76 SF.

The State of Alaska is very price sensitive regarding rental rates, which creates a competitive marketplace for this type of leasing, that typically involves medium to large spaces. This is demonstrated by the lease negotiations for the Department of Education at the Michael Burns Building when in the process of renewing the 23,119 SF Department of Education lease. In this instance, the State was willing to vacate after its rental rate proposal was not accepted. As noted earlier, the State is now seeking competitive bids in the Juneau marketplace.

While the rental rates for the State agencies in the subject property fall at the lower end of the market range provided by the comparisons, they are considered market rates in this analysis given the competitiveness in the market for this type of tenant. The relatively lower rates at the subject, on balance, create a better chance that the subject will retain its State of Alaska tenants.

Street Level Retail Rentals

The subject has street front rental spaces in the ground floor of the Goldstein Building and on the ground floor of the FAN building. The following comparisons provide indicators of rental rates for this type of space in the broad neighborhood.

Street Level Retail Rental Comparisons No. 1 and No. 2 are located at 224 – 228 Seward Street in at two story building that has been converted to three condominiums on Seward street and a walk up second level. 228 Seward Street is advertised for rent at **$1.60 SF** plus electric and is a 1,320 SF space with a restroom and high ceilings. It is available for sale as well. 224 Seward Street is a 1,335 SF condominium with its own restroom and has very recently sold. Prior to the sale, it was renting for **$1.50 SF** plus electric.

The two-story building has three retail condominiums on the street level and a second level walk up office. There is a small parking lot at the rear, accessible from Main Street

and the full basement has room for storage. Each of the street level spaces has its own restroom and can access the rear entry to the building.

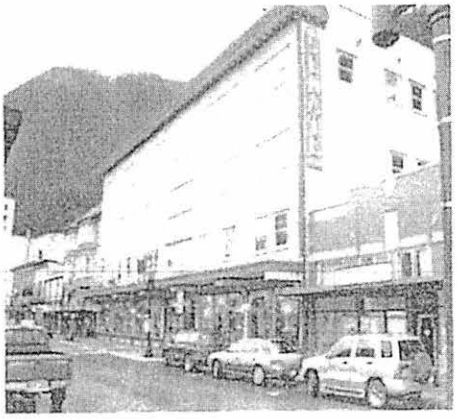






Street Level Rental Comparison No. 2 is located in the Senate Building which has a large high ceiling atrium area with a double door entrance on South Franklin Street. A wide stairwell and elevator access the upper floors from the atrium. The spaces in the atrium are rented for $1.79 to $3.09 SF including all utilities with the high end reflective of a space with window exposure to the street.

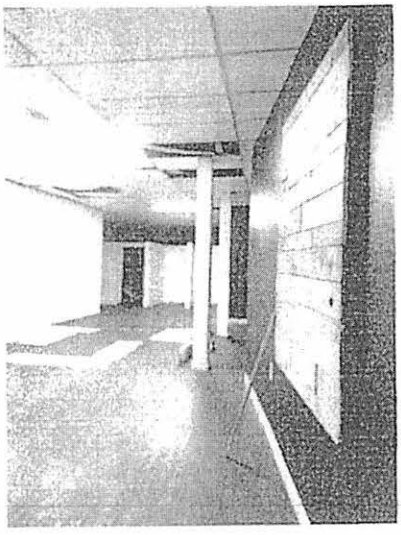
To compare this range to the subject property, the cost of power, estimated at $.05 SF per month, must be deducted, adjusting the range from **$1.74 to $3.05 SF** for this comparison.

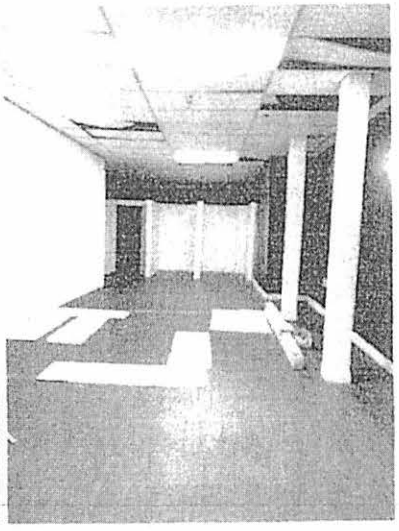


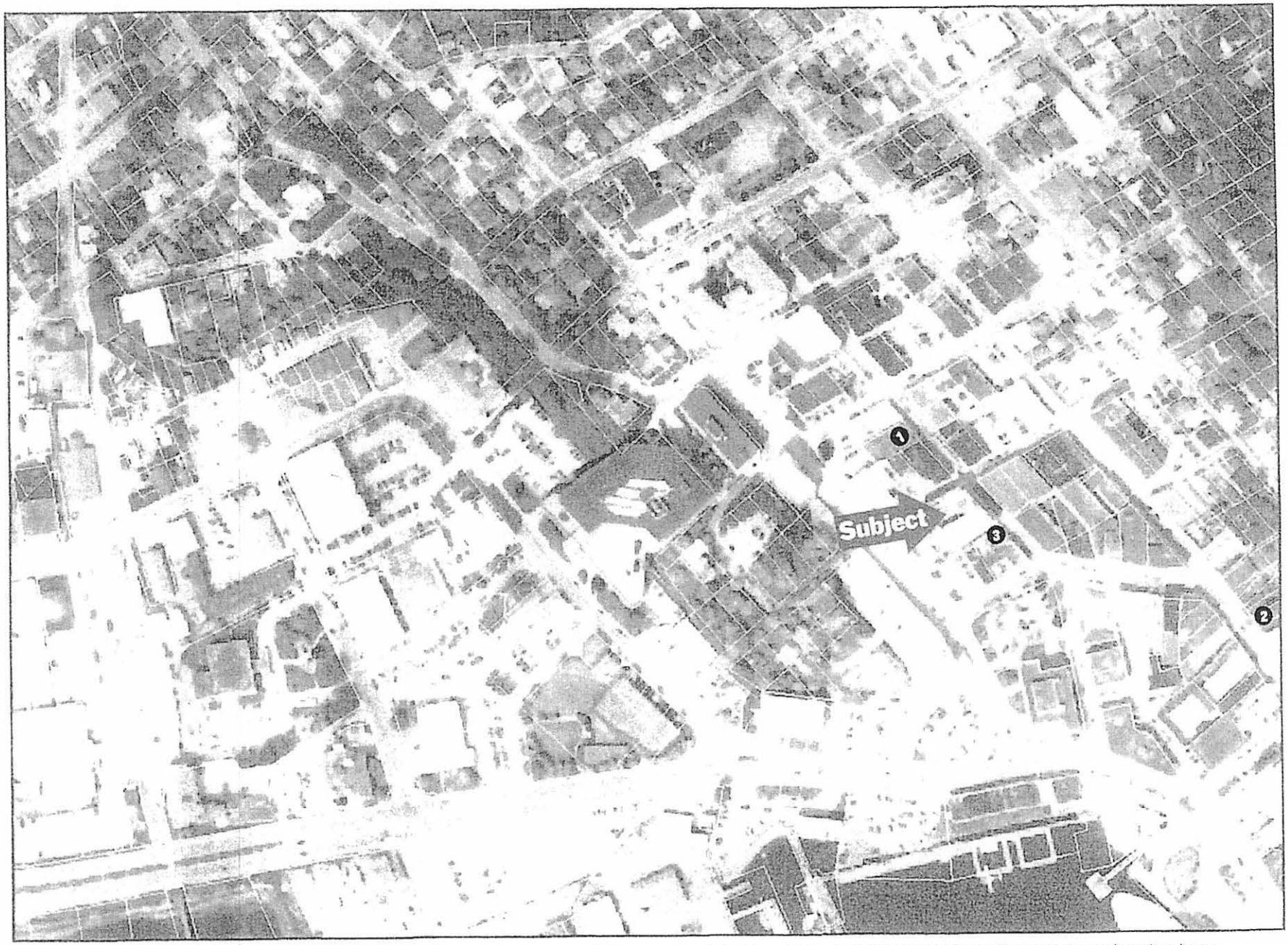


Retail Level Rental Comparison No. 3 is located at 116 Seward Street. This space has been on the market for $1.89 SF plus power for several months and has been leased to a salon that will be taking occupancy in February of 2022. The tenant is renting the space at the asking rate. The space includes floor area as well as a good sized storage area that is modestly elevated above the street level. This area is not charged an additional amount of rent. This space has a restroom at the rear.









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Summary of Street Level Retail Rental Comparisons

The comparisons range from **$1.50 SF** to **$3.05 SF** with the high end reflecting an outlier. The rental rates for the subject spaces reflect their floor areas (excluding the mezzanines for comparative purposes) as none of the comparisons include finished mezzanines.

The rates at the subject property range from **$1.47 SF** to **$2.80 SF** with the high end being a small barber shop. The low end is a rental that is discounted 25% due to the impact of COVID on the business.

On balance, the rates in the subject property do fall in line with the market in which it competes and are considered to reflect market rates in this analysis.

Restaurant Rentals

The subject property has one leased restaurant space that is 2,510 SF and is rented for **$1.88 SF** with the tenant paying for power. This rate reflects a 25% COVID discount.

Restaurant Rental No. 1 is located in the Airport Shopping Center in the Mendenhall Valley at 9121 Glacier Highway Unit 7. This shopping center was built between 1963 and 1997 and has several one- and two-story buildings at a corner site. This space has a rounded greenhouse feature that brings a lot of light into the space. The space was rented to open the Bowl of Pho restaurant in the former Jovanny's location. This 2,450 SF restaurant rents for **$1.91 SF** plus power. There is on-site parking at this location.

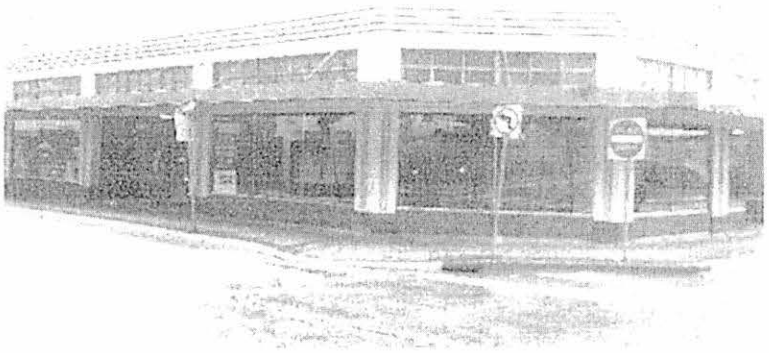




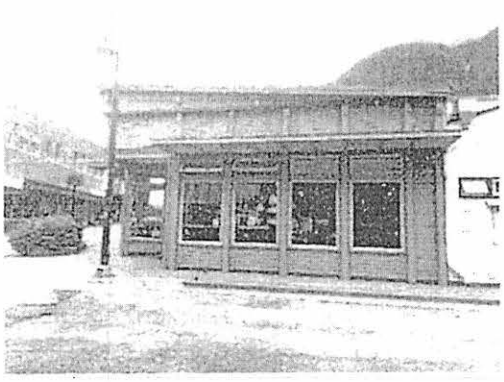
Restaurant Rental No. 2 is at 134 N. Franklin Street, a corner location across from the Baranof Hotel. This one-story building was built in 1936 as the Alaska Power and Light Company building. It is of reinforced concrete construction with a full basement. Its style is Art Deco. The interior has high ceilings and the two exposed sides of this space have a significant number of windows. It had been used for retail purposes for many years and was well advertised for rent several years ago.

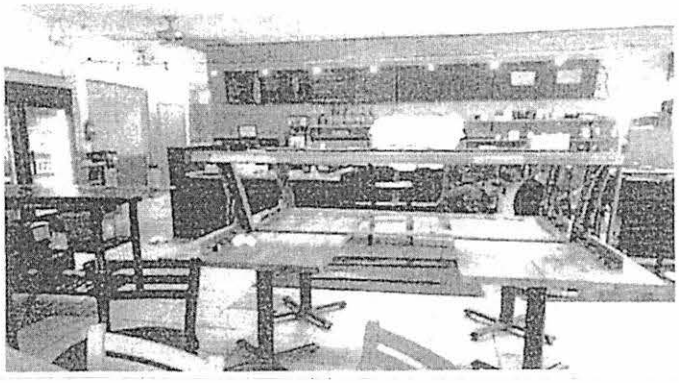
The lessee rented the 1,872 SF space at **$1.60 SF** with the intention of opening up a new distillery in town (Amalga Distillery). The tenant occupies some of the basement area at a rate of $.60 SF. The tenant pays for all utilities. There is no on-site parking.

This rental rate needs to be adjusted upward for water, heat and trash to be compared to the subject property. These three utilities cost approximately $.14 SF based upon a review of expense data collected for this appraisal. Adding for utilities adjusts this comparison to **$1.74 SF**. The lessee purchased this property in early 2021 at an undisclosed price.



Restaurant Rental No. 3 is the new restaurant at the corner of 2nd Street and Senate called Good Vibes. This café replaces the former Subway location. This café's grand opening was in early December. The tenant pays **$1.74 SF** for the 1,435 SF space plus power.





Summary of Restaurant Rental Comparisons

After adjustments, the three comparisons indicate a range of $1.74 to $1.91 SF. The subject is leased for $1.88 SF, which falls within this range. The current rent does reflect a market supported rate.



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Summary of Restaurant Rental Comparisons

After adjustments, the three comparisons indicate a range of **$1.74 to $1.91 SF**. The subject is leased for $1.88 SF, which falls within this range. The current rent does reflect a market supported rate.

Parking Stall Rentals

The subject parking lot has 19 spaces, 13 of which are rented to tenants in the building or in nearby buildings. There are 6 spaces that are not committed to tenants and a market rent will be applied based upon market comparisons which are presented below.

COVID has impacted the number of people who work downtown on a regular basis. While parking was in high demand prior to COVID, the demand is much less so now as many offices from home for varying parts of the work week. Parking lot owners interviewed indicate that they are not reducing their parking stall rents.

Parking Stall Rental Comparison No. 1 is parking spaces adjacent to the Ebner Building at 4th and Franklin Streets. The paved lot has 23 spaces that are rented for $100 space per month. Some older agreements are less than $100 space and some are more, however the $100 per stall rent reflects the tendency.

Parking Stall Rental Comparison No. 2 reflects parking space rentals for the lot next to Shattuck and Grummet on Third Street at $100 month. This 4,238 SF lot has 14 stalls. REACH owns this lot and rents out some of the spaces.

Parking Stall Rental Comparison No. 3 is located on Harris Street next to an office building and across street from the Catholic church. The lot has 34 spaces; office tenants pay $84 month and non-tenants pay $100 month. Parking is not permitted on weekends at this location.

Conclusions of Parking Stall Comparisons

Goldstein Improvement Company has three lots, two paved and one gravel. Monthly rates for parking stalls range from $90 to $100 with most falling in the middle of this range. The market data supports a market rent of $95 per stall.

Projection of Gross Revenues

It has been determined in the foregoing sections that the rates being charged to the tenants in the subject property, with few exceptions, do represent market rates. Many tenants are receiving reduced rents if their businesses are impacted by the pandemic. When the pandemic is no longer a factor, rents will resume to their normal amounts, which will be 15% to 25% higher. It is not possible at this time to estimate when this will take place.

As shown on Page 62, the projection of gross revenues for the subject property, applying actual rental rates and projected market rates for vacant spaces, is **$764,716.**



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Vacancy and Credit Loss

The subject has enjoyed high occupancy rates over the past several years. and currently, 2.7% of the net rentable area is vacant which accounts for 3.1% of the potential gross revenue. These two indicators support projection of stabilized vacancy for the subject property of 3%.

Gross Effective Income

This is gross income less the vacancy allowance and is **$741,775.**

Operating Expenses

The owners of the subject property have provided two years of operating data that reflect six properties in the immediate area of the subject, and the include the subject. in the subject. The expenses provided are for 2019 and 2020 and represent 91,237 SF of above grade retail, restaurant, office and parking stall rentals in six buildings in the downtown area.

As shown on a following exhibit, the expenses are expressed on a dollar per square foot basis. This information is carried forward to a table that includes the above information, along with operating expense data from other Juneau buildings. The totality of this information is to provide ample data to rely upon in making expense projections for the subject property.

GOLDSTEIN IMPROVEMENT COMPANY OPERATING HISTORY								
		2020				2019		
TOTAL REVENUES	$	1,342,217			$	1,410,366		
Gross Effective Income	**$**	**1,342,217**			**$**	**1,410,366**		
GBA		91,237				91,237		
$/GBA	$	14.71			$	15.46		
Admin/General Expenses		**EXPENSE/YEAR**		**EXPENSE/SF**		**EXPENSE/YEAR**		**EXPENSE/SF**
Admin/Legal/Accounting								
Legal fees	$				$	[illegible]	$	[illegible]
Security	$	237	$	0.003	$	-		
Advertising	$	-			$	100	$	0.001
Contributions	$	100	$	0.001	$	-		
Office Supplies	$	1,530	$	0.017	$	2,589	$	0.028
Postage and Delivery	$	402	$	0.004	$	200	$	0.002
Printing and Reproduction	$	-			$	165	$	0.002
Dues and Subscriptions	$	925	$	0.010	$	925	$	0.010
Bank Service Charges	$	311	$	0.003	$	98	$	0.001
Finance Charges	$	95	$	0.001	$	462	$	0.005
Licenses, Fees, Taxes, Permits	$	3,132	$	0.034	$	2,524	$	0.028
Misc.	$	52	$	0.001	$	2,409	$	0.026
Subtotal Administration	$	6,784			$	9,509		
GBA All Properties		91,237				91,237		
Indicated Expense per SQ. FT.	$	0.07			$	0.11		
Utilities								
Internet	$	2,816	$	0.03	$	2,626	$	0.03
Cell Phone	$	3,046	$	0.03	$	4,241	$	0.05
Electric	$	36,997	$	0.41	$	46,557	$	0.51
Fuel Oil	$	101,440	$	1.11	$	113,581	$	1.24
Telephone	$	2,305	$	0.03	$	3,877	$	0.04
Trash	$	20,529	$	0.23	$	19,284	$	0.21
Water	$	21,920	$	0.24	$	31,574	$	0.35
Subtotal Utilities	**$**	**189,053**			**$**	**221,740**		
GBA All Properties		91,237				91,237		
Indicated Expense per SQ. FT.	$	2.07			$	2.43		
Maintenance Related								
Building Repairs and Mtn.	$	96,330	$	1.06	$	227,627	$	2.49
Wages - Laborers	$	37,760	$	0.41	$	66,430	$	0.73
Payroll tax Laborers	$	2,983	$	0.03	$	5,248	$	0.06
Workers Compensation	$	12,595	$	0.14	$	9,513	$	0.10
Small tools and Equipment	$	1,768	$	0.02	$	5,662	$	0.06
Freight	$	-			$	859	$	0.01
Auto Expense	$	8,418	$	0.09	$	8,673	$	0.10
Subtotal	**$**	**159,854**			**$**	**324,012**		
GBA All Properties	$	91,237			$	91,237		
Indicated Expense per SQ. FT.	$	1.75			$	3.55		
Janitorial								
Janitor Supplies	$	9,395	$	0.10	$	12,197	$	0.13
Janitor wages	$	34,705	$	0.38	$	32,266	$	0.35
Payroll Tax Janitor 7.9%	$	2,742	$	0.03	$	2,549	$	0.03
Subtotal	$	46,842			$	47,012		
GBA All Properties		91,237				91,237		
Indicated Expense per SQ FT	$	0.51			$	0.52		
Insurance	$	36,135			$	27,266		
GBA All Properties		91,237				91,237		
Indicated Expense per SQ FT	**$**	**0.40**			**$**	**0.30**		
Real Estate Taxes	$	131,691			$	[illegible]		
GBA All Properties	$	91,327			$	91,327		
	$	**1.44**			**$**	**1.42**		

Operating Expense Summary – Comparisons & Subject Property

	Comp. 1 8390 Airport Blvd.	Comp. 2 Marine View Building	Comp. 3 Senate Building	Comp. 4 3225 Hospital Drive	Comp. 5 225 Front Street	Goldstein Properties	Goldstein Properties	Stabilized Projection For Subject Property
Above Grade Square Footage	16,200	83,700	26,630	14,220	16,532	91,327	91,327	48,470
Year of Data	2020	2020	2020	2020	2019	2019	2020	2021
Use	Office & service	Retail, off. & Apt. & Parking	Offices, service & retail	Offices & Medical Clinics	Offc. food service, retail, clinics	Offc. clinic, service	Retail, food service, offices, 2 apt & parking stalls	Restaurant, retail, offices
Admin. Expenses	$.37	$.41	$.74	$.45	$.10	$ 11	$.07	$.26
Utilities	$3.59	$2.64	$1 86	$3.04	$2.31	$2.43	$2.07	$2.45
Mtn & Repairs	$1.13	$1.62	$1.82	$1.77	$1.84	$3.55(1)	$1 75	$1.60
Insurance	n/a	$.53	$.29	$.63	$.35	$.30	$.40	$.50
Taxes	$2.34	$.97	$1.14	$2.07	$1.01	$1.42	$1.44	$1.47

(1) Significant maintenance in this year for non-reoccurring projects that are typically capitalized

Professional Management – the owners of the subject property perform these duties, however, for the purpose of this appraisal, a typical management fee is assumed. In Juneau, professional management is typically 5% of collected income, which is projected in this approach.

Administrative Expenses - a review of the table above indicates that the range for this category is quite wide, at $.10 to $.74 SF. The tendency of the data supports a narrower range of $.10 SF to $.45 SF. A $.35 SF expense is reasonable and is adjusted to $1.26 SF because the use of owner's bookkeeping office in the building lowers administrative costs.

Utilities – the expense comparisons indicate a range of $2.07 SF to $3.59 SF with the tendency in the narrower range of $2.30 to $2.64 SF. Given this range, an expense of $2.45 SF is supported for tenants that are provided all utilities in their leases.

Some tenants pay for a portion of the utilities and this will be reflected when projecting expenses. The landlord paid expenses will be less than $2.45 SF for these tenants. Where tenants pay for power, the downward adjustment is $.05 SF or to $2.40 SF.

Maintenance & General Upkeep - the 2019 indicator for the six Goldstein Improvement Company owned buildings, all located in the same area of downtown Juneau as the subject, was impacted by capital projects, which in 2020 were not a factor. 2019 included significant expense in the window replacement project in the Goldstein Building at 130 Seward Street.

The expense comparisons indicate a range of $1.13 SF to $3.56 SF; the high and low ends of this range are outliers. The remaining indicators provide a narrower range of $1.62 SF to $1.84 SF. Based upon this range, $1.60 SF is applied in this analysis. The expense for janitorial service and for parking lot upkeep will be addressed separately.

Janitorial - this applies to the spaces that receive janitorial service within their leased area. All of the offices on floors 2-5 are provided service. Offices are vacuumed, dusted, and trash collected three times a week and the common restrooms are cleaned five times per week. The janitorial expense reported by Goldbelt Improvement Company of approximately $47,000 the past two years reflects the service in this building.

Insurance - the subject's umbrella policy results in an expense that is favorable, compared to stand-alone properties. The comparisons range from $.29 to $.63 SF and the six GIC properties are lower, at $.30 to $.40 SF. The market data is given weight in making a projection for the subject (as a standalone property) of $.50 SF.

Real Estate Taxes reflect the expense in the Juneau market before 2021, in which assessments increased, primarily a result of the assessors' increases to commercial land values. While there have been many protests from tax payers regarding this issue, it appears that for the time being at least, property taxes in Juneau will increase. The projected expense reflects the 2021 assessment for the subject which equates to $1.47 SF.

Reserve Allowance – this allowance is a fund that builds up to be used as needed for replacement of short-lived items such as boilers, roofs, carpet, etc. It is not commonly an expense item in a profit and loss statement provided by owners. RealtyRates provides reserve allowance requirements in its quarterly reports (see Addenda for table). The indicate that the range for reserves for an office building is $.35 - $.90 SF year and for retail uses is $.35 to $1.10 SF. Based upon this information, and considering the number of upgrades and repairs to this building in the recent past, a $.40 SF reserve allowance is reasonable.

Capitalization of Net Income

Below, capitalization rates from sales of commercial properties in Juneau are shown.

Sale Comparison	Sale Date	Cap Rate	Use & Comments
3100 Channel Drive Juneau	June 2020	7.37%	Good quality office building [illegible] originally for Juneau Empire [illegible] was mostly occupied by tenants.
5360-5368 Commercial Blvd. Juneau	May 2018	7.85%	Mixed use commercial bldg. of steel frame and metal construction with office, apartment, service, and shop uses.
Willo Park 10002 Glacier Highway Juneau	April 2019	7.54%	Established State office tenant under new 10 year lease. Building has been fully occupied for many years.
3225 Hospital Drive, Juneau	July 2021	7.00%	Fully occupied office and medical building in good condition
8390 Airport Boulevard, Juneau	August 2021	6.90%	Fully occupied office, retail service building in good condition
225 Front Street, Juneau	September 2021	8.07%	Renovated two story bldg. in downtown Juneau in good condition. Purchased by dominant tenant.

RealtyRates is a national service that quarterly provides investment criteria that pertains to investment grade properties in the United States of all types. While not applicable to the Juneau market, which has few properties that would be considered investment grade, this publication does reflect national trends with respect to capitalization rates and other financing criterion.

The 4Q report relies on third quarter data and the composite capitalization rate of 8.77% is down from a year ago at 8.94%, based upon a decrease of 31 basis points in treasury rates and no change in equity dividend rates.

The composite capitalization rates for the office sector were 8.16% in 2020 and are currently 8.25%. The restaurant sector 2020 rate was 10.81% and is currently 10.86%. The retail sector rate for 2020 was 8.58% and is now 8.60%. For apartments, the 2020 rate was 7.50% and is now 7.57% (see tables in the Addenda).

Below are the surveyed rates for each sector noted above, indicating the low, high and average "Surveyed" capitalization rates for each sector as follows:

Summary of Surveyed Capitalization Rates 4Q 2021 - RealtyRates

Sector	Low	High	Average
All Office	4.52%	12.79%	9.10%
All Retail	4.58%	13.99%	9.31%
All Restaurant	5.09%	16.53%	11.69%
All Apartments	4.03%	11.92%	7.94%

Considering the capitalization rates from the Juneau market and the information provided by RealtyRates, and considering both the regional and state economic information provided earlier in this report, the 2018 to 2020 rates indicated by the Juneau market, are considered low indicators for this analysis, and a rate of 7.50% is considered reasonable. As shown, this rate applied to the projected NOI, value by this approach is **$4,410,000**.

CAPITALIZATION OF NET INCOME

REVENUES	RENTAL AREA		RENT MONTH	RENT/SF	ANNUAL RENT
124 Seward - Annie Kaills (main level)	2,037	SF	$ 2,993	$ 1.47	$ 35,916
126 Seward - Northwind Architects (main level)	1,392	SF	$ 2,993	$ 2.15	$ 35,916
128 Capital Barber	280	SF	$ 698	$ 2.49	$ 8,376
140 Seward - Little Tokyo Restaurant	2,510	SF	$ 4,489	$ 1.79	$ 53,868
Woodbury Financial	240	SF	$ 673	$ 2.80	$ 8,076
State of Alaska WIC Storage	420	SF	$ -		$ -
119A 2nd Street - Bauer Clifton	660	SF	$ 1,571	$ 2.38	$ 18,852
Suite 201 - Verizon (equipmt rm for cell tower)		Roof	$ 1,549		$ 18,588
Verizon Monthly Electrical Expense			$ 450		$ 5,400
Suite 202-3 Deborah Mellison	444	SF	$ 854	$ 1.92	$ 10,248
Suite 204-5 Alaska Trollers Association	480	SF	$ 984	$ 2.05	$ 11,808
Suite 206 Otis Elevator Company	240	SF	$ 927	$ 3.86	$ 11,124
Suites 207-8 State of Alaska	375	SF	$ -	$ -	$ -
Suite 209 -Todd Montalbo	475	SF	$ 808	$ 1.70	$ 9,696
Suites 200, 210-16 AK Domestic Violence	2,296	SF	$ 3,800	$ 1.66	$ 45,600
Suite 217- Stellar Group	361	SF	$ 659	$ 1.83	$ 7,908
Suites 218-219 - J.M. Walsh	403	SF	$ 784	$ 1.95	$ 9,408
Suite 220 - Law Office Kathleen Strausbaugh	240	SF	$ 475	$ 1.98	$ 5,700
Suite 221 - Law Office of Kris Barnum	204	SF	$ 333	$ 1.63	$ 3,996
Suite 222 - Goldstein Bookkeeping Office	200	SF	$ -		$ -
State of AK OCS Lease 2277 Second Floor	366	SF	$ -	$ 1.76	$ 7,730
East Care Acupuncture	540	SF	$ 1,038	$ 1.92	$ 12,456
State of AK OCA Lease 2277 3rd Floor	3,164	SF		$ 1.76	$ 66,824
Suite 304/305 Marine Engineers Union	456	SF	$ 801	$ 1.85	$ 10,123
Suite 306 - vacant	228	SF		$ 2.10	$ 5,746
Suite 307 - vacant	228	SF		$ 2.10	$ 5,746
Suite 308/309 - lease begins 2/2022	746	SF	$ 1,008	$ 1.82	$ 16,293
State of AK OCS Lease 2277 Fourth Floor	6,052	SF		$ 1.76	$ 127,818
119B 2nd Street - Sonia Hendricks	660	SF	$ 1,576	$ 2.39	$ 18,912
5th Floor State of Alaska WIC	5,631	SF	$ 7,863	$ 1.40	$ 94,350
State of Alaska Ombudsman	1,147	SF	$ 2,090	$ 1.82	$ 25,080
Suite 504 - Cranor Counseling	304	SF	$ 618	$ 2.03	$ 7,416
Suite 505 - Vacant	513	SF	$ 1,045	$ 2.14	$ 12,540
Basement - In & Out Painting	100	SF	$ 192	$ 1.92	$ 2,304
Basement - Otis Elevator Company	226	SF	$ -		$ -
Basement - State Legislative Affairs Agency	4,608	SF	$ 2,270	$ 0.49	$ 27,241
Basement - Annie Kaills Storage	476	SF	$ 371	$ 0.78	$ 4,452
Basement - Shoefly Storage	100	SF	$ 100	$ 1.00	$ 1,200
Basement - Dalberg Design Storage	100	SF	$ 200	$ 2.00	$ 2,400
Basement - Sketch Storage	75	SF	$ 79	$ 1.05	$ 948
Basement - Plant Studio Storage	400	SF	$ 399	$ 1.00	$ 4,788
Parking Lot - parking in State OCS Lease	10	stalls	inc. in offc rent		$ -
State of Alaska Legislative Affairs	1	stall	$ 90		$ 1,080
Urban Eskimo Store	1	stall	$ 74		$ 882
Clifton Bauer	1	stall	$ 89		$ 1,068
Remaining Stalls Available for Rent	6	stalls	$ 95		$ 6,840
Gross Revenue					$ 764,716
Stabilized Vacancy & Credit Loss		3.0%			$ (22,941)
Gross Effective Income					$ 741,775
EXPENSES	48,471	sf GBA	(above grade)		
Professional Management		5%			$ (37,089)
Administration		$ 0.26	SF		$ (12,602)
Landlord provided Full Service Utilities		$2.45	SF x	35,076	$ (85,936)
Landlord provided Utilities less Power		$2.40	SF x	13,395	$ (32,148)
Building Maintenance & Repairs		$ 1.60	SF		(77,554)
Janitorial Service Floors 2 - 5					(47,000)
Parking Lot Upkeep, Security & Insurance		$222	per stall/year	x 19	(4,218)
Building Insurance		$ 0.50	SF		(24,236)
Real Estate Taxes		$ 1.47	SF		(71,033)
Reserve Allowance		$ 0.40	SF		(19,388)
Total Expenses		$ 8.48	SF		$ (411,204)
Net Operating Income					$ 330,571
Capitalization Rate					7.50%
Indicated Value					$ 4,407,609
Rounded					$ 4,410,000

GIC RENTAL ROLL

Goldstein Improvement Company

11/16/2021

Rental Property	Tenants	Monthly Rent	Non Taxable Rent	TEMP REDUCTION	APPROX SQ FT
Goldstein Building (GB)					
124 Seward Street	Annie Kaills	4,200.00		3,150.00	2037 MAIN 861 MEZZ
126 Seward Street	NorthWind Architects	3,150.00			1392 MAIN 960 MEZZ
128 Seward Street	Capital Barber	735.00			280
140 Seward Street	Little Tokyo/ PhoTai	6,300.00		4,725.00	2510
130 Seward Street	Main Building				
Lobby	Woodbury Financial - Karen Hansen	708.50			
Lobby	State of Alaska - WIC Storage		0.00		
Basement	In & Out Painting	201.94			
	Otis Elevator Company	0.00			
	State of Alaska - Legislative Affairs Storage		2,270.10		
	Annie Kaills - Storage	525.00		390.00	
	Shoefly - Storage	105.00			100
	Dalberg Design - Storage	210.00			
	Sketch - Storage	83.33			
	Plant Studio Storage	440.00		420.00	
Second Floor					
201	Verizon	1,630.13			
	Verizon (electrical reimbursement)	450.00			
202 - 203	Deborah Mellison	898.60			444
204 - 205	Alaska Trollers Association	1,036.03			480
206	Otis Elevator Company	1,002.51			
207 - 208	State of Alaska		0.00		
209	Todd Montalbo	850.00			475
200, 210 - 216	Alaska Network of Domestic Violence & Sexual Assault		3,999.80		
217	Stellar Group	694.00			361
218 - 219	J.M. Walsh	825.00			403
220	Law office of Kathleen Strausbaugh	500.00			240

	221	Law office of Kris Barnum	350.00			204
	222	Goldstein Bookkeeping Office	0.00			
	Third Floor	State of Alaska - OCS		0.00		
		East Care Acupuncture	1,093.27			540
	304/305	MARINE ENGINEERS UNION	843.60			456
	306	VACANT (421.00)				228
	307	VACANT (421.00)				228
	308	LAW OFFICE (RENT BEGINS 2/1/2022) (421.00)				525
	309	SOA PUBLIC DEFENDER (PROX 2/1/2022) (1008.00)				
	Fourth Floor	State of Alaska - OCS		17,656.00		
	Fifth Floor	State of Alaska - WIC		7,682.50		
		State of Alaska - Ombudsman		2,090.19		
	505	LOBBYING OFFICE (rent begins 2/1/2022) (1100.00)				513
	504	CRANOR COUNSELING	650.00			304
	Parking not included in rent					
		State of Alaska - LAA		90.00		
		Urban Eskimo	73.50			
		Clifton / Bauer	94.00			
			26,266.94	33,788.59		
GFS Building (GFS)						
	140 Front Street	Heritage Northwest - Coffee	8,925.00		7,980.00	3931 MAIN 1740 BASEMENT
	110 Seward Street	Segal Company	650.00			350
	Upstairs Offices					
	5	Big Brothers Big Sisters of Southeast Alaska		1,000.00		
	2	Rookery	400.00		300.00	378
	3	Mooncycle Medicine	440.00			200
	4	Yevette Soutiere	350.00			200
	1	Carlton Smith	813.75			550
	116 Seward Street	TEASE SALON (rent begins 2/1/2022) (1890.00)				1000
	118 Seward Street	The Plant Studio	2,257.50		1,900.00	825
			13,144.44	1,000.00		

Goldstein Annex (GA)				
122 Front Street	Sketch	525.00		
124 Front Street	Asiana Gardens	4,950.00		3,450.00
126 Front Street	Apartment - Asiana Gardens	2,350.00		
		7,433.75		
Flags of All Nations Building (FAN)				
119B - 2nd Street	Sonia Hendricks	1,658.99		660
119A - 2nd Street	Bauer/Clifton	1,653.75		660 MAIN 500 BASEMENT
		3,147.10		
Charles Goldstein Building (CG)				
201 Seward Street	Good Vibes Café	3,000.00		2,625.00
205 Seward Street	Nana's Attic	1,149.00		860.00
209 Seward Street	Zoot's	2,100.00		1,680.00
213 Seward Street	Apartment		1,450.00	
217 Seward Street	Don Morgan gallery	1,050.00		850.00
221 Seward Street	Giono Barrett	835.00		
216 2nd Street	Rainforest Farms	3,000.00		
Storage Area	Rookery Warehouse	1,000.00		
Parking not included in rent	Rookery	90.00		
	VACANT			
	Capital Barber	94.50		
	Carlton Smith	90.00		
		11,788.08	1,450.00	
Pioneer House				
3180 Pioneer Avenue	Seasonal tenant - September through May		3,400.00	
Simpson Building				
200 Seward Street	Salt - Restaurant	6,690.00		5,600.00
220 Seward Street	Urban Eskimo	1,050.00		850.00
222 Seward Street	V's Cellar Door - Restaurant	1,260.00		945.00

GIC OPERATING EXPENSES

6:34 PM
05/27/21
Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20	
Ordinary Income/Expense		
Income		
Rental Income		
Taxable Rent	859,794.30	
State of Alaska Rent	411,950.46	
Non-Profit Rent	59,997.60	
Residential Rent	33,475.00	
Total Rental Income		1,365,217.36
Fee Income		
Vending Commissions	11.46	
Total Fee Income		11.46
Total Income		1,365,228.82
Expense		
Security System		237.26
Rent - 1099		4,410.00
Pass Thru		286,400.78
Reconciliation Discrepancies		0.10
Payroll Wages		
Wages - Janitor	34,704.96	
Wages - Laborer	37,760.00	
Wages - Officer Monthly	322,228.00	
Total Payroll Wages		394,692.96
Payroll Employer Taxes		
Federal FICA 941	30,217.68	
Federal FUTA 940	252.00	
Alaska SUTA	720.65	
Califonia ETT	14.00	
California UI	238.00	
Total Payroll Employer Taxes		31,442.33
Contributions		100.00
Office Supplies		1,530.46
Postage & Delivery		402.48
Dues and Subscriptions		925.00
Small Tools & Equipment		1,768.43
Janitorial Supplies		9,394.74
Repairs & Maintenance		
Sanding/Snow Removal - NEC	7,608.51	
Windows - NEC	6,869.18	
Sprinkler - NEC	8,581.83	
Windows	3,012.65	
Materials Only	1,687.78	
Landscape	987.00	
Building R&M	10,487.89	
Boiler R&M	259.86	
Plumbing R&M	21,716.66	
Electrical R&M	4,506.52	

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

	Jan - Dec 20	
Lighting R&M	5,020.00	
Elevator R&M	10,721.54	
Fire Alarm Service	10,906.89	
Sanding/Snow Removal	2,834.66	
Equipment Repairs	213.74	
Repairs & Maintenance - Other	915.16	
Total Repairs & Maintenance		96,329.87
Utilities		
Internet	2,816.00	
Cell Phone	3,045.88	
Electric	36,996.54	
Fuel Oil	101,439.55	
Telephone	2,304.99	
Trash	20,528.66	
Water	21,920.27	
Total Utilities		189,051.89
Equipment Rental		251.95
Automobile Expense		
Auto Fuel	3,075.81	
Auto Repair & Maintenance	2,574.69	
Vehicle Registration	268.00	
Auto Insurance	2,101.78	
Parking Fees	50.00	
Automobile Expense - Other	348.00	
Total Automobile Expense		8,418.28
Construction Expense		
Design - NEC	7,750.00	
Labor - NEC	5,275.38	
Waste	504.86	
Construction Permits	3,142.68	
Time and Materials	100,804.94	
Materials	7,216.92	
Total Construction Expense		124,694.78
Professional Fees		
Recycling - NEC	3,286.50	
Security - NEC	1,323.00	
Accounting - NEC	18,198.05	
Janitorial Services - NEC	21,453.82	
Total Professional Fees		44,261.37
Insurance		
Prop & Liability (Business)	28,810.57	
Prop & Liability (Umbrella)	7,323.80	
Workers' Compensation	12,595.00	

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss
January through December 2020

		Jan - Dec 20
Total Insurance		48,729.37
Bank Service Charges		311.10
Finance Charge		94.80
Licenses, Fees, Taxes, Permits		3,132.05
Property Tax		131,691.19
Miscellaneous		52.38
Total Expense		1,378,323.57
Net Ordinary Income		-13,094.75
Other Income/Expense		
Other Income		
Bristol-Myers Squibb Dividend		6,235.20
Interest Income		14.47
Other Income		
Sales Tax discount	300.00	
Other Income - Other	-7,640.01	
Total Other Income		-7,340.01
Total Other Income		-1,090.34
Net Other Income		-1,090.34
Net Income		-14,185.09

7:12 PM
05/27/21
Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss Prev Year Comparison
January through December 2020

	Jan - Dec 20	Jan - Dec 19	$ Change
Ordinary Income/Expense			
Income			
Rental Income			
Taxable Rent	859,794.30	909,245.72	-49,451.42
State of Alaska Rent	411,950.46	421,122.90	-9,172.44
Non-Profit Rent	59,997.60	59,997.60	0.00
Residential Rent	33,475.00	20,000.00	13,475.00
Total Rental Income	1,365,217.36	1,410,366.22	-45,148.86
Fee Income			
Vending Commissions	11.46	24.21	-12.75
Total Fee Income	11.46	24.21	-12.75
Total Income	1,365,228.82	1,410,390.43	-45,161.61
Expense			
Legal Fees	0.00	105.00	-105.00
Family Disbursement	0.00	27,501.00	-27,501.00
Security System	237.26	0.00	237.26
Rent - 1099	4,410.00	4,410.00	0.00
Pass Thru	286,400.78	0.00	286,400.78
Reconciliation Discrepancies	0.10	125.62	-125.52
Payroll Wages			
Wages - Janitor	34,704.96	32,265.68	2,439.28
Wages - Laborer	37,760.00	66,430.00	-28,670.00
Wages - Officer Monthly	322,228.00	300,727.00	21,501.00
Total Payroll Wages	394,692.96	399,422.68	-4,729.72
Payroll Employer Taxes			
Federal FICA 941	30,217.68	30,613.58	-395.90
Federal FUTA 940	252.00	252.00	0.00
Alaska SUTA	720.65	703.92	16.73
Califonia ETT	14.00	14.00	0.00
California UI	238.00	280.00	-42.00
Total Payroll Employer Taxes	31,442.33	31,863.50	-421.17
Advertising	0.00	100.00	-100.00
Contributions	100.00	0.00	100.00
Office Supplies	1,530.46	2,599.09	-1,068.63
Postage & Delivery	402.48	206.17	196.31
Printing and Reproduction	0.00	164.99	-164.99
Dues and Subscriptions	925.00	925.00	0.00
Small Tools & Equipment	1,768.43	5,662.35	-3,893.92
Janitorial Supplies	9,394.74	12,196.77	-2,802.03
Freight	0.00	859.41	-859.41
Construction Yard Storage	0.00	1,470.00	-1,470.00
Repairs & Maintenance			
Sanding/Snow Removal - NEC	7,608.51	0.00	7,608.51
Windows - NEC	6,869.18	0.00	6,869.18
Sprinkler - NEC	8,581.83	0.00	8,581.83
Windows	3,012.65	21,343.37	-18,330.72

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Accrual Basis

GOLDSTEIN IMPROVEMENT COMPANY
Profit & Loss Prev Year Comparison
January through December 2020

	Jan - Dec 20	Jan - Dec 19	$ Change
Materials Only	1,687.78	1,113.89	573.89
Landscape	987.00	2,135.96	-1,148.96
Building R&M	10,487.89	65,909.20	-55,421.31
Boiler R&M	259.86	727.72	-467.86
Plumbing R&M	21,716.66	31,154.32	-9,437.66
Electrical R&M	4,506.52	55,757.17	-51,250.65
Lighting R&M	5,020.00	5,040.11	-20.11
Painting R&M	0.00	13,810.25	-13,810.25
Elevator R&M	10,721.54	10,710.00	11.54
Fire Alarm Service	10,906.89	3,411.45	7,495.44
Sanding/Snow Removal	2,834.66	7,147.14	-4,312.48
Equipment Repairs	213.74	3,142.06	-2,928.32
Repairs & Maintenance - Other	915.16	6,224.51	-5,309.35
Total Repairs & Maintenance	96,329.87	227,627.15	-131,297.28
Utilities			
Internet	2,816.00	2,626.45	189.55
Cell Phone	3,045.88	4,241.14	-1,195.26
Electric	36,996.54	46,557.21	-9,560.67
Fuel Oil	101,439.55	113,580.91	-12,141.36
Telephone	2,304.99	3,876.98	-1,571.99
Trash	20,528.66	19,283.72	1,244.94
Water	21,920.27	31,573.89	-9,653.62
Total Utilities	189,051.89	221,740.30	-32,688.41
Equipment Rental	251.95	4,328.00	-4,076.05
Automobile Expense			
Auto Fuel	3,075.81	4,402.47	-1,326.66
Auto Repair & Maintenance	2,574.69	2,315.13	259.56
Vehicle Registration	268.00	0.00	268.00
Auto Insurance	2,101.78	0.00	2,101.78
Parking Fees	50.00	1,665.00	-1,615.00
Automobile Expense - Other	348.00	290.00	58.00
Total Automobile Expense	8,418.28	8,672.60	-254.32
Construction Expense			
Design - NEC	7,750.00	0.00	7,750.00
Labor - NEC	5,275.38	0.00	5,275.38
Waste	504.86	982.07	-477.21
Construction Permits	3,142.68	0.00	3,142.68
Time and Materials	100,804.94	302,527.73	-201,722.79
Materials	7,216.92	85,023.73	-77,806.81
Labor	0.00	6,836.00	-6,836.00
Parking	0.00	125.00	-125.00
Total Construction Expense	124,694.78	395,494.53	-270,799.75
Professional Fees			
Recycling - NEC	3,286.50	0.00	3,286.50
Security - NEC	1,323.00	0.00	1,323.00
Security	0.00	5,376.00	-5,376.00

REALTY RATES EXHIBITS

Market Commentary

RealtyRates.com *Investor Survey* Reports Modest Cap Rate Index Decrease For All Property Types During 3rd Quarter 2021

Coincident with a 31 basis point decrease in Treasury rates to which most commercial mortgage interest rates are indexed, together with no change in equity dividend rates, the RealtyRates.com™ *Investor Survey* Weighted Composite (Cap Rate) Index™ decreased a modest 16 basis points from 8.94 to 8.77 percent during the 3rd Quarter of 2021.

The greatest quarter-over-quarter cap rate index decreases were recorded by the Apartment, Lodging and Self Storage sectors, all down 18 basis points, followed by the Restaurant and Special Purpose sectors, both down 17 basis points.

The smallest quarter-over-quarter cap rate index decreases were recorded by the Office and Retail sectors, down 15 basis points, followed by the Golf, Healthcare/Senior Housing and Industrial sectors, down 16 basis points.

Mortgage lending standards were somewhat eased on stronger demand for both multifamily and nonresidential loans during the 3rd Quarter. Meanwhile spreads were unchanged overall, but average permanent mortgage rates were down 32 basis points.

RealtyRates.com INVESTOR SURVEY 4th Quarter 2021*
CURRENT & HISTORICAL CAP RATE INDICES

Method-Weighted* Property Category Indices

	Apts	BP	Golf	BP	Healthcare Senior Housing	BP	Industrial	BP	Lodging	BP	MHRV Park	BP	Office	BP	Retail	BP	Restaurant	BP	Self Storage	BP	Special Purpose	BP	Weighted* Composite Indices	BP
Year	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg
2021	7.57	7	11.03	-4	8.03	-7	8.02	0	9.27	-2	8.58	-5	8.25	9	8.60	2	10.86	5	8.91	9	11.01	10	8.77	2
3rd Qtr	7.55	-18	11.06	-16	8.01	-16	8.02	-16	9.32	-18	8.59	-16	8.26	-15	8.62	-15	10.86	-17	8.90	-16	11.04	-17	8.77	-16
2nd Qtr	7.73	16	11.21	18	8.18	18	8.18	16	9.50	13	8.75	17	8.40	18	8.78	17	11.02	17	9.08	17	11.21	20	8.94	17
1st Qtr	7.57	14	11.03	5	8.03	11	8.02	12	9.37	7	8.58	3	8.25	11	8.60	11	10.86	11	8.91	11	11.01	7	8.77	10
2020	7.50	-43	11.08	-46	8.19	-48	8.32	-49	9.49	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-29	8.91	-49	10.91	-29	8.75	-47
2019	7.92	-56	11.56	-47	8.58	-44	8.72	-47	9.96	-56	9.08	-48	8.54	-50	8.93	-45	11.20	-17	9.40	-46	11.20	-45	9.15	-41
2018	8.42	26	12.02	26	9.01	14	9.19	23	10.53	25	9.56	29	9.04	10	9.38	20	11.57	15	9.86	23	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.18	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.16	15	9.16	16	9.27	12	11.57	10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.83	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-10
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.42	-17	9.17	-5	9.06	-22	9.26	-15	11.79	-6	9.75	-20	11.24	14	9.50	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.59	-2	9.22	14	9.28	-19	9.41	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.95	-36	9.09	-40	10.57	-24	9.08	33	9.47	3	9.45	-13	11.77	6	10.13	-49	11.03	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	8.48	-3	9.44	-19	9.72	-26	11.70	-14	10.62	-3	11.12	-17	9.81	-13
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	8.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	6	10.02	12
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	8.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	9	9.97	14
2008	8.77	-4	12.01	-29	9.37	-16	9.58	-14	11.05	58	8.32	-5	9.09	-16	9.09	-11	11.57	-29	10.13	-26	11.22	-7	9.74	-3
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-26	8.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-30	11.29	-24	9.75	-26
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	10	10.31	27	11.53	9	10.02	28
2005	9.14	14	11.46	80	10.03	-15	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	10	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-47	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	13	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-25	9.23	-62	11.08	-3	10.57	-42	10.99	-177	9.82	-43
2001	9.61	64	10.52	133	10.31	30	9.81	10	10.87	98	10.22	-63	9.78	-35	9.85	-53	11.11	47	10.65	15	12.76	32	10.25	27
2000	8.97		9.19		9.41		9.65		9.89		10.59		10.13		10.38		10.64		10.50		12.44		10.01	

* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

* Further weighted by property category

*3rd Quarter 2021 Data

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021*
SURVEYED RESERVE REQUIREMENTS

	Per SF			Per Unit			% of EGI		
Property Type	**Min.**	**Max.**	**Typical**	**Min.**	**Max.**	**Typical**	**Min.**	**Max.**	**Typical**
Apartments				$165	$425	$334			
Golf				$1,295	$7,700	$3,550	2.0%	4.5%	3.2%
Health Care/Senior Housing				$270	$735	$410			
Industrial	$0.25	$0.80	$0.53						
Lodging							4.0%	9.5%	4.6%
Mobile Home/RV Park				$35	$310	$171	3.0%	5.5%	4.2%
Office	$0.35	$0.90	$0.65						
Restaurants							2.0%	5.5%	3.2%
Retail	$0.35	$1.10	$0.72						
Self-Storage	$0.30	$0.75	$0.65	$35	$210	$102			
Special Purpose	$0.25	$1.15	$0.75						

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021*
PROPERTY DESIRABILITY MATRIX

	Preferred agressively seeking	**Cautionary** will consider	**Rejecting but...** ...may consider under special circumstances
Apartments	Suburban Garden Style	Urban Hi-Rise	
	Mixed Use		
Golf		Private	Public - Privately Owned
		Public - Municipal	
		Semi-Private	
Health Care/Senior Housing	Independent Living	Acute Care	
	Assisted Living		Nursing Homes
			Congregate Care
Industrial	Warehouse	Flex/Showroom	Heavy Manufacturing
	Bulk Distribution		
Lodging		Limited Service	Full Service
			Golf/Gaming/Resort
Mobile Home/RV Parks	Retirement & Family MH Parks	RV Parks/Campgrounds	
Office	Medical	Suburban	CBD
Restaurants		Freestanding Franchised Fast Serve	Full Service, Inline
Retail	Convenience Stores/Gas Stations	Grocery Anchored Centers	Malls/Outlet Malls
	Free Standing Credit/Franchised	Big Box/Power Centers	Unanchored Strip Centers
Self-Storage	All Types		
Special Purpose		Schools/Daycare Centers	Churches
		Parking Garages	Marinas/Recreational Facilities
			Public Assembly Facilities

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021*
APARTMENTS - ALL TYPES

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.30%	**DCR Technique**	1.10	0.040305	0.90	3.99
Debt Coverage Ratio	1.10	**Band of Investment Technique**				
Interest Rate	2.61%	Mortgage	90%	0.040305	0.036275	
Amortization	40.0	Equity	10%	0.060984	0.006098	
Mortgage Constant	0.040305	OAR				4.24
Loan-to-Value Ratio	90%	**Surveyed Rates**				4.03
Equity Dividend Rate	6.10%					
Maximum						
Spread Over 10-Year Treasury	6.00%	**DCR Technique**	1.86	0.109950	0.55	11.25
Debt Coverage Ratio	1.86	**Band of Investment Technique**				
Interest Rate	7.31%	Mortgage	55%	0.109950	0.060472	
Amortization	15.0	Equity	45%	0.144495	0.065023	
Mortgage Constant	0.109950	OAR				12.55
Loan-to-Value Ratio	55%	**Surveyed Rates**				11.92
Equity Dividend Rate	14.45%					
Average						
Spread Over 10-Year Treasury	2.99%	**DCR Technique**	1.43	0.063383	0.73	6.64
Debt Coverage Ratio	1.43	**Band of Investment Technique**				
Interest Rate	4.30%	Mortgage	73%	0.063383	0.046437	
Amortization	26	Equity	27%	0.106915	0.028585	
Mortgage Constant	0.063383	OAR				7.50
Loan-to-Value Ratio	73.3%	**Surveyed Rates**				7.94
Equity Dividend Rate	10.69%					

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021*
APARTMENTS - GARDEN/SUBURBAN TOWNHOUSE

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.30%	**DCR Technique**	1.10	0.040305	0.90	3.99
Debt Coverage Ratio	1.10	**Band of Investment Technique**				
Interest Rate	2.61%	Mortgage	90%	0.040305	0.036275	
Amortization	40	Equity	10%	0.060984	0.006098	
Mortgage Constant	0.040305	OAR				4.24
Loan-to-Value Ratio	90%	**Surveyed Rates**				4.03
Equity Dividend Rate	6.10%					
Maximum						
Spread Over 10-Year Treasury	4.65%	**DCR Technique**	1.61	0.102303	0.65	10.71
Debt Coverage Ratio	1.61	**Band of Investment Technique**				
Interest Rate	6.16%	Mortgage	65%	0.102303	0.066497	
Amortization	15	Equity	35%	0.132495	0.046373	
Mortgage Constant	0.102303	OAR				11.29
Loan-to-Value Ratio	65%	**Surveyed Rates**				10.72
Equity Dividend Rate	13.25%					
Average						
Spread Over 10-Year Treasury	3.08%	**DCR Technique**	1.31	0.062651	0.78	6.34
Debt Coverage Ratio	1.31	**Band of Investment Technique**				
Interest Rate	4.39%	Mortgage	78%	0.062651	0.048554	
Amortization	28	Equity	23%	0.093164	0.020962	
Mortgage Constant	0.062651	OAR				6.95
Loan-to-Value Ratio	78%	**Surveyed Rates**				7.19
Equity Dividend Rate	9.32%					

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021*
OFFICE - ALL TYPES

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.35%	**DCR Technique**	1.15	0.040640	0.60	3.74
Debt Coverage Ratio	1.15	**Band of Investment Technique**				
Interest Rate	2.66%	Mortgage	80%	0.040640	0.032512	
Amortization	40	Equity	20%	0.075102	0.015020	
Mortgage Constant	0.040640	OAR				4.75
Loan-to-Value Ratio	80%	**Surveyed Rates**				4.52
Equity Dividend Rate	7.51%					
Maximum						
Spread Over 10-Year Treasury	5.75%	**DCR Technique**	2.15	0.108262	0.50	11.64
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	7.06%	Mortgage	50%	0.108262	0.054131	
Amortization	15	Equity	50%	0.161032	0.080516	
Mortgage Constant	0.108262	OAR				13.46
Loan-to-Value Ratio	50%	**Surveyed Rates**				12.79
Equity Dividend Rate	16.10%					
Average						
Spread Over 10-Year Treasury	3.05%	**DCR Technique**	1.65	0.059808	0.66	6.67
Debt Coverage Ratio	1.65	**Band of Investment Technique**				
Interest Rate	4.36%	Mortgage	68%	0.059808	0.040370	
Amortization	30	Equity	33%	0.122364	0.039768	
Mortgage Constant	0.059808	OAR				8.01
Loan-to-Value Ratio	67.5%	**Surveyed Rates**				9.10
Equity Dividend Rate	12.24%					

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RealtyRates.com INVESTOR SURVEY - 4th Quarter 2021*
OFFICE - CENTRAL BUSINESS DISTRICT

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.55%	**DCR Technique**	1.40	0.049691	0.65	4.52
Debt Coverage Ratio	1.40	**Band of Investment Technique**				
Interest Rate	2.86%	Mortgage	65%	0.049691	0.032299	
Amortization	30	Equity	35%	0.077102	0.026986	
Mortgage Constant	0.049691	OAR				5.93
Loan-to-Value Ratio	65%	**Surveyed Rates**				5.63
Equity Dividend Rate	7.71%					
Maximum						
Spread Over 10-Year Treasury	5.75%	**DCR Technique**	2.15	0.108262	0.50	11.64
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	7.06%	Mortgage	50%	0.108262	0.054131	
Amortization	15	Equity	50%	0.161032	0.080516	
Mortgage Constant	0.108262	OAR				13.46
Loan-to-Value Ratio	50%	**Surveyed Rates**				12.79
Equity Dividend Rate	16.10%					
Average						
Spread Over 10-Year Treasury	3.65%	**DCR Technique**	1.78	0.073847	0.58	7.54
Debt Coverage Ratio	1.78	**Band of Investment Technique**				
Interest Rate	4.96%	Mortgage	58%	0.073847	0.042462	
Amortization	23	Equity	43%	0.114871	0.048820	
Mortgage Constant	0.073847	OAR				9.13
Loan-to-Value Ratio	58%	**Surveyed Rates**				9.36
Equity Dividend Rate	11.49%					

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RealtyRates.com INVESTOR SURVEY* 4th Quarter 2021
RESTAURANTS - ALL TYPES

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	2.25%	**DCR Technique**	1.10	0.054288	0.80	4.78
Debt Coverage Ratio	1.10	**Band of Investment Technique**				
Interest Rate	3.56%	Mortgage	80%	0.054288	0.043430	
Amortization	30	Equity	20%	0.103471	0.020694	
Mortgage Constant	0.054288	OAR				6.41
Loan-to-Value Ratio	80%	**Surveyed Rates**				5.09
Equity Dividend Rate	10.35%					
Maximum						
Spread Over 10-Year Treasury	10.98%	**DCR Technique**	2.15	0.146267	0.50	15.74
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	12.29%	Mortgage	50%	0.146267	0.073133	
Amortization	15	Equity	50%	0.201764	0.100882	
Mortgage Constant	0.146267	OAR				17.40
Loan-to-Value Ratio	50%	**Surveyed Rates**				16.53
Equity Dividend Rate	20.18%					
Average						
Spread Over 10-Year Treasury	5.03%	**DCR Technique**	1.59	0.083521	0.66	8.70
Debt Coverage Ratio	1.59	**Band of Investment Technique**				
Interest Rate	6.34%	Mortgage	66%	0.083521	0.054780	
Amortization	23	Equity	34%	0.157532	0.054210	
Mortgage Constant	0.083521	OAR				10.90
Loan-to-Value Ratio	65.6%	**Surveyed Rates**				11.69
Equity Dividend Rate	15.8%					

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RealtyRates.com INVESTOR SURVEY* 4th Quarter 2021
RESTAURANTS - FULL SERVICE

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	2.45%	**DCR Technique**	1.35	0.071209	0.65	6.25
Debt Coverage Ratio	1.35	**Band of Investment Technique**				
Interest Rate	3.76%	Mortgage	65%	0.071209	0.046286	
Amortization	20	Equity	35%	0.105471	0.036915	
Mortgage Constant	0.071209	OAR				8.32
Loan-to-Value Ratio	65%	**Surveyed Rates**				7.99
Equity Dividend Rate	10.55%					
Maximum						
Spread Over 10-Year Treasury	10.98%	**DCR Technique**	2.15	0.146267	0.50	15.74
Debt Coverage Ratio	2.15	**Band of Investment Technique**				
Interest Rate	12.29%	Mortgage	50%	0.146267	0.073133	
Amortization	15	Equity	50%	0.201764	0.100882	
Mortgage Constant	0.146267	OAR				17.40
Loan-to-Value Ratio	50%	**Surveyed Rates**				16.53
Equity Dividend Rate	20.18%					
Average						
Spread Over 10-Year Treasury	6.72%	**DCR Technique**	1.75	0.106527	0.58	10.73
Debt Coverage Ratio	1.75	**Band of Investment Technique**				
Interest Rate	8.03%	Mortgage	58%	0.106527	0.061253	
Amortization	18	Equity	43%	0.148803	0.063241	
Mortgage Constant	0.106527	OAR				12.45
Loan-to-Value Ratio	58%	**Surveyed Rates**				12.91
Equity Dividend Rate	14.88%					

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BUILDING SALE COMPARISONS

COMPARABLE BUILDING SALE NO. ❶

Location: Willo Park Office, 10002 Glacier Highway, Juneau
Legal Description: Lot 2 Willo Subdivision, Plat 2008-9, JRD.
Sale Date: April 5,2019
Grantor: Will-O LLC
Grantee: Carlson Commemorative LLC
Recording: WD 2019-001268
Price: $2,100,000
Terms: cash to seller

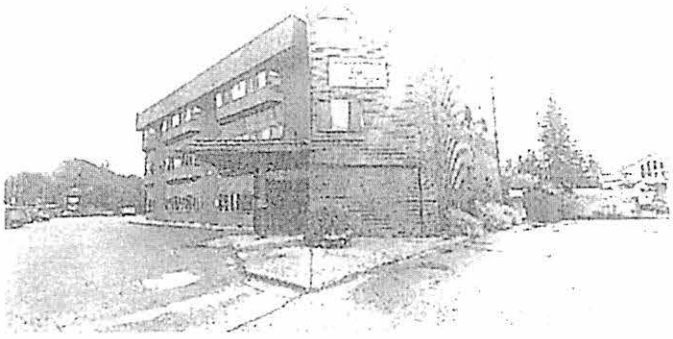
Building Size: 19,634 SF GBA with 15,260 SF of NRA (78%) efficiency
Building Age: 1983
Land Size: 54,513 SF
Access: Glacier Highway
Zoning: LC
Utilities: all available – phone & power lines are overhead

Description: A three story building with a fourth level mechanical and storage room constructed in 1983 of wood framing with a flat built up roof. The exterior walls have bands of windows, cedar shake and vertical wood siding. The atrium has a wide stairwell to the second level with a skylight. The building is served by an elevator, has oil fired heating and air handling, a fire alarm system, insulated double pane glazed operable windows, and T-8 fluorescent lighting. The office space includes restrooms on each level, kitchenettes, and open office areas, as well as many perimeter window offices. The building has a large paved parking lot and a landscaped picnic area at the rear.

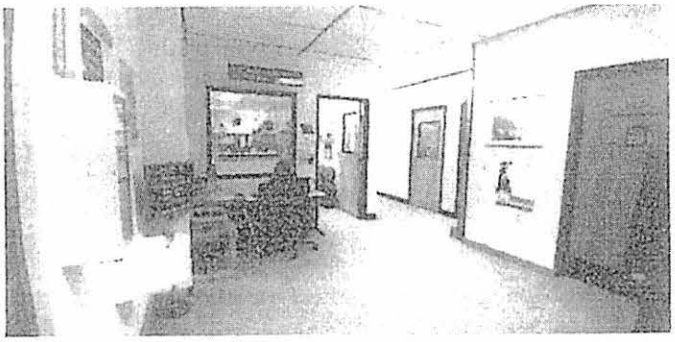
The building has been fully occupied by State of Alaska agencies for many years The lease expired prior to this sale and the parties negotiated a new 10 year lease in August of 2017 at $1.80 SF including utilities and janitorial service. The NOI at the sale date was 7.54%. The property was marketed at the sale price and was purchased by a local investor.

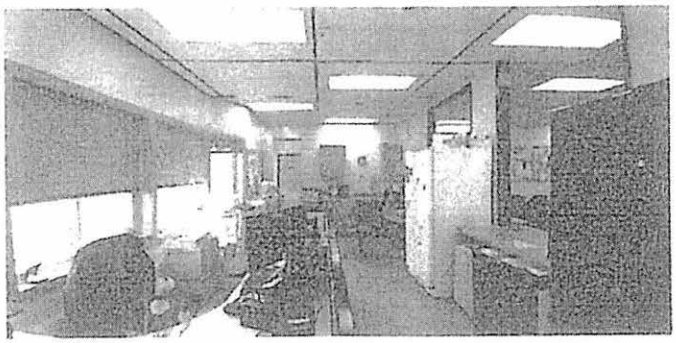
Analysis: $2,100,000/19,634 SF = $107 SF

Confirmation: John Williams, broker by Julie Dinneen, MAI









COMPARABLE BUILDING SALE NO. ❷

Location: 225 Front Street, Juneau
Legal Description: Lot 1, Block 8, Juneau Townsite, JRD.
Sale Date: September 17, 2021
Grantor: R.H. Rentals LLC
Grantee: Southeastern Alaska Regional Health Consortium
Recording: SWD Deed 2021-005794
Price: $1,850,000 x 1.06 for broker's commission = $1,961,000
Terms: cash to seller

Building Size: 16,532 SF on two floors
Building Age: 1981 to 1991
Land Size: 11,300 SF
Access: Front Street and Shattuck Way
Zoning: MU/PD-1 parking district.
Utilities: water, sewer, power, phone
Soils/Topography: small area in crawl space can be impacted by very high tides to a small degree. There is a crawl space and 3,562 SF of concrete basement

Description: The building is on the National Register of Historic buildings. Built in 1897, the building housed Jorgenson's Hardware; the first store in Juneau devoted to hardware. Its architectural style is Late Victorian, and was placed on the registry in 1994. The building was occupied by Lyle's Hardware until 1995 and remodeled by Tom Neubauer in 1997 at a reported cost of $2 million. The building is a two-story structure with an irregular shape. It is supported by a partial concrete basement and by pilings. The wood framing systems includes beams and posts and wood decking and flooring. The roof is a metal gable type and 2/3 of it has been recently replaced. The exterior has horizontal wood siding and 65 windows in vinyl casements. Most of the windows are double hung style. When renovated, the building was taken down to the framing and built back up with new plumbing, electrical, insulation and finishes.

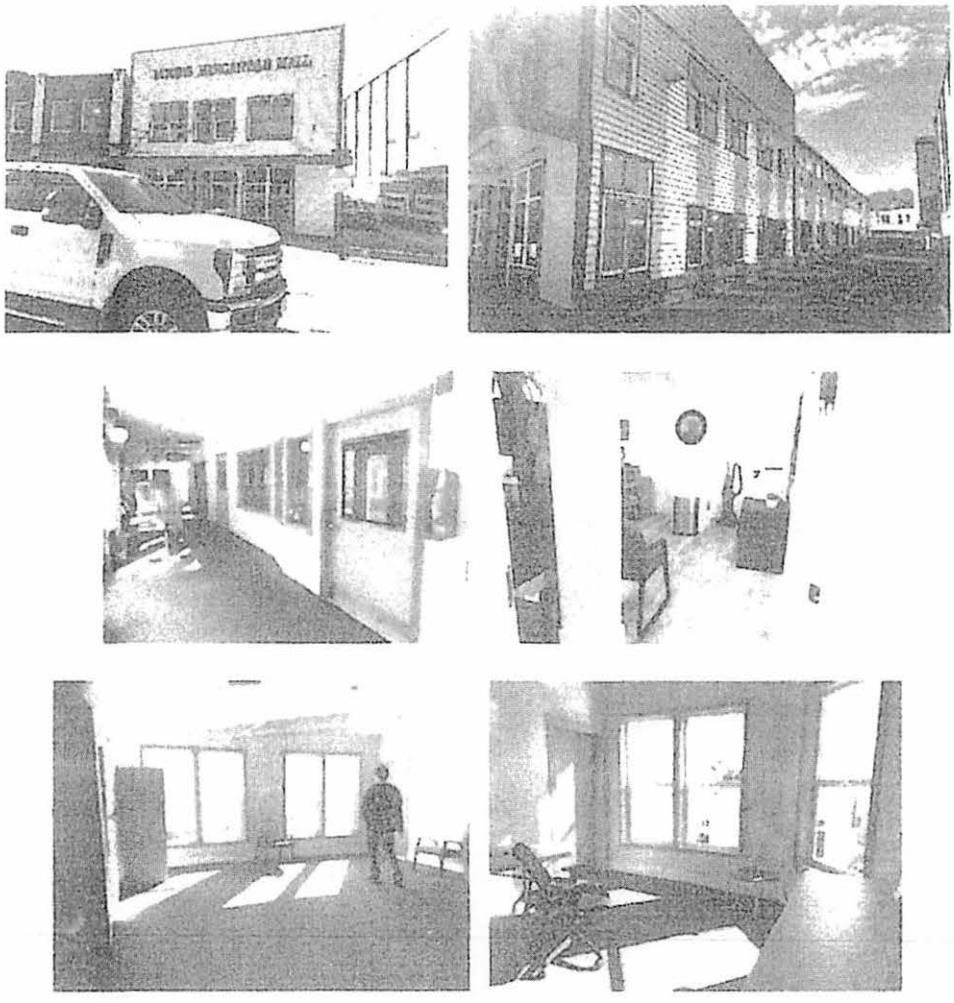
As the photos show, the wide hallways in the building capture a great deal of natural light, and tenant areas have window walls. The remodeling was done with the intention of creating a year-round center for businesses. The interior is brightly lit and is well oriented to natural light. The east wall of the building is windowless and lies close to surrounding buildings. The atrium provides stairwell or elevator access to the second floor and each level has a hallway that runs the length of the building. The wide hallways have carpeted floors, 4-inch-high wood baseboard painted white, window walls, suspended signs for tenants and entrances with wood doors.

The public restrooms are located on the second floor and include a men's and women's restroom off an interior hallway with recessed lighting and tiled interiors. All plumbing is to code and is found in the public restrooms and in many tenant areas. Several tenant areas have plumbing for kitchens, clinic sinks, etc. The building has a 500-gallon fuel tanks and an oil-fired heating system. As shown in the photographs, there are several

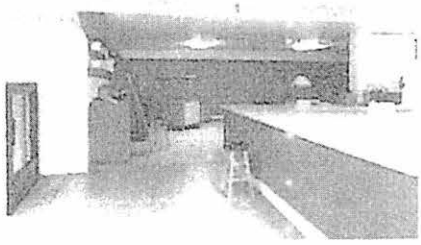
ceiling mounted heating units on both levels. There are 65 argon filled, high energy efficient windows that were installed in 1997. The windows are in vinyl casements and are bronze tinted. Exterior doors with automatic locks were installed in 2012. The doors are locked and unlocked by computer. The tenant doors are good quality wood doors with wood trim.

The building has a passenger elevator and there is a shaft in place that could accommodate a second elevator, if every needed. The basement includes both a concrete area used for storage and shop uses as well as dirt/rock floor where pilings can be seen driven into the ground.

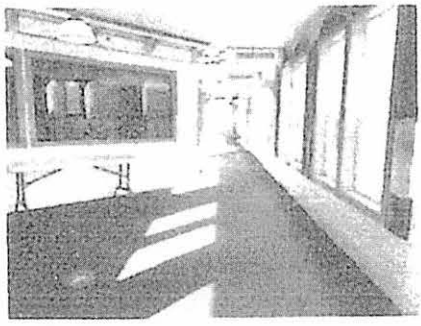
Analysis: $1,961,000 / 16,532 SF = $119 SF
Confirmation: Rich Harris, seller, by Julie Dinneen, MAI













COMPARABLE BUILDING SALE NO. ❸

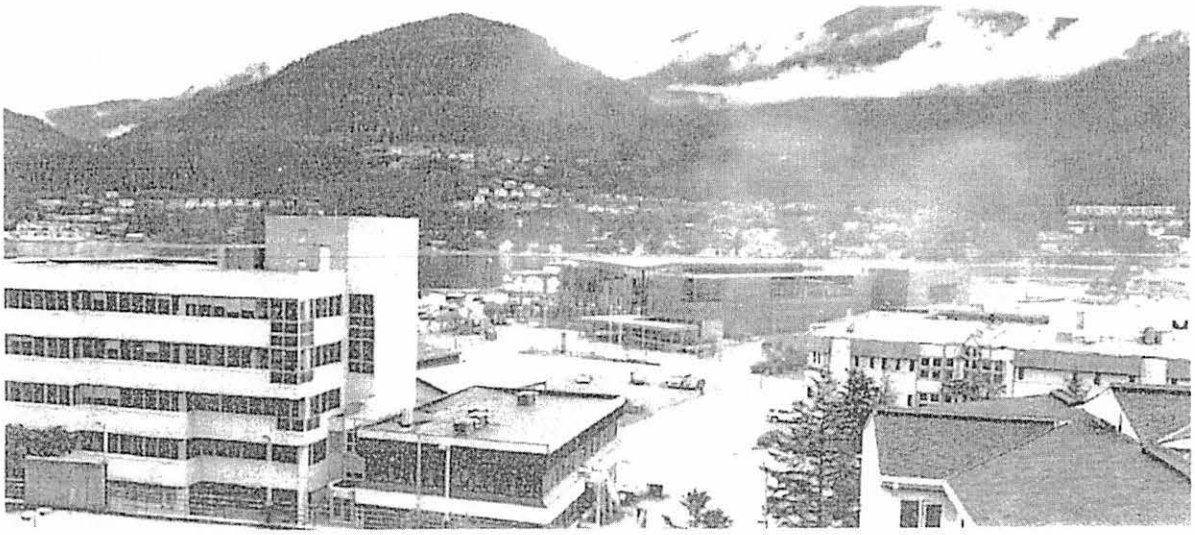
Location: 400 410 Willoughby Avenue, Juneau
Legal Description: 400 Willoughby: Lots 1-6 Block 68, and a portion of Lot 12, Block 68 (metes and bounds description) Tidelands Addition to the City of Juneau, per Plat 352, JRD; 410 Willoughby: Lot 2, Kasaan City Subdivision, Plat 91-38, JRD
Sale Date: December 1, 2021
Grantor: Juneau Business Center LLC
Grantee: Central Council of Tlingit Haida Indian Tribes
Recording: Deed 2012-007331
Price: $15,000,000
Terms: cash to seller

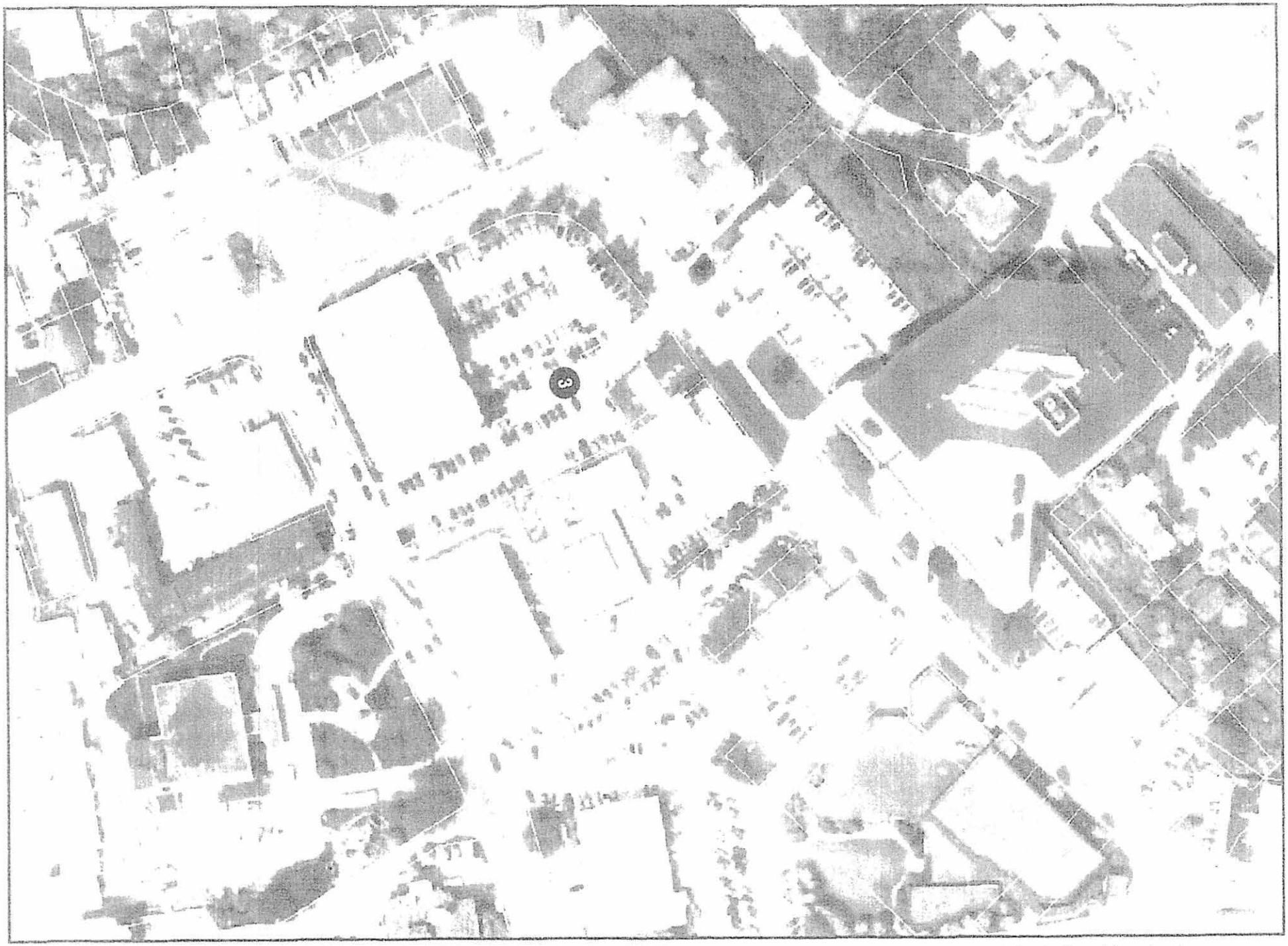
Building Size: 95,450 SF and approximately 80,000 SF of NRA
Building Age: 1981 to 1991
Land Size: 113,644 SF
Access: Willoughby Avenue
Zoning: MU
Utilities: water, sewer, power, phone
Soils/Topography: moderate in topography with good soils

Description: These buildings have 95,967 SF and are in a five-story structure with parking and the building lobby on the first floor and four levels of office, and a two-story annex that was added and attached (31,570 SF- 5 story) 7,216 annex with two storied. The building and Annex share a lobby and elevator banks. 400 Willoughby is located directly across Willoughby Avenue from the State of Alaska Office Building which is owned and occupied by the State of Alaska. The 410 Willoughby was built in 1991 and is of wood construction with 56,664 SF on three floors. It is elevator serviced.

Negotiations involving the buyer, seller and Carlton Smith, broker for this transaction reportedly took 18 months. The buyer intends to occupy half of the vacant space in the buildings. All three buildings had a high percentage of State agencies; however, the amount of space began shrinking several years ago and presently takes up about 65% of the rentable space. In 2019 DEC renewed a lease of 22,270 SF for ten years in the 410 Willoughby Building; the negotiations involved a $2 million investment in tenant improvements by the owners and the rental rate was $2.40 SF plus 129 parking spaces.

Analysis: $15,000,000 / 95,450 SF = **$157 SF**
Confirmation: Carlton Smith, broker, by Julie Dinneen, MAI





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Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances, unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable.
- No responsibility is assumed for such conditions, or for arranging of engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless noncompliance is stated, defined and considered in this appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state or national government or private entity or organization have been, or can be obtained or renewed, for any use on which the value estimate in this report is based.
- It is assumed that the utilization of the land and improvements, if any, lie within the boundaries or property lines of the property described, and that there is no encroachment or trespass unless noted in the report.
- Unless otherwise stated in t his report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on, or in, the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials, may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose, or by any person other than the party to whom it is addressed without the written consent of the appraiser, and, in any event, only with proper written qualification, and, only in its entirety.

- The appraiser herein by reason of this appraisal in not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

  Neither all, nor any part of the contents of this report (especially any conclusions as to value, the Identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media

QUALIFICATIONS OF APPRAISER

PROFESSIONAL QUALIFICATIONS

JULIE C. DINNEEN, MAI

2061 S. Clayton Street
Denver, CO. 80210

(303) 579-3589
juliedinneen@hotmail.com

EDUCATION

Bachelor of Science, Economics, Lewis & Clark College. Portland, Oregon, 1981

PROFESSIONAL AFFILIATIONS

APPRAISAL INSTITUTE - Member Appraisal Institute #7898
STATE OF ALASKA – Certified General Real Estate Appraiser #AA90

EMPLOYMENT HISTORY

1993-Present
Julie Dinneen Company – Sole Proprietor
Fee Appraisal Shop with a wide variety of assignments in Southeast Region of Alaska

1991-1993
Manager of Juneau Office - Real Estate Services Corporation
Fee Appraisal Shop with a wide variety of assignments in Southeast Region

1989-1993
Associate Appraiser in Anchorage Office – Real Estate Services Corporation
Fee Appraisal Shop with a wide variety of assignments in Southcentral Alaska

1988-1989
Associate Appraiser in San Francisco Office – Arthur Gimmy International
Extensive travel in western states, predominantly skilled nursing facility assignments

1982-1988
Associate Appraiser in Anchorage Office – Shorett & Riely
Fee Appraisal Shop with a wide variety of assignments in Southcentral Alaska

1981-1982
Research Assistant in Portland Office – Curtis, MacKenzie & Slocum

References

Available Upon Request

RECONCILIATION AND FINAL VALUE ESTIMATE

Income Approach	$4,410,000
Sales Comparison Approach	$5,090,000

The value of the subject property falls within the range of the two indicators shown above. The market value of the leased fee interest in the subject property is estimated at **$4,750,000.**

APPELLANT MATERIAL

Received 7/18

ORAL PRESENTATION TO THE BOE

THE 15 MINUTE HEARING IS NOT A FAIR HEARING BECAUSE IT IS TO SHORT, THE TIME FRAMES IN THE NOTICES ARE TO SHORT, THE NOTICES CONTAIN FRAUDULENT INFORMATION AND THE RULES AND PROCEDURES OF THE HEARINGS LACK DUE PROCESS. THE ISSUES OF FRAUD, IMPROPER, EXCESSIVE AND UNEQUAL VALUATIONS ARE COMPLEX AND REQUIRE AN OPPORTUNITY TO BE HEARD.

I HEREBY INCORPORATE BY REFERENCE ANY AND ALL WRITTEN MATERIAL I HAVE SUBMITTED TO THE BOE, HEARING VIDEO'S AND TRANSCRIPTS, EMAIL CORRESPONDANCE WITH THE ASSESSOR'S OFFICE, THE CITY CLERK'S OFFICE AND ITS PERSONNEL, RORIE WATT, THE CITY AND BOROUGH OF JUNEAU AND JULIE DINNEEN'S MAI APPRAISALS FOR ALL OUR PROPERTIES BEING APPEALED.

My family has a long history in Juneau. My great great grandfather (Reuben Goldstein) and great grandfather (Charles Goldstein) were pioneers. Charles Goldstein recorded his life stories before his death, (See Packet Pages 1354-1358) "In 1889 I shook the mud of Juneau off my heels and went to San Francisco to make my fortune. When we came back to Juneau in 1898 I was not only flat broke, but two young boys, Al and Micky. I had to make a living for them and had to start from scratch. It was really tough, but my dear wife didn't complain...I was a small potato with no capital trying to compete with six well established companies...They were going to teach me a lesson, especially the biggest operator...I had to turn into cash the furs I bought each day from the resident fur buyer...I told him I knew that he had been skinning me, but those days are over..." We are buyers and operators of property and hold for the long-term.

That is what this Hearing is about.

Sellers like high property values. The Assessor office likes high property values. Long-term property owners want fair assessed property values. The record shows Sellers and the Assessor's Office have a history of manipulating property assessments higher. Higher assessments means higher taxes and more revenue for the local government.
The Goldstein Improvement Company properties have been over-assessed by at least $40,547,410 and over-taxed by at least $574,385 since 2005 [SEE EXHBIT 45]. In 2021, the City and Borough of Juneau scored a windfall of $3,000,000 from such practices [SEE CITY AND BOROUGH OF JUNEAU PRESS RELEASE DATED JUNE 15, 2021 "...Even with the lower property tax rate, CBJ will collect approximately $3.0 million more in property tax revenue in FY22 as a result of a substantial growth in property valuation, including a considerable adjustment to the value of commercial land...." https://juneau.org/newsroom-item/juneau-assembly-passes-budget-reducing-the-property-tax-rate] I assert the collection of these taxes was an illegal act and the above press release quote is misleading.

[SEE PACKET PAGES 1400 1403] For a remarkably similar history of over-assessment and over-taxation from 2010 please see, a ***whistleblower sent me Mr. Eric Ehmann 's (attached) Letter*** dated November 21, 2010. The Assessor's Office has continued this pattern and practice and is in need of serious reform and new personnel.

[SEE EXHIBIT 26 OF THIS NOTICE OF APPEAL FOR 224 2ND STREET] IN 2005 IT WAS ASSESSED FOR $245,600. IN 2021, ASSESSOR DAHLE ASSESSED IT FOR $405,300. **WE PURCHASED THIS PROPERTY ON JANUARY 5, 2021 FOR $ 286,000 [SEE EXHIBIT 28].** THIS IS CLEARLY AN EXAMPLE OF OVER-ASSESSMENT THAT WAS IGNORED BY THE MARKETPLACE. ASSESSOR DAHLE TOOK THIS 1 STEP FURTHER. HIS OVER-ASSESSMENT WAS AN ATTEMPT TO MAKE THIS PROPERTY AN "OUTLIER PROPERTY" OUTSIDE THE RANGE OF HIS 1.5X-3X OUTLIER DEFINITION AND THEREFORE EXCLUDE IT FROM MARKET ANALYSIS [SEE EXHIBITS 29 AND 30]. AT 1.42X SALES PRICE THIS PROPERTY WAS A MARKET SALE, YET ASSESSOR FOUND A WAY TO EXCLUDE IT FROM HIS SALES LIST AS A MARKET SALE. THIS IS A FRAUDULENT PRACTICE OF ASSESSOR DAHLE CONSISTENT THROUGHOUT HIS WORK AND GROUNDS TO THROW OUT ALL APPEAL DECISIONS OF THE ASSESSOR OFFICE AND BOE. IF THE SALE PRICE WAS LOWER THAN THE ASSESSED VALUE THE RECORD SHOWS ASSESSOR DAHLE HAD A PATTERN AND PRACTICE TO EXCLUDE THE SALE FROM MARKET ANALYSIS [SEE EXHIBIT 28].

I WANT TO THANK CHAIRMAN EPSTEIN AND ASSESSOR DAHLE FOR BLURTING OUT INFORMATION THAT ONLY A GUILTY PERSON WOULD BLURT OUT.

FROM ASSESSOR DAHLE IT WAS:

YOU GOT A STEAL; I WOULD HAVE BOUGHT IT; IT'S COMMON KNOWLEDGE ASSESSED VALUES HAVEN'T BEEN RAISED IN A DECADE [EXHIBIT 34 AND EXHIBIT 45]; I DON'T HAVE A CONFIMRED PRICE ON THE ASSEMBLY BUILDING SALES ONLY "STREET TALK" [SEE EXHIBITS 24 AND 25].

FROM CHAIRMAN EPSTEIN, IT WAS:

YOU CANNOT TAKE A BATHROOM BREAK; YOU BROUGHT UP THE KEY BANK BUILDING; AND THESE HEARINGS CAN BE DONE WITHOUT YOU, YOU DO NOT HAVE TO BE PRESENT.

WE HIRED AN MAI APPRAISER, JULIE DINNEEN. I RELY ON HER WORK. NO ONE IN THE ASSESSER OFFICE IS AN MAI APPRAISER OR HAS CLOSE TO THE WORK EXPERIENCE AND QUALIFICATIONS OF JULIE.

I SUGGESTED SETTLEMENT TO ASSESSOR DAHLE MANY TIMES. BUT, HE STATED THE ASSESSOR'S OFFICE DOES NOT SETTLE. UNER THE IAAO, SETTLEMENT IS PART OF A GOOD PUBLIC RELATIONS PROGRAM.

DAHLE HAS BEEN THE ASSESSOR'S OFFICE AND BOE'S EXPERT WITNESS. IN SHORT, HE IS THE PROSECUTION WITNESS WHO LIES, TAMPERS WITH EVIDENCE AND HIS SPECIALTY MANIPULATING DATA. THE BOE IS COMPLICIT WITH ASSESSOR DAHLE.

WE RESPECTFULLY REQUEST ALL DECISIONS OF THE ASSESSOR'S OFFICE AND BOE BE THROWN OUT ON ACCOUNT OF FRAUD.

THE FRAUD IS AS FOLLOWS:

1. THE COST APPROACH AT $450 SF BUILDING COSTS RESULTS IN CRAZY HIGH VALUATIONS SO THE ASSESSOR USES 2018 MARSHAL AND SWIFT BUILDING COSTS EVEN THOUGH THEY ARE A CURRENT MARSHALL AND SWIFT LICENSEE. ASSESSOR SHOULD

HAVE CONTACTED LOCAL ARCHITECTS AND CONTRACTORS TO OBTAIN BUILDING COST INFORMATION. THIS IS A FRAUDULENT USE OF A METHOLOGY

2. THE COST APPROACH USING BUILDING COSTS WITH FUNCTIONAL, ECONOMIC AND PHYSICAL DEPRECIATION RESULTS IN CRAZY LOW VALUATIONS, SO DAHLE EXCLUDES FUNCTIONAL AND ECONOMIC DEPRECIATION FROM HIS STATISTICS TO ACHIEVE HIGHER VALUATIONS. BY DOING THIS ASSESSOR DAHLE BACKS INTO VALUES HE STATES ARE "FULL MARKET VALUE." COMMERCIAL PROPERTY TAXPAYERS ARE TAXED ON "ASSESSED VALUE ON NOTICE." TAXPAYERS ARE REQUIRED TO BE TAXED AT FULL MARKET VALUE. BOTH "FULL MARKET VALUE" AND "ASSESSED VALUE ON NOTICE" ARE FRAUDULENT FIGURES ARRIVED BY MANIPULATING DATA. THE INCOME APPROACH IS THE PREFERRED APPROACH IN DOWNTOWN HISTORIC JUNEAU THEREFORE, THE NOTICES TO TAXPAYERS ARE FRAUDULENT. [SEE ATTACHED EMAIL FROM ROBERT GLOUDEMANS, AUTHOR, FUNDAMENTALS OF MASS APPRAISAL, 2011.]
3. MANIPULATING DATA ON NOTICES TO TAXPAYERS TO DISCOURAGE, CHILL AND STOP APPEALS CONSTITUTES FRAUD
4. DAHLE SETS THE ASSESSED VALUE OF 234 SEWARD STREET A MONTH AFTER PURCHASE AT 2.4X THE PURCHASE PRICE. **HE STATES IN EMAILS TO ME (CC'ING ASSESSOR HAMMOND) THAT THE *MARK* IS "9 ½ MONTHS" OF EXPOSURE TO THE MARKET OR THE RESULT IS A NON-MARKET SALE.** [SEE EXHIBIT 44]. DAHLE STOLE THE INTELLECTUAL PROPERTY OF MR.WALTER BIASLAS, OF JILL, AND USED IT FRAUDULENTLY KEEP THE ASSESSED VALUE AT $2,547,520. ASSESSOR MANIPULATED THE DATA TO KEEP THE ASSESSED VALUE HIGH. HE TOOK ONE LINE OUT OF A STORY AND MISREPRESENTED IT. HE USED THE DATA UNJUSTLY AGAINST US TO FRAUDULENTLY KEEP THE ASSESSED VALUE 2.4 X HIGHER THAN MARKET SALE. ***THIS GOES TO THE HEART OF THE ASSESSOR OFFICE AND THIS BOE HEARING.*** DAHLE'S ACTIONS

ARE FRAUD. AT 2.4X THE MARKET SALE, ASSESSOR DAHLE WAS SURE TO CLASSIFY THIS SALE AS AN "OUTLIER PROPERTY." THE BOE IS COMPLICIT IN THIS FRAUD. DAHLE WANTED THE ASSESSED VALUE HIGH AND HE LIED AND CHEATED TO KEEP ASSESSED VALUE HIGH. [EXHIBIT 44 SETS FORTH THE FRAUD].

5. DAHLE EXCLUDED 21 SALES OR MORE FROM HIS SALES LISTS. THIS METHODOLGY IS FRAUDULENT. IN A SMALL MARKET YOU NEED SALES. DAHLE FINDS 6 OR 7 SALES. THAT'S IT. HIS SAMPLE SIZE IS TO SMALL AND HE MANIPULATES THE DATA.
6. MASS APPRAISAL METHOD CALLS FOR A MINIMUM OF 15 SAMPLE PROPERTIES, BUT PREFERS 30 SAMPLE PROPERTIES. [SEE FUNDAMENTALS OF MASS APPRAISAL, IAAO, 2011, PP.47 AND 48]. DAHLE USES 6 OR 7. HE SHOULD NOT HAVE USED THE MASS APPRAISAL METHOD. HE USED THE MASS APPRAISAL METHOD AND IMPROPER COMPUTER MODELING TO MANIPULATE DATA. HE COULD HAVE USED A TABLETOP, PAPER AND PENCIL TO FIGURE THIS OUT. THIS IS FRAUD.
7. DAHLE CANNOT USE THE COST APPROACH FOR THE ABOVE REASONS, HE MANIPULATES THE SALES APPROACH AND STATES HE DID NOT USE THE INCOME APPROACH. THEREFORE, THERE IS NO BASIS FOR VALUATION FROM THE ASSESSOR. WE HAVE MET OUR BURDEN OF PROOF
8. DAHLE STATES WE DID NOT PROVIDE PROFIT AND LOSS STATEMENTS [SEE EXHIBITS 6 AND 7]. WE PROVIDED SUCH STATEMENTS IN A TIMELY MANNER IN OUR APPRAISALS
9. CAPITALIZATION RATES ARE AS HIGH AS 10. JULIE USES 7.5-7.75. DAHLE SAID IN OUR HEARINGS HE USES 6.5, BUT HIS WRITTEN ANALYSIS SHOWS HE USES 3 AND 4.5 CAP RATES [SEE EXHIBITS 2-5; SEE EXHIBIT 44]
10. DAHLE FAILS TO INCLUDE THE GLACIER VILLAGE AND FOUR POINTS SHERATON AS SALES COMPS WITH WITH 10% CAP RATES [SEE EXHIBIT 44]

11. DAHLE EXCLUDES A HIGH NUMBER OF COMMERCIAL PROPERTIES WHERE THE SALES PRICE IS LESS THAN THE ASSESSED VALUE [SEE EXHIBIT 28].
12. DAHLE'S COST/SALES HYRID METHOD DOES NOT DISCLOSE THAT HE ADJUSTS COSTS BY EXAMINING SALES [SEE ATTACHED EMAIL FROM ROBERT GLOUDEMANS AND FUNDAMENTAL OF MASS APPRAISAL, GLOUDMANS, IAAO, 2011].
13. ASSESSOR DALHE HAS A DUTY TO COLLECT SALES. HE FAILED TO COLLECT SALES WHEN THEY WERE NOT IN HIS FAVOR OF HIGHER ASSESSED VALUES. FOR EXAMPLE, THE ASSEMBLY BUILDING [SEE EXHIBITS 24 AND 25].
14. A REVIEW OF OUR PROPERTY'S HISTORIES REVEALS THAT THERE HAS BEEN A SERIOUS OVER-ASSESSMENT OF COMMERCIAL PROPERTY IN JUNEAU FOR A LONG TIME. WE HAD APPRAISALS COMPLETED AND THEY SHOW A HUGE GAP, IN MOST CASES, BETWEEN ASSESSED VALUE AND FAIR MARKET VALUE [SEE THE NOTICE OF APPEAL AND EXHIBITS 31-32 AND 45]. BEYOND CLEAR AND CONVINCING EVIDENCE THE ASSESSOR DID NOT RAISE ASSESSMENTS MORE ON A YEAR TO YEAR BASIS BECAUSE THEY HAD ALREADY BEEN TOPPED OUT AND SET AT SKY HIGH LEVELS SO THAT FURTHER HIGHER ASSESSMENTS AND TAXATION MADE NO SENSE AND WOULD CONSTITUTE FRAUD. ALSO, REMEMBER CPI WAS APPROXIMATELY 1.5% FOR THE LAST TEN (10) YEARS WHICH IS CLOSE TO FLAT AND OUR PROPERTY ASSESSMENTS WERE RAISED ON A YEAR OVER YEAR BASIS IN SOME CASES DESPITE ALREADY OUTRAGEOUS ASSESSED VALUATIONS. THE MAJOR FRAUD CONSISTS OF THE ASSESSOR OVER-ASSESSING US APPROXIMATELY $40,547,410 OR MORE AND OVER-TAXING US APPROXIMATELY $ 547,385 OR MORE SINCE 2005. ASSESSOR DAHLE'S INCREASED COMMERCIAL PROPERTY TAX ASSESSEMENTS AND TAXATION IN 2021 AND 2022 CONSTITUTES FRAUD.

WE PROPOSE A BAN ON BOE HEARINGS AND REFERRING THIS MATTER TO ASSEMBLY AND CITY ATTORNEY FOR FURTHER ACTION. AS I HAVE SAID TO ASSESSOR DAHLE FROM MY FIRST PHONE CALL WE ARE PREPARED TO SETTLE THIS MATTER. WE RECOMMEND THE ASSESSOR OFFICE INTEGRATE A PUBLIC RELATIONS PROGRAM INTO THEIR OPERATONS.

ONCE AGAIN, I HEREBY INCORPORATE THIS DOCUMENT AND ALL OF MY WRITTEN AND ORAL COMMUNICATIONS INTO THE RECORD.

EXHIBITS

AND

ADDENDUM

CHARLIE GOLDSTEIN, "I KNEW THAT HE HAD BEEN SKINNING ME"

2 1898: STA... [illegible] ...N Juneau

In 1889 I shook the mud of Juneau off my heels and went to San Francisco to make my fortune.

When I came back to Juneau in 1898 I was not only flat broke, but ~~had a lovely wife and~~ two young boys, Al and Micky. I had to make a living for them and had to start from scratch. It was really tough, but my dear wife didn't complain. I had been in the grocery business in San Francisco for seven years; I worked 16 to 18 hours a day including Sundays, and lost the two thousand dollars I had when I started. When I was leaving, three wholesale houses wanted me to take stock with me even tho they knew I was flat broke. I said i didn't know what you was going to do, or where we would land.

I left my little family with my parents and started out looking for some favorable place to begin again. First I went to Skagway and Dyea but they didn't look good, so went on to Dawson which sure was a tough spot. I till tell you about gold rush conditions some other time. So I drifted back to Juneau and decided to get into some kind of business.

I rented an old dance hall and fixed up two rooms

with a kitchen 6 by 6 and started business on a shoestring.

I took the San Francisco wholesales at their word and ordered enough to get started. I got tea, coffee and spices from Shillings, cereals and flour from DelMonte Mills and butter, eggs, bacon and lard from C. Whitney Company. The firm who promised me the canned goods was the only that decided they didn't want business in Alaska. You can be sure Albert Noan Company didn't get a dimes worth of business from me thereafter. You can see by the list of stuff I had to sell I was in a bad way for the grand opening.

O. Adsit, agent for West Coast Grocery Co. in Tacoma suggested I give him an order for fresh fruit and vegatables. When the shipment came I [illegible] up a long bench outside and didn't have to wait long for the grand rush. We were the first [illegible] vegetables! and in a couple of [illegible] to the last celery stalk.

[illegible] get started, several weeks [illegible] of the West Coast Grocery [illegible] at me. He asked me a lot

of questions about finances, and I said I had none, but don't owe anything. He asked my how much credit I would want and I told not to exceed $1000.00. He told Adsit to take the order and I traded with West Coast for 35 years. I never forgot that bit of kindness from Hyde and will always remember him as a very good friend.

I was a small potato with no capital trying to compete with six well established companies: Kohler & James, a million dollar concern, Becker Bros, B. M. Behrends Company, Martin Bros, Van Baskin and Louie Levi. They were going to teach me a lesson, especially the biggest operator, Kohler & James. I had to turn into cash the furs I bought: Black day from the resident fur buyer who was stationed here the rest of the time, and bought from all the stores as well as Hilliard and Stewart. He always first but from the other stores what was being paid for the furs and I bought me to a very small margin. I hung on and on and still I had a couple thousand dollars

to the good and then told him that he would have to treat me the same as the other traders or I would ship my furs elsewhere. I told him I knew that he had been skinning me, but those days are over. From that time on he was a good dog and I began to be able to make some money, and get our share of the fur business. In fact during my second year I was getting the biggest portion.

Juneau was the main trading center for Indians as far south as Queen Charlotte Island who came here with their sea otter, fur seal, Marten and mink, and other furs. The Sitka Indians brought mainly fur seal, but the Hoonah Indians as well as the Aleutians, brought both sea otter nd fur seal and other furs. [illegible] The Interior Indians on the [illegible] as they were slaves of the [illegible] furs from them at Skagway [illegible] their big canoes. I think I told [illegible] dugout canoes that could hold [illegible] of furs.

They even came [illegible] from what is now Cordova and Valdez; they [illegible] the much prized sea otter. If you look at a map you can see the extent of our trading area. By about 1900 the demand for cash had risen to about 25 to 33 percent, the balance in trade.

Of course, Indian trade was not the only source of revenue, as gold mines were flourshing in this section. The treadwell mine just across the channel hired about 1500 men, and the Thane mine only three miles from Juneau had nearly as many, and other smaller placer or quartz mines scattered between here and Skagway. And too, of course, there was the salmon fishing.

Mr. Eric Ehmann Letter: Similar Fraud in 2010

November 21st, 2010

Dear Assembly Members:

My name is Eric Ehmann and I am a former CBJ employee who worked as an appraiser under Robin Potter from January 11th, 2010, until my resignation on June 4th, 2010. I am writing to inform you of certain facts regarding my experiences during my tenure with CBJ, so that you might be able to do something to remedy the situation in the assessor's office. Since my departure from CBJ, more than half of Ms. Potter's staff have tendered their resignations, and there has even been an investigation into Ms. Potter resultant of allegations of harassment and violence in the workplace. Surprisingly, CBJ found no wrong-doing by Ms. Potter, despite testimony from her staff (including me) supporting the allegations.

Recently, I was named by Ms. Potter in an interview with the Juneau Empire as a "problem employee" who improperly represented CBJ, and she went on to assert that I was accused by property owner David Coates of behaving inappropriately. These statements are fabrications from whole cloth. At no time during the course of my employment with CBJ was I ever warned, reprimanded, written-up, or otherwise accused of any impropriety, misrepresentation or problem-causing. Instead, my personnel record and the testimony of my coworkers support the fact that I was a valued, efficient and productive employee with great integrity. I had the pleasure of meeting and interacting with scores of property owners throughout the Borough, as well as many fellow CBJ employees, and I believe there isn't a single person who would characterize my behavior or actions as a representative of CBJ as anything but professional.

There were, however, serious problems that I did experience first hand during the course of my employment with CBJ and, contrary to everything Ms. Potter has stated (in the press and elsewhere), those problems were due to Ms. Potter's lack of management ability and her blatant disregard for ethics and the law. Ms. Potter on numerous occasions made statements to her staff that she was beholden to Mr. Craig Duncan, Finance Director, who had demanded that she artificially inflate the tax base (i.e., the total value of the assessed property within the Borough) in order to increase property tax collections. I heard Mr. Duncan inform Ms. Potter that she was expected to bring in an outside appraiser to assess the newly operational (and soon-to-be taxed) Kensington mine, and that the value should be in excess of a certain amount (I do not recall the figure Mr. Duncan stated so I won't speculate as to what it was) in order to maximize tax collections from the mine.

Perhaps the most serious impropriety committed by Ms. Potter occurred when Ms. Potter received a telephone call from Mr. John Hartle, CBJ Attorney, on or about Wednesday, May 12th, 2010, during which Mr. Hartle asked, in Ms. Potter's words, that she raise the assessment on his property because it was on the market and he wanted to sell it for more than the assessed value. There were several of us present during this conversation and afterward we all talked about it with Ms. Potter, who pointed out that when Mr. Hartle asks a favor of her he expects her to do it, but when she has asked him for certain things in the past he consistently failed to deliver. We talked about the fact that the statutory deadline for appeal had passed nearly two weeks prior, rendering moot the basis for his request and in following days it remained a topic of periodic discussion among the staff in the assessor's office. We all knew it would be illegal to make a change to an assessed value without satisfying the statutory requirement for proper notice, which is 30 days prior to board of equalization hearings (and which was well past), not to mention the fact that a property owner's desire to sell his property for more than its assessed value

does not amount to ethical or legal justification to increase its assessment.

Shortly after Mr. Hartle's request, Ms. Potter mentioned to me that an "office correction" might be in order. Office corrections, under Alaska law, are permissible when there is something discovered in a file or record which, on its face, shows that an error or omission has occurred, without requiring expert evaluation or investigation outside the file. An example would be a typographical error in which an extra zero is placed at the end of a sum. Office corrections can be made at any time and at the assessor's discretion but are not statutorily limited by deadlines or timetables.

Ms. Potter asked me to look at Mr. Hartle's file, which I reviewed but found no basis for an office correction. Upon reporting this to Ms. Potter she asked me to perform a physical inspection of the property and make any change to the value that would be justifiable, but not to go overboard. She said no one other than we in the assessor's office would know that it occurred after the appeal deadline and that the record could be made in such a way as to hide that fact from anyone who might later review it. She said we would just call it an "office correction" and leave it at that. It was at that moment when I became certain I would not be able to continue my employment with CBJ. When Ms. Potter asked me to perform this inspection I lied to her, saying I had to go to another part of the city for previously scheduled inspections, to which she replied that I could do it later.

My initial feelings of discomfort grew into significant feelings of anxiety and stress, and when Ms. Potter asked me again to make the inspection I fidgeted and began to offer some excuse when she apparently sensed my discomfort and said she would just have Jeff Hurt (a staff appraiser) do it. Sometime shortly thereafter Mr. Hurt made the inspection of Mr. Hartle's property, rendered a new assessment based on his inspection which Ms. Potter approved, and subsequently when I was alone in the office I made photocopies of most of the contents of the file which show the progression of work and resultant change to the assessment, done in violation of Alaska law.

I have it on good information that, since my departure from CBJ, Ms. Potter has been asked about this inspection and that she still claims only an "office correction" occurred. Unfortunately, the facts prove that an office correction could not have occurred. The land value component of the assessment was increased yet there was no mistake, omission or miscalculation in the file (or anywhere else) to support the change. The value of the home was also increased, according to Ms. Potter, because of an error in the calculations based on its square footage however, if you review the file, you will see that the "corrected" square footage used to calculate the new value was obtained only when Mr. Hurt performed an on-site inspection of the property. None of this is legally permissible in the course of performing an office correction or when revaluing a property under normal circumstances - any and all changes must have a basis in accepted valuation principles and the law because arbitrary increases (as occurred with the land value component of Mr. Hartle's property) are improper and illegal.

Furthermore, the false identification of the re-valuation as an "office correction" proves Ms. Potter's intent to conceal the illegal act she had committed. Interestingly, if you compare the note in the file written by Ms. Terry Ullmayer, administrative assistant to Ms. Potter, you will see that in the appeal record Ms. Ullmayer recorded only the month and year – without the day - for Mr. Hartle's appeal. This is a marked contrast to, literally, the dozens of other appeal files in which Ms. Ullmayer recorded day, month and year. Ms. Ullmayer was well aware of the illegal nature of the re-valuation and I believe Ms. Ullmayer intentionally omitted the day – which would prove that Mr. Hartle's request for appeal was untimely - to avoid complicity in Ms. Potter's illegal revaluation of the property.

Yours,

Eric Ehmann

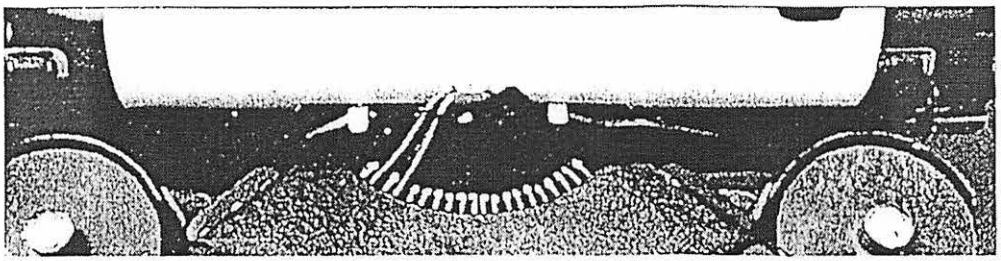
715 360 4868

Puff Press Release from City and Borough of Juneau: $3 Million More Revenue from Commercial Property Taxpayers and Misleading Information

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

COVID-19
CURRENT CORONAVIRUS INFORMATION





June 15, 2021 – News

After two months of budget work by the Assembly Finance Committee, the Juneau Assembly passed the Fiscal Year 2022 budget at Monday night's Regular Assembly Meeting. The Assembly voted to lower the property tax rate from 10.65 mills to 10.56 mills – the lowest property tax rate since 2013. The new budget, which begins July 1, expands the Assembly's support for childcare services and also restores money to the Capital Improvement Plan, including improvements to the Augustus Brown Pool.

The $420.9 million budget includes reduced projections of sales tax revenues and cruise ship passenger fees in anticipation of limited large cruise ship visitation this current summer. To offset these depressed revenues, the budget utilizes CBJ's $12.8 million allocation of federal stimulus funds from the American Rescue Plan Act to replace lost revenues in FY21 and FY22. Application of this federal aid to offset lost revenues in FY21 reduced the anticipated $2.8 million deficit to zero, and in FY22 reduces the projected $15.8 million deficit to $5.9 million.

Despite being faced with a deficit, the Assembly maintained all essential city services while lowering the property tax rate to 10.56 mills. Even with the lower property tax rate, CBJ will collect approximately $3.0 million more in property tax revenue in FY22 as a result of a substantial growth in property valuations, including a considerable adjustment to the value of commercial land. The Assembly still needed to draw from savings to cover a remaining budgetary shortfall.

The Assembly also restored $6.9 million of temporary reductions to the Capital Improvement Plan that were made in FY21 to balance the budget, including the $3.3 million Augustus Brown Pool deferred maintenance project.

For more information, contact Finance Director Jeff Rogers at 723-6907 or jeff.rogers@juneau.org.

City and Borough Of Juneau

Phone: 907.586.5240
Fax: 907.586.5385

MASS APPRAISAL METHOD: USE AT LEAST 15 SALES IN MODELING, PREFER 30 SALES IN MODELING

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agency is to bear the costs of collecting and maintaining the additional data. Before a data inventory system is redesigned, it is important to evaluate the quality and quantity of existing data.

Quality

Quality is measured by how accurately recorded information used to estimate values reflects the current features and condition of the property. Information often is accurate for properties that have been visited recently (e.g., to verify new construction based on a building permit), but it may be out of date for properties that have not been visited recently.

Oblique aerial photography and field studies are effective in evaluating the quality of existing data. The field study uses a sample of properties from different areas and classes, representing a good cross section of the jurisdiction. Data collectors take copies of existing property records to the field for verification and note corrections on the copies so statistical measures of the type and size of errors can be identified. Errors often can be categorized according to their effect on value. If errors exceed tolerances, a canvass of the type or group of properties in question is called for.

Photographs from a single flight can be used in a similar fashion. If repeated flights have been made, change detection software can be used to automate the process.

If time is not available for a field study or if oblique aerial photography has not been obtained, sales ratios can help indicate the quality of existing data. Poor uniformity is likely to be a result of poor data quality. Other indicators of poor quality are data errors in appealed properties.

Quantity

Quantity refers to how much data are currently available or need to be collected. Introduction of new software or a survey of existing property record information often reveals that additional data need to be collected. Determining what data, and in what form, requires careful evaluation. As noted, location data, site characteristic data, and structure characteristic data will be needed; collecting insignificant or difficult-to-obtain information can waste available resources.

Data on the *location* of properties are needed, because location helps to identify properties and affects the value of both land and buildings. Location can be described as follows:

- Belonging to a market area or neighborhood or zone. These areas usually are delineated by experts in local real estate markets, although geostatistical techniques can be employed. The areas need to be large

enough to ensure sufficient sales (or other market evidence) for analysis and model building. Neighborhoods should be large enough to generate at least 15 sales for use in modeling and preferably 30 or more.

- Adjoining a feature that affects value positively or negatively, such as fronting on a body of water or next to a railroad track.
- Being within a certain distance of such a feature, such as having a clear view of a body of water. Altitude and terrain differences can have similar effects.

With respect to *land* attributes, a property record should contain the following information:

- Size and dimensions of land plot (with units of measure, such as square meters, clearly identified)
- If applicable, the dimensions of components of the parcel (such as excess land or various soil classes)
- Land use code (actual use and presumed highest and best use)
- Site characteristics that significantly contribute to the desirability of the parcel, such as terrain.

A property record should provide for recording essential *building* and structure elements. Use of the sales comparison approach for residential properties requires the following information:

- Size (usually measured in floor area, although the areas of components may be needed)
- Quality rating (design, quality of materials, quality of workmanship)
- Year built and condition (state of repair)
- Significant construction features (such as materials used, wall and roof type, and story height for commercial and industrial structures)
- Other components that significantly contribute to desirability or construction costs in the locale (in the United States, important housing features are air conditioning, swimming pools, wood-burning fireplaces, and garage spaces).

The cost approach to value has more extensive data requirements. Data requirements for the income approach relate to the type of properties being appraised, although size, construction quality, effective age or condition, and location are almost always important.

The need for details of interior features and conditions of buildings (and, in general, anything that cannot be easily observed from the street) should be carefully weighed. Prices obviously can be affected by the desirability of interiors. Yet personal taste can influence the effect; that is, condition can be highly subjective. The presence or absence of a condition can be quite trivial. In addition, attempting an interior inspection is time-consuming and often unsuccessful, as discussed below.

ROBERT GLOUDEMANS, FUNDAMENTAL OF MASS APPRAISAL: HE WROTE THE BOOK!

ASSESSOR DAHLE DOES NOT FOLLOW THE FORMULA

June 26, 2022 10:12 p.m.

From:Robert Gloudemans

Re: JUNEAU ALASKA ASSESSMENT APPEAL

To: Gregory Adler <gregadler27@me.com>

Hi Greg. I can help a bit with a few items.

- The hybrid cost/sales method is a common valuation method in which values are initially estimated based on replacement cost new (RCN) less estimated depreciation plus land value and then adjusted based on the ratio of recent sales prices (or time-adjusted sales prices) to estimated value:

  Base value (BV) = RCN - Depreciation + Land Value

  Market adjustment Factor (MAF) = typical ratio of Sale Price to Initial Value for similar properties

  Estimated Value = BV * MAF

- Govern is a mass appraisal software system used by various assessors. It facilitates value calculations (much like Excel facilitates calculations) based on the assessor's input data and valuation rates.

- The best source of mass appraisal standards is the Internal Association of Assessing Officers (iaao.org). You can download copies of their standards free at https://www.iaao.org/store/SearchResults.aspx?Category=STANDARDS&hkey=53a07438-a21d-40c4-b2d7-d4886cd90137

Bob Gloudemans

ROBERT GLOUDEMANS, FUNDAMENTAL OF MASS APPRAISAL: HE WROTE THE BOOK!

APPRAISAL APPROACH: INCOME APPROACH TO VALUE IS PREFERRED FOR HISTORICAL COMMERCIAL PROPERTY

From: Robert Gloudemans
Re: JUNEAU ALASKA ASSESSMENT APPEAL July 10, 2022 6:03 p.m.
To: Greg Adler gregoryladler@gmail.com

Hi Greg.

According to the IAAO Standard on Mass Appraisal of Real Property (attached), assuming adequate data, the income approach is typically preferred for commercial properties, followed by the sales comparison approach, and then the cost approach (see table 1 on page 9). While the cost approach has the advantage of being applicable to most all improved properties, besides data on replacement cost new (RCN), it requires the assessor to estimate accrued depreciation and land value, which can be very difficult for older properties in areas with few vacant land sales, particularly if their are functional and/or economic obsolesce issues. Thus one of the other two approaches is generally preferred when the necessary data for successful application is available.

The attached standard nicely summarizes the various approaches to values and requirements for successful application.

Bob

Standard on Mass Appraisal of Real Property

Approved July 2017

International Association of Assessing Officers

This standard replaces the January 2012 *Standard on Mass Appraisal of Real Property* and is a complete revision. The 2012 *Standard on Mass Appraisal of Real Property* was a partial revision that replaced the 2002 standard. The 2002 standard combined and replaced the 1983 *Standard on the Application of the Three Approaches to Value in Mass Appraisal*, the 1984 *Standard on Mass Appraisal*, and the 1988 *Standard on Urban Land Valuation*. IAAO assessment standards represent a consensus in the assessing profession and have been adopted by the Executive Board of IAAO. The objective of IAAO standards is to provide a systematic means by which concerned assessing officers can improve and standardize the operation of their offices. IAAO standards are advisory in nature and the use of, or compliance with, such standards is purely voluntary. If any portion of these standards is found to be in conflict with the *Uniform Standards of Professional Appraisal Practice (USPAP)* or state laws, *USPAP* and state laws shall govern.

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Standard on Mass Appraisal of Real Property

1. Scope

This standard defines requirements for the mass appraisal of real property. The primary focus is on mass appraisal for ad valorem tax purposes. However, the principles defined here should also be relevant to CAMAs (CAMAs) (or automated valuation models) used for other purposes, such as mortgage portfolio management. The standard primarily addresses the needs of the assessor, assessment oversight agencies, and taxpayers.

This standard addresses mass appraisal procedures by which the fee simple interest in property can be appraised at market value, including mass appraisal application of the three traditional approaches to value (cost, sales comparison, and income). Single-property appraisals, partial interest appraisals, and appraisals made on an other-than-market-value basis are outside the scope of this standard. Nor does this standard provide guidance on determining assessed values that differ from market value because of statutory constraints such as use value, classification, or assessment increase limitations.

Mass appraisal requires complete and accurate data, effective valuation models, and proper management of resources. Section 2 introduces mass appraisal. Section 3 focuses on the collection and maintenance of property data. Section 4 summarizes the primary considerations in valuation methods, including the role of the three approaches to value in the mass appraisal of various types of property. Section 5 addresses model testing and quality assurance. Section 6 discusses certain managerial considerations: staff levels, data processing support, contracting for reappraisals, benefit-cost issues, and space requirements. Section 7 discusses reference materials.

2. Introduction

Market value for assessment purposes is generally determined through the application of mass appraisal techniques. Mass appraisal is the process of valuing a group of properties as of a given date and using common data, standardized methods, and statistical testing. To determine a parcel's value, assessing officers must rely upon valuation equations, tables, and schedules developed through mathematical analysis of market data. Values for individual parcels should not be based solely on the sale price of a property; rather, valuation schedules and models should be consistently applied to property data that are correct, complete, and up-to-date.

Properly administered, the development, construction, and use of a CAMA system results in a valuation system characterized by accuracy, uniformity, equity, reliability, and low per-parcel costs. Except for unique properties, individual analyses and appraisals of properties are not practical for ad valorem tax purposes.

3. Collecting and Maintaining Property Data

The accuracy of values depends first and foremost on the completeness and accuracy of property characteristics and market data. Assessors will want to ensure that their CAMA systems provide for the collection and maintenance of relevant land, improvement, and location features. These data must also be accurately and consistently collected. The CAMA system must also provide for the storage and processing of relevant sales, cost, and income and expense data.

3.1 Overview

Uniform and accurate valuation of property requires correct, complete, and up-to-date property data. Assessing offices must establish effective procedures for collecting and maintaining property data (i.e., property ownership, location, size, use, physical characteristics, sales price, rents, costs, and operating expenses). Such data are also used for performance audits, defense of appeals, public relations, and management information. The following sections recommend procedures for collecting these data.

3.2 Geographic Data

Assessors should maintain accurate, up-to-date cadastral maps (also known as assessment maps, tax maps, parcel boundary maps, and property ownership maps) covering the entire jurisdiction with a unique identification number for each parcel. Such cadastral maps allow assessing officers to identify and locate all parcels, both in the field and in the office. Maps become especially valuable in the mass appraisal process when a geographic information system (GIS) is used. A GIS permits graphic displays of sale prices, assessed values, inspection dates, work assignments, land uses, and much more. In addition, a GIS permits high-level analysis of nearby sales, neighborhoods, and market trends; when linked to a CAMA system, the results can be very useful. For additional information on cadastral maps, parcel identification systems, and GIS, see the *Standard on Manual Cadastral Maps and Parcel Identifiers* (IAAO 2016b), *Standard on Digital Cadastral Maps and Parcel Identifiers* (IAAO 2015), *Procedures and Standards for a Multipurpose Cadastre* (National Research Council 1983), and *GIS Guidelines for Assessors* (URISA and IAAO 1999).

3.3 Property Characteristics Data

The assessor should collect and maintain property characteristics data sufficient for classification, valuation, and other purposes. Accurate valuation of real property by any method requires descriptions of land and building characteristics.

3.3.1 Selection of Property Characteristics Data

Property characteristics to be collected and maintained should be based on the following:

- Factors that influence the market in the locale in question
- Requirements of the valuation methods that will be employed
- Requirements of classification and property tax policy
- Requirements of other governmental and private users
- Marginal benefits and costs of collecting and maintaining each property characteristic

Determining what data on property characteristics to collect and maintain for a CAMA system is a crucial decision with long-term consequences. A pilot program is one means of evaluating the benefits and costs of collecting and maintaining a particular set of property characteristics (see Gloudemans and Almy 2011, 46 49). In addition, much can be learned from studying the data used in successful CAMAs in other jurisdictions. Data collection and maintenance are usually the costliest aspects of a CAMA. Collecting data that are of little

importance in the assessment process should be avoided unless another governmental or private need is clearly demonstrated.

The quantity and quality of existing data should be reviewed. If the data are sparse and unreliable, a major recanvass will be necessary. Data that have been confirmed to be reliable should be used whenever possible. New valuation programs or enhancements requiring major recanvass activity or conversions to new coding formats should be viewed with suspicion when the existing database already contains most major property characteristics and is of generally good quality.

The following property characteristics are usually important in predicting residential property values:

Improvement Data

- Living area
- Construction quality or key components thereof (foundation, exterior wall type, and the like)
- Effective age or condition
- Building design or style
- Secondary areas including basements, garages, covered porches, and balconies
- Building features such as bathrooms and central air-conditioning
- Significant detached structures including guest houses, boat houses, and barns

Land Data

- Lot size
- Available utilities (sewer, water, electricity)

Location Data

- Market area
- Submarket area or neighborhood
- Site amenities, especially view and golf course or water frontage
- External nuisances, (e.g., heavy traffic, airport noise, or proximity to commercial uses).

For a discussion of property characteristics important for various commercial property types, see *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, chapter 9).

3.3.2 Data Collection

Collecting property characteristics data is a critical and expensive phase of reappraisal. A successful data collection program requires clear and standard coding and careful monitoring through a quality control program. The development and use of a data collection manual is essential to achieving accurate and consistent data collection. The data collection program should result in complete and accurate data.

3.3.2.1 Initial Data Collection

A physical inspection is necessary to obtain initial property characteristics data. This inspection can be performed either by appraisers or by specially trained data collectors. In a joint approach, experienced appraisers make key subjective decisions, such as the assignment of construction quality class or grade, and data collectors gather all other details. Depending on the data required, an interior inspection might be necessary. At a minimum, a comprehensive exterior inspection should be conducted. Measurement is an important part of data collection.

3.3.2.2 Data Collection Format

Data should be collected in a prescribed format designed to facilitate both the collecting of data in the field and the entry of the data into the computer system.

A logical arrangement of the collection format makes data collection easier. For example, all items requiring an interior inspection should be grouped together. The coding of data should be as objective as possible, with measurements, counts, and check-off items used in preference to items requiring subjective evaluations (such as "number of plumbing fixtures" versus "adequacy of plumbing: poor, average, good"). With respect to check-off items, the available codes should be exhaustive and mutually exclusive, so that exactly one code logically pertains to each observable variation of a building feature (such as structure or roof type). The data collection format should promote consistency among data collectors, be clear and easy to use, and be adaptable to virtually all types of construction. Specialized data collection formats may be necessary to collect information on agricultural property, timberland, commercial and industrial parcels, and other property types.

3.3.2.3 Data Collection Manuals

A clear, thorough, and precise data collection manual is essential and should be developed, updated, and maintained. The written manual should explain how to collect and record each data item. Pictures, examples, and illustrations are particularly helpful. The manual should be simple yet complete. Data collection staff should be trained in the use of the manual and related updates to maintain consistency. The manual should include guidelines for personal conduct during field inspections, and if interior data are required, the manual should outline procedures to be followed when the property owner has denied access or when entry might be risky.

3.3.2.4 Data Accuracy Standards

The following standards of accuracy for data collection are recommended.

- Continuous or area measurement data, such as living area and exterior wall height, should be accurate within 1 foot (rounded to the nearest foot) of the true dimensions or within 5 percent of the area. (One foot equates to approximately 30 centimeters in the metric system.) If areas, dimensions, or volumes must be estimated, the property record should note the instances in which quantities are estimated.
- For each objective, categorical, or binary data field to be collected or verified, at least 95 percent of the coded entries should be accurate. Objective, categorical, or binary data characteristics include such attributes as exterior wall material, number of full bathrooms, and waterfront view. As an example, if a data collector captures 10 objective, categorical, or binary data items for 100 properties, at least 950 of the 1,000 total entries should be correct.
- For each subjective categorical data field collected or verified, data should be coded correctly at least 90 percent of the time. Subjective categorical data characteristics include data items such as quality grade, physical condition, and architectural style.
- Regardless of specific accuracy requirements, consistent measurement is important. Standards including national, local and regional practices exist to support consistent measurement. The standard of measurement should be documented as part of the process. (American Institute of Architects 1995; Marshall & Swift Valuation Service 2017; International Property Measurement Standards Coalition n.d.; Building Owners and Managers Association International 2017)

3.3.2.5 Data Collection Quality Control

A quality control program is necessary to ensure that data accuracy standards are achieved and maintained. Independent quality control inspections should occur immediately after the data collection phase begins and may be performed by jurisdiction staff, project consultants,

auditing firms, or oversight agencies. The inspections should review random samples of finished work for completeness and accuracy and keep tabulations of items coded correctly or incorrectly, so that statistical tests can be used to determine whether accuracy standards have been achieved. Stratification by geographic area, property type, or individual data collector can help detect patterns of data error. Data that fail to meet quality control standards should be recollected.

The accuracy of subjective data should be judged primarily by conformity with written specifications and examples in the data collection manual. The data reviewer should substantiate subjective data corrections with pictures or field notes.

3.3.3 Data Entry

To avoid duplication of effort, the data collection form should be able to serve as the data entry form. Data entry should be routinely audited to ensure accuracy.

Data entry accuracy should be as close to 100 percent as possible and should be supported by a full set of range and consistency edits. These are error or warning messages generated in response to invalid or unusual data items. Examples of data errors include missing data codes and invalid characters. Warning messages should also be generated when data values exceed normal ranges (e.g., more than eight rooms in a 1,200-square-foot residence). The warnings should appear as the data are entered. When feasible, action on the warnings should take place during data entry. Field data entry devices provide the ability to edit data as it is entered and also eliminate data transcription errors.

3.3.4 Maintaining Property Characteristics Data

Property characteristics data should be continually updated in response to changes brought about by new construction, new parcels, remodeling, demolition, and destruction. There are several ways of updating data. The most efficient method involves building permits. Ideally, strictly enforced local ordinances require building permits for all significant construction activity, and the assessor's office receives copies of the permits. This method allows the assessor to identify properties whose characteristics are likely to change, to inspect such parcels on a timely basis (preferably as close to the assessment date as possible), and to update the files accordingly.

Another method is aerial photography, which also can be helpful in identifying new or previously unrecorded construction and land use. Some jurisdictions use self-reporting, in which property owners review the assessor's records and submit additions or corrections. Information derived from multiple listing sources and other third-party vendors can also be used to validate property records.

Periodic field inspections can help ensure that property characteristics data are complete and accurate. Assuming that most new construction activity is identified through building permits or other ongoing procedures, a physical review including an on-site verification of property characteristics should be conducted at least every 4 to 6 years. Reinspections should include partial remeasurement of the two most complex sides of improvements and a walk around the improvement to identify additions and deletions. Photographs taken at previous physical inspections can help identify changes.

3.3.5 Alternative to Periodic On-site Inspections

Provided that initial physical inspections are timely completed and that an effective system of building permits or other methods of routinely identifying physical changes is in place, jurisdictions may employ a set of digital imaging technology tools to supplement field reinspections with a computer-assisted office review. These imaging tools should include the following:

- Current high-resolution street-view images (at a sub-inch pixel resolution that enables quality grade and physical condition to be verified)
- Orthophoto images (minimum 6-inch pixel resolution in urban/suburban and 12-inch resolution in rural areas, updated every 2 years in rapid-growth areas or 6–10 years in slow-growth areas)
- Low-level oblique images capable of being used for measurement verification (four cardinal directions, minimum 6-inch pixel resolution in urban/suburban and 12-inch pixel resolution in rural areas, updated every 2 years in rapid-growth areas or 6–10 years in slow-growth areas).

These tool sets may incorporate change detection techniques that compare building dimension data (footprints) in the CAMA system to georeferenced imagery or remote sensing data from sources (such as LiDAR [light detection and ranging]) and identify potential CAMA sketch discrepancies for further investigation.

Assessment jurisdictions and oversight agencies must ensure that images meet expected quality standards. Standards required for vendor-supplied images should be spelled out in the Request for Proposal (RFP) and contract for services, and images should be checked for compliance with specified requirements. For general guidance on preparing RFPs and contracting for vendor-supplied services, see the *Standard on Contracting for Assessment Services* [IAAO 2008].

In addition, appraisers should visit assigned areas on an annual basis to observe changes in neighborhood condition, trends, and property characteristics. An on-site physical review is recommended when significant construction changes are detected, a property is sold, or an area is affected by catastrophic damage. Building permits should be regularly monitored and properties that have significant change should be inspected when work is complete.

3.4 Sale Data

States and provinces should seek mandatory disclosure laws to ensure comprehensiveness of sale data files. Regardless of the availability of such statutes, a file of sale data must be maintained, and sales must be properly reviewed and validated. Sale data are required in all applications of the sales comparison approach, in the development of land values and market-based depreciation schedules in the cost approach, and in the derivation of capitalization rates or discount rates in the income approach. Refer to *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 2) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011 chapter 2) for guidelines on the acquisition and processing of sale data.

3.5 Income and Expense Data

Income and expense data must be collected for income-producing property and reviewed by qualified appraisers to ensure their accuracy and usability for valuation analysis (see Section 4.4.). Refer to *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 2) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, chapter 2) for guidelines addressing the collection and processing of income and expense data.

3.6 Cost and Depreciation Data

Current cost and depreciation data adjusted to the local market are required for the cost approach (see Section 4.2). Cost and depreciation manuals and schedules can be purchased from commercial services or created in-house. See *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 4) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, 180–193) for guidelines on creating manuals and schedules.

4. Valuation

Mass appraisal analysis begins with assigning properties to use classes or strata based on highest and best use, which normally equates to current use. Some statutes require that property be valued for ad valorem tax purposes at current use regardless of highest and best use. Zoning and other land use controls normally dictate highest and best use of vacant land. In the absence of such restrictions, the assessor must determine the highest and best use of the land by analyzing the four components—legally permissible, physically possible, appropriately supported, and financially feasible—thereby resulting in the highest value. Special attention may be required for properties in transition, interim or nonconforming uses, multiple uses, and excess land.

4.1 Valuation Models

Any appraisal, whether single-property appraisal or mass appraisal, uses a model, that is, a representation in words or an equation of the relationship between value and variables representing factors of supply and demand. Mass appraisal models attempt to represent the market for a specific type of property in a specified area. Mass appraisers must first specify the model, that is, identify the supply and demand factors and property features that influence value, for example, square feet of living area. Then they must calibrate the model, that is, determine the adjustments or coefficients that best represent the value contribution of the variables chosen, for example, the dollar amount the market places on each square foot of living area. Careful and extensive market analysis is required for both specification and calibration of a model that estimates values accurately. Mass appraisal models apply to all three approaches to value: the cost approach, the sales comparison approach, and the income approach.

Valuation models are developed for defined property groups. For residential properties, geographic stratification is appropriate when the value of property attributes varies significantly among areas and each area is large enough to provide adequate sales. It is particularly effective when housing types and styles are relatively uniform within areas. Separate models are developed for each market area (also known as economic or model areas). Subareas or neighborhoods can serve as variables in the models and can also be used in land value tables and selection of comparable sales. (See *Mass Appraisal of Real Property* [Gloudemans 1999, 118–120] or *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, 139–143] for guidelines on stratification.) Smaller jurisdictions may find it sufficient to develop a single residential model.

Commercial and income-producing properties should be stratified by property type. In general, separate models should be developed for apartment, warehouse/industrial, office, and retail properties. Large jurisdictions may be able to stratify apartment properties further by type or area or to develop multiple models for other income properties with adequate data.

4.2 The Cost Approach

The cost approach is applicable to virtually all improved parcels and, if used properly, can produce accurate valuations. The cost approach is more reliable for newer structures of standard materials, design, and workmanship. It produces an estimate of the value of the fee simple interest in a property.

Reliable cost data are imperative in any successful application of the cost approach. The data must be complete, typical, and current. Current construction costs should be based on the cost of replacing a structure with one of equal utility, using current materials, design, and building standards. In addition to specific property types, cost models should include the cost of individual construction components and building items in order to adjust for features that differ from base specifications. These costs should be incorporated into a construction cost manual and related computer software. The software can perform the valuation function, and the manual, in addition to providing documentation, can be used when nonautomated calculations are required.

Construction cost schedules can be developed in-house, based on a systematic study of local construction costs, obtained from firms specializing in such information, or custom-generated by a contractor. Cost schedules should be verified for accuracy by applying them to recently constructed improvements of known cost. Construction costs also should be updated before each assessment cycle.

The most difficult aspects of the cost approach are estimates of land value and accrued depreciation. These estimates must be based on non-cost data (primarily sales) and can involve considerable subjectivity. Land values used in the cost approach must be current and consistent. Often, they must be extracted from sales of improved property because sales of vacant land are scarce. Section 4.5 provides standards for land valuation in mass appraisal.

Depreciation schedules can be extracted from sales data in several ways. See *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 4) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, 189–192).

4.3 The Sales Comparison Approach

The sales comparison approach estimates the value of a subject property by statistically analyzing the sale prices of similar properties. This approach is usually the preferred approach for estimating values for residential and other property types with adequate sales.

Applications of the sales comparison approach include direct market models and comparable sales algorithms (see *Mass Appraisal of Real Property* [Gloudemans 1999, chapters 3 and 4], *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, chapters 4 and 6], and the *Standard on Automated Valuation Models (AVMs)* [IAAO 2003]). Comparable sales algorithms are most akin to single-property appraisal applications of the sales comparison approach. They have the advantages of being familiar and easily explained and can compensate for less well-specified or calibrated models, because the models are used only to make adjustments to the selected comparables. They can be problematic if the selected comparables are not well validated or representative of market value. Because they predict market value directly, direct market models depend more heavily on careful model specification and calibration. Their advantages include efficiency and consistency, because the same model is directly applied against all properties in the model area.

Users of comparable sales algorithms should be aware that sales ratio statistics will be biased if sales used in the ratio study are used as comparables for themselves in model development. This problem can be avoided by (1) not using sales as comparables for themselves in modeling or (2) using holdout or later sales in ratio studies.

4.4 The Income Approach

In general, for income-producing properties, the income approach is the preferred valuation approach when reliable income and expense data are available, along with well-supported income multipliers, overall rates, and required rates of return on investment. Successful application of the income approach requires the collection, maintenance, and careful analysis of income and expense data.

Mass appraisal applications of the income approach begin with collecting and processing income and expense data. (These data should be expressed on an appropriate per-unit basis, such as per square foot or per apartment unit.) Appraisers should then compute normal or typical gross incomes, vacancy rates, net incomes, and expense ratios for various homogeneous strata of properties. These figures can be used to judge the reasonableness of reported data for individual parcels and to estimate income and expense figures for parcels with unreported data. Actual or

reported figures can be used as long as they reflect typical figures (or typical figures can be used for all properties).

Alternatively, models for estimating gross or net income and expense ratios can be developed by using actual income and expense data from a sample of properties and calibrated by using multiple regression analysis. For an introduction to income modeling, see *Mass Appraisal of Real Property* (Gloudemans 1999, chapter 3) or *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, chapter 9). The developed income figures can be capitalized into estimates of value in a number of ways. The most direct method involves the application of gross income multipliers, which express the ratio of market value to gross income. At a more refined level, net income multipliers or their reciprocals, overall capitalization rates, can be developed and applied. Provided there are adequate sales, these multipliers and rates should be extracted from a comparison of actual or estimated incomes with sale prices (older income and sales data should be adjusted to the valuation date as appropriate). Income multipliers and overall rates developed in this manner tend to provide reliable, consistent, and readily supported valuations when good sales and income data are available. When adequate sales are not available, relevant publications and local market participants can be consulted.

4.5 Land Valuation

State or local laws may require the value of an improved parcel to be separated into land and improvement components. When the sales comparison or income approach is used, an independent estimate of land value can be made and subtracted from the total property value to obtain a residual improvement value. Some computerized valuation techniques provide a separation of total value into land and building components.

Land values should be reviewed annually. At least once every 4 to 6 years the properties should be physically inspected and revalued. The sales comparison approach is the primary approach to land valuation and is always preferred when sufficient sales are available. In the absence of adequate sales, other techniques that can be used in land appraisal include allocation, abstraction, anticipated use, capitalization of ground rents, and land residual capitalization. (See *Mass Appraisal of Real Property* [Gloudemans 1999, chapter 3] or *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, 178–180].)

4.6 Considerations by Property Type

The appropriateness of each valuation approach varies with the type of property under consideration. Table 1 ranks the relative usefulness of the three approaches in the mass appraisal of major types of properties. The table assumes that there are no major statutory barriers to using all three approaches or to obtaining cost, sales, and income data. Although relying only on the single best approach for a given type of property can have advantages in terms of efficiency and consistency, the use of two or more approaches provides helpful cross-checks and flexibility and can thus produce greater accuracy, particularly for less typical properties.

Table 1. Rank of typical usefulness of the three approaches to value in the mass appraisal of major types of property

Type of Property	Cost Approach	Sales Comparison Approach	Income Approach
Single-family residential	2	1	3
Multifamily residential	3	1,2	1,2
Commercial	3	2	1
Industrial	1,2	3	1,2
Nonagricultural land	–	1	2
Agricultural[a]	–	2	1
Special-purpose[b]	1	2,3	2,3

[a] Includes farm, ranch, and forest properties.

[b] Includes institutional, governmental, and recreation properties.

4.6.1 Single-Family Residential Property

The sales comparison approach is the best approach for single-family residential property, including condominiums. Automated versions of this approach are highly efficient and generally accurate for the majority of these properties. The cost approach is a good supplemental approach and should serve as the primary approach when the sales data available are inadequate. The income approach is usually inappropriate for mass appraisal of single-family residential properties, because most of these properties are not rented.

4.6.2 Manufactured Housing

Manufactured or *mobile* homes can be valued in a number of ways depending on the local market and ownership status. Often mobile homes are purchased separately and situated on a rented space in a mobile home park. In this case the best strategy is to model the mobile homes separately from the land. At other times mobile homes are situated on individual lots and bought and sold similar to stick-built homes. Particularly in rural areas they may be intermixed with stick-built homes. In these cases, they can be modeled in a manner similar to that for other residential properties and included in the same models, as long as the model includes variables to distinguish them and recognize any relevant differences from other homes (e.g., mobile homes may appreciate at a rate different from that for stick-built homes).

4.6.3 Multifamily Residential Property

The sales comparison and income approaches are preferred in valuing multifamily residential property when sufficient sales and income data are available. Multiple regression analysis (MRA) and related techniques have been successfully used in valuing this property type. Where adequate sales are available, direct sales models can be used. MRA also can be used to calibrate different portions of the income approach, including the estimation of market rents and development of income multipliers or capitalization rates. As with other residential property, the cost approach is useful in providing supplemental valuations and can serve as the primary approach when good sales and income data are not available.

4.6.4 Commercial and Industrial Property

The income approach is the most appropriate method in valuing commercial and industrial property if sufficient income data are available. Direct sales comparison models can be equally effective in large jurisdictions with sufficient sales. When a sufficient supply of sales data and income data is not available, the cost approach should be

applied. However, values generated should be checked against available sales data. Cost factors, land values, and depreciation schedules must be kept current through periodic review.

4.6.5 Nonagricultural Land

The sales comparison approach is preferred for valuing nonagricultural land. Application of the sales comparison approach to vacant land involves the collection of sales data, the posting of sales data on maps, the calculation of standard unit values (such as value per square foot, per front foot, or per parcel) by area and type of land use, and the development of land valuation maps or computer-generated tables in which the pattern of values is displayed. When vacant land sales are not available or are few, additional benchmarks can be obtained by subtracting the replacement cost new less depreciation of improvements from the sale prices of improved parcels. The success of this technique requires reliable cost data and tends to work best for relatively new improvements, for which depreciation is minimal.

Another approach is a *hybrid* model decomposable into land and building values. Although these models can be calibrated from improved sales alone, separation of value between land and buildings is more reliable when both vacant and improved sales are available.

4.6.6 Agricultural Property

If adequate sales data are available and agricultural property is to be appraised at market value, the sales comparison approach is preferred. However, most states and provinces provide for the valuation of agricultural land at use value, making the sales comparison approach inappropriate for land for which market value exceeds use value. Thus, it is often imperative to obtain good income data and to use the income approach for agricultural land. Land rents are often available, sometimes permitting the development and application of overall capitalization rates. Many states and provinces have soil maps that assign land to different productivity classes for which typical rents can be developed. Cost tables can be used to value agricultural buildings.

4.6.7 Special-Purpose Property

The cost approach tends to be most appropriate in the appraisal of special-purpose properties, because of the distinctive nature of such properties and the general absence of adequate sales or income data.

4.7 Value Reconciliation

When more than one approach or model is used for a given property group, the appraiser must determine which to use or emphasize. Often this can be done by comparing ratio study statistics. Although there are advantages to being consistent, sometimes an alternative approach or method is more reliable for special situations and atypical properties. CAMA systems should allow users to document the approach or method being used for each property.

4.8 Frequency of Reappraisals

Section 4.2.2 of the *Standard on Property Tax Policy* (IAAO 2010) states that current market value implies annual assessment of all property. Annual assessment does not necessarily mean, however, that each property must be re-examined each year. Instead, models can be recalibrated, or market adjustment factors derived from ratio studies or other market analyses applied based on criteria such as property type, location, size, and age.

Analysis of ratio study data can suggest groups or strata of properties in greatest need of physical review. In general, market adjustments can be highly effective in maintaining equity when appraisals are uniform within strata and recalibration can provide even greater accuracy. However, only physical reviews can correct data errors and, as stated in Sections 3.3.4 and 3.3.5, property characteristics data should be reviewed and updated at least every 4 to 6 years. This can be accomplished in at least three ways:

- Reinspecting all property at periodic intervals (i.e., every 4 to 6 years)
- Reinspecting properties on a cyclical basis (e.g., one-fourth or one-sixth each year)
- Reinspecting properties on a priority basis as indicated by ratio studies or other considerations while still ensuring that all properties are examined at least every sixth year

5. Model Testing, Quality Assurance, and Value Defense

Mass appraisal allows for model testing and quality assurance measures that provide feedback on the reliability of valuation models and the overall accuracy of estimated values. Modelers and assessors must be familiar with these diagnostics so they can evaluate valuation performance properly and make improvements where needed.

5.1 Model Diagnostics

Modeling software contains various statistical measures that provide feedback on model performance and accuracy. MRA software contains multiple sets of diagnostic tools, some of which relate to the overall predictive accuracy of the model and some of which relate to the relative importance and statistical reliability of individual variables in the model. Modelers must understand these measures and ensure that final models not only make appraisal sense but also are statistically sound.

5.2 Sales Ratio Analyses

Regardless of how values were generated, sales ratio studies provide objective, bottom-line indicators of assessment performance. The IAAO literature contains extensive discussions of this important topic, and the *Standard on Ratio Studies* (2013) provides guidance for conducting a proper study. It also presents standards for key ratio statistics relating to the two primary aspects of assessment performance: level and uniformity. The following discussion summarizes these standards and describes how the assessor can use sales ratio metrics to help ensure accurate, uniform values.

5.2.1 Assessment Level

Assessment level relates to the overall or general level of assessment of a jurisdiction and various property classes, strata, and groups within the jurisdiction. Each group must be assessed at market value as required by professional standards and applicable statutes, rules, and related requirements. The three common measures of central tendency in ratio studies are the median, mean, and weighted mean. The *Standard on Ratio Studies* (2013) stipulates that the median ratio should be between 0.90 and 1.10 and provides criteria for determining whether it can be concluded that the standard has not been achieved for a property group. Current, up-to-date valuation models, schedules, and tables help ensure that assessment levels meet required standards, and values can be statistically adjusted between full reappraisals or model recalibrations to ensure compliance.

5.2.2 Assessment Uniformity

Assessment uniformity relates to the consistency and equity of values. Uniformity has several aspects, the first of which relates to consistency in assessment levels between property groups. It is important to ensure, for example, that residential and commercial properties are appraised at similar percentages of market value (regardless of the legal assessment ratios that may then be applied) and that residential assessment levels are consistent among neighborhoods, construction classes, age groups, and size groups. Consistency among property groups can be evaluated by comparing measures of central tendency calculated for each group.

Various graphs can also be used for this purpose. The *Standard on Ratio Studies* (IAAO 2013) stipulates that the level of appraisal for each major group of properties should be within 5 percent of the overall level for the jurisdiction and provides criteria for determining whether it can be concluded from ratio data that the standard has not been met.

Another aspect of uniformity relates to the consistency of assessment levels within property groups. There are several such measures, the preeminent of which is the coefficient of dispersion (COD), which represents the average percentage deviation from the median ratio. The lower the COD, the more uniform the ratios within the property group. In addition, uniformity can be viewed spatially by plotting sales ratios on thematic maps.

The *Standard on Ratio Studies* (IAAO 2013) provides the following standards for the COD:

- Single-family homes and condominiums: CODs of 5 to 10 for newer or fairly similar residences and 5 to 15 for older or more heterogeneous areas
- Income-producing properties: CODs of 5 to 15 in larger, urban areas and 5 to 20 in other areas
- Vacant land: CODs of 5 to 20 in urban areas and 5 to 25 in rural or seasonal recreation areas
- Rural residential, seasonal, and manufactured homes: CODs of 5 to 20.

The entire appraisal staff must be aware of and monitor compliance with these standards and take corrective action where necessary. Poor uniformity within a property group is usually indicative of data problems or deficient valuation procedures or tables and cannot be corrected by application of market adjustment factors.

A final aspect of assessment uniformity relates to equity between low- and high-value properties. Although there are statistical subtleties that can bias evaluation of price-related uniformity, the IAAO literature (see particularly *Fundamentals of Mass Appraisal* [Gloudemans and Almy 2011, 385 392 and Appendix B] and the *Standard on Ratio Studies* [IAAO 2013]) provides guidance and relevant measures, namely, the price-related differential (PRD) and coefficient of price-related bias (PRB).

The PRD provides a simple gauge of price-related bias. The *Standard on Ratio Studies* (IAAO 2013) calls for PRDs of 0.98 to 1.03. PRDs below 0.98 tend to indicate assessment progressivity, the condition in which assessment ratios increase with price. PRDs above 1.03 tend to indicate assessment regressivity, in which assessment ratios decline with price.

The PRB indicates the percentage by which assessment ratios change whenever values double or are halved. For example, a PRB of −0.03 would mean that assessment levels fall by 3 percent when value doubles. The *Standard on Ratio Studies* calls for PRBs of −0.05 to +0.05 and regards PRBs outside the range of −0.10 to +0.10 as unacceptable.

Because price is observable only for sale properties, there is no easy correction for the PRB, which is usually due to problems in valuation models and schedules. Sometimes other ratio study diagnostics will provide clues. For example, high ratios for lower construction classes may indicate that base rates should be reduced for those classes, which should in turn improve assessment ratios for low-value properties.

5.3 Holdout Samples

Holdout samples are validated sales that are not used in valuation but instead are used to test valuation performance. Holdout samples should be randomly selected with a view to obtaining an adequate sample while ensuring that the number of sales available for valuation will provide reliable results for the range of properties that must be valued (holdout samples of 10 to 20 percent are typical). If too few sales are available, later sales can be validated and used for the same purpose. (For a method of using sales both to develop and test valuation models, see "The Use of Cross-validation in CAMA Modeling to Get the Most Out of Sales" (Jensen 2011).

Since they were not used in valuation, holdout samples can provide more objective measures of valuation performance. This can be particularly important when values are not based on a common algorithm as cost and MRA models are. Manually assigning land values, for example, might produce sales ratio statistics that appear excellent but are not representative of broader performance for both sold and unsold properties. Comparable sales models that value a sold property using the sale of a property as a comparable for itself can produce quite different results when tested on a holdout group.

When a new valuation approach or technique is used for the first time, holdout sales can be helpful in validating use of the new method. In general, however, holdout samples are unnecessary as long as valuation models are based on common algorithms and schedules and the value assigned to a sale property is not a function of its price. Properly validated later sales can provide follow-up performance indicators without compromising the number of sales available for valuation.

5.4 Documentation

Valuation procedures and models should be documented. Appraisal staff should have at least a general understanding of how the models work and the various rates and adjustments made by the models. Cost manuals should be current and contain the rates and adjustments used to value improvements by the cost approach. Similarly, land values should be supported by tables of rates and adjustments for features such as water frontage, traffic, and other relevant influences. MRA models and other sales comparison algorithms should document final equations and should be reproducible, so that rerunning the model produces the same value. Schedules of rental rates, vacancy rates, expense ratios, income multipliers, and capitalization rates should document how values based on the income approach were derived.

It can be particularly helpful to prepare a manual, booklet, or report for each major property type that provides a narrative summary of the valuation approach and methodology and contains at least the more common rates and adjustments. Examples of how values were computed for sample properties can be particularly helpful. The manuals serve as a resource for current staff and can be helpful in training new staff or explaining the valuation process to other interested parties. Once prepared, the documents should be updated when valuation schedules change or methods and calculation procedures are revised.

5.5 Value Defense

The assessment office staff must have confidence in the appraisals and be able to explain and defend them. This confidence begins with application of reliable appraisal techniques, generation of appropriate valuation reports, and review of preliminary values. It may be helpful to have reports that list each parcel, its characteristics, and its calculated value. Parcels with unusual characteristics, extreme values, or extreme changes in values should be identified for subsequent individual review. Equally important, summary reports should show average values, value changes, and ratio study statistics for various strata of properties. These should be reviewed to ensure the overall consistency of values for various types of property and various locations. (See the *Uniform Standards of Professional Appraisal Practice*, Standards Rule 6-7, for reporting requirements for mass appraisals [The Appraisal Foundation 2012–2013].)

The staff should also be prepared to support individual valuations as required, preferably through comparable sales. At a minimum, staff should be able to produce a property record and explain the basic

approach (cost, sales comparison, or income) used to estimate the value of the property. A property owner should never be told simply that "the computer" or "the system" produced the appraisal. In general, the staff should tailor the explanation to the taxpayer's knowledge and expertise. Equations converted to tabular form can be used to explain the basis for valuation. In all cases, the assessment office staff should be able to produce sales or appraisals of similar properties in order to support (or at least explain) the valuation of the property in question. Comparable sales can be obtained from reports that list sales by such features as type of property, area, size, and age. Alternatively, interactive programs can be obtained or developed that identify and display the most comparable properties.

Assessors should notify property owners of their valuations in sufficient time for property owners to discuss their appraisals with the assessor and appeal the value if they choose to do so (see the *Standard on Public Relations* [IAAO 2011]). Statutes should provide for a formal appeals process beyond the assessor's level (see the *Standard on Assessment Appeal* [IAAO 2016a]).

6. Managerial and Space Considerations

6.1 Overview

Mass appraisal requires staff, technical, and other resources. This section discusses certain key managerial and facilities considerations.

6.2 Staffing and Space

A successful in-house appraisal program requires trained staff and adequate facilities in which to work and meet with the public.

6.2.1 Staffing

Staff should comprise persons skilled in general administration, supervision, appraisal, mapping, data processing, ~~and secretarial~~ and clerical functions. Typical staffing sizes and patterns for jurisdictions of various sizes are illustrated in *Fundamentals of Mass Appraisal* (Gloudemans and Almy 2011, 22–25). Staffing needs can vary significantly based on factors such as frequency of reassessments.

6.2.2 Space Considerations

The following minimum space standards are suggested for managerial, supervisory, and support staff:

- *Chief assessing officer (e.g., Assessor, director)*—a private office, enclosed by walls or windows extending to the ceiling, of 200 square feet (18 to 19 square meters)
- *Management position (e.g., chief deputy assessor, head of a division in a large jurisdiction, and so on)*—a private office, enclosed by walls or windows extending to the ceiling, of 170 square feet (15 to 16 square meters)
- *Supervisory position (head of a section, unit, or team of appraisers, mappers, analysts, technicians, or clerks)*—a private office or partitioned space of 150 square feet (14 square meters)
- *Appraisers and technical staff*—private offices or at least partitioned, quiet work areas of 50 to 100 square feet (5 to 10 square meters), not including aisle and file space, with a desk and chair
- *Support staff*—adequate workspace, open or partitioned, to promote intended work functions and access.

In addition, there should be adequate space for

- File storage and access
- Training and meetings
- Mapping and drafting
- Public service areas
- Printing and photocopy equipment
- Library facilities.

6.3 Data Processing Support

CAMAs require considerable data processing support.

6.3.1 Hardware

The hardware should be powerful enough to support applications of the cost, sales comparison, and income approaches, as well as data maintenance and other routine operations. Data downloading, mass calculations, GIS applications, and Web support tend to be the most computer-intensive operations. Processing speed and efficiency requirements should be established before hardware acquisition. Computer equipment can be purchased, leased, rented, or shared with other jurisdictions. If the purchase option is chosen, the equipment should be easy to upgrade to take advantage of technological developments without purchasing an entirely new system.

6.3.2 Software

CAMA software can be developed internally, adapted from software developed by other public agencies, or purchased (in whole or in part) from private vendors. (Inevitably there will be some tailoring needed to adapt externally developed software to the requirements of the user's environment.) Each alternative has advantages and disadvantages. The software should be designed so that it can be easily modified; it should also be well documented, at both the appraiser/user and programmer levels.

CAMA software works in conjunction with various general-purpose software, typically including word processing, spreadsheet, statistical, and GIS programs. These programs and applications must be able to share data and work together cohesively.

Security measures should exist to prevent unauthorized use and to provide backup in the event of accidental loss or destruction of data.

6.3.2.1 Custom Software

Custom software is designed to perform specific tasks, identified by the jurisdiction, and can be specifically tailored to the user's requirements. The data screens and processing logic can often be customized to reflect actual or desired practices, and the prompts and help information can be tailored to reflect local terminology and convention.

After completing the purchase or license requirements, the jurisdiction should retain access to the program source code, so other programmers are able to modify the program to reflect changing requirements.

The major disadvantages of custom software are the time and expense of writing, testing, and updating. Particular attention must be paid to ensuring that user requirements are clearly conveyed to programmers and reflected in the end product, which should not be accepted until proper testing has been completed. Future modifications to programs, even those of a minor nature, can involve system administrator approval and can be a time-consuming, costly, and rigorous job. (See *Standard on Contracting for Assessment Services* [IAAO 2008].)

6.3.2.2 Generic Software

An alternative to custom software is generic software, of which there are two major types: vertical software, which is written for a specific industry, and horizontal software, which is written for particular applications regardless of industry. Examples of the latter include database, spreadsheet, word processing, and statistical software. Although the actual instruction code within these programs cannot be modified, they typically permit the user to create a variety of customized

templates, files, and documents that can be processed. These are often referred to as commercial off-the-shelf software (COTS) packages.

Generic vertical software usually requires modification to fit a jurisdiction's specific needs. In considering generic software, the assessor should determine

- System requirements
- The extent to which the software meets the agency's needs
- A timetable for implementation
- How modifications will be accomplished
- The level of vendor support
- Whether the source code can be obtained.

(See Standard on Contracting for Assessment Services [IAAO 2008].)

Horizontal generic software is more flexible, permitting the user to define file structures, relational table layout, input and output procedures, including form or format, and reports. Assessment offices with expertise in such software (which does not imply a knowledge of programming) can adapt it for

- Property (data) file maintenance
- Market research and analysis
- Valuation modeling and processing
- Many other aspects of assessment operations.

Horizontal generic software is inexpensive and flexible. However, it requires considerable customization to adapt it to local requirements. Provisions should be made for a sustainable process that is not overly dependent on a single person or resource.

6.4 Contracting for Appraisal Services

Reappraisal contracts can include mapping, data collection, data processing, and other services, as well as valuation. They offer the potential of acquiring professional skills and resources quickly. These skills and resources often are not available internally. Contracting for these services not only can allow the jurisdiction to maintain a modest staff and to budget for reappraisal on a periodic basis, but also makes the assessor less likely to develop in-house expertise. (See the *Standard on Contracting for Assessment Services* [IAAO 2008].)

6.5 Benefit-Cost Considerations

6.5.1 Overview

The object of mass appraisal is to produce equitable valuations at low costs. Improvements in equity often require increased expenditures.

Benefit-cost analysis in mass appraisal involves two major issues: policy and administration.

6.5.2 Policy Issues

An assessment jurisdiction requires a certain expenditure level simply to inventory, list, and value properties. Beyond that point, additional expenditures make possible rapid improvements in equity initially, but marginal improvements in equity diminish as expenditures increase. At a minimum, jurisdictions should budget to meet statutory requirements and the performance standards contained in the *Standard on Ratio Studies* (IAAO 2013) and summarized in Section 5.2.

6.5.3 Administrative Issues

Maximizing equity per dollar of expenditure is the primary responsibility of assessment administration. To maximize productivity, the assessor and managerial staff must effectively plan, budget, organize, and control operations and provide leadership. This must be accomplished within the office's legal, fiscal, economic, and social environment and constraints (Eckert, Gloudemans, and Kenyon 1990, chapter 16).

7. Reference Materials

Reference materials are needed in an assessment office to promote compliance with laws and regulations, uniformity in operations and procedures, and adherence to generally accepted assessment principles and practices.

7.1 Standards of Practice

The standards of practice may incorporate or be contained in laws, regulations, policy memoranda, procedural manuals, appraisal manuals and schedules, standard treatises on property appraisal and taxation (see section 6.2). Written standards of practice should address areas such as personal conduct, collection of property data, coding of information for data processing. The amount of detail will vary with the nature of the operation and the size of the office.

7.2 Professional Library

Every assessment office should have access to a comprehensive professional library that contains the information staff needs. A resource library may be digital or physical and should include the following:

- Property tax laws and regulations
- IAAO standards
- Historical resources
- Current periodicals
- Manuals and schedules
- Equipment manuals and software documentation.

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October 25, 2021

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Re: Reaction to the Board of Equalization appeals

Dear Mr. Spitzfaden,

As of today, here are some of my impressions from the hearings of the appeals before the Board of Equalization that you are handling for commercial property owners. First, let me say that I have no stake in the outcome of this analysis—I own no commercial property and I have not asked for compensation to provide this letter. These are just my personal opinions and not opinions formed as a paid advocate.

After reviewing the summary report, board training video, and appeal hearings, I still do not fully understand the methods, assumptions, and logic behind the adjustments to the 2021 assessed values commercial properties. Almost no explanations have been written down by the assessor's office. There is no written record of the statistical methods that I could find. Statistics have not been clearly labeled and explained, and figures and tables have no accompanying captions and explanations. Indeed, some statistics have only been labeled with cryptic unexplained acronyms. I have tried to find written descriptions of the methods, and I have tried to talk to staff at the assessor's office about these, but I have been unsuccessful. Please see my section on *My attempts to understand the methods*, below, for more information on this. After now hearing staff from the assessor's office testify at the appeal hearings, I believe I have some general understanding of what they did and why they did it. Most importantly, I heard Mr. Michael Dahle state repeatedly that the methods in question are a response to an upward trend the value of commercial real estate in Juneau. I had a look at this hypothesis using the data that I have available. Using the 53 real estate sales values (cited below) that made up the sample that was used to develop the adjustments, I cannot detect such a trend. See my section on *Trend in commercial real estate sales*, below, for more on this. Finally, I want to stress that I have strong reservations about the representativeness of the sample (again, cited below) that was used to underpin the analysis and reach the conclusion that the assessments should be raised. See more about this in the section on *Representativeness of the sample of 53 sales*.

My attempts to understand the methods

While I was at sea this summer bringing up a boat from Tacoma, I was asked for help interpreting the last two pages of assessor's report that does not seem to have a title, date

published, and author, although the words "AV 2021 Summary Report – CBJ Commercial Property Valuations" appear at the top of the first page. My ability to comment was somewhat limited by the fact I was at sea, but my first response was that I had no idea what these various statistics mean, as, again, there were no written methods, there was inadequate labeling of the statistics and graphics, and some of the statistics were referred to by confusing acronyms that were not defined. The person who asked my advice then provided me a video of Board of Equalization training in hopes that this would allow me to understand the methods. I was able to watch that video when we were in port and had internet access. Unfortunately, that video also did not provide a clear and detailed explanation of the methods.

Without some explanation of the statistical methods, without some clear description of what the statistics are and what they mean, without an explanation of what the graphics and tables mean, the new assessments are essentially just random numbers to a taxpayer trying to make sense of why the taxes went up. Without some ability to follow the logic and understand the process, a taxpayer cannot tell the difference between an assessment increase due to a fair and equitable process versus an increase due to vindictiveness, personal animus, or just whimsy.

When I returned to Juneau, I contacted Michael Dahle's office several times to try to better understand the reasoning behind the new assessments. On some occasions, but not all occasions, I noted the date and time of the communication. On August 17, I left a voicemail describing what I wanted to discuss with Mr. Dahle. At 4:00 pm on that same day I called again and this time I spoke to a person who said she would have Michael Dahle call me. On August 18, at 2:18 pm I called again and spoke to someone named Jillian Olson. I explained what that I would like to go over the methods and she said that she would have Mr. Dahle give me a call. At 2:46 pm that same day I received an e-mail from Ms. Olson. In it she noted that I had not filed an appeal, and she stated that Mr. Dahle was too busy to talk to me. However, late in the day, on August 20th, I believe it was, Mr. Dahle did call me. I pointed out that I was driving, and that I was about to go into a meeting, and I asked if we could speak on the phone the following Monday. He said that he would give me a call on that day. When I did not hear from him on that Monday, I called near the end of the day. I could not reach him, and I left another message. I never detected any further attempt by Mr. Dahle to contact me.

Trend in commercial real estate sales

You supplied me with a spreadsheet titled "sept 30 sale list.xlsx." This appears to be the exact information I also have on a paper page with the words "AY2021 Analysis Sales List" in the upper left-hand corner. I note this page has the notation "AY2021 – Com Sales List20210928a. MktData: 9/29/2021 @ 12:59 PM, Page1" at the bottom of the page. If we were to accept for the moment that this sample is a representative of all commercial properties in Juneau, which I believe is a questionable assumption—but one that does appear to be a necessary for the assessor's analysis—then an annual trend in sales prices should be obvious in this sample of 53 sales, as it contains sales from 2016 through the end of 2020. I note that the median sale price in 2016 was $786 thousand, in 2017 it was $346 thousand, in 2018 it was $418 thousand, in 2019 it was $402 thousand, and in 2020 it was $654 thousand. For there to be an upward trend in sale

prices, the annual median sale price should tend to move upward year after year—maybe not every year, but at least in most years.

Note that there are four occurrences in which we can see a year-to-year change in this record. From 2016 to 2017 the median decreased (substantially), from 2017 to 2018 it increased slightly, from 2018 to 2019 the median again decreased (slightly), and then from 2019 to 2020 it again increased. During this period the medians twice decreased and twice increased: this is not indicative of an upward trend. Also, note that at the end of the series the median value was lower than at the median value at the beginning of the series. Again, this supports the notion there was no upward trend.

Let's try looking at all of the sales in a series. If we plot all of the sales one after another in time order we find that there are two outliers that dominate the graph (a $4 million sale in 2017 and a $20 million sale in 2020). So conventional methods for estimating trend are unsuitable because these methods will be very influenced by outliers. However, if there is a trend in the whole sales series, then we would expect the number of times a sale price is followed by a sale of larger size to occur more often that what you would get by chance. In other words, if we think having a sale followed by a sale of larger size as like getting a "heads" when we flip a coin, and a "tails" otherwise, then we can use probability to test whether we have more sales followed by higher priced sales than we would expect to see by chance in 53-1 flips of a coin. It turns out there 24 occurrences of a sale is followed by a sale of larger size—very, very close to half of the time. If we were to formalize this into a statistical test we would say that there is no statistically detectable trend (at the conventional significance level of 0.05) using this method.

Let's look at this another way. If we divide the series into two groups, with the first 26 sales in the first half, the last 26 in the second half, with the 27th sale deleted so that we have the same number sales in both the early and late groups. It turns out the median price is just about the same in both groups. Indeed, the median price is slightly higher in the earlier group, but not by very much. If anything, this analysis provides very weak support for the idea prices went down. Again, I just don't see support for the idea there was an upward—or really any—trend in prices.

I assume that the assessor's office has information that I don't have access to, and maybe some of that information contains evidence of a trend. However, they have not yet presented any evidence that supports the hypothesis that there was an upward trend in sale prices that I have seen in the Board of Equalization hearings.

Or if the assessor's office has presented this evidence, it was not presented clearly and it was not well explained. Indeed, this has been a huge problem with trying to understand the whole analysis. Again, almost no explanations have been written down. Statistics have not been clearly labeled and explained, and figures and tables have no accompanying captions and explanations.

If the assessor's office does have other evidence that sales prices trended upwards, then this might be highly noteworthy, and certainly relevant to the question of whether this sample of 53 sales is representative of the larger population of commercial properties. I note that this assumption that sale prices have been trending upwards is central to the logic of how the

assessments were adjusted upward in 2021 and it is certainly central to the whole idea that there needed to be an adjustment at all.

Representativeness of the sample of 53 sales

The idea you can just take a small sample and use that to represent some kind of larger population is based on the idea that the sample is *representative* of the population, in some sense. The field of scientific sampling has been developing for over 100 years, and we rely on these methods for many useful things in our lives. Your doctor does not have to drain all the blood out of your body to know your blood cholesterol level. Small blood samples have been repeated tested and shown by evidence to be adequate for the purpose by professional associations of clinical pathologists. Sampling for quality control in manufacturing process saves enormous amounts of money and ensures the safety of drugs, foods, air transportation, and on and on.

However, it should be obvious that not just any sample will capture the essential characteristics of the entire population under study. A sample of 100 people at a single political party's convention would not be suitable to make an accurate prediction about the outcome of an election with candidates from more than one party. A sample of 50 people at a sexually transmitted disease clinic would not be a good sample to use to estimate the incidence of syphilis in some larger population of people in a city. There is a well-developed theory about how to sample. Central to this theory is the idea of a *random sample*. With random sampling, the sample size controls what is called the *precision*—which is a mathematical description of how well, in some sense, the sample matches the population. I want to emphasize that here *random sample* is a term of art, and it does not mean what it means in common, colloquial speech. A *random sample*, in the scientific sense, is a sample that can be shown mathematically to be representative of the population for many purposes if the sample size is large enough.

If you will let me get a little technical, to produce a random sample of size n. the first requirement is that someone be able to carefully define what the population is and what it is not, so that someone else could know for sure if a sampling unit is either in or is outside the population. For example, if we are sampling land use with a satellite image, the population might be a set of one-kilometers square rectangles with some vegetation on them in Wisconsin. Then, for example, we will know that a specific farm in Minnesota or parts of Lake Mendota are not in the population. The next step is to uniquely label each of the N things in that make up the population. Then someone, at least in principle, will need to take those labels to produce a list of every possible combination of n labels taken out of the population of N labels. So, this list of combinations—that is, list of possible samples—would be very long. Finally, the last step would be to choose one of those combinations of n labels by a process that is really random, in the mathematical sense of the word. Often something other than a random sample is simply assumed to be a random sample. Sometimes this is appropriate and other times not. From some of the things Mr. Dahle has said in testimony I infer that he is treating the sample of 53 sales as both a representative sample, and more restrictively as a random sample from some kind of hypothetical population that has yet to be described, at least to me.

Obviously, a sample might not be representative of a larger population if too few sampling units from the population were included in the sample. If you take a coin that comes up "heads" with the same frequency as "tails," and you flip it 4 times, you don't necessarily get half heads and half tails. In fact, with just four tosses most of the time you won't get half heads and half tails. However, if you flip it 40,000 times you will get almost exactly half of the coin tosses to come up "heads." I think there are very good reasons to suspect that this of sample 53 commercial properties is far too small for the intended purpose. I also suspect that it is highly non-representative of all commercial properties because the sales look like they might be clustered in locations where property sold for one reason or another.

I heard Mr. Dahle tell the Board of Equalization that what he calls the C.O.V., or what is usually called the coefficient of variation, is a measure of the "confidence" in the analysis. That is true for a random sample, but that would certainly not be true if one was using a highly non-representative sample from a population. Again, a somewhat related problem is that I have never heard the assessor's office exactly define the population they are sampling. So, it is impossible to know if a sample is representative of the population if one cannot understand what is in the population and what is not.

Though I am not an expert in real estate, even I understand that commercial properties on Thane Road have different forces shaping their value those in the tourist-affected downtown, the downtown business area, the hospital-Twin Lakes area, the Costco-Lemon Creek area, and so on. This adds to my suspicion that a small sample of 53 sales cannot really be even marginally representative of all commercial properties in Juneau. I have not done it, but you might want to carefully look for spatial clustering in the sample of 53 sales. Such clustering would be strong evidence that the sample is not representative.

The issue of deleting values that are not favorable

After I heard Mr. Dahle's training session for the Board of Equalization, I inferred from what I thought I heard him say, that he—perhaps well-meaningly—deleted observations that he thought were not representative of some hypothetical population that he was thinking of. I attempted to contact Mr. Dahle last summer to clear this up, as I mentioned elsewhere, above. I have now heard Mr. Dahle testify that he did not do that. If observations were what is colloquially called "cherry picked" to support this analysis, this would certainly disqualify this analysis from being anything that could be considered a valid statistical analysis. Now that I have heard Mr. Dahle testify that he did not do this, I am somewhat comforted. However, as a matter of due diligence you might want to try and calculate some of the ratios of the 74 sales that were not included in the analysis to ensure that these don't disproportionately have high ratios of assessed value to adjusted sales values.

To be clear, the idea of choosing data points to delete based on professional judgement, or personal opinion, or to get a more favorable result—which leads to invalid inference—is completely different from deleting points because of a procedure or policy established well ahead of time to ensure outliers don't have undue influence on the analysis. I infer from what Mr. Dahle has said that the assessor's office does have some kind of procedures and set of rules



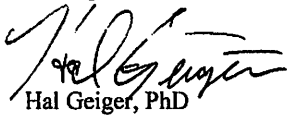
for classifying data points as outliers—and want to be clear that I am definitely not trying to criticize that practice.

In conclusion

I have worked professionally in scientific sampling, statistics, and biostatistics since 1980, when I was hired as a mathematical statistician by the United States Government. In 1982 I moved to Juneau to work as a biometrician (the word the State of Alaska uses for someone with expertise in statistics and biomathematics) with the Alaska Department of Fish and Game, and in the 1990s I served as Chief Biometrician for the Division of Commercial Fisheries. From 2007 until 2020 I operated biostatistical consulting firm in Juneau. I have a master's degree in statistics from Oregon State University and PhD from the College of Fisheries and Oceans at the University of Alaska Fairbanks. I have published papers on scientific sampling and statistics in the peer-reviewed scientific literature, and I have served two terms as president of the Alaska chapter of the American Statistical Association. My C.V. is available on request.

As I said, I have no opinion as to whether commercial property assessed values should go up or go down, and I have no stake in the outcome of the appeals. However, I am interested this process just as an example of a very public and important use of statistical methods in my community. I certainly have tried to appreciate the enormity of the charge that the assessor's office has been given, and I certainly have tried to appreciate that in order to be effective in their very necessary and important work they will definitely make some people very unhappy. Further, I appreciate that it is completely impossible for the assessor's office to perfectly develop assessments in such a way that there can be no room for any criticism. But with all that said, I am struck by the lack of strong evidence that there has been an upward trend in commercial property sales values—the idea that in central to the logic that the assessments needed to be raised.

Best regards,



Hal Geiger, PhD
Chief Scientist

November 29, 2021

Robert S. Spitzfaden Esq.
217 2nd St
Ste 204
Juneau, Alaska 99801-9801

Re: An analysis of Juneau commercial property ratios

Dear Mr. Spitzfaden,

This is the second letter I have sent you to document my analysis of the statistical processes that the City and Borough of Juneau used to support the increase in commercial property taxes in 2021. First, let me say again that it has been very hard to decode and reconstruct exactly what Michael Dahle of the Assessor's Office has done, as essentially nothing was written down: Mr. Dahle has not provided any written description of the statistical methods, any written outline of the steps he took, any written description of the logic behind the methods, or any written explanation of the policies and rules that guided the data management and choices underpinning what data were used and what data were excluded from the sample. When asked by me about the exact specifics of the analysis, his response has been that he used a "computer assisted mass assessment"—which, of course, tells me absolutely nothing specific. Because questions about the analysis can only be answered by talking to Mr. Dahle, and because of the great difficulty contacting Mr. Dahle, it is very hard to understand the analysis.

This latter issue is a very important point. Because there was no written policy, no written guideline about what data were to be excluded and what data were to be included, incorrect choices and many outright mistakes can simply be rationalized away. If sales were to have been deleted for very questionable or outright mistaken reasons, with no written policies and no written procedures, it is now an easy matter to construct post-hoc rationalizations for these deletions. In at least one case it appears that a data point was incorrectly included, and the problem is that this data point was simply made up. This made-up data point provides outsized support for conclusion that commercial property values have been increasing. And, again, with no policies or procedures, it is an easy matter to now go back after the fact and develop a post-hoc rationalization for this addition.

What I have done since my last letter

Since my last letter, my efforts have mostly gone into trying to understand and reproduce the analysis Mr. Dahle has offered as support for the City and Borough commercial tax increases. You supplied me with the 2020 property assessments for the 54 properties in Mr. Dahle's sample. There is no single report that lays out Mr. Dahle's whole analysis. I have only seen bits and pieces of the analysis, but the analysis I am referring to has been called "the June 25 Drown

e-mail[1]." My other important effort has been to continue to examine the question of whether the sample Mr. Dahle used was sufficiently representative.

Specifically, since my last letter I have done the following:

1. I met with Mr. Dahle and the CBJ Assessor, Mary Hammond, at Ms. Hammond's invitation.
2. I have attended many of the Zoom meetings of the Board of Equalization, and I listened carefully to the explanations and testimony, especially from the Assessor's Office.
3. I spoke to the real estate appraiser Kim Wold to see if he had any information on the sale prices of some of the 74 properties that Mr. Dahle did not use in his analysis, and I received four properties where I could match the sale with the 2020 assessments to develop a ratio.
4. I added the 2020 assessments to the data set containing the 54 commercial property sales so that I could try and reproduce Mr. Dahle's analysis.
5. I conduced my own analysis of these data using statistical analysis software (the R system).
6. I noted two overly influential data points that led to the appearance of a trend in ratios, and I examined these data points in greater detail.
7. I did also review the IAAO Standards[2] § 4, which was very helpful. This was particularly relevant because this material made it quite clear that the methods for conducting these ratio studies are intended to follow both the theory and practice of conventional statistical analysis.

My involvement

As I mentioned in my previous letter, this summer I was first alerted to this whole issue of the assessments of the commercial property increases when I was given a page with a confusing array of statistics and numbers on it, and I was asked as a professional statistician if I could help explain what this all meant. As there was no accompanying written explanation of the statistics, no written methods, as the figures did not have accompanying captions to explain them, and as some of the statistics were only labeled with undefined cryptic acronyms, my response was that I had no idea what these statistics represented. Next, I was then given a video of what was described as a training session of the Board of Equalization where Mr. Dahle provided some explanations.

However, there was very little technical content about the specific methods and logic behind the "ratio analysis" in that video. Importantly, what I thought I heard Mr. Dahle say in that video was that he somehow simply chose which data to include in the sample and which data to exclude based on personal preference or professional judgement. This might be commonly called

[1] The e-mail I am referring to is from CBJ employee Arthur Drown (on Friday, June 25, 2021) to an e-mail address of [redacted]. The e-mail packet contains several items included several unnumbered pages that follow a page with the caption "AY 2021 Summary Report – CBJ Commercial Property Valuations."
[2] International Association of Assessing Officers. 2013. *IAAO Standard on Ratio Studies.*

"cherry picking" the data. Cherry picking is certainly incompatible with a legitimate statistical analysis, especially if the data is cherry picked to include data that would give weight to a pre-chosen conclusion. This looked like an important statistical issue to me, and this issue of the misuse of statistics is what has motivated my original involvement.

In my last letter I documented my failed attempts to contact Mr. Dahle to discuss his methods. More recently I directly contacted the Assessor, Mary Hammond. She invited me to a meeting in her office the very next day—which Mr. Dahle attended. That meeting and what I have heard Mr. Dahle say during the Board of Equalization meetings provides almost all of what I have learned about how the "ratio study" was conducted. While I believe I have learned enough to reconstruct essentially the same or a similar "ratio study" analysis using the publicly available data, I have noted that Mr. Dahle has at times been inconsistent or even contradictory in his oral explanations of how he conducted his analysis. This has been somewhat maddening, as this lack of documentation really impedes my, or anyone else's, ability to reconstruct what he did, and greatly increased the time I spent working on this problem.

I also note again that the data set that was used for the ratio study originally had 74 properties, but some of those properties were excluded from the analysis for reasons that have never been clearly explained, at least to me. I did hear Mr. Dahle testify that he did not exclude data on the basis of *professional judgement* and he has said that directly to me as well. As I will explain below, it does appear that Mr. Dahle did indeed exclude data that was not favorable to the points he was trying to support. Mr. Dahle may have been trying to be a little too literal: some data were excluded based on his preference, but perhaps this was not literally his "professional judgement."

The logic behind the "ratio analysis"

Mr. Dahle's analysis, as it has been explained to me, rests on the assumption that every one of the approximately 2,000 commercial properties in Juneau has both (1) an assessed value from the previous year and (2) a true underlying value (which is not known in most cases). The analysis rests on the assumption that when a sale takes place, the true value of the property is revealed.

Mr. Dahle developed some kind of sample of 53 sales where the assessor would have known both the sale price and the assessed value (because, again, the true value was revealed by a sale). Naturally, this kind of analysis requires the assumption that the sale price and the assessments are correctly paired. In other words, if a sale occurred and the assessments occurred either before or after significant improvements or significant degradation of the property, then these two measurements would not be correctly paired.

The logic of the analysis also requires that we assume that these specific 53 properties are *representative*—in a strict mathematical sense—of the characteristic of the entire population of 2,000 commercial properties in Juneau. It should be obvious that if an analyst simply goes and collects data points that support a predetermined outcome, then there really has not been a legitimate statistical analysis. Here again, the sample would represent what is sometimes colloquially called "cherry picked" data set—meaning a collection of data assembled to support a predetermined conclusion. The exact opposite conclusions could be reached by a different

biased analyst on the other side of an argument who was also allowed to "cherry pick" a different set of data for that purpose.

This kind of analysis of "cherry picked data" would be quite different from an analysis that is reproducible because it follows accepted rules and procedures of sampling theory and statistical analysis. It is clear from the context and from specific things that Mr. Dahle has said that he is treating this sample 53 properties as a *random sample*. I want to stress that here *random sample* is used as a term of art, and it is not used here the way the words are used in common colloquial speech[3]. If this data set is to be used as a random sample, then legitimate data points should be included—although unusual or "problem" observations may require more advanced statistical techniques. Similarly, data points could appropriately be excluded if there is a sensible and consistent exclusion policy that does not involve some selection bias that favors one conclusion over another.

Selection bias in the preparation of the ratio sample

In my last letter I wrote that, "I have now heard Mr. Dahle testify that he did not [delete observations unfavorable to his conclusions based on professional judgement]. If observations were what is colloquially called 'cherry picked' to support this analysis, this would certainly disqualify this analysis from being anything that could be considered a valid statistical analysis. Now that I have heard Mr. Dahle testify that he did not do this, I am somewhat comforted. However, as a matter of due diligence you might want to try and calculate some of the ratios of the 74 sales that were not included in the analysis to ensure that these don't disproportionately have high ratios of assessed value to adjusted sales values."

Indeed, I did try to examine some of these sales that were not included in Mr. Dahle's sample. I asked Kim Wold, the real-estate appraiser, if he could supply me with some examples sales that were ignored or concealed, and if so, if he could supply me with the sales prices. He suggested I look further into the sale of the Emporium Mall, a multi-parcel sale; the sale at 225 Front Street; the multi-parcel sale at 1105 F Street; and the sale of 406 S. Franklin.

From what I can reconstruct, The Emporium Mall is an adjoining group of properties that in total was assessed at slightly over $1.82 million. These were sold as a unit in 2019 for $1.6 million. Apparently, the sale price was reported to the Assessor's Office by the purchaser shortly after the sale. The ratio of the sales price and the 2020 assessment for this sale is 1.14—a number greater than one and therefore, unfavorable to the notion that this property value was underassessed. From what I can reconstruct, the property at 1105 F Street was a multi-parcel sale of the old Bill Ray Center, and this sale includes five parcels, which sold for $1.75 million in 2018. The 2020 assessed value for the entire five parcels appears to have been $1.853 million, with three of the five parcels assessed at no value in 2020. This also produced a ratio greater than one, a ratio value unfavorable to the notion that this property was underassessed. The sale of the property at 225 Front Street was for $1.85 million, with a 2020 assessment of $1.6 million. This produces a ratio of 0.86, mildly supportive of the notion that this property was underassessed. The property at 406 S Franklin sold for $4.15 million and was assessed at $4.73 million in 2020. Here again,

[3] See S.K. Thompson. 2021. *Sampling, 3rd Ed.* John Wiley and Sons. New York.

the ratio of 1.14 is greater than one and this ratio is not supportive of the notion that this property was underassessed.

When I plot the ratio of the 2020 assessed value divided by sale price (Figure 1) of the specific 53 sales that I have data for (I don't have data for the three confidential sales, but this is such a small part of the sample that I will ignore that for now), I did not at first perfectly reproduce that graphic that Mr. Dahle has titled "Ratios of Sale Data." The first graph I produced (Figure 1) looked similar to Mr. Dahle's graph, but they are not an exact match. On closer inspection, I see Mr. Dahle deleted the two data points with the highest ratios, and these turned out to be boat condos. Indeed, excluding the boat condos or not might make sense for some purposes I suppose, as Mr. Dahle explained to me that there are no written policies or criteria. The boat condos might seem to be unlike most other commercial properties. Still, it is worth noting that the two ratios with the highest values (the values must unfavorable to Mr. Dahle conclusions) were deleted by him as a matter of his judgement or preference.

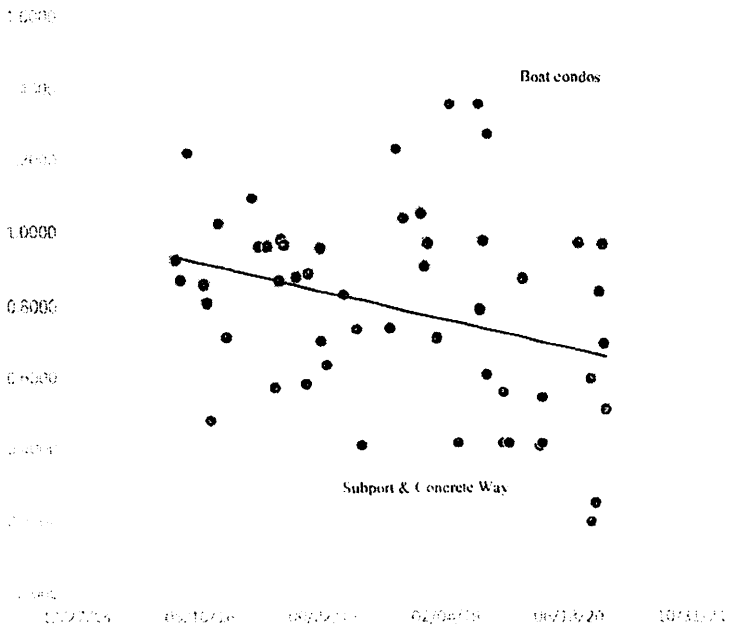


Figure 1. A simple spreadsheet graph with date on the *x* axis and the ratio of the 2020 assessed value to the actual sale price from a sample of 53 commercial properties sold between February of 2016 to December of 2020 on the *y* axis. These data are from spreadsheet titled "sept 30 sales list.xlsx" together with assembled sales prices.

Further examination of Figure 1 shows two highly influential data points in late 2020 with ratios near a value of 0.2 (implying that these properties sold for far, far less than their previous assessment). Yet in tracking down those points I found some important, suspicious characteristics. Consider the point with a ratio of 0.25. This turns out to be the sale of the

Subport property to Norwegian Cruise Lines—a very unusual sale for a very large amount of money. In fact, this is the largest sale in the data set by a huge amount. I note that this property sold for $20 million, and I further note that the average sale price for all of the 53 properties together was slightly over $1.1 million. Also of note is the fact that this was a sealed-bid auction, unlike almost all of the commercial property sales in Juneau. The IAAO Standards[4] state, "Very large properties that rarely sell (e.g., a large power plant) can be ignored in a ratio study..."

If the assessment prior to the sale really was about $5.0 million and it really did sell for $20.0 million, then this is a legitimate observation. Because this was such a good example of "very large properties that rarely sell...," the IAAO standard does seem to leave the decision of whether to include this property into the analysis to be matter of judgement.

Yet, further inquiry about this observation shows that this property was not assessed at that value before the sale. Because this property was owned by Alaska Mental Health Trust Authority, which is a public corporation within the State of Alaska Department of Revenue, this property was not taxable before the sale. Therefore, there was no assessment at the time of the sale. This very influential ratio is not correct. The value of $5.0 million appears to be a number that was simply made up after the sale to further the impression that commercial properties were underassessed. Indeed, this made-up value does very much help create the appearance of a downward trend in the ratios (or an upward trend in sales values).

Because there was no prior assessment, the Assessor's Office could have recognized the unique features of this particular property and chosen and rationalized an imputed assessment of $40 million, or any very large number, to help create the impression that properties were not underassessed. Instead, they chose an imputed assessment that created the second smallest ratio in data set, and one that was, again, highly influential in the trend line analysis.

An examination of the available data that Mr. Dahle excluded from his analysis does offer moderately strong support for the notion that there was a selection bias in favor of data that supported a predetermined conclusion—what I previously called "cherry picking," whether intentional or not. Moreover, including the ratio for the Subport sale—whose assessed value is simply incorrect—more strongly makes the case there was selection bias.

It certainly appears that Mr. Dahle somehow justified excluding values with high ratios and it seems improbable that so many potential data points with large ratios (again, non-supportive of the proposition that assessments have been too low) were excluded just due to chance. If we assume that the sample median ratio that Mr. Dahle reports on his page of statistics titled "AY2021- Comm- Set2- 20210316..." is very close to the population median (the value with half of the unknown ratios being higher and half being lower), then a property picked at random should have equal chance of being above or below the median. The probability that six properties picked at random would all have ratio values above the median is approximately 0.015—a pretty unlikely outcome. Of course, these six properties with high ratios that were excluded were not picked at random. However, when I combine the improbability that all of the excluded properties that I checked had high ratios, together with the observation that second lowest ratio in the

[4] International Association of Assessing Officers. 2013. *IAOO Standard on Ratio Studies.*

analysis was simply made up, I find there is strong evidence that the analysis is substantially flawed by a glaring selection bias.

Another important ratio used to support the conclusion of an upward trend in sale prices

The other highly influential data point (from a sale on 9/24/2020 on Concrete Way) was a sale for approximately $2.4 million of a property assessed at $486 thousand. Here again, this looks surprising and unusual. As a matter of craft, I would certainly argue that it might be bad practice to allow one. very unusual data point to have so much influence on an analysis that has such important consequences. That does not mean excluding it entirely, but just insuring it does not have outsized influence. This data point does pose a real statistical problem to a completely unbiased analysist. Although this appears to be a legitimate data point. the usual forms of trend line estimation (least squares fitting) are just inappropriate for a data set with unusual outliers[5] that have excessive influence. If such a data point is to be included, it would seem to require more advanced techniques, such as some form of weighted regression or some form of non-parametric regression that is less influenced by outliers.

Yet, when we carefully look at that sale we find at least one suspicious characteristic. First, this this appears to have been listed as a "multi-parcel sale" in the September 30 list of the 53 sales used in this analysis This got my attention, because I thought that Mr. Dahle had previously stated that "multi-parcel sales" were excluded from the analysis. He did exclude at least some other multi-parcel sales, such as the Emporium Mall sale and the Bill Ray Center sale. And again, this Concrete Way data point has outsized influence on the analysis because it is so far from the trend line. Because it occurs so near on end of the line, it has more leverage[6] than most of the other data points. In the end, I concluded that this was likely a legitimate data point, but this unusual point does require a more sophisticated analysis than what Mr. Dahle seems to have done.

With the deletion of the boat condos and the incorrect Subport ratio and the addition of the four additional properties I discovered there is still an appearance of a trend (Figure 2), but this trend is only moderately statistically significant at the usual 0.05 level (p=0.02). More importantly, graphical diagnostics of this trend line shows a definite problem with the fit (e.g., Figure 3). This is just more formal evidence of a statistical problem with the trend line fitting that should be obvious by just looking at Mr. Dahle's graphics.

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[5] The National Institute of Science and Technology defines an outlier thusly: "An *outlier* is an observation that lies an abnormal distance from other values in a random sample from a population. In a sense, this definition leaves it up to the analyst (or a consensus process) to decide what will be considered abnormal. Before abnormal observations can be singled out, it is necessary to characterize normal observations."
(https://www.itl.nist.gov/div898/handbook/prc/section1/prc16.htm , downloaded November 29, 2021)

[6] See Chapter 7 in the R project's free online book on regression analysis ([illegible], 2021).

Further, the R^2 statistic[7] is usually used in line fitting to measure how well data fit the line (in this case, the R^2 measures the fraction of the variation in the ratios that is in some sense explained by the trend line; an R^2 of 1 would mean all of the data points fall exactly on the trend line). The R^2 can also be expressed as a percentage, and when this is done it is usually called the *coefficient of determination* statistic. For the trend line in Figure 2 this coefficient of determination statistic is only about 10%—indicating a very poor fit of the trend line to the this set of ratio data. As Mr. Dahle did not report a coefficient of determination we don't know what his was, but by comparing his graphics to Figure 2 it would appear to be similarly low.

As Mr. Dahle has not said how he estimated the trend line, I can only assume that he used the usual "least squares" approach to fitting a line and used conventional statistical tests. Using conventical graphical tests of the goodness of fit, the 5470 Concrete Way observation is consistently flagged as a suspicious observation (e.g., Figure 3). When the controversial Concrete Way data point is excluded—as the Bill Ray Center and Emporium Mall multi-parcel sales were—the trend line is no longer significant (p=0.05) at the usual significance level.

[7] Essentially any advanced text book on statistical analysis or textbook on regression analysis and analysis of variance will have an explanation of the R^2 statistic. The R project offers a free PDF reference here: https://cran.r-project.org/doc/contrib/Faraway-PRA.pdf (downloaded November 29, 2021). See § 2.11, starting on page 21 for a discussion of the R^2. Note that this text has the following practical advice: "What is a good value of R^2? It depends on the area of application. In the biological and social sciences, variables tend to be more weakly correlated and there is a lot of noise. We'd expect lower values for R^2 in these areas — a value of 0.6 might be considered good. In physics and engineering, where most data comes from closely controlled experiments, we expect to get much higher R^2's and a value of 0.6 would be considered low. Of course, I generalize excessively here so some experience with the particular area is necessary for you to judge your R^2's well." While it is true that there is no universal standard for an acceptable magnitude of an R^2 statistic, for an analysis with such consequences as the CBJ Assessor's ratio study, it would seem to me to be reasonable to expect a minimum R^2 of 50% or so as one test that any detected trend is indeed a real effect and not an illusion created by a few unusual points, or even a single unusual point.

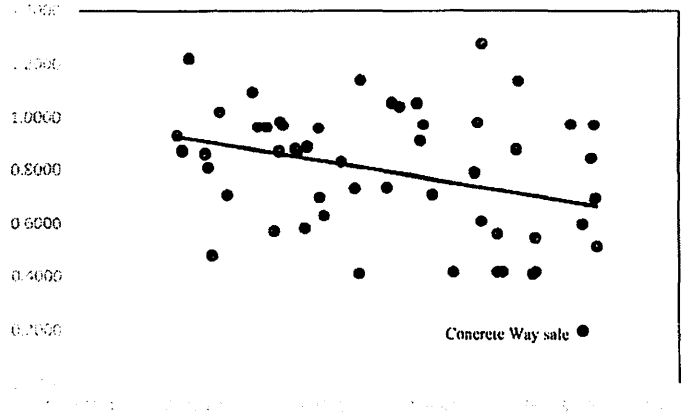


Figure 2. A simple spreadsheet plot of the data used in the 2021 "ratio study" with the boat condos and the Subport sale ratio values removed and with four additional data points added. The graph shows date on the *x* axis and the ratio of the 2020 assessed value to the actual sale price from a property sold between February of 2016 to December of 2020 on the *y* axis. Note that there is still an apparent downward trend in the ratios. Much of the appearance of a trend is formed by a single unusual sale of a property at 5470 Concrete Way, the 2020 sale with the lowest ratio.

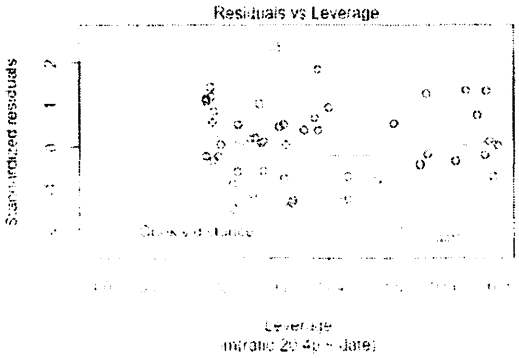


Figure 3. A plot of the leverage of each data point in the trend line plotted against the standardized residual (i.e., standardized distance from the estimated trend line). The analysis used the data set that excluded the boat condos, excluded the Subport sale, included the Concrete Way sale, and included the four data points not used in the Dahle analysis. Note the 44th sale (the controversial 5740 Concrete Way sale) was flagged (all data points with a number next to them were flagged by the statistical software) as a suspicious data point. This observation not only has relatively high leverage, but its distance from the estimated trend line is so extreme as to require further investigation and justification to be included in the analysis (i.e., a residual near or more than 2 standard deviations).

What Mr. Dahle calls the "trending" step and other considerations

I have not had time to fully understand the important step that Mr. Dahle called "trending" in his spreadsheets and in testimony before the Board of Equalization. This is a critical part of his whole analysis. Even without fully understanding the process I think I can conclude that this part of the analysis is also flawed. Mr. Dahle has told me that he demonstrated the trend by looking at the ratios. We have seen that the ratio analysis was flawed by selection bias.

If there really was a meaningful trend in the commercial properties, then its appearance should be visible through several kinds of analyses. Such a trend should be highly statistically significant, the estimated R^2 for the fitted trend line should be at least 50% or more (probably much more), and such a trend line should be robust to small changes in the data set. The evidence of such a trend in the ratios is much lessened by the deletion of the made-up data point of the Subport sale. After the deletion of this illegitimate point, much of the appearance of a trend is based largely on a single unusual observation. This leads me to the conclusion that the apparent upward trend in sale prices is likely a statistical illusion formed by selectively deleting data that did not support the pre-determined conclusion.

More importantly, let's consider how the notion of a trend was used. By doing what Mr. Dahle called developing the "trended" sales prices, he developed a data series with artificially inflated sales values. This, in turn, helped create the impression in his second analysis (on the sheet labeled "Comm- Set 2 Updated AVs Live1- 20210316-...) that the ratios were generally smaller than they actually were, and that sales values were larger than they actually were. This exaggerated the relationship between assessments and sale prices. And this, in turn, appeared to justify increasing assessments. For example, the "trended" sales values from 2016 were inflated by more than 20%. Commercial properties may or may not have been underassessed before 2021. I have no opinion on that question. However, this "trending" step exaggerated the estimated magnitude of any actual underassessment.

In conclusion

After analyzing the 2020 assessments you provided me with, and after following up on suggestions Mr. Wold made about data that may have been incorrectly excluded, I have concluded that there were glaring and grievous errors in Mr. Dahle's analysis that substantially affected the results and conclusions of his "ratio study." These detected errors fall into the following categories:

1. There was a selection bias in how the sample of data were assembled. Some data that produced small ratios were chosen to be included (e.g., the 5740 Concrete Way property), while similar data that produced large ratios (e.g, Emporium property, and others) were withheld from the sample.
2. One influential data point that helped drive down the trend line for the ratios (and create the impression that commercial properties were trending up) was simply made up, as there was no prior assessment.



APPELLANT MATERIAL

Received 7/20

Summary

Julie Dinneen, MAI Appraiser is an experienced appraiser, with impeccable qualifications. Her Opinion of Value and work product is expertly completed.

Goldstein Improvement Property has been over-assessed since 2005 $ 40,547,410 or more and over-taxed over $ 574,385 or more.

It is misleading and fraudulent for the Assessor to overlook this massive over-assessment to claim commercial property assessments have not been raised in a decade.

While it may be true in cases, year over year, assessments were not increased this evidence does not show under-assessment. This evidence shows the Assessor knew commercial property was over-assessed and there was no basis for raising assessments on commercial property owners. In cases, commercial property owners were over-assessed double. This Assessor conduct of "cherry-picking data" is consistent throughout his work. "Cherry-picking data" means bad data has been used by the Assessor to make fraudulent claims and use them against taxpayers unjustly. For example, the plagiarism by the Assessor in stating for a market sale to occur, selling a bank building, the market exposure time is 9 ½ months. This plagiarism was used to "mark" this sale as a non-market sale to support more than doubling the assessment.

Beyond clear and convincing evidence, commercial property owners have been over-burdened by excessive assessment and over-taxation.

The tax shift that occurred was onto commercial property owners. There is no evidence of a tax shift from commercial property owners to residential property owners.

Therefore, there is no basis for the City to impose additional assessement and taxation onto the backs of commercial property owners.

The Key Bank Building is a perfect example of the above over-assessment and over-taxation. In 2005, it was assessed for $ 2,344,700. At the end of 2021, it sold for $1,250,000. Certainly, the Key Bank Building was worth less in 2005 than in 2021. SEE attached a current bank building listing for $ 1,275,000.

Clear over-assessment from 2005-2022 is established by clear and convincing evidence.

Address	Julie Dinneen Appraised Value Or Sale Price	Over-Assessment	Over-Taxation
234 Seward St (60)	$ 1,250,000	$19,821,920	$ 218,041
122 Front St (11)	$ 1,200,000	$11,669,481	$ 128,364
130 Seward St (43)	$ 4,750,000	$ 8,138,751	$ 89,526
201 Second St (10)	$ 875,000	$ 6,853,279	$ 75,386
110 Seward St (30)	$ 1,200,000	$ 5,520,966	$ 60,731
224 Second St (20)	$ 295,000	$ 212,494	$ 2,337
		$ 40,547,410	$. 574,385

The conduct of the Assessor's Office and the Board of Equalization has no basis for imposing additional assessment and taxation onto commercial property owners.

The Appellant and all Appellant's have met their burden of proof. The Appeals of the Appellant shall be granted pursuant to Julie Dinneen's appraised vaulations and the sale price above and this matter remanded to the Assembly for further action.

CITY AND BOROUGH OF JUNEAU HISTORY OF OVER-ASSESSMENT 2005-2022

ADDRESS	OVER-ASSESSMENT	OVER-TAXED
234 SECOND STREET (60)	$19,821,920	$218,041
122 FRONT STREET (11)	$11,669,481	$128,364
130 SEWARD STREET (43)	$8,138,751	$89,526
201 SECOND STREET (10)	$6,853,279	$75,386
110 SEWARD STREET (30)	$5,520,966	$60,731
224 SECOND STREET (20)	$212,494	$2,337
TOTALS	***$40,547,410***	***$574,385***

234 Second Street (1C070A050060) [SEE EXHIBIT 45].

Year	Assessed Value	Sale Price**		Over-Assessment
2005-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2006-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2007-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2008-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2009-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2010-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2011-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2012-	$ 2,344,700	$1,250,000	EST.	$1,094,000
2013-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2014-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2015-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2016-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2017-	$ 2,292,300	$1,250,000	EST.	$1,042,300
2018-	$ 2,329,000	$1,250,000	EST.	$1,079,000
2019-	$ 2,329,000	$1,250,000	EST.	$1,079,000
2020-	$ 2,304,500	$1,250,000	EST.	$1,054,500
2021-	**$ 2,598,400**	**$1,250,000**	**EST.**	**$1,348,400**
2022-	$ 2,547,520	$1,250,000	EST.	$1,297,520

TOTALS OVER-ASSESSMENT: $ 19,821,920*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 1,348,400

1.1%=$ 218,041

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

****-This figure will be lower if adjusted for personal property at $17,085 and obsolesence.**

122 Front Street (1C070A020011) [SEE EXHIBIT 27 AND 45].

Year	Assessed Value	Appraised Value		Over-Assessment
2005-	$ 866,300	$1,200,000	EST.	$16,300
2006-	$ 1,095,100	$1,200,000	EST.	$245,100
2007-	$ 1,128,500	$1,200,000	EST.	$278,500
2008-	$ 1,509,300	$1,200,000	EST.	$659,300
2009-	$ 1,509,300	$1,200,000	EST.	$659,300
2010-	$ 1,509,300	$1,200,000	EST.	$659,300
2011-	$ 1,583,700	$1,200,000	EST.	$733,700
2012-	$ 1,583,700	$1,200,000	EST.	$733,700
2013-	$ 1,583,700	$1,200,000	EST.	$733,700
2014-	$ 1,583,700	$1,200,000	EST.	$733,700
2015-	$ 1,589,300	$1,200,000	EST.	$739,300
2016-	$ 1,577,400	$1,200,000	EST.	$727,400
2017-	$ 1,577,400	$1,200,000	EST.	$727,400
2018-	$ 1,594,700	$1,200,000	EST.	$744,700
2019-	$ 1,594,700	$1,200,000	EST.	$744,700
2020-	$ 1,572,900	$1,200,000	EST.	$722,900
2021-	**$ 2,105,950**	**$1,200,000**	**EST.**	**$1,255,950**
2022-	$ 2,063,831	$1,200,000	EST.	$1,213,831

TOTALS OVER-ASSESSMENT: $ 11,669,481*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 1,255,950

1.1%=$ 128,364

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

130 Seward Street (1C070A040043) [SEE EXHIBIT 45].

(also 119 Second Street)

Year	Assessed Value	Appraised Value		Over-Assessment
2005-	$ 4,525,400	$4,750,000	EST.	$0
2006-	$ 4,534,800	$4,750,000	EST.	$0
2007-	$ 4,812,200	$4,750,000	EST.	$62,200
2008-	$ 4,812,200	$4,750,000	EST.	$62,200
2009-	$ 4,812,200	$4,750,000	EST.	$62,200
2010-	$ 4,812,200	$4,750,000	EST.	$62,200
2011-	$ 4,812,200	$4,750,000	EST.	$62,200
2012-	$ 4,812,200	$4,750,000	EST.	$62,200
2013-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2014-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2015-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2016-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2017-	$ 5,774,100	$4,750,000	EST.	$1,024,100
2018-	$ 5,119,200	$4,750,000	EST.	$369,200
2019-	$ 5,119,200	$4,750,000	EST.	$369,200
2020-	$ 5,353,668	$4,750,000	EST.	$603,668
2021-	**$ 5,456,052**	**$4,750,000**	**EST.**	**$706,052**
2022-	$ 5,346,931	$4,750,000	EST.	$596,931

TOTALS OVER-ASSESSMENT: $ 8,138,751*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 706,052

1.1%=$ 89,526

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

201 Second Street (1C070A040010) [SEE EXHIBIT 45].

Year	Assessed Value	Appraised Value	Over-Assessment	
2005-	$ 1,169,500	$875,000	EST.	$294,500
2006-	$ 1,183,900	$875,000	EST.	$308,900
2007-	$ 1,183,900	$875,000	EST.	$308,900
2008-	$ 1,266,300	$875,000	EST.	$391,300
2009-	$ 1,266,300	$875,000	EST.	$391,300
2010-	$ 1,266,300	$875,000	EST.	$391,300
2011-	$ 1,266,300	$875,000	EST.	$391,300
2012-	$ 1,266,300	$875,000	EST.	$391,300
2013-	$ 1,192,200	$875,000	EST.	$317,200
2014-	$ 1,192,200	$875,000	EST.	$317,200
2015-	$ 1,192,200	$875,000	EST.	$317,200
2016-	$ 1,192,200	$875,000	EST.	$317,200
2017-	$ 1,192,200	$875,000	EST.	$317,200
2018-	$ 1,254,200	$875,000	EST.	$379,200
2019-	$ 1,254,200	$875,000	EST.	$379,200
2020-	$ 1,229,600	$875,000	EST.	$354,600
2021-	**$ 1,524,350**	**$875,000**	**EST.**	**$667,350**
2022-	$ 1,494,129	$875,000	EST.	$619,129

TOTALS OVER-ASSESSMENT: $ 6,853,279*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 667,350

1.1%=$ 75,386

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

****-This figure will be lower if adjusted for personal property at $17,085 and obsolesence.**

110 Seward Street (1C070A020030) [SEE EXHIBIT 36 AND 45].

Year	Assessed Value	Appraised Value		Over-Assessment
2005-	$1,072,000	$1,200,000	EST.	$0
2006-	$1,199,100	$1,200,000	EST.	$0
2007-	$1,199,100	$1,200,000	EST.	$0
2008-	$1,434,200	$1,200,000	EST.	$234,200
2009-	$1,434,200	$1,200,000	EST.	$234,200
2010-	$1,434,200	$1,200,000	EST.	$234,200
2011-	$1,506,100	$1,200,000	EST.	$306,100
2012-	$1,506,100	$1,200,000	EST.	$306,100
2013-	$1,506,100	$1,200,000	EST.	$306,100
2014-	$1,506,100	$1,200,000	EST.	$306,100
2015-	$1,675,000	$1,200,000	EST.	$475,000
2016-	$1,643,400	$1,200,000	EST.	$443,400
2017-	$1,643,400	$1,200,000	EST.	$443,400
2018-	$1,653,000	$1,200,000	EST.	$453,000
2019-	$1,653,000	$1,200,000	EST.	$453,000
2020-	$1,639,600	$1,200,000	EST.	$439,600
2021-	**$1,968,800**	**$1,200,000**	**EST.**	**$768,800**
2022-	$1,929,966	$1,200,000	EST.	$729,966

TOTALS OVER-ASSESSMENT: $5,520,966*

DAHLE'S FOLLY OVER-ASSESSMENT: $ 768,800

1.1%=$ 60,731

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

224 Second Street (1C070A040020) [SEE EXHIBIT 45].

Year	Assessed Value	Appraised Value		Over-Assessment
2005-	$ 245,600	$295,000	EST.	$0
2006-	$ 246,000	$295,000	EST.	$0
2007-	$ 246,000	$295,000	EST.	$0
2008-	$ 246,000	$295,000	EST.	$0
2009-	$ 246,000	$295,000	EST.	$0
2010-	$ 246,000	$295,000	EST.	$0
2011-	$ 246,000	$295,000	EST.	$0
2012-	$ 246,000	$295,000	EST.	$0
2013-	$ 246,000	$295,000	EST.	$0
2014-	$ 246,000	$295,000	EST.	$0
2015-	$ 246,000	$295,000	EST.	$0
2016-	$ 246,000	$295,000	EST.	$0
2017-	$ 246,000	$295,000	EST.	$0
2018-	$ 245,700	$295,000	EST.	$0
2019-	$ 245,700	$295,000	EST.	$0
2020-	$ 270,200	$295,000	EST.	$0
2021-	**$ 405,300**	**$295,000**	**EST.**	**$110,300**
2022-	$ 397,194	$295,000	EST.	$102,194

TOTALS OVER-ASSESSMENT: $ 212,494*

DAHLE'S FOLLY OF OVER-ASSESSMENT: $ 110,300

1.1%=$ 2,337

***This figure will be substantially higher when Appraised Value is adjusted in earlier years.**

CITY AND BOROUGH OF JUNEAU
ASSESSMENT HISTORY REPORT

1C070A050060

234 SEWARD ST

2022 $ 2,547,520

2005 $ 2,344,700

City and Borough of Juneau
Assessment History Report

1C070A050060
GOLDSTEIN IMPROVEMENT COMPANY
234 SEWARD ST
JUNEAU TOWNSITE BL 5 LTS 5 7 & 8

YEAR_ID	LAND_VALUE	MISC_VALUE	BLDG_VALUE	CAMA_VALUE
2022	$864,066.00	$54,400.00	$1,629,054.00	$2,547,520.00
2021	$881,700.00	$54,400.00	$1,662,300.00	$2,598,400.00
2020	$587,800.00	$54,400.00	$1,662,300.00	$2,304,500.00
2019	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2018	$612,300.00	$54,400.00	$1,662,300.00	$2,329,000.00
2017	$612,300.00		$1,680,000.00	$2,292,300.00
2016	$612,300.00		$1,680,000.00	$2,292,300.00
2015	$612,300.00		$1,680,000.00	$2,292,300.00
2014	$612,300.00		$1,680,000.00	$2,292,300.00
2013	$612,300.00		$1,680,000.00	$2,292,300.00
2012	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2011	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2010	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2009	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2008	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2007	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2006	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2005	$612,300.00	$0.00	$1,732,400.00	$2,344,700.00
2004	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2003	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2002	$496,000.00	$0.00	$1,332,600.00	$1,828,600.00
2000	$496,000.00	$0.00	$787,300.00	$1,283,300.00

CURRENT BANK BUILDING LISTING

$ 1,275,000

From: **Carlton Smith** carltonsmith@gci.net
Subject: Fwd: Former Wells Fargo Bank Building For Sale | Downtown Anchorage
Date: June 24, 2022 at 3:59 PM
To: Greg Adler gregadler@mac.com

Greg: my former colleague Marc Dunne has listed this former Wells Fargo branch building for sale in Anchorage. Note the asking price.
Carlton

Sent from my iPhone

Begin forwarded message:

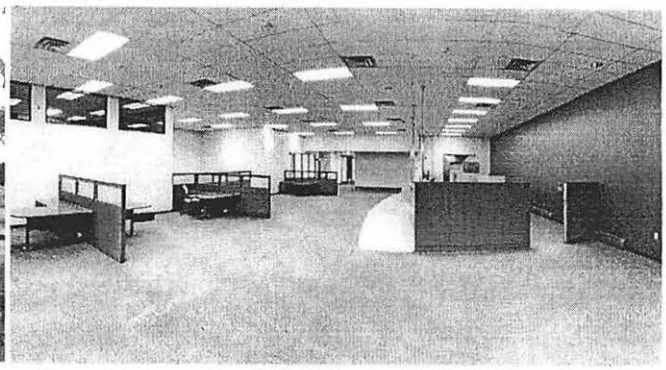
From: Marc Dunne <notifications@c.costarmail.com>
Date: June 24, 2022 at 3:24:24 PM PDT
To: carltonsmith@gci.net
Subject: **Former Wells Fargo Bank Building For Sale | Downtown Anchorage**
Reply-To: Marc Dunne <mwdunne@alaska.net>

Jack White COMMERCIAL

Office For Sale







Highlights

- Main Building: 14,204 SF.
- 3 Parcels totaling: 40,935 SF.
- 480 SF ATM Building.
- Zoned B-2C.
- Great opportunity for owner user or redevelopment.

Attachments

PDF "PACKAGE BY REQUEST"

Listing Details

Price	$1,275,000
Sale Type	Investment Or Owner/User
Property Type	Office

Property Type	Office
Building Class	B
RBA	14,204 SF
Lot Size	0.94 AC
Year Built	1966
Parking Ratio	44 Spaces/3.1 Ratio

Description

14,204 SF cast concrete and brick office building situated on 3 downtown parcels. This iconic 2-story building was the former home to Wells Fargo Bank with a drive through ATM around the back of the building. This is a great opportunity for an owner user, or possible redevelopment.

Contacts



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