

AGENDA
BOARD OF EQUALIZATION
THE CITY AND BOROUGH OF JUNEAU, ALASKA
 Tuesday, November 2, 2021 at 5:30 PM
 Virtual Meeting Only via Zoom Webinar
<https://juneau.zoom.us/j/99741860260>
 or call: 1-253-215-8782 Webinar ID: 997 4186 0260

- I. Call to Order**
- II. Roll Call**
- III. Selection of Presiding Officer**
- IV. Approval of Agenda**
- V. Property Appeals**

Attached is a 2021 commercial property appeal being brought before the Board of Equalization for final value determination. The Appellant and the Assessor were unable to reach an agreement for the parcel values. You will find for each parcel the following –

- Appellant's Appeal
- Appellant's Documentation at the time of Appeal
- Board of Equalization Presentation

Appeal No. 2021-0549

Appellant: Terry & Patricia Hickok
 Parcel No.: 1C070H020010

Location: 289/291 S. Franklin St
 Type: Commercial – Retail

Appellant's Estimate of Value

Site: \$1,100,000
 Buildings: \$450,000
 Total: \$1,550,000

Original Assessed Value

Site: \$2,362,500
 Buildings: \$408,100
 Total: \$2,770,600

Recommended Value

Site: \$2,362,500
 Buildings: \$408,100
 Total: \$2,770,600

Appeal No. 2021-0464

Appellant: Terry & Patricia Hickok
 Parcel No.: 1C070H030010

Location: 365/369 S. Franklin St
 Type: Commercial – Retail

Appellant's Estimate of Value

Site: \$1,600,000
 Buildings: \$500,000
 Total: \$2,100,000

Original Assessed Value

Site: \$1,582,950
 Buildings: \$860,200
 Total: \$2,443,150

Recommended Value

Site: \$1,582,950
 Buildings: \$860,200
 Total: \$2,443,150

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Appeal No. 2021-0236**Appellant: Hospitality Group LLC**

Parcel No.: 5B1601020171

Location: 9400 Glacier Hwy

Type: Commercial – Hotel

Appellant's Estimate of Value

Site: Not Provided

Buildings: Not Provided

Total: \$6,408,307

(Combined: 5B1601020171/0180/0190)

Original Assessed Value

Site: \$2,261,250

Buildings: \$2,106,100

Total: \$4,367,350

Recommended Value

Site: \$829,105

Buildings: \$3,538,245

Total: \$4,367,350

Appeal No. 2021-0237**Appellant: D&M Rentals LLC**

Parcel No.: 5B1601020180

Location: 2354 Mendenhall Loop Rd

Type: Commercial – Hotel/Retail

Appellant's Estimate of Value

Site: Not Provided

Buildings: Not Provided

Total: \$6,408,307

(Combined: 5B1601020171/0180/0190)

Original Assessed Value

Site: \$784,050

Buildings: \$639,000

Total: \$1,423,050

Recommended Value

Site: \$431,244

Buildings: \$991,806

Total: \$1,423,050

Appeal No. 2021-0238**Appellant: D&M Rentals LLC**

Parcel No.: 5B1601020190

Location: 2356 Mendenhall Loop Rd

Type: Commercial – Hotel

Appellant's Estimate of Value

Site: Not Provided

Buildings: Not Provided

Total: \$6,408,307

(Combined: 5B1601020171/0180/0190)

Original Assessed Value

Site: \$392,100

Buildings: \$1,591,100

Total: \$1,983,200

Recommended Value

Site: \$215,622

Buildings: \$1,767,578

Total: \$1,983,200

Appeal No. 2021-0241**Appellant: D&M Rentals LLC**

Parcel No.: 1C060K580052

Location: 1200 W Ninth St

Type: Commercial – Hotel

Appellant's Estimate of Value

Site: Not Provided

Buildings: Not Provided

Total: \$3,222,245

Original Assessed Value

Site: \$1,264,200

Buildings: \$3,148,200

Total: \$4,412,400

Recommended Value

Site: \$1,264,200

Buildings: \$3,148,200

Total: \$4,412,400

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Appeal No. 2021-0240**Appellant: D&M Rentals LLC**

Parcel No.: 1C060K580053

Location: 1230 W Ninth St

Type: Commercial – Hotel

Appellant's Estimate of Value

Site: Not Provided

Buildings: Not Provided

Total: \$680,904

Original Assessed Value

Site: \$272,100

Buildings: \$660,300

Total: \$932,400

Recommended Value

Site: \$272,100

Buildings: \$660,300

Total: \$932,400

Appeal No. 2021-0242**Appellant: D&M Rentals LLC**

Parcel No.: 1C060K580054

Location: 1240 W Ninth St

Type: Commercial – Hotel

Appellant's Estimate of Value

Site: Not Provided

Buildings: Not Provided

Total: \$676,011

Original Assessed Value

Site: \$272,400

Buildings: \$653,300

Total: \$925,700

Recommended Value

Site: \$272,400

Buildings: \$653,300

Total: \$925,700

Appeal No. 2021-0243**Appellant: D&M Rentals LLC**

Parcel No.: 1C060K580055

Location: 1250 W Ninth St

Type: Commercial – Hotel

Appellant's Estimate of Value

Site: Not Provided

Buildings: Not Provided

Total: \$702,666

Original Assessed Value

Site: \$309,900

Buildings: \$652,300

Total: \$962,200

Recommended Value

Site: \$309,900

Buildings: \$652,300

Total: \$962,200

Appeal No. 2021-0251**Appellant: D&M Rentals LLC**

Parcel No.: 1C060K600060

Location: 1105 W Ninth St

Type: Commercial

Appellant's Estimate of Value

Site: Not Provided

Buildings: Not Provided

Total: \$138,242

Original Assessed Value

Site: \$96,300

Buildings: \$93,000

Total: \$189,300

Recommended Value

Site: \$96,300

Buildings: \$93,000

Total: \$189,300

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Appeal No. 2021-0380

Appellant: D&M Rentals LLC

Parcel No.: 5B1601020170

Location: 9320/9322/9324/9326/9328/9340/9342 Glacier Hwy

Type: Commercial-Retail/Residential Apartments

Appellant's Estimate of Value

Site: Not Provided

Buildings: Not Provided

Total: \$3,480,941

Original Assessed Value

Site: \$2,442,600

Buildings: \$2,503,000

Total: \$4,945,600

Recommended Value

Site: \$2,442,600

Buildings: \$2,503,000

Total: \$4,945,600

VI. Adjournment

BOARD OF EQUALIZATION ORIENTATION

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

A. Quasi-Judicial Role & Responsibilities - CBJ 15.05.185

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

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

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

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

4. Law does not bind Assessor to follow a particular formulas, rules or methods of valuation, but grants broad discretion in selecting valuation methods-as long as reasonable basis
5. Technical evidentiary rules don't apply
Relevant evidence admissible if sort relied on by responsible persons
May exclude irrelevant, repetitious evidence
6. **Only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts**

C. Alternative Actions for Appeals Heard on the Merits

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

D. LATE-FILED APPEALS – Legal Standard for Accepting

1. Potential *merit* of appeal is irrelevant.
2. Jurisdictional authority to hear only *timely-filed appeals*
3. Appeal must be filed w/in 30 days from date assessment notice is mailed
4. Only "accepted" late-filed appeals may proceed to a hearing on the merits.
5. If 30 day deadline missed, RIGHT to appeal CEASES and BOE **cannot accept or hear** appeal, **unless BOE finds that taxpayer was unable to comply due to situation beyond taxpayer's control** (See Hartle memo)
6. Burden to prove inability to comply is on Taxpayer.
7. BOE Action Alternatives: **Deny** Late-file or **Accept, so hearing can be scheduled.**

BOE HEARING GUIDELINE

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

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

BOE Action Options:

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

SAMPLE MOTIONS

1. To DENY appeal

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

Because . . .

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

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

2. To GRANT appeal & ADJUST assessment AS REQUESTED

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

Because . . .

Appellant proved there was error . . .

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

AND

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

3. To GRANT appeal & ADJUST assessment OTHERWISE

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

Because . . .

Appellant proved there was error . . .

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

AND

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

4. To GRANT appeal & REMAND for RECONSIDERATION of ASSESSMENT

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

Because . . .

Appellant proved there was error . . .

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

AND

We find insufficient evidence of value in the record



CBJ-Assessor's Office

MAY 03 2021

Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value Real Property

Assessment Year 2021

Parcel ID Number

For Office Use:

Review #

Appeal #

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Parcel ID Number	Pacific Coast Addition BL2 1C07020010		
Owner Name	Terry & Patricia Hickok	Name of Applicant	Terry & Patricia Hickok
Primary Phone #	907-463-4475	Email Address	patsylee11@gmail.com
Physical Address	369 S. Franklin St Juneau, AK 99801	Mailing Address	285 S. Franklin St Juneau, AK 99801

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

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

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

Because of COVID-

Have Vacancies And tenants can't Afford Rent

Have you attached additional information or documentation?

☐ Yes ☒ No

Values on Assessment Notice:

Site	\$2,362,500	Building	\$408,100	Total	\$2,770,600
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Owner's Estimate of Value:

Site	\$1,100,000	Building	\$450,000	Total	\$
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Purchase Price of Property:

Price	\$350,000	Purchase Date	1993
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Has the property been listed for sale? ☐ Yes ☐ No (if yes complete next line)

Listing Price	\$	Days on Market	
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Was the property appraised by a licensed appraiser within the last year? ☐ Yes ☐ No (if yes provide copy of appraisal)

Certification:

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

Signature

Patricia L. Hickok

Date

5/3/2021

Contact Us: CBJ Assessors Office

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

Step 1 – Administrative Review

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					
My acceptance or rejection of the assessment valuation in the amount of \$_____ is indicated below.					
☐ Accept New Assessed Value ☐ Close Review (Assessment Remains Unchanged) ☐ Reject and Appeal					
If appealed, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.					
Appellant's Signature _____				Date: _____	

Appellant Accept Value	☐ 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

Step 2 – Appeal

Appeal # _____

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



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

9/14/2021

Terry L Hickok and Patricia L Hickok Revocable Trust
285 S. Franklin St
Juneau AK 99801

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 1C070H020010
RESPONSE DEADLINE: 9/21/2021

PARCEL: 1C070H020010
PHYSICAL LOCATION: 289 S Franklin St

Terry L Hickok and Patricia L Hickok Revocable Trust,

This letter is in response to the 2021 Petition for Review that you filed regarding the above indicated parcel. The basis for appealing as indicated on the Petition for Review form is: **Vacancies due to Covid/Tennants cannot afford rent**

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **1C070H020010**:

VALUE DETERMINATION

Recommended Action: **No Change**

2021 Initial valuation: **\$391,900**
2021 Owner estimate of value:
2021 Final determination: **\$391,900**

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

Appellant failed to provide evidence which satisfies the appeal criteria as laid out above. The Assessor Office recommends NO CHANGE to the 2021 assessed value as the appellant failed to meet the burden of proof as required by state statute. The Assessor Office sees no basis for change.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

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

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

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

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

Appellant signature

Date

If we do not receive a response from you by **9/21/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

TERRY L HICKOK AND PATRICIA L
HICKOK REVOCABLE TRUST
TERRY L HICKOK & PATRICIA L HICKOK
AS TRUSTEES
285 S FRANKLIN ST
JUNEAU AK 99801

PAGE 013
2021-11-02 BOE HEARING PACKET
**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	1C070H020010
Property Location	289 S FRANKLIN ST
Appeal No.	APL20210549
Sent to Email Address:	patsylee11@gmail.com

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0549

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: Terry & Patricia Hickok

Location: 289/291 S Franklin St

Parcel No.: 1C070H020010

Property Type: Commercial - Retail

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	\$ 1,100,000	\$ 2,362,500	\$ 2,362,500
Buildings:	\$ 450,000	\$ 408,100	\$ 408,100
Total:	\$ 1,550,000	\$ 2,770,600	\$ 2,770,600

Subject Photo



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OVERVIEW

The subject is a one-story commercial retail building with 4,888 sf of retail space located on South Franklin Street in the tourism area.

Subject Characteristics:

- Land
 - 10,000 SF lot
 - Approximately 50% of the lot, located at the front, is level. The remainder is a steep hillside
 - The topography is typical of neighboring parcels located along this side of S Franklin St
- Building
 - 4,888 SF GBA

SUBJECT PHOTOS



Front left



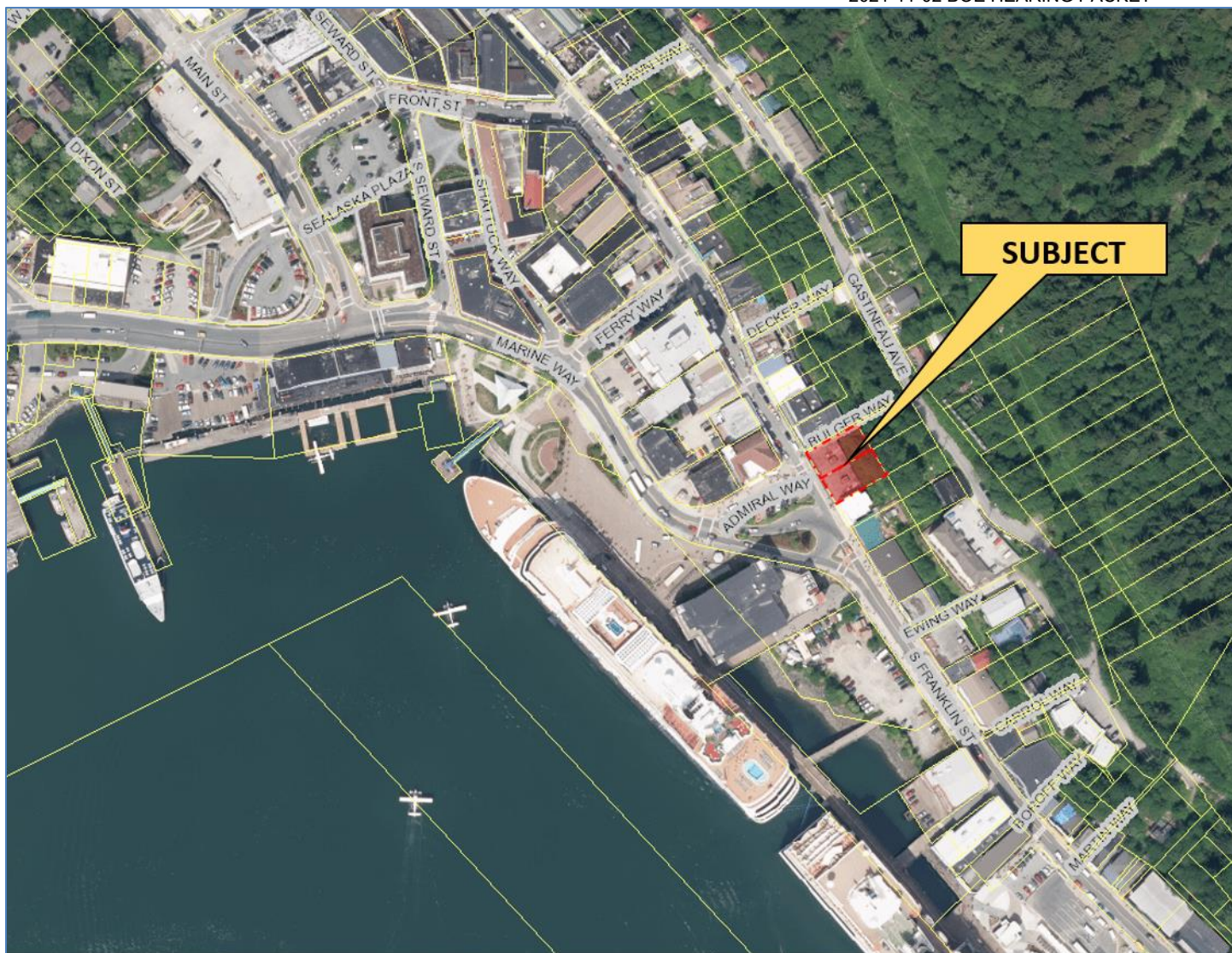
Front



Front

AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

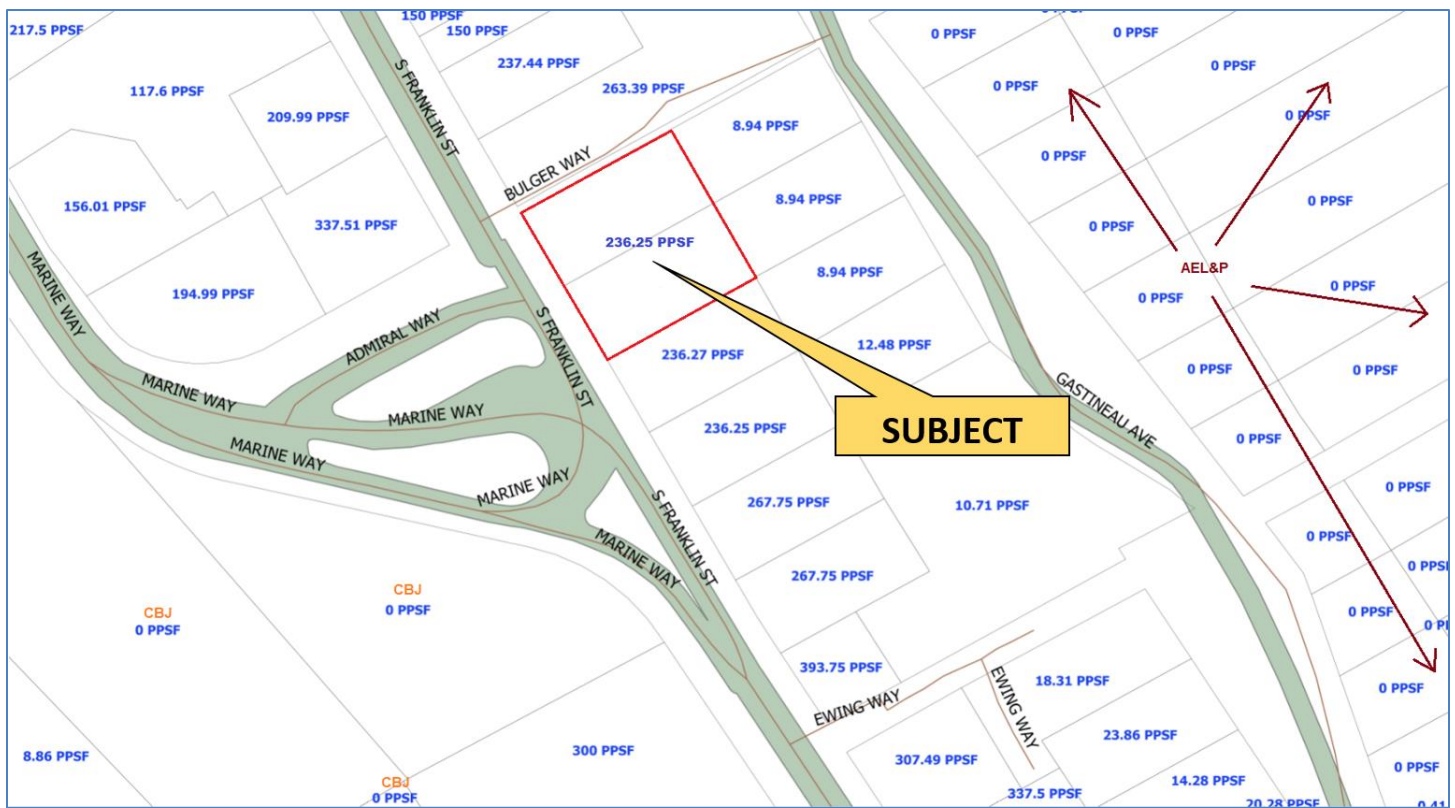
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation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

The subject site features are considered typical for the market area, the site is developed and the location is in the downtown tourism area. The subject parcel's land value is equitable and is not excessive.

Land Characteristics:

- 10,000 SF lot
- Approximately 50% of the lot, located at the front, is flat. The remainder is a steep hillside
- The topography is typical of neighboring parcels located along this side of S Franklin St

Land Values



BUILDING(S)

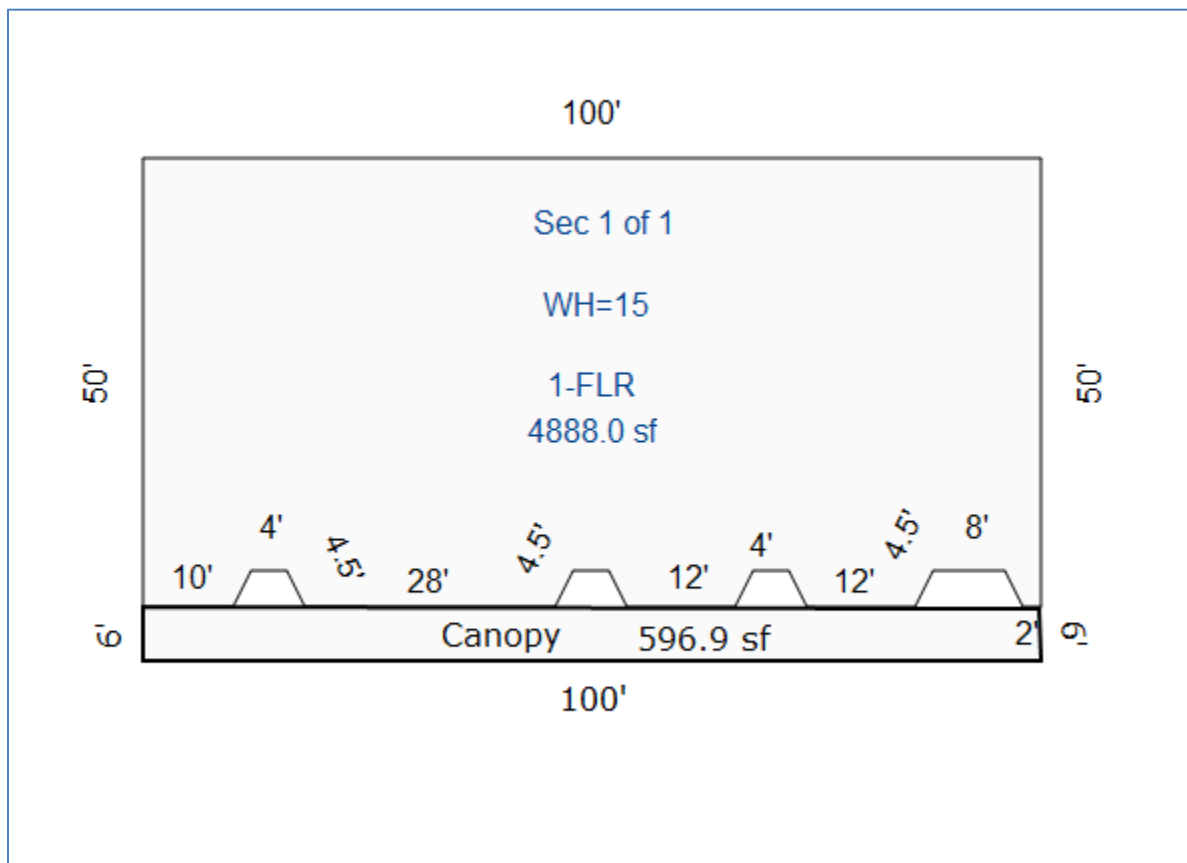
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 4,888 SF GBA

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.

1510		Record		1	
Parcel Code Number	1C070H020010	Number of Stories (Building)		01	
Owner Name	TERRY L HICKOK AND PATRICIA L HICKOK RE	Number of Sections		1	
Parcel Address	289 S FRANKLIN ST	Perimeter		320	
Effective Year Built	1999	Class		D	
Year Built	1900	Height		15	
Building Model	C- 13 Stores, Commercials	Rank		Average	
Building Type	Retail Store	Total Area		4,888.00	
Base Cost		4888		69.50	339,716
Exterior Wall	Stud Walls-Wood Siding	4888	100%	14.36	70,211
Heating & Cooling	Heating & Cooling	4888		611.00	611
Heating & Cooling	Heat Pump	4888	100%	9.73	47,560
Architect Fee		4888		6.60	32,261
Sub Total					\$490,359.27
Local Multiplier				1.43	[X] \$701,214.00
Current Multiplier				1.03	[X] \$722,250.00
Neighborhood Multiplier					[X] \$722,250.00
Depreciation - Physical				35.00	[-] \$252,788.00
Depreciation - Functional					[-] \$0.00
Depreciation - Economic					[-] \$0.00
Percent Complete				100.00	[-] \$469,462.00
Cost to Cure					
Neighborhood Adjustment					
Replacement Cost less Depreciation					\$469,462
Canopy					[+] 17,600
Total Improvement Value					\$487,100

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done using standard revenue and expenses for the property type and location. This was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report 1C070H020010 TERRY L HICKOK AND PATRICIA L HICKOK REVOCABLE TRUST 289 S FRANKLIN ST PACIFIC COAST ADDITION BL 2 LTS 1 & 2				
<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$2,362,500.00	\$16,200.00	\$391,900.00	\$2,770,600.00
2020	\$1,575,000.00	\$16,200.00	\$391,900.00	\$1,983,100.00
2019	\$1,575,000.00	\$16,200.00	\$391,900.00	\$1,983,100.00
2018	\$1,575,000.00	\$16,200.00	\$391,900.00	\$1,983,100.00
2017	\$1,750,000.00	\$20,300.00	\$377,300.00	\$2,147,600.00
2016	\$1,750,000.00	\$20,300.00	\$377,300.00	\$2,147,600.00
2015	\$1,750,000.00		\$395,400.00	\$2,145,400.00
2014	\$1,750,000.00		\$395,400.00	\$2,145,400.00
2013	\$1,750,000.00		\$395,400.00	\$2,145,400.00
2012	\$1,750,000.00	\$0.00	\$395,400.00	\$2,145,400.00
2011	\$1,750,000.00	\$0.00	\$395,400.00	\$2,145,400.00
2010	\$1,350,000.00	\$0.00	\$805,300.00	\$2,155,300.00

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.

Additional Details:

- The appellant states that because of Covid they have vacancies and tenants can’t afford rent.
 - 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.
 - We find that the value is equitable and that, based on analysis of market sales, it is not excessive.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

For the subject property:

- The percentage change from 2010 to 2021 was an increase of 28.5%.
- The percentage change from 2020 to 2021 was an increase of 39.7%.

We find that no change to the 2021 assessed value of \$2,770,600 is warranted and ask that the BOE uphold the assessed value. The analysis and ratio studies indicate that our 2021 values for improved commercial properties is at 91%. Based on that, the indicated market value for this property is around \$3,044,615.

ADDENDUM A – General Information (Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)

13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)
14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.

19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer's report that it is going to take \$750,000 to remedy the issue. Rather, many of this year's appeals have general statements such as "you can't raise my value that much in one year," or "there was no justification for raising values." As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B – Analysis (Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

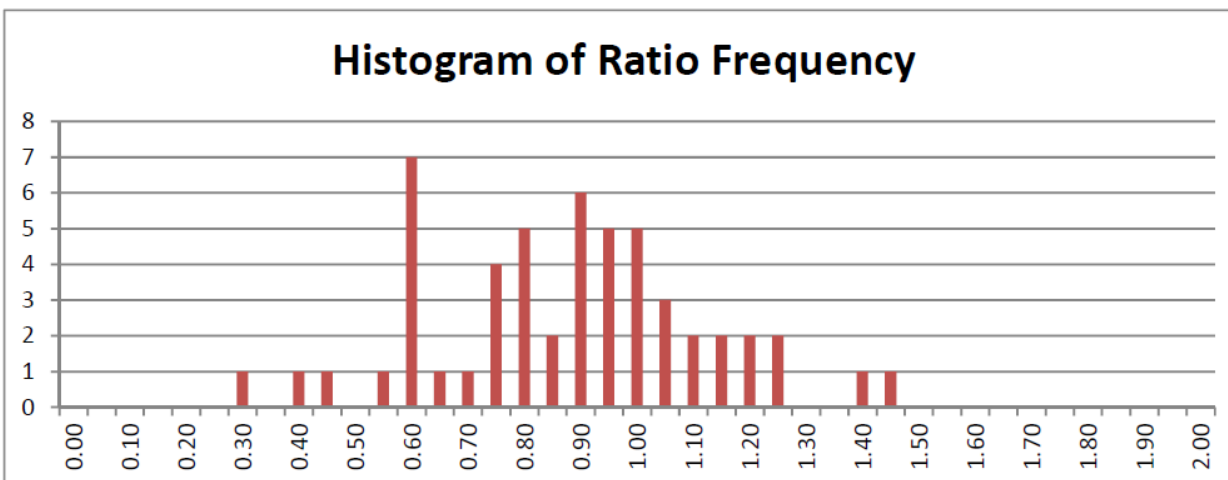
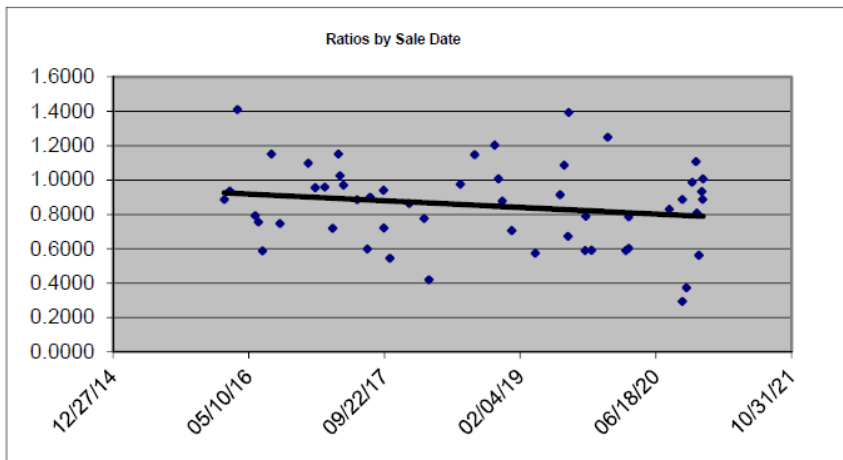
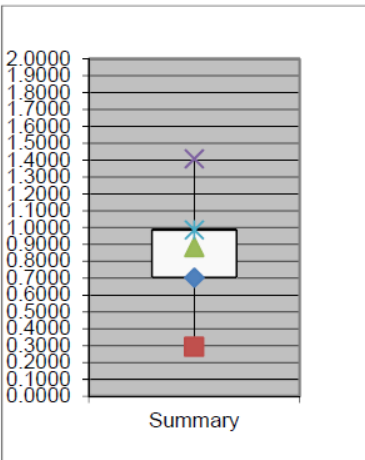
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

Sales List

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

AY2021 Analysis Sales List									
Sale Date	Sale Price	Trended SP	AVTotal	Main Parcel	Count	Number	Street	Condo	Neighborhood
07/25/18	27,500	30,930	27,200	1C020K01G200	1	1435	HARBOR WAY	NO	AURORA BASIN C 19
06/28/19	25,000	26,936	27,200	1C020K01G280	1	1435	HARBOR WAY	NO	AURORA BASIN C 19
02/28/19	25,000	27,356	27,200	1C020K01G290	1	1435	HARBOR WAY	NO	AURORA BASIN C 19
10/09/20	20,000,000	20,235,200	7,524,300	1C060K010031	1	0	EGAN DR	NO	DOWNTOWN C
10/30/20	1,400,000	1,412,348	1,394,150	1C060K660110	1	711	W WILLOUGHBY AV	NO	DOWNTOWN C
12/15/16	1,100,000	1,327,612	1,457,000	1C060U040040	1	800	GLACIER AVE	NO	DOWNTOWN C
03/30/16	550,000	683,826	963,600	1C070A030040	1	100	N FRANKLIN ST	NO	DOWNTOWN C
12/09/20	confidential	confidential	190,200	1C070A050001	1	230	SEWARD ST	5K	SOMMERS ON SEWARD_C_24
11/02/18	510,600	567,144	682,450	1C070B0J0020	1	195	S FRANKLIN ST	NO	DOWNTOWN C
07/01/19	2,200,000	2,369,400	2,164,900	1C070B0N0011	1	259	S FRANKLIN ST	NO	DOWNTOWN C
03/10/20	612,788	638,268	501,300	1C110K120051	1	0	Eastough Way	NO	DOWNTOWN C
03/16/17	716,000	855,033	613,650	1C110K120101	1	170	MILL ST	NO	DOWNTOWN C
10/02/19	378,818	403,055	237,150	1C110K120120	1	0	MILL ST	NO	DOWNTOWN C
10/25/19	378,818	401,835	237,150	1C110K120130	1	190	MILL ST	NO	DOWNTOWN C
03/10/20	378,818	394,569	237,150	1C110K120140	1	0	MILL ST	NO	DOWNTOWN C
04/01/19	597,938	651,597	374,400	1C110K120150	1	0	MILL ST	NO	DOWNTOWN C
11/13/20	400,000	402,744	445,400	1D060L030011	2	201	CORDOVA ST	NO	WEST JUNEAU C
10/12/17	65,000	75,711	41,200	3B1501020030	1	1669	CREST ST	NO	SOUTH VALLEY C
11/30/18	168,750	186,776	164,000	3B1501040120	1	1544	CREST ST	NO	SOUTH VALLEY C
09/19/17	750,000	876,000	823,100	4B1601010040	1	2450	INDUSTRIAL BLVD	NO	MENDE PENINSULA C
06/13/17	104,000	122,899	108,800	4B1601050030	1	2274	INDUSTRIAL BLVD	5K	RIVERVIEW YACHT C 24
07/30/19	115,000	123,388	83,000	4B1601050160	1	2276	INDUSTRIAL BLVD	5K	RIVERVIEW YACHT C 24
03/05/18	73,000	83,557	35,000	4B1601080070	1	2278	INDUSTRIAL BLVD	5K	P & J BUSINESS C 24
07/31/17	112,500	132,188	119,000	4B1601120130	1	2270	BRANDY LN	5K	BRANDY LANE YACHT C 24
11/17/20	650,000	654,095	527,700	4B1701020020	1	10011	GLACIER HWY	NO	MENDE PENINSULA C
02/28/20	1,567,000	1,634,569	961,350	4B1701090056	1	10009	CRAZY HORSE DR	NO	MENDE PENINSULA C
12/04/20	confidential	confidential	145,000	4B1701090218	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
02/14/17	150,000	179,757	172,300	4B1701090223	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
04/24/17	130,000	154,534	149,800	4B1701090226	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
01/10/17	150,000	180,492	172,300	4B1701090228	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
06/30/16	501,624	617,218	361,800	4B1701100146	1	2789	SHERWOOD LN	NO	MENDE PENINSULA C
03/01/16	697,000	869,424	813,000	4B1701100170	1	10221	GLACIER HWY	NO	MENDE PENINSULA C
09/20/17	400,000	467,144	336,200	4B1701103003	1	2769	SHERWOOD LN	5K	BEAR DEN YACHT CONDO C 24
06/29/18	950,000	1,071,961	1,045,750	4B2901020010	1	10200	MENDENHALL LOOP	NO	AUKE MOUNTAIN C
10/04/19	2,205,832	2,346,343	1,849,500	5B1201000060	1	5245	GLACIER HWY	NO	LEMON CREEK C
08/02/19	500,000	536,260	746,600	5B1201020100	1	5452	SHAUNE DR	NO	LEMON CREEK C
04/05/17	4,140,000	4,932,313	5,106,550	5B1201040052	2	1721	ANKA ST	NO	LEMON CREEK C
08/02/16	500,000	612,910	704,850	5B1201060061	2	5631	GLACIER HWY	NO	LEMON CREEK C
09/24/20	2,450,000	2,483,957	1,554,550	5B1201060160	2	5740	CONCRETE WAY	NO	LEMON CREEK C
11/23/20	486,000	488,654	274,300	5B1201060260	1	5719	CONCRETE WAY	APN	SEAGULLS EDGE C 24
09/24/20	300,000	304,158	269,550	5B1201300110	1	1783	Anka St	NO	LEMON CREEK C
12/24/19	205,000	215,734	269,550	5B1201300110	1	1783	Anka St	NO	LEMON CREEK C
07/21/17	900,000	1,058,760	632,250	5B1201330160	3	2005	ANKA ST	NO	LEMON CREEK C
06/03/16	1,060,000	1,308,273	1,036,450	5B1201450110	1	1731	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C
(1) These were the sales available to us for our market analysis for assessment year 2021.									
(2) Some sales prices are confidential, specifically when the only sale source is the buyer.									
(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021 only sales prior to 11/26/2020 confidential.									
(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071									
(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.									
(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.									
(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios									
(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.									
(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.									

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information



Office of the Assessor
155 S Seward Street
Juneau AK 99801

City Assessor's Office

MAY 03 2021

Petition for Review / Correction of Assessed Value Real Property

Assessment Year 2021

Parcel ID Number

For Office Use:

Review #

Appeal #

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Parcel ID Number	1C070H030010 Pacific Coast ADDITION BL3		
Owner Name	Terry + Patricia Hickok	Name of Applicant	Terry + Patricia Hickok
Primary Phone #	907-463-4475	Email Address	patsylee11@gmail.com
Physical Address	369 S. Franklin St 3rd Floor Juneau, AK 99801	Mailing Address	285 S. Franklin St Juneau, AK 99801

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

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

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

I have vacancies in all 3 buildings
And the tenants that are in can't afford to pay rent
Because of Covid.

Have you attached additional information or documentation?

☐ Yes ☐ No

Values on Assessment Notice:

Site	\$ 1,582,950	Building	\$ 860,200	Total	\$ 2,443,150
------	--------------	----------	------------	-------	--------------

Owner's Estimate of Value:

Site	\$ 1,600,000	Building	\$ 500,000	Total	\$ 1,100,000
------	--------------	----------	------------	-------	--------------

Purchase Price of Property:

Price	\$ 450,000.00	Purchase Date	1992
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Has the property been listed for sale? ☐ Yes ☒ No (if yes complete next line)

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

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

Certification:

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

Signature Patricia J. Hickok

Date 5/3/2020

Contact Us: CBJ Assessors Office

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

Step 1 – Administrative Review

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					
My acceptance or rejection of the assessment valuation in the amount of \$_____ is indicated below.					
☐ Accept New Assessed Value ☐ Close Review (Assessment Remains Unchanged) ☐ Reject and Appeal					
If appealed, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.					
Appellant's Signature _____ Date: _____					

Appellant Accept Value	☐ 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	

Step 2 – Appeal

Appeal # _____

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	\$
Exemptions	\$		
Total Taxable Value	\$		

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



CBJ-Assessor's Office

MAY 03 2021

Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value Real Property

Assessment Year 2021

Parcel ID Number

For Office Use:

Review #

Appeal #

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Parcel ID Number	Pacific Coast Addition BL2 1C07020010		
Owner Name	Terry & Patricia Hickok	Name of Applicant	Terry & Patricia Hickok
Primary Phone #	907-463-4475	Email Address	patsylee1@gmail.com
Physical Address	369 S. Franklin St Juneau, AK 99801	Mailing Address	285 S. Franklin St Juneau, AK 99801

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

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

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

Because of COVID-

Have Vacancies And tenants can't Afford Rent

Have you attached additional information or documentation?

☐ Yes ☒ No

Values on Assessment Notice:

Site	\$2,362,500	Building	\$408,100	Total	\$2,770,600
------	-------------	----------	-----------	-------	-------------

Owner's Estimate of Value:

Site	\$1,100,000	Building	\$450,000	Total	\$
------	-------------	----------	-----------	-------	----

Purchase Price of Property:

Price	\$350,000	Purchase Date	1993
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Has the property been listed for sale? ☐ Yes ☐ No (if yes complete next line)

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

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

Certification:

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

Signature

Patricia L. Hickok

Date

5/3/2021

Contact Us: CBJ Assessors Office

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

Step 1 – Administrative Review

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			
My acceptance or rejection of the assessment valuation in the amount of \$_____ is indicated below.			
☐ Accept New Assessed Value ☐ Close Review (Assessment Remains Unchanged) ☐ Reject and Appeal			
If appealed, appellant will be scheduled before the Board of Equalization and will be advised of the date & time to appear.			
Appellant's Signature _____		Date: _____	

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

Step 2 – Appeal

Appeal # _____

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



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

9/14/2021

Terry L Hickok and Patricia L Hickok Revocable Trust
286 S. Franklin St
Juneau AK 99801

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 1C070H030010
RESPONSE DEADLINE: 9/21/2021

PARCEL: 1C070H030010
PHYSICAL LOCATION: 365 S Franklin st

Terry L Hickok and Patricia L Hickok Revocable Trust,

This letter is in response to the 2021 Petition for Review that you filed regarding the above indicated parcel. The basis for appealing as indicated on the Petition for Review form is: **Vacancies due to Covid/Tennants cannot afford rent**

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **1C070H030010**:

VALUE DETERMINATION

Recommended Action:	No Change
2021 Initial valuation:	\$2,443,150
2021 Owner estimate of value:	
2021 Final determination:	\$2,443,150

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

Appellant failed to provide evidence which satisfies the appeal criteria as laid out above. The Assessor Office recommends NO CHANGE to the 2021 assessed value as the appellant failed to meet the burden of proof as required by state statute. The Assessor Office sees no basis for change.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

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

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

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

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

Appellant signature

Date

If we do not receive a response from you by **9/21/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

TERRY L HICKOK AND PATRICIA L
HICKOK REVOCABLE TRUST
TERRY L HICKOK & PATRICIA L HICKOK
AS TRUSTEES
285 S FRANKLIN ST
JUNEAU AK 99801

PAGE 045
2021-11-02 BOE HEARING PACKET
**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	1C070H030010
Property Location	365 S FRANKLIN ST
Appeal No.	APL20210464
Sent to Email Address:	patsylee11@gmail.com

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0464

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: Terry & Patricia Hickok

Location: 365/369 S Franklin St

Parcel No.: 1C070H030010

Property Type: Commercial - Retail

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	\$ 1,600,000	\$ 1,582,950	\$ 1,582,950
Buildings:	\$ 500,000	\$ 860,200	\$ 860,200
Total:	\$ 2,100,000	\$ 2,443,150	\$ 2,443,150

Subject Photo



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OVERVIEW

The subject is a three-story mixed use building located in the central tourism area.

Subject Characteristics:

- Land
 - 5,148 SF lot
 - Approximately 50% of the lot, located at the front, is flat. The remainder is a steep hillside
 - The topography is typical of neighboring parcels located along this side of S Franklin St
- Building
 - 10,642 SF GBA
 - 3,840 SF Retail - 1st level
 - 3,841 SF Office/Storage – 2nd level
 - 2,961 SF Residential apartments – 3rd level

SUBJECT PHOTOS



Front right

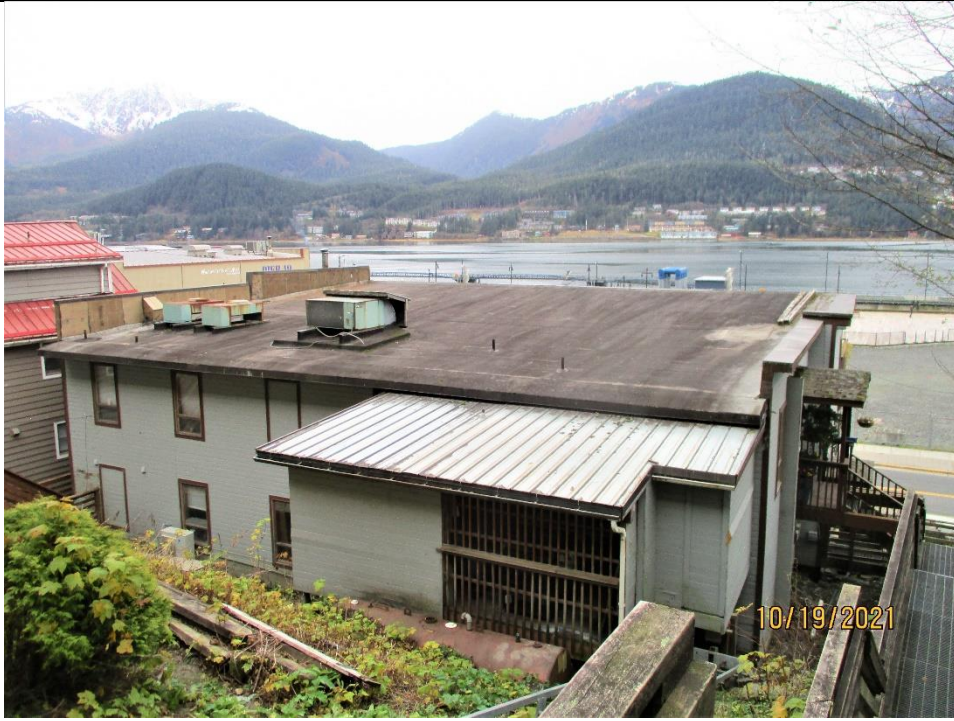
Front



Front & left side

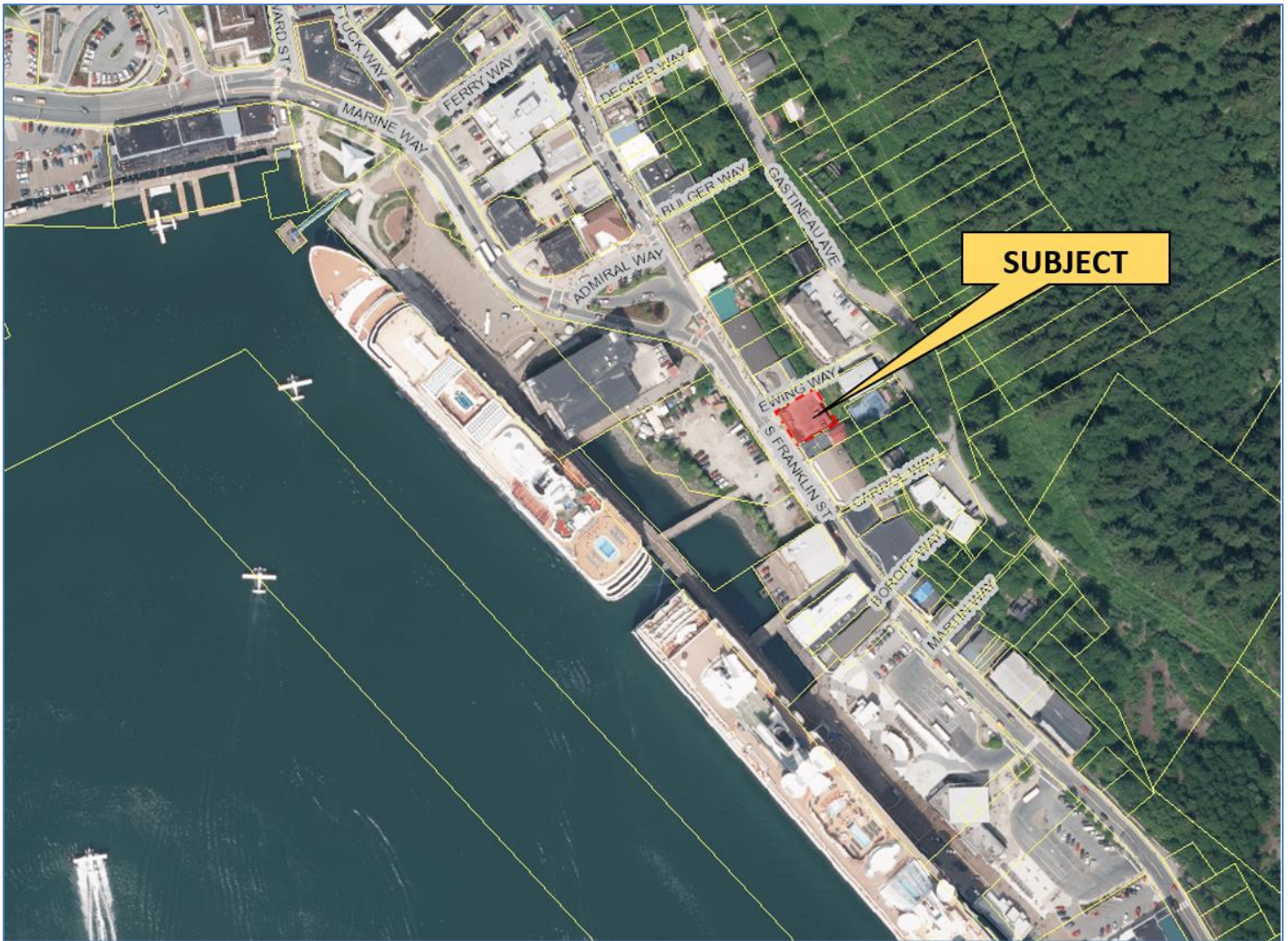


Back from above



AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

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

- 5,148 SF lot
- Approximately 50% of the lot, located at the front, is flat. The remainder is a steep hillside
- The topography is typical of neighboring parcels located along this side of S Franklin St

[illegible]

Ratio studies are performed to determine market adjustments.

- 10,642 SF GBA
 - 3,840 SF Retail - 1st level
 - 3,841 SF Office/Storage – 2nd level
 - 2,961 SF Residential apartments – 3rd level

63'

47'

47'

63'

Sec 3 of 3

WH=9'

3-FLR

2961.0 sf

63'

25'

25'

20.1'

17'

37'

2'

5'

Sec 2 of 3

WH=10'

2-FLR

3841.0 sf

600 SF Office + Storage

58'

63'

25'

25'

17.1'

20'

37'

2'

5'

10'

4'

5.3'

4'

8'

10'

14.5'

8'

6'

6'

63'

Canopy 378.0 sf

Sec 1 of 3

WH=10'

Retail

1-FLR

3840.0 sf

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.

1524		Record		1
Parcel Code Number	1C070H030010	Number of Stories (Building)		03
Owner Name	TERRY L HICKOK AND PATRICIA L HICKOK RE	Number of Sections		1
Parcel Address	365 S FRANKLIN ST	Perimeter		274
Effective Year Built	1999	Class		D
Year Built	1900	Height		10
Building Model	C- 13 Stores, Commercials	Rank		Average
Building Type	Mixed Retail w/ Office Units	Total Area		10,642.00
Base Cost		10642	76.50	814,113
Exterior Wall	Stud Walls-Wood Siding	10642	13.35	142,072
Heating & Cooling	Heating & Cooling	10642	611.00	611
Heating & Cooling	Hot Water	10642	8.28	88,116
Architect Fee		10642	6.60	70,237
Sprinklers	Sprinklers	10642	3.70	39,375
Fire Alarm System		10642	1.46	15,537
Sub Total				\$1,170,061.98
Local Multiplier		1.43	[X]	\$1,673,189.00
Current Multiplier		1.03	[X]	\$1,723,385.00
Neighborhood Multiplier			[X]	\$1,723,385.00
Depreciation - Physical		35.00	[-]	\$603,185.00
Depreciation - Functional			[-]	\$0.00
Depreciation - Economic			[-]	\$0.00
Percent Complete		100.00	[-]	\$1,120,200.00
Cost to Cure				
Neighborhood Adjustment				
Replacement Cost less Depreciation				\$1,120,200
Canopy			[+]	10,500
Total Improvement Value				\$1,130,700

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done using standard revenue and expenses for the property type and location. This was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report 1C070H030010 TERRY L HICKOK AND PATRICIA L HICKOK REVOCABLE TRUST 365 S FRANKLIN ST PACIFIC COAST ADDITION BL 3 LT 1A				
<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$1,582,950.00	\$8,700.00	\$851,500.00	\$2,443,150.00
2020	\$1,055,300.00	\$8,700.00	\$851,500.00	\$1,915,500.00
2019	\$1,055,300.00	\$8,700.00	\$851,500.00	\$1,915,500.00
2018	\$1,055,300.00	\$8,700.00	\$851,500.00	\$1,915,500.00
2017	\$1,055,300.00	\$13,700.00	\$820,600.00	\$1,889,600.00
2016	\$1,055,300.00	\$13,700.00	\$820,600.00	\$1,889,600.00
2015	\$1,055,300.00		\$827,600.00	\$1,882,900.00
2014	\$1,055,300.00		\$827,600.00	\$1,882,900.00
2013	\$1,055,300.00		\$827,600.00	\$1,882,900.00
2012	\$1,055,300.00	\$0.00	\$827,600.00	\$1,882,900.00
2011	\$1,055,300.00	\$0.00	\$827,600.00	\$1,882,900.00
2010	\$1,416,000.00	\$0.00	\$750,000.00	\$2,166,000.00

SUMMARY

State statute requires the Assessor to value property at “full and true value”. According to appraisal standards and practices set by the Alaska Association of Assessing Officers, the State of Alaska Office of the State Assessor, and the International Association of Assessing Officers, correct procedures of assessment were followed for the subject. These standards and practices include consideration of any market value increase or decrease as determined by analysis of sales.

The assessed value was reviewed in response to the Petition for Review. Our findings are as follows.

The land and buildings are valued using the same methods and standards as all other properties in the Borough.

Additional Details:

- The appellant states that because of Covid they have vacancies and tenants can’t afford rent.
 - 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.
 - We find that the value is equitable and that, based on analysis of market sales, it is not excessive.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

For the subject property:

- The percentage change from 2020 to 2021 was an increase of 27.5%.

We find that no change to the 2021 assessed value of \$2,443,150 is warranted and ask that the BOE uphold the assessed value. The analysis and ratio studies indicate that our 2021 values for improved commercial properties is at 91%. Based on that, the indicated market value for this property is around \$2,684,780.

ADDENDUM A – General Information (Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.

19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer's report that it is going to take \$750,000 to remedy the issue. Rather, many of this year's appeals have general statements such as "you can't raise my value that much in one year," or "there was no justification for raising values." As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B - Analysis (Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

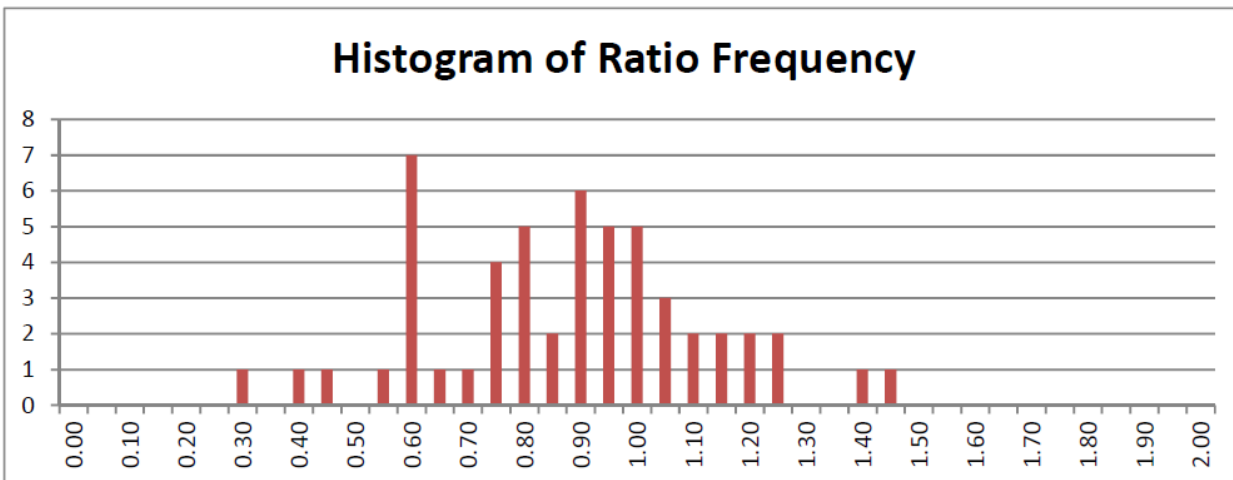
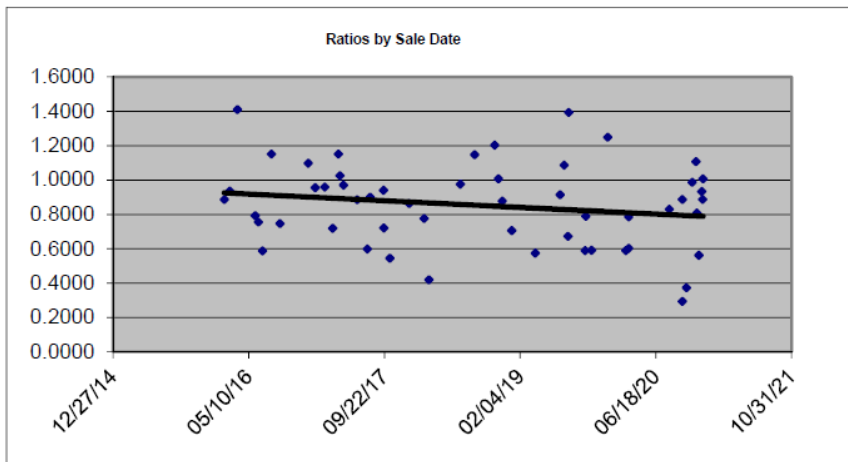
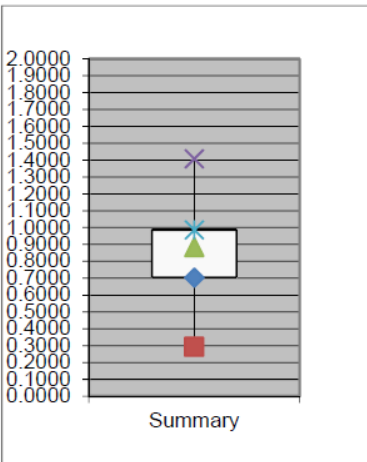
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

Sales List

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

AY2021 Analysis Sales List									
Sale Date	Sale Price	Trended SP	AVTotal	Main Parcel	Count	Number	Street	Condo	Neighborhood
07/25/18	27,500	30,930	27,200	1C020K01G200	1	1435	HARBOR WAY	NO	AURORA BASIN C 19
06/28/19	25,000	26,936	27,200	1C020K01G280	1	1435	HARBOR WAY	NO	AURORA BASIN C 19
02/28/19	25,000	27,356	27,200	1C020K01G290	1	1435	HARBOR WAY	NO	AURORA BASIN C 19
10/09/20	20,000,000	20,235,200	7,524,300	1C060K010031	1	0	EGAN DR	NO	DOWNTOWN C
10/30/20	1,400,000	1,412,348	1,394,150	1C060K660110	1	711	W WILLOUGHBY AV	NO	DOWNTOWN C
12/15/16	1,100,000	1,327,612	1,457,000	1C060U040040	1	800	GLACIER AVE	NO	DOWNTOWN C
03/30/16	550,000	683,826	963,600	1C070A030040	1	100	N FRANKLIN ST	NO	DOWNTOWN C
12/09/20	confidential	confidential	190,200	1C070A050001	1	230	SEWARD ST	5K	SOMMERS ON SEWARD_C_24
11/02/18	510,600	567,144	682,450	1C070B0J0020	1	195	S FRANKLIN ST	NO	DOWNTOWN C
07/01/19	2,200,000	2,369,400	2,164,900	1C070B0N0011	1	259	S FRANKLIN ST	NO	DOWNTOWN C
03/10/20	612,788	638,268	501,300	1C110K120051	1	0	Eastough Way	NO	DOWNTOWN C
03/16/17	716,000	855,033	613,650	1C110K120101	1	170	MILL ST	NO	DOWNTOWN C
10/02/19	378,818	403,055	237,150	1C110K120120	1	0	MILL ST	NO	DOWNTOWN C
10/25/19	378,818	401,835	237,150	1C110K120130	1	190	MILL ST	NO	DOWNTOWN C
03/10/20	378,818	394,569	237,150	1C110K120140	1	0	MILL ST	NO	DOWNTOWN C
04/01/19	597,938	651,597	374,400	1C110K120150	1	0	MILL ST	NO	DOWNTOWN C
11/13/20	400,000	402,744	445,400	1D060L030011	2	201	CORDOVA ST	NO	WEST JUNEAU C
10/12/17	65,000	75,711	41,200	3B1501020030	1	1669	CREST ST	NO	SOUTH VALLEY C
11/30/18	168,750	186,776	164,000	3B1501040120	1	1544	CREST ST	NO	SOUTH VALLEY C
09/19/17	750,000	876,000	823,100	4B1601010040	1	2450	INDUSTRIAL BLVD	NO	MENDE PENINSULA C
06/13/17	104,000	122,899	108,800	4B1601050030	1	2274	INDUSTRIAL BLVD	5K	RIVERVIEW YACHT C 24
07/30/19	115,000	123,388	83,000	4B1601050160	1	2276	INDUSTRIAL BLVD	5K	RIVERVIEW YACHT C 24
03/05/18	73,000	83,557	35,000	4B1601080070	1	2278	INDUSTRIAL BLVD	5K	P & J BUSINESS C 24
07/31/17	112,500	132,188	119,000	4B1601120130	1	2270	BRANDY LN	5K	BRANDY LANE YACHT C 24
11/17/20	650,000	654,095	527,700	4B1701020020	1	10011	GLACIER HWY	NO	MENDE PENINSULA C
02/28/20	1,567,000	1,634,569	961,350	4B1701090056	1	10009	CRAZY HORSE DR	NO	MENDE PENINSULA C
12/04/20	confidential	confidential	145,000	4B1701090218	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
02/14/17	150,000	179,757	172,300	4B1701090223	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
04/24/17	130,000	154,534	149,800	4B1701090226	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
01/10/17	150,000	180,492	172,300	4B1701090228	1	10011	CRAZY HORSE DR	5K	SAFE HARBOR C 24
06/30/16	501,624	617,218	361,800	4B1701100146	1	2789	SHERWOOD LN	NO	MENDE PENINSULA C
03/01/16	697,000	869,424	813,000	4B1701100170	1	10221	GLACIER HWY	NO	MENDE PENINSULA C
09/20/17	400,000	467,144	336,200	4B1701103003	1	2769	SHERWOOD LN	5K	BEAR DEN YACHT CONDO C 24
06/29/18	950,000	1,071,961	1,045,750	4B2901020010	1	10200	MENDENHALL LOOP	NO	AUKE MOUNTAIN C
10/04/19	2,205,832	2,346,343	1,849,500	5B1201000060	1	5245	GLACIER HWY	NO	LEMON CREEK C
08/02/19	500,000	536,260	746,600	5B1201020100	1	5452	SHAUNE DR	NO	LEMON CREEK C
04/05/17	4,140,000	4,932,313	5,106,550	5B1201040052	2	1721	ANKA ST	NO	LEMON CREEK C
08/02/16	500,000	612,910	704,850	5B1201060061	2	5631	GLACIER HWY	NO	LEMON CREEK C
09/24/20	2,450,000	2,483,957	1,554,550	5B1201060160	2	5740	CONCRETE WAY	NO	LEMON CREEK C
11/23/20	486,000	488,654	274,300	5B1201060260	1	5719	CONCRETE WAY	APN	SEAGULLS EDGE C 24
09/24/20	300,000	304,158	269,550	5B1201300110	1	1783	Anka St	NO	LEMON CREEK C
12/24/19	205,000	215,734	269,550	5B1201300110	1	1783	Anka St	NO	LEMON CREEK C
07/21/17	900,000	1,058,760	632,250	5B1201330160	3	2005	ANKA ST	NO	LEMON CREEK C
06/03/16	1,060,000	1,308,273	1,036,450	5B1201450110	1	1731	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C
(1) These were the sales available to us for our market analysis for assessment year 2021.									
(2) Some sales prices are confidential, specifically when the only sale source is the buyer.									
(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021 only sales prior to 11/26/2020 confidential.									
(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071									
(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.									
(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.									
(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios									
(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.									
(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.									

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information

FAX COVER PAGE

FROM:

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
PO Box 32399
Juneau, Alaska 99803-2399
Fax (907) 789-2171
Phone (907) 789-7206

April 22, 2021

TO:

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801
Fax (907) 586-4520
Phone (907) 586-5215

2021 APPEAL OF ASSESSED VALUE FOR THE FOLLOWING PARCELS

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	5B1601020171 (Lobby)	\$4,367,350.00
	5B1601020180 (Wing A)	\$1,423,050.00
	5B1601020190 (Wing B)	<u>\$1,983,200.00</u>
TOTAL:	Frontier Suites Airport Hotel (104 rooms)	\$7,773,600.00

TOTAL OF 8 PAGES WITH THIS COVER PAGE

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

OFFICIAL PUBLIC RECORDS REQUEST

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

Gentlemen:

This letter is an Official Public Records Request for copies of all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

This letter is also Officially asking that you preserve all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

CBJ identification numbers:

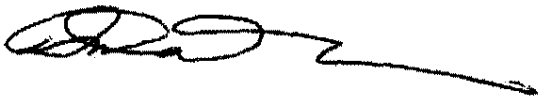
5B1601020171

5B1601020180

5B1601020190

Per Alaska Administrative Code 2 AAC 96.325 you have 10 days to respond.

Sincerely;



Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

Petition for Review / Correction of Assessed Value

Real Property

2021

5B1601020171



Office of the Assessor
155 S Seward Street
Juneau AK 99801

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Property ID	5B1601020171
Owner Name	Hospitality Group LLC
Owner Name	D&M Rentals LLC
Phone	(907) 789-7206
Address	USS 381 FR
Assessor Name	Donald C. Madsen
Email Address	madsens@gci.net
Address	PO Box 32399 Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

Provide specific information and evidence supporting the item(s) checked above.

SEE ATTACHED 4 PAGES

Is my property value excessive/overvalued?	☒ Yes ☐ No
Is my property value unequal to similar properties?	☐ Yes ☒ No
Is my property value improperly/incorrectly valued?	☐ Yes ☒ No
Is my property value undervalued?	☐ Yes ☒ No
Is my exemption(s) not applied?	☐ Yes ☒ No
Is my property value excessive/overvalued?	☐ Yes ☒ No
Is my property value unequal to similar properties?	☐ Yes ☒ No
Is my property value improperly/incorrectly valued?	☐ Yes ☒ No
Is my property value undervalued?	☐ Yes ☒ No
Is my exemption(s) not applied?	☐ Yes ☒ No
Is my property value excessive/overvalued?	☐ Yes ☒ No
Is my property value unequal to similar properties?	☐ Yes ☒ No
Is my property value improperly/incorrectly valued?	☐ Yes ☒ No
Is my property value undervalued?	☐ Yes ☒ No
Is my exemption(s) not applied?	☐ Yes ☒ No
Signature	Date
	APR 22 2021

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value

2021

5B1601020180

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

5B1601020180	
Hospitality Group LLC	
D&M Rentals LLC	
(907) 789-7206	
US\$ 381 FR	
	Donald C. Madsen
	madsens@pci.net
	PO Box 52399
	Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

		☒ Yes ☐ No
\$		\$ 1,423,050.00
\$		\$ 1,173,117.00
\$		
\$		
Signature		Date APR 22 2021

Contact Us: CBJ Assessors Office			
Phone/Fax	Email	Website	Mailing Address
Phone: (907) 586-5215 Fax: (907) 586-4530	Assessor.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St. Juneau AK 99801



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

5B1601020190

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

5B1601020190

Hospitality Group LLC
D&M Rentals LLC
(907) 789-7206

Donald C. Madsen
madsens@eci.net

USS 381 FR

PO Box 52399
Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No

\$ \$ \$1,983,200.00

\$ \$ \$1,634,887.00

\$

\$

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 17, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	5B1601020171 (Lobby)	\$4,367,350.00
	5B1601020180 (Wing A)	\$1,423,050.00
	5B1601020190 (Wing B)	<u>\$1,983,200.00</u>
TOTAL: Frontier Suites Airport Hotel (104 rooms)		\$7,773,600.00

Gentlemen:

Per CBJ Code, all taxable property in the City and Borough of Juneau shall be assessed uniformly within classifications and at its full and true value in money as of January 1 of the assessment year.

True and full value is the value determined by considering the earnings or productive capacity of a property, if any, the market value, if any, and any other conditions that effect the value of property.

Market value, as determined by the International Association of Assessing Officers, "is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

It's simple the Market Comparison Approach says a hotel is worth the same amount of money that a similar property within a similar market recently sold for as adjusted for differences among the hotels. Since there have been no recent sales of hotels that I am aware of and only a listing of the Travel Lodge, which indicates a willing sellers offer to sell, but no willing buyer has stepped up to the price, which makes the listing price unusable in the Market Approach.

With the absence of comps to support the market approach the ADR or Average Daily Rate is one of the better known KPIs (Key Performance Indicators) of the hotel industry and this rule of thumb essentially assigns a worth of 1,000 times the ADR per room. { Value = ADR x 1000 x Number of Rooms }

The ADR for the Frontier Suites Airport Hotel for 2020 was \$61.62 x 1000 x 104 giving it a total all things considered estimated value of \$6,162,000.00 as of January 1, 2021. (see ATTACHMENT "A")

Since there are three parcels that make up the hotel property I have assigned the values as follows, however the values can be adjusted as long as the total for the three cannot exceed \$6,408,307.00.

RE:	CBJ identification numbers	Owner's Estimated Valuation 2021
	5B1601020171 (Lobby)	\$3,600,303.00
	5B1601020180 (Wing A)	\$1,173,117.00
	5B1601020190 (Wing B)	<u>\$1,634,887.00</u>
TOTAL:	Frontier Suites Airport Hotel	\$6,408,307.00

You can be assured that the Market Approach, if comps were available would not support these estimates, the Income Approach also would not support these estimates.

Sincerely;



Hospitality Group LLC
Donald C. Madsen
Managing Member

Frontier Suites 104 rooms (3 Buildings)

2020 ADR

ATTACHMENT "A"

Month	Average Daily Rate (ADR)
January	\$ 71.57
Feburary	\$ 69.49
March	\$ 64.80
April	\$ 43.63
May	\$ 50.08
June	\$ 67.61
July	\$ 71.48
August	\$ 64.95
September	\$ 58.67
October	\$ 58.91
November	\$ 60.49
December	\$ 57.74
	\$ 739.42 divide 12

\$ 61.62 Annual ADR

Key Performance Indicators (KPIs) assigns a hotels worth as {Value = ADR x 1000 x Number of Rooms}

Value =	ADR	X 1000	X # Rooms 104
Frontier Suites	\$ 61.62	\$ 61,618.33	\$ 6,408,307

	CBJ Valuation		Owners Valuation
5B1601020171	\$ 4,367,350.00	82%	\$ 3,600,303
5B1601020180	\$ 1,423,050.00	82%	\$ 1,173,117
5B1601020190	\$ 1,983,200.00	82%	\$ 1,634,887
			\$ -
			\$ -
	\$ 7,773,600.00		\$ 6,408,307

	Values	Percentage
CBJ	\$ 7,773,600	
Owner	\$ 6,408,307	0.82

APR 22 2021



OFFICE OF THE ASSESSOR

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

9/22/2021

Received

SEP 28 2021

Hospitality Group LLC
PO Box 32399
Juneau AK 99803

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 5B1601020171
RESPONSE DEADLINE: 9/29/2021

PARCEL: 5B1601020171
PHYSICAL LOCATION: 9400 Glacier Hwy

Hospitality Group LLC,

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

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **5B1601020171**:

VALUE DETERMINATION

Recommended Action: **No Change**

2021 Initial valuation:	\$4,367,350
2021 Owner estimate of value:	\$3,600,303
2021 Final determination:	\$4,367,350

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

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

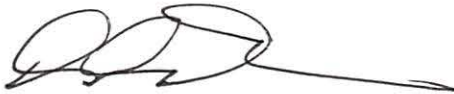
YES, I accept the recommended value determination provided by the Assessor

X

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

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

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



SEP 25 2021

Appellant signature

Date

If we do not receive a response from you by **9/29/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

HOSPITALITY GROUP LLC
PO BOX 032399
JUNEAU AK 99803

PAGE 082
2021-11-02 BOE HEARING PACKET
**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	5B1601020171
Property Location	9400 GLACIER HWY
Appeal No.	APL20210131
Sent to Email Address:	madsens@gci.net

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0236

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: Hospitality Group LLC

Location: 9400 Glacier Hwy

Parcel No.: 5B1601020171

Property Type: Commercial - Hotel

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	Not provided	\$ 2,261,250	\$ 829,105
Buildings:	Not provided	\$ 2,106,100	\$ 3,538,245
Total:	\$ 6,408,307 Combined 5B1601020171/0180/0190	\$ 4,367,350	\$ 4,367,350

Subject Photo



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OVERVIEW

The subject is a four-story hotel, with retail and restaurant on the 1st level, that is located in the Mendenhall Valley near the airport.

Subject Characteristics:

- Land
 - 41,874 SF lot
 - Level, developed lot
- Building
 - 31,618 SF GBA
 - 7,141 SF 1st level – Hotel lobby/restaurant/retail
 - 8,159 SF 2nd level – 14 hotel rooms
 - 8,159 SF 3rd level – 14 hotel rooms
 - 8,159 SF 4th level – 14 hotel rooms

SUBJECT PHOTOS



Front left

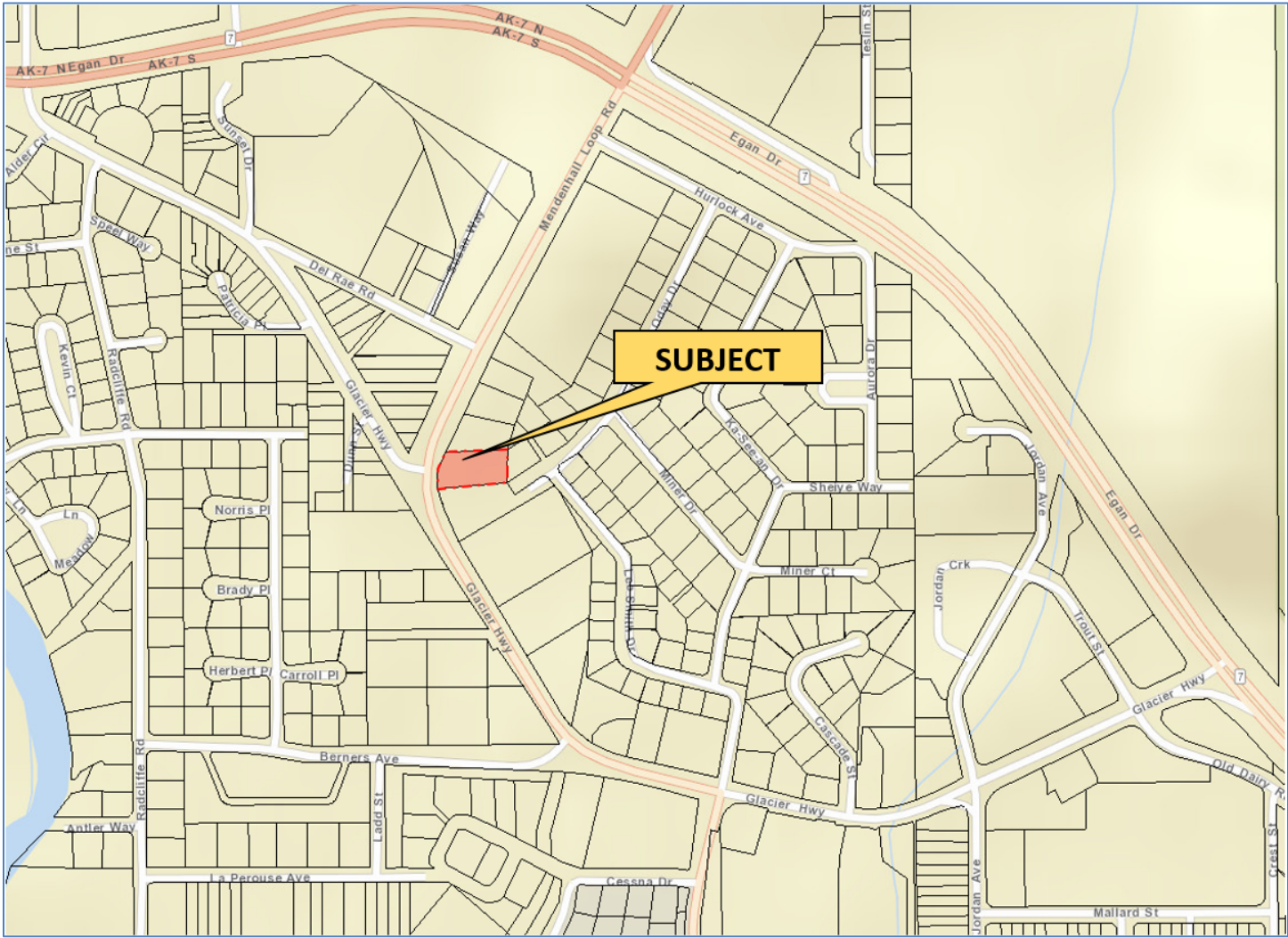
Front right/entrance



Right



AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

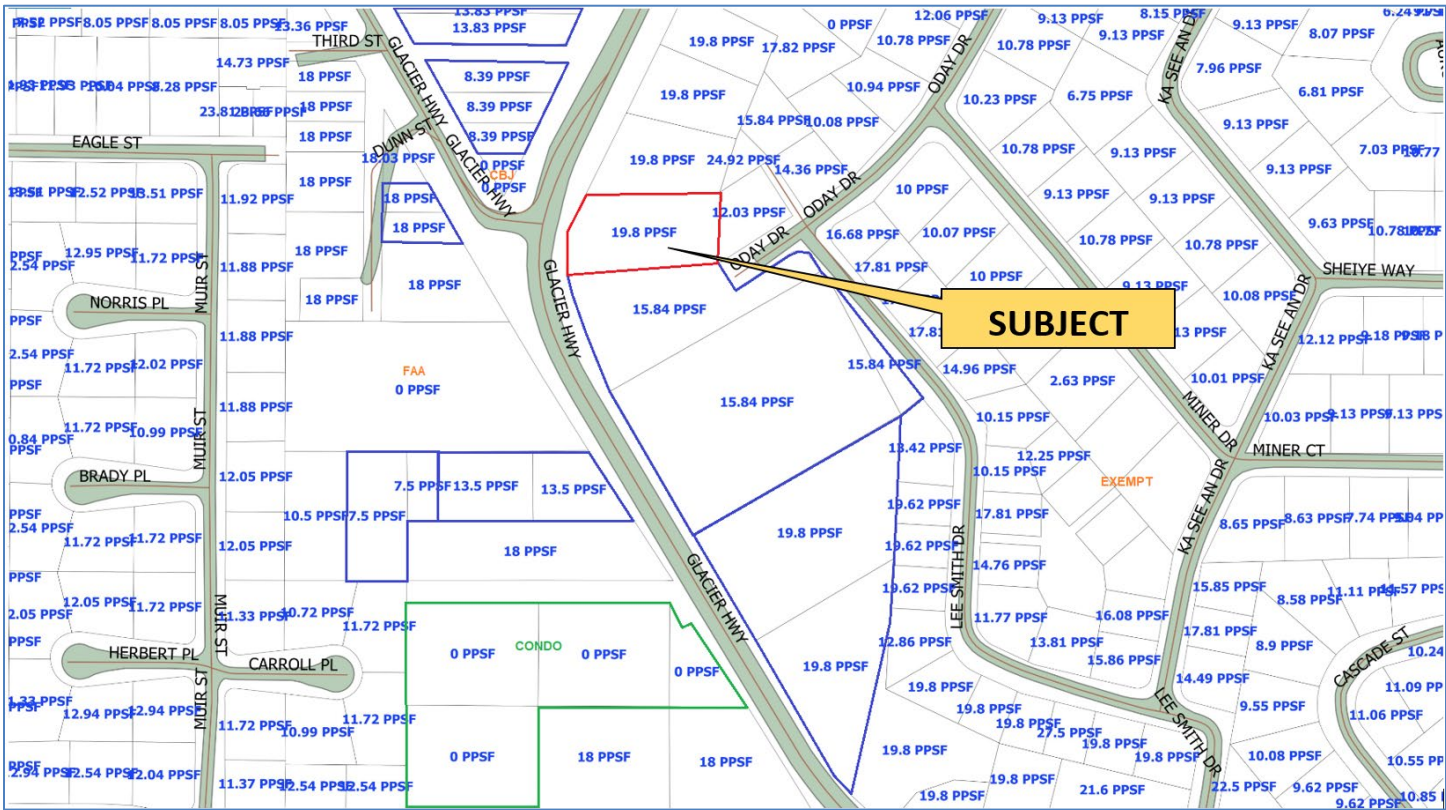
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation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

The subject site features a level, developed lot that is near the airport. The subject parcel's land value is equitable and is not excessive.

Land Characteristics:

- 41,874 SF lot
- Level, developed

Land Values



BUILDING(S)

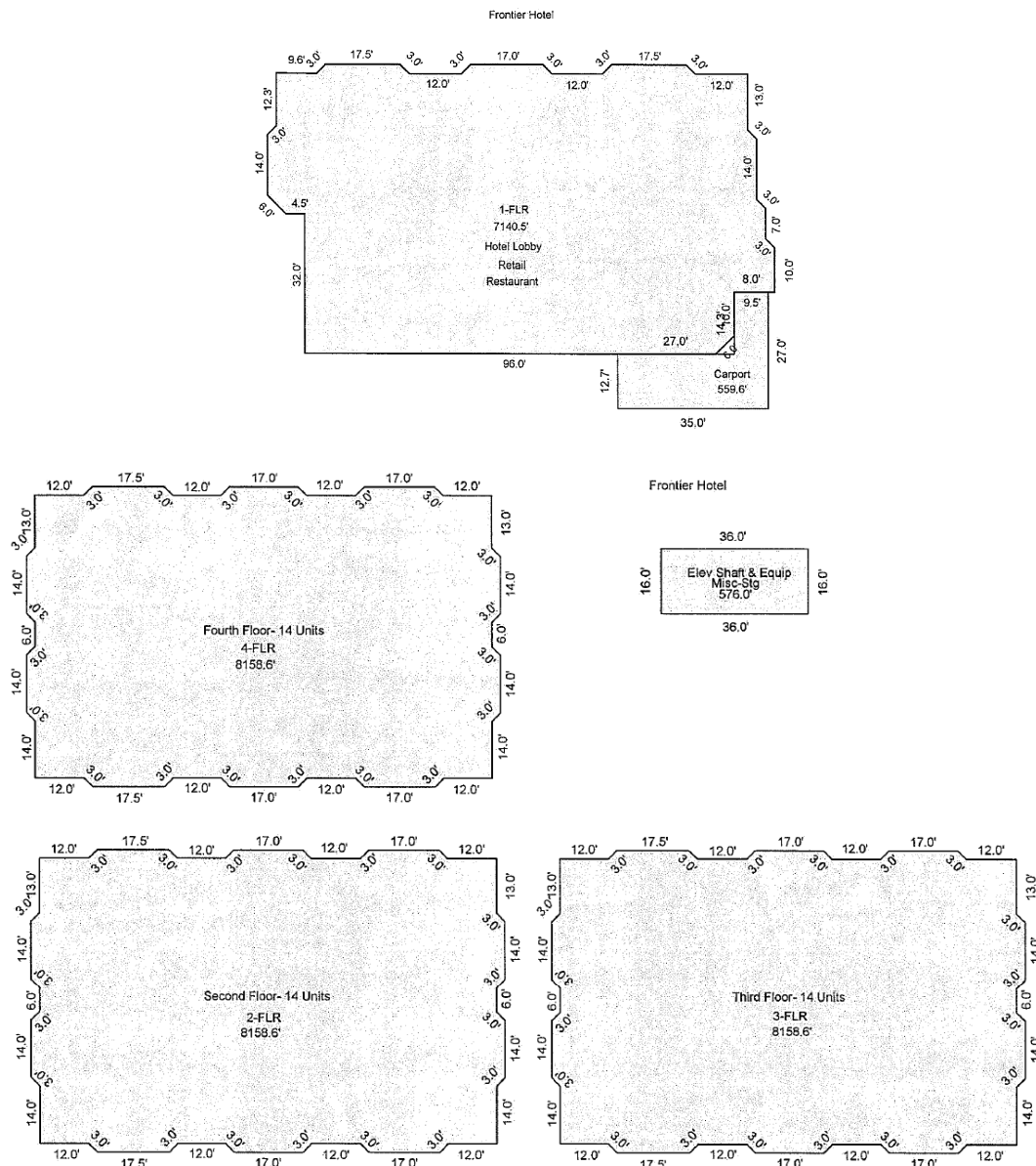
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 31,618 SF GBA
 - 7,141 SF 1st level – Hotel lobby/restaurant/retail
 - 8,159 SF 2nd level – 14 hotel rooms
 - 8,159 SF 3rd level – 14 hotel rooms
 - 8,159 SF 4th level – 14 hotel rooms

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.

8144		Record		1
Parcel Code Number	5B1601020171	Number of Stories (Building)	04	
Owner Name	HOSPITALITY GROUP LLC	Number of Sections	1	
Parcel Address	9400 GLACIER HWY	Perimeter	362	
Effective Year Built	2011	Class	D	
Year Built	1998	Height	8	
Building Model	C- 11 Apartments, Clubs, Hotels	Rank	Average	
Building Type	Hotel, Limited Service	Total Area	31,618.00	
Base Cost		31618	89.45	2,828,072
Exterior Wall	Stud Walls-Wood Siding	31618	13.07	413,203
Heating & Cooling	Heating & Cooling	31618	616.00	616
Heating & Cooling	Hot Water	31618	9.42	297,842
Architect Fee		31618	6.30	199,193
Sprinklers	Wet Sprinklers	32754	2.93	95,969
Fire Alarm System		31618	1.46	46,162
Sub Total				\$3,881,057.46
Local Multiplier			1.43 [X]	\$5,549,912.00
Current Multiplier			1.04 [X]	\$5,771,908.00
Neighborhood Multiplier			[X]	\$5,771,908.00
Depreciation - Physical			11.00 [-]	\$634,910.00
Depreciation - Functional			[-]	\$0.00
Depreciation - Economic			[-]	\$0.00
Percent Complete			100.00 [-]	\$5,136,998.00
Cost to Cure				
Neighborhood Adjustment				
Replacement Cost less Depreciation				\$5,136,998
Miscellaneous Improvement	Built in appliances		[+]	63,000
Canopy			[+]	18,100
Total Improvement Value				\$5,218,100

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

Because these income approach calculations are based off information publicly available online and provided as part of the appeal, the information may be placed in the Assessor's appeal record, which is a publicly available document.


**Assessor's Office
Appraisal Form**

Parcel No. 5B160102xxxx (Frontier Suites)

Situs 2354 Mendenhall Loop Rd

Owner D&M Rentals (Madsen)

Assessment	AY	Value Date	Values on	Land	Bldg	Misc	Total
Data	2021	1/1/2021	Notice -->				7,773,600

Based on Average Room Rate Submitted by Appellant**Income Approach**

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	Exp/Not To Incl
Gross Income	2,573,491							
Vacancy / Collection Loss Factor	(900,722)	35.00%	2,339,095			Mgmt	#DIV/0!	Prop.Taxes
Misc Income			121,338			Wages	#DIV/0!	Depreciation
Eff.GI	1,672,769		113,058			Utilities	#DIV/0!	Debt Service
Expenses	(900,722)					Supplies	#DIV/0!	Income Taxes
NOI	772,047					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	11,029,248				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			900,722	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	2,573,491	Total	900,722	Total		
Indicated Value		11,029,248	Econ Life	50	Reserve %	1%	Replac.Res.	25,735
			NOI % of Gross	30%	Exp % Gross	35%		

Gross Income Estimates

	Frontier Suites	Retail 171	Retail 180
Rate	61.62	1.5	1.5
Rooms/SF	104	6741	6281
	2,339,095	121,338	113,058

Note that SF for 171 = 7141-400 est for lobby

Based on Room Rates Listed on Subjects Website & Reservatin Portal**Income Approach**

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	Exp/Not To Incl
Gross Income	3,460,996							
Vacancy / Collection Loss Factor	(1,211,349)	35.00%	3,226,600			Mgmt	#DIV/0!	Prop.Taxes
Misc Income			121,338			Wages	#DIV/0!	Depreciation
Eff.GI	2,249,647		113,058			Utilities	#DIV/0!	Debt Service
Expenses	(1,211,349)					Supplies	#DIV/0!	Income Taxes
NOI	1,038,299					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	14,832,840				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			1,211,349	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	3,460,996	Total	1,211,349	Total		
Indicated Value		14,832,840	Econ Life	50	Reserve %	1%	Replac.Res.	34,610
			NOI % of Gross	30%	Exp % Gross	35%		

Gross Income Estimates

	Frontier Suites	Retail 171	Retail 180
Rate	85	1.5	1.5
Rooms/SF	104	6741	6281
	3,226,600	121,338	113,058

Note that SF for 171 = 7141-400 est for lobby

The 35% Expense ratio and 35% vacancy ratio come from both reported national averages as well as local information supplied by other hotels.

The \$1,000 ADR multiplier references that I could find are all from 2018 or earlier.

The ADR multiplier is very broad brush and not the recommended approach for a more definitive value.

The ADR is not an accepted appraisal approach, the sales comparison or income approach are generally the recommended approaches.

The 7% cap rate is derived from national information, was tested against local sales and was found to produce equitable values of 85 to 90% of market.

Also taken into consideration was information from an IAAO workshop on valuing hotels in the midst of Covid.

October Rates from Reservation Price Quote

99 Deluxe Room
99 queen Suite
109 King Jacuzzi Room
99 2 Bed Handicap
99 2 Queen Deluxe
119 King Jacuzzi Suite
119 Queen BR Bunk Suite

106 Average

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report

5B1601020171
HOSPITALITY GROUP LLC
9400 GLACIER HWY
USS 381 FR

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$2,261,250.00		\$2,106,100.00	\$4,367,350.00
2020	\$1,005,000.00		\$2,106,100.00	\$3,111,100.00
2019	\$1,005,000.00		\$2,106,100.00	\$3,111,100.00
2018	\$1,005,000.00		\$2,106,100.00	\$3,111,100.00
2017	\$1,005,000.00		\$2,106,100.00	\$3,111,100.00
2016	\$1,005,000.00		\$2,106,100.00	\$3,111,100.00
2015	\$1,005,000.00		\$2,106,100.00	\$3,111,100.00
2014	\$1,005,000.00		\$2,106,100.00	\$3,111,100.00
2013	\$1,005,000.00		\$2,106,100.00	\$3,111,100.00
2012	\$1,005,000.00	\$0.00	\$2,106,100.00	\$3,111,100.00
2011	\$1,005,000.00	\$0.00	\$2,106,100.00	\$3,111,100.00
2010	\$1,005,000.00	\$0.00	\$2,106,100.00	\$3,111,100.00

SUMMARY

State statute requires the Assessor to value property at “full and true value”. According to appraisal standards and practices set by the Alaska Association of Assessing Officers, the State of Alaska Office of the State Assessor, and the International Association of Assessing Officers, correct procedures of assessment were followed for the subject. These standards and practices include consideration of any market value increase or decrease as determined by analysis of sales.

The assessed value was reviewed in response to the Petition for Review. Our findings are as follows.

The land and buildings are valued using the same methods and standards as all other properties in the Borough.

Additional Details:

- The appellant states that their assessed value is excessive/overvalued.
 - We find that the value is equitable and is not excessive.
- The appellant states that with the absence of comps to support the market approach the ADR or Average Daily Rate should be used.
 - The ADR multiplier is an industry quick “off-the-cuff” indicator of value. It is not a standard compliant approach for appraisal purposes. In addition there has been no work done to calibrate that multiplier so that it produces values that are equitable with other commercial assessments. As an “off-the-cuff” indicator it is also problematic in that all of the references to the \$1,000 multiplier are from 2018 or prior and a lot has changed since 2018 as illustrated by the changes in the cap rates and room rates. Many of the articles that we read in our research also make a point of indicating that an actual income approach is preferred for getting a more precise value.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

This group of appeals represents a 104-room hotel and extended stay rental property as well as retail and restaurant which is located in the Mendenhall Valley near the airport. We are discussing appeals for three parcels, 5B1601020171, 5B1601020180, and 5B1601020190. When combined, these parcels include 74,544 sf of land. Improvements include three buildings. The first building is a 31,618 sf, four story building containing lobby, restaurant and retail space, as well as 42 rooms with kitchens. The second building is a 12,481 sf two story building with retail and office space, as well as 18 rooms with kitchens. The third building is a 26,160 sf, four story building containing 44 rooms with kitchens.

The overall percent of change for these combined properties from 2010 to 2021 is 26.9%

The chart below outlines the change in value from 2020 to 2021 and the recommended assessed value for 2021.

Parcel Number	2020 Value	Percent Change	2021 Recommended Value
5B1601020171	\$3,111,100	40.4%	\$4,367,350
5B1601020180	\$1,161,700	22.5%	\$1,423,050
5B1601020190	\$1,852,500	7.1%	\$1,983,200
Overall	\$6,125,300	26.9%	\$7,773,600

We find that no change to the 2021 assessed values is warranted and ask that the BOE uphold the assessed values.

ADDENDUM A – General Information (Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.
19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer’s report that it is going to take \$750,000 to remedy the issue. Rather, many of this year’s appeals have general statements such as “you can’t raise my value that much in one year,” or “there was no justification for raising values.” As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and

through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.

20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B – Analysis (Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

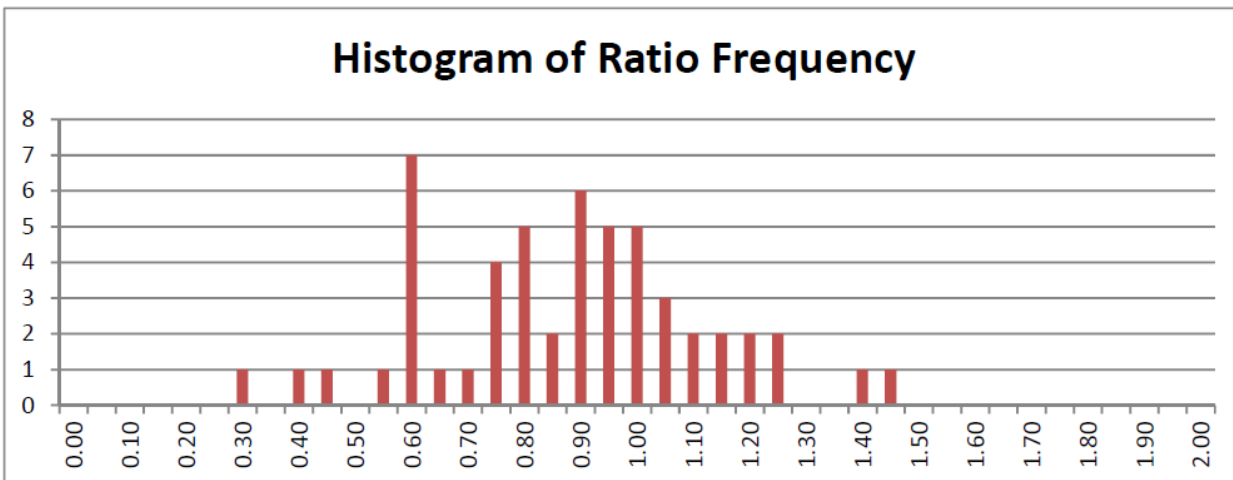
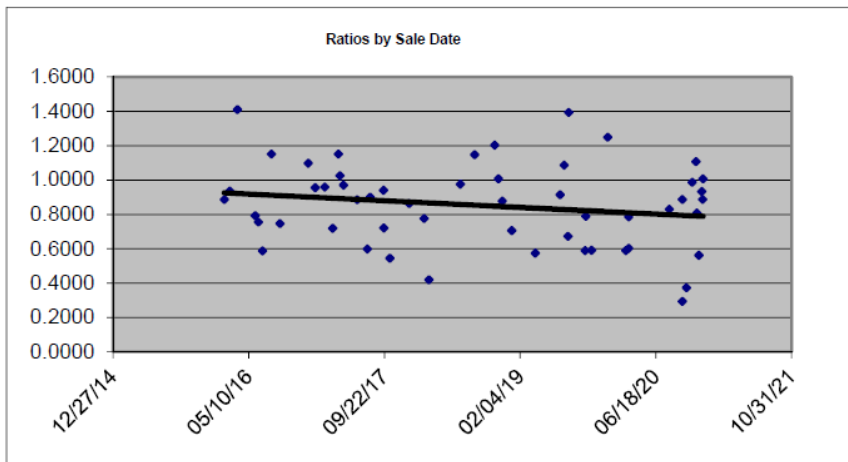
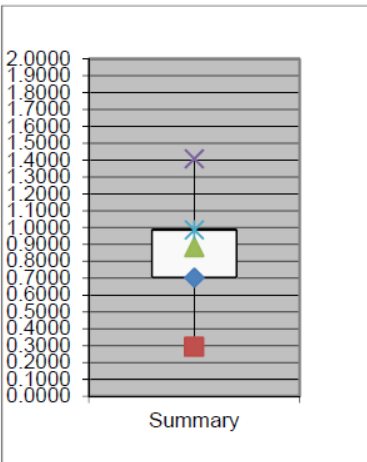
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

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	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C
(1) These were the sales available to us for our market analysis for assessment year 2021.									
(2) Some sales prices are confidential, specifically when the only sale source is the buyer.									
(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021, only sales prior to 11/26/2020 confidential.									
(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071									
(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.									
(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.									
(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios									
(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.									
(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.									

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information

Rooms | Frontier Suites Hotel in | X

frontiersuites.com/rooms/

Apps DNR Recorder's Off... Zillow: Real Estate,... Find Real Estate, Ho... Trulia: Real Estate Li... EXP Realty

Reading list



Home Rooms Amenities Specials Blog Directions

BOOK NOW



Deluxe Rooms

We have 104 newly remodeled, beautifully furnished one-bedroom Suites and Deluxe Rooms, with one or two Queen beds, or one King-size bed, all non-smoking. We offer nightly or extended stays. All rooms have internal entries and are equipped with full-size kitchens, dishwashers, cooking and table service, complimentary hi-speed Internet and cable with 7 HBO channels, free local calls, and in-room safes.



Home Rooms Amenities Specials Blog Directions

BOOK NOW

FALL SPECIAL!
Call to Book

\$89
/night



Stay in either a beautiful Queen Suite, a Queen Bed Deluxe Room, or a 2 Queen Bed Deluxe Room. Queen Suites have 1 queen bed in a separate bedroom, with a living room and full kitchen. Deluxe rooms have either 1 or 2 queen beds with a full kitchen. Free Wifi and satellite tv.

Maximum 4 guests per room

**Subject to availability, through 12/31/2021. Taxes and fees apply.*

*** This rate is only offered by calling Frontier Suites Hotel 907-790-6600*

(907) 790-6600

30 NIGHT
EXTENDED STAY IN
JUNEAU!
Call to Book

\$55-59
/night


Call to book 907-790-6600

Stay with us 30 days or more in a 1 Queen Deluxe Room, 2 Queen Deluxe room, or a King Whirlpool Room. All feature a full kitchen, free wifi, and satellite TV with 2 Showtime channels.

**Please note: 30-consecutive-night stays must be paid in full at time of check-in.*

**Subject to availability, through 12/31/2021. Taxes and fees apply.*

Extended Stay Juneau

(907) 790-6600

KING WHIRLPOOL
ROOM
Call to Book

\$89
/night



Stay with us in our spacious King Whirlpool room, featuring a king bed, full kitchen and whirlpool tub in the bathroom. All have satellite TV and free wifi.

Subject to availability, through 12/31/2021. Taxes and fees apply.

BOOK NOW

Page 27

Appeal 2021-0236, Appellant: Hospitality Group LLC

Parcel 5B1601020171



STANDARD NIGHTLY RATE

Standard Nightly Rate

From

99

USD Per Night

+ DELUXE ROOM - NS	\$ 99
+ QUEEN BEDROOM SUITE - NS	\$ 99
+ KING JACUZZI ROOM - NS	\$ 109
+ 2 BED HANDICAP ROOM - NS	\$ 99
+ 2 QUEEN DELUXE ROOM - NS	\$ 99
+ KING BEDROOM JACUZZI SUITE- NS	\$ 119
+ QUEEN BEDROOM BUNK SUITE- NS	\$ 119



GOVERNMENT RATE

Valid ID required at time of check in. If valid ID is not presented at time of check in nightly rate will default to our Standard Rack Rate.

From

89

USD Per Night

+ DELUXE ROOM - NS	\$ 89
+ QUEEN BEDROOM SUITE - NS	\$ 89
+ KING JACUZZI ROOM - NS	\$ 89
+ 2 BED HANDICAP ROOM - NS	\$ 89
+ 2 QUEEN DELUXE ROOM - NS	\$ 89



WEEKLY RATE

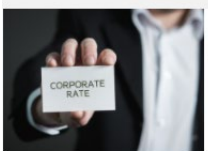
Rack weekly rate- Must stay at least 5 days

From

94

USD Per Night

+ DELUXE ROOM - NS	\$ 94
+ QUEEN BEDROOM SUITE - NS	\$ 94
+ KING JACUZZI ROOM - NS	\$ 94
+ 2 BED HANDICAP ROOM - NS	\$ 94
+ 2 QUEEN DELUXE ROOM - NS	\$ 94



CORPORATE RATE

Valid ID required at time of check in. If valid ID is not presented at time of check in nightly rate will default to our Standard Rack Rate.

From

89

USD Per Night

+ DELUXE ROOM - NS	\$ 89
+ QUEEN BEDROOM SUITE - NS	\$ 89
+ KING JACUZZI ROOM - NS	\$ 89
+ 2 BED HANDICAP ROOM - NS	\$ 89
+ 2 QUEEN DELUXE ROOM - NS	\$ 89

FAX COVER PAGE

FROM:

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
PO Box 32399
Juneau, Alaska 99803-2399
Fax (907) 789-2171
Phone (907) 789-7206

April 22, 2021

TO:

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801
Fax (907) 586-4520
Phone (907) 586-5215

2021 APPEAL OF ASSESSED VALUE FOR THE FOLLOWING PARCELS

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	5B1601020171 (Lobby)	\$4,367,350.00
	5B1601020180 (Wing A)	\$1,423,050.00
	5B1601020190 (Wing B)	<u>\$1,983,200.00</u>
TOTAL: Frontier Suites Airport Hotel (104 rooms)		\$7,773,600.00

TOTAL OF 8 PAGES WITH THIS COVER PAGE

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

OFFICIAL PUBLIC RECORDS REQUEST

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

Gentlemen:

This letter is an Official Public Records Request for copies of all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

This letter is also Officially asking that you preserve all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

CBJ identification numbers:

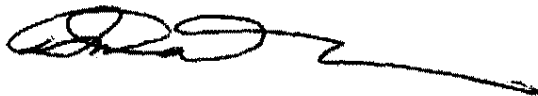
5B1601020171

5B1601020180

5B1601020190

Per Alaska Administrative Code 2 AAC 96.325 you have 10 days to respond.

Sincerely;



Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

Petition for Review / Correction of Assessed Value

Real Property

2021

5B1601020171



Office of the Assessor
155 S Seward Street
Juneau AK 99801

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Property ID	5B1601020171		
Owner Name	Hospitality Group LLC		
Owner Name	D&M Rentals LLC		
Phone Number	(907) 789-7206		
Physical Address	US 381 FR	Owner Name	Donald C. Madsen
		Email Address	madsens@gci.net
		Mail Address	PO Box 32399
			Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

Provide specific information and evidence supporting the item(s) checked above.

SEE ATTACHED 4 PAGES

Have you paid any taxes on this property?	☒ Yes ☐ No
What is the assessed value of your property?	\$4,367,350.00
What is the market value of your property?	\$3,600,303.00
What is the assessed value of your property?	
What is the market value of your property?	
What is the assessed value of your property?	
What is the market value of your property?	
Signature	Date
	APR 22 2021

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value

2021

5B1601020180

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

5B1601020180	
Hospitality Group LLC	
D&M Rentals LLC	
(907) 789-7206	
US\$ 381 FR	
	Donald C. Madsen
	madsens@pci.net
	PO Box 52399
	Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No

\$ 1,423,050.00

\$ 1,173,117.00

Signature

Date APR 22 2021

Contact Us: CBJ Assessors Office

Phone/Fax	Email	Website	Mailing Address
Phone: (907) 586-5215 Fax: (907) 586-4530	Assessor.Office@juneau.org	http://www.juneau.org/finance	155 South Seward St. Juneau AK 99801



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

5B1601020190

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

5B1601020190

Hospitality Group LLC
D&M Rentals LLC
(907) 789-7206

Donald C. Madsen
madsens@eci.net

USS 381 FR

PO Box 52399
Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No

\$ [] \$ [] \$1,983,200.00

\$ [] \$ [] \$1,634,887.00

\$ []

\$ []

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 17, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	5B1601020171 (Lobby)	\$4,367,350.00
	5B1601020180 (Wing A)	\$1,423,050.00
	5B1601020190 (Wing B)	<u>\$1,983,200.00</u>
TOTAL: Frontier Suites Airport Hotel (104 rooms)		\$7,773,600.00

Gentlemen:

Per CBJ Code, all taxable property in the City and Borough of Juneau shall be assessed uniformly within classifications and at its full and true value in money as of January 1 of the assessment year.

True and full value is the value determined by considering the earnings or productive capacity of a property, if any, the market value, if any, and any other conditions that effect the value of property.

Market value, as determined by the International Association of Assessing Officers, "is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

It's simple the Market Comparison Approach says a hotel is worth the same amount of money that a similar property within a similar market recently sold for as adjusted for differences among the hotels. Since there have been no recent sales of hotels that I am aware of and only a listing of the Travel Lodge, which indicates a willing sellers offer to sell, but no willing buyer has stepped up to the price, which makes the listing price unusable in the Market Approach.

With the absence of comps to support the market approach the ADR or Average Daily Rate is one of the better known KPIs (Key Performance Indicators) of the hotel industry and this rule of thumb essentially assigns a worth of 1,000 times the ADR per room. {Value = ADR x 1000 x Number of Rooms}

The ADR for the Frontier Suites Airport Hotel for 2020 was \$61.62 x 1000 x 104 giving it a total all things considered estimated value of \$6,162,000.00 as of January 1, 2021. (see ATTACHMENT "A")

Since there are three parcels that make up the hotel property I have assigned the values as follows, however the values can be adjusted as long as the total for the three cannot exceed \$6,408,307.00.

RE:	CBJ identification numbers	Owner's Estimated Valuation 2021
	5B1601020171 (Lobby)	\$3,600,303.00
	5B1601020180 (Wing A)	\$1,173,117.00
	5B1601020190 (Wing B)	<u>\$1,634,887.00</u>
TOTAL:	Frontier Suites Airport Hotel	\$6,408,307.00

You can be assured that the Market Approach, if comps were available would not support these estimates, the Income Approach also would not support these estimates.

Sincerely;



Hospitality Group LLC
Donald C. Madsen
Managing Member

Frontier Suites 104 rooms (3 Buildings)

2020 ADR

ATTACHMENT "A"

Month	Average Daily Rate (ADR)
January	\$ 71.57
Feburary	\$ 69.49
March	\$ 64.80
April	\$ 43.63
May	\$ 50.08
June	\$ 67.61
July	\$ 71.48
August	\$ 64.95
September	\$ 58.67
October	\$ 58.91
November	\$ 60.49
December	\$ 57.74
	\$ 739.42 divide 12

\$ 61.62 Annual ADR

Key Performance Indicators (KPIs) assigns a hotels worth as {Value = ADR x 1000 x Number of Rooms}

Value =	ADR	X 1000	X # Rooms 104
Frontier Suites	\$ 61.62	\$ 61,618.33	\$ 6,408,307

	CBJ Valuation		Owners Valuation
5B1601020171	\$ 4,367,350.00	82%	\$ 3,600,303
5B1601020180	\$ 1,423,050.00	82%	\$ 1,173,117
5B1601020190	\$ 1,983,200.00	82%	\$ 1,634,887
			\$ -
			\$ -
	\$ 7,773,600.00		\$ 6,408,307

	Values	Percentage
CBJ	\$ 7,773,600	
Owner	\$ 6,408,307	0.82

APR 22 2021



OFFICE OF THE ASSESSOR

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

9/22/2021

D&M Rentals LLC
PO Box 32399
Juneau AK 99803

Received

SEP 28 2021

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 5B1601020180
RESPONSE DEADLINE: 9/29/2021

PARCEL: 5B1601020180
PHYSICAL LOCATION: 2354 Mendenhall Loop Rd

D&M Rentals LLC,

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

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **5B1601020180**:

VALUE DETERMINATION

Recommended Action: **No Change**

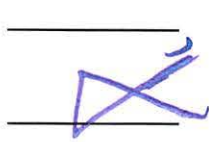
2021 Initial valuation:	\$1,423,050
2021 Owner estimate of value:	\$1,173,117
2021 Final determination:	\$1,423,050

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

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

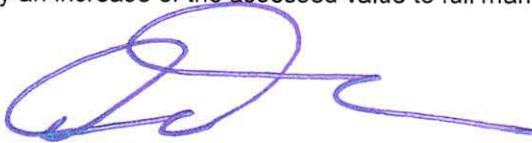


YES, I accept the recommended value determination provided by the Assessor

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

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

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



Appellant signature

SEP 25 2021

Date

If we do not receive a response from you by **9/29/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

**D & M RENTALS LLC
PO BOX 032399
JUNEAU AK 99803-2399**

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

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	5B1601020180
Property Location	2354 MENDENHALL LOOP RD
Appeal No.	APL20210237
Sent to Email Address:	madsens@gcci.net

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0237

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: D&M Rentals LLC

Location: 2354 Mendenhall Loop Rd

Parcel No.: 5B1601020180

Property Type: Commercial – Hotel/Retail

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	Not provided	\$ 784,050	\$ 431,244
Buildings:	Not provided	\$ 639,000	\$ 991,806
Total:	\$ 6,408,307 Combined 5B1601020171/0180/0190	\$ 1,423,050	\$ 1,423,050

Subject Photo



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OVERVIEW

The subject is a two-story building with retail on the first level and hotel rooms on the second level, located in the Mendenhall Valley near the airport.

Subject Characteristics:

- Land
 - 21,780 SF lot
 - Level, developed lot
- Building
 - 12,481 SF GBA
 - 6,281 SF 1st level – Retail
 - 6,200 SF 2nd level – Hotel annex 18 units

SUBJECT PHOTOS



Back

Left



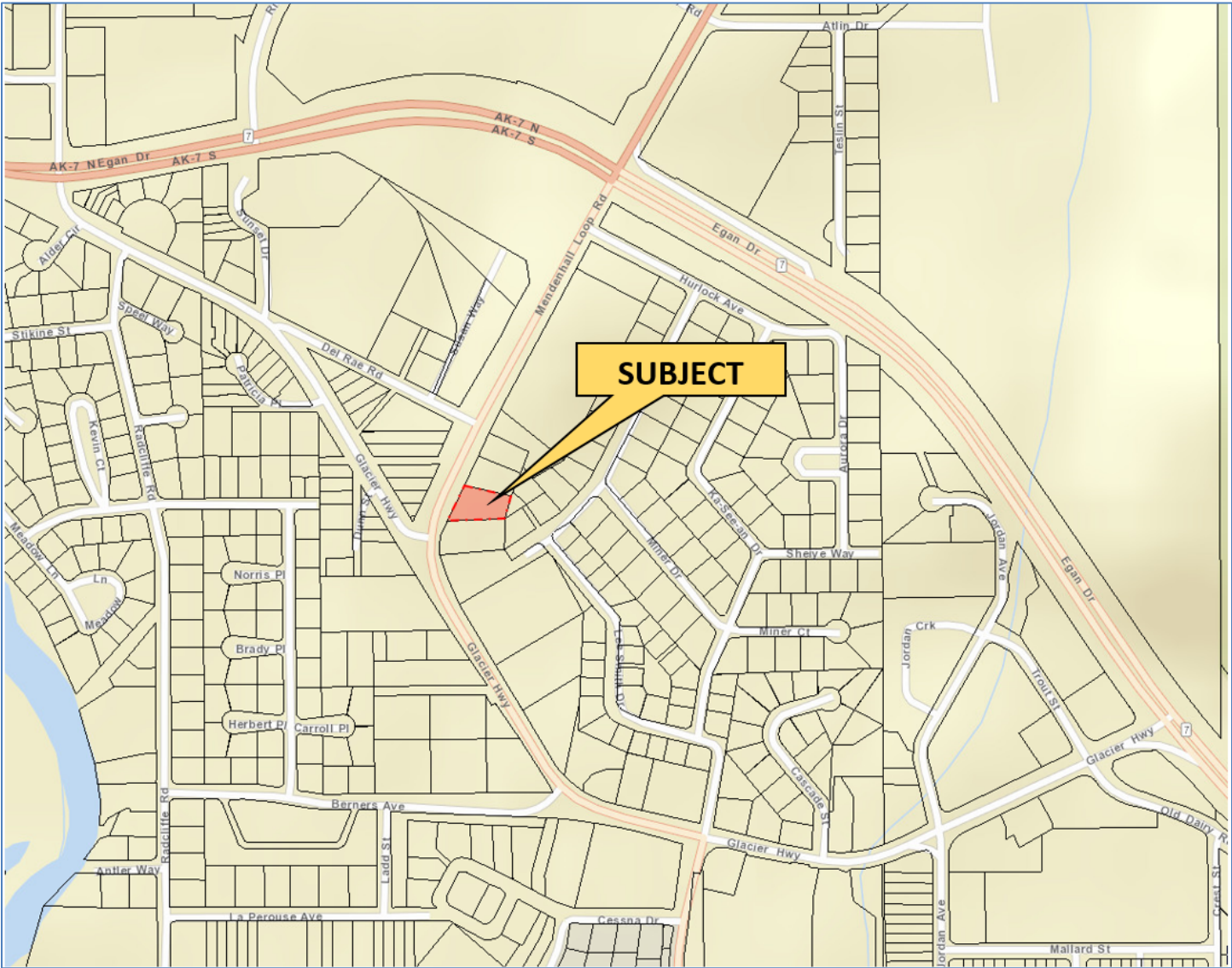
Front



Right/sky bridge



AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

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

- 21,780 SF lot
- Level, developed lot

BUILDING(S)

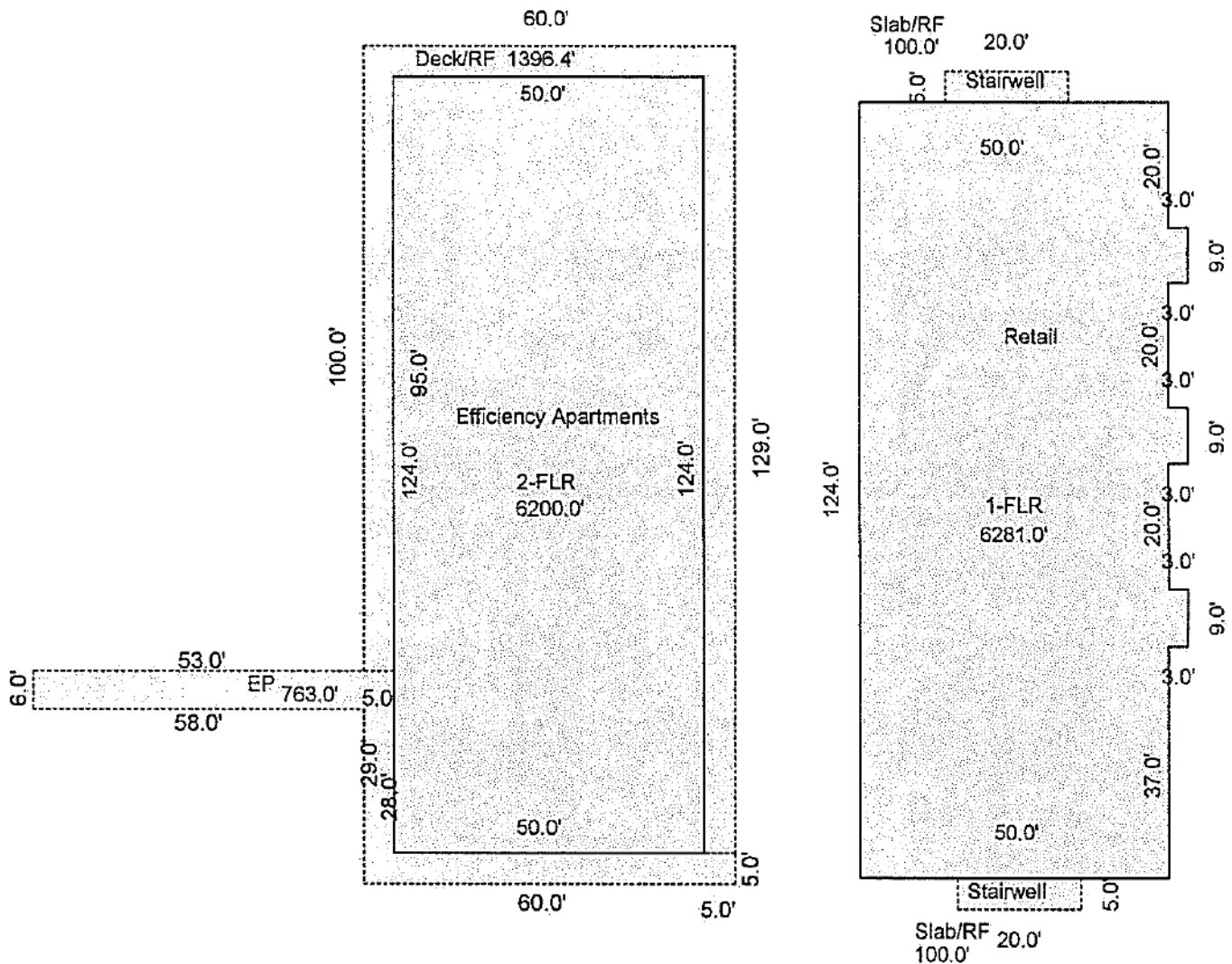
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 12,481 SF GBA
 - 6,281 SF 1st level – Retail
 - 6,200 SF 2nd level – Hotel annex 18 units

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.

8145		Record		1	
Parcel Code Number	5B1601020180	Number of Stories (Building)		02	
Owner Name	D & M RENTALS LLC	Number of Sections		1	
Parcel Address	2354 MENDENHALL LOOP RD	Perimeter		366	
Effective Year Built	2002	Class		D	
Year Built	1984	Height			
Building Model	C- 13 Stores, Commercials	Rank		Average	
Building Type	Mixed Retail w/ Resid. Units	Total Area		12,481.00	
Base Cost		12481		74.50	929,835
Exterior Wall	Stud Walls-Wood Siding	12481	100%	14.00	174,734
Heating & Cooling	Heating & Cooling	12481		611.00	611
Architect Fee		12481		6.60	82,375
Sprinklers	Wet Sprinklers	14840	100%	3.43	50,901
Sub Total					\$1,238,455.30
Local Multiplier				1.43	[X] \$1,770,991.00
Current Multiplier				1.03	[X] \$1,824,121.00
Neighborhood Multiplier					[X] \$1,824,121.00
Depreciation - Physical				28.00	[-] \$510,754.00
Depreciation - Functional					[-] \$0.00
Depreciation - Economic					[-] \$0.00
Percent Complete				100.00	[-] \$1,313,367.00
Cost to Cure					
Neighborhood Adjustment					
Replacement Cost less Depreciation					\$1,313,367
Miscellaneous Improvement	Enclosed Skywalk			[+]	33,000
Miscellaneous Improvement	Built in appliances			[+]	27,000
Total Improvement Value					\$1,373,400

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done using standard revenue and expenses for the property type and location. This was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

Because these income approach calculations are based off information publicly available online and provided as part of the appeal, the information may be placed in the Assessor's appeal record, which is a publicly available document.



**Assessor's Office
Appraisal Form**

Parcel No. 5B160102xxxx (Frontier Suites)

Situs 2354 Mendenhall Loop Rd

Owner D&M Rentals (Madsen)

Assessment	AY	Value Date	Values on	Land	Bldg	Misc	Total
Data	2021	1/1/2021	Notice -->				7,773,600

Based on Average Room Rate Submitted by Appellant

Income Approach			Gross Income		Expenses			For this model:	
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl	
Gross Income	2,573,491								
Vacancy / Collection Loss Factor	(900,722)	35.00%	2,339,095			Mgmt	#DIV/0!		Prop.Taxes
Misc Income			121,338			Wages	#DIV/0!		Depreciation
Eff.GI	1,672,769		113,058			Utilities	#DIV/0!		Debt Service
Expenses	(900,722)					Supplies	#DIV/0!		Income Taxes
NOI	772,047					Repairs	#DIV/0!		Capital Imp
Cap Rate / Preliminary Value	7.00%	11,029,248				Insurance	#DIV/0!		OwnerBusExp
Adj- Market / Market Area	1.00	0			900,722	Misc.	0.3500		ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	2,573,491	Total	900,722	Total			
Indicated Value		11,029,248	Econ Life	50	Reserve %	1%	Replac.Res.		25,735
			NOI % of Gross	30%	Exp % Gross	35%			

Gross Income Estimates

	Frontier Suites	Retail 171	Retail 180
Rate	61.62	1.5	1.5
Rooms/SF	104	6741	6281
	2,339,095	121,338	113,058

Note that SF for 171 = 7141-400 est for lobby

Based on Room Rates Listed on Subjects Website & Reservatin Portal

Income Approach			Gross Income		Expenses			For this model:	
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl	
Gross Income	3,460,996								
Vacancy / Collection Loss Factor	(1,211,349)	35.00%	3,226,600			Mgmt	#DIV/0!		Prop.Taxes
Misc Income			121,338			Wages	#DIV/0!		Depreciation
Eff.GI	2,249,647		113,058			Utilities	#DIV/0!		Debt Service
Expenses	(1,211,349)					Supplies	#DIV/0!		Income Taxes
NOI	1,038,299					Repairs	#DIV/0!		Capital Imp
Cap Rate / Preliminary Value	7.00%	14,832,840				Insurance	#DIV/0!		OwnerBusExp
Adj- Market / Market Area	1.00	0			1,211,349	Misc.	0.3500		ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	3,460,996	Total	1,211,349	Total			
Indicated Value		14,832,840	Econ Life	50	Reserve %	1%	Replac.Res.		34,610
			NOI % of Gross	30%	Exp % Gross	35%			

Gross Income Estimates

	Frontier Suites	Retail 171	Retail 180
Rate	85	1.5	1.5
Rooms/SF	104	6741	6281
	3,226,600	121,338	113,058

Note that SF for 171 = 7141-400 est for lobby

The 35% Expense ratio and 35% vacancy ratio come from both reported national averages as well as local information supplied by other hotels.

The \$1,000 ADR multiplier references that I could find are all from 2018 or earlier.

The ADR multiplier is very broad brush and not the recommended approach for a more definitive value.

The ADR is not an accepted appraisal approach, the sales comparison or income approach are generally the recommended approaches.

The 7% cap rate is derived from national information, was tested against local sales and was found to produce equitable values of 85 to 90% of market.

Also taken into consideration was information from an IAAO workshop on valuing hotels in the midst of Covid.

October Rates from Reservation Price Quote

99 Deluxe Room
99 queen Suite
109 King Jacuzzi Room
99 2 Bed Handicap
99 2 Queen Deluxe
119 King Jacuzzi Suite
119 Queen BR Bunk Suite

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report

5B1601020180
D & M RENTALS LLC
2354 MENDENHALL LOOP RD
USS 381 FR

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$784,050.00		\$639,000.00	\$1,423,050.00
2020	\$522,700.00		\$639,000.00	\$1,161,700.00
2019	\$522,700.00		\$639,000.00	\$1,161,700.00
2018	\$522,700.00		\$639,000.00	\$1,161,700.00
2017	\$522,700.00		\$639,000.00	\$1,161,700.00
2016	\$522,700.00		\$639,000.00	\$1,161,700.00
2015	\$522,700.00		\$639,000.00	\$1,161,700.00
2014	\$522,700.00		\$639,000.00	\$1,161,700.00
2013	\$522,700.00		\$639,000.00	\$1,161,700.00
2012	\$522,700.00	\$0.00	\$639,000.00	\$1,161,700.00
2011	\$522,700.00	\$0.00	\$639,000.00	\$1,161,700.00
2010	\$522,700.00	\$0.00	\$639,000.00	\$1,161,700.00

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.

Additional Details:

- The appellant states that their assessed value is excessive/overvalued.
 - We find that the value is equitable and is not excessive.
- The appellant states that with the absence of comps to support the market approach the ADR or Average Daily Rate should be used.
 - The ADR multiplier is an industry quick “off-the-cuff” indicator of value. It is not a standard compliant approach for appraisal purposes. In addition there has been no work done to calibrate that multiplier so that it produces values that are equitable with other commercial assessments. As an “off-the-cuff” indicator it is also problematic in that all of the references to the \$1,000 multiplier are from 2018 or prior and a lot has changed since 2018 as illustrated by the changes in the cap rates and room rates. Many of the articles that we read in our research also make a point of indicating that an actual income approach is preferred for getting a more precise value.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

This group of appeals represents a 104-room hotel and extended stay rental property as well as retail and restaurant which is located in the Mendenhall Valley near the airport. We are discussing appeals for three parcels, 5B1601020171, 5B1601020180, and 5B1601020190. When combined, these parcels include 74,544 sf of land. Improvements include three buildings. The first building is a 31,618 sf, four story building containing lobby, restaurant and retail space, as well as 42 rooms with kitchens. The second building is a 12,481 sf two story building with retail and office space, as well as 18 rooms with kitchens. The third building is a 26,160 sf, four story building containing 44 rooms with kitchens.

The overall percent of change for these combined properties from 2010 to 2021 is 26.9%

The chart below outlines the change in value from 2020 to 2021 and the recommended assessed value for 2021.

Parcel Number	2020 Value	Percent Change	2021 Recommended Value
5B1601020171	\$3,111,100	40.4%	\$4,367,350
5B1601020180	\$1,161,700	22.5%	\$1,423,050
5B1601020190	\$1,852,500	7.1%	\$1,983,200
Overall	\$6,125,300	26.9%	\$7,773,600

We find that no change to the 2021 assessed values is warranted and ask that the BOE uphold the assessed values.

ADDENDUM A – General Information(Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.
19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer’s report that it is going to take \$750,000 to remedy the issue. Rather, many of this year’s appeals have general statements such as “you can’t raise my value that much in one year,” or “there was no justification for raising values.” As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and

through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.

20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B - Analysis(Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

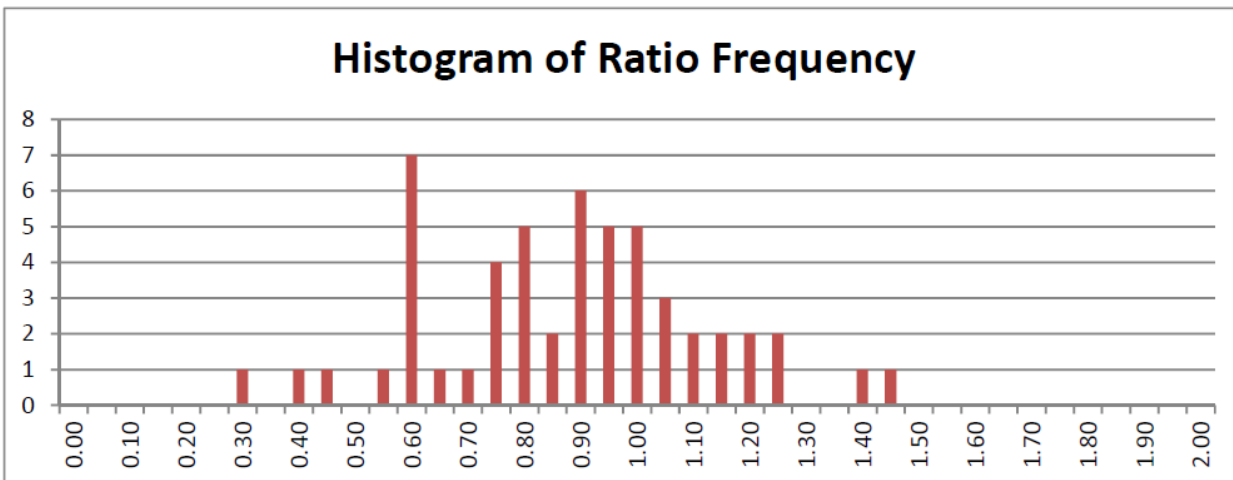
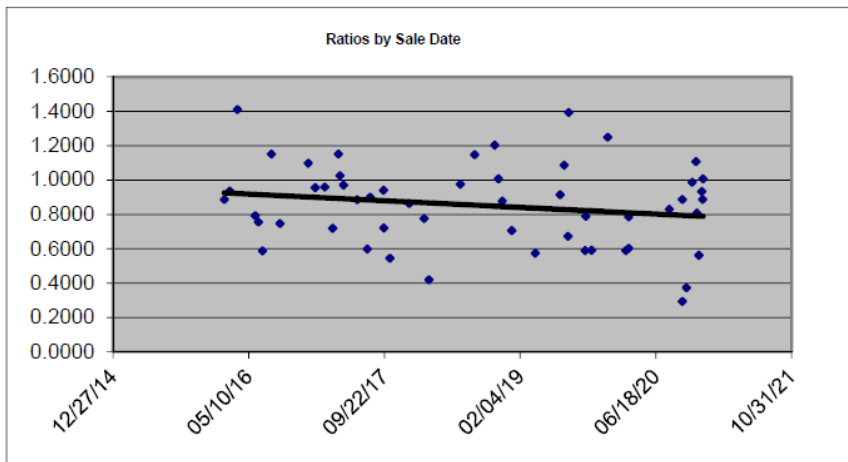
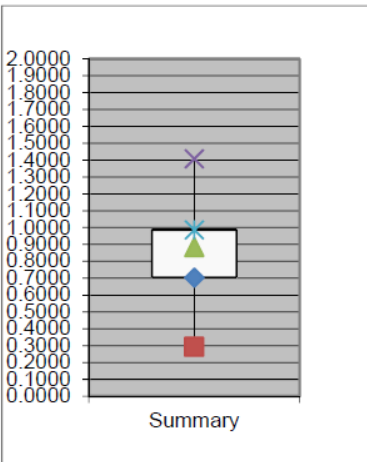
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

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	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C
(1) These were the sales available to us for our market analysis for assessment year 2021.									
(2) Some sales prices are confidential, specifically when the only sale source is the buyer.									
(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021, only sales prior to 11/26/2020 confidential.									
(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071									
(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.									
(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.									
(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios									
(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.									
(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.									

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information

Rooms | Frontier Suites Hotel in | X

frontiersuites.com/rooms/

Apps DNR Recorder's Off... Zillow: Real Estate,... Find Real Estate, Ho... Trulia: Real Estate Li... EXP Realty

Reading list



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We have 104 newly remodeled, beautifully furnished one-bedroom Suites and Deluxe Rooms, with one or two Queen beds, or one King-size bed, all non-smoking. We offer nightly or extended stays. All rooms have internal entries and are equipped with full-size kitchens, dishwashers, cooking and table service, complimentary hi-speed Internet and cable with 7 HBO channels, free local calls, and in-room safes.



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FALL SPECIAL!
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\$89
/night



Stay in either a beautiful Queen Suite, a Queen Bed Deluxe Room, or a 2 Queen Bed Deluxe Room. Queen Suites have 1 queen bed in a separate bedroom, with a living room and full kitchen. Deluxe rooms have either 1 or 2 queen beds with a full kitchen. Free Wifi and satellite tv.

Maximum 4 guests per room

**Subject to availability, through 12/31/2021. Taxes and fees apply.*

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(907) 790-6600

30 NIGHT
EXTENDED STAY IN
JUNEAU!
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\$55-59
/night


Call to book 907-790-6600

Stay with us 30 days or more in a 1 Queen Deluxe Room, 2 Queen Deluxe room, or a King Whirlpool Room. All feature a full kitchen, free wifi, and satellite TV with 2 Showtime channels.

**Please note: 30-consecutive-night stays must be paid in full at time of check-in.*

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(907) 790-6600

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ROOM
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\$89
/night



Stay with us in our spacious King Whirlpool room, featuring a king bed, full kitchen and whirlpool tub in the bathroom. All have satellite TV and free wifi.

Subject to availability, through 12/31/2021. Taxes and fees apply.

BOOK NOW

Page 28

Appeal 2021-0237, Appellant: D&M Rentals LLC

Parcel 5B1601020180



STANDARD NIGHTLY RATE

Standard Nightly Rate

From

99

USD Per Night

+ DELUXE ROOM - NS	\$ 99
+ QUEEN BEDROOM SUITE - NS	\$ 99
+ KING JACUZZI ROOM - NS	\$ 109
+ 2 BED HANDICAP ROOM - NS	\$ 99
+ 2 QUEEN DELUXE ROOM - NS	\$ 99
+ KING BEDROOM JACUZZI SUITE- NS	\$ 119
+ QUEEN BEDROOM BUNK SUITE- NS	\$ 119



GOVERNMENT RATE

Valid ID required at time of check in. If valid ID is not presented at time of check in nightly rate will default to our Standard Rack Rate.

From

89

USD Per Night

+ DELUXE ROOM - NS	\$ 89
+ QUEEN BEDROOM SUITE - NS	\$ 89
+ KING JACUZZI ROOM - NS	\$ 89
+ 2 BED HANDICAP ROOM - NS	\$ 89
+ 2 QUEEN DELUXE ROOM - NS	\$ 89



WEEKLY RATE

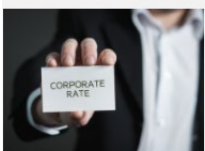
Rack weekly rate- Must stay at least 5 days

From

94

USD Per Night

+ DELUXE ROOM - NS	\$ 94
+ QUEEN BEDROOM SUITE - NS	\$ 94
+ KING JACUZZI ROOM - NS	\$ 94
+ 2 BED HANDICAP ROOM - NS	\$ 94
+ 2 QUEEN DELUXE ROOM - NS	\$ 94



CORPORATE RATE

Valid ID required at time of check in. If valid ID is not presented at time of check in nightly rate will default to our Standard Rack Rate.

From

89

USD Per Night

+ DELUXE ROOM - NS	\$ 89
+ QUEEN BEDROOM SUITE - NS	\$ 89
+ KING JACUZZI ROOM - NS	\$ 89
+ 2 BED HANDICAP ROOM - NS	\$ 89
+ 2 QUEEN DELUXE ROOM - NS	\$ 89

FAX COVER PAGE

FROM:

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
PO Box 32399
Juneau, Alaska 99803-2399
Fax (907) 789-2171
Phone (907) 789-7206

April 22, 2021

TO:

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801
Fax (907) 586-4520
Phone (907) 586-5215

2021 APPEAL OF ASSESSED VALUE FOR THE FOLLOWING PARCELS

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	5B1601020171 (Lobby)	\$4,367,350.00
	5B1601020180 (Wing A)	\$1,423,050.00
	5B1601020190 (Wing B)	<u>\$1,983,200.00</u>
TOTAL: Frontier Suites Airport Hotel (104 rooms)		\$7,773,600.00

TOTAL OF 8 PAGES WITH THIS COVER PAGE

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

OFFICIAL PUBLIC RECORDS REQUEST

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

Gentlemen:

This letter is an Official Public Records Request for copies of all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

This letter is also Officially asking that you preserve all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

CBJ identification numbers:

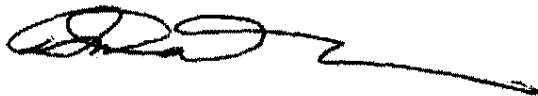
5B1601020171

5B1601020180

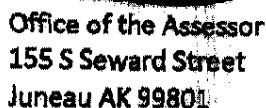
5B1601020190

Per Alaska Administrative Code 2 AAC 96.325 you have 10 days to respond.

Sincerely;



Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member



Please attach all supporting documentation

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

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No	
\$	\$1,423,050.00
\$	\$1,173,117.00
\$	
\$	

Signature 
 Date **APR 22 2021**

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

5B1601020190

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

5B1601020190

Hospitality Group LLC
D&M Rentals LLC
(907) 789-7206

Donald C. Madsen
madsens@eci.net

USS 381 FR

PO Box 52399
Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No

\$ \$ \$1,983,200.00

\$ \$ \$1,634,887.00

\$

\$

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 17, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	5B1601020171 (Lobby)	\$4,367,350.00
	5B1601020180 (Wing A)	\$1,423,050.00
	5B1601020190 (Wing B)	<u>\$1,983,200.00</u>
TOTAL: Frontier Suites Airport Hotel (104 rooms)		\$7,773,600.00

Gentlemen:

Per CBJ Code, all taxable property in the City and Borough of Juneau shall be assessed uniformly within classifications and at its full and true value in money as of January 1 of the assessment year.

True and full value is the value determined by considering the earnings or productive capacity of a property, if any, the market value, if any, and any other conditions that effect the value of property.

Market value, as determined by the International Association of Assessing Officers, "is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

It's simple the Market Comparison Approach says a hotel is worth the same amount of money that a similar property within a similar market recently sold for as adjusted for differences among the hotels. Since there have been no recent sales of hotels that I am aware of and only a listing of the Travel Lodge, which indicates a willing sellers offer to sell, but no willing buyer has stepped up to the price, which makes the listing price unusable in the Market Approach.

With the absence of comps to support the market approach the ADR or Average Daily Rate is one of the better known KPIs (Key Performance Indicators) of the hotel industry and this rule of thumb essentially assigns a worth of 1,000 times the ADR per room. {Value = ADR x 1000 x Number of Rooms}

The ADR for the Frontier Suites Airport Hotel for 2020 was \$61.62 x 1000 x 104 giving it a total all things considered estimated value of \$6,162,000.00 as of January 1, 2021. (see ATTACHMENT "A")

Since there are three parcels that make up the hotel property I have assigned the values as follows, however the values can be adjusted as long as the total for the three cannot exceed \$6,408,307.00.

RE:	CBJ identification numbers	Owner's Estimated Valuation 2021
	5B1601020171 (Lobby)	\$3,600,303.00
	5B1601020180 (Wing A)	\$1,173,117.00
	5B1601020190 (Wing B)	<u>\$1,634,887.00</u>
TOTAL:	Frontier Suites Airport Hotel	\$6,408,307.00

You can be assured that the Market Approach, if comps were available would not support these estimates, the Income Approach also would not support these estimates.

Sincerely;



Hospitality Group LLC
Donald C. Madsen
Managing Member

Frontier Suites 104 rooms (3 Buildings)

2020 ADR

ATTACHMENT "A"

Month	Average Daily Rate (ADR)
January	\$ 71.57
Feburary	\$ 69.49
March	\$ 64.80
April	\$ 43.63
May	\$ 50.08
June	\$ 67.61
July	\$ 71.48
August	\$ 64.95
September	\$ 58.67
October	\$ 58.91
November	\$ 60.49
December	\$ 57.74
	\$ 739.42 divide 12

\$ 61.62 Annual ADR

Key Performance Indicators (KPIs) assigns a hotels worth as {Value = ADR x 1000 x Number of Rooms}

Value =	ADR	X 1000	X # Rooms 104
Frontier Suites	\$ 61.62	\$ 61,618.33	\$ 6,408,307

	CBJ Valuation		Owners Valuation
5B1601020171	\$ 4,367,350.00	82%	\$ 3,600,303
5B1601020180	\$ 1,423,050.00	82%	\$ 1,173,117
5B1601020190	\$ 1,983,200.00	82%	\$ 1,634,887
			\$ -
			\$ -
	\$ 7,773,600.00		\$ 6,408,307

	Values	Percentage
CBJ	\$ 7,773,600	
Owner	\$ 6,408,307	0.82

APR 22 2021



OFFICE OF THE ASSESSOR

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

9/22/2021

Received

D&M Rentals LLC
PO Box 32399
Juneau AK 99803

SEP 28 2021

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 5B1601020190
RESPONSE DEADLINE: 9/29/2021

PARCEL: 5B1601020190
PHYSICAL LOCATION: 2356 Mendenhall Loop Rd

D&M Rentals LLC,

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

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **5B1601020190**:

VALUE DETERMINATION

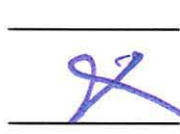
Recommended Action:	No Change
2021 Initial valuation:	\$1,983,200
2021 Owner estimate of value:	\$1,634,887
2021 Final determination:	\$1,983,200

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

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

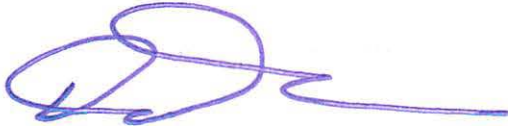


YES, I accept the recommended value determination provided by the Assessor

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

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

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



SEP 25 2021

Appellant signature

Date

If we do not receive a response from you by **9/29/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

**D & M RENTALS LLC
PO BOX 032399
JUNEAU AK 99803-2399**

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

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	5B1601020190
Property Location	356 MENDENHALL LOOP RD
Appeal No.	APL20210132
Sent to Email Address:	madsens@gci.net

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0238

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: D&M Rentals LLC

Location: 2356 Mendenhall Loop Rd

Parcel No.: 5B1601020190

Property Type: Commercial - Hotel

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	Not provided	\$ 392,100	\$ 215,622
Buildings:	Not provided	\$ 1,591,100	\$ 1,767,578
Total:	\$ 6,408,307 Combined 5B1601020171/0180/0190	\$ 1,983,200	\$ 1,983,200

Subject Photo



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OVERVIEW

The subject is a four-story hotel located in the Mendenhall Valley near the airport.

Subject Characteristics:

- Land
 - 10,890 SF lot
 - Level, developed lot
- Building
 - 26,160 SF GBA
 - 6,540 SF 1st level – 11 hotel units
 - 6,540 SF 2nd level – 11 hotel units
 - 6,540 SF 3rd level – 11 hotel units
 - 6,540 SF 4th level – 11 hotel units

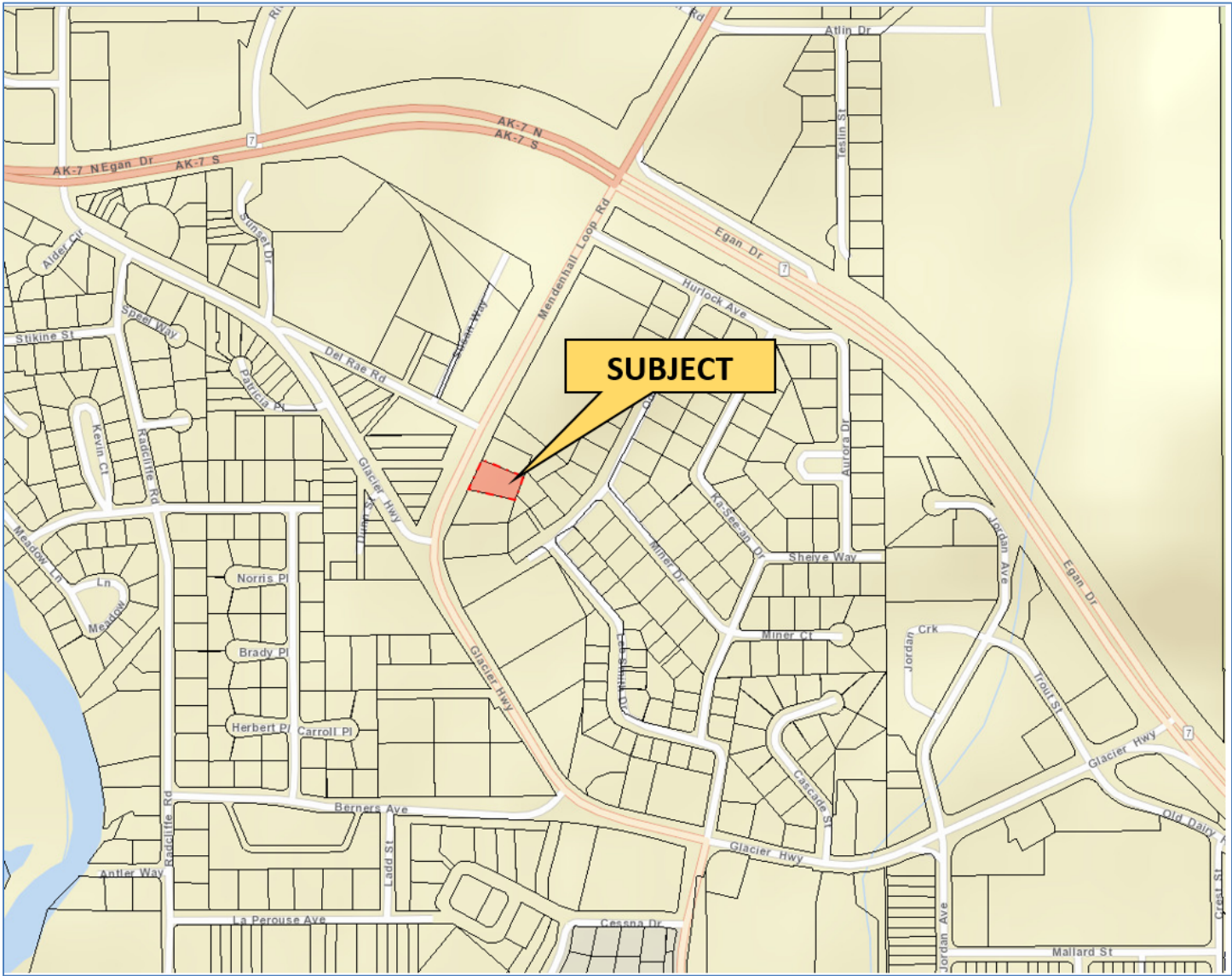
SUBJECT PHOTOS



Front



AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

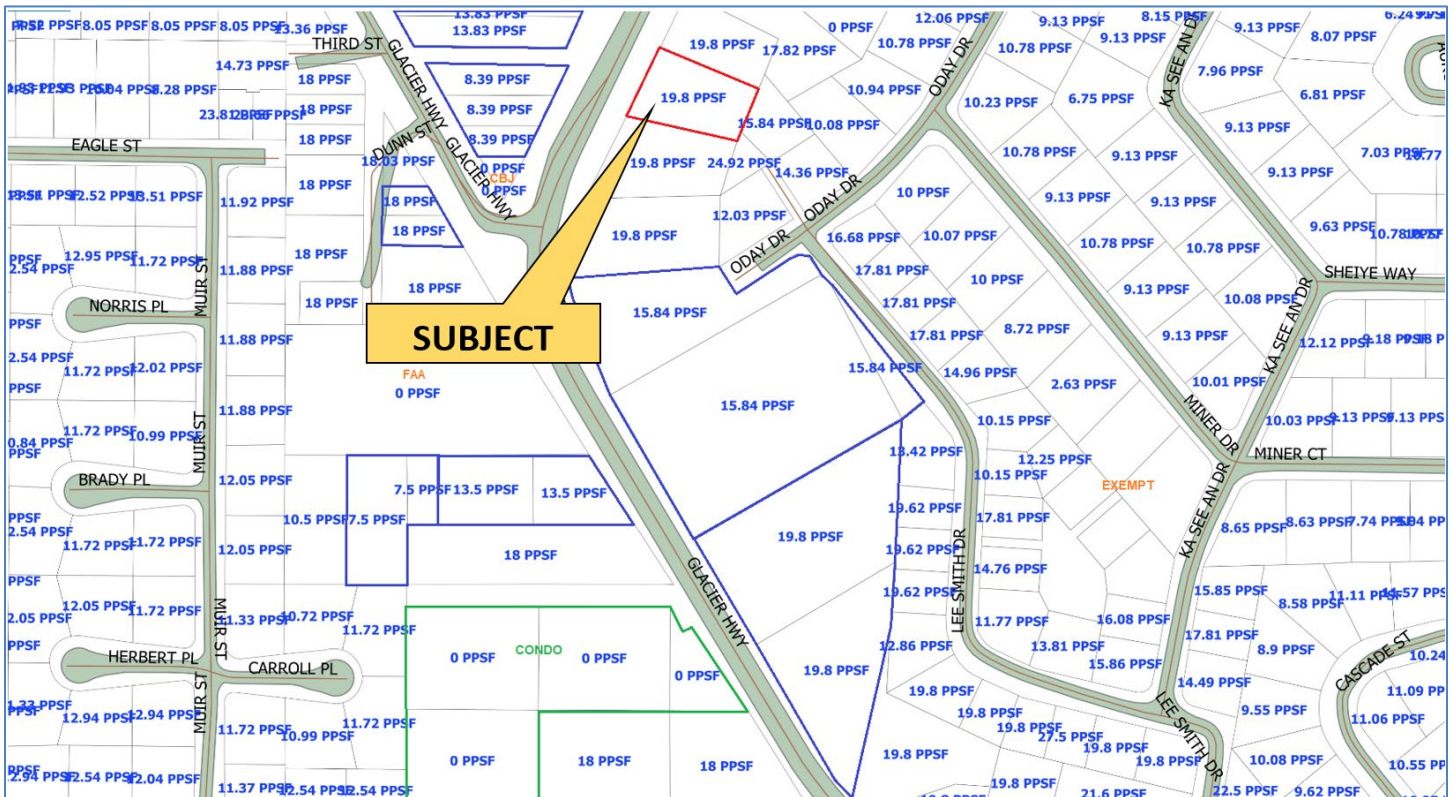
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation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

The subject site features a level, developed lot that is in near the airport. The subject parcel's land value is equitable and is not excessive.

Land Characteristics:

- 10,890 SF lot
- Level, developed lot

Land Values



Ratio studies are performed to determine market adjustments.

- 26,160 SF GBA
 - 6,540 SF 1st level – 11 hotel units
 - 6,540 SF 2nd level – 11 hotel units
 - 6,540 SF 3rd level – 11 hotel units
 - 6,540 SF 4th level – 11 hotel units

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.

8146		Record		1	
Parcel Code Number	5B1601020190	Number of Stories (Building)		04	
Owner Name	D & M RENTALS LLC	Number of Sections		1	
Parcel Address	2356 MENDENHALL LOOP RD	Perimeter		375	
Effective Year Built	2011	Class		D	
Year Built	2000	Height			
Building Model	C- 11 Apartments, Clubs, Hotels	Rank		Average	
Building Type	Hotel, Limited Service	Total Area		26,160.00	
Base Cost		26160		89.45	2,339,881
Exterior Wall	Stud Walls-Wood Siding	26160	100%	13.80	361,008
Heating & Cooling	Heating & Cooling	26160		616.00	616
Heating & Cooling	Hot Water	26160	100%	9.42	246,427
Architect Fee		26160		6.30	164,808
Sprinklers	Wet Sprinklers	27574	100%	3.07	84,652
Sub Total					\$3,197,392.58
Local Multiplier				1.43	[X] \$4,572,271.00
Current Multiplier				1.04	[X] \$4,755,162.00
Neighborhood Multiplier					[X] \$4,755,162.00
Depreciation - Physical				11.00	[-] \$523,068.00
Depreciation - Functional					[-] \$0.00
Depreciation - Economic					[-] \$0.00
Percent Complete				100.00	[-] \$4,232,094.00
Cost to Cure					
Neighborhood Adjustment					
Replacement Cost less Depreciation					\$4,232,094
Miscellaneous Improvement	Enclosed Sky Bridge			[+]	25,300
Miscellaneous Improvement	Built in Appliances			[+]	66,000
Canopy				[+]	37,600
Total Improvement Value					\$4,361,000

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done using standard revenue and expenses for the property type and location. This was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

Because these income approach calculations are based off information publicly available online and provided as part of the appeal, the information may be placed in the Assessor's appeal record, which is a publicly available document.


**Assessor's Office
Appraisal Form**

Parcel No. 5B160102xxxx (Frontier Suites)

Situs 2354 Mendenhall Loop Rd

Owner D&M Rentals (Madsen)

Assessment	AY	Value Date	Values on	Land	Bldg	Misc	Total
Data	2021	1/1/2021	Notice -->				7,773,600

Based on Average Room Rate Submitted by Appellant**Income Approach**

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	2,573,491							
Vacancy / Collection Loss Factor	(900,722)	35.00%	2,339,095			Mgmt	#DIV/0!	Prop.Taxes
Misc Income			121,338			Wages	#DIV/0!	Depreciation
Eff.GI	1,672,769		113,058			Utilities	#DIV/0!	Debt Service
Expenses	(900,722)					Supplies	#DIV/0!	Income Taxes
NOI	772,047					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	11,029,248				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			900,722	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	2,573,491	Total	900,722	Total		
Indicated Value		11,029,248	Econ Life	50	Reserve %	1%	Replac.Res.	25,735
			NOI % of Gross	30%	Exp % Gross	35%		

Gross Income Estimates

	Frontier Suites	Retail 171	Retail 180
Rate	61.62	1.5	1.5
Rooms/SF	104	6741	6281
	2,339,095	121,338	113,058

Note that SF for 171 = 7141-400 est for lobby

Based on Room Rates Listed on Subjects Website & Reservatin Portal**Income Approach**

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	3,460,996							
Vacancy / Collection Loss Factor	(1,211,349)	35.00%	3,226,600			Mgmt	#DIV/0!	Prop.Taxes
Misc Income			121,338			Wages	#DIV/0!	Depreciation
Eff.GI	2,249,647		113,058			Utilities	#DIV/0!	Debt Service
Expenses	(1,211,349)					Supplies	#DIV/0!	Income Taxes
NOI	1,038,299					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	14,832,840				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			1,211,349	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	3,460,996	Total	1,211,349	Total		
Indicated Value		14,832,840	Econ Life	50	Reserve %	1%	Replac.Res.	34,610
			NOI % of Gross	30%	Exp % Gross	35%		

Gross Income Estimates

	Frontier Suites	Retail 171	Retail 180
Rate	85	1.5	1.5
Rooms/SF	104	6741	6281
	3,226,600	121,338	113,058

Note that SF for 171 = 7141-400 est for lobby

The 35% Expense ratio and 35% vacancy ratio come from both reported national averages as well as local information supplied by other hotels.

The \$1,000 ADR multiplier references that I could find are all from 2018 or earlier.

The ADR multiplier is very broad brush and not the recommended approach for a more definitive value.

The ADR is not an accepted appraisal approach, the sales comparison or income approach are generally the recommended approaches.

The 7% cap rate is derived from national information, was tested against local sales and was found to produce equitable values of 85 to 90% of market.

Also taken into consideration was information from an IAAO workshop on valuing hotels in the midst of Covid.

October Rates from Reservation Price Quote

99 Deluxe Room
99 queen Suite
109 King Jacuzzi Room
99 2 Bed Handicap
99 2 Queen Deluxe
119 King Jacuzzi Suite
119 Queen BR Bunk Suite

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report

5B1601020190
D & M RENTALS LLC
2356 MENDENHALL LOOP RD
USS 381 FR

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$392,100.00		\$1,591,100.00	\$1,983,200.00
2020	\$261,400.00		\$1,591,100.00	\$1,852,500.00
2019	\$261,400.00		\$1,591,100.00	\$1,852,500.00
2018	\$261,400.00		\$1,591,100.00	\$1,852,500.00
2017	\$261,400.00		\$1,591,100.00	\$1,852,500.00
2016	\$261,400.00		\$1,591,100.00	\$1,852,500.00
2015	\$261,400.00		\$1,591,100.00	\$1,852,500.00
2014	\$261,400.00		\$1,591,100.00	\$1,852,500.00
2013	\$261,400.00		\$1,591,100.00	\$1,852,500.00
2012	\$261,400.00	\$0.00	\$1,591,100.00	\$1,852,500.00
2011	\$261,400.00	\$0.00	\$1,591,100.00	\$1,852,500.00
2010	\$261,400.00	\$0.00	\$1,591,100.00	\$1,852,500.00

SUMMARY

State statute requires the Assessor to value property at “full and true value”. According to appraisal standards and practices set by the Alaska Association of Assessing Officers, the State of Alaska Office of the State Assessor, and the International Association of Assessing Officers, correct procedures of assessment were followed for the subject. These standards and practices include consideration of any market value increase or decrease as determined by analysis of sales.

The assessed value was reviewed in response to the Petition for Review. Our findings are as follows.

The land and buildings are valued using the same methods and standards as all other properties in the Borough.

Additional Details:

- The appellant states that their assessed value is excessive/overvalued.
 - We find that the value is equitable and is not excessive.
- The appellant states that with the absence of comps to support the market approach the ADR or Average Daily Rate should be used.
 - The ADR multiplier is an industry quick “off-the-cuff” indicator of value. It is not a standard compliant approach for appraisal purposes. In addition there has been no work done to calibrate that multiplier so that it produces values that are equitable with other commercial assessments. As an “off-the-cuff” indicator it is also problematic in that all of the references to the \$1,000 multiplier are from 2018 or prior and a lot has changed since 2018 as illustrated by the changes in the cap rates and room rates. Many of the articles that we read in our research also make a point of indicating that an actual income approach is preferred for getting a more precise value.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

This group of appeals represents a 104-room hotel and extended stay rental property as well as retail and restaurant which is located in the Mendenhall Valley near the airport. We are discussing appeals for three parcels, 5B1601020171, 5B1601020180, and 5B1601020190. When combined, these parcels include 74,544 sf of land. Improvements include three buildings. The first building is a 31,618 sf, four story building containing lobby, restaurant and retail space, as well as 42 rooms with kitchens. The second building is a 12,481 sf two story building with retail and office space, as well as 18 rooms with kitchens. The third building is a 26,160 sf, four story building containing 44 rooms with kitchens.

The overall percent of change for these combined properties from 2010 to 2021 is 26.9%

The chart below outlines the change in value from 2020 to 2021 and the recommended assessed value for 2021.

Parcel Number	2020 Value	Percent Change	2021 Recommended Value
5B1601020171	\$3,111,100	40.4%	\$4,367,350
5B1601020180	\$1,161,700	22.5%	\$1,423,050
5B1601020190	\$1,852,500	7.1%	\$1,983,200
Overall	\$6,125,300	26.9%	\$7,773,600

We find that no change to the 2021 assessed values is warranted and ask that the BOE uphold the assessed values.

ADDENDUM A – General Information(Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.
19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer’s report that it is going to take \$750,000 to remedy the issue. Rather, many of this year’s appeals have general statements such as “you can’t raise my value that much in one year,” or “there was no justification for raising values.” As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and

through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.

20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B - Analysis

Analysis- Appraisal Summary(Revised 10/25/2021)

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

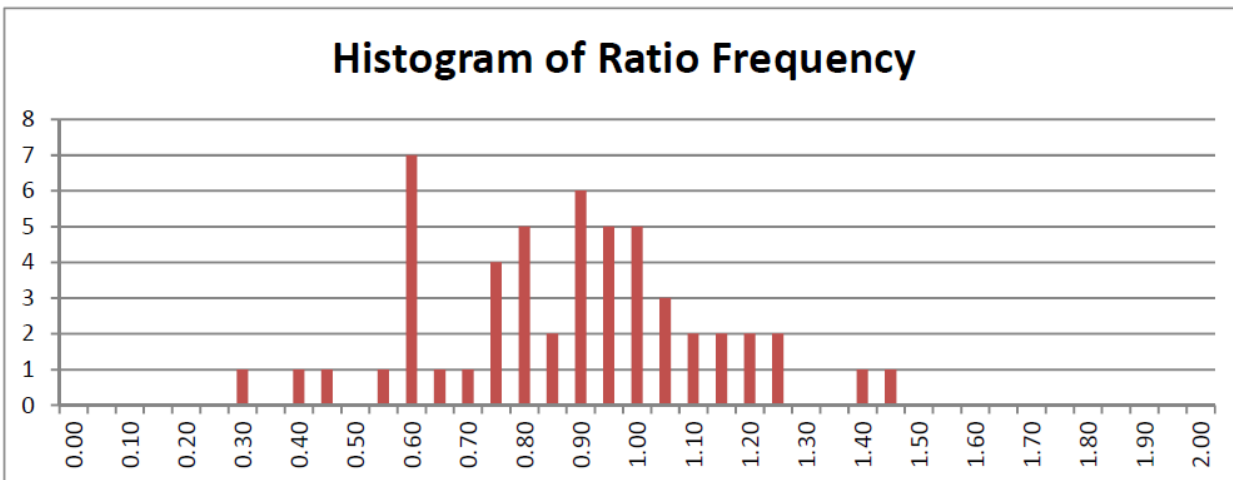
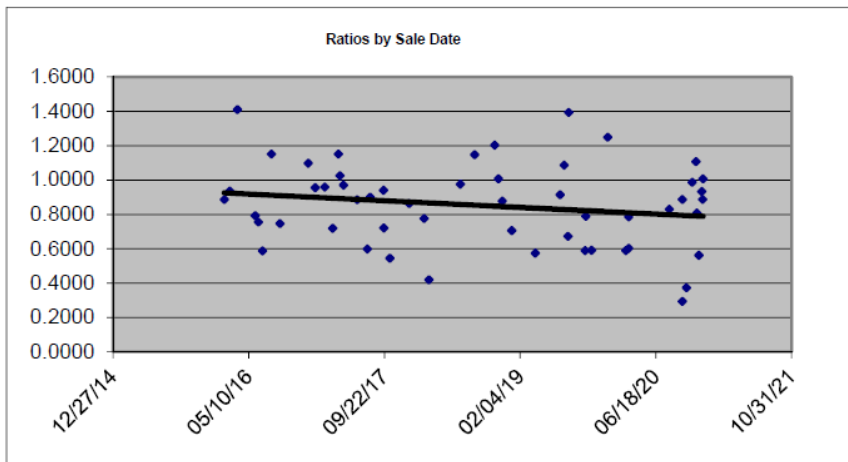
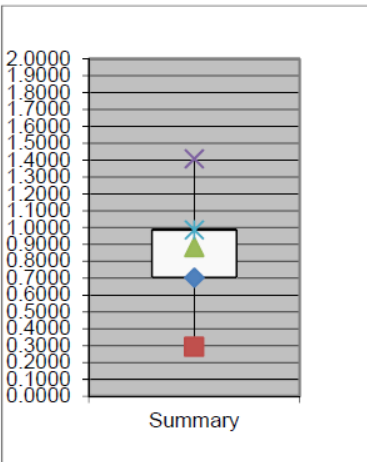
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

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	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C

(1) These were the sales available to us for our market analysis for assessment year 2021.

(2) Some sales prices are confidential, specifically when the only sale source is the buyer.

(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021, only sales prior to 11/26/2020 confidential.

(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071

(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.

(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.

(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios

(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.

(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information

Rooms | Frontier Suites Hotel in | X

frontiersuites.com/rooms/

Apps DNR Recorder's Off... Zillow: Real Estate,... Find Real Estate, Ho... Trulia: Real Estate Li... EXP Realty

Reading list



Home Rooms Amenities Specials Blog Directions

BOOK NOW



Deluxe Rooms

We have 104 newly remodeled, beautifully furnished one-bedroom Suites and Deluxe Rooms, with one or two Queen beds, or one King-size bed, all non-smoking. We offer nightly or extended stays. All rooms have internal entries and are equipped with full-size kitchens, dishwashers, cooking and table service, complimentary hi-speed Internet and cable with 7 HBO channels, free local calls, and in-room safes.



Home Rooms Amenities Specials Blog Directions

BOOK NOW

FALL SPECIAL!
Call to Book

\$89
/night



Stay in either a beautiful Queen Suite, a Queen Bed Deluxe Room, or a 2 Queen Bed Deluxe Room. Queen Suites have 1 queen bed in a separate bedroom, with a living room and full kitchen. Deluxe rooms have either 1 or 2 queen beds with a full kitchen. Free Wifi and satellite tv.

Maximum 4 guests per room

**Subject to availability, through 12/31/2021. Taxes and fees apply.*

*** This rate is only offered by calling Frontier Suites Hotel 907-790-6600*

(907) 790-6600

30 NIGHT
EXTENDED STAY IN
JUNEAU!
Call to Book

\$55-59
/night


Call to book 907-790-6600

Stay with us 30 days or more in a 1 Queen Deluxe Room, 2 Queen Deluxe room, or a King Whirlpool Room. All feature a full kitchen, free wifi, and satellite TV with 2 Showtime channels.

**Please note: 30-consecutive-night stays must be paid in full at time of check-in.*

**Subject to availability, through 12/31/2021. Taxes and fees apply.*

Extended Stay Juneau

(907) 790-6600

KING WHIRLPOOL
ROOM
Call to Book

\$89
/night



Stay with us in our spacious King Whirlpool room, featuring a king bed, full kitchen and whirlpool tub in the bathroom. All have satellite TV and free wifi.

Subject to availability, through 12/31/2021. Taxes and fees apply.

BOOK NOW

Page 27

Appeal 2021-0238, Appellant: D&M Rentals LLC

Parcel 5B1601020190



STANDARD NIGHTLY RATE

Standard Nightly Rate

From

99

USD Per Night

+ DELUXE ROOM - NS	\$ 99
+ QUEEN BEDROOM SUITE - NS	\$ 99
+ KING JACUZZI ROOM - NS	\$ 109
+ 2 BED HANDICAP ROOM - NS	\$ 99
+ 2 QUEEN DELUXE ROOM - NS	\$ 99
+ KING BEDROOM JACUZZI SUITE- NS	\$ 119
+ QUEEN BEDROOM BUNK SUITE- NS	\$ 119



GOVERNMENT RATE

Valid ID required at time of check in. If valid ID is not presented at time of check in nightly rate will default to our Standard Rack Rate.

From

89

USD Per Night

+ DELUXE ROOM - NS	\$ 89
+ QUEEN BEDROOM SUITE - NS	\$ 89
+ KING JACUZZI ROOM - NS	\$ 89
+ 2 BED HANDICAP ROOM - NS	\$ 89
+ 2 QUEEN DELUXE ROOM - NS	\$ 89



WEEKLY RATE

Rack weekly rate- Must stay at least 5 days

From

94

USD Per Night

+ DELUXE ROOM - NS	\$ 94
+ QUEEN BEDROOM SUITE - NS	\$ 94
+ KING JACUZZI ROOM - NS	\$ 94
+ 2 BED HANDICAP ROOM - NS	\$ 94
+ 2 QUEEN DELUXE ROOM - NS	\$ 94



CORPORATE RATE

Valid ID required at time of check in. If valid ID is not presented at time of check in nightly rate will default to our Standard Rack Rate.

From

89

USD Per Night

+ DELUXE ROOM - NS	\$ 89
+ QUEEN BEDROOM SUITE - NS	\$ 89
+ KING JACUZZI ROOM - NS	\$ 89
+ 2 BED HANDICAP ROOM - NS	\$ 89
+ 2 QUEEN DELUXE ROOM - NS	\$ 89

FAX COVER PAGE

FROM:

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399
Fax (907) 789-2171
Phone (907) 789-7206

April 22, 2021

TO:

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801
Fax (907) 586-4520
Phone (907) 586-5215

2021 APPEAL OF ASSESSED VALUE FOR THE FOLLOWING PARCELS

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
	1C060K580053 (Building 2)	\$ 932,400.00
	1C060K580054 (Building 3)	\$ 925,700.00
	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	<u>\$ 189,300.00</u>
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

TOTAL OF 10 PAGES WITH THIS COVER PAGE

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

OFFICIAL PUBLIC RECORDS REQUEST

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

Gentlemen:

This letter is an Official Public Records Request for copies of all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

This letter is also Officially asking that you preserve all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

CBJ identification numbers:

1C060K580055
1C060K580054
1C060K580053
1C060K580052
1C060K600060

Per Alaska Administrative Code 2 AAC 96.325 you have 10 days to respond.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
	1C060K580053 (Building 2)	\$ 932,400.00
	1C060K580054 (Building 3)	\$ 925,700.00
	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	\$ 189,300.00
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

Gentlemen:

Per CBJ Code, all taxable property in the City and Borough of Juneau shall be assessed uniformly within classifications and at its full and true value in money as of January 1 of the assessment year.

True and full value is the value determined by considering the earnings or productive capacity of a property, if any, the market value, if any, and any other conditions that effect the value of property.

Market value, as determined by the International Association of Assessing Officers, "is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

It's simple the Market Comparison Approach says a hotel is worth the same amount of money that a similar property within a similar market recently sold for as adjusted for differences among the hotels. Since there have been no recent sales of hotels that I am aware of and only a listing of the Travel Lodge (different market area), which indicates a willing sellers offer to sell, but no

willing buyer has stepped up to the price, which makes the listing price unusable in the Market Approach.

With the absence of comps to support the market approach the ADR or Average Daily Rate is one of the better known KPIs (Key Performance Indicators) of the hotel industry and this rule of thumb essentially assigns a worth of 1,000 times the ADR per room. {Value = ADR x 1000 x Number of Rooms}

The ADR for the Juneau Hotel for 2020 was \$74.25 x 1000 x 73 giving it a total all things considered estimated value of \$5,420,068.00 as of January 1, 2021. (see ATTACHMENT "A")

Since there are three parcels that make up the hotel property I have assigned the values as follows, however the values can be adjusted as long as the total for the three cannot exceed \$5,420,068.00.

CBJ identification numbers	Owners Valuation 2021
1C060K580052 (Lobby Building 1)	\$3,222,245.00
1C060K580053 (Building 2)	\$ 680,904.00
1C060K580054 (Building 3)	\$ 676,011.00
1C060K580055 (Building 4)	\$ 702,666.00
1C060K600060 (Building 5)	\$ 138,242.00
TOTAL: Juneau Hotel (73 rooms)	\$5,420,068.00

You can be assured that the Market Approach, if comps were available would not support these estimates, the Income Approach also would not support these estimates.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

Juneau Hotel 73 rooms counting the house 2020 ADR

ATTACHMENT "A"

Month	Average Daily Rate (ADR)
January	\$ 76.66
February	\$ 85.07
March	\$ 79.68
April	\$ 49.84
May	\$ 67.53
June	\$ 68.35
July	\$ 81.91
August	\$ 86.71
September	\$ 89.13
October	\$ 79.86
November	\$ 65.70
December	\$ 60.53
	\$ 890.97 divide 12 \$ 74.25 Annual ADR

Key Performance Indicators (KPIs) assigns a hotels worth as {Value = ADR x 1000 x Number of Rooms}

Value =	ADR	X 1000	X # Rooms 73
Juneau Hotel	\$ 74.25	\$ 74,247.50	\$ 5,420,068

	CBJ Valuation	Owners Valuation
1C060K580055	\$ 962,200.00	73% \$ 702,666
1C060K580054	\$ 925,700.00	73% \$ 676,011
1C060K580053	\$ 932,400.00	73% \$ 680,904
1C060K600060	\$ 189,300.00	73% \$ 138,240
1C060K580052	<u>\$ 4,412,400.00</u>	73% <u>\$ 3,222,245</u>
	\$ 7,422,000.00	\$ 5,420,068

	Values	Percentage
CBJ	\$ 7,422,000.00	
Owner	\$ 5,420,067.50	0.73


APR 22 2021



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value Real Property

Assessment Year **2021**
Parcel ID Number **1C060K580052**

For Office Use Review # Appeal #

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Parcel ID Number	1C060K580052		
Owner Name	D&M Rentals LLC		
Primary Phone #	(907) 789-7206	Name of Applicant	Donald Madsen
Physical Address	TIDELANDS ADDITION BL 58 LT6	Email Address	madsens@gci.net
		Mail	PO Box 32399 Juneau, Alaska 99803-2399
Why are you appealing your value? (Check box and provide a detailed explanation below for your appeal to be valid)			
☒ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied		THE FOLLOWING ARE NOT GROUNDS FOR APPEAL • Your taxes are too high • Your value changed too much in one year. • You can't afford the taxes	
Provide specific reasons and provide evidence supporting the item(s) checked above:			
SEE ATTACHED 4 PAGES			
Have you attached additional information or documentation?		☒ Yes ☐ No	
Values on Assessment Notice:			
Site	\$	Building	\$
		Total	\$4,412,400.00
Owner's Estimate of Value:			
Site	\$	Building	\$
		Total	\$ 3,222,245.00
Purchase Price of Property:			
Price	\$	Purchase Date	
Has the property been listed for sale? ☐ Yes ☒ No (if yes complete next line)			
Listing Price	\$	Days on Market	
Was the property appraised by a licensed appraiser within the last year? ☐ Yes ☒ No (if yes provide copy of appraisal)			
Certification:			
I hereby affirm that the foregoing information is true and correct, I understand that I bear the burden of proof and I must provide evidence supporting my appeal, and that I am the owner (or owner's authorized agent) of the property described above.			
Signature		Date APR 22 2021	

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value

of Property

2021

1C060K680053

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K680053

TIDELANDS ADDITION LLC

d.b.a. Juneau Hotel

(907) 799-7206

Donald Madson

madson@grj.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you paid any additional taxes? ☒ Yes ☐ No

Value: \$ 932,400.00

Owned: \$ 680,904.00

Purchased: \$

Received: \$

Other: \$

Signature: Date: APR 22 2021

Contact Us: CBJ Assessors Office

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

Petition for Review / Correction of Assessed Value

2021

1C060K580054



Office of the Assessor
155 S Seward Street
Juneau AK 99801

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K580054

Bentley LLC

d.b.a. Juneau Hotel

(907) 789-7206

Name of Applicant

Donald Madson

Email Address

madsens@pci.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you ever been delinquent on property taxes? ☒ Yes ☐ No

What is the assessed value of your property?

Site \$ 925,700.00

Covenants \$ 676,011.00

Site \$

Covenants \$

Site \$

Covenants \$

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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

Petition for Review / Correction of Assessed Value Real Property

2021

1C060K880055



Office of the Assessor
 155 S Seward Street
 Juneau AK 99801

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K880055

Baker Rentals LLC

d.b.a. Juneau Hotel

(907) 789-7206

Donald Madson

madsens@cd.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you ever had a professional appraisal of your property? ☒ Yes ☐ No

Value of property as assessed:

Assessed Value: \$ 962,200.00

Owner's Estimated Value: \$ 702,666.00

Purchaser's Estimated Value: \$

Assessed Value: \$

Owner's Estimated Value: \$

Purchaser's Estimated Value: \$

Assessed Value: \$

Owner's Estimated Value: \$

Purchaser's Estimated Value: \$

Assessed Value: \$

Owner's Estimated Value: \$

Purchaser's Estimated Value: \$

Assessed Value: \$

Owner's Estimated Value: \$

Purchaser's Estimated Value: \$

Assessed Value: \$

Owner's Estimated Value: \$

Purchaser's Estimated Value: \$

Contact Us: CBJ Assessors Office

Phone/Fax

Phone: (907)586-5215

Fax: (907)586-4520

Email

Assessor.Office@juneau.org

Website

<http://www.juneau.org/finance>

Mailing Address

155 South Seward St.

Juneau AK 99801



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

1C060K800060

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K800060

D&M Rentals LLC
d.b.a. Juneau Hotel
(907) 789-7206

Donald Madsen

madsens@aci.net

TIDELANDS ADDITION BL 60 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No

Value of property: \$ Total: \$ 189,300.00

Value of property: \$ Total: \$138,242.00

Value of property: \$ Total: \$138,242.00

Value of property: \$ Total: \$138,242.00

Value of property: \$ Total: \$138,242.00

Signature: Date: 4-22-21

Contact Us: CBJ Assessors Office

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



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

OFFICE OF THE ASSESSOR

9/22/2021

Received

SEP 28 2021

D&M Rentals LLC
PO Box 32399
Juneau AK 99803

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 1C060K580052
RESPONSE DEADLINE: 9/29/2021

PARCEL: 1C060K580052
PHYSICAL LOCATION: 1200 W Ninth St

D&M Rentals LLC,

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

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **1C060K580052**:

VALUE DETERMINATION

Recommended Action: **No Change**

2021 Initial valuation:	\$4,412,400
2021 Owner estimate of value:	\$3,222,245
2021 Final determination:	\$4,412,400

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

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

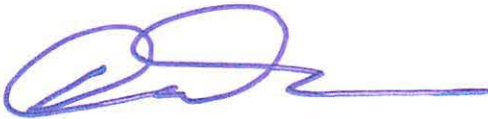
YES, I accept the recommended value determination provided by the Assessor

X

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

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

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



Appellant signature

SEP 25 2021

_____ Date

If we do not receive a response from you by **9/29/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

**D & M RENTALS LLC
PO BOX 032399
JUNEAU AK 99803-2399**

PAGE 202
2021-11-02 BOE HEARING PACKET
**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via Zoom Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	1C060K580052
Property Location	1200 W NINTH ST
Appeal No.	APL20210154
Sent to Email Address:	madsens@gci.net

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0241

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: D&M Rentals LLC

Location: 1200 W Ninth St

Parcel No.: 1C060K580052

Property Type: Commercial - Hotel

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	Not provided	\$ 1,264,200	\$ 1,264,200
Buildings:	Not provided	\$ 3,148,200	\$ 3,148,200
Total:	\$ 3,222,245	\$ 4,412,400	\$ 4,412,400

Subject Photo



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PARCEL OVERVIEW

The subject is a 3-story hotel/long-term rental building located in Downtown Juneau. A review of the plans and building permits indicate that there are 36-rental units. The building sits on four separate parcels with a combined square footage of 20,808 SF. The value of the land and building for all four parcels are assessed on the subject parcel.

Subject Characteristics:

- Land
 - Assemblage 20,808 SF lot
 - 10,255 SF lot 1C0606K580052 MASTER
 - 2,705 SF lot 1C060K580030
 - 3,493 SF lot 1C060K580040
 - 4,355 SF lot 1C060K580051
 - Level, developed lot
- Building
 - 28,112 SF GBA
 - 9,072 SF 1st level
 - 9,520 SF 2nd level
 - 9,520 SF 3rd level

SUBJECT PHOTOS

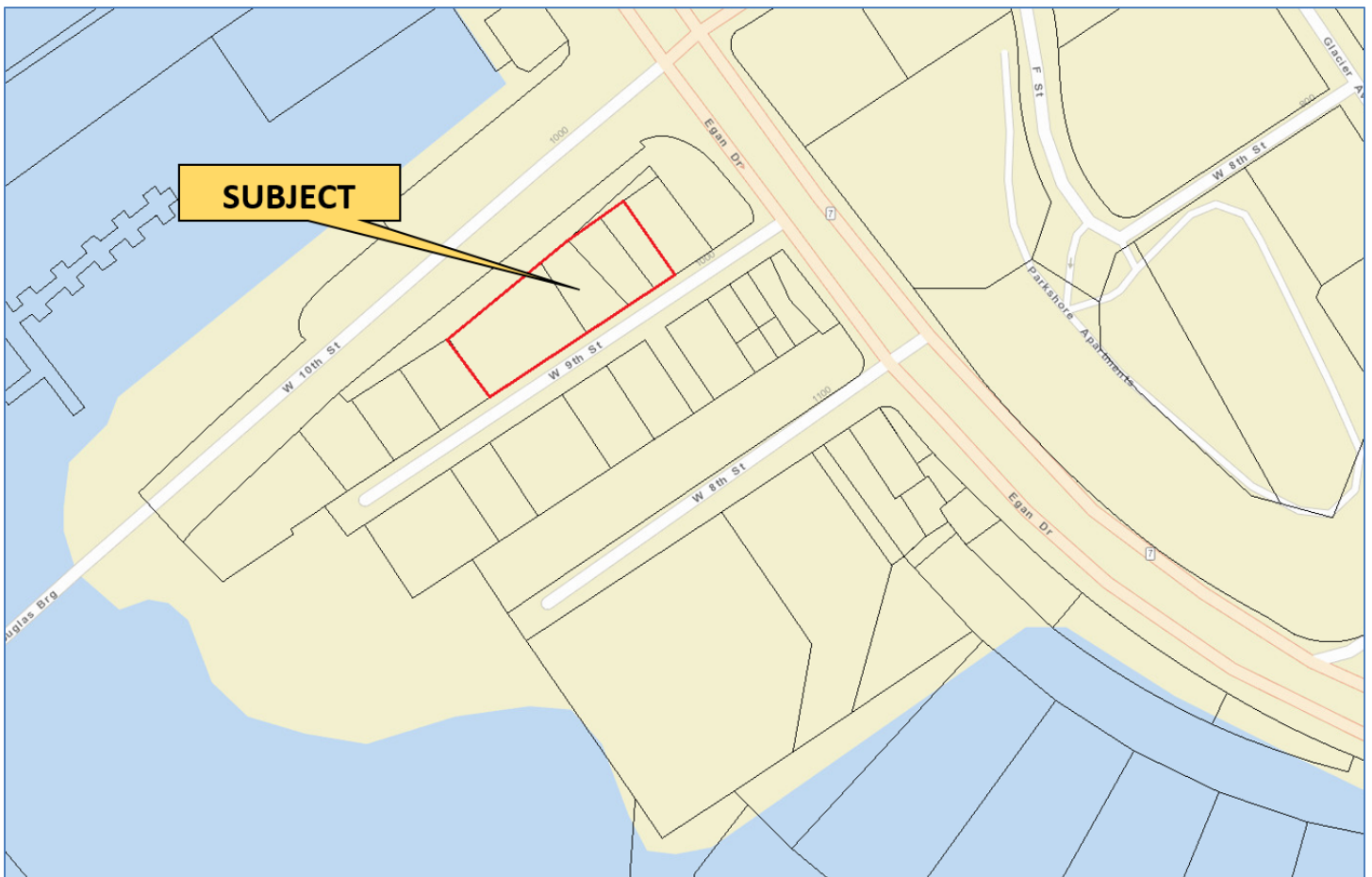


Front

Front left



AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

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

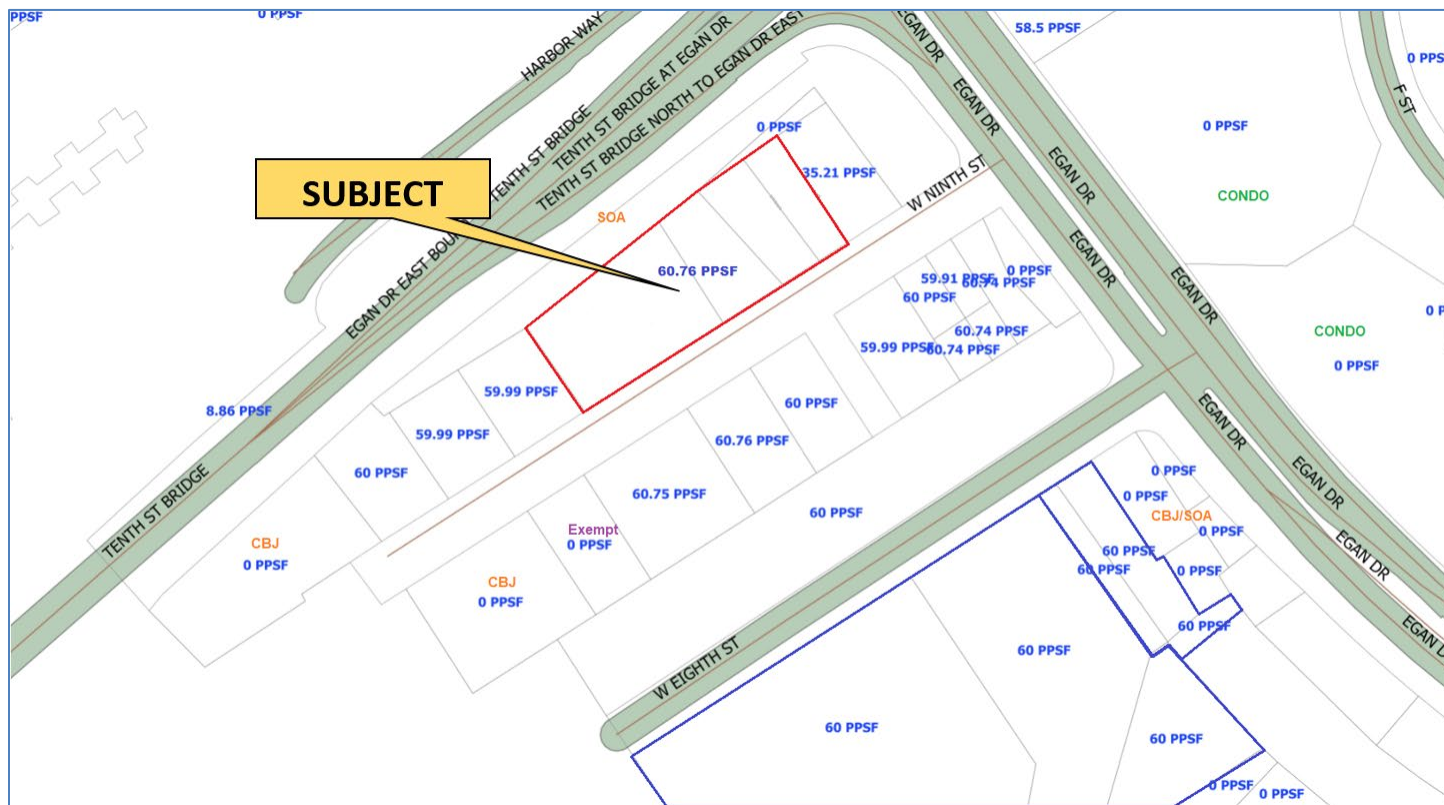
The subject site features are a level, developed lot that is in the downtown area. The subject parcel's land value is equitable and is not excessive.

Land Characteristics:

- Assemblage 20,808 SF lot
 - 10,255 SF lot 1C060K580052 MASTER
 - 2,705 SF lot 1C060K580030
 - 3,493 SF lot 1C060K580040
 - 4,355 SF lot 1C060K580051
- Level, developed lot



Land Values



BUILDING(S)

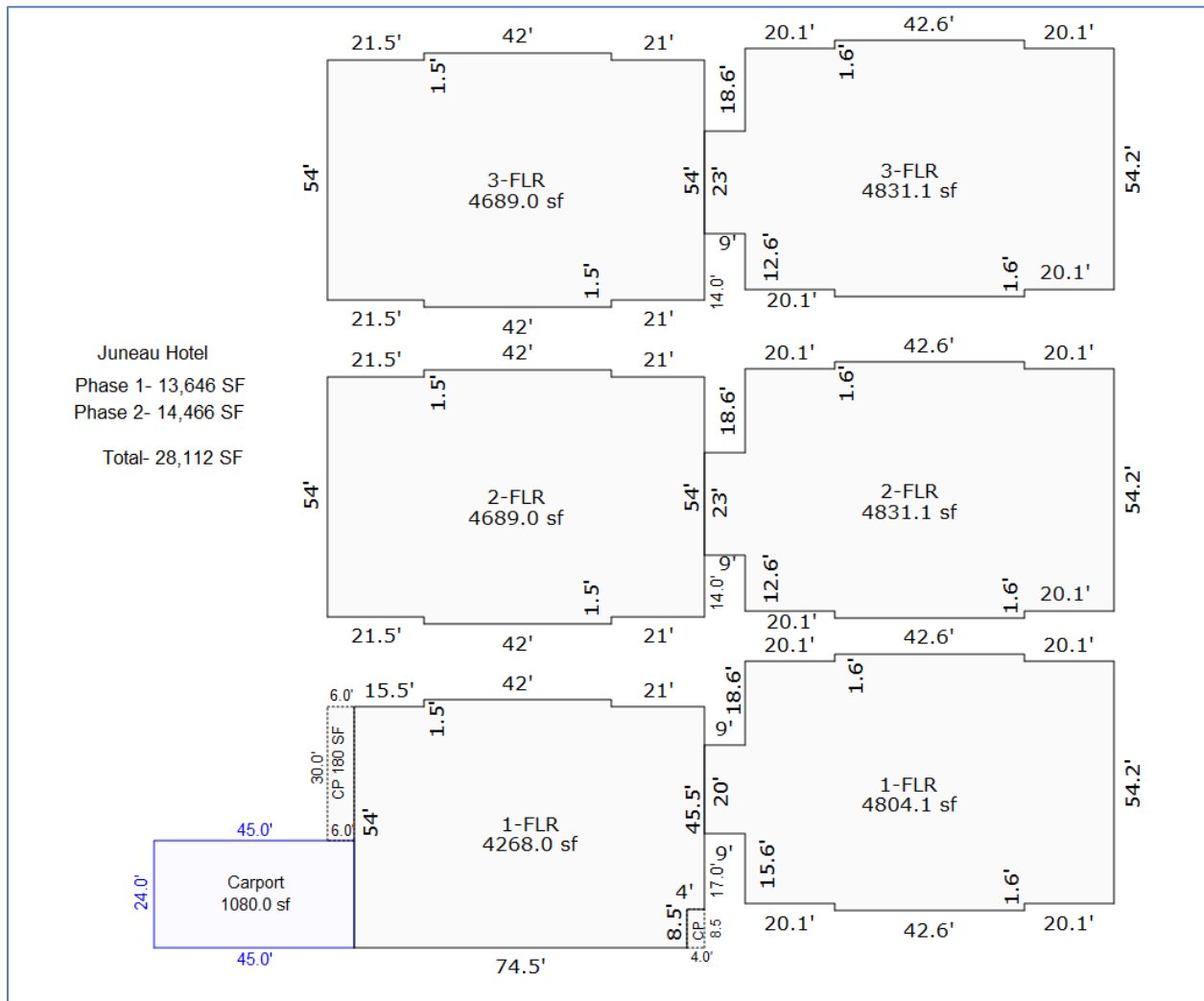
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 28,112 SF GBA
 - 9,072 SF 1st level
 - 9,520 SF 2nd level
 - 9,520 SF 3rd 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.

1028		Record	1
Parcel Code Number	1C060K580052	Number of Stories (Building)	03
Owner Name	D & M RENTALS LLC	Number of Sections	1
Parcel Address	1200 W NINTH ST	Perimeter	566
Effective Year Built	2009	Class	D
Year Built	2008	Height	8
Building Model	C- 12 Residential Multiples, Motels	Rank	Average
Building Type	Extended Stay Motel	Total Area	28,112.00
Base Cost	28112	77.50	2,178,680
Heating & Cooling	Heating & Cooling	28112	616.00 616
Heating & Cooling	Hot Water	28112	6.92 194,535
Architect Fee	28112	6.40	179,917
Sub Total			\$2,553,747.84
Local Multiplier		1.43 [X]	\$3,651,859.00
Current Multiplier		1.02 [X]	\$3,724,896.00
Neighborhood Multiplier		[X]	\$3,724,896.00
Depreciation - Physical		19.00 [-]	\$707,730.00
Depreciation - Functional		[-]	\$0.00
Depreciation - Economic		[-]	\$0.00
Percent Complete		100.00 [-]	\$3,017,166.00
Cost to Cure			
Neighborhood Adjustment			
Replacement Cost less Depreciation			\$3,017,166
Miscellaneous Improvement	Built in appliances	[+]	54,000
Elevator		[+]	105,000
Miscellaneous Improvement	Carport; mary_grant	[+]	20,500
Total Improvement Value			\$3,196,700

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

Because these income approach calculations are based off information publicly available online and provided as part of the appeal, the information may be placed in the Assessor's appeal record, which is a publicly available document.



Assessor's Office
Appraisal Form

Parcel No. 1C060K58xxxx (Juneau Hotel)

Situs 1200 W Ninth St

Owner D&M Rentals (Madsen)

Assessment	AY	Value Date	Values on	Land	Bldg	Misc	Total
Data	2021	1/1/2021	Notice -->				7,422,000

Based on Average Room Rate Submitted by Appellant

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	1,978,391							
Vacancy / Collection Loss Fact	(692,437)	35.00%		74 Avg Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,285,954		1,978,391.25			Utilities	#DIV/0!	Debt Service
Expenses	(692,437)					Supplies	#DIV/0!	Income Taxes
NOI	593,517					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	8,478,820				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			692,437	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	1,978,391	Total	692,437	Total		
Indicated Value	8,478,820		Econ Life	50	Reserve %	1%	Replac.Res.	19,784
			NOI % of Gross	30%	Exp % Gross	35%		

Based on Room Rates Listed on Subjects Website & Reservatin Portal

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	2,664,500							
Vacancy / Collection Loss Fact	(932,575)	35.00%		100 Est. Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,731,925		2,664,500.00			Utilities	#DIV/0!	Debt Service
Expenses	(932,575)					Supplies	#DIV/0!	Income Taxes
NOI	799,350					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	11,419,286				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			932,575	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	2,664,500	Total	932,575	Total		
Indicated Value	11,419,286		Econ Life	50	Reserve %	1%	Replac.Res.	26,645
			NOI % of Gross	30%	Exp % Gross	35%		

The 35% Expense ratio and 35% vacancy ratio come from both reported national averages as well as local information supplied by other hotels.

The \$1,000 ADR multiplier references that I could find are all from 2018 or earlier.

The ADR multiplier is very broad brush and not the recommended approach for a more definitive value.

The ADR is not an accepted appraisal approach, the sales comparison or income approach are generally the recommended approaches.

The 7% cap rate is derived from national information, testing of cap rate data against local sales.

Also taken into consideration was information from an IAAO workshop on valuing hotels in the midst of Covid.

October Rates from Reservation Price Quote

129 Queen Suite
139 2 Queen
169 2 Queen Jacuzzi
129 2 Queen Deluxe
139 Queen Jacuzzi
119 Govt/Corp

137 Average

109 Fall special for Queen but did not come up for this October 31

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report

1C060K580052
D & M RENTALS LLC
1200 W NINTH ST
TIDELANDS ADDITION BL 58 LT 6

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$1,264,200.00	\$179,500.00	\$2,968,700.00	\$4,412,400.00
2020	\$832,300.00		\$3,148,200.00	\$3,980,500.00
2019	\$832,300.00	\$179,500.00	\$2,968,700.00	\$3,980,500.00
2018	\$832,300.00	\$179,500.00	\$2,968,700.00	\$3,980,500.00
2017	\$832,300.00		\$3,148,200.00	\$3,980,500.00
2016	\$832,300.00		\$3,148,200.00	\$3,980,500.00
2015	\$832,300.00		\$3,148,200.00	\$3,980,500.00
2014	\$832,300.00		\$3,148,200.00	\$3,980,500.00
2013	\$832,300.00		\$3,148,200.00	\$3,980,500.00
2012	\$832,300.00	\$0.00	\$3,148,200.00	\$3,980,500.00
2011	\$832,300.00	\$0.00	\$3,148,200.00	\$3,980,500.00
2010	\$832,300.00	\$0.00	\$3,148,200.00	\$3,980,500.00

SUMMARY

State statute requires the Assessor to value property at “full and true value”. According to appraisal standards and practices set by the Alaska Association of Assessing Officers, the State of Alaska Office of the State Assessor, and the International Association of Assessing Officers, correct procedures of assessment were followed for the subject. These standards and practices include consideration of any market value increase or decrease as determined by analysis of sales.

The assessed value was reviewed in response to the Petition for Review. Our findings are as follows.

The land and buildings are valued using the same methods and standards as all other properties in the Borough.

Additional Details:

- The appellant states that their assessed value is excessive/overvalued.
 - We find that the value is equitable and is not excessive.
- The appellant states that with the absence of comps to support the market approach the ADR or Average Daily Rate should be used.
 - The ADR multiplier is an industry quick “off-the-cuff” indicator of value. It is not a standard compliant approach for appraisal purposes. In addition there has been no work done to calibrate that multiplier so that it produces values that are equitable with other commercial assessments. As an “off-the-cuff” indicator it is also problematic in that all of the references to the \$1,000 multiplier are from 2018 or prior and a lot has changed since 2018 as illustrated by the changes in the cap rates and room rates. Many of the articles that we read in our research also make a point of indicating that an actual income approach is preferred for getting a more precise value.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

This group of appeals represents a 73-unit hotel and long-term rental property located in Downtown Juneau. We are discussing appeals for five parcels, 1C060K580052, 1C060K580053, 1C060K580054, 1C060K580055, 1C060K580060. When combined, these parcels include 36,655 sf of land. Improvements include a 28,112 sf, three story building containing lobby, office, meeting and laundry space, as well as 36 suites, two 5,872 sf three story buildings containing 12 suites each, and one 5,942 sf three story buildings containing 12 suites each, and a 615 sf house considered 1 suite.

The overall percent of change for these combined properties from 2010 to 2021 is 11%

The chart below outlines the change in value from 2020 to 2021 and the recommended assessed value for 2021.

Parcel Number	2020 Value	Percent Change	2021 Recommended Value
1C060K580052	\$3,980,500	10.8%	\$4,412,400
1C060K580053	\$841,700	10.8%	\$932,400
1C060K580054	\$834,900	10.9%	\$925,700
1C060K580055	\$858,900	12%	\$962,200
1C060K580060	\$157,200	20.4%	\$189,300
Overall	\$6,673,200	11%	\$7,422,000

We find that no change to the 2021 assessed values are warranted and ask that the BOE uphold the assessed values.

ADDENDUM A – General Information (Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.

19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer's report that it is going to take \$750,000 to remedy the issue. Rather, many of this year's appeals have general statements such as "you can't raise my value that much in one year," or "there was no justification for raising values." As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B – Analysis (Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

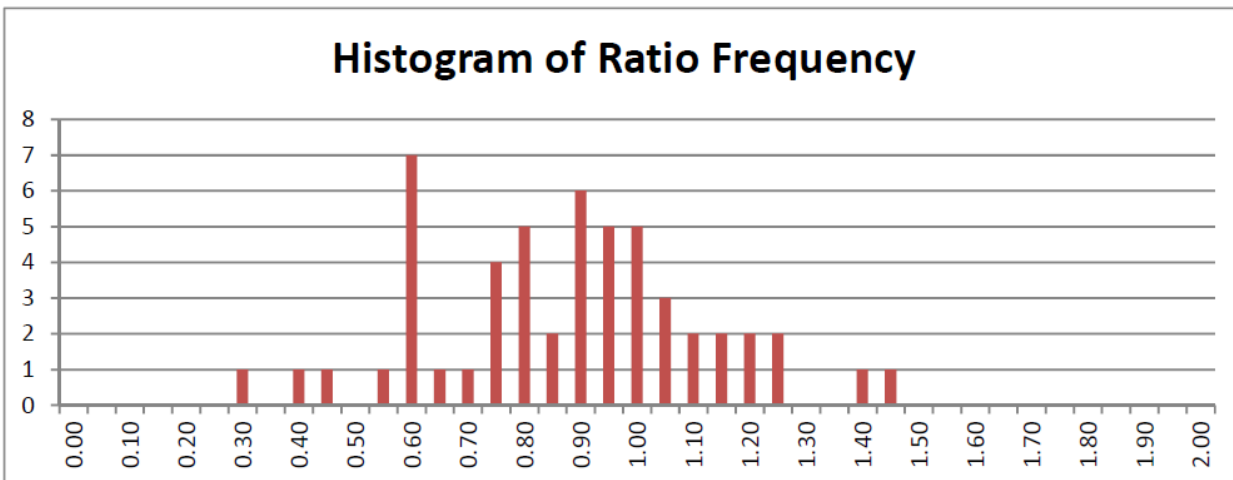
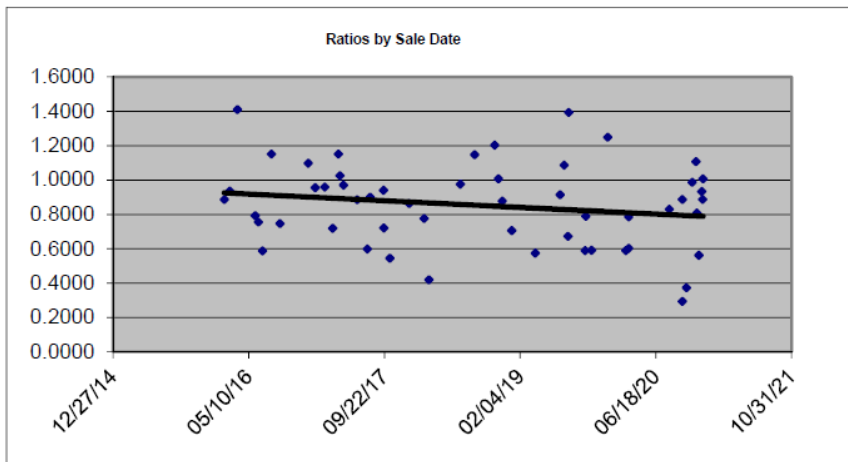
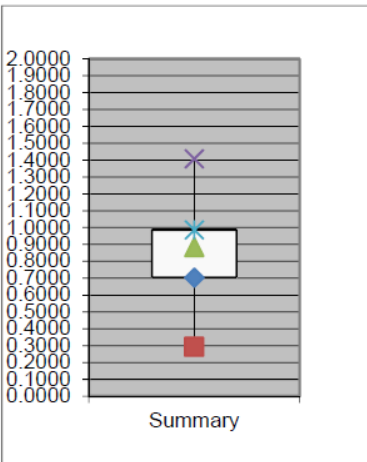
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

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	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C
(1) These were the sales available to us for our market analysis for assessment year 2021.									
(2) Some sales prices are confidential, specifically when the only sale source is the buyer.									
(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021, only sales prior to 11/26/2020 confidential.									
(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071									
(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.									
(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.									
(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios									
(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.									
(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.									

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information

https://luxuryres.com/BookingEngines/v16/index.asp?h=5305&s=jhs&_ga=2.153195441.80980628.1634926094-704877386.1632164179

PRICE QUOTE FOR NIGHT OF October 31, 2021 (offseason)

1

2

3

4

Select DatesSelect RoomsGuest InfoConfirmation

RESERVATION SUMMARY

Arrival10/31/2021

Departure11/01/2021

Nights1

Rooms1

Adults1

Children0

MODIFY SEARCH



STANDARD NIGHTLY RATE

Standard Nightly Rate

From
129
USD Per Night

+ QUEEN BEDROOM SUITE-KITCHEN

\$ 129

+ 2 QUEEN BEDROOM SUITE-KITCHEN

\$ 139

+ 2 BEDROOM QUEEN SUITE-JACUZZI

\$ 169

+ 2 QUEEN DELUXE ROOM-KITCHEN

\$ 129

+ QUEEN JACUZZI SUITE NONSMOKING

\$ 139



GOVERNMENT RATE

Valid ID required at time of check in. If valid ID is not presented at time of check in nightly rate will default to our Standard Rack Rate.

From
119
USD Per Night

+ QUEEN BEDROOM SUITE-KITCHEN

\$ 119



CORPORATE RATE

Valid ID required at time of check in. If valid ID is not presented at time of check in nightly rate will default to our Standard Rack Rate.

From
119
USD Per Night

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Specials

FALL SPECIAL! Call to Book \$109 /night  Night's lodging in a beautiful Queen suite, featuring a separate bedroom with a queen bed, living room, with a full kitchen, and washer & dryer. You get free Wifi & Satellite TV. Maximum 4 guests per room. <i>Subject availability, through 12/31/2021. Taxes and fees apply.</i> (907) 586-6666	30-NIGHT EXTENDED-STAY! Call to Book \$55 /night  One Queen-Bed Suite, featuring a full kitchen, washer/dryer, Internet & satellite TV. <i>*Please note: 30-consecutive-night stays must be paid in-full at time of check-in.</i> <i>*Subject to availability, through 04/30/2022. Taxes and fees may apply.</i> Maximum 2 guests per room	SUITE DEAL! Call to Book \$119 /night  One night's lodging in a spacious 2 queen bed suite, featuring 2 queen beds in a separate bedroom, living room, full kitchen, washer/dryer, free Wifi & satellite TV. <i>*Subject to availability, through 12/31/2021. Taxes and fees apply.</i> BOOK NOW
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Based upon one week stay

https://www.travelocity.com/Juneau-Hotels-Juneau-Hotel.h1357078.Hotel-Information?chkin=2021-11-03&chkout=2021-11-10&x_pwa=1&rfr=HSR&pwa_ts=1634772373209&referrerUrl=aHR0cHM6Ly93d3cudHJhdmVsb2NpdHkuY29tL0hvdGVsLVNlYXJjaA%3D%3D&useRewards=false&rm1=a1®ionId=1715&destination=Juneau%2C+Alaska%2C+United+States+of+America&destType=MARKET&neighborhoodId=6338047&sort=RECOMMENDED&top_dp=129&top_cur=USD&semdtl=&userIntent=&selectedRoomType=201688032&selectedRatePlan=208415560



Suite, 1 Queen Bed

4.9/5 guest room rating

- Sleeps 4
- 1 Queen Bed
- Free WiFi
- Free self parking
- Reserve now, pay later

Fully refundable ⓘ
Before Mon, Nov 1

[More details >](#)

\$129

per night
\$1,029 for 7 nights
Includes taxes & fees

[Price details](#) ▾

Reserve



Suite, 2 Queen Beds

4.5/5 guest room rating

- Sleeps 6
- 2 Queen Beds
- Free WiFi
- Free self parking
- Reserve now, pay later

Fully refundable ⓘ
Before Mon, Nov 1

[More details >](#)

\$139

per night
\$1,109 for 7 nights
Includes taxes & fees

[Price details](#) ▾

We have 2 left

Reserve

FAX COVER PAGE

FROM:

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399
Fax (907) 789-2171
Phone (907) 789-7206

April 22, 2021

TO:

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801
Fax (907) 586-4520
Phone (907) 586-5215

2021 APPEAL OF ASSESSED VALUE FOR THE FOLLOWING PARCELS

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
	1C060K580053 (Building 2)	\$ 932,400.00
	1C060K580054 (Building 3)	\$ 925,700.00
	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	<u>\$ 189,300.00</u>
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

TOTAL OF 10 PAGES WITH THIS COVER PAGE

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

OFFICIAL PUBLIC RECORDS REQUEST

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

Gentlemen:

This letter is an Official Public Records Request for copies of all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

This letter is also Officially asking that you preserve all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

CBJ identification numbers:

1C060K580055
1C060K580054
1C060K580053
1C060K580052
1C060K600060

Per Alaska Administrative Code 2 AAC 96.325 you have 10 days to respond.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
	1C060K580053 (Building 2)	\$ 932,400.00
	1C060K580054 (Building 3)	\$ 925,700.00
	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	\$ 189,300.00
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

Gentlemen:

Per CBJ Code, all taxable property in the City and Borough of Juneau shall be assessed uniformly within classifications and at its full and true value in money as of January 1 of the assessment year.

True and full value is the value determined by considering the earnings or productive capacity of a property, if any, the market value, if any, and any other conditions that effect the value of property.

Market value, as determined by the International Association of Assessing Officers, "is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

It's simple the Market Comparison Approach says a hotel is worth the same amount of money that a similar property within a similar market recently sold for as adjusted for differences among the hotels. Since there have been no recent sales of hotels that I am aware of and only a listing of the Travel Lodge (different market area), which indicates a willing sellers offer to sell, but no

willing buyer has stepped up to the price, which makes the listing price unusable in the Market Approach.

With the absence of comps to support the market approach the ADR or Average Daily Rate is one of the better known KPIs (Key Performance Indicators) of the hotel industry and this rule of thumb essentially assigns a worth of 1,000 times the ADR per room. {Value = ADR x 1000 x Number of Rooms}

The ADR for the Juneau Hotel for 2020 was \$74.25 x 1000 x 73 giving it a total all things considered estimated value of \$5,420,068.00 as of January 1, 2021. (see ATTACHMENT "A")

Since there are three parcels that make up the hotel property I have assigned the values as follows, however the values can be adjusted as long as the total for the three cannot exceed \$5,420,068.00.

CBJ identification numbers	Owners Valuation 2021
1C060K580052 (Lobby Building 1)	\$3,222,245.00
1C060K580053 (Building 2)	\$ 680,904.00
1C060K580054 (Building 3)	\$ 676,011.00
1C060K580055 (Building 4)	\$ 702,866.00
1C060K600060 (Building 5)	\$ 138,242.00
TOTAL: Juneau Hotel (73 rooms)	\$5,420,068.00

You can be assured that the Market Approach, if comps were available would not support these estimates, the Income Approach also would not support these estimates.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

Juneau Hotel 73 rooms counting the house 2020 ADR

ATTACHMENT "A"

Month	Average Daily Rate (ADR)
January	\$ 76.66
February	\$ 85.07
March	\$ 79.68
April	\$ 49.84
May	\$ 67.53
June	\$ 68.35
July	\$ 81.91
August	\$ 86.71
September	\$ 89.13
October	\$ 79.86
November	\$ 65.70
December	\$ 60.53
	\$ 890.97 divide 12 \$ 74.25 Annual ADR

Key Performance Indicators (KPIs) assigns a hotels worth as {Value = ADR x 1000 x Number of Rooms}

Value =	ADR	X 1000	X # Rooms 73
Juneau Hotel	\$ 74.25	\$ 74,247.50	\$ 5,420,068

	CBJ Valuation	Owners Valuation
1C060K580055	\$ 962,200.00	73% \$ 702,666
1C060K580054	\$ 925,700.00	73% \$ 676,011
1C060K580053	\$ 932,400.00	73% \$ 680,904
1C060K600060	\$ 189,300.00	73% \$ 138,240
1C060K580052	<u>\$ 4,412,400.00</u>	73% <u>\$ 3,222,245</u>
	\$ 7,422,000.00	\$ 5,420,068

	Values	Percentage
CBJ	\$ 7,422,000.00	
Owner	\$ 5,420,067.50	0.73


APR 22 2021

Date: 4/23/2021 10:40:35 AM
Page: 5/10



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value

Real Property

Assessment Year **2021**

Parcel ID Number **1C060K580052**

For Office Use

Review #

Appeal #

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Parcel ID Number	1C060K580052		
Owner Name	D&M Rentals LLC		
Primary Phone #	(907) 789-7206		
Physical Address	TIDELANDS ADDITION BL 58 LT6		
Name of Applicant	Donald Madsen		
Email Address	madsens@gci.net		
Mail Address	PO Box 32399 Juneau, Alaska 99803-2399		
Why are you appealing your value? (Check box and provide a detailed explanation below for your appeal to be valid)			
☒ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied		THE FOLLOWING ARE NOT GROUNDS FOR APPEAL • Your taxes are too high • Your value changed too much in one year. • You can't afford the taxes	
Provide specific reasons and provide evidence supporting the item(s) checked above:			
SEE ATTACHED 4 PAGES			
Have you attached additional information or documentation?		☒ Yes ☐ No	
Values on Assessment Notice:			
Site	\$	Building	\$
		Total	\$4,412,400.00
Owner's Estimate of Value:			
Site	\$	Building	\$
		Total	\$ 3,222,245.00
Purchase Price of Property:			
Price	\$	Purchase Date	
Has the property been listed for sale? ☐ Yes ☒ No (if yes complete next line)			
Listing Price	\$	Days on Market	
Was the property appraised by a licensed appraiser within the last year? ☐ Yes ☒ No (if yes provide copy of appraisal)			
Certification:			
I hereby affirm that the foregoing information is true and correct, I understand that I bear the burden of proof and I must provide evidence supporting my appeal, and that I am the owner (or owner's authorized agent) of the property described above.			
Signature		Date APR 22 2021	

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value

of Property

2021

1C060K680053

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K680053

TIDELANDS ADDITION LLC

d.b.a. Juneau Hotel

(907) 799-7206

Donald Madson

madson@grj.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you paid any additional taxes? ☒ Yes ☐ No

Value: \$ 932,400.00

Owned: \$ 680,904.00

Purchased: \$

Received: \$

Other: \$

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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

Petition for Review / Correction of Assessed Value

2021

1C060K580054



Office of the Assessor
155 S Seward Street
Juneau AK 99801

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K580054

Bentley LLC

d.b.a. Juneau Hotel

(907) 789-7206

Name of Applicant

Donald Madson

Email Address

madsens@pci.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you ever been delinquent on property taxes? ☒ Yes ☐ No

What is the assessed value of your property?

Site \$ 925,700.00

Covenants \$ 676,011.00

Subdivisions \$

Other \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Total \$

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

Phone/Fax

Phone: (907)586-5215
Fax: (907)586-4520

Email

Assessor.Office@juneau.org

Website

<http://www.juneau.org/finance>

Mailing Address

155 South Seward St.
Juneau AK 99801



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

1C060K880055

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K880055	
Black Rentals LLC d.b.a. Juneau Hotel (907) 789-7206	Donald Madson madsens@cd.net
TIDELANDS ADDITION BL 58 LT	PO Box 32399 Juneau, Alaska 99803-2399
☒ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied	THE FOLLOWING ARE <u>NOT</u> GROUNDS FOR APPEAL • Your taxes are too high • Your value changed too much in one year. • You can't afford the taxes
SEE ATTACHED 4 PAGES	
Have you ever had a professional appraisal of your property? ☒ Yes ☐ No	
Value of property as assessed: \$	\$ 962,200.00
Value of property as appraised: \$	\$ 702,666.00
Purchase price of property: \$	
Assessed value of property: \$	
Value of property as appraised: \$	
Signature:	Date: APR 22 2021

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

1C060K800060

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K800060

D&M Rentals LLC
d.b.a. Juneau Hotel
(907) 789-7206

Donald Madsen

madsens@aci.net

TIDELANDS ADDITION BL 60 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No

Value of property: \$ [] Total: \$ 189,300.00

Value of property: \$ [] Total: \$138,242.00

Value of property: \$ [] Total: \$138,242.00

Value of property: \$ [] Total: \$138,242.00

Value of property: \$ [] Total: \$138,242.00

Signature: [] Date: 4-22-21

Contact Us: CBJ Assessors Office

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



OFFICE OF THE ASSESSOR

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

9/22/2021

Received

D&M Rentals LLC
PO Box 32399
Juneau AK 99803

SEP 28 2021

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 1C060K580053
RESPONSE DEADLINE: 9/29/2021

PARCEL: 1C060K580053
PHYSICAL LOCATION: 1230 W Ninth St

D&M Rentals LLC,

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

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **1C060K580053**:

VALUE DETERMINATION

Recommended Action: **No Change**

2021 Initial valuation:	\$932,400
2021 Owner estimate of value:	\$680,904
2021 Final determination:	\$932,400

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

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

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

X

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

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

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

Appellant signature

SEP 25 2021

Date

If we do not receive a response from you by **9/29/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,

Mary Hammond
Assessor
City & Borough of Juneau



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

**D & M RENTALS LLC
PO BOX 032399
JUNEAU AK 99803-2399**

PAGE 243
2021-11-02 BOE HEARING PACKET
**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	1C060K580053
Property Location	1230 W NINTH ST
Appeal No.	APL20210122
Sent to Email Address:	madsens@gci.net

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0240

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: D&M Rentals LLC

Location: 1230 W Ninth St

Parcel No.: 1C060K580053

Property Type: Commercial - Hotel

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	Not provided	\$ 272,100	\$ 272,100
Buildings:	Not provided	\$ 660,300	\$ 660,300
Total:	\$ 680,904	\$ 932,400	\$ 932,400

Subject Photo



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SUBJECT ASSESSMENT HISTORY 11

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CONCLUSION 13

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ADDENDUM B – Analysis (Revised 10/25/2021) 17

OVERVIEW

The subject is a 3-story commercial hotel/long-term rental building located in Downtown Juneau. The building contains 12-units.

Subject Characteristics:

- Land
 - 4,536 SF lot
 - Level, developed lot
- Building
 - 5,872 SF GBA
 - 1,764 SF 1st level
 - 2,054 SF 2nd level
 - 2,054 SF 3rd level

SUBJECT PHOTOS



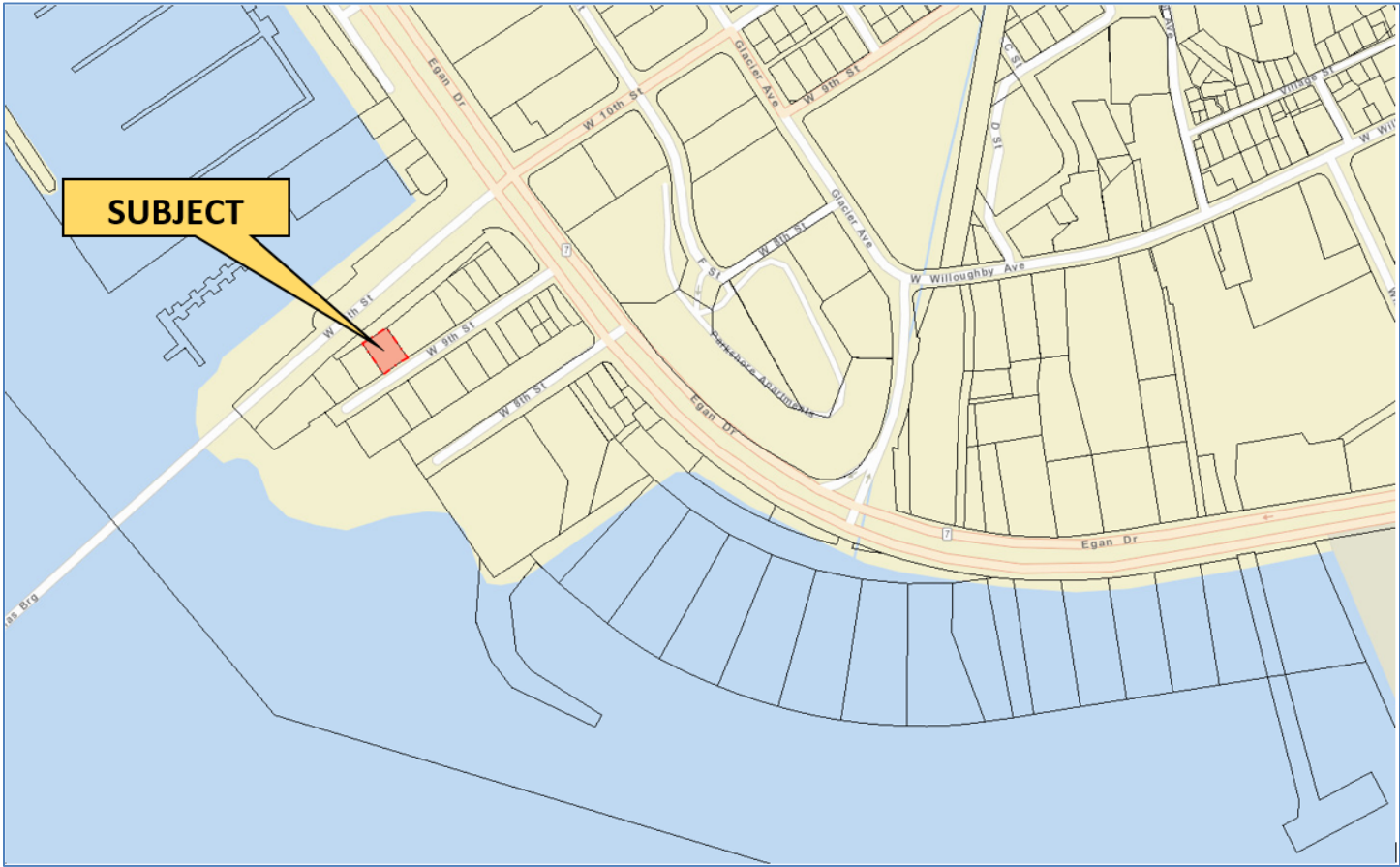
Front



Front right



AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

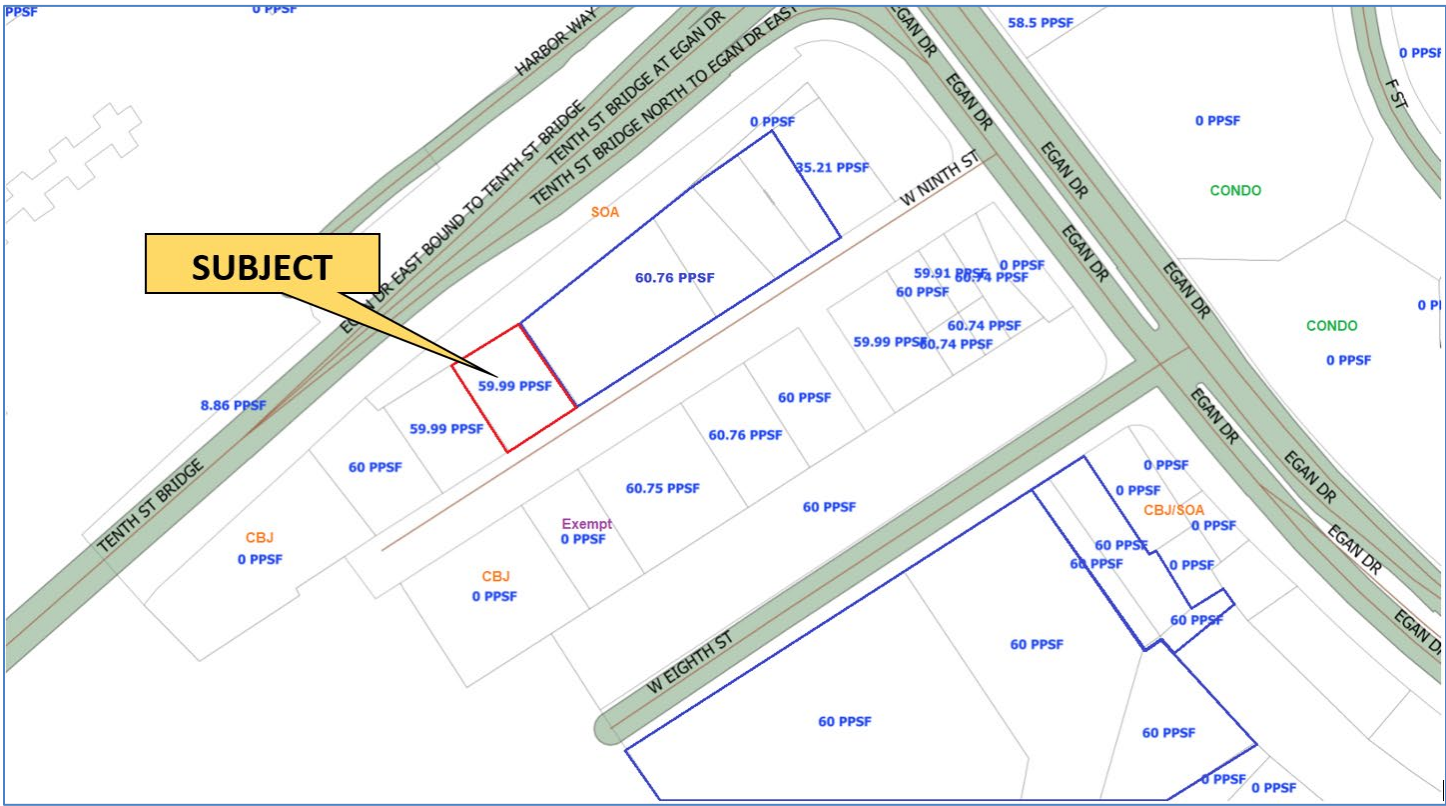
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation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

The subject site features are a level, developed lot that is in the downtown area. The subject parcel's land value is equitable and is not excessive.

Land Characteristics:

- 4,536 SF lot
- Level, developed lot

Land Values



BUILDING(S)

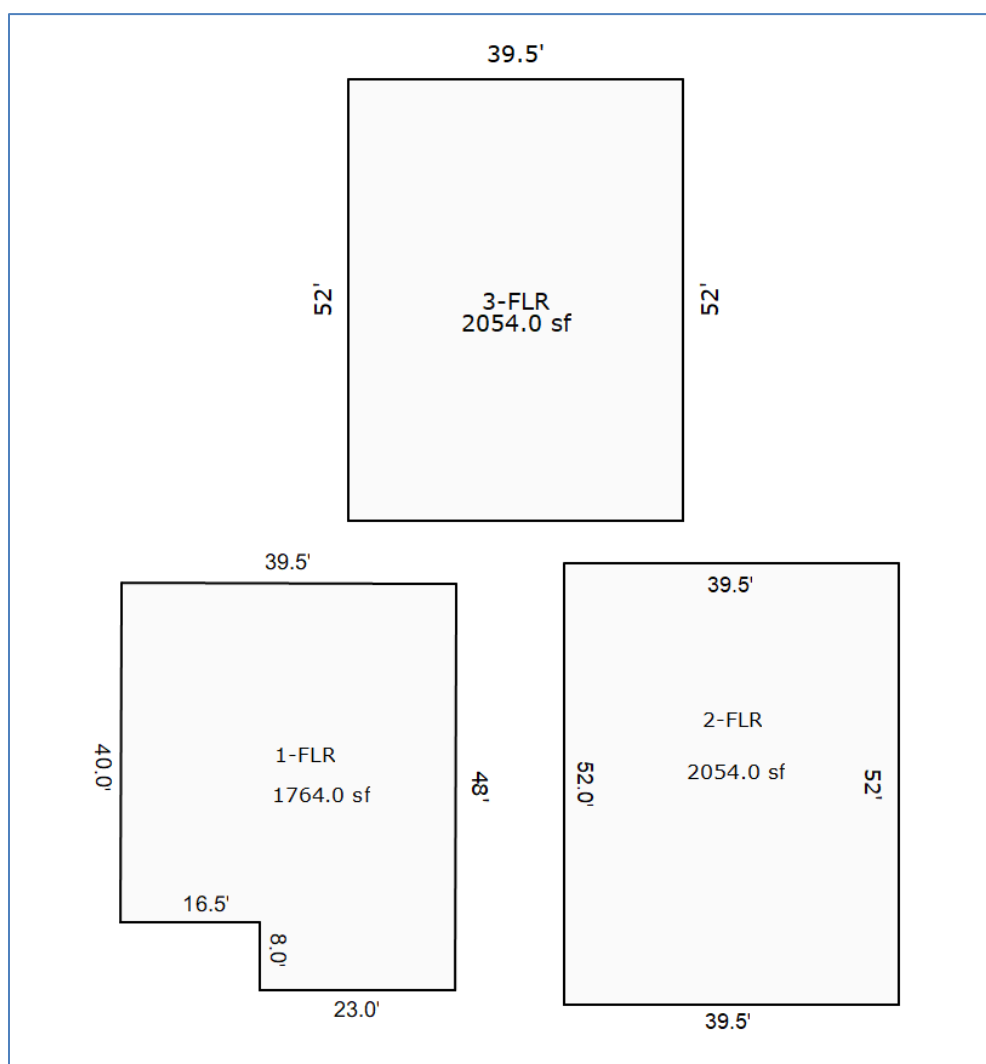
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 5,872 SF GBA
 - 1,764 SF 1st level
 - 2,054 SF 2nd level
 - 2,054 SF 3rd 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.

1029		Record		1	
Parcel Code Number	1C060K580053	Number of Stories (Building)		03	
Owner Name	D & M RENTALS LLC	Number of Sections		1	
Parcel Address	1230 W NINTH ST	Perimeter		175	
Effective Year Built	2008	Class		D	
Year Built	2004	Height			
Building Model	C- 12 Residential Multiples, Motels	Rank		Average	
Building Type	Motel	Total Area		5,872.00	
Base Cost		5872		82.50	484,440
Exterior Wall	Stud Walls-Wood Siding	5872	100%	12.20	71,638
Heating & Cooling	Heating & Cooling	5872		616.00	616
Heating & Cooling	Hot Water	5872	100%	6.92	40,634
Architect Fee		5872		6.30	36,994
Sprinklers	Sprinklers	5872	100%	3.55	20,846
Sub Total					\$655,167.84
Local Multiplier				1.43	[X] \$936,890.00
Current Multiplier				1.02	[X] \$955,628.00
Neighborhood Multiplier					[X] \$955,628.00
Depreciation - Physical				22.00	[-] \$210,238.00
Depreciation - Functional					[-] \$0.00
Depreciation - Economic					[-] \$0.00
Percent Complete				100.00	[-] \$745,390.00
Cost to Cure					
Neighborhood Adjustment					
Replacement Cost less Depreciation					\$745,390
Miscellaneous Improvement	Built in appliances			[+]	18,000
Total Improvement Value					\$763,400

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

Because these income approach calculations are based off information publicly available online and provided as part of the appeal, the information may be placed in the Assessor's appeal record, which is a publicly available document.



Assessor's Office
Appraisal Form

Parcel No. 1C060K58xxxx (Juneau Hotel)

Situs 1200 W Ninth St

Owner D&M Rentals (Madsen)

Assessment	AY	Value Date	Values on	Land	Bldg	Misc	Total
Data	2021	1/1/2021	Notice -->				7,422,000

Based on Average Room Rate Submitted by Appellant

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	1,978,391							
Vacancy / Collection Loss Fact	(692,437)	35.00%		74 Avg Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,285,954		1,978,391.25			Utilities	#DIV/0!	Debt Service
Expenses	(692,437)					Supplies	#DIV/0!	Income Taxes
NOI	593,517					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	8,478,820				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			692,437	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	1,978,391	Total	692,437	Total		
Indicated Value	8,478,820		Econ Life	50	Reserve %	1%	Replac.Res.	19,784
			NOI % of Gross	30%	Exp % Gross	35%		

Based on Room Rates Listed on Subjects Website & Reservatin Portal

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	2,664,500							
Vacancy / Collection Loss Fact	(932,575)	35.00%		100 Est. Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,731,925		2,664,500.00			Utilities	#DIV/0!	Debt Service
Expenses	(932,575)					Supplies	#DIV/0!	Income Taxes
NOI	799,350					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	11,419,286				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			932,575	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	2,664,500	Total	932,575	Total		
Indicated Value	11,419,286		Econ Life	50	Reserve %	1%	Replac.Res.	26,645
			NOI % of Gross	30%	Exp % Gross	35%		

The 35% Expense ratio and 35% vacancy ratio come from both reported national averages as well as local information supplied by other hotels.

The \$1,000 ADR multiplier references that I could find are all from 2018 or earlier.

The ADR multiplier is very broad brush and not the recommended approach for a more definitive value.

The ADR is not an accepted appraisal approach, the sales comparison or income approach are generally the recommended approaches.

The 7% cap rate is derived from national information, testing of cap rate data against local sales.

Also taken into consideration was information from an IAAO workshop on valuing hotels in the midst of Covid.

October Rates from Reservation Price Quote

129 Queen Suite
139 2 Queen
169 2 Queen Jacuzzi
129 2 Queen Deluxe
139 Queen Jacuzzi
119 Govt/Corp

137 Average

109 Fall special for Queen but did not come up for this October 31

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report 1C060K580053 D & M RENTALS LLC 1230 W NINTH ST TIDELANDS ADDITION BL 58 LT 8A				
<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$272,100.00		\$660,300.00	\$932,400.00
2020	\$181,400.00		\$660,300.00	\$841,700.00
2019	\$181,400.00		\$660,300.00	\$841,700.00
2018	\$181,400.00		\$660,300.00	\$841,700.00
2017	\$181,000.00		\$660,300.00	\$841,300.00
2016	\$181,000.00		\$660,300.00	\$841,300.00
2015	\$181,000.00		\$660,300.00	\$841,300.00
2014	\$181,000.00		\$660,300.00	\$841,300.00
2013	\$181,000.00		\$660,300.00	\$841,300.00
2012	\$181,000.00	\$0.00	\$660,300.00	\$841,300.00
2011	\$181,000.00	\$0.00	\$660,300.00	\$841,300.00
2010	\$181,000.00	\$0.00	\$660,300.00	\$841,300.00

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.

Additional Details:

- The appellant states that their assessed value is excessive/overvalued.
 - We find that the value is equitable and is not excessive.
- The appellant states that with the absence of comps to support the market approach the ADR or Average Daily Rate should be used.
 - The ADR multiplier is an industry quick “off-the-cuff” indicator of value. It is not a standard compliant approach for appraisal purposes. In addition there has been no work done to calibrate that multiplier so that it produces values that are equitable with other commercial assessments. As an “off-the-cuff” indicator it is also problematic in that all of the references to the \$1,000 multiplier are from 2018 or prior and a lot has changed since 2018 as illustrated by the changes in the cap rates and room rates. Many of the articles that we read in our research also make a point of indicating that an actual income approach is preferred for getting a more precise value.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

This group of appeals represents a 73-unit hotel and long-term rental property located in Downtown Juneau. We are discussing appeals for five parcels, 1C060K580052, 1C060K580053, 1C060K580054, 1C060K580055, 1C060K580060. When combined, these parcels include 36,655 sf of land. Improvements include a 28,112 sf, three story building containing lobby, office, meeting and laundry space, as well as 36 suites, two 5,872 sf three story buildings containing 12 suites each, and one 5,942 sf three story buildings containing 12 suites each, and a 615 sf house considered 1 suite.

The overall percent of change for these combined properties from 2010 to 2021 is 11%

The chart below outlines the change in value from 2020 to 2021 and the recommended assessed value for 2021.

Parcel Number	2020 Value	Percent Change	2021 Recommended Value
1C060K580052	\$3,980,500	10.8%	\$4,412,400
1C060K580053	\$841,700	10.8%	\$932,400
1C060K580054	\$834,900	10.9%	\$925,700
1C060K580055	\$858,900	12%	\$962,200
1C060K580060	\$157,200	20.4%	\$189,300
Overall	\$6,673,200	11%	\$7,422,000

We find that no change to the 2021 assessed values are warranted and ask that the BOE uphold the assessed values.

ADDENDUM A – General Information (Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.

19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer's report that it is going to take \$750,000 to remedy the issue. Rather, many of this year's appeals have general statements such as "you can't raise my value that much in one year," or "there was no justification for raising values." As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B – Analysis (Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

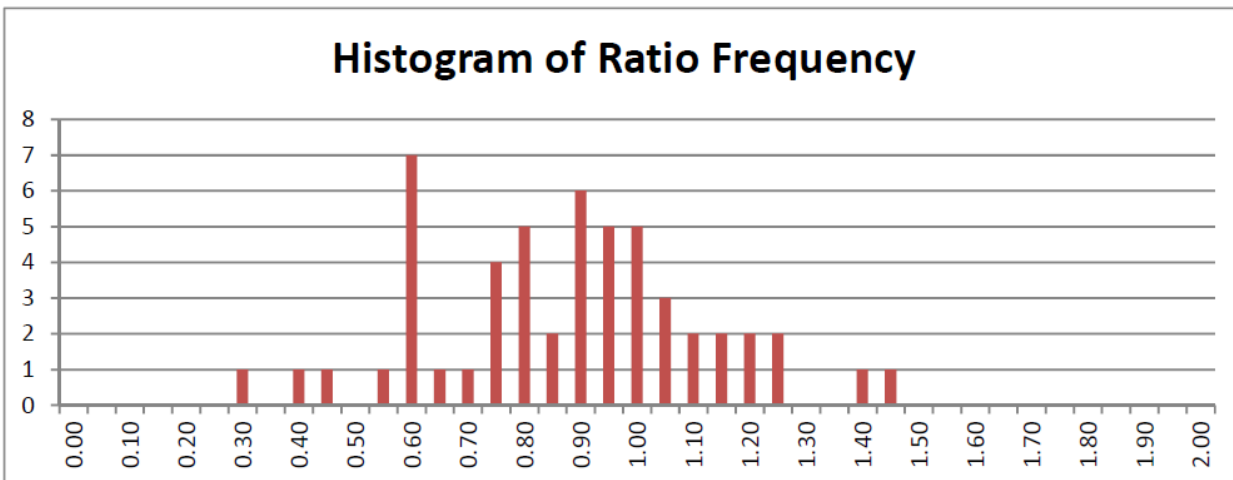
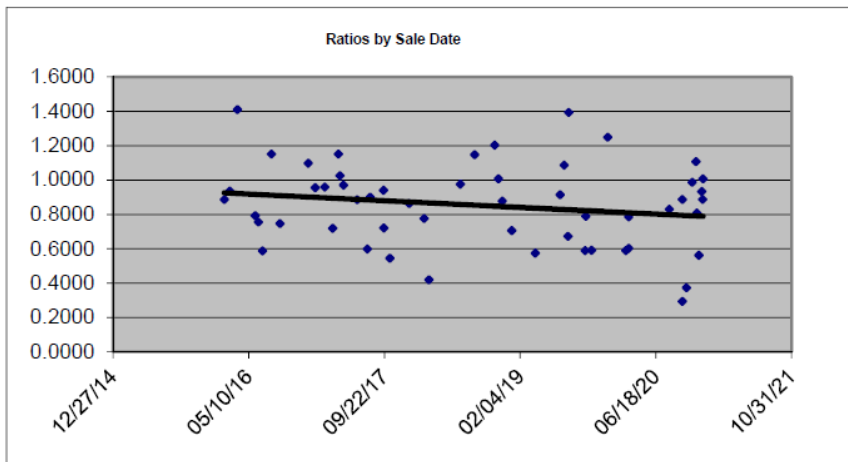
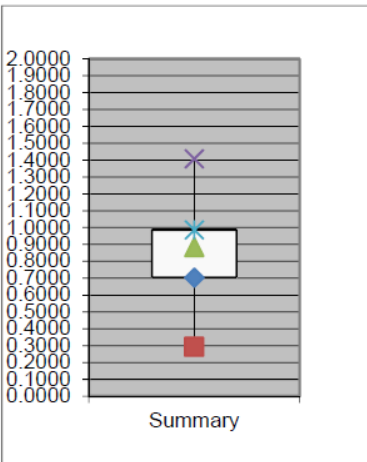
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

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	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C

(1) These were the sales available to us for our market analysis for assessment year 2021.

(2) Some sales prices are confidential, specifically when the only sale source is the buyer.

(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021 only sales prior to 11/26/2020 confidential.

(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071

(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.

(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.

(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios

(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.

(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

FAX COVER PAGE

FROM:

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399
Fax (907) 789-2171
Phone (907) 789-7206

April 22, 2021

TO:

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801
Fax (907) 586-4520
Phone (907) 586-5215

2021 APPEAL OF ASSESSED VALUE FOR THE FOLLOWING PARCELS

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
	1C060K580053 (Building 2)	\$ 932,400.00
	1C060K580054 (Building 3)	\$ 925,700.00
	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	<u>\$ 189,300.00</u>
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

TOTAL OF 10 PAGES WITH THIS COVER PAGE

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

OFFICIAL PUBLIC RECORDS REQUEST

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

Gentlemen:

This letter is an Official Public Records Request for copies of all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

This letter is also Officially asking that you preserve all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

CBJ identification numbers:

1C060K580055
1C060K580054
1C060K580053
1C060K580052
1C060K600060

Per Alaska Administrative Code 2 AAC 96.325 you have 10 days to respond.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
	1C060K580053 (Building 2)	\$ 932,400.00
	1C060K580054 (Building 3)	\$ 925,700.00
	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	\$ 189,300.00
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

Gentlemen:

Per CBJ Code, all taxable property in the City and Borough of Juneau shall be assessed uniformly within classifications and at its full and true value in money as of January 1 of the assessment year.

True and full value is the value determined by considering the earnings or productive capacity of a property, if any, the market value, if any, and any other conditions that effect the value of property.

Market value, as determined by the International Association of Assessing Officers, "is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

It's simple the Market Comparison Approach says a hotel is worth the same amount of money that a similar property within a similar market recently sold for as adjusted for differences among the hotels. Since there have been no recent sales of hotels that I am aware of and only a listing of the Travel Lodge (different market area), which indicates a willing sellers offer to sell, but no

willing buyer has stepped up to the price, which makes the listing price unusable in the Market Approach.

With the absence of comps to support the market approach the ADR or Average Daily Rate is one of the better known KPIs (Key Performance Indicators) of the hotel industry and this rule of thumb essentially assigns a worth of 1,000 times the ADR per room. {Value = ADR x 1000 x Number of Rooms}

The ADR for the Juneau Hotel for 2020 was \$74.25 x 1000 x 73 giving it a total all things considered estimated value of \$5,420,068.00 as of January 1, 2021. (see ATTACHMENT "A")

Since there are three parcels that make up the hotel property I have assigned the values as follows, however the values can be adjusted as long as the total for the three cannot exceed \$5,420,068.00.

CBJ identification numbers	Owners Valuation 2021
1C060K580052 (Lobby Building 1)	\$3,222,245.00
1C060K580053 (Building 2)	\$ 680,904.00
1C060K580054 (Building 3)	\$ 676,011.00
1C060K580055 (Building 4)	\$ 702,666.00
1C060K600060 (Building 5)	\$ 138,242.00
TOTAL: Juneau Hotel (73 rooms)	\$5,420,068.00

You can be assured that the Market Approach, if comps were available would not support these estimates, the Income Approach also would not support these estimates.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

Juneau Hotel 73 rooms counting the house 2020 ADR

ATTACHMENT "A"

Month	Average Daily Rate (ADR)
January	\$ 76.66
February	\$ 85.07
March	\$ 79.68
April	\$ 49.84
May	\$ 67.53
June	\$ 68.35
July	\$ 81.91
August	\$ 86.71
September	\$ 89.13
October	\$ 79.86
November	\$ 65.70
December	\$ 60.53
	\$ 890.97 divide 12 \$ 74.25 Annual ADR

Key Performance Indicators (KPIs) assigns a hotels worth as {Value = ADR x 1000 x Number of Rooms}

Value =	ADR	X 1000	X # Rooms 73
Juneau Hotel	\$ 74.25	\$ 74,247.50	\$ 5,420,068

	CBJ Valuation	Owners Valuation
1C060K580055	\$ 962,200.00	73% \$ 702,666
1C060K580054	\$ 925,700.00	73% \$ 676,011
1C060K580053	\$ 932,400.00	73% \$ 680,904
1C060K600060	\$ 189,300.00	73% \$ 138,240
1C060K580052	<u>\$ 4,412,400.00</u>	<u>73% \$ 3,222,245</u>
	\$ 7,422,000.00	\$ 5,420,068

	Values	Percentage
CBJ	\$ 7,422,000.00	
Owner	\$ 5,420,067.50	0.73


APR 22 2021



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value Real Property

Assessment Year **2021**Parcel ID Number **1C060K580052**

For Office Use

Review #

Appeal #

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Parcel ID Number	1C060K580052		
Owner Name	D&M Rentals LLC		
Primary Phone #	(907) 789-7206		
Physical Address	TIDELANDS ADDITION BL 58 LT6		
Name of Applicant	Donald Madsen		
Email Address	madsens@gci.net		
Mail Address	PO Box 32399 Juneau, Alaska 99803-2399		
Why are you appealing your value? (Check box and provide a detailed explanation below for your appeal to be valid)			
☒ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied		THE FOLLOWING ARE NOT GROUNDS FOR APPEAL - Your taxes are too high - Your value changed too much in one year. - You can't afford the taxes	
Provide specific reasons and provide evidence supporting the item(s) checked above:			
SEE ATTACHED 4 PAGES			
Have you attached additional information or documentation?		☒ Yes ☐ No	
Values on Assessment Notice:			
Site	\$	Building	\$
		Total	\$4,412,400.00
Owner's Estimate of Value:			
Site	\$	Building	\$
		Total	\$ 3,222,245.00
Purchase Price of Property:			
Price	\$	Purchase Date	
Has the property been listed for sale? ☐ Yes ☒ No (if yes complete next line)			
Listing Price	\$	Days on Market	
Was the property appraised by a licensed appraiser within the last year? ☐ Yes ☒ No (if yes provide copy of appraisal)			
Certification:			
I hereby affirm that the foregoing information is true and correct, I understand that I bear the burden of proof and I must provide evidence supporting my appeal, and that I am the owner (or owner's authorized agent) of the property described above.			
Signature		Date APR 22 2021	

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
of Property

2021

1C060K680053

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K680053

TIDELANDS ADDITION LLC

d.b.a. Juneau Hotel

(907) 799-7206

Donald Madson

madsens@grj.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you paid any additional taxes? ☒ Yes ☐ No

Value: \$ 932,400.00

Owned: \$ 680,904.00

Purchased: \$

Received: \$

Other: \$

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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

Petition for Review / Correction of Assessed Value

2021

1C060K580054



Office of the Assessor
155 S Seward Street
Juneau AK 99801

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K580054

Bentley Rentals LLC

d.b.a. Juneau Hotel

(907) 789-7206

Name of Applicant

Donald Madson

Email Address

madsens@pci.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you ever been notified by the Assessor's Office of a change in your property value? ☒ Yes ☐ No

What is the current assessed value of your property?

Site \$ [redacted] [redacted] \$ [redacted] [redacted] \$ 925,700.00

Other \$ [redacted] [redacted] \$ [redacted] [redacted] \$ 676,011.00

Property tax \$ [redacted] [redacted] \$ [redacted] [redacted] \$ [redacted] [redacted]

Other \$ [redacted] [redacted] \$ [redacted] [redacted] \$ [redacted] [redacted]

Other \$ [redacted] [redacted] \$ [redacted] [redacted] \$ [redacted] [redacted]

Other \$ [redacted] [redacted] \$ [redacted] [redacted] \$ [redacted] [redacted]

Other \$ [redacted] [redacted] \$ [redacted] [redacted] \$ [redacted] [redacted]

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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

Petition for Review / Correction of Assessed Value
Real Property

2021

1C060K880055



Office of the Assessor
155 S Seward Street
Juneau AK 99801

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K880055	
Black Rentals LLC d.b.a. Juneau Hotel (907) 789-7206	Donald Madson madsens@cd.net
TIDELANDS ADDITION BL 58 LT	PO Box 32399 Juneau, Alaska 99803-2399
☒ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied	
THE FOLLOWING ARE <u>NOT</u> GROUNDS FOR APPEAL • Your taxes are too high • Your value changed too much in one year. • You can't afford the taxes	
SEE ATTACHED 4 PAGES	
Have you ever been notified of a deficiency or overvaluation? ☒ Yes ☐ No	
Value of property	\$ 962,200.00
Value of similar properties	\$ 702,666.00
Purchase price of property	
Assessed value of property	
Value of property	
Value of property	
Signature	Date APR 22 2021

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

1C060K800060

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K800060

D&M Rentals LLC
d.b.a. Juneau Hotel
(907) 789-7206

Donald Madsen

madsens@aci.net

TIDELANDS ADDITION BL 60 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No

Value of property: \$ 189,300.00

Value of property: \$ 138,242.00

Value of property: \$

Value of property: \$

Value of property: \$

Signature: Date: 4-22-21

Contact Us: CBJ Assessors Office

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



OFFICE OF THE ASSESSOR

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

9/22/2021

D&M Rentals LLC
PO Box 32399
Juneau AK 99803

Received

SEP 28 2021

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 1C060K580054
RESPONSE DEADLINE: 9/29/2021

PARCEL: 1C060K580054
PHYSICAL LOCATION: 1240 W Ninth St

D&M Rentals LLC,

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

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **1C060K580054**:

VALUE DETERMINATION

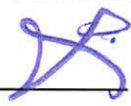
Recommended Action:	No Change
2021 Initial valuation:	\$925,700
2021 Owner estimate of value:	\$676,011
2021 Final determination:	\$925,700

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

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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



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

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

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

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



SEP 25 2021

Appellant signature

Date

If we do not receive a response from you by **9/29/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

**D & M RENTALS LLC
PO BOX 032399
JUNEAU AK 99803-2399**

PAGE 281
2021-11-02 BOE HEARING PACKET
**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	1C060K580054
Property Location	1240 W NINTH ST
Appeal No.	APL20210123
Sent to Email Address:	madsens@gci.net

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0242

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: D&M Rentals LLC

Location: 1240 W Ninth St

Parcel No.: 1C060K580054

Property Type: Commercial - Hotel

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	Not provided	\$ 272,400	\$ 272,400
Buildings:	Not provided	\$ 653,300	\$ 653,300
Total:	\$ 676,011	\$ 925,700	\$ 925,700

Subject Photo



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OVERVIEW

The subject is a 3-story commercial hotel/long-term rental building located in Downtown Juneau. The building contains 12-units.

Subject Characteristics:

- Land
 - 4,541 SF lot
 - Level, developed lot
- Building
 - Average Quality
 - Average Condition
 - 5,872 SF GBA
 - 1,764 SF 1st level
 - 2,054 SF 2nd level
 - 2,054 SF 3rd level

SUBJECT PHOTOS

Front left



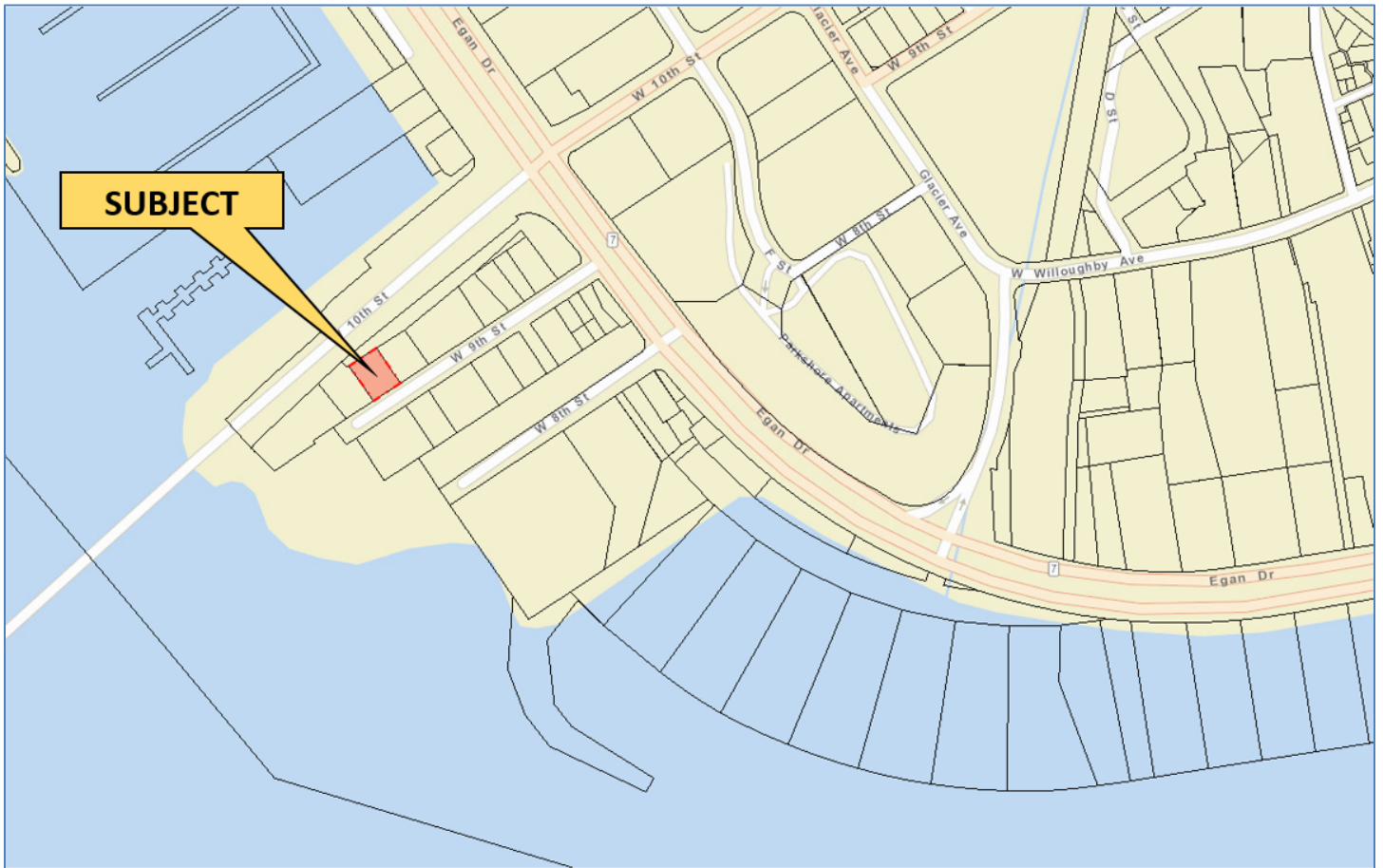
Front



Front right



AREA MAP & AERIAL





ASSESSED VALUES

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

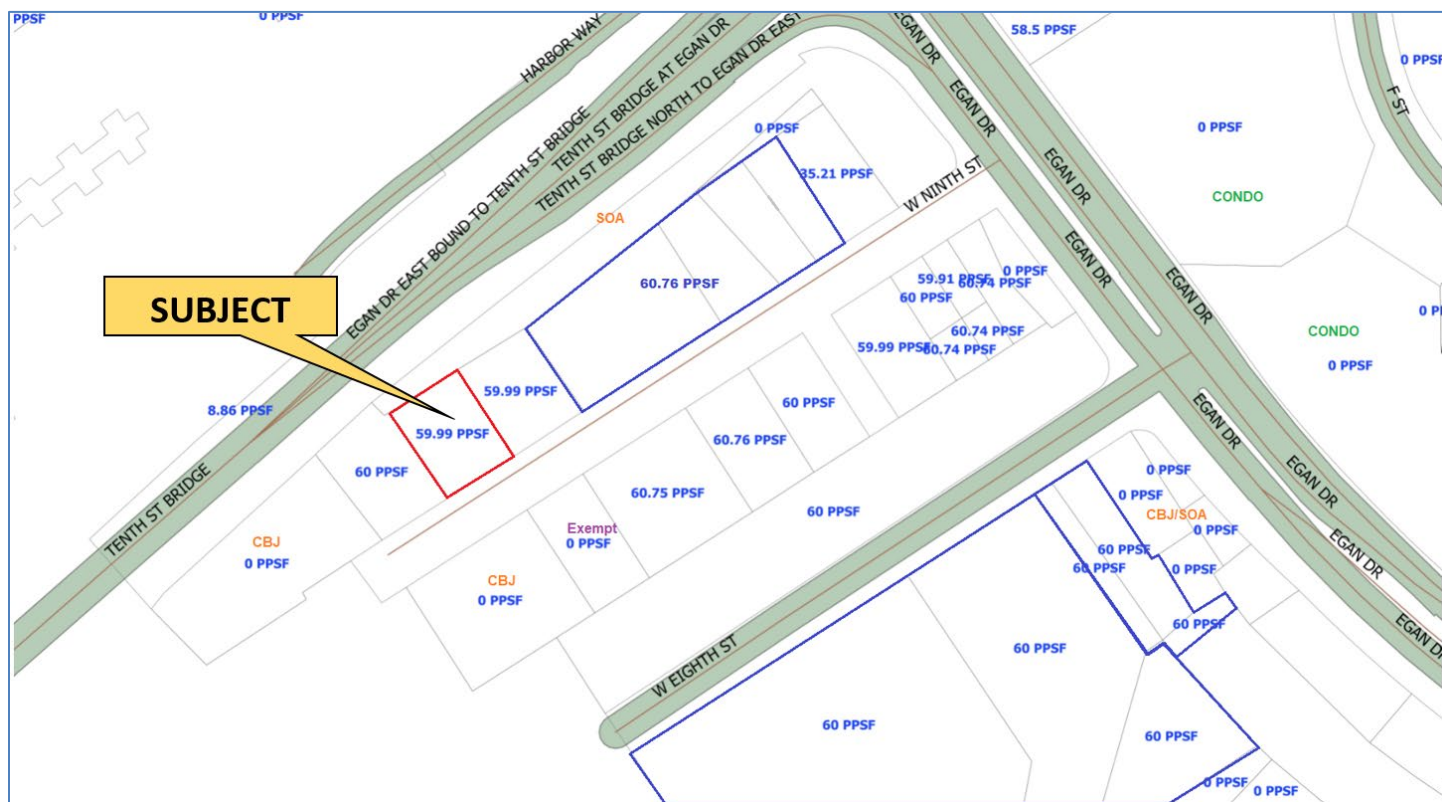
All three approaches to value (Cost, Sales Comparison and Income) are considered for commercial properties

LAND

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

The subject site features are a level, developed lot that is in the downtown area. The subject parcel's land value is equitable and is not excessive.

- ## Land Values



BUILDING(S)

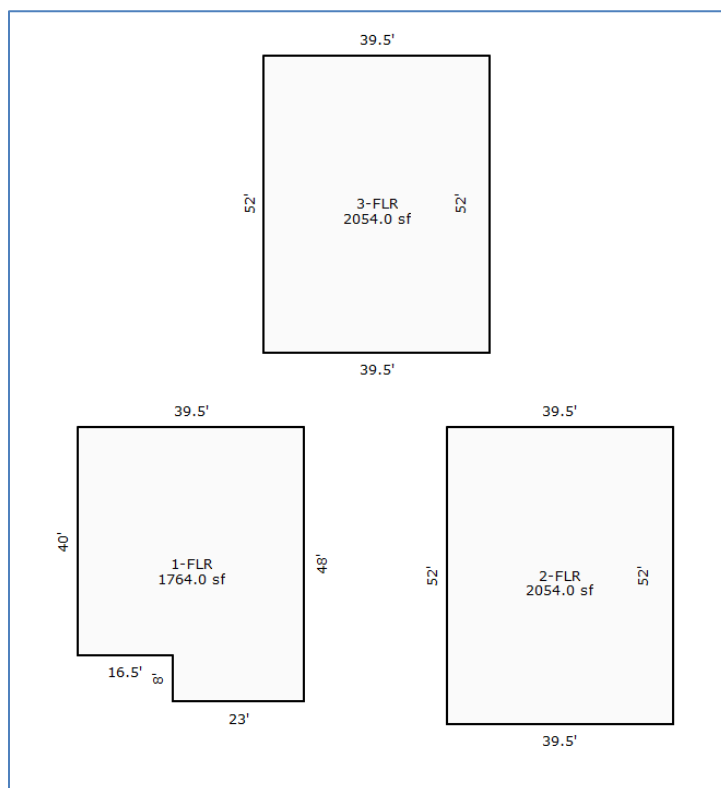
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 5,872 SF GBA
 - 1,764 SF 1st level
 - 2,054 SF 2nd level
 - 2,054 SF 3rd 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.

1030		Record		1	
Parcel Code Number	1C060K580054	Number of Stories (Building)		03	
Owner Name	D & M RENTALS LLC	Number of Sections		1	
Parcel Address	1240 W NINTH ST	Perimeter		175	
Effective Year Built	2008	Class		D	
Year Built	2003	Height			
Building Model	C- 12 Residential Multiples, Motels	Rank		Average	
Building Type	Motel	Total Area		5,872.00	
Base Cost		5872		82.50	484,440
Exterior Wall	Stud Walls-Wood Siding	5872	100%	12.20	71,638
Heating & Cooling	Heating & Cooling	5872		616.00	616
Heating & Cooling	Hot Water	5872	100%	6.92	40,634
Architect Fee		5872		6.30	36,994
Sprinklers	Sprinklers	5872	100%	3.55	20,846
Sub Total					\$655,167.84
Local Multiplier				1.43	[X] \$936,890.00
Current Multiplier				1.02	[X] \$955,628.00
Neighborhood Multiplier					[X] \$955,628.00
Depreciation - Physical				22.00	[-] \$210,238.00
Depreciation - Functional					[-] \$0.00
Depreciation - Economic					[-] \$0.00
Percent Complete				100.00	[-] \$745,390.00
Cost to Cure					
Neighborhood Adjustment					
Replacement Cost less Depreciation					\$745,390
Miscellaneous Improvement	Built in appliances			[+]	18,000
Total Improvement Value					\$763,400

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

Because these income approach calculations are based off information publicly available online and provided as part of the appeal, the information may be placed in the Assessor's appeal record, which is a publicly available document.



Assessor's Office
Appraisal Form

Parcel No. 1C060K58xxxx (Juneau Hotel)

Situs 1200 W Ninth St

Owner D&M Rentals (Madsen)

Assessment	AY	Value Date	Values on	Land	Bldg	Misc	Total
Data	2021	1/1/2021	Notice -->				7,422,000

Based on Average Room Rate Submitted by Appellant

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	1,978,391							
Vacancy / Collection Loss Fact	(692,437)	35.00%		74 Avg Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,285,954		1,978,391.25			Utilities	#DIV/0!	Debt Service
Expenses	(692,437)					Supplies	#DIV/0!	Income Taxes
NOI	593,517					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	8,478,820				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			692,437	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	1,978,391	Total	692,437	Total		
Indicated Value	8,478,820		Econ Life	50	Reserve %	1%	Replac.Res.	19,784
			NOI % of Gross	30%	Exp % Gross	35%		

Based on Room Rates Listed on Subjects Website & Reservatin Portal

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	2,664,500							
Vacancy / Collection Loss Fact	(932,575)	35.00%		100 Est. Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,731,925		2,664,500.00			Utilities	#DIV/0!	Debt Service
Expenses	(932,575)					Supplies	#DIV/0!	Income Taxes
NOI	799,350					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	11,419,286				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			932,575	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	2,664,500	Total	932,575	Total		
Indicated Value	11,419,286		Econ Life	50	Reserve %	1%	Replac.Res.	26,645
			NOI % of Gross	30%	Exp % Gross	35%		

The 35% Expense ratio and 35% vacancy ratio come from both reported national averages as well as local information supplied by other hotels.

The \$1,000 ADR multiplier references that I could find are all from 2018 or earlier.

The ADR multiplier is very broad brush and not the recommended approach for a more definitive value.

The ADR is not an accepted appraisal approach, the sales comparison or income approach are generally the recommended approaches.

The 7% cap rate is derived from national information, testing of cap rate data against local sales.

Also taken into consideration was information from an IAAO workshop on valuing hotels in the midst of Covid.

October Rates from Reservation Price Quote

129 Queen Suite
139 2 Queen
169 2 Queen Jacuzzi
129 2 Queen Deluxe
139 Queen Jacuzzi
119 Govt/Corp

137 Average

109 Fall special for Queen but did not come up for this October 31

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report 1C060K580054 D & M RENTALS LLC 1240 W NINTH ST TIDELANDS ADDITION BL 58 LT 9A				
<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$272,400.00		\$653,300.00	\$925,700.00
2020	\$181,600.00		\$653,300.00	\$834,900.00
2019	\$181,600.00		\$653,300.00	\$834,900.00
2018	\$181,600.00		\$653,300.00	\$834,900.00
2017	\$181,600.00		\$653,300.00	\$834,900.00
2016	\$181,600.00		\$653,300.00	\$834,900.00
2015	\$181,600.00		\$653,300.00	\$834,900.00
2014	\$181,600.00		\$653,300.00	\$834,900.00
2013	\$181,600.00		\$653,300.00	\$834,900.00
2012	\$181,600.00	\$0.00	\$653,300.00	\$834,900.00
2011	\$181,600.00	\$0.00	\$653,300.00	\$834,900.00
2010	\$181,600.00	\$0.00	\$653,300.00	\$834,900.00

SUMMARY

State statute requires the Assessor to value property at “full and true value”. According to appraisal standards and practices set by the Alaska Association of Assessing Officers, the State of Alaska Office of the State Assessor, and the International Association of Assessing Officers, correct procedures of assessment were followed for the subject. These standards and practices include consideration of any market value increase or decrease as determined by analysis of sales.

The assessed value was reviewed in response to the Petition for Review. Our findings are as follows.

The land and buildings are valued using the same methods and standards as all other properties in the Borough.

Additional Details:

- The appellant states that their assessed value is excessive/overvalued.
 - We find that the value is equitable and is not excessive.
- The appellant states that with the absence of comps to support the market approach the ADR or Average Daily Rate should be used.
 - The ADR multiplier is an industry quick “off-the-cuff” indicator of value. It is not a standard compliant approach for appraisal purposes. In addition there has been no work done to calibrate that multiplier so that it produces values that are equitable with other commercial assessments. As an “off-the-cuff” indicator it is also problematic in that all of the references to the \$1,000 multiplier are from 2018 or prior and a lot has changed since 2018 as illustrated by the changes in the cap rates and room rates. Many of the articles that we read in our research also make a point of indicating that an actual income approach is preferred for getting a more precise value.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

This group of appeals represents a 73-unit hotel and long-term rental property located in Downtown Juneau. We are discussing appeals for five parcels, 1C060K580052, 1C060K580053, 1C060K580054, 1C060K580055, 1C060K580060. When combined, these parcels include 36,655 sf of land. Improvements include a 28,112 sf, three story building containing lobby, office, meeting and laundry space, as well as 36 suites, two 5,872 sf three story buildings containing 12 suites each, and one 5,942 sf three story buildings containing 12 suites each, and a 615 sf house considered 1 suite.

The overall percent of change for these combined properties from 2010 to 2021 is 11%

The chart below outlines the change in value from 2020 to 2021 and the recommended assessed value for 2021.

Parcel Number	2020 Value	Percent Change	2021 Recommended Value
1C060K580052	\$3,980,500	10.8%	\$4,412,400
1C060K580053	\$841,700	10.8%	\$932,400
1C060K580054	\$834,900	10.9%	\$925,700
1C060K580055	\$858,900	12%	\$962,200
1C060K580060	\$157,200	20.4%	\$189,300
Overall	\$6,673,200	11%	\$7,422,000

We find that no change to the 2021 assessed values are warranted and ask that the BOE uphold the assessed values.

ADDENDUM A – General Information (Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.

19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer's report that it is going to take \$750,000 to remedy the issue. Rather, many of this year's appeals have general statements such as "you can't raise my value that much in one year," or "there was no justification for raising values." As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B - Analysis (Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

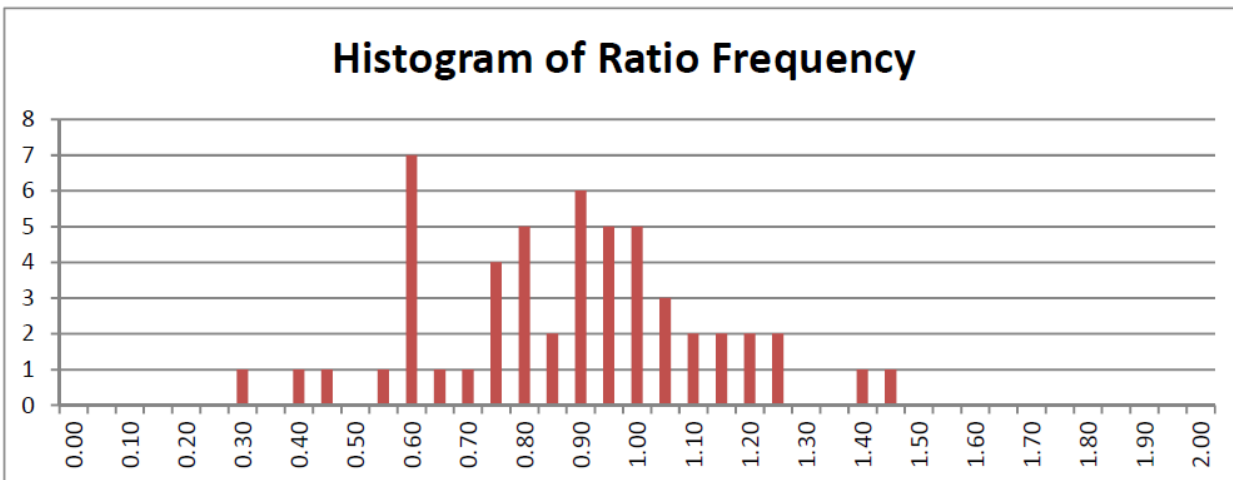
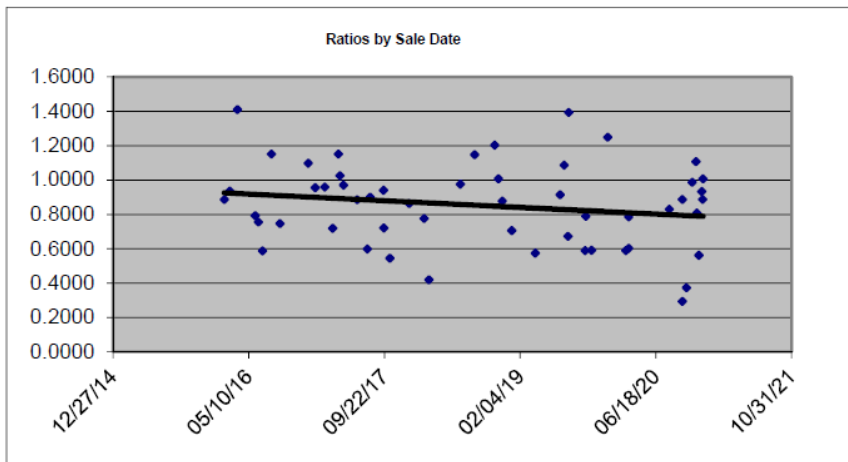
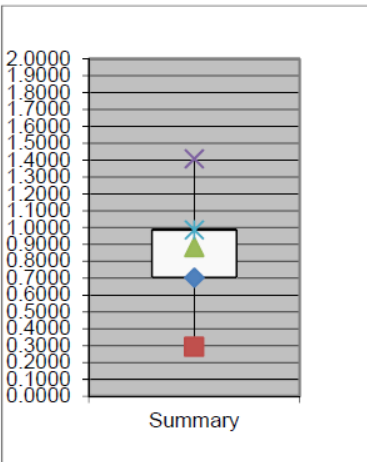
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

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	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C

(1) These were the sales available to us for our market analysis for assessment year 2021.

(2) Some sales prices are confidential, specifically when the only sale source is the buyer.

(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021 only sales prior to 11/26/2020 confidential.

(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071

(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.

(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.

(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios

(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.

(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information

FAX COVER PAGE

FROM:

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399
Fax (907) 789-2171
Phone (907) 789-7206

April 22, 2021

TO:

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801
Fax (907) 586-4520
Phone (907) 586-5215

2021 APPEAL OF ASSESSED VALUE FOR THE FOLLOWING PARCELS

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
	1C060K580053 (Building 2)	\$ 932,400.00
	1C060K580054 (Building 3)	\$ 925,700.00
	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	<u>\$ 189,300.00</u>
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

TOTAL OF 10 PAGES WITH THIS COVER PAGE

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

OFFICIAL PUBLIC RECORDS REQUEST

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

Gentlemen:

This letter is an Official Public Records Request for copies of all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

This letter is also Officially asking that you preserve all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

CBJ identification numbers:

1C060K580055
1C060K580054
1C060K580053
1C060K580052
1C060K600060

Per Alaska Administrative Code 2 AAC 96.325 you have 10 days to respond.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

D&M Rentals LLC
 d.b.a. Juneau Hotel
 PO Box 32399
 Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
 Assessor's Office
 155 South Seward Street
 Juneau, Alaska 99801

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
	1C060K580053 (Building 2)	\$ 932,400.00
	1C060K580054 (Building 3)	\$ 925,700.00
	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	\$ 189,300.00
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

Gentlemen:

Per CBJ Code, all taxable property in the City and Borough of Juneau shall be assessed uniformly within classifications and at its full and true value in money as of January 1 of the assessment year.

True and full value is the value determined by considering the earnings or productive capacity of a property, if any, the market value, if any, and any other conditions that effect the value of property.

Market value, as determined by the International Association of Assessing Officers, "is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

It's simple the Market Comparison Approach says a hotel is worth the same amount of money that a similar property within a similar market recently sold for as adjusted for differences among the hotels. Since there have been no recent sales of hotels that I am aware of and only a listing of the Travel Lodge (different market area), which indicates a willing sellers offer to sell, but no

willing buyer has stepped up to the price, which makes the listing price unusable in the Market Approach.

With the absence of comps to support the market approach the ADR or Average Daily Rate is one of the better known KPIs (Key Performance Indicators) of the hotel industry and this rule of thumb essentially assigns a worth of 1,000 times the ADR per room. {Value = ADR x 1000 x Number of Rooms}

The ADR for the Juneau Hotel for 2020 was \$74.25 x 1000 x 73 giving it a total all things considered estimated value of \$5,420,068.00 as of January 1, 2021. (see ATTACHMENT "A")

Since there are three parcels that make up the hotel property I have assigned the values as follows, however the values can be adjusted as long as the total for the three cannot exceed \$5,420,068.00.

CBJ identification numbers	Owners Valuation 2021
1C060K580052 (Lobby Building 1)	\$3,222,245.00
1C060K580053 (Building 2)	\$ 680,904.00
1C060K580054 (Building 3)	\$ 676,011.00
1C060K580055 (Building 4)	\$ 702,666.00
1C060K600060 (Building 5)	\$ 138,242.00
TOTAL: Juneau Hotel (73 rooms)	\$5,420,068.00

You can be assured that the Market Approach, if comps were available would not support these estimates, the Income Approach also would not support these estimates.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

Juneau Hotel 73 rooms counting the house 2020 ADR

ATTACHMENT "A"

Month	Average Daily Rate (ADR)
January	\$ 76.66
February	\$ 85.07
March	\$ 79.68
April	\$ 49.84
May	\$ 67.53
June	\$ 68.35
July	\$ 81.91
August	\$ 86.71
September	\$ 89.13
October	\$ 79.86
November	\$ 65.70
December	\$ 60.53
	\$ 890.97 divide 12 \$ 74.25 Annual ADR

Key Performance Indicators (KPIs) assigns a hotels worth as {Value = ADR x 1000 x Number of Rooms}

Value =	ADR	X 1000	X # Rooms 73
Juneau Hotel	\$ 74.25	\$ 74,247.50	\$ 5,420,068

	CBJ Valuation	Owners Valuation
1C060K580055	\$ 962,200.00	73% \$ 702,666
1C060K580054	\$ 925,700.00	73% \$ 676,011
1C060K580053	\$ 932,400.00	73% \$ 680,904
1C060K600060	\$ 189,300.00	73% \$ 138,240
1C060K580052	<u>\$ 4,412,400.00</u>	<u>73% \$ 3,222,245</u>
	\$ 7,422,000.00	\$ 5,420,068

	Values	Percentage
CBJ	\$ 7,422,000.00	
Owner	\$ 5,420,067.50	0.73


APR 22 2021

Petition for Review / Correction of Assessed Value

Real Property



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Assessment Year	2021
Parcel ID Number	1C060K580052

For Office Use	Review #	Appeal #
----------------	----------	----------

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Parcel ID Number	1C060K580052		
Owner Name	D&M Rentals LLC		
Primary Phone #	(907) 789-7206	Name of Applicant	Donald Madsen
Physical Address	TIDELANDS ADDITION BL 58 LT6	Email Address	madsens@gci.net
		Mail Address	PO Box 32399 Juneau, Alaska 99803-2399
Why are you appealing your value? (Check box and provide a detailed explanation below for your appeal to be valid)			
☒ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied		THE FOLLOWING ARE NOT GROUNDS FOR APPEAL • Your taxes are too high • Your value changed too much in one year. • You can't afford the taxes	
Provide specific reasons and provide evidence supporting the item(s) checked above:			
SEE ATTACHED 4 PAGES			
Have you attached additional information or documentation?		☒ Yes ☐ No	
Values on Assessment Notice:			
Site	\$	Building	\$
		Total	\$4,412,400.00
Owner's Estimate of Value:			
Site	\$	Building	\$
		Total	\$ 3,222,245.00
Purchase Price of Property:			
Price	\$	Purchase Date	
Has the property been listed for sale? ☐ Yes ☒ No (if yes complete next line)			
Listing Price	\$	Days on Market	
Was the property appraised by a licensed appraiser within the last year? ☐ Yes ☒ No (if yes provide copy of appraisal)			
Certification:			
I hereby affirm that the foregoing information is true and correct, I understand that I bear the burden of proof and I must provide evidence supporting my appeal, and that I am the owner (or owner's authorized agent) of the property described above.			
Signature		Date	
		APR 22 2021	

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value

of Property

2021

1C060K680053

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K680053

TIDELANDS ADDITION LLC

d.b.a. Juneau Hotel

(907) 799-7206

Donald Madsen

madsens@grj.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you submitted additional information? ☒ Yes ☐ No

Value: \$ 932,400.00

Owned: \$ 680,904.00

Purchased: \$

Received: \$

Other: \$

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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

Petition for Review / Correction of Assessed Value

2021

1C060K580054



Office of the Assessor
155 S Seward Street
Juneau AK 99801

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K580054

Bentley LLC

d.b.a. Juneau Hotel

(907) 789-7206

Name of Applicant

Donald Madson

Email Address

madsens@pci.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you ever been notified by the Assessor's Office of a change in value? ☒ Yes ☐ No

What is the current assessed value?

Site \$ 925,700.00

Circuit \$ 676,011.00

Public Utility \$

Other \$

Total \$

What is the current assessed value?

Total \$

What is the current assessed value?

Total \$

Signature Date APR 22 2021

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

1C060K880055

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K880055	
Black Rentals LLC d.b.a. Juneau Hotel (907) 789-7206	Donald Madson madsens@cd.net
TIDELANDS ADDITION BL 58 LT	PO Box 32399 Juneau, Alaska 99803-2399
☒ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied	THE FOLLOWING ARE <u>NOT</u> GROUNDS FOR APPEAL • Your taxes are too high • Your value changed too much in one year. • You can't afford the taxes
SEE ATTACHED 4 PAGES	
Have you ever had a professional appraisal of your property? ☒ Yes ☐ No	
Value of property as assessed \$ [redacted]	\$ 962,200.00
Value of property as appraised \$ [redacted]	\$ 702,666.00
Purchase price of property \$ [redacted]	
Assessed value of property \$ [redacted]	
Value of property as appraised \$ [redacted]	
Signature	Date APR 22 2021

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

1C060K800060

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K800060

D&M Rentals LLC
d.b.a. Juneau Hotel
(907) 789-7206

Donald Madsen

madsens@aci.net

TIDELANDS ADDITION BL 60 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No

Value of property: \$ [redacted] Total: \$ 189,300.00

Value of property: \$ [redacted] Total: \$138,242.00

Value of property: \$ [redacted] Total: \$ [redacted]

Value of property: \$ [redacted] Total: \$ [redacted]

Value of property: \$ [redacted] Total: \$ [redacted]

Signature: [redacted] Date: 4-22-21

Contact Us: CBJ Assessors Office

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



OFFICE OF THE ASSESSOR

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

9/22/2021

D&M Rentals LLC
PO Box 32399
Juneau AK 99803

Received

SEP 28 2021

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 1C060K580055
RESPONSE DEADLINE: 9/29/2021

PARCEL: 1C060K580055
PHYSICAL LOCATION: 1250 W Ninth St

D&M Rentals LLC,

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

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **1C060K580055**:

VALUE DETERMINATION

Recommended Action:	No Change
2021 Initial valuation:	\$962,200
2021 Owner estimate of value:	
2021 Final determination:	\$962,200

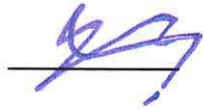
We have reviewed your assessed value and did not find that the value is excessive or improper.

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

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



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

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

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



Appellant signature

SEP 25 2021

Date

If we do not receive a response from you by **9/29/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

**D & M RENTALS LLC
PO BOX 032399
JUNEAU AK 99803-2399**

PAGE 321
2021-11-02 BOE HEARING PACKET
**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	1C060K580055
Property Location	1250 W NINTH ST
Appeal No.	APL20210134
Sent to Email Address:	madsens@gci.net

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0243

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: D&M Rentals LLC

Location: 1250 W Ninth St

Parcel No.: 1C060K580055

Property Type: Commercial - Hotel

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	Not provided	\$ 309,900	\$ 309,900
Buildings:	Not provided	\$ 652,300	\$ 652,300
Total:	\$ 702,666	\$ 962,200	\$ 962,200

Subject Photo



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OVERVIEW

The subject is a 3-story commercial hotel/long-term rental building located in Downtown Juneau. The building contains 12-units.

Subject Characteristics:

- Land
 - 5,165 SF lot
 - Level, developed lot
- Building
 - 5,942 SF GBA
 - 1,996 SF 1st level
 - 1,973 SF 2nd level
 - 1,973 SF 3rd level

SUBJECT PHOTOS



Front left

Front

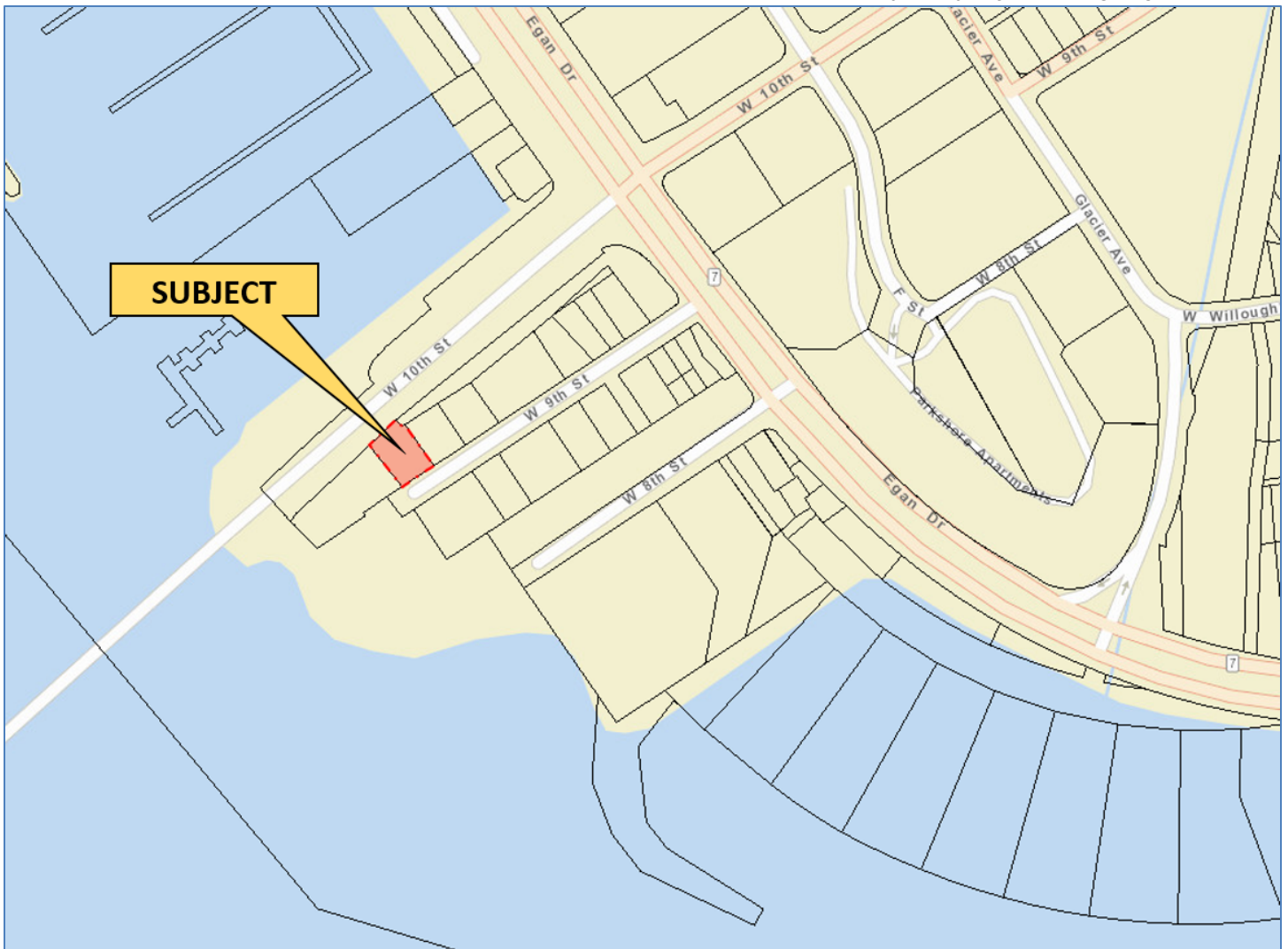


Front right



AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

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

- 5,165 SF lot
- Level, developed lot

[illegible]

BUILDING(S)

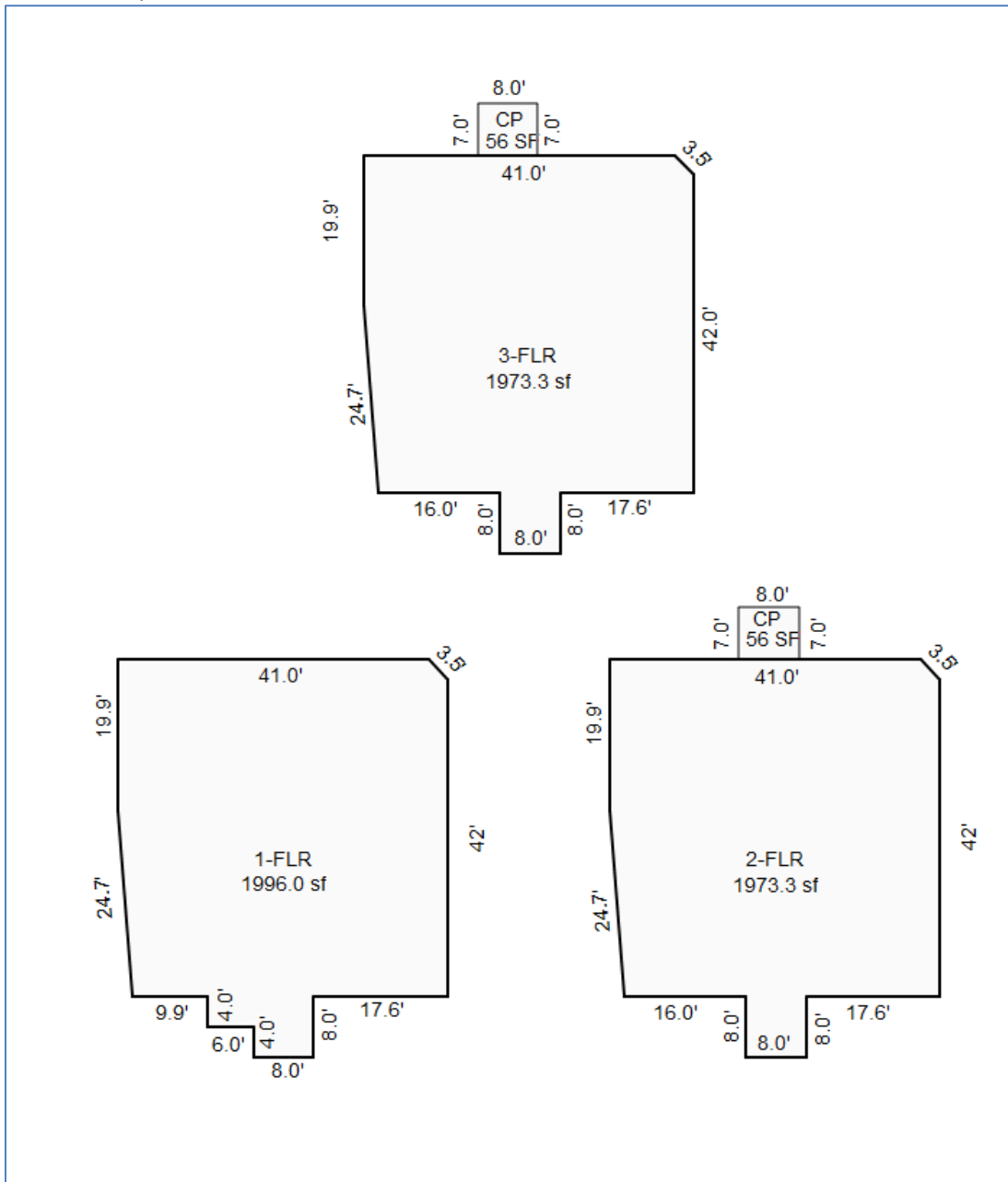
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 5,942 SF GBA
 - 1,996 SF 1st level
 - 1,973 SF 2nd level
 - 1,973 SF 3rd 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.

1031		Record		1	
Parcel Code Number	1C060K580055	Number of Stories (Building)		03	
Owner Name	D & M RENTALS LLC	Number of Sections		1	
Parcel Address	1250 W NINTH ST	Perimeter		189	
Effective Year Built	2008	Class		D	
Year Built	2003	Height			
Building Model	C- 12 Residential Multiples, Motels	Rank		Average	
Building Type	Motel	Total Area		5,942.00	
Base Cost	5942	82.50	490,215		
Exterior Wall	Stud Walls-Wood Siding	5942	100%	12.20	72,492
Heating & Cooling	Heating & Cooling	5942		616.00	616
Heating & Cooling	Hot Water	5942	100%	6.92	41,119
Architect Fee		5942		6.30	37,435
Sprinklers	Sprinklers	6054	100%	3.55	21,492
Sub Total					\$663,368.34
Local Multiplier		1.43	[X]	\$948,617.00	
Current Multiplier		1.02	[X]	\$967,589.00	
Neighborhood Multiplier			[X]	\$967,589.00	
Depreciation - Physical		22.00	[-]	\$212,870.00	
Depreciation - Functional			[-]	\$0.00	
Depreciation - Economic			[-]	\$0.00	
Percent Complete		100.00	[-]	\$754,719.00	
Cost to Cure					
Neighborhood Adjustment					
Replacement Cost less Depreciation					\$754,719
Miscellaneous Improvement		Built in appliances		[+]	18,000
Total Improvement Value					\$772,700

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

Because these income approach calculations are based off information publicly available online and provided as part of the appeal, the information may be placed in the Assessor's appeal record, which is a publicly available document.



Assessor's Office
Appraisal Form

Parcel No. 1C060K58xxxx (Juneau Hotel)

Situs 1200 W Ninth St

Owner D&M Rentals (Madsen)

Assessment	AY	Value Date	Values on	Land	Bldg	Misc	Total
Data	2021	1/1/2021	Notice -->				7,422,000

Based on Average Room Rate Submitted by Appellant

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	1,978,391							
Vacancy / Collection Loss Fact	(692,437)	35.00%		74 Avg Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,285,954		1,978,391.25			Utilities	#DIV/0!	Debt Service
Expenses	(692,437)					Supplies	#DIV/0!	Income Taxes
NOI	593,517					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	8,478,820				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			692,437	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	1,978,391	Total	692,437	Total		
Indicated Value	8,478,820		Econ Life	50	Reserve %	1%	Replac.Res.	19,784
			NOI % of Gross	30%	Exp % Gross	35%		

Based on Room Rates Listed on Subjects Website & Reservatin Portal

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	2,664,500							
Vacancy / Collection Loss Fact	(932,575)	35.00%		100 Est. Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,731,925		2,664,500.00			Utilities	#DIV/0!	Debt Service
Expenses	(932,575)					Supplies	#DIV/0!	Income Taxes
NOI	799,350					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	11,419,286				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			932,575	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	2,664,500	Total	932,575	Total		
Indicated Value	11,419,286		Econ Life	50	Reserve %	1%	Replac.Res.	26,645
			NOI % of Gross	30%	Exp % Gross	35%		

The 35% Expense ratio and 35% vacancy ratio come from both reported national averages as well as local information supplied by other hotels.

The \$1,000 ADR multiplier references that I could find are all from 2018 or earlier.

The ADR multiplier is very broad brush and not the recommended approach for a more definitive value.

The ADR is not an accepted appraisal approach, the sales comparison or income approach are generally the recommended approaches.

The 7% cap rate is derived from national information, testing of cap rate data against local sales.

Also taken into consideration was information from an IAAO workshop on valuing hotels in the midst of Covid.

October Rates from Reservation Price Quote

129 Queen Suite
139 2 Queen
169 2 Queen Jacuzzi
129 2 Queen Deluxe
139 Queen Jacuzzi
119 Govt/Corp

137 Average

109 Fall special for Queen but did not come up for this October 31

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report 1C060K580055 D & M RENTALS LLC 1250 W NINTH ST TIDELANDS ADDITION BL 58 LT 10A				
<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$309,900.00		\$652,300.00	\$962,200.00
2020	\$206,600.00		\$652,300.00	\$858,900.00
2019	\$206,600.00		\$652,300.00	\$858,900.00
2018	\$206,600.00		\$652,300.00	\$858,900.00
2017	\$206,600.00		\$652,300.00	\$858,900.00
2016	\$206,600.00		\$652,300.00	\$858,900.00
2015	\$206,600.00		\$652,300.00	\$858,900.00
2014	\$206,600.00		\$652,300.00	\$858,900.00
2013	\$206,600.00		\$652,300.00	\$858,900.00
2012	\$206,600.00	\$0.00	\$652,300.00	\$858,900.00
2011	\$206,600.00	\$0.00	\$652,300.00	\$858,900.00
2010	\$206,600.00	\$0.00	\$652,300.00	\$858,900.00

SUMMARY

State statute requires the Assessor to value property at “full and true value”. According to appraisal standards and practices set by the Alaska Association of Assessing Officers, the State of Alaska Office of the State Assessor, and the International Association of Assessing Officers, correct procedures of assessment were followed for the subject. These standards and practices include consideration of any market value increase or decrease as determined by analysis of sales.

The assessed value was reviewed in response to the Petition for Review. Our findings are as follows.

The land and buildings are valued using the same methods and standards as all other properties in the Borough.

Additional Details:

- The appellant states that their assessed value is excessive/overvalued.
 - We find that the value is equitable and is not excessive.
- The appellant states that with the absence of comps to support the market approach the ADR or Average Daily Rate should be used.
 - The ADR multiplier is an industry quick “off-the-cuff” indicator of value. It is not a standard compliant approach for appraisal purposes. In addition there has been no work done to calibrate that multiplier so that it produces values that are equitable with other commercial assessments. As an “off-the-cuff” indicator it is also problematic in that all of the references to the \$1,000 multiplier are from 2018 or prior and a lot has changed since 2018 as illustrated by the changes in the cap rates and room rates. Many of the articles that we read in our research also make a point of indicating that an actual income approach is preferred for getting a more precise value.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

This group of appeals represents a 73-unit hotel and long-term rental property located in Downtown Juneau. We are discussing appeals for five parcels, 1C060K580052, 1C060K580053, 1C060K580054, 1C060K580055, 1C060K580060. When combined, these parcels include 36,655 sf of land. Improvements include a 28,112 sf, three story building containing lobby, office, meeting and laundry space, as well as 36 suites, two 5,872 sf three story buildings containing 12 suites each, and one 5,942 sf three story buildings containing 12 suites each, and a 615 sf house considered 1 suite.

The overall percent of change for these combined properties from 2010 to 2021 is 11%

The chart below outlines the change in value from 2020 to 2021 and the recommended assessed value for 2021.

Parcel Number	2020 Value	Percent Change	2021 Recommended Value
1C060K580052	\$3,980,500	10.8%	\$4,412,400
1C060K580053	\$841,700	10.8%	\$932,400
1C060K580054	\$834,900	10.9%	\$925,700
1C060K580055	\$858,900	12%	\$962,200
1C060K580060	\$157,200	20.4%	\$189,300
Overall	\$6,673,200	11%	\$7,422,000

We find that no change to the 2021 assessed values are warranted and ask that the BOE uphold the assessed values.

ADDENDUM A – General Information (Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.

19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer's report that it is going to take \$750,000 to remedy the issue. Rather, many of this year's appeals have general statements such as "you can't raise my value that much in one year," or "there was no justification for raising values." As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B – Analysis (Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

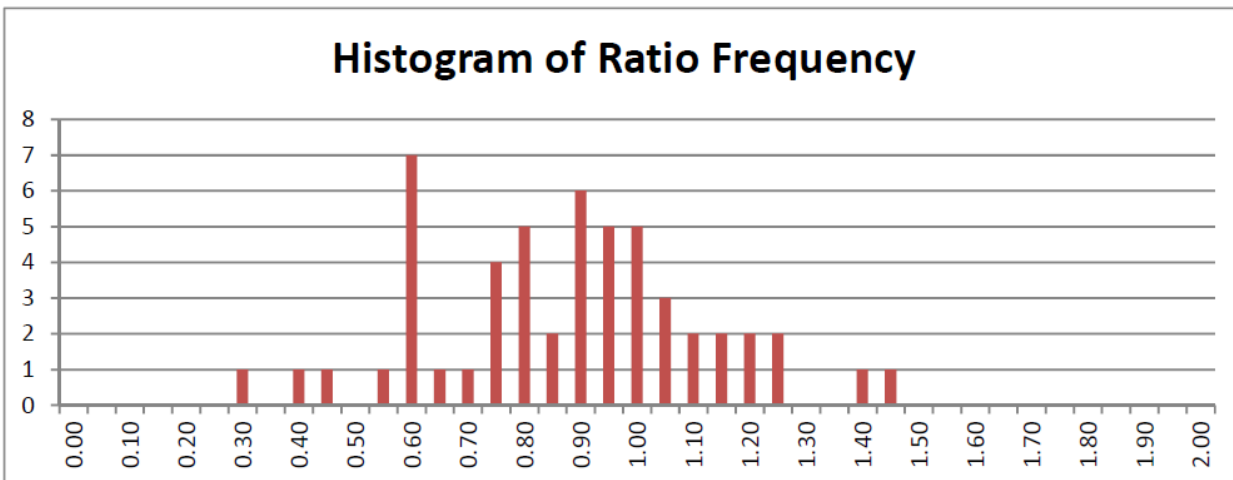
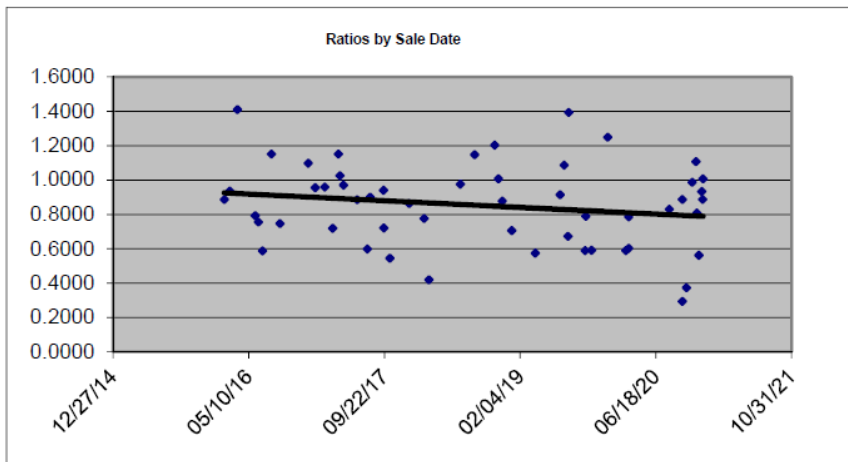
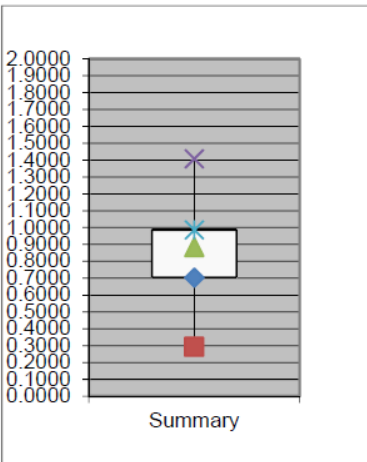
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

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	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C

(1) These were the sales available to us for our market analysis for assessment year 2021.

(2) Some sales prices are confidential, specifically when the only sale source is the buyer.

(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021 only sales prior to 11/26/2020 confidential.

(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071

(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.

(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.

(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios

(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.

(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information

FAX COVER PAGE

FROM:

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399
Fax (907) 789-2171
Phone (907) 789-7206

April 22, 2021

TO:

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801
Fax (907) 586-4520
Phone (907) 586-5215

2021 APPEAL OF ASSESSED VALUE FOR THE FOLLOWING PARCELS

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
	1C060K580053 (Building 2)	\$ 932,400.00
	1C060K580054 (Building 3)	\$ 925,700.00
	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	<u>\$ 189,300.00</u>
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

TOTAL OF 10 PAGES WITH THIS COVER PAGE

Hospitality Group LLC
d.b.a. Frontier Suites Airport Hotel
Donald C. Madsen
Managing Member

OFFICIAL PUBLIC RECORDS REQUEST

D&M Rentals LLC
d.b.a. Juneau Hotel
PO Box 32399
Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

Gentlemen:

This letter is an Official Public Records Request for copies of all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

This letter is also Officially asking that you preserve all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

CBJ identification numbers:

1C060K580055
1C060K580054
1C060K580053
1C060K580052
1C060K600060

Per Alaska Administrative Code 2 AAC 96.325 you have 10 days to respond.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

D&M Rentals LLC
 d.b.a. Juneau Hotel
 PO Box 32399
 Juneau, Alaska 99803-2399

April 22, 2021

City & Borough of Juneau
 Assessor's Office
 155 South Seward Street
 Juneau, Alaska 99801

RE:	CBJ identification numbers	CBJ Assessed Valuation 2021
	1C060K580052 (Lobby Building 1)	\$4,412,400.00
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	1C060K580055 (Building 4)	\$ 962,200.00
	1C060K600060 (Building 5)	\$ 189,300.00
TOTAL:	Juneau Hotel (73 rooms)	\$7,422,000.00

Gentlemen:

Per CBJ Code, all taxable property in the City and Borough of Juneau shall be assessed uniformly within classifications and at its full and true value in money as of January 1 of the assessment year.

True and full value is the value determined by considering the earnings or productive capacity of a property, if any, the market value, if any, and any other conditions that effect the value of property.

Market value, as determined by the International Association of Assessing Officers, "is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

It's simple the Market Comparison Approach says a hotel is worth the same amount of money that a similar property within a similar market recently sold for as adjusted for differences among the hotels. Since there have been no recent sales of hotels that I am aware of and only a listing of the Travel Lodge (different market area), which indicates a willing sellers offer to sell, but no

willing buyer has stepped up to the price, which makes the listing price unusable in the Market Approach.

With the absence of comps to support the market approach the ADR or Average Daily Rate is one of the better known KPIs (Key Performance Indicators) of the hotel industry and this rule of thumb essentially assigns a worth of 1,000 times the ADR per room. {Value = ADR x 1000 x Number of Rooms}

The ADR for the Juneau Hotel for 2020 was \$74.25 x 1000 x 73 giving it a total all things considered estimated value of \$5,420,068.00 as of January 1, 2021. (see ATTACHMENT "A")

Since there are three parcels that make up the hotel property I have assigned the values as follows, however the values can be adjusted as long as the total for the three cannot exceed \$5,420,068.00.

CBJ identification numbers	Owners Valuation 2021
1C060K580052 (Lobby Building 1)	\$3,222,245.00
1C060K580053 (Building 2)	\$ 680,904.00
1C060K580054 (Building 3)	\$ 676,011.00
1C060K580055 (Building 4)	\$ 702,666.00
1C060K600060 (Building 5)	\$ 138,242.00
TOTAL: Juneau Hotel (73 rooms)	\$5,420,068.00

You can be assured that the Market Approach, if comps were available would not support these estimates, the Income Approach also would not support these estimates.

Sincerely;



D&M Rentals LLC
d.b.a. Juneau Hotel
Donald C. Madsen
Managing Member

Juneau Hotel 73 rooms counting the house 2020 ADR

ATTACHMENT "A"

Month	Average Daily Rate (ADR)
January	\$ 76.66
February	\$ 85.07
March	\$ 79.68
April	\$ 49.84
May	\$ 67.53
June	\$ 68.35
July	\$ 81.91
August	\$ 86.71
September	\$ 89.13
October	\$ 79.86
November	\$ 65.70
December	\$ 60.53
	\$ 890.97 divide 12 \$ 74.25 Annual ADR

Key Performance Indicators (KPIs) assigns a hotels worth as {Value = ADR x 1000 x Number of Rooms}

Value =	ADR	X 1000	X # Rooms 73
Juneau Hotel	\$ 74.25	\$ 74,247.50	\$ 5,420,068

	CBJ Valuation	Owners Valuation
1C060K580055	\$ 962,200.00	73% \$ 702,666
1C060K580054	\$ 925,700.00	73% \$ 676,011
1C060K580053	\$ 932,400.00	73% \$ 680,904
1C060K600060	\$ 189,300.00	73% \$ 138,240
1C060K580052	<u>\$ 4,412,400.00</u>	73% <u>\$ 3,222,245</u>
	\$ 7,422,000.00	\$ 5,420,068

	Values	Percentage
CBJ	\$ 7,422,000.00	
Owner	\$ 5,420,067.50	0.73


APR 22 2021



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

Assessment Year: **2021**
Parcel ID Number: **1C060K580052**

For Office Use: Review # Appeal #

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

Parcel ID Number	1C060K580052		
Owner Name	D&M Rentals LLC		
Primary Phone #	(907) 789-7206		
Physical Address	TIDELANDS ADDITION BL 58 LT6		
Name of Applicant	Donald Madsen		
Email Address	madsens@gci.net		
Mail Address	PO Box 32399 Juneau, Alaska 99803-2399		
Why are you requesting your value? (Check box and provide a detailed explanation below for your appeal to be valid)			
☒ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied		THE FOLLOWING ARE NOT GROUNDS FOR APPEAL • Your taxes are too high • Your value changed too much in one year. • You can't afford the taxes	
Provide specific reasons and provide evidence supporting the item(s) checked above:			
SEE ATTACHED 4 PAGES			
Have you attached additional information or documentation?		☒ Yes ☐ No	
Values on Assessment Notice:			
Site	\$	Building	\$
		Total	\$4,412,400.00
Owner's Estimate of Value:			
Site	\$	Building	\$
		Total	\$ 3,222,245.00
Purchase Price of Property:			
Price	\$	Purchase Date	
Has the property been listed for sale? ☐ Yes ☒ No (if yes complete next line)			
Listing Price	\$	Days on Market	
Was the property appraised by a licensed appraiser within the last year? ☐ Yes ☒ No (if yes provide copy of appraisal)			
Certification:			
I hereby affirm that the foregoing information is true and correct, I understand that I bear the burden of proof and I must provide evidence supporting my appeal, and that I am the owner (or owner's authorized agent) of the property described above.			
Signature		Date	
		APR 22 2021	

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value

of Property

2021

1C060K680053

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K680053

TIDELANDS ADDITION LLC

d.b.a. Juneau Hotel

(907) 799-7206

Donald Madsen

madsens@grj.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you paid any additional taxes? ☒ Yes ☐ No

Value: \$ 932,400.00

Owned: \$ 680,904.00

Purchased: \$

Received: \$

Other: \$

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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

Petition for Review / Correction of Assessed Value

2021

1C060K580054



Office of the Assessor
155 S Seward Street
Juneau AK 99801

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K580054

Bentley LLC

d.b.a. Juneau Hotel

(907) 789-7206

Name of Applicant

Donald Madson

Email Address

madsens@pci.net

TIDELANDS ADDITION BL 58 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

Have you ever been notified by the assessor's office of a change in value? ☒ Yes ☐ No

What is the assessed value of your property?

Site \$ 925,700.00

Crew \$ 676,011.00

Site \$

Crew \$

Site \$

Crew \$

Signature

Date

APR 22 2021

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

1C060K880055

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K880055	
Black Rentals LLC d.b.a. Juneau Hotel (907) 789-7206	Name of Person: Donald Madson Email: madsons@cd.net
TIDELANDS ADDITION BL 58 LT	PO Box 32399 Juneau, Alaska 99803-2399
☒ My property value is excessive/overvalued ☐ My property value is unequal to similar properties ☐ My property was valued improperly/incorrectly ☐ My property has been undervalued ☐ My exemption(s) was not applied	THE FOLLOWING ARE <u>NOT</u> GROUNDS FOR APPEAL • Your taxes are too high • Your value changed too much in one year. • You can't afford the taxes
SEE ATTACHED 4 PAGES	
Have you ever had a professional appraisal of your property? ☒ Yes ☐ No	
Value of property as assessed:	\$ 962,200.00
Value of similar properties:	\$ 702,666.00
Purchase price of property:	
Assessed value of property:	
Value of property as assessed:	
Signature	Date APR 22 2021

Contact Us: CBJ Assessors Office

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



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value
Real Property

2021

1C060K800060

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

1C060K800060

D&M Rentals LLC
d.b.a. Juneau Hotel
(907) 789-7206

Donald Madsen

madsens@aci.net

TIDELANDS ADDITION BL 60 LT

PO Box 32399

Juneau, Alaska 99803-2399

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

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

SEE ATTACHED 4 PAGES

☒ Yes ☐ No

Value of property: \$ Total: \$ 189,300.00

Value of property: \$ Total: \$138,242.00

Value of property: \$ Total: \$138,242.00

Value of property: \$ Total: \$138,242.00

Value of property: \$ Total: \$138,242.00

Signature: Date: 4-22-21

Contact Us: CBJ Assessors Office

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



OFFICE OF THE ASSESSOR

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

9/22/2021

Received

SEP 28 2021

D&M Rentals LLC
PO Box 32399
Juneau AK 99803

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 1C060K600060
RESPONSE DEADLINE: 9/29/2021

PARCEL: 1C060K600060
PHYSICAL LOCATION: 1105 W Ninth St

D&M Rentals LLC,

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

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **1C060K600060**:

VALUE DETERMINATION

Recommended Action: **No Change**

2021 Initial valuation:	\$189,300
2021 Owner estimate of value:	\$138,242
2021 Final determination:	\$189,300

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

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

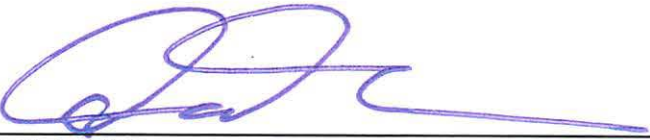
YES, I accept the recommended value determination provided by the Assessor

X

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

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

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



Appellant signature

SEP 25 2021

_____ Date

If we do not receive a response from you by **9/29/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

**D & M RENTALS LLC
PO BOX 032399
JUNEAU AK 99803-2399**

PAGE 361
2021-11-02 BOE HEARING PACKET
**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	1C060K600060
Property Location	1105 W NINTH ST
Appeal No.	APL20210251
Sent to Email Address:	madsens@gci.net

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0251

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: D&M Rentals LLC

Location: 1105 W Ninth St

Parcel No.: 1C060K600060

Property Type: Commercial

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	Not provided	\$ 96,300	\$96,300
Buildings:	Not provided	\$ 93,000	\$93,000
Total:	\$ 138,242	\$ 189,300	\$ 189,300

Subject Photo



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OVERVIEW

The subject was built as a 615 sf single family residence which currently used as a rental unit incorporated with the Juneau Hotel, located in Downtown Juneau.

Subject Characteristics:

- Land
 - 1,605 SF lot
 - Level, developed lot
- Building
 - 615 SF GBA

SUBJECT PHOTOS

	Front left
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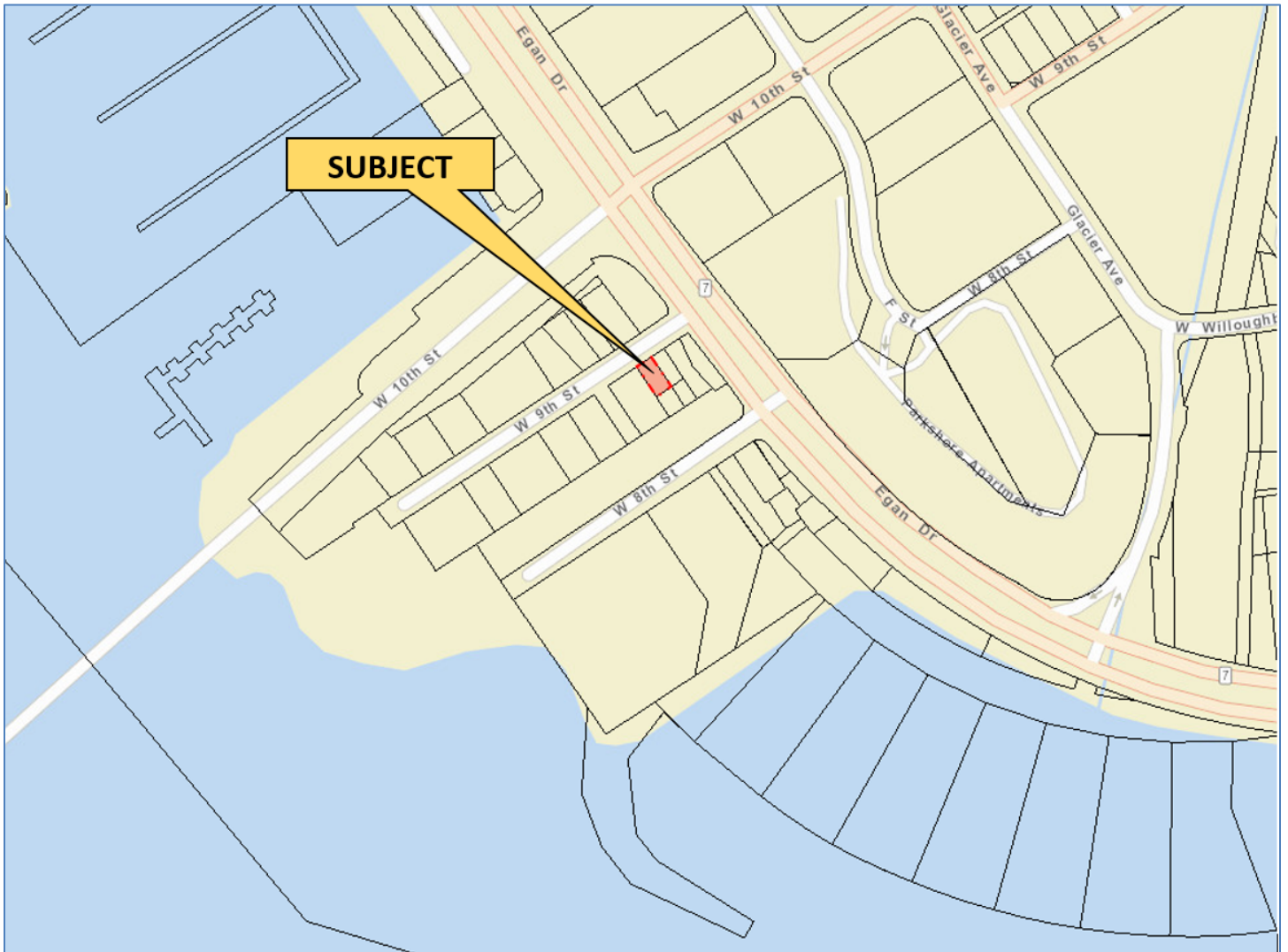


Front



Side

AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

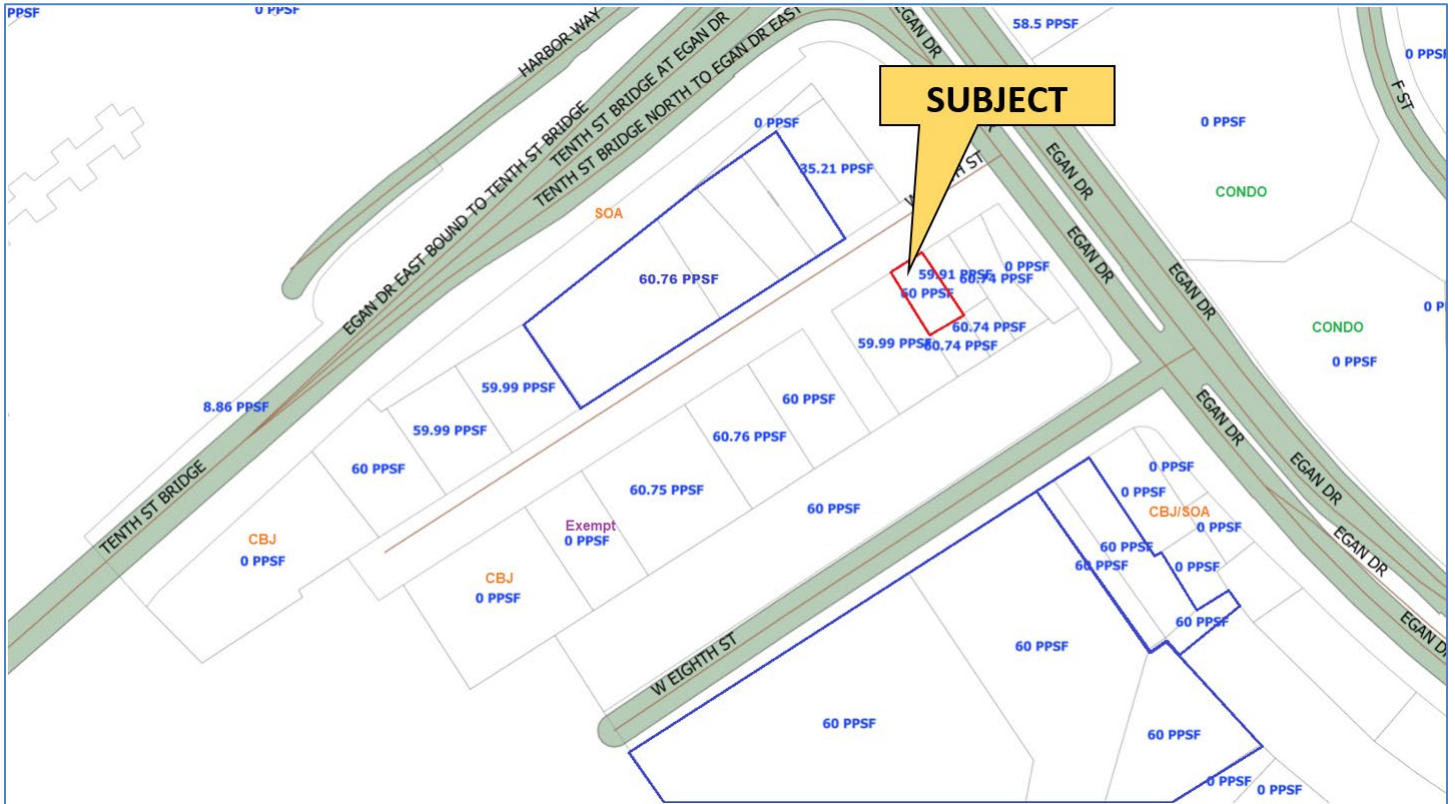
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation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

The subject site features are a level, developed lot that is in the downtown area. The subject parcel's land value is equitable and is not excessive.

Land Characteristics:

- 1,605 SF lot
- Level, developed lot

Land Values



BUILDING(S)

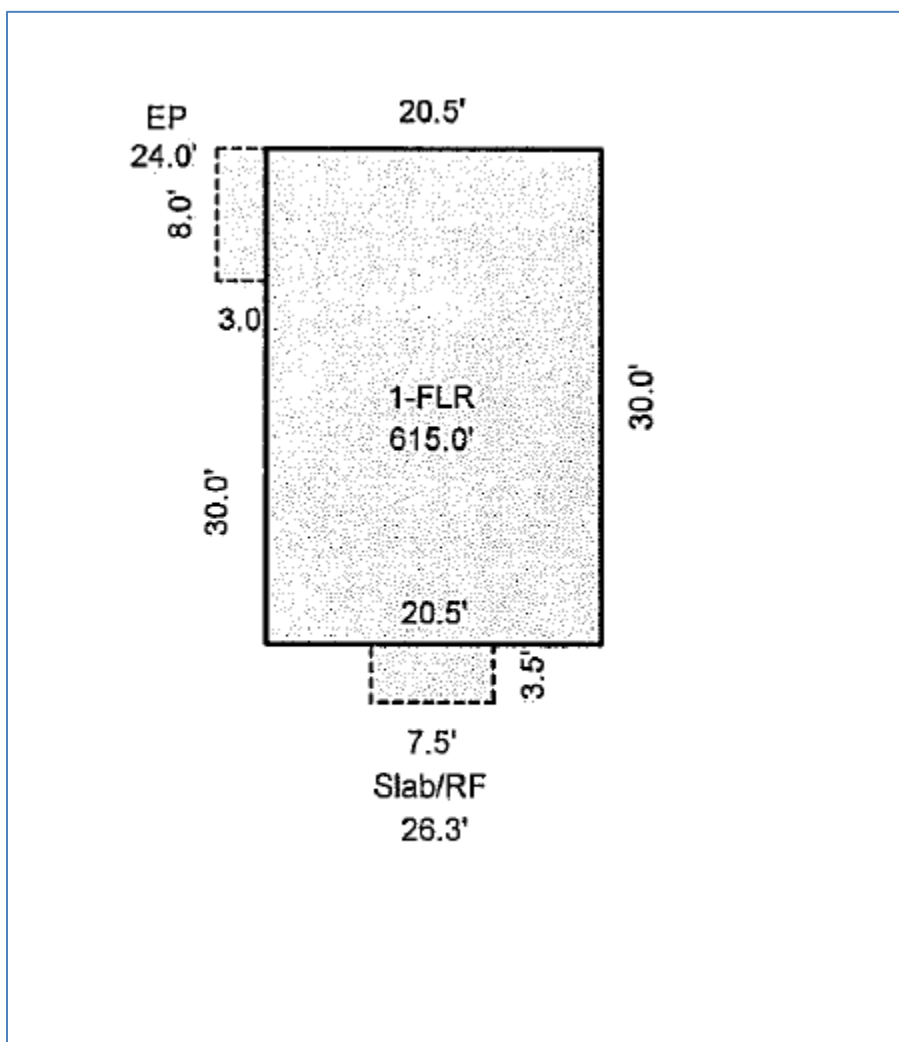
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

- 615 SF GBA

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.

1038		Record		1		
Parcel Code Number	1C060K600060	Building Type	R- Single-family Residence			
Owner Name	D & M RENTALS LLC	Quality	3			
Parcel Address	1105 W NINTH ST	Construction	Stud Frame			
Effective Year Built	2006	Total Livable	615			
Year Built	1955	Style	One Story			
Base						
Exterior	Frame, Wood Shingle	109.00	100%			
Roof	Metal, Preformed	4.25	100%			
Heating	Electric Baseboard	-0.44	100%			
Adjusted Base Cost	615	112.81			69,378	
Exterior Improvement(s)						
Porch	Enclosed Porch (SF), Solid Wood Deck	24	84.00	2,016		
Porch	Slab Porch (SF) with Roof	26	23.75	618		
Total					2,634	
Additional Feature(s)						
Feature	Fixture	5			7,400	
Total					7,400	
Sub Total						79,412
Condition	Average					
Local Multiplier		1.24	[X]	98,470		
Current Multiplier		1.08	[X]	106,348		
Quality Adjustment			[X]	106,348		
Neighborhood Multiplier			[X]	106,348		
Depreciation - Physical		1.00 [X]	15.00	[-]	15,952	
Depreciation - Functional				[-]	0	
Depreciation - Economic				[-]	0	
Percent Complete			100.00	[-]	90,396	
Cost to Cure						
Neighborhood Adjustment				[X]		
Replacement Cost less Depreciation					90,396	
8/11/04 per stat warr deed recorded 4/12/04;						
8/11/04 chg mail addr per phone conv w/Anita;						
11/2/7 PerStatWarrDeedtd9/5/7;						
4/28/08AddrChngPerUtilityBilling						
2/13/12 1C060K600060 Chg Mail Addr Per CBJ Treas/tlu;						
12/18/12 Canvass. Use code chg to Comm. jcs						
Miscellaneous Improvements						
HDV				[+]	2,000	
Total Miscellaneous Improvements					2,000	
Total Improvement Value			[Rounded]	\$92,400		

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.

Because these income approach calculations are based off information publicly available online and provided as part of the appeal, the information may be placed in the Assessor's appeal record, which is a publicly available document.



Assessor's Office
Appraisal Form

Parcel No. 1C060K58xxxx (Juneau Hotel)

Situs 1200 W Ninth St

Owner D&M Rentals (Madsen)

Assessment	AY	Value Date	Values on	Land	Bldg	Misc	Total
Data	2021	1/1/2021	Notice -->				7,422,000

Based on Average Room Rate Submitted by Appellant

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	1,978,391							
Vacancy / Collection Loss Fact	(692,437)	35.00%		74 Avg Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,285,954		1,978,391.25			Utilities	#DIV/0!	Debt Service
Expenses	(692,437)					Supplies	#DIV/0!	Income Taxes
NOI	593,517					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	8,478,820				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			692,437	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	1,978,391	Total	692,437	Total		
Indicated Value	8,478,820		Econ Life	50	Reserve %	1%	Replac.Res.	19,784
			NOI % of Gross	30%	Exp % Gross	35%		

Based on Room Rates Listed on Subjects Website & Reservatin Portal

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	ExpNot To Incl
Gross Income	2,664,500							
Vacancy / Collection Loss Fact	(932,575)	35.00%		100 Est. Rate		Mgmt	#DIV/0!	Prop.Taxes
Misc Income				73 # of Rooms		Wages	#DIV/0!	Depreciation
Eff.GI	1,731,925		2,664,500.00			Utilities	#DIV/0!	Debt Service
Expenses	(932,575)					Supplies	#DIV/0!	Income Taxes
NOI	799,350					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	7.00%	11,419,286				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			932,575	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	2,664,500	Total	932,575	Total		
Indicated Value	11,419,286		Econ Life	50	Reserve %	1%	Replac.Res.	26,645
			NOI % of Gross	30%	Exp % Gross	35%		

The 35% Expense ratio and 35% vacancy ratio come from both reported national averages as well as local information supplied by other hotels.

The \$1,000 ADR multiplier references that I could find are all from 2018 or earlier.

The ADR multiplier is very broad brush and not the recommended approach for a more definitive value.

The ADR is not an accepted appraisal approach, the sales comparison or income approach are generally the recommended approaches.

The 7% cap rate is derived from national information, testing of cap rate data against local sales.

Also taken into consideration was information from an IAAO workshop on valuing hotels in the midst of Covid.

October Rates from Reservation Price Quote

129 Queen Suite
139 2 Queen
169 2 Queen Jacuzzi
129 2 Queen Deluxe
139 Queen Jacuzzi
119 Govt/Corp

137 Average

109 Fall special for Queen but did not come up for this October 31

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report

1C060K600060
D & M RENTALS LLC
1105 W NINTH ST
TIDELANDS ADDITION BL 60 LT 10 FR

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$96,300.00		\$93,000.00	\$189,300.00
2020	\$64,200.00		\$93,000.00	\$157,200.00
2019	\$64,200.00		\$93,000.00	\$157,200.00
2018	\$64,200.00		\$93,000.00	\$157,200.00
2017	\$75,000.00		\$93,000.00	\$168,000.00
2016	\$75,000.00		\$93,000.00	\$168,000.00
2015	\$75,000.00		\$93,000.00	\$168,000.00
2014	\$75,000.00		\$93,000.00	\$168,000.00
2013	\$75,000.00		\$93,000.00	\$168,000.00
2012	\$75,000.00	\$0.00	\$93,000.00	\$168,000.00
2011	\$75,000.00	\$0.00	\$83,600.00	\$158,600.00
2010	\$75,000.00	\$0.00	\$83,600.00	\$158,600.00

SUMMARY

State statute requires the Assessor to value property at “full and true value”. According to appraisal standards and practices set by the Alaska Association of Assessing Officers, the State of Alaska Office of the State Assessor, and the International Association of Assessing Officers, correct procedures of assessment were followed for the subject. These standards and practices include consideration of any market value increase or decrease as determined by analysis of sales.

The assessed value was reviewed in response to the Petition for Review. Our findings are as follows.

The land and buildings are valued using the same methods and standards as all other properties in the Borough.

Additional Details:

- The appellant states that their assessed value is excessive/overvalued.
 - We find that the value is equitable and is not excessive.
- The appellant states that with the absence of comps to support the market approach the ADR or Average Daily Rate should be used.
 - The ADR multiplier is an industry quick “off-the-cuff” indicator of value. It is not a standard compliant approach for appraisal purposes. In addition there has been no work done to calibrate that multiplier so that it produces values that are equitable with other commercial assessments. As an “off-the-cuff” indicator it is also problematic in that all of the references to the \$1,000 multiplier are from 2018 or prior and a lot has changed since 2018 as illustrated by the changes in the cap rates and room rates. Many of the articles that we read in our research also make a point of indicating that an actual income approach is preferred for getting a more precise value.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

This group of appeals represents a 73-unit hotel and long-term rental property located in Downtown Juneau. We are discussing appeals for five parcels, 1C060K580052, 1C060K580053, 1C060K580054, 1C060K580055, 1C060K580060. When combined, these parcels include 36,655 sf of land. Improvements include a 28,112 sf, three story building containing lobby, office, meeting and laundry space, as well as 36 suites, two 5,872 sf three story buildings containing 12 suites each, and one 5,942 sf three story buildings containing 12 suites each, and a 615 sf house considered 1 suite.

The overall percent of change for these combined properties from 2010 to 2021 is 11%

The chart below outlines the change in value from 2020 to 2021 and the recommended assessed value for 2021.

Parcel Number	2020 Value	Percent Change	2021 Recommended Value
1C060K580052	\$3,980,500	10.8%	\$4,412,400
1C060K580053	\$841,700	10.8%	\$932,400
1C060K580054	\$834,900	10.9%	\$925,700
1C060K580055	\$858,900	12%	\$962,200
1C060K580060	\$157,200	20.4%	\$189,300
Overall	\$6,673,200	11%	\$7,422,000

We find that no change to the 2021 assessed values are warranted and ask that the BOE uphold the assessed values.

ADDENDUM A – General Information (Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.

19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer's report that it is going to take \$750,000 to remedy the issue. Rather, many of this year's appeals have general statements such as "you can't raise my value that much in one year," or "there was no justification for raising values." As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B - Analysis (Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

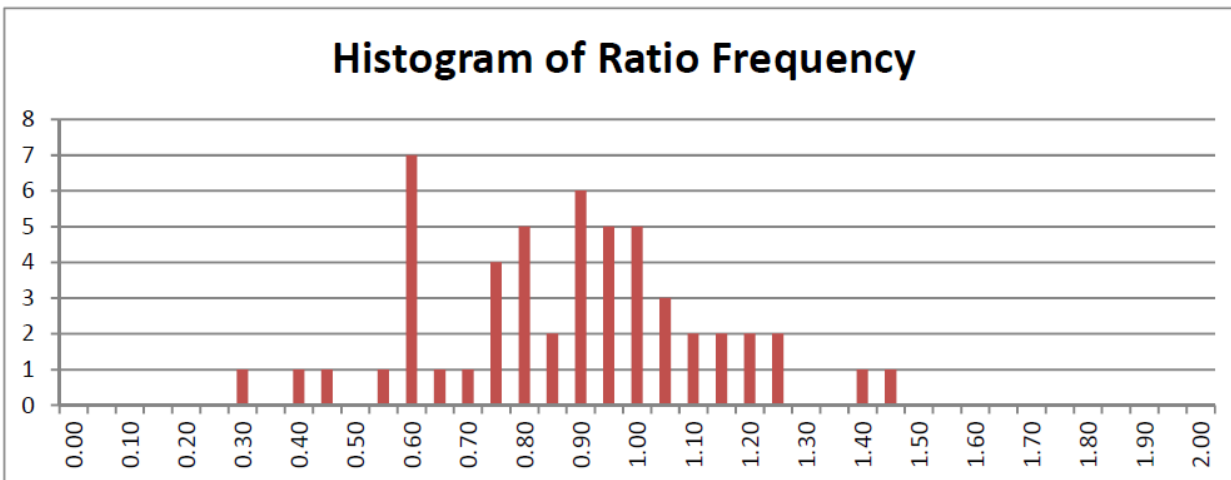
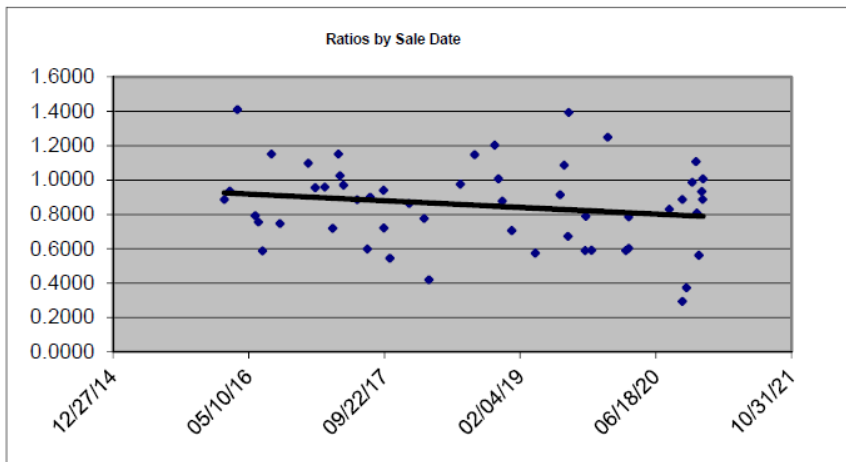
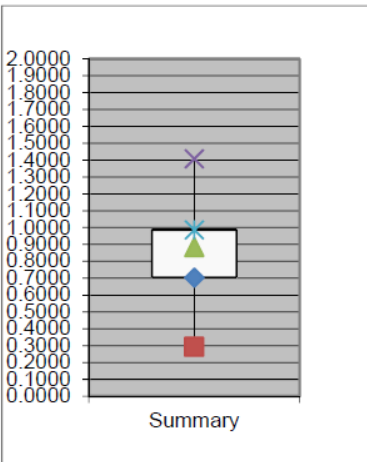
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

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	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C
(1) These were the sales available to us for our market analysis for assessment year 2021.									
(2) Some sales prices are confidential, specifically when the only sale source is the buyer.									
(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021, only sales prior to 11/26/2020 confidential.									
(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071									
(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.									
(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.									
(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios									
(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.									
(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.									

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information

FAX COVER PAGE

FROM:

D&M Rentals LLC
PO Box 32399
Juneau, Alaska 99803-2399
Fax (907) 789-2171
Phone (907) 789-7206

May 1, 2021

TO:

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801
Fax (907) 586-4520
Phone (907) 586-5215

2021 APPEAL OF ASSESSED VALUE FOR THE FOLLOWING PARCEL

RE: CBJ identification number	CBJ Assessed Valuation 2021
5B1601020170 USS 381 FR	\$4,945,600.00

TOTAL OF 5 PAGES WITH THIS COVER PAGE

D&M Rentals LLC
Donald C. Madsen
Managing Member

OFFICIAL PUBLIC RECORDS REQUEST

D&M Rentals LLC
PO Box 33679
Juneau, Alaska 99803-3679

May1, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

Gentlemen:

This letter is an Official Public Records Request for copies of all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

This letter is also Officially asking that you preserve all records of Data Sources and Methods, including all Work Papers, used to calculate, including all written and electronic correspondence, for both the 2021 original assessed value and the 2021 adjusted assessed value, for CBJ identification numbers listed below.

CBJ identification number:

5B1601020170

Per Alaska Administrative Code 2 AAC 96.325 you have 10 days to respond.

Sincerely;



D&M Rentals LLC
Donald C. Madsen
Managing Member



Office of the Assessor
155 S Seward Street
Juneau AK 99801

Petition for Review / Correction of Assessed Value

Real Property

2021

8B1601020170

2021 Filing Deadline: MONDAY, MAY 3

Please attach all supporting documentation

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

8B1601020170

D&M Rentals LLC

(907) 789-7206

USS 381 FR.

Donald C. Madsen

madsens@pci.net

PO Box 32399

Juneau, Alaska 99803-2399

- Why are you filing this appeal?
- ☒ My property value is excessive/overvalued
☐ My property value is unequal to similar properties
☐ My property was valued improperly/incorrectly
☐ My property has been undervalued
☐ My exemption(s) was not applied

THE FOLLOWING ARE NOT GROUNDS FOR APPEAL

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

Have you attached all supporting documentation? ☒ Yes ☐ No

\$ \$ \$4,946,600.00

\$ \$ \$

\$ \$

\$ \$

Signature

Date

MAY - 1 2021

Contact Us: CBJ Assessors Office

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

D&M Rentals LLC
PO Box 32399
Juneau, Alaska 99803-2399

May 1, 2021

City & Borough of Juneau
Assessor's Office
155 South Seward Street
Juneau, Alaska 99801

RE: CBJ identification number CBJ Assessed Valuation 2021
 5B1601020170 \$4,945,600.00

Gentlemen:

Per CBJ Code, all taxable property in the City and Borough of Juneau shall be assessed uniformly within classifications and at its full and true value in money as of January 1 of the assessment year.

True and full value is the value determined by considering the earnings or productive capacity of a property, if any, the market value, if any, and any other conditions that effect the value of property.

Market value, as determined by the International Association of Assessing Officers, "is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arms-length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used.

This is a mixed use parcel having both residential and commercial occupancy, it therefore cannot be financed at the low interest rates a strictly residential or even a strictly commercial property would enjoy. This places the property, in the view of an investor, as a harder to finance and a riskier investment.

I was unable to find recent sales of similar mixed occupancy parcels in the Juneau's market to use as comps. So I have used the income approach and applied a cap rate of 7.9% which is currently used in Anchorage for similar type properties.

Investors in Juneau's market generally would use a higher cap rate than Anchorage due to the limited size and weaker economy, however when applying the Anchorage 7.9% cap rate to the net income, after adding back the

depreciation, amortization and the interest paid, I come up with the value as listed below.

CBJ identification numbers
5B1601020170

Owners Valuation 2021
\$3,480,941.00

You can be assured that the Market Approach, if comps of similar properties were available, would not support this value.

Sincerely;



D&M Rentals LLC
Donald C. Madsen
Managing Member



OFFICE OF THE ASSESSOR

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

9/22/2021

Received

D&M Rentals LLC
PO Box 32399
Juneau AK 99803

SEP 28 2021

CBJ-Assessors Office

RE: FINAL DETERMINATION -- 2021 Property value Petition for Review -- 5B1601020170
RESPONSE DEADLINE: 9/29/2021

PARCEL: 5B1601020170
PHYSICAL LOCATION: 9320 Glacier Hwy

D&M Rentals LLC,

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

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

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

Based upon the evidence that you provided we have made the following determination regarding 2021 assessment valuation of **5B1601020170**:

VALUE DETERMINATION

Recommended Action:	No Change
2021 Initial valuation:	\$4,945,600
2021 Owner estimate of value:	\$3,480,941
2021 Final determination:	\$4,945,600

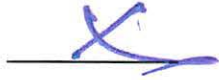
We have reviewed your assessed value and did not find that the value is excessive or improper.

The basis for the 2021 assessed values is a market analysis based upon available sales data which adhered to IAAO assessment standards.

APPELLANT RESPONSE FOR ASSESSMENT YEAR 2021 PETITION FOR REVIEW

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

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



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

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

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



Appellant signature

SEP 25 2021

Date

If we do not receive a response from you by **9/29/2021**, the Petition for Review will be scheduled for the Board of Equalization where you will be expected to present **specific evidence** as to why your parcel is not valued correctly.

Sincerely,



Mary Hammond
Assessor
City & Borough of Juneau



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

**D & M RENTALS LLC
PO BOX 032399
JUNEAU AK 99803-2399**

PAGE 397
2021-11-02 BOE HEARING PACKET
**Meeting of Board of Equalization (BOE) and
Presentation of Real Property Appeal**

Date of BOE	Tuesday, November 2, 2021
Location of BOE	Via ZOOM Webinar
Time of BOE	5:30 pm
Mailing Date of Notice	October 15, 2021
Parcel Identification	5B1601020170
Property Location	9320 GLACIER HWY
Appeal No.	APL20210380
Sent to Email Address:	madsens@gci.net

ATTENTION OWNER

This is to inform you that the Board of Equalization will meet in the Municipal Building at 155 South Seward Street, Juneau, 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 Monday, October 25, 2021** 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 Tuesday, October 26, 2021** 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



APPEAL #2021-0380

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION November 2, 2021

ASSESSOR OFFICE

Appellant: D&M Rentals LLC

Location: 9320/9322/9324/9326/9328/9340/9342 Glacier Hwy

Parcel No.: 5B1601020170

Property Type: Commercial – Retail/Residential apartments

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	Not provided	\$ 2,442,600	\$ 2,442,600
Buildings:	Not provided	\$ 2,503,000	\$ 2,503,000
Total:	\$ 3,480,941	\$ 4,945,600	\$ 4,945,600

Subject Photo

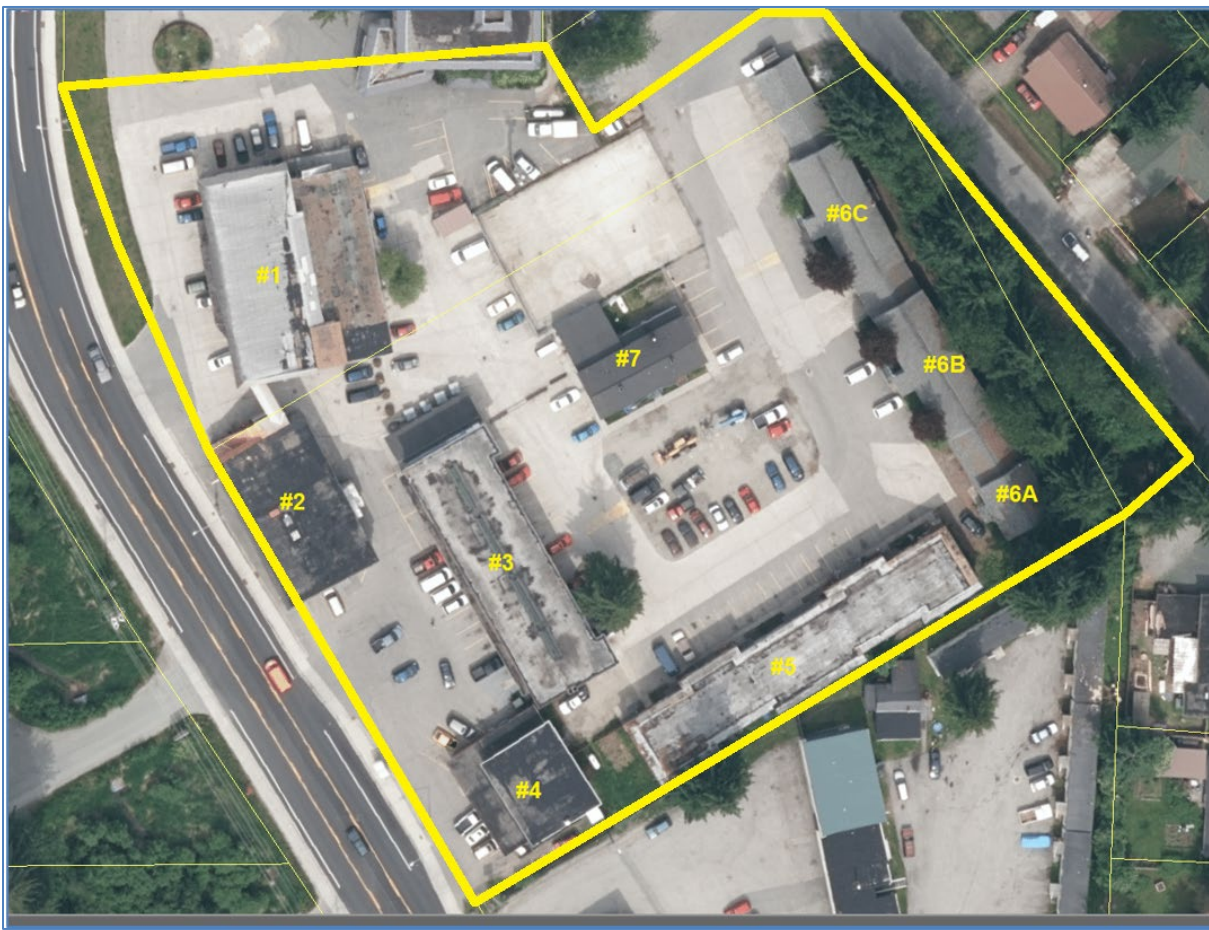


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OVERVIEW

The subject is a multi-improvement complex that includes several retail locations along Glacier Highway frontage with residential apartments located toward the rear of the parcel. There are a total of 9 buildings associated with the parcel.

Subject Characteristics:

- Land
 - 3.5401 AC lot = 154,205 SF
 - Level, developed lot
 - Proximity to commercial centers
- Buildings
 - Building #1 – Two-story building with mixed retail/apartments on the 1st level, apartments on the 2nd level.
 - 14,234 SF GBA
 - 4,095 SF Retail
 - 10,139 SF Apartments (11 units)
 - Building #2 – Two-story building with mixed retail/storage on the 1st level, office space/storage on the 2nd level
 - 8,098.8 SF GBA
 - 2,988 SF Retail
 - 3,137.8 SF Storage
 - 1,973 SF Office space
 - Building #3 – Three-story building with retail on the 1st level, apartments on the 2nd and 3rd levels
 - 15,660 SF GBA
 - 5,136 SF Retail
 - 444 SF Storage
 - 10,080 SF Apartments (20 units)
 - Building #4 – Two-story building with mixed retail/storage on the 1st level, apartments on the 2nd level
 - 4,409 SF GBA
 - 2,300 SF Retail/restaurant
 - 444 SF Storage
 - 1,665 SF Apartments (2 units)
 - Building #5 – Two-story building with apartments on the 1st and 2nd levels
 - 13,068 SF GBA
 - 13,068 SF Apartments (11 units)
 - Building #6A – Two-story building with apartments on the 1st and 2nd levels
 - 1,512 SF GBA
 - 1,512 SF Apartments (2 units)
 - Building #6B – Two-story building with apartments on the 1st and 2nd levels
 - 3,888 SF GBA
 - 3,888 SF Apartments (4 units)
 - Building #6C – Two-story building with apartments on the 1st and 2nd levels
 - 3,672 SF GBA
 - 3,672 SF Apartments (4 units)
 - Building #7 – Two-story building with laundry facilities and apartments on the 1st level and apartments on the 2nd levels
 - 3,556 SF GBA
 - 1,300 SF Laundry facilities
 - 2,256 SF Apartments (4 units)

SUBJECT PHOTOS

Building #1 - Front



Building #2



Building #3



Building #4



Building #5



Building #6A



Building #6B



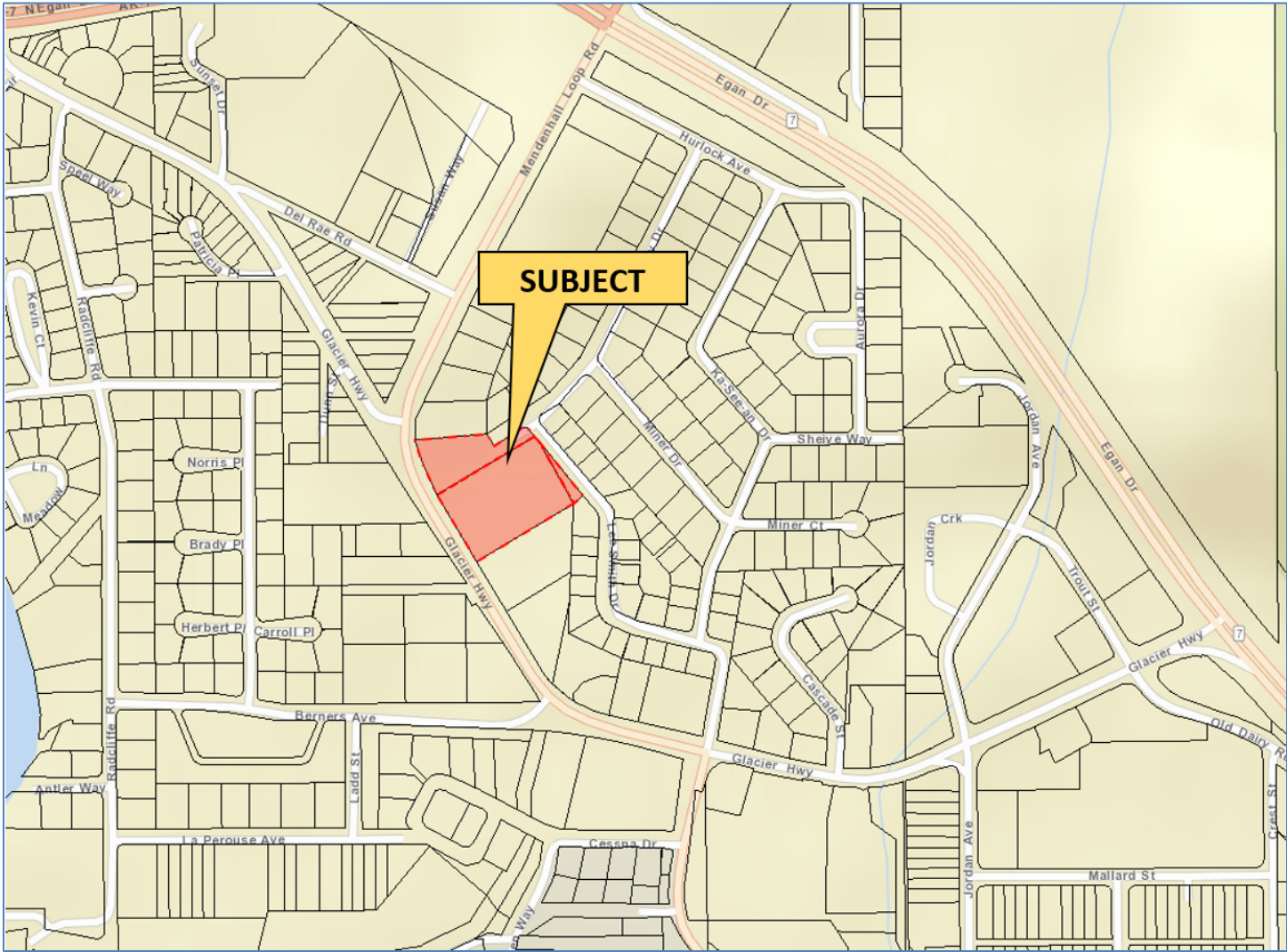
Building #6C



Building #7



AREA MAP & AERIAL





ASSESSED VALUES

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

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

LAND

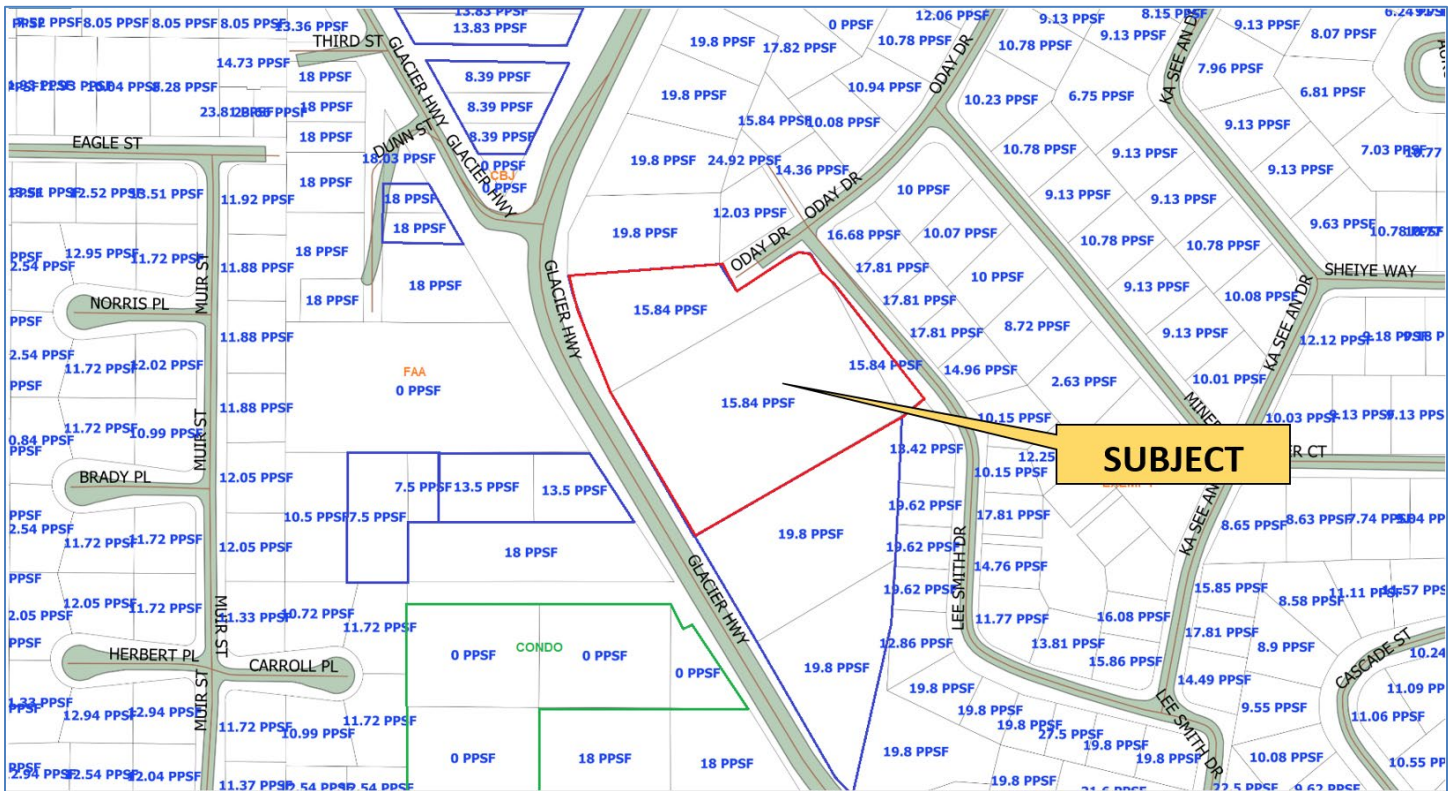
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation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

The subject site features a flat, developed lot in the Mendenhall Valley. The subject parcel's land value is equitable and is not excessive.

Land Characteristics:

- 3.5401 AC lot = 154,205 SF
- Level, developed lot

Land Values



BUILDING(S)

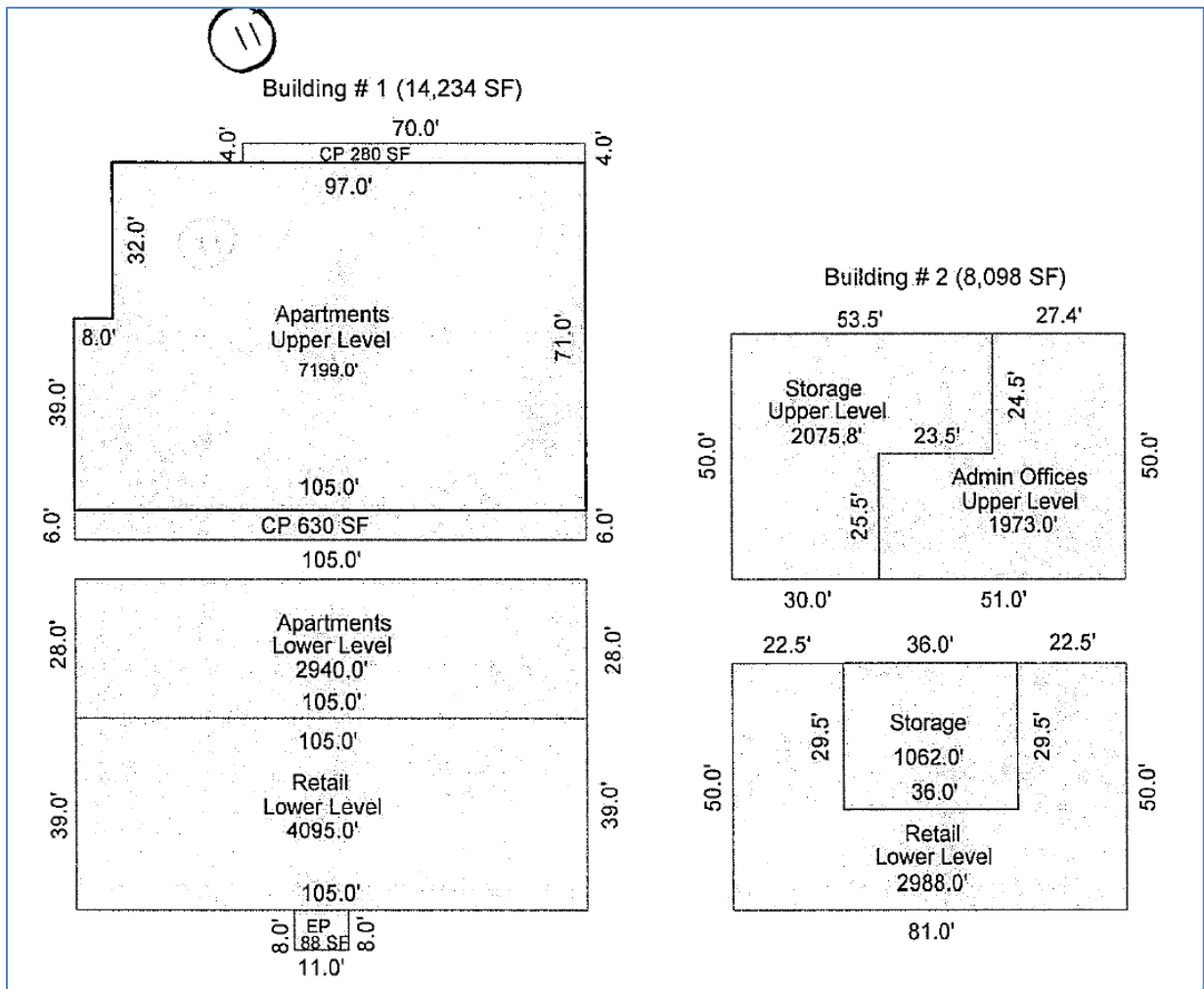
The building component may be based on market adjusted cost tables, residual from sales after extraction of the land value or other appropriate means.

Ratio studies are performed to determine market adjustments.

Building Characteristics:

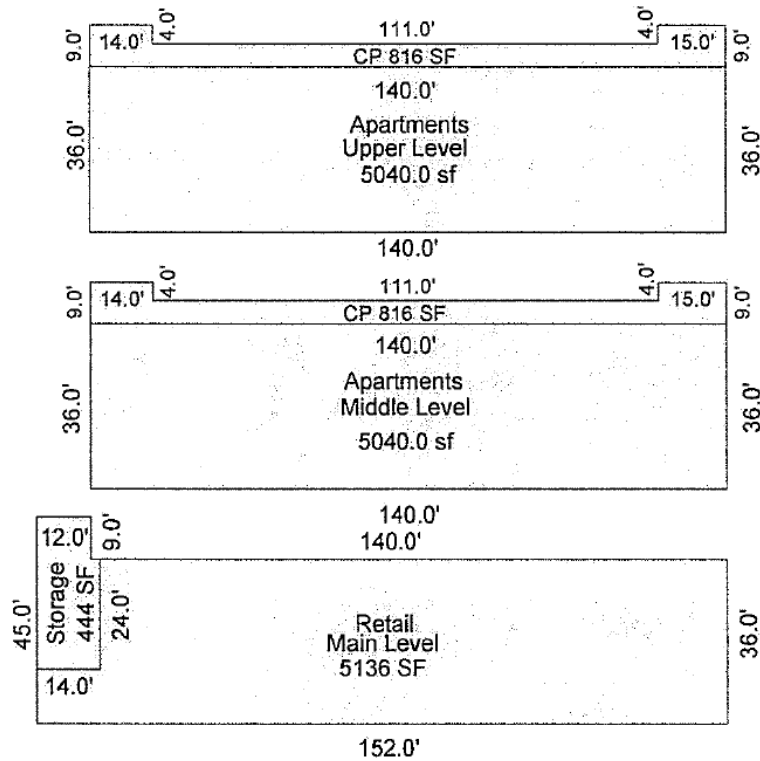
- See overview

Sketch of Improvements:



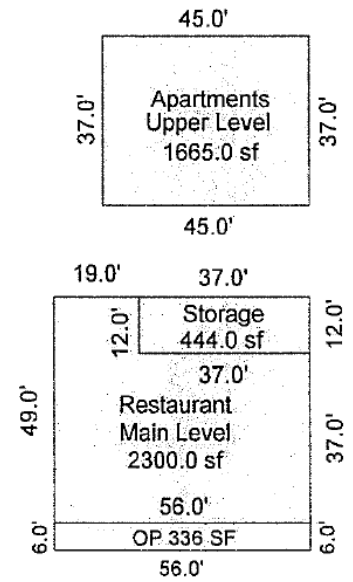
20

Building # 3 (15,660 SF)



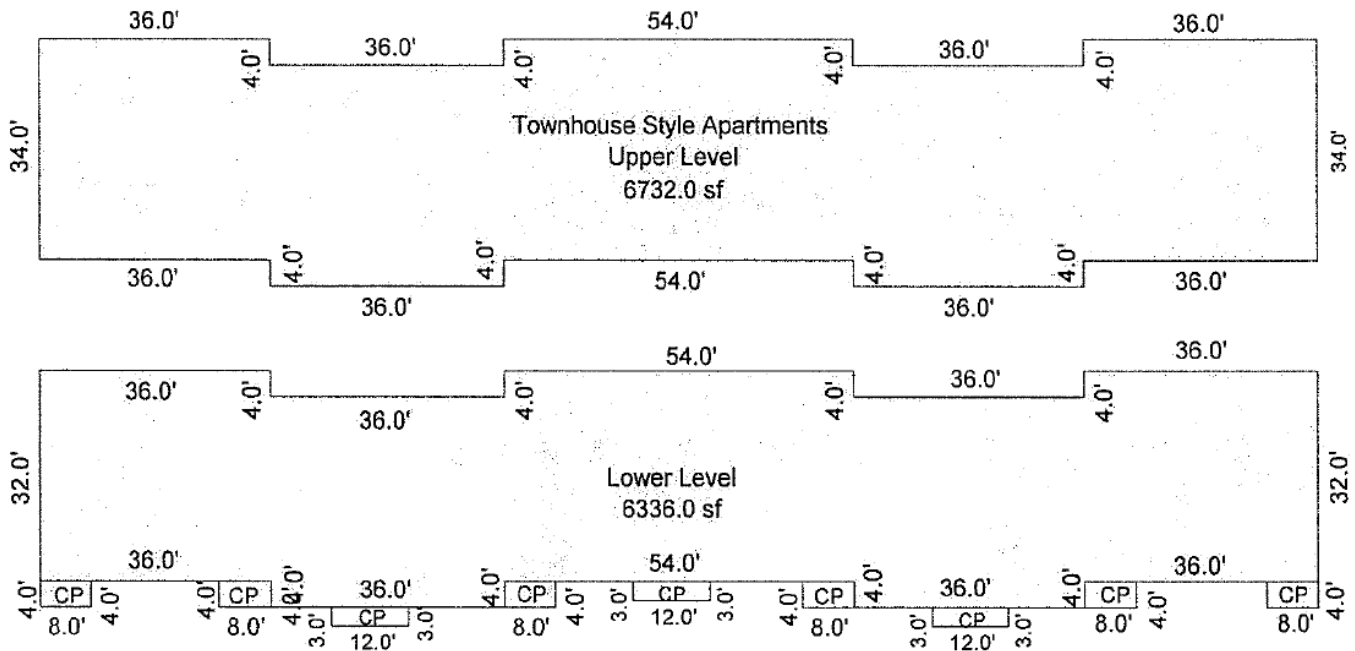
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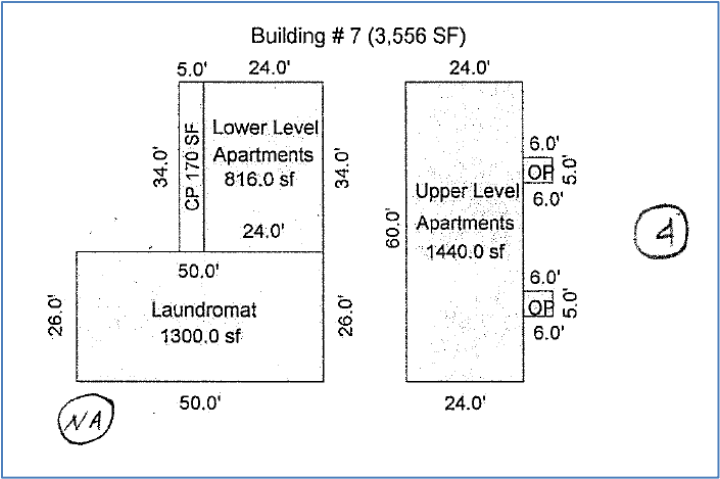
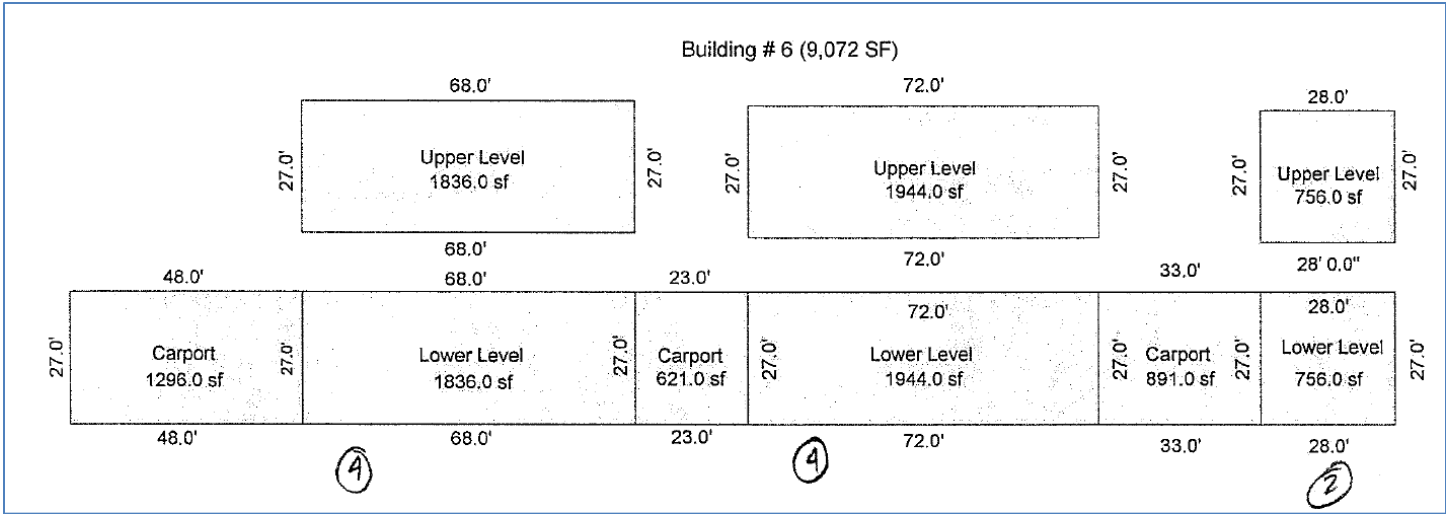
Building # 4 (4,409 SF)



11

Building # 5 (13,068 SF)





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.

8143		Record		2	
Parcel Code Number	5B1601020170	Number of Stories (Building)		1	
Owner Name	D & M RENTALS LLC	Number of Sections		0	
Parcel Address	9320 GLACIER HWY	Perimeter		D	
Effective Year Built	2000	Class		10	
Year Built	1981	Height		Low	
Building Model	C- 13 Stores, Commercials	Rank		14,234.00	
Building Type	Mixed Retail w/ Resid. Units	Total Area			

Section 2	Description	Units	Percent	Cost	+/-	Total
	Base Cost	14234		58.00		825,572
	Exterior Wall Stud Walls-Wood Siding	14234		11.77		167,550
	Heating & Cooling Heating & Cooling	14234		603.00		603
	Heating & Cooling Hot Water	14234		8.28		117,858
	Architect Fee	14234		6.40		91,098
	Sub Total					\$1,202,679.96
	Local Multiplier		1.43	[X]		\$1,719,832.00
	Current Multiplier		1.03	[X]		\$1,771,427.00
	Neighborhood Multiplier			[X]		\$1,771,427.00
	Depreciation - Physical		32.00	[-]		\$566,857.00
	Depreciation - Functional			[-]		\$0.00
	Depreciation - Economic			[-]		\$0.00
	Percent Complete		100.00	[-]		\$1,204,570.00
	Cost to Cure					
	Neighborhood Adjustment					
	Replacement Cost less Depreciation					\$1,204,570

BUILDING 1

8143		Record	3
Parcel Code Number	5B1601020170	Number of Stories (Building)	02
Owner Name	D & M RENTALS LLC	Number of Sections	1
Parcel Address	9320 GLACIER HWY	Perimeter	0
Effective Year Built	2000	Class	D
Year Built	1960	Height	8
Building Model	C- 13 Stores, Commercial	Rank	Low
Building Type	Mixed Retail w/ Resid. Units	Total Area	8,100.00

Section 3	Description	Units	Percent	Cost	+/-	Total
	Base Cost	8100		58.00		469,800
	Exterior Wall Stud Walls-Wood Siding	8100		11.25		91,161
	Heating & Cooling Heating & Cooling	8100		603.00		603
	Heating & Cooling Electric	8100		4.36		35,316
	Architect Fee	8100		6.40		51,840
	Sub Total					\$648,720.45
	Local Multiplier		1.43	[X]		\$927,670.00
	Current Multiplier		1.03	[X]		\$955,500.00
	Neighborhood Multiplier			[X]		\$955,500.00
	Depreciation - Physical		32.00	[-]		\$305,760.00
	Depreciation - Functional			[-]		\$0.00
	Depreciation - Economic			[-]		\$0.00
	Percent Complete		100.00	[-]		\$649,740.00
	Cost to Cure					
	Neighborhood Adjustment					
	Replacement Cost less Depreciation					\$649,740

BUILDING 2

8143		Record	4
Parcel Code Number	5B1601020170	Number of Stories (Building)	03
Owner Name	D & M RENTALS LLC	Number of Sections	1
Parcel Address	9320 GLACIER HWY	Perimeter	0
Effective Year Built	2000	Class	D
Year Built	1972	Height	8
Building Model	C- 13 Stores, Commercial	Rank	Low
Building Type	Mixed Retail w/ Resid. Units	Total Area	15,216.00

Section 4	Description	Units	Percent	Cost	+/-	Total
	Base Cost	15216		58.00		882,528
	Exterior Wall Stud Walls-Wood Siding	15216		11.25		171,248
	Heating & Cooling Heating & Cooling	15216		603.00		603
	Heating & Cooling Hot Water	15216		8.28		125,988
	Architect Fee	15216		6.40		97,382
	Sub Total					\$1,277,750.35
	Local Multiplier		1.43	[X]		\$1,827,183.00
	Current Multiplier		1.03	[X]		\$1,881,998.00
	Neighborhood Multiplier			[X]		\$1,881,998.00
	Depreciation - Physical		32.00	[-]		\$602,239.00
	Depreciation - Functional			[-]		\$0.00
	Depreciation - Economic			[-]		\$0.00
	Percent Complete		100.00	[-]		\$1,279,759.00
	Cost to Cure					
	Neighborhood Adjustment					
	Replacement Cost less Depreciation					\$1,279,759

BUILDING 3

8143		Record	5
Parcel Code Number	5B1601020170	Number of Stories (Building)	02
Owner Name	D & M RENTALS LLC	Number of Sections	1
Parcel Address	9320 GLACIER HWY	Perimeter	0
Effective Year Built	2020	Class	D
Year Built	1969	Height	8
Building Model	C- 13 Stores, Commercials	Rank	Low
Building Type	Mixed Retail w/ Resid. Units	Total Area	3,965.00

Section 5	Description	Units	Percent	Cost	+/-	Total
	Base Cost	3965		58.00		229,970
	Exterior Wall Stud Walls-Wood Siding	3965		11.25		44,624
	Heating & Cooling Heating & Cooling	3965		603.00		603
	Heating & Cooling Hot Water	3965		8.28		32,830
	Architect Fee	3965		6.40		25,376
	Sub Total					\$333,403.29
	Local Multiplier		1.43	[X]		\$476,767.00
	Current Multiplier		1.03	[X]		\$491,070.00
	Neighborhood Multiplier			[X]		\$491,070.00
	Depreciation - Physical		1.00	[-]		\$4,911.00
	Depreciation - Functional			[-]		\$0.00
	Depreciation - Economic			[-]		\$0.00
	Percent Complete		100.00	[-]		\$486,159.00
	Cost to Cure					
	Neighborhood Adjustment					
	Replacement Cost less Depreciation					\$486,159

BUILDING 4

8143		Record	6
Parcel Code Number	5B1601020170	Number of Stories (Building)	02
Owner Name	D & M RENTALS LLC	Number of Sections	1
Parcel Address	9320 GLACIER HWY	Perimeter	0
Effective Year Built	2000	Class	D
Year Built	1973	Height	9
Building Model	C- 12 Residential Multiples, Motels	Rank	Fair
Building Type	Multiple Res (Low Rise)	Total Area	13,068.00

Section 6	Description	Units	Percent	Cost	+/-	Total
	Base Cost	13068		61.50		803,682
	Heating & Cooling Heating & Cooling	13068		601.00		601
	Heating & Cooling Hot Water	13068		6.92		90,431
	Architect Fee	13068		1.80		23,522
	Sub Total					\$918,235.96
	Local Multiplier		1.43	[X]		\$1,313,077.00
	Current Multiplier		1.02	[X]		\$1,339,339.00
	Neighborhood Multiplier			[X]		\$1,339,339.00
	Depreciation - Physical		25.00	[-]		\$334,835.00
	Depreciation - Functional			[-]		\$0.00
	Depreciation - Economic			[-]		\$0.00
	Percent Complete		100.00	[-]		\$1,004,504.00
	Cost to Cure					
	Neighborhood Adjustment					
	Replacement Cost less Depreciation					\$1,004,504

BUILDING 5

8143		Record	7
Parcel Code Number	5B1601020170	Number of Stories (Building)	02
Owner Name	D & M RENTALS LLC	Number of Sections	1
Parcel Address	9320 GLACIER HWY	Perimeter	0
Effective Year Built	2000	Class	D
Year Built	1979	Height	9
Building Model	C- 12 Residential Multiples, Motels	Rank	Fair
Building Type	Multiple Res (Low Rise)	Total Area	9,072.00

Section 7	Description	Units	Percent	Cost	+/-	Total
	Base Cost	9072		61.50		557,928
	Heating & Cooling Heating & Cooling	9072		601.00		601
	Heating & Cooling Hot Water	9072		6.92		62,778
	Architect Fee	9072		1.80		16,330
	Sub Total					\$637,636.84
	Local Multiplier		1.43	[X]		\$911,821.00
	Current Multiplier		1.02	[X]		\$930,057.00
	Neighborhood Multiplier			[X]		\$930,057.00
	Depreciation - Physical		25.00	[-]		\$232,514.00
	Depreciation - Functional			[-]		\$0.00
	Depreciation - Economic			[-]		\$0.00
	Percent Complete		100.00	[-]		\$697,543.00
	Cost to Cure					
	Neighborhood Adjustment					
	Replacement Cost less Depreciation					\$697,543
	BUILDING 6					

8143		Record	8
Parcel Code Number	5B1601020170	Number of Stories (Building)	02
Owner Name	D & M RENTALS LLC	Number of Sections	1
Parcel Address	9320 GLACIER HWY	Perimeter	0
Effective Year Built	2000	Class	D
Year Built	1973	Height	8
Building Model	C- 13 Stores, Commercials	Rank	Low
Building Type	Mixed Retail w/ Resid. Units	Total Area	3,556.00

Section 8	Description	Units	Percent	Cost	+/-	Total
	Base Cost	3556		58.00		206,248
	Exterior Wall Stud Walls-Wood Siding	3556		11.25		40,021
	Heating & Cooling Heating & Cooling	3556		603.00		603
	Heating & Cooling Hot Water	3556		8.28		29,444
	Architect Fee	3556		6.40		22,758
	Sub Total					\$299,074.08
	Local Multiplier		1.43	[X]		\$427,676.00
	Current Multiplier		1.03	[X]		\$440,506.00
	Neighborhood Multiplier			[X]		\$440,506.00
	Depreciation - Physical		32.00	[-]		\$140,962.00
	Depreciation - Functional			[-]		\$0.00
	Depreciation - Economic			[-]		\$0.00
	Percent Complete		100.00	[-]		\$299,544.00
	Cost to Cure					
	Neighborhood Adjustment					
	Replacement Cost less Depreciation					\$299,544
	BUILDING 7					

Miscellaneous Improvements

Det Carport/Snow Roof		[+]	20,700
Det Carport/Snow Roof		[+]	9,900
Det Carport/Snow Roof		[+]	14,300
Miscellaneous Improvement	Built in appliances	[+]	87,000
Total Improvement Value			\$5,753,700

INCOME APPROACH

The income approach was not the basis for setting the assessed value for 2021. The appellant did not submit P&L information for the Review process. A limited income approach was done using standard revenue and expenses for the property type and location. Note that we also did not have a breakdown on how many bedrooms each of the apartments had so we had to estimate that. This income approach was done for the review process as a reference or check against the assessed value. The results indicated that the assessed value is not excessive.



Assessor's Office
Appraisal Form

Parcel No. 5B1601020170

Situs 93xx Glacier Hwy (Mixed Use Complex)

Owner D&M Rentals (Madsen)

Assessment	AY	Value Date	Values on	Land	Bldg	Misc	Total
Data	2021	1/1/2021	Notice -->				4,945,600

Based on Standard Rates

Income Approach

			Gross Income		Expenses			For this model:
			Annual	Desc	Annual	Desc	Exp % Gross	Exp/Not To Incl
Gross Income	1,220,091							
Vacancy / Collection Loss Factor	-	0.00%	1,220,091	See Below		Mgmt	#DIV/0!	Prop.Taxes
Misc Income						Wages	#DIV/0!	Depreciation
Eff.GI	1,220,091					Utilities	#DIV/0!	Debt Service
Expenses	(427,032)					Supplies	#DIV/0!	Income Taxes
NOI	793,059					Repairs	#DIV/0!	Capital Imp
Cap Rate / Preliminary Value	6.00%	13,217,655				Insurance	#DIV/0!	OwnerBusExp
Adj- Market / Market Area	1.00	0			427,032	Misc.	0.3500	ReplaceResrv
Adj- Condition / Econ.Life	1.00	0	1,220,091	Total	427,032	Total		
Indicated Value		13,217,655		Econ Life	50	Reserve %	1%	Replac.Res.
				NOI % of Gross	65%	Exp % Gross	35%	12,201

Gross Income Estimates

					Typical Rates	
Use	Rate	SF/Units	Revenue		\$1,072	1 BR
Bldg 1 Apartments	1249	11	13,739	Run at average of 1 & 2 bedrooms.	\$1,426	2 BR
Bldg 1 Retail	1.50	4,095	6,143		\$1,249	1.5 Avg
Bldg 2 Office Space	0.99	1,973	1,953	Rate is \$1.50 x 66% upper floor factor.		
Bldg 2 Retail	1.50	2,988	4,482			
Bldg 2 Storage	0.75	3,138	2,354	Run at 50%.		
Bldg 3 Apartments	1072	20	21,440			
Bldg 3 Retail	1.50	5,136	7,704			
Bldg 3 Storage	0.75	444	333	Run at 50%.		
Bldg 4 Apartments	1426	2	2,852			
Bldg 4 Retail	1.50	2,300	3,450			
Bldg 4 Storage	0.75	444	333	Run at 50%.		
Bldg 5 Apartments	1426	11	15,686	Run at 2 bedroom rate.		
Bldg 6A Apartments	1426	2	2,852			
Bldg 6B Apartments	1426	4	5,704			
Bldg 6C Apartments	1426	4	5,704			
Bldg 7 Apartments	1249	4	4,996	Run at average of 1 & 2 bedrooms.		
Bldg 7 Laundry	1.50	1,300	1,950			
			101,674	1,220,091		
			Monthly	Annual		

The 6% cap rate is derived from national information, was tested against local sales and was found to produce equitable values of 85 to 90% of market.

The 35% expense rate is a standard rate.

The vacancy rate is at zero because vacancies are already factored into the cap rate for this income model.

COMMERCIAL MARKET & ASSESSMENT ANALYSIS

The 2021 sales analysis for commercial properties included 57 qualified sales from 5 years of sales covering January 1, 2016 through December 31, 2020. The sales volume for the commercial market remained steady through 2020 and there was no indication of declining prices.

- Assessment Year 2021 Summary for Commercial Properties
 - Level of Assessment – 85% overall, 60% for vacant land, and 91% for improved properties
 - Coefficient of Dispersion (COD) – 22% for the combined group, 20% for vacant land, and 17% for improved properties (For these types of property groups the Standard that we work towards would be 20% or less for the subsets of land and improved properties. The combined set would be expected to have a higher COD.)
 - Applied Time Trend for Sales Analysis – 5% per year (0.42% per month)

SUBJECT ASSESSMENT HISTORY

City and Borough of Juneau Assessment History Report

5B1601020170
D & M RENTALS LLC
9320 GLACIER HWY
USS 381 FR

<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$2,442,600.00		\$2,503,000.00	\$4,945,600.00
2020	\$1,628,400.00		\$2,503,000.00	\$4,131,400.00
2019	\$1,628,400.00		\$2,503,000.00	\$4,131,400.00
2018	\$1,542,100.00		\$2,503,000.00	\$4,045,100.00
2017	\$1,542,100.00		\$2,503,000.00	\$4,045,100.00
2016	\$1,542,100.00		\$2,503,000.00	\$4,045,100.00
2015	\$1,542,100.00		\$2,503,000.00	\$4,045,100.00
2014	\$1,542,100.00		\$2,503,000.00	\$4,045,100.00
2013	\$1,542,100.00		\$2,503,000.00	\$4,045,100.00
2012	\$1,542,100.00	\$0.00	\$2,503,000.00	\$4,045,100.00
2011	\$1,542,100.00	\$0.00	\$2,503,000.00	\$4,045,100.00
2010	\$1,542,100.00	\$0.00	\$2,503,000.00	\$4,045,100.00

SUMMARY

State statute requires the Assessor to value property at “full and true value”. According to appraisal standards and practices set by the Alaska Association of Assessing Officers, the State of Alaska Office of the State Assessor, and the International Association of Assessing Officers, correct procedures of assessment were followed for the subject. These standards and practices include consideration of any market value increase or decrease as determined by analysis of sales.

The assessed value was reviewed in response to the Petition for Review. Our findings are as follows.

The land and buildings are valued using the same methods and standards as all other properties in the Borough.

Additional Details:

- The appellant states that their assessed value is excessive/overvalued.
 - We find that the value is equitable and is not excessive.
- The appellant states that this is a mixed use parcel having both residential and commercial occupancy, it therefore cannot be financed at the low interest rates a strictly residential even a strictly commercial property would enjoy. This place the property in the view if an investor, as harder to finance and a riskier investment. I was unable to find recent sales of similar mixed occupancy parcels in the Juneau market to use as comps. So I have used the income approach and applied a cap rate of 7.9% which is currently used in Anchorage for similar type properties. Investors in Juneau’s market generally would use a higher cap rate than Anchorage due to the limited size and weaker economy, however when applying the Anchorage 7.9% cap rate to the net income, after adding back the depreciation, amortization and the interest paid I come up with a value of 3,480,941
 - The appellant did not submit profit and loss statements so we are limited to doing an income approach off of the standard rates for the location and type of properties.
 - We find that an income approach done in a manner that is uniform with other assessments indicates that the assessed value is not excessive and in fact that the property is undervalued.

CONCLUSION

The 2021 Assessed values were based on a simple methodology, analysis through ratio studies and subsequent trending of values based on the analysis findings. Underlying this standard compliant trending are the locational and feature influenced specific models that have been applied to Juneau commercial properties for many years. The ratio studies indicate that after our adjustments to values the level of assessment for commercial properties was 85% overall, 60% for vacant land, and 91% for improved properties.

For the subject property:

- The percentage change from 2010 to 2021 was an increase of 22.6%
- The percentage change from 2020 to 2021 was an increase of 19.7%.

We find that no change to the 2021 assessed value of \$4,945,600 is warranted and ask that the BOE uphold the assessed value. The analysis and ratio studies indicate that our 2021 values for improved commercial properties is at 91%. Based on that, the indicated market value for this property is around \$5,434,725.

ADDENDUM A – General Information (Revised 10/25/2021)

General Information

1. 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.
2. We work with the best data that we have available at the time.
3. We strive to treat all properties equitably.
4. We have done our work with the highest of ethical standards.
5. We have followed the applicable assessment standards.
6. 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. The word “considered” is also sometimes used to refer to the sales that were “included” in the ratio studies as a market sale. When the word is applied in this more restrictive manner do not interpret this to mean that other sales were not considered in the broader sense and application of the word “considered.”
7. Accusations have been made against Michael Dahle, Deputy Assessor and the Assessor’s Office so let us make a few very clear statements.
 - We did not cherry pick sales. We applied appropriate sales validation standards.
 - Nothing nefarious or underhanded was done.
 - We did not do anything fraudulent.
 - While people may not understand the assessment process, everything we did was within what is normal and what is proper.
 - The methodologies, analysis and ratio studies were all proper. No values were adjusted in an improper method and no properties were treated in a non-uniform manner.
 - It is normal as you are going through the analysis process that additional information may come to light that changes validation and verification conclusions or data within the data set.
8. 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.
9. We welcome any new or additional market information, which will be applied with next year’s analysis.
10. For any given year we typically get sales prices on 35 to 40 percent of the commercial property market sales. That leaves anywhere from more than half to up to two thirds of the sales prices unknown. If one wants to get into speculation, the majority of the sales for which we do not have sales prices likely indicate that our values are low, otherwise, it is probable that the sales prices would be being submitted to us in order to lower values.
11. A common thread in the Petitions for Review and the Appeals that we are seeing is that the appellants have focused on a few (one to three), particular, low sales and claim that their property should be valued off one or two of those specific sales. We see the same three, particular, low sales referenced over and over. One of the advantages of mass appraisal and of the analysis work that the Assessor’s Office does is that we do not focus on one sale (low or high) but instead look at all of the sales. We then set values based off of the mean and median indicators for all of the sales. That way we are not isolating to the lowest sale or the highest sale in determining what the market value is. Within this process we look at the overall market as well as indicators for sub-groups such as locational factors, property features, types of property, etc. (Please see Addendum B for additional review of these sales.)
12. Others have focused on one sale that was a market sale (the NCL/sub-port sale), claiming it is inappropriately skewing the results. That is not true. It is a market sale. It also does not qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
13. While the inclusions and exclusions that were made were appropriate, we analyzed whether or not changing the inclusion or exclusion of these sales would have had any impact on the valuations. Making those changes did not

significantly change the ratios and would not have resulted in any different action in setting the assessed values. (See Addendum B.)

14. 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.
15. 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.
16. For the income approach our model uses a cap rate of 6%. Our research indicated that an appropriate cap rate would have been 5%. Testing against local sales and market information that we had available, we found that using 6% produced values in line with the 85% to 90% level of valuation that we were achieving with the ratio study and trending. (Remember that the cap rate is an inverse number to the value so when we raised the cap rate from 5% to 6% we lowered the indicated property value.)
17. Another common thread that we see is related to marketing time and price. Part of the definition or criteria for a sale being a market sale is that it has gotten market exposure for a reasonable amount 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. So, 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.
18. 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.

19. Due to the volume of appeals this is an unusual year. Some process alterations have been necessary to expedite the timely review of the appeals. One aspect to the appeals this year is that many were filed with no specific reason given for the value being challenged. A specific reason would be something such as, the foundation has failed and I received an engineer's report that it is going to take \$750,000 to remedy the issue. Rather, many of this year's appeals have general statements such as "you can't raise my value that much in one year," or "there was no justification for raising values." As a result you may see appeals come before you where the review is quite generic. Please keep in mind that each of these appellants were encouraged to submit specific evidence of an incorrect value through initial phone calls early in the process, through a letter dated 06/18/2021 and through follow up phone calls to the letter as a minimum. Each appellant has been given opportunity to discuss our findings with the Assessor's Office.
20. As mentioned in the conclusion, the values for 2021 were set based on market analysis. As a result of the analysis a trending was applied to the assessed values. In trending the assessed values the underlying considerations such as the 3 approaches to value and locational, property type and property characteristic adjustments are all accounted for in the original models and incorporated and carried forward into the new assessed values. That is one of the advantages of making an initial correction to this undervaluation through trending. Most commercial properties have seen no significant change to their assessed values for 10 plus years. Because there was not a wealth of sales data for the subgroups an overall trending was applied, however, it should be noted that in the analysis we looked at many subgroups and did not see compelling data to treat any one differently with the exception of the boathouses.
21. The land segment was the mechanism by which increases could be applied within the CAMA system while maintaining uniformity in land values of improved and vacant land and moving all commercial properties closer to market value.

ADDENDUM B – Analysis (Revised 10/25/2021)

Analysis- Appraisal Summary

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

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

Statistics

Current	Proposed		
53	53	Count	(Number of Records with Ratio)
0.2932	0.2932	Minimum Ratio	
1.4091	1.4091	Maximum Ratio	
1.1159	1.1159	Range	
0.8526	0.8526	Mean	(This is the average ratio for your sample.)
0.8853	0.8853	Median	(This is the mid-point value for your sample. Preferred measure of central tendency.)
0.6981	0.6981	Weighted Mean	
3.0313	3.0313	Sum of the Square of Deviations	
0.1908	0.1908	AAD	
0.2414	0.2414	Standard Deviation	
21.5490	21.5490	COD	(Good indicator of confidence level.)
28.3180	28.3180	COV	
1.2214	1.2214	PRD- Price-Related or Factor Differential	
			(PRD s/b between 0.98 & 1.03, IAAO)
			(PRD over 1=Regressive)

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

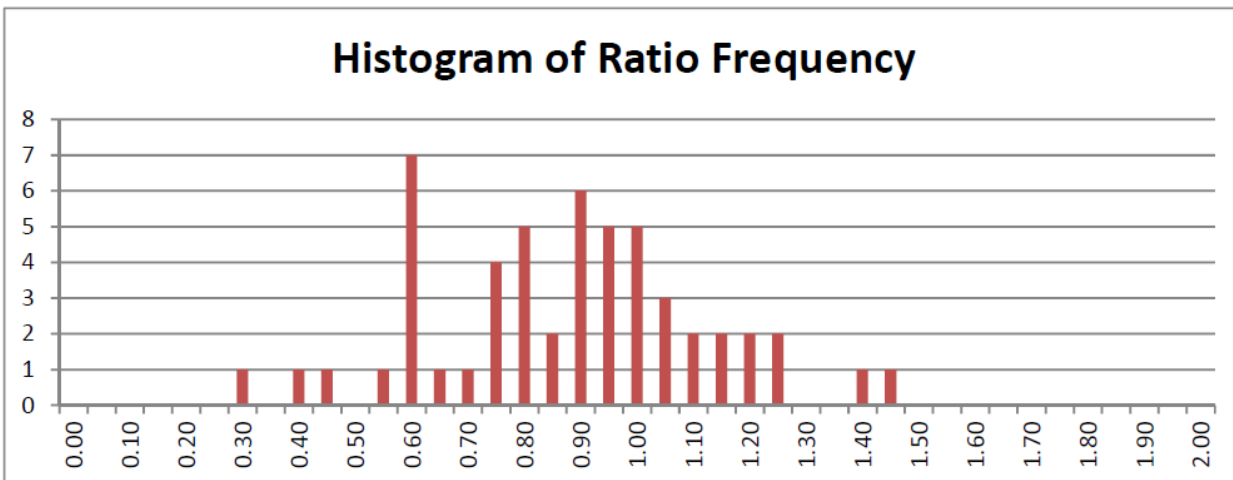
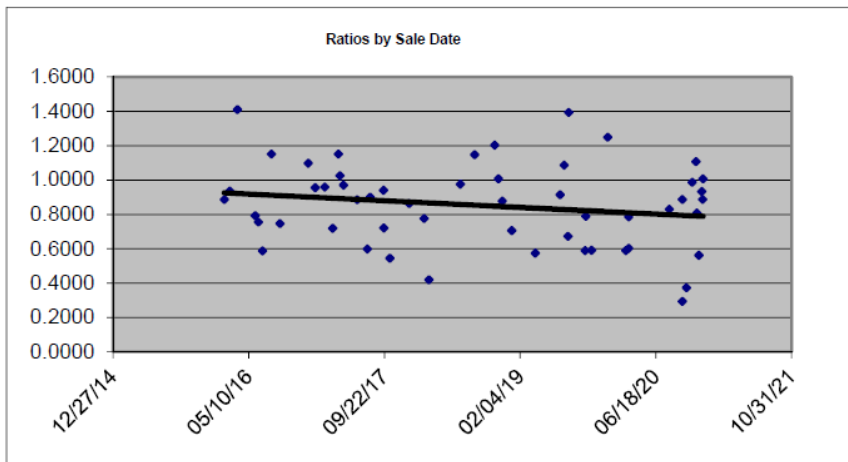
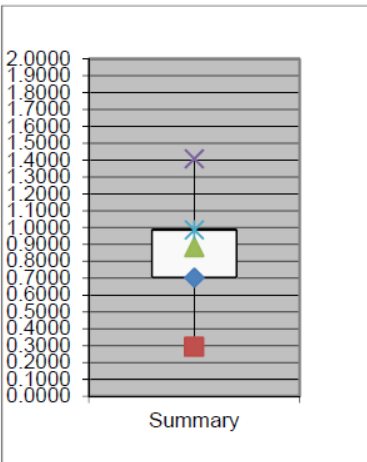
Coefficients (0=Normal Distribution)	
Kurtosis	-0.0245
Skewness	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

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.	



4/6/2021 @ 8:23 AM

Ratio Study Notations

- Note that the scatter diagram indicates that a higher rate of trending was in order. 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 find a larger percentage of ratios over 1.00 and that the top ratios would be far above 1.50.
- It was noted by an appellant that the ratios for 23% of the adjusted sales prices were above 1.00. That would mean that 77% are below 1.00 indicating that we are still undervalued.
- It is normal that, subsequent to an analysis being done, additional information comes to light that changes the validation or verification conclusions of a few sales. That does not invalidate the analysis and ratio studies. This is part of why you work from central tendencies rather than the fringes. That is why you look at the data from numerous angles and multiple subsets. That is part of the advantage of mass appraisal

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	RALPHS WAY	NO	LEMON CREEK C
06/15/16	637,500	785,744	593,500	5B1501000002	1	8251	GLACIER HWY	APN	SOUTHEAST INSURANCE C 24
08/07/20	700,000	714,406	591,700	5B1501010001	2	1880	CREST ST	APN	BUILDERS PLAZA C 24
09/02/16	1,300,000	1,587,924	1,183,050	5B1501020170	1	8401	AIRPORT BLVD	NO	SOUTH VALLEY C
11/16/18	750,000	831,585	837,600	5B1501040030	1	8825	MALLARD ST	NO	SOUTH VALLEY C
12/07/20	confidential	confidential	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
02/10/16	273,000	341,299	234,498	5B15011107E0	1	2221	JORDAN AVE	SEP	JORDAN CREEK C 24
12/22/17	300,000	346,452	230,384	5B15011109B0	1	2231	JORDAN AVE	SEP	JORDAN CREEK C 24
02/15/18	968,750	1,111,292	851,400	5B1601000023	1	9151	GLACIER HWY	NO	SOUTH VALLEY C
07/16/19	145,000	155,861	169,350	5B1601140043	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
08/21/18	240,100	269,142	308,850	5B1601140070	1	9309	GLACIER HWY	APN	PROFESSIONAL PLAZA C 24
01/04/19	672,000	740,490	521,900	5B2401610150	1	4045	DELTA DR	NO	NORTHEAST VALLEY C
04/11/17	1,540,000	1,833,432	1,877,700	7B0901030071	1	3161	CHANNEL DR	NO	TWIN LAKES C
(1) These were the sales available to us for our market analysis for assessment year 2021.									
(2) Some sales prices are confidential, specifically when the only sale source is the buyer.									
(3) Note that this list was updated 08/24/21 to add AV. The original list was 57 sales, however, through the analysis process one sale, 1C060U050022, was eliminated. It was further updated 09/23/21 when a change in directive from the law department allowed us to add some sales prices. Update 9/29/2021, only sales prior to 11/26/2020 confidential.									
(4) AV Adj for condition at time of sale - 1C060U040040, 1C070A030040, 4B1701100170, 1C110K120130, 1C110K120101, 4B1701100146, 5B1201060160, 5B1201000060, 7B0901030071									
(5) 5B1201020100 is included on this list, however, it has since been determined not to be a market sale; seller & buyer related. Removal of this sale would further lower the mean and median ratios.									
(6) Note- multi-parcel sales are normally considered non-market, however, with commercial sales they are sometimes included as an economic unit.									
(7) Note that the sale price used in the original study for 5B1201040052, which included 5B1201040051, was \$3,726,000 which was reported by the buyer, however, subsequent information showed the sale price to be \$4,140,000 with the cash distribution reduced for the value of 12 months of continued occupancy by the seller after the execution of the sale. Also, this sale was discovered to be a non-market sale due to duress of the seller. Removal of this sale would lower the mean and median ratios									
(8) The trending applied to bring the sales to 01/01/2021 was 5% per year. The analysis indicates that a trend of 7.5% would be appropriate but to be conservative we selected 5%.									
(9) Column added to identify condo parcels NO = not condo; APN= apportioned land value; 5K= place holder land value; SEP = land is valued under different parcel.									

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

Review of Particular Sales

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

The sales were:

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

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

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

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

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

In general, the median is the preferred measure unless your sample is skewed in which case the mean would be preferred. The COD is based on the median and the COV is based on the mean.

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

For Audit/Review Purposes Only

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

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

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

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

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

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

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

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

ADDENDUM C - Communications

Emails and Other Communications

ADDENDUM D – Additional Property Information

Additional Property Information