

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

Monday, August 23, 2017 at 5:30 PM
Municipal Building – Assembly Chambers

Minutes

I. Call to Order

Chair David Epstein called the meeting to order at 5:30 p.m.

II. Roll Call

Board of Equalization Panelists Present: Paul Nowlin (for first appeal #2017-0108 only), David Epstein, Stephen Moseley, and Barbara Sheinberg.

Staff Present: Jane Mores, Deputy Municipal Attorney, Bob Bartholomew, Finance Director; Beth McEwen, Deputy Clerk; Robin Potter, Assessor; Mary Grant, Appraiser III; Donna Prince, Appraiser II; Dora Prince, Appraiser II; and Jenna Malinger, Admin. Assistant II Assessor's Office.

III. Approval of Minutes

There were no minutes for approval.

IV. CBJ Attorney Memos/Board Questions

Mr. Epstein explained the process and timing for each side presenting its arguments.

V. Property Appeals

[Note: the record reflects the order in which the cases were considered by the board as opposed to the agenda order.]

Mr. Epstein recused himself from the hearing on appeal #2017-0108 due to a conflict of interest and turned the gavel over to Mr. Nowlin to preside for that appeal hearing.

Appeal Tracking #:	2017-0108	[Panelists: Sheinberg, Moseley, Nowlin]
CBJ Parcel #	4B2701030043	
Physical Location	4341 Windfall Avenue	
Appellant Name	Gehring, Loren K & Israa S	
Type:	Improved Parcel	

2017 Assessed Value:	Site:	\$142,120
	Buildings:	\$176,990
	Total:	\$319,110

Appellant's Estimate of Value	Site:	\$
	Buildings:	\$
	Total:	\$250,000

Assessor's Recommended Adjusted Value:	Site:	\$134,100
	Improvements:	\$181,500
	Total:	\$315,600

Ms. Israa Gehring presented the appellant's case and Appraiser II Donna Prince and Assessor Robin Potter presented the case on behalf of CBJ. Each party answered a variety of questions by the panelists.

MOTION by Ms. Sheinberg to grant the appeal.

Following the motion, there was additional discussion and questions and answers between the panelists and the parties. ***Ms. Sheinberg then withdrew her original motion.***

MOTION by Ms. Sheinberg to remand the matter back to the Assessor's office for additional information on how the valuation of this property compares to other similar commercial use properties.

Ms. Gehring asked if the reassessment could be done by someone other than the Assessor, and Mr. Nowlin explained that was something she needed to request of CBJ staff and not something the panel had jurisdiction over.

Roll Call Vote on the Motion to Remand to the Assessor

Yeas: Sheinberg, Moseley, and Nowlin

Nays: None.

Motion carried.

Appeal Tracking #:	2017-0454	[Panelists: Epstein, Sheinberg, and Moseley]
CBJ Parcel #	5B1301070032	
Physical Location	6525 Glacier Hwy.	
Appellant Name	Glacier Hwy LLC	
Type:	Improved Parcel	

2017 Assessed Value:	Site:	\$ 6,098,400
	Buildings:	\$ 7,863,900
	Total:	\$ 13,962,300

Appellant's Estimate of Value	Site:	\$ 4,000,000
	Buildings:	\$ 2,600,000
	Total:	\$ 6,600,000

Assessor's Recommended Adjusted Value:	Site:	\$ 5,399,700
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Buildings:	\$ 5,660,000
Total:	\$ 11,059,700

Mr. Alex Kim and another gentleman (didn't catch the name) presented the appellant's case and Appraiser II Donna Prince and Assessor Robin Potter presented the case on behalf of CBJ. Additional documents were distributed to the Assessor and the panelists from the appellants.

Each party presented its case and answered a variety of questions from the panelists.

MOTION by Ms. Sheinberg to grant the appeal and asked for a NO vote for the reason that the market method used for assessing the building were appropriate and is the industry standard for Juneau.

Roll Call Vote on the Motion to Grant the appeal

Yeas: None.

Nays: Sheinberg, Moseley, and Epstein

Motion failed.

Appeal Tracking #:	2017-0491	[Panelists: Epstein, Sheinberg, and Moseley]
CBJ Parcel #	4B2001060051	
Physical Location	1185 Fritz Cove Road	
Appellant Name	Lisa B. Greenough	
Type:	Vacant Site	

2017 Assessed Value:	Site:	\$ 112,200
	Buildings:	\$
	Total:	\$ 112,200

Appellant's Estimate of Value	Site:	\$ 60,000
	Buildings:	\$
	Total:	\$ 60,000

Assessor's Recommended Adjusted Value:	Site:	\$ 112,200
	Buildings:	\$
	Total:	\$ 112,200

Ms. Lisa Greenough presented the appellant's case and Appraiser II Dora Prince and Assessor Robin Potter presented the case on behalf of CBJ.

Each party presented its case and answered a variety of questions from the panelists.

MOTION by Ms. Sheinberg to grant the appeal and asked for a NO vote. Ms. Sheinberg said that she appreciates the points made by the appellant but she explained that the legal standard the BOE has to use is that the burden is on the appellant to show that the assessment has been unequal, excessive, or improper. She said that while there were good arguments given about the size and topography of the land and speculation was given as to what it might cost to

place access on the site for any kind of development. She said that did not rise to the level of proof that is required for the appellant to prove their case.

Roll Call Vote on the Motion to Grant the appeal

Yeas: None.

Nays: Sheinberg, Moseley, and Epstein

Motion failed.

Appeal Tracking #: 2017-0429 [Panelists: Epstein, Sheinberg, and Moseley]

CBJ Parcel # 5B2501530070

Physical Location 9099 Pinedale Street

Appellant Name Ullmayer, Walter

Type: Residential

2017 Assessed Value:	Site:	\$ 123,600
	Buildings:	\$ 245,700
	Total:	\$ 369,300

Appellant's Estimate of Value	Site:	\$ 101,200
	Buildings:	\$ 255,000
	Total:	\$ 356,200

Assessor's Recommended Value:	Site:	\$ 123,600
	Buildings:	\$ 245,700
	Total:	\$ 369,300

Mr. Walter Ullmayer and Mrs. Teresa Ullmayer presented the appellant's case. Appraiser II Dora Prince and Assessor Robin Potter presented the case on behalf of CBJ.

Mr. Ullmayer asked a number of questions relating to the comparisons from previous years' assessments and asked why there had been a 33% increase to the assessment of his land in the past two years vs. the valuation of the land this year. CBJ Assessor Robin Potter addressed the land modeling process their office has been doing throughout the borough and specifically the land modeling that was done this past year for the Mendenhall Valley along with some other areas of the borough. She explained their methodology for how they conduct those land modelings.

Mrs. Ullmayer said that separate from Mr. Ullmayer's case relating to the large increase in their land values, she wished to request an lowering of the overall value due to the underground oil tank that was installed in 1975 when the house was originally built and that it would require approximately \$5,000 worth of work to decommission and replace the tank if the home was ever placed on the market for sale. Additional discussion and questions were raised and answered with Ms. Potter stating that there are many homes with underground fuel tanks and since homes cannot be mortgaged with underground fuel tanks, she contacted the title company and was given a quote of approximately \$3,000 to decommission and replace an underground fuel tank with an above ground tank.

MOTION by Mr. Moseley – to grant the appeal and ask for a yes vote to adjust the value down by \$3000 in order to mitigate for the underground oil tank.

Mr. Epstein said he was not of the same mindset as Mr. Moseley. He said that he views it as the same as a roof or other similar maintenance required to be done by homeowners.

Ms. Sheinberg said that she believed the assessor's case seemed pretty clear and while she has sympathy for the appellant's frustration with the jump in their value, the assessor's office is charged with reassessing all the land in the borough on a five year rotation schedule. She said that when that reassessment does occur, things tend to jump up in value and the case for equitability for the surrounding area is strong.

Additional discussion took place on the motion and Ms. Mores provided some clarification with respect to process.

Mr. Moseley withdrew his motion to adjust the assessed value.

MOTION by Ms. Sheinberg to grant the appeal and voting no for the reasons she previously stated.

Roll Call Vote on the Motion to Grant the appeal

Yeas: None.

Nays: Sheinberg, Moseley, and Epstein

Motion failed.

Appeal Tracking #:	2017-0280	[Panelists: Epstein, Sheinberg, and Moseley]
CBJ Parcel #	3R0101150020	
Physical Location	Taku River BL5, Lot 2	
Appellant Name	Martin Holmberg	
Type:	Remote Cabin	

2017 Assessed Value:	Site:	\$ 39,000
	Buildings:	\$ 37,900
	Total:	\$ 76,900

Appellant's Estimate of Value	Site:	\$ 22,000
	Buildings:	\$ 26,000
	Total:	\$ 48,000

Assessor's Recommended Adjusted Value:	Site:	\$ 35,200
	Buildings:	\$ 37,900
	Total:	\$ 73,100

Mr. Martin Holmberg presented the appellant's case. Appraiser III Mary Grant and Assessor Robin Potter presented the case on behalf of CBJ.

Mr. Holmberg's case included comparisons for similar properties listed on the Assessor's online database. Ms. Mores gave direction on procedures relating to the dissemination of the additional documents from Mr. Holmberg and Mr. Epstein provided a 10-minute break for the Clerk to be able to provide copies of the documents to the Assessor staff and the panelists.

Ms. Grant explained that an aerial canvass was done on the Taku River the previous year and that using aerial photography from a canvass in remote areas such as the Taku, is the industry standard. Assessor staff stated that previous to that canvass, the site had been listed as vacant and once the aerial canvass was done, the aerial photography showed two improvements on the property. Mr. Holmberg argued that due to the \$15,000 improvement adjustment, there is a 50% difference in valuation for a lot with two plywood shacks on it vs. a vacant lot. He also stressed the importance of the differences between a plywood shack improvement vs. a fully insulated cabin in the woods with a dock and all the amenities of a home in town.

Ms. Potter explained that the lots on the Taku all receive a flat \$15,000 adjustment for their remote location since they cannot bring in heavy equipment to improve those lots in the same way a lot owner could for a lot located on the road system in the borough. She stated that it is likely she will be changing that flat \$15,000 adjustment amount to better reflect site specific valuations in future years.

Ms. Sheinberg said after reviewing the additional documents from Mr. Holmberg that maybe the vacancy status was applied to some of the properties that should not have been. It sounded to her that it is likely there will be some work on the vacancy adjustment next year. She said that is the basis of this appeal and the while the current method for vacancy adjustment doesn't seem fair, that is what is being discussed. From her perspective, if this were her appeal, she'd be discussing the valuation of the improvements. She said it isn't her appeal and she doesn't see anything that this property has been treated excessively, improperly, or undervalued. In light of what was said, in absence of an appeal of the building value, she is leaning towards denying the appeal.

Mr. Moseley said the evidence that would change his mind would be if there were comparables that the assessment is way off the market sales or if the amounts were \$5 vs. \$59 per square foot. He said that wasn't shown here and they aren't addressing building value or comparables so based on this, he is leaning towards denying the appeal.

Mr. Epstein said he would echo what the other panelists have said. There was nothing to lead him to believe it was fraudulent, inequitable, excessive, and the panel has to go on what they have heard. He said that next year that may be another story.

MOTION by Ms. Sheinberg to grant the appeal and ask for a NO vote based on the reasons previously discussed.

Roll Call Vote on the Motion to Grant the appeal

Yeas: None.

Nays: Sheinberg, Moseley, and Epstein
Motion failed.

Appeal Tracking #: 2017-0428 [Panelists: Epstein, Moseley, and Sheinberg]
CBJ Parcel # 2D040T500030
Physical Location St. Ann's Ave.
Appellant Name McCormick, Glen R.
Type:

2017 Assessed Value:	Site:	\$
	Improvements:	\$
	Total:	\$122,200
Appellant's Estimate of Value	Site:	\$
	Improvements:	
	Total:	\$85000
Assessor's Recommended Adjusted Value:	Site:	\$
	Improvements:	\$
	Total:	\$103700

The appellant was not present. The Assessor's office was represented by Ms. Donna Prince.

Ms. Sheinberg asked if the other appeals that were initially filed with this one had been settled and it was confirmed that they had settled.

MOTION by Mr. Moseley to grant the appeal and ask for a NO vote for the reasons articulated by the assessor.

Roll Call Vote on the Motion to Grant the appeal

Yeas: None.

Nays: Sheinberg, Moseley, and Epstein

Motion failed.

IV. Adjournment

There being no further business to come before the Board of Equalization, the meeting was adjourned at 9:35p.m.

Submitted by Beth McEwen, Deputy Clerk