BOARD OF EQUALIZATION
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Wednesday, July 20, 2016 at 5:30 PM
Municipal Building – Assembly Chambers

Minutes

I. Call to Order

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

II. Roll Call

Board of Equalization Panelists Present: Mike Boyer, David Epstein, Paul Nowlin.

Staff Present: Jane Sebens, Deputy Attorney; Laurie Sica, Municipal Clerk; Robin Potter, Assessor; Mary Grant, Appraiser II; Jack Albrecht, Appraiser I.

III. Approval of Minutes

Hearing no objection, the minutes of the June 22, 2016 Board of Equalization Meeting – Panel 3 were approved as presented.

IV. CBJ Attorney Memos/Board Questions

Chair Epstein reviewed the Board's procedures as outlined in the packet provided to the Board, staff and the appellants. William Collier was present to represent his appeal and the board agreed to move his case to the first order of business. The Board then called Jesus Esquival, representing Volunteers of America, Juneau 1 LLC. No other appellants appeared before the board.

V. Late Filed Appeals

- Volunteers of America. Juneau I LLC
  Petition for review/appeal – Request for approval of late file

Mr. Epstein said the only matter before the board is the ability of the appellant to file a timely appeal. The written request for approval of the late file was before the board.

Mr. Esquival said that Volunteers of America have several low income housing properties across America. They are relatively new in Juneau and the housing property in Douglas was recently opened. They had a change in office staff and he was assigned to take over management of this property. He was new to this and once he was aware of the form to be filed, it was past the deadline. All of the ticklers for operating the Juneau property were not in place, but are now, and in the future the forms would be filed timely. He spoke about the need to be good stewards of their funds as their business is providing affordable and low income housing and the demand is very great. They operate within a tight budget due to the service they provide for workforce housing – any excess funds are invested into other non-profits.

Mr. Boyer asked if the notice was received. Mr. Esquival said he did not receive notice, he is placing no blame. He knew there was some type of form to be filed, but he made several calls to find the form to file but he was sent to a voice mail and left several messages. Their lender, Key Bank, sent him the form and he said he had looked for the form to file – it was similar to the Anchorage form that they filed timely.

Mr. Boyer asked Ms. Potter to explain the situation and filing deadlines. Ms. Potter said there is not application sent out – the properties have to submit an application form. Mr. Boyer asked how these types of properties know what the deadline is. Ms. Potter said that this is state law, May 15 is the date and this is a standard application also used in Anchorage. Ms. Potter said the matter regarded a discount, not an exemption, and the law is similar nationwide. She explained low income housing tax credits and said the when investors put in for low income housing, the federal governments issues tax credits for up to 15 years. The tax credits are valuable. The assessor was not allowed to count those as part of the income for the purposes of assessing the value of the property. She explained that part of the assessment of multi-family housing was based on income. The deadline for submitting an application for this program was May 15. She said that Mr. Sahnow was on site at the property and did speak to someone about this application. The information regarding how to apply was made available on the city's website. She was not sure why Mr. Esquival's calls were not responded to. She did not receive any calls. The first email inquiry from Mr. Esquival's office to the CBJ Assessor's office was received on May 27, to her knowledge.

Mr. Esquival said they have an agent to manage the property in Alaska and it was possible that the assessor spoke to the agent, who lives in Washington, and we had some communication problems with that office, and that agent didn't communicate with us. They now have an agent in Anchorage. Mr. Esquival said he was not making any excuses but they are new in Alaska and that they were finishing construction, they were eager to lease them, they were addressing warranty issues and there was much to start up one of these properties. They take the deadlines seriously and now we have this in the tickler system. Once he was able to communicate with the Assessor's office they were very helpful. He was grateful to have the opportunity to speak with the panel about this.

In response to a question from the Board, Ms. Sebens said the "unable to apply" standard applied to this situation.

<u>MOTION</u>, by Boyer, to accept and hear the late file, and to ask for a no vote as the appellant had not complied with the filing date and had not provided sufficient reason for to prove that they were not able to file timely. All voted no and the late filed appeal was not accepted.

VI. Property Appeals

In the following 2016 property appeals, the appellant and the Assessor were unable to reach a value agreement for the parcel values.

CBJ Appeal Tracking #	**2016-0528**		
Subject Property			
CBJ Parcel #	1B0201070060		
Physical Location	5775 THANE RD		
Appellant Name	Martha Palicka		
2016 Preliminary Assessed Value			
Land	$ 208,626	Improvements	$ 155,799
Exemptions	$ -		
TOTAL TAXABLE			**$ 364,425**
Owner's Estimated Value			
Land	$ 131,000	Improvements	$ 108,458
Exemptions	$ -		
TOTAL TAXABLE			**$ 239,458**
CBJ Assessors Office Recommendation			
Land	$ 184,200	Improvements	$ 134,900
Exemptions	$ -		
TOTAL TAXABLE			**$ 319,100**

No one was present to represent the appellant. Mr. Epstein read the appellant's reasons for appeal into the record. Ms. Sebens asked the board to clarify what notice was provided to the appellants in the record. Ms. Potter said all appellants on this meeting's agenda were mailed a notice ten days prior to the hearing. The agenda packets were provided to the clerk and delivered by a courier to the appellants' residence addresses. Ms. Sica explained how the courier service worked.

Mary Grant provided information for the assessor. The site was visited, viewed from the exterior, and she met with the owner who preferred not to have an interior inspection. Upon review, consideration was given for site access, a water catchment system, and wear and tear to the property. The Assessor had provided a reduction in the land and improvements valuation following the inspection, which was not accepted by the property owner.

Mr. Boyer asked if the issues cited by the appellant are typical of the neighborhood. She said yes, and there were several lots of similar size in the area. She explained that the property was assessed within the range of similar properties in the neighborhood.

<u>MOTION</u>, by Boyer, to grant the appeal, and he asked for a no vote for reasons provided by Assessor. All voted no and the appeal was denied.

CBJ Appeal Tracking #	**2016-0451**		
Subject Property			
CBJ Parcel #	1C040A190080		
Physical Location	715 FIFTH ST		
Appellant Name	Mathew Mulligan		
2016 Preliminary Assessed Value			
Land	$ 127,517	Improvements	$ 118,601
Exemptions	$ -		
TOTAL TAXABLE			**$ 246,118**
Owner's Estimated Value			
Land	$ 75,000	Improvements	$ 110,000
Exemptions	$ -		
TOTAL TAXABLE			**$ 185,000**
CBJ Assessors Office Recommendation			
Land	$ 127,500	Improvements	$ 116,000
Exemptions	$ -		
TOTAL TAXABLE			**$ 243,500**

No one was present to represent the appellants. Mr. Epstein acknowledged the reasons provided by the appellant.

Mary Grant said she spoke to Mr. Mulligan and she explained her rational of assessment. The basis for the reduction was based upon a mass appraisal override all properties in the neighborhood received the adjustment, however, this parcel had the "corners kicked off of it." She recommended a reduction as it was the smallest of all parcels on 5^{th} street and said it had the lowest site value. The Assessor had provided a reduction in the land and improvements valuation following the inspection, which was not accepted by the property owner.

<u>MOTION</u>, by Boyer, to grant the appeal, and he asked for a no vote for reasons provided by Assessor. All voted no and the appeal was denied.

CBJ Appeal Tracking #	**2016-0263**		
Subject Property			
CBJ Parcel #	4B1801010150		
Physical Location	10475 ANN COLEMAN RD		
Appellant Name	William Collier		
2016 Preliminary Assessed Value			
Land	$ 692,800	Improvements	$ 461,000
Exemptions	$ -		
TOTAL TAXABLE		**$ 1,153,800**	
Owner's Estimated Value			
Land	$ -	Improvements	$ -
Exemptions	$ -		
TOTAL TAXABLE		**$ 598,000**	
CBJ Assessors Office Recommendation			
Land	$ 445,200	Improvements	$ 404,800
Exemptions	$ -		
TOTAL TAXABLE		**$ 850,000**	

Mr. Epstein explained the hearing procedures.

Mr. William Collier said that he spoke to a realtor with Coldwell Banker, who said that his home was not valued at the $1.2 million. He has not been able to procure an appraisal but had sought one. He has an empty lot adjacent to this one and got the issue of it being taxed at a different rate straightened out. He spoke about an accretion that added to his property but said a significant portion of his property was under water. His property is next to a public access and gets a lot of traffic. He said that with his two lots it is assessed at about $2 million and soon he won't be able to afford his taxes. He wants to get this to a reasonable amount. He had a house fire in 2002, the insurance did not repair all the issues. The radiant heating in the floor no longer works and he will have to have this repaired. There is electrolysis in his pipes with leaks, and that will need to be repaired. It will need substantial improvements to make it the quality home that it is assessed at.

Ms. Potter said that this appeal was handled by John Sahnow, who passed on information to Jack Albrecht. Prior to being hired by the Assessor's office, Mr. Sahnow was a fee appraiser and he drafted the material. Ms. Potter said Mr. Sahnow did an actual fee appraisal in this case, different than from other assessments, because Mr. Collier wanted an appraisal and that service was not available. Mr. Epstein asked if that was an accepted method of assessment. Ms. Potter said yes.

Mr. Albrecht presented information for the Assessor. The property was observed from the exterior. It appears in average / typical condition. We did correct that the property improvements are all on one lot. He said the building was re-valued using current standards. GIS information and a site visit were used to correct the issue with the garage location. The land was out of equity and that was corrected. The subject is now within the range. The comparable sales analysis was prepared by John Sahnow. With the Assessor's recommended change to the land and improvement values, this was now assessed on a fair and equitable basis.

Mr. Collier said he felt that he had been over taxed for the last 5 – 6 years and he would need to repair his home to bring it up to the assessed value. Mr. Collier said he bought one piece of property, it was subdivided, and CBJ got some road and ditch, in about 1990. He had a previous cabin on his property that burned and he was not able to build back on that site due to the proximity to the water, so he had to build back from the waterfront on the site. He had two realtors tell him the value was out of line. Mr. Collier said there are a few homes that have been for sale in the area for about a year, and he was not aware of the prices, but the value depended on how long a person wanted to wait for a sale.

Mr. Nowlin asked about Mr. Collier's statements about the condition of the house. Ms. Potter said that she asks all appellants to provide reasons for the appeal, and there is nothing in the appeal regarding maintenance issues on the property. We adjust for issues that are visible from the outside, and if invited in the Assessor can assess issues and discuss cost to cure. The Assessor had provided a reduction in the land and improvements valuation following the review, which was not accepted by the property owner.

MOTION, by Boyer, to grant the appeal, and he asked for a no vote for reasons provided by Assessor. All voted no and the appeal was denied.

CBJ Appeal Tracking #	2016-0087			
Subject Property				
CBJ Parcel #	5B1201000020			
Physical Location	5150 GLACIER HWY			
Appellant Name	James Baumgartner			
2016 Preliminary Assessed Value				
Land	$ 401,200	Improvements	$ 266,200	
Exemptions	$ 150,000			
TOTAL TAXABLE			**$ 517,400**	
Owner's Estimated Value				
Land	$ 190,000	Improvements	$ 250,000	
Exemptions	$ 150,000			
TOTAL TAXABLE			**$ 290,000**	
CBJ Assessors Office Recommendation				
Land	$ 355,000	Improvements	$ 236,100	
Exemptions	$ 150,000			
TOTAL TAXABLE			**$ 441,100**	

No one was present to represent the appellant. Mr. Epstein read the appellants reasons for appeal into the record.

Ms. Potter said that Mr. Sahnow visited the property and noticed a gross inequity on the property. This was corrected then appealed. Mr. Baumgartner asked for comparables, which were provided, and in the packet. The property was assessed at $22,600 per acre and when the equity was done it was reduced to $20,000 per acre. Mr. Baumgartner said he wanted the market sales that provided the values. Ms. Potter provided those to him. The front is general commercial and the back is D-18 which is multifamily and very valuable. The acreage is 17.75 and she spoke about the comparables used. 17% of the property is wetlands. This property is fairly valued now. The value of the house was lowered on appeal based on the equity study from $266,200 down to $236,100. The Assessor had provided a reduction in the land and improvements valuation following the review, which was not accepted by the property owner.

<u>MOTION</u>, by Boyer, to grant the appeal, and he asked for a no vote for reasons provided by Assessor. All voted no and the appeal was denied.

CBJ Appeal Tracking #	**2016-0311**		
Subject Property			
CBJ Parcel #	5B2101210050		
Physical Location	3445 MEANDER WAY		
Appellant Name	Norman Staton		
2016 Preliminary Assessed Value			
Land	$ 136,000	Improvements	$ 306,700
Exemptions	$ -		
TOTAL TAXABLE			**$ 442,700**
Owner's Estimated Value			
Land	$ 180,200	Improvements	$ -
Exemptions	$ -		
TOTAL TAXABLE			**$ 180,200**
CBJ Assessors Office Recommendation			
Land	$ 81,700	Improvements	$ 143,700
Exemptions	$ -		
TOTAL TAXABLE			**$ 225,400**

There was no one present to represent the appellant. Mr. Epstein read the reasons for the appeal from the appellant into the record.

Ms. Potter said that this was a very difficult property. There are seven properties in the project and this parcel and one other has been affected the most by the Mendenhall River erosion. There was an initial reduction due to the erosion adjacent to all properties, but in the two cases there was erosion that happened into their actual property line. The most recent flood created even more damage. The city and state have been to the property and created the report provided. They are hoping that the federal government will provide the bulk of the funding for the repair of the properties. Mr. Sahnow advised the owners an appraisal was needed. Ms. Potter spoke with Charles Horan, fee appraiser who was familiar with a similar appraisal in another part of the state. He recommended that an appraisal of this property would be expensive, and he recommended that the Assessor cut the value of the properties affected by 50%, and 25% for the other properties in the subject area. Then she spoke with Tom Mattice, CBJ Emergency Manager, who applied for the federal grant, and it is unknown how long the project will take to get funded and repaired. As of January 1, there will be a change, and all property owners were notified. Mr. Mattice said that if the erosion continued, the home would need to be moved to another lot and the value of the home would remain the same but the lot would lose value, but the adjustment had already been made. The Assessor would continue to leave this at the 50% rate next year, and if there is no future fix, there will be future adjustments. The Assessor had provided a reduction in the land and improvements valuation following the review, which was not accepted by the property owner.

<u>MOTION</u>, by Boyer, to grant the appeal, and he asked for a no vote for reasons provided by Assessor. All voted no and the appeal was denied.

CBJ Appeal Tracking #	**2016-0544**		
Subject Property			
CBJ Parcel #	5B2401370040		
Physical Location	4532 TRAFALGAR AVE		
Appellant Name	Thunder Mountain LLC		
2016 Preliminary Assessed Value			
Land	$ 94,600	Improvements	$ 127,600
Exemptions	$ -		
TOTAL TAXABLE			**$ 222,200**
Owner's Estimated Value			
Land	$ 100,867	Improvements	$ 172,347
Exemptions	$ -		
TOTAL TAXABLE			**$ 273,214**
CBJ Assessors Office Recommendation			
Land	$ 123,600	Improvements	$ 98,900
Exemptions	$ -		
TOTAL TAXABLE			**$ 222,500**

No one was present to represent the appellant. Mr. Epstein stated the reasons for the appeal and said that the appellant believed the home was undervalued.

Ms. Grant said that upon review, the site value was originally too low and was adjusted up. The “affidavit of affixture” does not change the type or quality of the home and manufactured homes are built differently from stick built homes. Ms. Potter said that an affidavit of affixture is sought to obtain financing to show that a manufactured home is permanent on the lot. The building was originally overvalued, and has been adjusted down to standards. Mr. Boyer verified with the Assessor that the assessment was based on the comparison to similar manufactured homes.

<u>MOTION</u>, by Boyer, to grant the appeal, and he asked for a no vote for reasons provided by Assessor. All voted no and the appeal was denied.

CBJ Appeal Tracking #	2016-0546		
Subject Property			
CBJ Parcel #	5B2401400040		
Physical Location	4452 TRAFALGAR AVE		
Appellant Name	Thunder Mountain LLC		
2016 Preliminary Assessed Value			
Land	$ 90,000	Improvements	$ 24,800
Exemptions	$ -		
TOTAL TAXABLE			**$ 114,800**
Owner's Estimated Value			
Land	$ 100,000	Improvements	$ 21,400
Exemptions	$ -		
TOTAL TAXABLE			**$ 121,400**
CBJ Assessors Office Recommendation			
Land	$ 116,500	Improvements	$ 47,900
Exemptions	$ -		
TOTAL TAXABLE			**$ 164,400**

No one was present to represent the appellant. Mr. Epstein stated the reasons for appeal from the appellant.

Ms. Grant said that the land was undervalued and the assessors adjusted the site value up from $90,000 to $116,500, based on the neighborhood land study for 2016. Those numbers were not applied to this property at the time of assessment. The building was undervalued, and revalued according to the standard valuation for this property from $24,800 to $47,900. The basis for the original assessed value was based on an appeal in 2013. The property was reviewed at that time and that was the last time the property was specifically looked at. Mr. Epstein asked about the appellant's question about the wide range of values. Ms. Potter said that in 2013 there were many appeals, and it was out of equity, and it stayed out of equity. When an equity study in a neighborhood was done it is arrayed in parcel size and if the lot is smaller, it ends up with a lower total – the larger the parcel, the lower the rate. There are varying rates per square foot.

<u>MOTION</u>, by Boyer, to grant the appeal, and he asked for a no vote for reasons provided by Assessor. All voted no and the appeal was denied.

VII. Adjournment – 7:40 p.m.

Submitted by Laurie Sica, Municipal Clerk