



City and Borough of Juneau  
Finance Department, Assessor's Office  
155 S. Seward St, Juneau, AK 99801  
Phone 907-586-5215, Fax 907-586-4520  
Email Assessor.Office@juneau.org

## How to File Petition for Review (Appeal) of Assessed Value

The Assessor's Office is available to answer questions about the assessed value of your real or business personal property. We can be reached by phone or email as listed above.

If you wish to file a Petition for Review you do not need to come into our office. A Petition for Review can be filed through email, fax, mail or the Borough drop boxes. We can answer questions you may have and assist you in filling out the form via phone or email.

The process for review of your assessed value is basically a two-step process. The first step is an Administrative Review where we look at your information and determine whether or not we feel a change is warranted. If so, and it meets with your agreement, we make the adjustment and close the review. If you do not agree with our conclusion, then you have the right to proceed to the second step which is the formal Appeal heard by the Board of Equalization.

We encourage you to contact us via phone or email with questions you may have.

We can provide assistance by:

- answering questions over the phone
- emailing you documentation or explanations
- pointing you to online resources

The Petition for Review form is a two page (one sheet, two sided) form. In filing the form all you need to fill out is the first page. If you have questions we can provide assistance or explain any part of the form via a phone call or email.

The **filing deadline** for a Review/Appeal for assessment year 2021 is **Monday, May 3**.

Thank you for your cooperation in limiting in-person or physical contact during this year's process.

Links:

- Assessor's Database- <https://property.juneau.org/>
- Parcel Map- <http://epv.juneau.org/>
- Assessor Forms- <https://beta.juneau.org/finance/assessor-forms>

Contact Us: CBJ Assessors Office			
Phone/Fax	Email	Website	Mailing Address
Phone: (907)586-5215 Fax: (907)586-4520	Assessor.Office@juneau.org	<a href="http://www.juneau.org/finance">http://www.juneau.org/finance</a>	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	
Assessment Year	2021
Parcel ID Number	

For Office Use:	Review #	Appeal #
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## 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					
Owner Name			Name of Applicant		
Primary Phone #			Email Address		
Physical Address			Mailing Address		
<b>Why are you appealing your value?</b> Check box and provide a detailed explanation below for your appeal to be valid.					
<input type="checkbox"/> My property value is excessive/overvalued <input type="checkbox"/> My property value is unequal to similar properties <input type="checkbox"/> My property was valued improperly/incorrectly <input type="checkbox"/> My property has been undervalued <input type="checkbox"/> My exemption(s) was not applied			<b>THE FOLLOWING ARE <u>NOT</u> GROUNDS FOR APPEAL</b> <ul style="list-style-type: none"> <li>• Your taxes are too high</li> <li>• Your value changed too much in one year.</li> <li>• You can't afford the taxes</li> </ul>		
<b>Provide specific reasons and provide evidence supporting the item(s) checked above:</b>					
Have you attached additional information or documentation? <input type="checkbox"/> Yes <input type="checkbox"/> No					
<b>Values on Assessment Notice:</b>					
Site	\$	Building	\$	Total	\$
<b>Owner's Estimate of Value:</b>					
Site	\$	Building	\$	Total	\$
<b>Purchase Price of Property:</b>					
Price	\$	Purchase Date			
Has the property been listed for sale? <input type="checkbox"/> Yes <input type="checkbox"/> No (if yes complete next line)					
Listing Price	\$	Days on Market			
Was the property appraised by a licensed appraiser within the last year? <input type="checkbox"/> Yes <input type="checkbox"/> No (if yes provide copy of appraisal)					
<b>Certification:</b> 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	

Contact Us: CBJ Assessors Office			
Phone/Fax	Email	Website	Mailing Address
Phone: (907)586-5215 Fax: (907)586-4520	Assessor.Office@juneau.org	<a href="http://www.juneau.org/finance">http://www.juneau.org/finance</a>	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	\$
Exemptions		\$	
Total Taxable Value		\$	
<b>APPELLANT RESPONSE TO ACTION BY ASSESSOR</b>			
My acceptance or rejection of the assessment valuation in the amount of \$_____ is indicated below.			
<input type="checkbox"/> <b>Accept New Assessed Value</b> <input type="checkbox"/> <b>Close Review (Assessment Remains Unchanged)</b> <input type="checkbox"/> <b>Reject and Appeal</b>			
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	<input type="checkbox"/> Yes <input type="checkbox"/> No <i>(if no skip to Board of Equalization)</i>
Govern Updated	<input type="checkbox"/> Yes <input type="checkbox"/> No
Spreadsheet Updated	<input type="checkbox"/> Yes <input type="checkbox"/> No
Corrected Notice of Assessed Value Sent	<input type="checkbox"/> Yes <input type="checkbox"/> No

## Step 2 – Appeal

Appeal # \_\_\_\_\_

BOARD OF EQUALIZATION			
Scheduled BOE Date	<input type="checkbox"/> Yes <input type="checkbox"/> No		
10-Day Letter Sent	<input type="checkbox"/> Yes <input type="checkbox"/> 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 <input type="checkbox"/> <b>Met</b> <input type="checkbox"/> <b>Did not meet</b> 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	<a href="http://www.juneau.org/finance">http://www.juneau.org/finance</a>	155 South Seward St. Juneau AK 99801



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

ALASKAN KIWIS LLC  
3172 PIONEER AVE  
JUNEAU AK 99801-1962

<b>Meeting of Board of Equalization (BOE) 9nd Presentation of Real Property Appeal</b>	
<b>Date of BOE</b>	<b>Wednesday, October 20, 2021</b>
<b>Location of BOE</b>	Via ZOOM Webinar
<b>Time of BOE</b>	5:30 pm
<b>Mailing Date of Notice</b>	October 5, 2021
<b>Parcel Identification</b>	1C060K630020
<b>Property Location</b>	1107 W EIGHTH ST
<b>Appeal No.</b>	APL20210467
<b>Sent to Email Address:</b>	PeggyAnn@gci.net

### ATTENTION OWNER

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

Any evidence or materials you would like to include in your appeal must be submitted to the City Clerk's Office {preferred method via email to [city.clerk@juneau.org](mailto:city.clerk@juneau.org) Attn.: Assessment Appeal} by **4:00 PM Tuesday, October 12, 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 Wednesday, October 13, 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

<b>Phone</b>	<b>Email</b>	<b>Website</b>	<b>Physical Location</b>
Phone (907) 586-5215 Fax (907) 586-4520	<a href="mailto:assessor.office@juneau.org">assessor.office@juneau.org</a>	<a href="http://www.juneau.org/finance/">http://www.juneau.org/finance/</a>	155 South Seward St Room 114

**PROPERTY TAX BILLS MAILED JULY 1**

**PROPERTY TAXES DUE SEPTEMBER 30**



## APPEAL #2021-0467

2021 REAL PROPERTY APPEAL PACKET

BOARD OF EQUALIZATION October 20, 2021

### ASSESSOR OFFICE

Appellant: Alaskan Kiwis LLC

Location: 1107 W Eighth St

Parcel No.: 1C060K630020

Property Type: Commercial

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

	Appellant's Estimate of Value	Original Assessed Value	Recommended Value
Site:	\$ 308,700	\$ 463,050	\$ 463,050
Buildings:	\$ 765,900	\$ 765,900	\$ 765,900
<b>Total:</b>	<b>\$ 1,074,600</b>	<b>\$ 1,228,950</b>	<b>\$ 1,228,950</b>

*Subject Photo*



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## OVERVIEW

Subject is a two-story commercial building located downtown in close proximity to the Juneau-Douglas Bridge.

### Subject Characteristics:

- Land
  - 7,717 sf lot
  - Level lot
  - Exposure to Egan
  
- Building
  - Two-story
  - Average Quality
  - Average Condition
  - 5,950 SF GBA
  - 611 SF Covered walkway

## SUBJECT PHOTOS



Front

Rear



Side

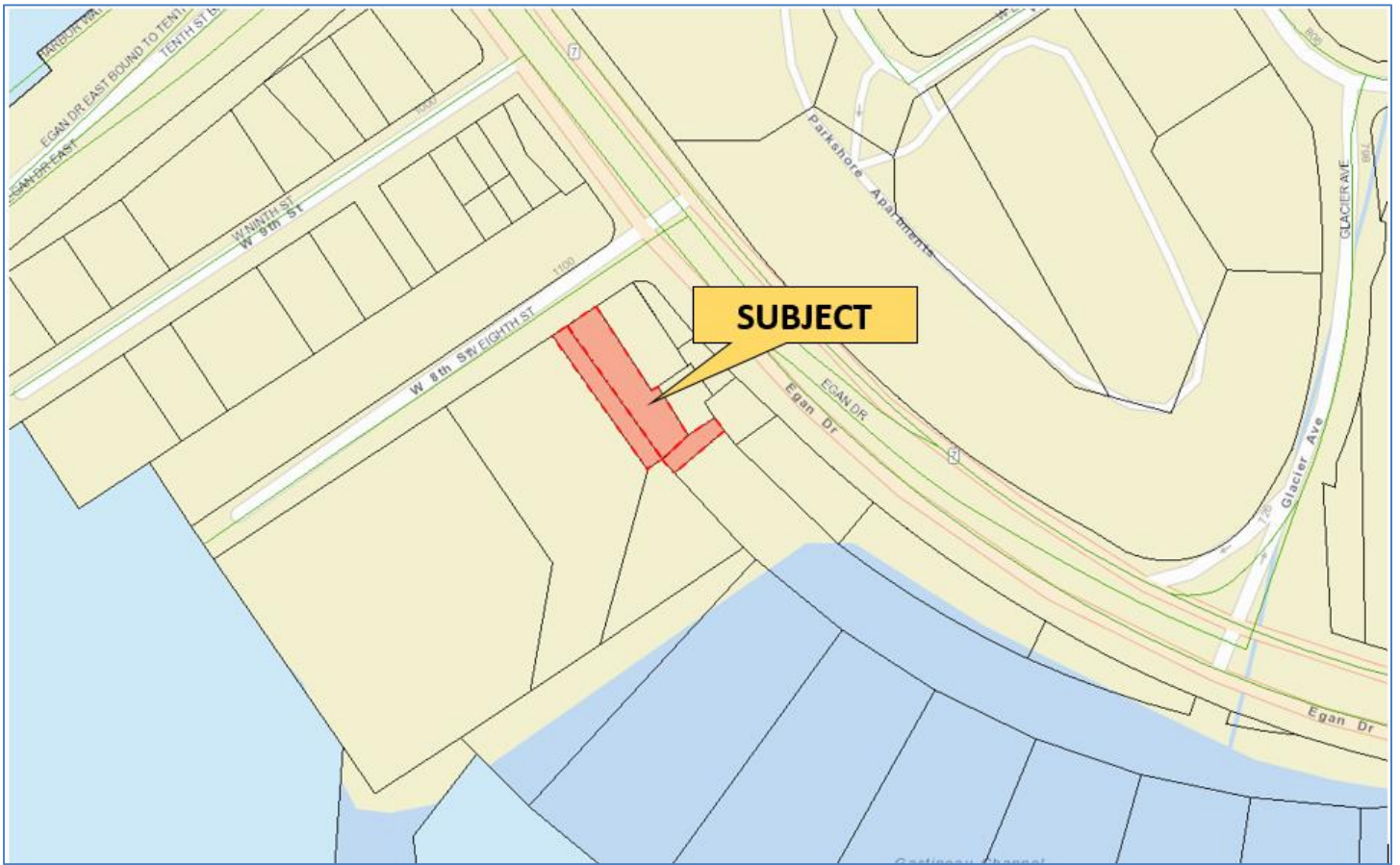




Front left



### 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

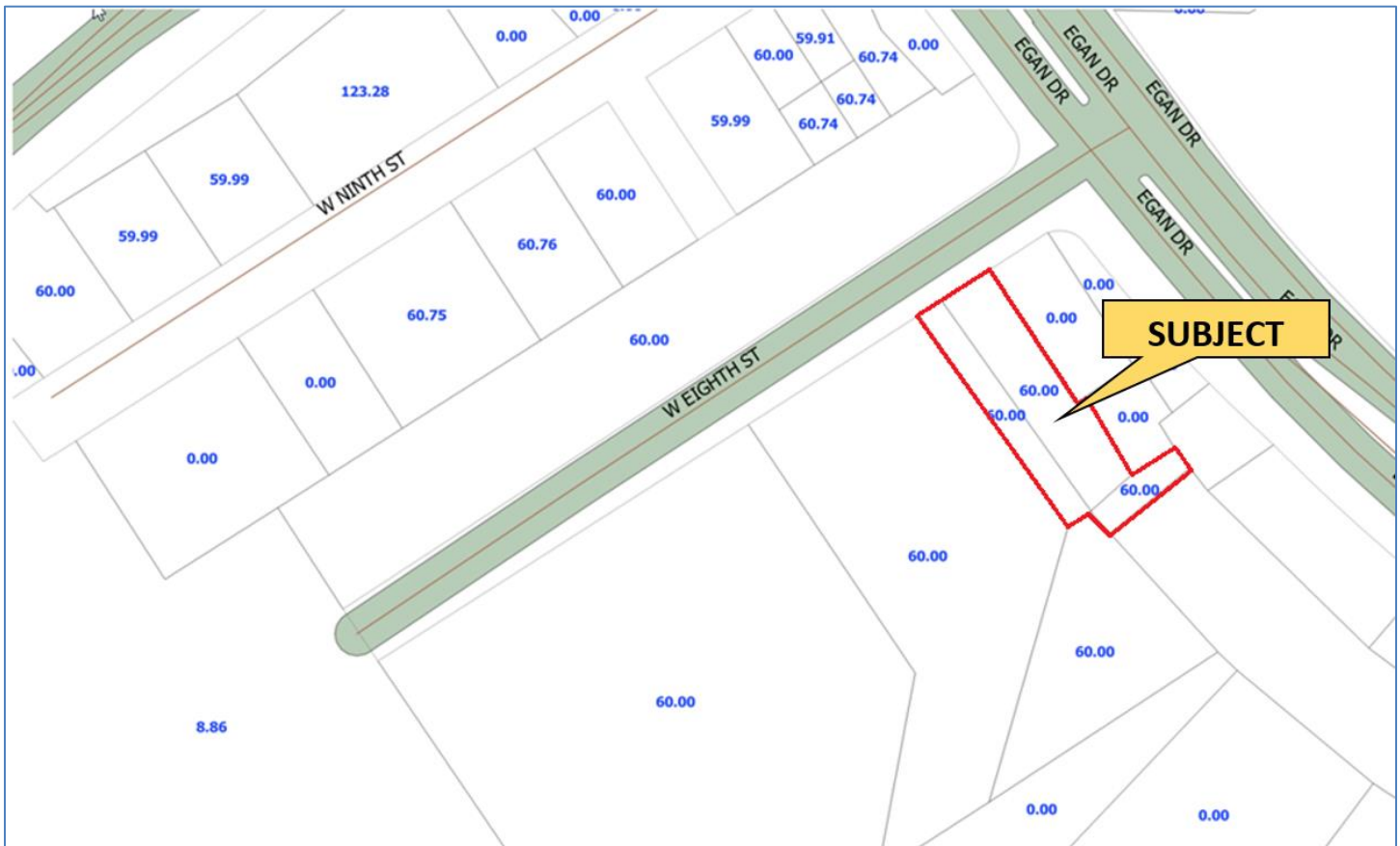
Land values are developed on a market area basis. The land is examined to understand the typical land characteristics in the market area. These characteristics include size, slope, view, water frontage, significant wetlands and others. The characteristics are used to develop a market area land valuation 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 typical for the market. The subject parcel’s land value is equitable.

### Land Characteristics:

- 7,717sf lot
- Level lot
- Exposure to Egan

### Land values:



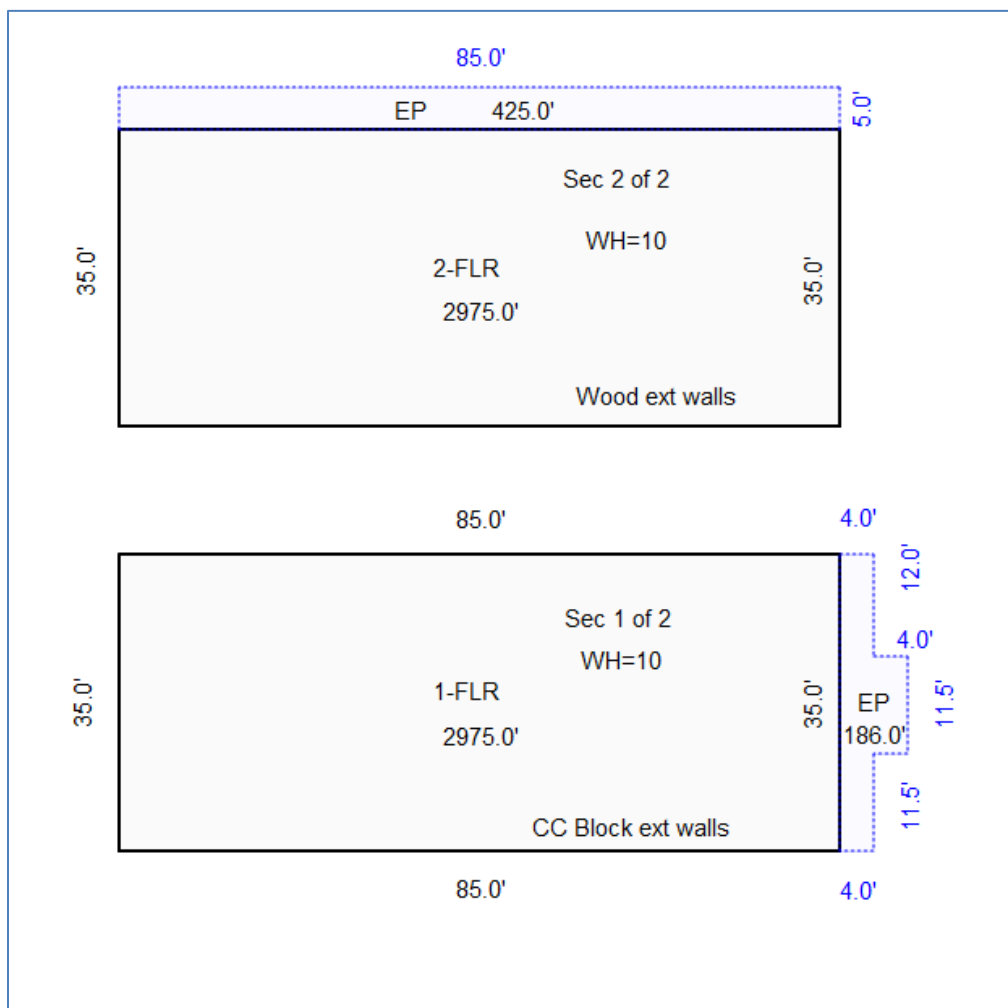
## BUILDING(S)

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:
  - Average Quality
  - Average Condition
  - 5,950 SF GBA
    - 2975 SF 1<sup>st</sup> level
    - 2975 SF 2<sup>nd</sup> level
  - 611 SF Covered walkway

### 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.

10/5/2021 12:16:44PM		Page 1			
Cost Report - Commercial					
<b>1046</b>		<b>Record</b>	1		
<b>Parcel Code Number</b>	1C060K630020	<b>Number of Stories (Building)</b>	02		
<b>Owner Name</b>	ALASKAN KIWIS LLC	<b>Number of Sections</b>	1		
<b>Parcel Address</b>	1107 W EIGHTH ST	<b>Perimeter</b>	240		
<b>Effective Year Built</b>	1997	<b>Class</b>	D		
<b>Year Built</b>	1978	<b>Height</b>			
<b>Building Model</b>	C- 15 Offices, Medical, Public Buildings	<b>Rank</b>	Average		
<b>Building Type</b>	Office Building	<b>Total Area</b>	5,950.00		
Section 1	Description	Units	Percent Cost	+/-	Total
	Base Cost	5950	94.50		562,275
	Exterior Wall Stud Walls-Wood Siding	5950	100%	16.30	96,985
	Heating & Cooling Heating & Cooling	5950		603.00	603
	Heating & Cooling Hot Water	5950	100%	13.00	77,350
	Architect Fee	5950	6.80		40,460
	<b>Sub Total</b>				\$777,673.00
	Local Multiplier		1.43	[X]	\$1,112,072.00
	Current Multiplier		1.03	[X]	\$1,145,434.00
	Neighborhood Multiplier			[X]	\$1,145,434.00
	Depreciation - Physical		31.00	[-]	\$355,085.00
	Depreciation - Functional			[-]	\$0.00
	Depreciation - Economic			[-]	\$0.00
	Percent Complete		100.00	[-]	\$790,349.00
	Cost to Cure				
	Neighborhood Adjustment				
	<b>Replacement Cost less Depreciation</b>				\$790,349
<b>Miscellaneous Improvements</b>					
	Miscellaneous Improvement	EP		[+]	26,300
		2.28.17 PER FIEL			
<b>Total Improvement Value</b>					\$816,600

## 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  1C060K630020 ALASKAN KIWIS LLC 1107 W EIGHTH ST TIDELANDS ADDITION BL 63 LTS 7 & 8				
<u>YEAR ID</u>	<u>LAND VALUE</u>	<u>MISC VALUE</u>	<u>BLDG VALUE</u>	<u>CAMA VALUE</u>
2021	\$463,050.00	\$26,300.00	\$739,600.00	\$1,228,950.00
2020	\$308,700.00	\$26,300.00	\$739,600.00	\$1,074,600.00
2019	\$308,700.00	\$26,300.00	\$739,600.00	\$1,074,600.00
2018	\$308,700.00	\$26,300.00	\$739,600.00	\$1,074,600.00
2017	\$309,000.00	\$26,300.00	\$739,600.00	\$1,074,900.00
2016	\$309,000.00		\$552,400.00	\$861,400.00
2015	\$309,000.00		\$552,400.00	\$861,400.00
2014	\$309,000.00		\$552,400.00	\$861,400.00
2013	\$309,000.00		\$552,400.00	\$861,400.00
2012	\$309,000.00	\$0.00	\$552,400.00	\$861,400.00
2011	\$309,000.00	\$0.00	\$552,400.00	\$861,400.00
2010	\$309,000.00	\$0.00	\$552,400.00	\$861,400.00

## SUMMARY

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

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

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

Additional Details:

- The appellant states that the assessed value is excessive/overvalued.
  - We find that the value is equitable and 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 14%.

We find that no change to the 2021 assessed value of \$ 1,228,950 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 \$1,350,500.

## ADDENDUM A

### General Information

1. Regardless of the number of sales, we are required to set assessed values each year.
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. 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 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.
  - 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.
7. 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.
8. We welcome any new or additional market information, which will be applied with next year's analysis.
9. 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.
10. 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.)
11. 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 also does not even qualify as an outlier per IAAO standards. (Again, please see Addendum B for additional review.)
12. 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.)
13. 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.
14. 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.

15. 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.
16. 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.
17. 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 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.

## **ADDENDUM B**

### **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	
<b>0.8526</b>	<b>0.8526</b>	<b>Mean</b>	(This is the average ratio for your sample.)
<b>0.8853</b>	<b>0.8853</b>	<b>Median</b>	(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	
<b>21.5490</b>	<b>21.5490</b>	<b>COD</b>	(Good indicator of confidence level.)
<b>28.3180</b>	<b>28.3180</b>	<b>COV</b>	
<b>1.2214</b>	<b>1.2214</b>	<b>PRD- Price-Related or Factor Differential</b>	(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

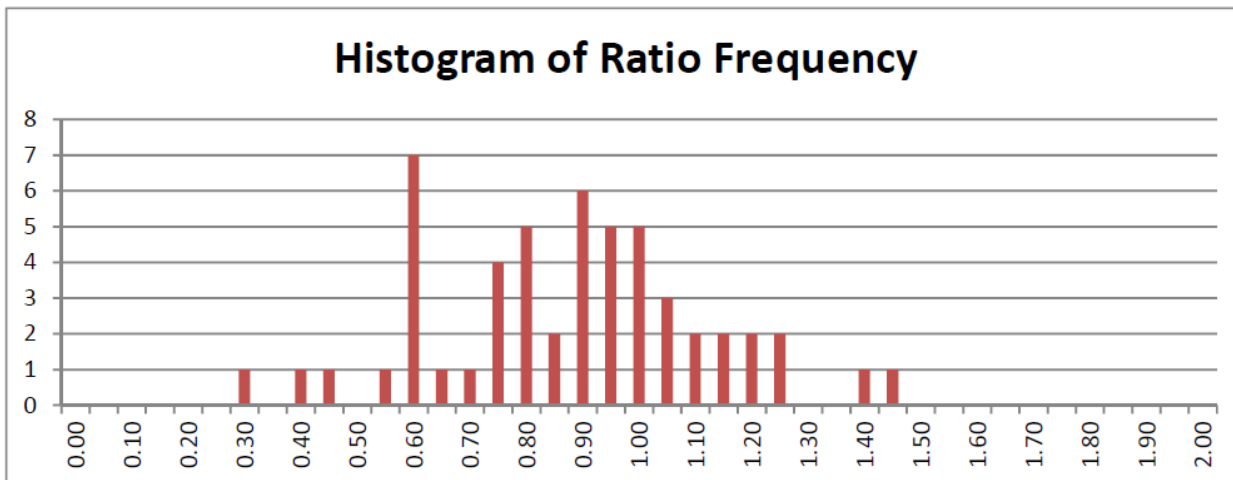
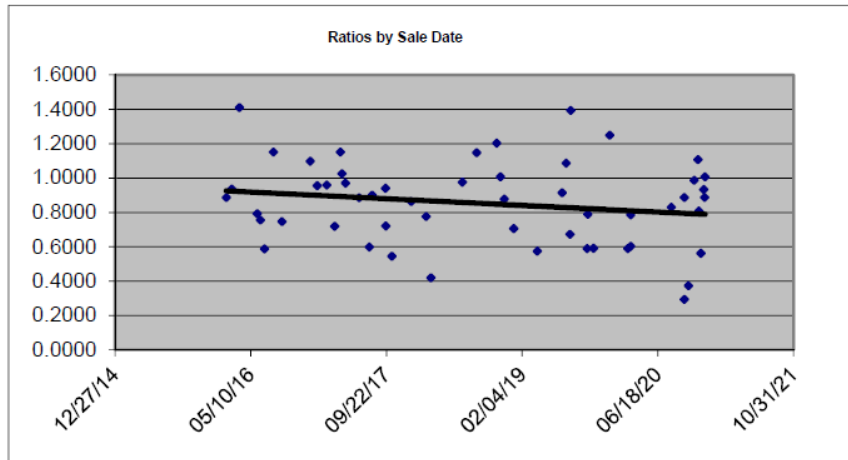
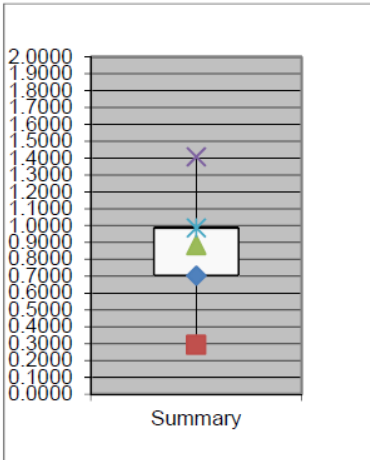
Coefficients (0=Normal Distribution)	
<b>Kurtosis</b>	-0.0245
<b>Skewness</b>	0.0181
Alt.Cyhelsky's Skew	-0.0943
Alt.Pearson's Skew	-0.4059

**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

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.

## 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.

<b><i>Review of Impact of Including and Excluding Particular Sales</i></b>				
	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
<b>Mean</b>	<b>0.8526</b>	<b>0.8692</b>	<b>0.8753</b>	<b>0.8846</b>
<b>Median</b>	<b>0.8853</b>	<b>0.8862</b>	<b>0.8862</b>	<b>0.8863</b>
<b>COD</b>	<b>21.5490</b>	<b>22.4051</b>	<b>21.6607</b>	<b>20.9181</b>
<b>COV</b>	<b>28.3180</b>	<b>29.0248</b>	<b>27.6491</b>	<b>26.4636</b>
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 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 Way	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	5B15011107E0	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

## **ADDENDUM C**

### **Emails and Other Communications**

- We met in-person with the appellant for several hours.
- Copies of emails are included in the packet as separate pdfs.



1C060K630020

	A	B	C	D	E	F	G	H
	PARCEL #	OWNER	ADDRESS	TOTAL VALUE 2021	TOTAL VALUE 2020	INCREASE	% 2021 OVER 2020	IMPACTED BY TOURISM
1								
2	1C070K760030	MERCHANTS WHARF LLC	EGAN DR	\$1,085,700.00	\$1,762,200.00	-\$676,500.00	-38.390%	Y
3	1C070K760040	MERCHANTS WHARF LLC	14 EGAN DR	\$4,013,800.00	\$3,955,300.00	\$58,500.00	1.479%	Y
4	1C060U040010	801 WEST 10TH INC (GOLDBELT)	801 W TENTH ST	\$10,674,250.00	\$9,947,800.00	\$726,450.00	7.303%	Y
5	1C060K580053	D & M RENTALS LLC	1230 W NINTH ST	\$932,400.00	\$841,700.00	\$90,700.00	10.776%	Y
6	1C060K580052	D & M RENTALS LLC	1200 W NINTH ST	\$4,412,400.00	\$3,980,500.00	\$431,900.00	10.850%	Y
7	1C060K580052	D & M RENTALS LLC	1200 W NINTH ST	\$4,412,400.00	\$3,980,500.00	\$431,900.00	10.850%	Y
8	1C060K580054	D & M RENTALS LLC	1240 W NINTH ST	\$925,700.00	\$834,900.00	\$90,800.00	10.876%	Y
9	1C060K580055	D & M RENTALS LLC	1250 W NINTH ST	\$962,200.00	\$858,900.00	\$103,300.00	12.027%	Y
10	1C060K600070	ASSOCIATION ALASKA SCHOOL BOARDS	1111 W NINTH ST	\$881,800.00	\$785,200.00	\$96,600.00	12.303%	N
11	1C020J050030	CNH HOLDING LLC (BREAKWATER HOTEL)	1711 GLACIER AVE	\$1,392,950.00	\$1,220,000.00	\$172,950.00	14.176%	Y
12	1C060K630020	ALASKAN KIWIS (CYCLE AK)	1107 W 8TH	\$1,228,950.00	\$1,074,600.00	\$154,350.00	14.363%	Y
13	1C060K600060	D & M RENTALS LLC	1105 W NINTH ST	\$189,300.00	\$157,200.00	\$32,100.00	20.420%	Y
14	1C060U040040	CAELUM AK LLC ( EYE CLINIC)	800 GLACIER AVE	\$1,492,000.00	\$1,238,800.00	\$253,200.00	20.439%	Y
15	1C060K510040	HARBOR LIGHTS ENTERPRISES LLC (JUNEAU ELEC)	1000 HARBOR WAY	\$812,650.00	\$651,600.00	\$161,050.00	24.716%	Y
16	1C070K760020	CULTURAL PRESERVATION INC (SEADROME BUILD)	76 EGAN DR	\$1,312,850.00	\$1,027,300.00	\$285,550.00	27.796%	Y

	A	B	C	D	E	F	G	H
	PARCEL #	OWNER	ADDRESS	TOTAL VALUE 2021	TOTAL VALUE 2020	INCREASE	% 2021 OVER 2020	IMPACTED BY TOURISM
1								
17	1C060U040030	MARIAN L FIORELLA (GAS STATION)	810 GLACIER AVE	\$960,800.00	\$704,200.00	\$256,600.00	36.439%	Y
18	1C060U060030	DELTA WESTERN INC	920 W TENTH ST	\$1,432,800.00	\$1,028,500.00	\$404,300.00	39.310%	Y
19	1C060U060040	801 WEST 10TH INC (GOLDBELT BLDG)	W TENTH ST	\$358,800.00	\$239,200.00	\$119,600.00	50.000%	Y
20	1C060K010033	DEVELOP JUNEAU NOW LLC (PARKING)	300 EGAN DR	\$2,584,950.00	\$1,723,300.00	\$861,650.00	50.000%	?
21	1C060K010031	NCL	0 EGAN DR	\$7,524,300.00	\$0.00			Y

## Michael Dahle

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**From:** Michael Dahle  
**Sent:** Friday, June 18, 2021 8:57 AM  
**To:** 'Peggy Ann McConnochie'  
**Cc:** John McConnochie  
**Subject:** RE: Michael Dahle, Commercial Assessor

Peggy Ann,

In reply to your questions:

- What is the methodology you are using to determine the value of land versus improvements on a specific piece of property? What is the formula? Is it different if the land has no improvements? If so how? Is this true for all 2021 commercial assessments on improved land or just ours?
  - There are many factors which I cannot capture here but basically land values are uniform between vacant land and land with buildings. Steps that we took to bring commercial properties closer to market this year were done in a manner to preserve that uniformity.
  - Your property was treated similarly as other properties in the borough. There are some classes of properties, such as commercial condos, where changes have to be applied in a slightly different manner but overall they received the same amount of increase. The total percent change will be different for vacant land than improved parcels and for improved properties the percent change will vary from property to property depending on the ratio between land value and building value.
  - Basic methodology of model calibration is that land values are determined from sales. Once land values have been established then the rates needed for the building portion to bring improved properties to market value is determined. Once the model is established it is applied to all applicable properties. Additionally studies are done to determine the impact of various property characteristics.
- Which specific property sales did you use to justify the increase in assessment 2021 over 2020 for the Cycle Alaska property?
  - I gave you a list of the properties included in our analysis. We do not pick specific comparables for individual properties in the process of setting assessed values. We employ a mass appraisal process. A situation where comparables are selected for an individual property, the comparables put into a grid and adjustments made to the sales prices and then a reconciliation of indicated values performed would be unusual.
- What is the exact formula you are using when you say you mix cost, market, and income approaches?
  - There is not an exact formula and the approaches are not really mixed, however, all three approaches are considered and the indications of the various approaches are reconciled. The reconciliation process discourages use of formulas such as an average and relies upon appraisal judgement. In general, in the mass appraisal process, through that reconciliation process, a preferred approach is selected for each class of properties and applied to all properties within that class.
- Please verify the CAP rate you are using for 2021 and how it compares to what you used in 2020 and 2019. How did you arrive at those rates for each of those years?
  - No cap rates were employed in determining the market trend for the year. In income and expense based values that we work up for the reviews we will be using a cap rate of 6%. That is based on local, regional and national research. Most of the indicated rates were between 4 and 6 with some lower than 4 and many between 4.75 and 5.25. Based on these indicators using 6 is being

conservative. The last number of years the office has frequently used 7%. There were two special circumstances last year where I applied a higher 9% rate to accommodate for specific circumstances.

Note that within the above there are occasions where it is necessary to deal with a particular property individually and there may be variations from the overall process for an individual property. When that occurs efforts are made to assure uniformity in results. Also note that most of the changes this year involved applying a trending factor to existing values based on historic models. This is standard assessment procedure.

I hope that answers your questions.

*Michael Dahle*

Deputy Assessor, City & Borough of Juneau  
907-586-5215 ext. 4036  
[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)

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**From:** Peggy Ann McConnochie <[peggyannmcconnochie@gmail.com](mailto:peggyannmcconnochie@gmail.com)>  
**Sent:** Thursday, June 17, 2021 2:58 PM  
**To:** Michael Dahle <[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)>  
**Cc:** John McConnochie <[jpm@gci.net](mailto:jpm@gci.net)>  
**Subject:** Re: Michael Dahle, Commercial Assessor

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Thank you.

On Jun 17, 2021, at 2:55 PM, Michael Dahle <[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)> wrote:

Peggy Ann,

I am working on responses. I will hopefully have it ready for you tomorrow.

*Michael Dahle*

Deputy Assessor, City & Borough of Juneau  
907-586-5215 ext. 4036  
[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)

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**From:** PeggyAnn McConnochie <[peggyannmcconnochie@gmail.com](mailto:peggyannmcconnochie@gmail.com)>  
**Sent:** Thursday, June 17, 2021 12:12 PM  
**To:** Michael Dahle <[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)>  
**Cc:** Assessor Office <[Assessor.Office@juneau.org](mailto:Assessor.Office@juneau.org)>; John McConnochie <[jpm@gci.net](mailto:jpm@gci.net)>  
**Subject:** Fwd: Michael Dahle, Commercial Assessor  
**Importance:** High

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

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Just confirming receipt of request for additional information.

Enjoy the sun!

PeggyAnn

Begin forwarded message:

**From:** Peggy Ann McConnochie <[peggyannmcconnochie@gmail.com](mailto:peggyannmcconnochie@gmail.com)>  
**Subject:** Michael Dahle, Commercial Assessor  
**Date:** June 14, 2021 at 4:49:19 PM AKDT  
**To:** [Assessor.Office@juneau.org](mailto:Assessor.Office@juneau.org)  
**Cc:** John McConnochie <[jpm@gci.net](mailto:jpm@gci.net)>

Good afternoon, Michael;

Going through my notes from our meeting on June 4th, I have some additional questions:

- What is the methodology you are using to determine the value of land versus improvements on a specific piece of property? What is the formula? Is it different if the land has no improvements? If so how? Is this true for all 2021 commercial assessments on improved land or just ours?
- Which specific property sales did you use to justify the increase in assessment 2021 over 2020 for the Cycle Alaska property?
- What is the exact formula you are using when you say you mix cost, market, and income approaches?
- Please verify the CAP rate you are using for 2021 and how it compares to what you used in 2020 and 2019. How did you arrive at those rates for each of those years?

Thank you in advance for your time.

Have a great day.

*PeggyAnn McConnochie*

**Cycle Alaska**

1107 West 10th Street, Juneau, AK 99801  
907.780.2283

[PeggyAnn@CycleAK.com](mailto:PeggyAnn@CycleAK.com)  
[www.CycleAK.com](http://www.CycleAK.com)

Join us on [Facebook!](#)

## Michael Dahle

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**From:** PeggyAnn <peggyann@gci.net>  
**Sent:** Monday, August 23, 2021 8:10 AM  
**To:** Michael Dahle  
**Cc:** John McConnochie  
**Subject:** Re: 1107 West 8th Street / Alaskan Kiwis LLC

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

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As I have indicated in previous emails I do not accept your 2021 assessment of the Alaskan Kiwis property therefore we will be appealing it to the Board of Equalization.

PeggyAnn McConnochie  
Alaskan Kiwis LLC

On Aug 19, 2021, at 4:58 PM, Michael Dahle <[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)> wrote:

PeggyAnn,

We recently sent you our response to your Petition for Review.

Please indicate if you accept our conclusion or you desire to appeal to the Board of Equalization. There is a form on page 2 of the response to indicate your preference or you also may indicate your preference via email. Please return your response to our office within 5 days which would be by August 24, 2021.

If you have any questions you are welcome to contact me.

*Michael Dahle*

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

<image001.png>

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**From:** PeggyAnn <[peggyann@gci.net](mailto:peggyann@gci.net)>  
**Sent:** Saturday, July 31, 2021 1:44 PM  
**To:** Michael Dahle <[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)>  
**Cc:** Bob Spitzfaden <[spitz@gci.net](mailto:spitz@gci.net)>; John P. McConnochie <[jpm@gci.net](mailto:jpm@gci.net)>  
**Subject:** Re: 1107 West 8th Street / Alaskan Kiwis LLC  
**Importance:** High

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

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Michael,

Thank you for your recent email communication to myself and Alaskan Kiwis, which was received on July 29, 2021, at 2:14 pm.

Before responding, Alaskan Kiwis needs the information requested in Mr. Spitzfaden's letter to you dated July 28, 2021.

What Mr. Spitzfaden's letter seeks is the data used to arrive at the assessment together with a concise, clear, and straightforward description and explanation of the methodology employed to arrive at the 2021 assessed value.

I am sure you understand the necessity of receiving this information before Alaskan Kiwis undertakes any binding actions regarding the assessment; and that this information be received sufficiently before any Board of Equalization hearing so that Alaskan Kiwis may address it during the Board's proceedings.

I look forward to your response.

*PeggyAnn*

PeggyAnn McConnochie

Cycle Alaska

1107 West 8th Street, Juneau, AK 99801

Shop: 907.780.2283

[PeggyAnn@CycleAK.com](mailto:PeggyAnn@CycleAK.com)

[PeggyAnn@gci.net](mailto:PeggyAnn@gci.net)

[PeggyAnn@ACHConsulting.com](mailto:PeggyAnn@ACHConsulting.com)

[www.CycleAK.com](http://www.CycleAK.com)

On Jul 29, 2021, at 2:14 PM, Michael Dahle <[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)> wrote:

PeggyAnn, please see below for responses to your last set of questions. In addition I have attached our review findings indicating that the valuation is not excessive. The second page includes a section where you can indicate your acceptance or rejection of our findings. If you reject our findings the Petition for Review will be converted into a formal appeal and you will be scheduled for a BOE hearing.

Your questions:

Concerning this comment:

- There are many factors which I cannot capture here but basically land values are uniform between vacant land and land with buildings. Steps that we took to bring commercial properties closer to market this year were done in a manner to preserve that uniformity.

Does your methodology reflect the difference between the assessed value method for raw or improved land, and a fee appraiser's method for raw and improved land? If so how?

You would have to talk to the fee appraiser as far as their methodology, however, what they are doing should conform to IAAO standards and appraisal principles.

Concerning this comment:

- The total percent change will be different for vacant land than improved parcels and for improved properties the percent change will vary from property to property depending on the ratio between land value and building value.

Your previous comment seems to contradict this second statement. How are you looking at the value of our lot versus our building? The size of the building is around 6420. I need to break out the first floor “garage” area from the shop and the upstairs offices but that gives you a high estimate to work with for the moment.

There is no contradiction. The adjustment that we made this year was applied to the land portion. The same trending was applied whether vacant or improved.

Concerning this comment:

- Basic methodology of model calibration is that land values are determined from sales. Once land values have been established then the rates needed for the building portion to bring improved properties to market value is determined. Once the model is established it is applied to all applicable properties. Additionally studies are done to determine the impact of various property characteristics.

What do you do in circumstances when there are no recent (within the past 12 to 18 months) comparable commercial sales? And how do you account for any sales they were made during an unusual economic event: COVID? Or prior to it when sales were stagnant?

There were recent sales, however, mass appraisal does not use comparable sales in the sense that your question seems to be asking. Generally, in appraisal work if there are insufficient sales within the geographic and time frame preferences you expand your criteria. I have seen no indication of a “stagnant” period. Even if there were zero sales we would still need to set assessed values to market value as best as we could determine.

Concerning this comment:

- I gave you a list of the properties included in our analysis. We do not pick specific comparables for individual properties in the process of setting



assessed values. We employ a mass appraisal process. A situation where comparables are selected for an individual property, the comparables put into a grid and adjustments made to the sales prices and then a reconciliation of indicated values performed would be unusual.

I believe the properties you can gave me went back 5 years and were primarily residential. How do you, or rather did you, weigh residential versus commercial properties? What is the calculation you used to compare a commercial property sold, let's say, 5 years ago to today?

All of the properties used in the commercial ratio studies were commercial sales. The residential ratio study was separate. The ratio study for commercial properties indicated a 5% per year trending for sales.

Concerning this comment:

- In general, in the mass appraisal process, through that reconciliation process, a preferred approach is selected for each class of properties and applied to all properties within that class.

What was the preferred approach for our commercial property and which specific properties including their sale dates were relied on for our 2021 assessed lot value increase? If you have comparables that were undeveloped commercial land, what calculation did you use to compare it to ours? What were the adjustments you made both positive and negative? And if there were any time adjustments.

What was applied this year was a trending. Again, your property valuation is based on a mass appraisal process not an individual appraisal. I have already provided a list of the sales included in the ratio study.

Concerning this comment:

- In income and expense based values that we work up for the reviews we will be using a cap rate of 6%. That is based on local, regional and national research. Most of the indicated rates were between 4 and 6 with some lower than 4 and many between 4.75 and 5.25. Based on these indicators using 6 is being conservative. The last number of years the office has frequently used 7%. There were two special circumstances last year where I applied a higher 9% rate to accommodate for specific circumstances.

I am very curious as to your research on CAP rates. If you have enough local recent information on our actual CAP rates wouldn't that be the rate or rates you would use to calculate values here in Juneau? After that maybe another similar community in the state, but then were any adjustments made to identify locational differences? If so what were they? If not, why?

The cap rates are set based on available data. However, remember that the income approach was not utilized in setting the 2021 assessed values, it has only been utilized in reviews and appeals.

And your final comment:

- Also note that most of the changes this year involved applying a trending factor to existing values based on historic models

What "trending factor" did you use? How did you come up with it? What method did you use to "ground truth" and prove the trend? Can you please provide me with that information?

As previously described, the trending that was applied was the 50% increase (a factor of 1.5) to the land portion for most commercial properties.

*Michael Dahle*

Deputy Assessor, City & Borough of Juneau  
907-586-5215 ext. 4036  
[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)

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**From:** Peggy Ann McConnochie <[peggyannmccconnochie@gmail.com](mailto:peggyannmccconnochie@gmail.com)>  
**Sent:** Thursday, July 1, 2021 9:06 AM  
**To:** Michael Dahle <[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)>  
**Cc:** Assessor Office <[Assessor.Office@juneau.org](mailto:Assessor.Office@juneau.org)>  
**Subject:** Re: 1107 West 8th Street / Alaskan Kiwis LLC  
**Importance:** High

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

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Thank you.

On Jul 1, 2021, at 9:01 AM, Michael Dahle  
<[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)> wrote:

Peggy Ann,

My apologies but, for some reason, I did not receive the June 22 email. I will be out of the office until July 13<sup>th</sup> and will respond after I return.

*Michael Dahle*

Deputy Assessor, City & Borough of Juneau  
907-586-5215 ext. 4036  
[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)

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**From:** Peggy Ann McConnochie <[peggyannmccconnochie@gmail.com](mailto:peggyannmccconnochie@gmail.com)>  
**Sent:** Thursday, July 1, 2021 8:53 AM  
**To:** Michael Dahle <[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)>  
**Cc:** Assessor Office <[Assessor.Office@juneau.org](mailto:Assessor.Office@juneau.org)>  
**Subject:** Fwd: 1107 West 8th Street / Alaskan Kiwis LLC  
**Importance:** High

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OR FOLLOWING LINKS**

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I have yet to hear back from you on this email.

Begin forwarded message:

**From:** Peggy Ann McConnochie  
<[peggyannmccconnochie@gmail.com](mailto:peggyannmccconnochie@gmail.com)>  
**Subject:** 1107 West 8th Street / Alaskan  
Kiwis LLC  
**Date:** June 22, 2021 at 4:03:42 PM AKDT  
**To:** Michael Dahle  
<[Michael.Dahle@juneau.org](mailto:Michael.Dahle@juneau.org)>  
**Cc:** [Assessor.Office@juneau.org](mailto:Assessor.Office@juneau.org), John  
McConnochie <[jpm@gci.net](mailto:jpm@gci.net)>

Good afternoon, Michael.

Thank you for the information. I have some  
clarifying questions based on your email response:

Concerning this comment:

- There are many factors which I cannot capture here but basically land values are uniform between vacant land and land with buildings. Steps that we took to bring commercial properties closer to market this year were done in a manner to preserve that uniformity.

Does your methodology reflect the difference between the assessed value method for raw or improved land, and a fee appraiser's method for raw and improved land? If so how?

Concerning this comment:

- The total percent change will be different for vacant land than improved parcels and for improved properties the percent change will vary from property to property depending on the ratio between land value and building value.

Your previous comment seems to contradict this second statement. How are you looking at the value of our lot versus our building? The size of the building is around 6420. I need to break out the first floor “garage” area from the shop and the upstairs offices but that gives you a high estimate to work with for the moment.

Concerning this comment:

- Basic methodology of model calibration is that land values are determined from sales. Once land values have been established then the rates needed for the building portion to bring improved properties to market value is determined. Once the model is established it is applied to all applicable properties. Additionally studies are done to determine the impact of various property characteristics.

What do you do in circumstances when there are no recent (within the past 12 to 18 months) comparable commercial sales? And how do you account for any sales they were made during an unusual economic event: COVID? Or prior to it when sales were stagnant?

Concerning this comment:

- I gave you a list of the properties included in our analysis. We do not pick specific comparables for individual properties in the process of setting assessed values. We employ a mass appraisal process. A situation where comparables are selected for an individual property, the comparables put into a grid and adjustments made to the sales prices and then a reconciliation of indicated values performed would be unusual.

I believe the properties you can gave me went back 5 years and were primarily residential. How do you, or rather did you, weigh residential versus commercial properties? What is the calculation you

used to compare a commercial property sold, let's say, 5 years ago to today?

Concerning this comment:

- In general, in the mass appraisal process, through that reconciliation process, a preferred approach is selected for each class of properties and applied to all properties within that class.

What was the preferred approach for our commercial property and which specific properties including their sale dates were relied on for our 2021 assessed lot value increase? If you have comparables that were undeveloped commercial land, what calculation did you use to compare it to ours? What were the adjustments you made both positive and negative? And if there were any time adjustments.

Concerning this comment:

- In income and expense based values that we work up for the reviews we will be using a cap rate of 6%. That is based on local, regional and national research. Most of the indicated rates were between 4 and 6 with some lower than 4 and many between 4.75 and 5.25. Based on these indicators using 6 is being conservative. The last number of years the office has frequently used 7%. There were two special circumstances last year where I applied a higher 9% rate to accommodate for specific circumstances.

I am very curious as to your research on CAP rates. If you have enough local recent information on our actual CAP rates wouldn't that be the rate or rates you would use to calculate values here in Juneau? After that maybe another similar community in the state, but then were any adjustments made to identify locational differences? If so what were they? If not, why?

And your final comment:

- Also note that most of the changes this year involved applying a trending factor to existing values based on historic models

What "trending factor" did you use? How did you come up with it? What method did you use

to “ground truth” and prove the trend? Can you please provide me with that information?

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And, I am in receipt of the June 18th letter from the Assessor. As you know we do not accept your 2021 increase in our improved lot assessment. I look forward to continued conversations with you and then the Board of Equalization.

Thank you again. I look forward to your reply.

*PeggyAnn*

PeggyAnn E. McConnochie, DSA, DREI, GSI  
Alaska Real Estate Broker  
**ACH CONSULTING LLC**  
3172 Pioneer Avenue, Juneau, Alaska 99801-1962  
[PeggyAnn@ACHConsulting.com](mailto:PeggyAnn@ACHConsulting.com)  
Cell: 907.723.8642  
Licensed in the State of Alaska  
Join me on [LinkedIn](#)

<image004.jpg>

<image003.jpg>

**PeggyAnn E. McConnochie, DSA, DREI**  
[about.me/peggyann](https://www.about.me/peggyann)

<1C060K630020 - Response to Petition for Review.docx>