



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
1332 Seward Ave.  
Room 229  
Sitka, AK  
(907)747-1811

## Meeting Agenda

### City and Borough Assembly

*Mayor Mim McConnell*  
*Deputy Mayor Matt Hunter*  
*Vice-Deputy Mayor Benjamin Miyasato*  
*Aaron Swanson, Steven Eisenbeisz*  
*Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman*  
*Municipal Attorney: Robin L. Schmid*

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Monday, May 2, 2016

6:00 PM

Assembly Chambers

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Meeting to be held at the Sealing Cove Business Center 601 Alice Loop

#### SPECIAL MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL
- IV. NEW BUSINESS:

#### Board of Equalization

*Convene as the Board of Equalization*

- A [16-084](#) Hear an appeal, and reach findings and decision, filed by Christine McGraw in regard to Lot One (1), North Woodbury Subdivision - Parcel 2-4909-130

**Attachments:** [CBS Attorney Memo BOE Procedures.pdf](#)

[Motion BOE McGraw.pdf](#)

[Appeal packet McGraw.pdf](#)

- B [16-086](#) Hear an appeal, and reach findings and decision, filed by Dal Global Services, LLC dba Delta Airlines in regard to personal property referenced within appeal packet 2016-03 by reference

**Attachments:** [CBS Attorney Memo BOE Procedures.pdf](#)

[Motion BOE Delta.pdf](#)

[Appeal packet Dal Global Services, LLC dba Delta Airlines.pdf](#)

**V. PERSONS TO BE HEARD:**

*Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.*

**VI. EXECUTIVE SESSION**

**VII. ADJOURNMENT**

*Sara Peterson, CMC  
Municipal Clerk  
Publish: April 29*



# CITY AND BOROUGH OF SITKA

## Legislation Details

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**File #:** 16-084      **Version:** 1      **Name:**

**Type:** Item      **Status:** AGENDA READY

**File created:** 4/27/2016      **In control:** City and Borough Assembly

**On agenda:** 5/2/2016      **Final action:**

**Title:** Hear an appeal, and reach findings and decision, filed by Christine McGraw in regard to Lot One (1), North Woodbury Subdivision - Parcel 2-4909-130

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [CBS Attorney Memo BOE Procedures.pdf](#)  
[Motion BOE McGraw.pdf](#)  
[Appeal packet McGraw.pdf](#)

Date	Ver.	Action By	Action	Result
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**City and Borough of Sitka  
Legal Department  
100 Lincoln Street  
Sitka AK 99835  
Phone (907)747-1821  
Fax (907)747-7403**

# Memo

To: Mayor McConnell and Assembly Members

From: Robin Schmid, Municipal Attorney

Date: May 2, 2016

Re: Board of Equalization Procedures

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These are the legal procedures regarding the Board of Equalization hearings set for Monday, May 2, 2016 at 6:00 p.m. Although many of you already know, for new members, the Assembly sits as the Board of Equalization to hear and decide property tax appeals, and two property tax appeals have been filed this year.

Board of Equalization hearings are different from the other meetings at which the Assembly votes on ordinances and resolutions.

1. **Please do not discuss the issues or merits** of any particular property tax appeal with either the Assessor or any person who has appealed before the Board of Equalization meets. (Those who appeal are called “Appellants.”) Following this advice will allow the Board to make decisions based on the record before it. Following this advice will also help prevent the disqualification of the Assembly Member involved or even the invalidation of the decision made by the Board of Equalization.

2. Unlike other Assembly meetings, Board of Equalization hearings are contested adversarial proceedings in which the Appellant taxpayer and the Assessor choose the witnesses, who are subject to cross-examination by the other side. The procedure used in Sitka has been as follows:

- A. Appellant makes presentation, with each witness subject to cross-examination
- B. Assessor makes presentation, with each witness subject to cross-examination
- C. Appellant gives rebuttal of Assessor’s presentation (no new evidence)

- D. Assessor gives rebuttal of Appellant's presentation (no new evidence)
- E. Appellant makes closing argument
- F. Assessor makes closing argument
- G. Appellant makes rebuttal closing argument

3. The presiding officer of the Assembly presides over the Board of Equalization. The presiding officer exercises such control over the proceedings as is reasonable and necessary. One duty is to enforce **time limits**, which of course should be announced in advance.

4. Another duty of the presiding officer is to rule on the admissibility of evidence at the hearings. The Board of Equalization is not restricted to the formal rules of evidence used in court, but instead follows rules consistent with general rules of administrative procedure. The rules of evidence in Alaska's Administrative Procedure Act are attached.

5. **The taxing authority has broad discretion in deciding among recognized valuation methods.** The appeal from a determination by a Board of Equalization on an assessment is appealable to the Superior Court. The question for the courts in reviewing a determination on an assessment is "whether there is a reasonable basis for the taxing authority's method." If the court finds such a reasonable basis, to prevail in court the taxpayer must show fraud or the "clear adoption of a fundamentally wrong principle of valuation."

6. **At the Board of Equalization hearing, the burden of proof is on the Appellant.** The only grounds for adjustment of an assessment are "proof of unequal, excessive, improper, or under valuation based on **facts** that are stated in a valid written appeal or proven at the appeal hearing." The Assessor is presumed to have done his job and based it on the best information he can procure. Mathematical exactness is not required.

7. An Appellant appealing an assessment does not need to prove the correct amount, range, or method of valuation. However, the Appellant cannot just say the Assessor is wrong or be critical of the method used, they must present independent evidence themselves. If they manage to do so, the burden then shifts to the Assessor to introduce credible evidence which substantiates the assessment.

8. **The Board of Equalization needs to adopt written findings.** Findings to facilitate review by a court and assist the parties. **The findings should address the arguments made by the Appellant taxpayer and the Assessor, particularly those arguments made by the side that does not prevail. In your packet you will find the Assessor's suggested Findings of Fact.**

I will be present for the hearings, and I will work to assist the Board to prepare those written findings which could be voted on and adopted by the Board at such time as the Board may direct. The Board of Equalization shall certify its actions to the Assessor within seven days of the hearing.

9. If the Board chooses, the Board may deliberate in **executive session** to decide the property tax appeals it hears. AS 44.62.310(d)(1) (Open Meetings Act does not apply to a

governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding). Given that the Board's role resembles that of a panel of judges or a jury, there should be no one else present but members of the Board if the Board elects to deliberate in executive session. If the Board has questions regarding the applicable law, the Board could come out of executive session and request answers from the Attorney in open session.

10. The same members of the Board of Equalization must be in attendance throughout the hearing, and only those members who have been in attendance throughout the hearing may vote on matters before the Board.

RLK/slj

Attachment

## Step 1

**I MOVE TO** CONVENE AS THE BOARD OF EQUALIZATION

## Step 2

**PROCEDURAL ADVICE – Municipal Attorney Robin Schmid**

## Step 3

### **ITEM A – Christine McGraw**

Hear an appeal, and reach findings and decision, filed by Christine McGraw in regard to Lot One (1), North Woodbury Subdivision - Parcel 2-4909-130.

**Appellant makes presentation: 3 minutes**

**Assessor makes presentation: 3 minutes**

**Appellant gives rebuttal: 3 minutes**

**Assessor gives rebuttal: 3 minutes**

**Appellant closing argument: 3 minutes**

**Assessor closing argument: 3 minutes**

## Step 4

*The hearing is closed and the Board determines whether the assessment is unequal, excessive, improper or undervalued and clearly state the findings of fact relied on to reach the decision.*

## **POSSIBLE MOTIONS**

**I MOVE TO** uphold the appeal value of \$52,700 for Lot One (1), North Woodbury Subdivision - Parcel 2-4909-130.

OR

**I MOVE TO** change the appeal value for Lot One (1), North Woodbury Subdivision - Parcel 2-4909-130 from \$52,700 to \$\_\_\_\_\_.

**Step 5**

**POSSIBLE MOTION**

**I MOVE TO** approve the following findings of fact and conclusions of law based upon the evidence and argument presented at the hearing of May 2, 2016 for Lot One (1), North Woodbury Subdivision – Parcel 2-4909-130:

- 1)
- 2)
- 3)

The Conclusion(s) of law for the assessment was:  
*(state one or more):*

- Unequal
- Excessive
- Improper
- Under valuation

*Or, if the value is upheld*

- None of the above

**Step 6**

Next appeal – Item B

April 27, 2016

Re: 410 Kramer Ave Assessment Appeal

To Whom It May Concern,

This letter gives Chris McGraw, my agent, permission to speak on my behalf, Christine McGraw, during the appeal hearing Monday May 2, 2016. Please call with questions or concerns.

Regards,

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a long horizontal stroke.

Christine M. McGraw  
Cell (907) 738-0720

# CITY AND BOROUGH OF SITKA - ASSESSMENT APPEAL 2016



**Owner:** McGraw, Christine      **Owner:**   
**Location:** 410 Kramer Ave  
**Parcel No:** 2-4909-130      Legal: Lot One (1), North Woodbury Subdivision, according to Plat No. 2014-2, Sitka Recording District, First Judicial District, State of Alaska.  
**Prop Type:** Vac  
**Hearing Notice Mailed:** 4/19/2016

## Appeal 2016-01

### PROPERTY INFORMATION

#### General Data

**Year Built:**   
**Total Area:**   
**Prop Style:** No Data  
**Total Finished Living Area:**   
**Re-Appraisal Date:** 12/23/2015

#### Land Data

**Zoning Type:** R1

**Sq.Ft.:** 14,077      **Acres:** 0.323

**Topography:** Sloping  
**Shape:** Average  
**View:** Good  
**Drainage:** Average  
**Access:** Easement  
**Parking:** Onsite  
**Street:** Gravel  
**Water:** Public  
**Sewer:** Public  
**Waterfront:** 0.00

Subject Photo



### VALUATION INFORMATION

2016	Owner's Requested Value:	Assessed Value:	Appeal Value:
<b>Land Values:</b>	\$0	\$52,700	\$52,700
<b>Bldg Values:</b>	\$0	\$0	\$0
<b>Totals:</b>	\$0	\$52,700	\$52,700

### BOARD FINDINGS

2016	BOE Recommended Value	Findings of Fact, Conclusions of Law
<b>Land Value:</b>	<input type="text"/>	<input checked="" type="radio"/> Upheld <input type="radio"/> Changed
<b>Bldg Value:</b>	<input type="text"/>	
<b>Total:</b>	<input type="text"/>	

RECEIVED MAR 23 2016

Raid 3/23/16

**City and Borough of Sitka**  
**Assessing Department**  
**Petition for Adjustment of Assessed Valuation**

**General Information**

Your property has been assessed according to procedures established by State and local regulations which require all property to be assessed at 100% of market value. Market value means the estimated price which the property would bring in a sale between a willing seller and a willing buyer both conversant with prevailing general price levels.

Any person who receives notice or whose name appears on the assessment roll may appeal to the Board of Equalization with respect to any alleged error in the valuation or omission not adjusted to the taxpayer's satisfaction. If you feel that your property, if placed on the open market could not, within a reasonable period of time, command a selling price equal to the assessment, **PLEASE COMPLETE THE ATTACHED FORM AND FILE IT WITH THE ASSESSOR'S OFFICE PRIOR TO THE FILING DEADLINE OF APRIL 15, 2016, 4:45 P.M.**

If the Assessor is unable to adjust the value to your satisfaction, you will be notified of the time that the Board of Equalization will hear your appeal. The following information may be of value to you during the appeal process.

1. The Board of Equalization is a quasi-judicial body and not a legislative body. As such, it can rule only on evidence presented and only within the confines of pre-existing law. The Board cannot pass new legislation, nor can it change existing legislation to accommodate petitioners, regardless of the merits of the cases presented.
2. In all cases, the burden of proof lies with the petitioner, and not with the Assessor. The only grounds for adjustment of an assessment are proof of *unequal, excessive, improper, or under valuation* based on facts that are stated in a valid written appeal or proven at the appeal hearing. According to law, the Board of Equalization, unless convinced otherwise, must vote to sustain the Assessor.
3. For a complete presentation of an appeal, all information requested should be produced, whether it is requested by this petition, by the Assessor, or by the Board.
4. In stating your case, it is recommended that all major points of disagreement be submitted in writing on the space provided, (or on a separate sheet if necessary), to be supplemented by verbal argument during the hearing.

**Return forms to:** City and Borough of Sitka  
Assessor's Office  
100 Lincoln St., Room 108, Sitka, Alaska 99835  
Ph: 907-747-1822 Fax: 907-747-6138

**City and Borough of Sitka**  
**Petition for Adjustment of Assessed Valuation**  
**Real Property**

Date Filed: 3-22-16

The deadline for filing an appeal with the Assessor is **April 15, 2016**. However, appeal of the Board of Equalization, in what is deemed to be unusual circumstances; by unanimous vote may waive this time provision. The Assessor **must be** contacted during the 30 day appeal period.

Parcel Identification No. 2-4909-130-000-0000

1. I, Christine McGraw, representing Christine McGraw  
The owner of the above identified property, hereby request the Assessor review the assessment of said property.

**2016 Assessed Value:**

Land \$ 52,700.00 Building(s) \$ \_\_\_\_\_ Total \$ 52,700.00

2. Please answer the following questions for the information of the Assessor and the Board of Equalization in considering this appeal:

- A. What date was the property acquired? July 2014  
B. What was the full consideration/price? \$110,000.00  
C. Did this price include any furniture/ fixtures? If so, List approximate value \$ N/A  
D. What do you consider the market value?  
Land \$ 0.00 Bldg \$ \_\_\_\_\_ Total \$ 0.00  
E. Have you ever offered this property for sale? Yes \_\_\_\_\_ No X  
F. Have you ever received an offer? Price/when No  
G. have you had the property appraised in the past 2 years? \$ \_\_\_\_\_

3. There is an error or omission on the assessment of this property for the following reason(s):

I believe this property to be worth \$0.00 because it is in a high risk landslide area. The city of Sitka won't allow a structure or occupancy on 410 Kvarner Ave therefore giving the property no use or worth. In addition no bank will loan money on this property. This property can never be sold for any money therefore giving it \$0.00 market value.

Print Name: Christine McGraw

Sign here:  Date: 3-22-16

For Assessor's Office Use:

Parcel Identification No. 2-4909-130 Appeal No 2016-01

**Action by Assessor**

Property was reinspected, building officials and public works were interviewed and no development restrictions were in place at January 1, 2016. Access was blocked due to safety concerns. Therefore no change in value was warranted as nothing had changed since the value was reduced as a result of the land slide. The assessment is equal to other properties affected by the landslide. All land values were reduced by 50% for the risks involved with each property. See Assessor's Discussion (attached).

Signed: Wendy Lawrence Date: 4/1/16  
City and Borough of Sitka Assessor

**Adjusted 2016 assessed value:**

Land\$ 52,700 Building\$ 0 Total\$ 52,700

I hereby accept \_\_\_\_\_ reject \_\_\_\_\_ the foregoing assessed valuation in the amount of \$ \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Petitioner



**APPEAL GUIDELINES:**

*Alaska Statute 29.45.110(b) The appellant bears the burden of proof. The only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts that are stated in a valid written appeal or proven at the appeal hearing. If a valuation is found to be too low, the board of equalization may raise the assessment.*

**APPELLANT INFORMATION:**

The property owner failed to provide factual information to support this appeal by the April 22 deadline. Factual support of all filed appeals can consist of property-specific appraisals, photos, drawings, insurance estimates, and/or cost-to-cure estimates, and is required in order to meet the burden of proof which rests upon the appellant, per AS 29.45.210(b).

**ASSESSOR'S DISCUSSION:**

Assessor's Parcel No(s). 2-4909-130 – 410 Kramer Ave – Christine McGraw	
Owner's Opinion of Value:	Assessed Value:
\$0	\$52,700

**Appeal Points Summary:**

- Property assessments are valued January 1 annually, therefore only information prior to January 1, 2016, can be considered for this appeal;
- Benchland land sales generally ranged in value from \$100,000 to \$110,000 (raw land sales);
- Subject property was purchased for \$110,000 in 2014 (raw land with road access & right of way utility improvements);
- A landslide impacted this property, resulting in reduction and freeze of 2015 & 2016 raw land values at \$52,700, fifty-percent of the 2015 (impact year) market value estimate;
- Property owner requests \$0 valuation on appeal for 2016 contending no value due to high risk landslide area
- Appeal request denied:
  - External risk discount has already been applied to land market value
  - Property was valued with a standard R1 land valuation model based upon R1 land sales city-wide 2002-2015 for equity among all land owners; these sales were the basis for this valuation conclusion
  - Appellant has provided no alternative valuation information (sales, analysis or cost to cure estimates) to support this appeal



**Background:**

Benchland land sales were transferred from city to private ownership in 2014 and were absorbed into the market during 2014-2015. The development area consisted of an area of above-average market appeal with various view lots along Kramer Avenue, a gravel road with utilities in the right of way.

**Background (Continued):**

Resulting land sales were predominantly in the \$100,000 to \$110,000 range for unimproved raw land. The average lot size in this immediate area was 16,000 square feet and the average sales price was \$110,000; this translates to about \$6.88/sf for raw land. Lot development required property-specific site-prep and extension of the utilities from the roadway to each lot. Exact development costs for each lot are unknown, but costs were estimated to have generally ranged from \$20,000 to \$50,000. Site improvements do add value to what can then be marketed as build-ready improved land, but due to the 2015 landslide and the subsequent disaster revaluation, any potential value increases for water, sewer, or electrical improvements were not captured, as values were frozen at their raw land levels.

Sitka General Code 4.12.045 provides for a disaster revaluation of taxable property affected by a natural disaster if the change in assessed values pre- and post-disaster exceed ten thousand dollars. Assembly action declared the August 18, 2015, landslide a natural disaster and as a result the 2015 assessed valuation of this property was reduced by 50% from \$105,400 to \$52,700 due to the external obsolescence represented by the landslide event and subsequent access issues. This 2015 revised value was then rolled forward for the 2016 assessment, as required by the statute.

In summary, 2015 disaster revaluation land values for the immediate impact area were raw land value only, with no consideration given to owner-improvements. Ms. McGraw was one of those property owners receiving this disaster revaluation; she accepted the 2015 disaster revaluation of \$52,700, which is the same value that was rolled forward for this appeal.

**2015 Assessed Valuation:**

Ms. McGraw's initial 2015 Assessed Valuation for a vacant lot was \$105,400, (raw land value only, because it was vacant as of January 1, 2015). Her disclosed 2014 sale price was \$110,000. Construction of her home began in 2015 and the resulting market value was to be placed upon the rolls for the 2016 valuation. The landslide occurred on August 18, 2015, demolishing her home. All development was halted and as of the January 1, 2016, valuation date the lot remained untouched from its impacted state with no further development. Kramer Avenue was not fully restored until February 2016, at which time legal access to this property was restored. Therefore, as of January 1, 2016, Ms. McGraw's lot was a vacant lot with restricted access, and underground utilities possibly still in place. The value of the utility improvements was not captured as the condition of those utilities was unknown at the time of inspection on December 23, 2015.



The 50% land value reduction factor was chosen after extensive research and analysis, with the City and Borough of Sitka's past-practices and the City and Borough of Juneau's (CBJ) mass-wasting policy being weighted most heavily.

#### **2015 Disaster Revaluation Conclusions:**

Market value is ideally determined by arms-length market sales, but market activity following a landslide can be non-existent. In the absence of market data from the immediate impact area we can rely on past practices, best-practices, and economic theory for guidance.

**Market Sales:** There were no observed market sales within the upper Benchland area after the landslide, nor were any landslide risks quantified at that time (August 19-December 31, 2015). Four post-slide market sales did occur in the area immediately below Kramer Avenue, with no observed reductions in value. These sales were confirmed by various local appraisers and realtors and consensus was that this incident caused pauses in pending transactions, but eventually all four transactions closed post-slide.

Analysis of historical post-landslide sales shows that properties do resell after a stigma period, with no reduction in value. Discussions with appraisers and real estate professionals concluded the affected properties were of some value, but determining that value would be a challenge. Therefore, past practices were researched for further guidance.

**Past Practices:** Research of assessing files indicates landslides have affected Sitka road-accessible properties since the 1970's with typically little to no reduction in land values. Post-landslide valuations have generally provided no reductions, but when given were very conservative (historically 0-30% negative adjustments if any). Therefore, a negative 50% reduction is relatively generous when compared to past practices of the City and Borough of Sitka Assessing Department, and given the lack of property-specific costs to cure from the appellant to support a zero value. In fact, this 50% reduction factor represents a \$98,800 reduction from its full market value of \$151,500.

**The following history of post-landslide valuations has been included for reference:**

- 1977 Cascade Creek Landslide-(0%) No Adjustments to Assessed Values
- 1980 1500 Block of Halibut Point Rd-(0%) No Land Adjustment but soils/slope study was required for future development
- 2006 1500 Block of Halibut Point Rd-(30%) Land Adjustment on one of five affected properties only, but plat notes & cost to cure applied,
- 2006 1500 Block of Halibut Point Rd-**RESALES of these affected properties**
- 2015 1500 Block of Halibut Point Rd-**RESALES of these affected properties**
- 2011 Cascade Creek Landslide-(0%) No Land Adjustments to Assessed Values, Building Values Were Adjusted for Damages



- 2014 Cascade Creek Landslide-(20%) Land Adjustments Applied
- 2014 Starrigavan Slide-Remote No Properties Affected

**Best-Practices:** Best-practice research indicates that the City and Borough of Juneau is the only southeast municipality to have an established mass-wasting (landslide) valuation policy already in place. The City and Borough of Juneau assesses land values in identified high-risk areas at 50% of market value and provides reductions that are commensurate with risk mitigation costs for moderate- and low-risk areas. This policy was weighted heavily for this valuation.

**Economic Theory:** Determining the market value of the subject property is difficult at best. Real estate markets are imperfect by nature, and are highly localized. The supply of land is fixed, and the demand for land can be quite volatile. This is evidenced in Sitka by our very tight residential land vacancy rate of 3% city-wide. This creates for steady demand even for challenged properties. Therefore, let's take a look at the definition of market value to help in this valuation determination:

*Market value is the "most probable" price which a property should bring in in a competitive & open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.*

Market price is not determined by a specific buyer and seller within one unique transaction; moreover it is the most probable price the market will bear as evidenced by the typical buyer and seller in an arms-length sale. Arms-length market sales provide us with the data which is necessary to make these value judgments in the assessment process, and light of the landslide events of 2015 this will take some time.

In the absence of solid market data, economic theory would indicate that a decrease in demand for properties in landslide areas, when combined with a very steady and low supply of available residential properties, would lead to a decrease in overall market prices in the affected area. This decrease is difficult to measure without a detailed economic analysis and thus for simplicity this 50% reduction was used for this appeal valuation.

**Value Conclusion:**

Per SGC 4.12.040 and Alaska Statute 29.45.110 the Assessing Director is required to value all property equitably at market value. Market value is determined by arms-length market sales. Although there were no land sales following the slide in the immediate area, a valuation model of historical (2002-2015) city-wide R1 residential land sales supports the Assessor's valuation conclusion as both non-excessive and equitable between like properties.

**Value Conclusion (Continued):**



The R1 residential land valuation model indicates an estimated full market value of \$151,500 for this property; the reduced disaster land valuation of \$52,700 is 35% of that full market value and adequately accounts for the factors that make this property inferior to other similar properties. Landslide risks for this property were not quantified as of January 1, 2016, and limited knowledge of historic post-landslide sales would not have been readily apparent to measure this risk in any discernable way. Landslide risk information as it becomes available during 2016 will be used to assist in the valuation of this property moving forward, but because of the January 1, 2016 valuation date cannot be used for this appeal.

The appellant's 2015 disaster revaluation was the result of a 50% discount to the land site value. Although the home being built was completely destroyed, there was no building discount applied as there were no buildings on the tax roll for the 2015 & 2016 valuation dates. The 2015 Assessed Value of \$105,400 was supported by the 2014 sales price of \$110,000. The 2015 land value was reduced to \$52,700, and that value was rolled forward for the 2016 Assessed Valuation, which is under appeal here.

The appellant bears the burden of proof and has failed to provide any evidence to support the assertion that this property has no value, and in that instance you are mandated to uphold this valuation per AS 29.45.210(B). The property, even in its current state, is still benefited by the infrastructure of roads, utilities, and general government services such as police, fire, planning and schools etc. Assessments are simply the method to spread the cost of shared services such as these. A reduction to a zero value would be imprudent and improper.

In light of the foregoing information, the Assessing Department respectfully requests that you uphold the 2016 Assessed Valuation of \$52,700. This value is supported by the evidence presented, with every effort made to ensure accurate and equitable valuations between all properties. Bringing an assessed valuation of land to zero would bring about inequities among property owners in this area and would not be warranted given our state and charter mandate to assess all property at market value.

**Reference:**

***AS 29.45.110. Full and true value.***

*(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.*

***AS 29.45.210. Hearing.***

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



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

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

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



City & Borough of Sitka, Alaska  
Web GIS Maps and Online Property Information  
by MainStreetGIS, LLC  
[City Website](#) [Feedback](#)

Base Map:

Address Parcel ID Owner

GIS Map Street View Other Maps

Layers	Property	Selection
Clear	Save	Mail Zoom
Selected: 1		
24909130	410 KRAMER	



**CERTIFICATE OF OWNERSHIP AND REDIGATION**

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND REDIGATE ALL STRIKES, MARGES, PINKS AND OTHER MARKS SPACES FOR PUBLIC OR PRIVATE USE AS NOTED.

DATE: 2-14-14 BY: Diana Treadwell, Raymond O'Neill

STATE OF ALASKA  
CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS 14 DAY OF March 2014, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED, MULTIPLE PERSONALLY APPEARING Diana Treadwell, Raymond O'Neill TO ME KNOWN TO BE THE IDENTICAL PERSONS WHOSE NAMES ARE SHOWN AND ENTERED IN THE WITHIN PLAN AND SAID ACKNOWLEDGMENT TO ME THAT SAID PARTIES SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL OF THE STATE OF ALASKA  
NOTARY PUBLIC  
MAEGAN BOSAK  
My Commission Expires April 20, 2017

**CERTIFICATE OF PAYMENT OF TAXES (STATE OF ALASKA) (FIRST JUDICIAL DISTRICT)**

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS IN THE NAME OF Sound Development, LLC.  
AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LAND AND IN FAVOR OF THE CITY & BOROUGH OF SITKA AND DUE TO DATE August 31st OF THE YEAR 2013, WILL BE PAID ON OR BEFORE SAID DATE.  
DATED THIS 25th DAY OF FEB 2014 AT SITKA, ALASKA  
ASSESSOR: Carol M. Nelson  
CITY & BOROUGH OF SITKA

**CERTIFICATE OF APPROVAL BY THE BOARD**

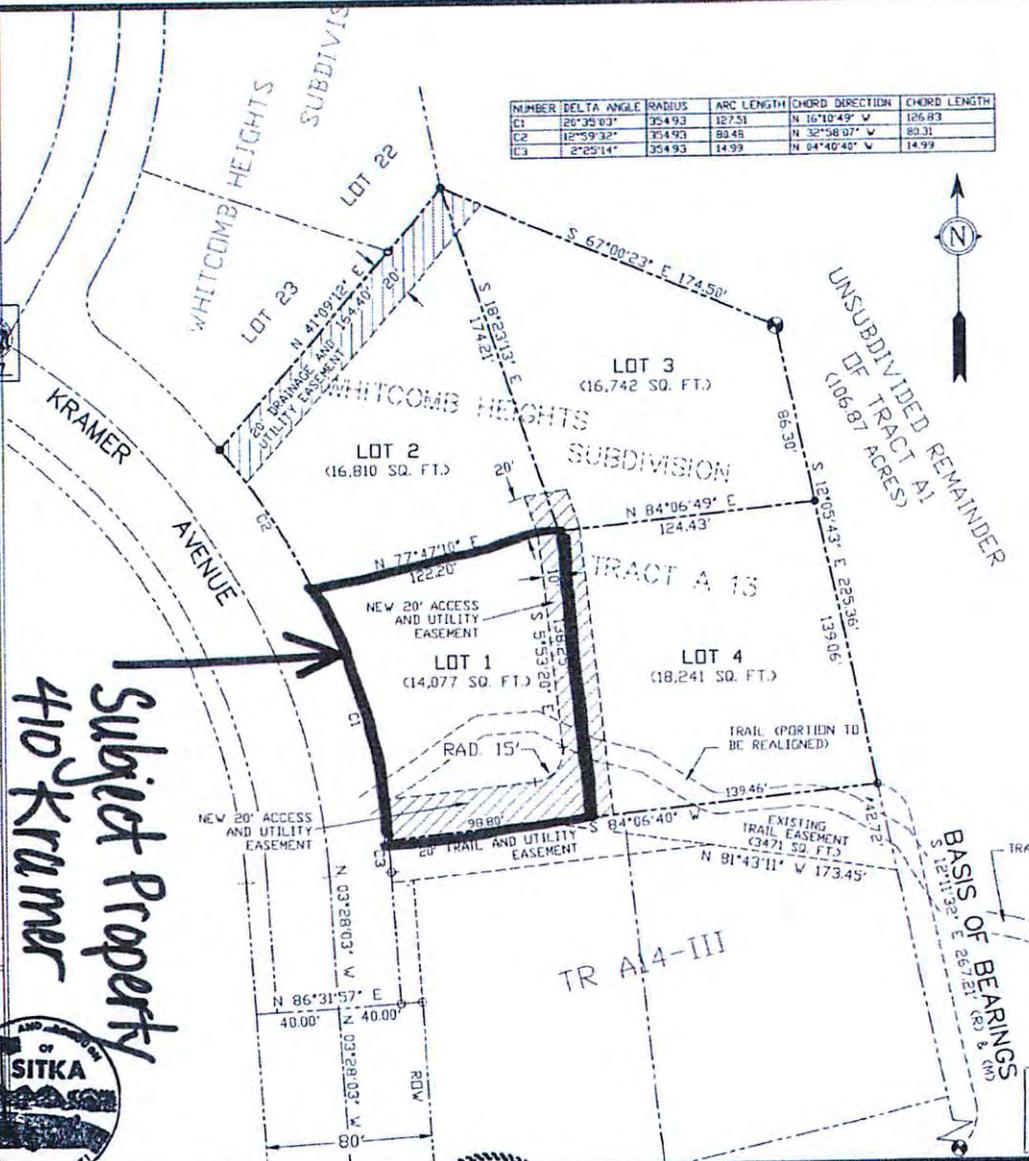
I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATING 2013 AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD OF PLAT REGULATION AND RECORDS OF THE CITY & BOROUGH OF SITKA AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT REGISTRAR, EX OFFICIO RECORDER, SITKA, ALASKA.  
DATE: 2/25/14  
BY: Maegan Bosak  
SECRETARY

**CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT**

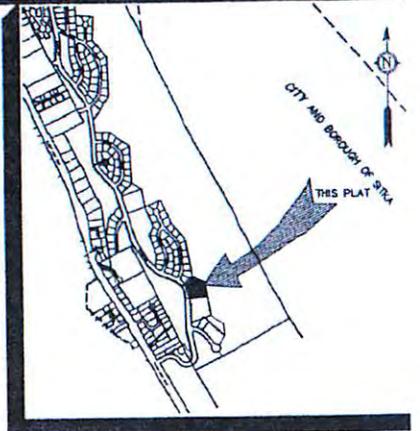
I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF Sound Development, LLC.  
CALL OWNERS OF RECORD, AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.L.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.  
DATED THIS 25th DAY OF February 2014 AT SITKA, ALASKA  
FINANCE DIRECTOR: W. Todd Nelson  
CITY & BOROUGH OF SITKA

**CERTIFICATE OF APPROVAL BY THE ASSEMBLY**

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.  
DATE: 2/25/14  
BY: Alvin McConnell  
CITY AND BOROUGH CLERK



NUMBER	DELTA ANGLE	RADIUS	ARC LENGTH	CHORD DIRECTION	CHORD LENGTH
C1	26°35'03"	354.93	127.31	N 16°13'49" V	126.893
C2	12°59'32"	354.93	82.45	N 32°58'07" V	80.31
C3	2°20'14"	354.93	14.99	N 04°40'40" V	14.99



- LEGEND**
- ⊙ PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
  - ⊕ BLM/GLOD PRIMARY BRASS CAP (RECOVERED)
  - SECONDARY MONUMENT (SET)
  - SECONDARY MONUMENT (RECOVERED)
  - (R) RECORDED DATA
  - (C) COMPUTED DATA
  - (M) MEASURED DATA
- NOTES:**
- 1) THE PURPOSE OF THIS PLAT IS TO SUBDIVIDE TRACT A-13 OF THE WHITCOMB HEIGHTS SUBDIVISION INTO FOUR NEW LOTS.
  - 2) PRESSURE REDUCING VALVES MAY BE REQUIRED FOR STRUCTURES BUILT ON THESE LOTS.
  - 3) LOTS SHALL NOT BE RESUBDIVIDED.
  - 4) ALL PARCELS WITHIN THE SUBDIVISION ARE IMPACTED BY NATURALLY OCCURRING OFFSITE DRAINAGE FLOWS. THE OWNERS OF THE PARCELS NOT OVERTHE OFFSITE FLOWS FROM ENTERING THE PARCELS. THE OWNER MAY REDIRECT THE FLOW PATHWAY WITHIN THE PARCEL PROVIDED THE ENTRY FLOW LOCATIONS REMAIN THE SAME AS NATURALLY OCCUR. DISCHARGE FLOW LOCATIONS WITHIN A PARCEL MUST ALSO REMAIN THE SAME AS NATURALLY OCCURRING OR MAY BE REDIRECTED INTO A PUBLIC DRAINAGE FACILITY SPECIFICALLY DESIGNED TO COLLECT THE FLOWS.
  - 5) PARCELS SHOWN ON THIS PLAT ARE SUBJECT TO THE CONDITIONS AS DESCRIBED IN THE DEPARTMENT OF ARMY PERMIT PDA-2008-135L SITKA SOUND.
  - 6) THE MUNICIPALITY IS A PARTY TO ALL EASEMENTS AND PLAT NOTES. SHALL NOT BE MODIFIED WITHOUT APPROVAL OF THE PLATTING BOARD.
  - 7) THE MAINTENANCE AGREEMENT FOR THE ACCESS AND UTILITY EASEMENT RECORDED UNDER SERIAL NO. 2014-000205-0, SITKA RECORDING DISTRICT.
  - 8) THE MAINTENANCE AGREEMENT FOR THE DRAINAGE AND UTILITY EASEMENT RECORDED UNDER SERIAL NO. 2014-000205-0, SITKA RECORDING DISTRICT.

**SITKA RECORDING DISTRICT**

SCALE IN FEET

0 20 40 60 80 100 120

2014-2  
SITKA  
DATE: 2-20-2014  
BY: Maegan Bosak  
TIME

**SITKA RECORDING DISTRICT**

Subject Property  
410 Kramer



**O'NEILL**  
SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835  
PHONE: (907) 747-6700  
FAX: (907) 747-7590  
EMAIL: [oneilleng@aol.net](mailto:oneilleng@aol.net)

BY	DATE	REV.	DESCRIPTION OF CHANGE

RECORD OF REVISIONS



DESIGNED BY: J. O'NEILL  
DRAWN BY: K. ADAMS  
CHECKED BY: END  
DATE OF PLATTING: EL 2014-02-20  
SCALE: 1" = 40'  
DRAWING NAME: 312523  
PROJECT NO: 3012909-00

**SURVEYOR'S CERTIFICATE**

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR LICENSED IN THE STATE OF ALASKA AND THAT IN SITKA, ALASKA A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

2/24/14 Patrick R. O'Neill  
DATE: 2/24/14 PATRICK R. O'NEILL, L.S. 6384

**NORTH WOODBURY SUBDIVISION**

**TRACT A-13, WHITCOMB HEIGHTS SUBDIVISION**

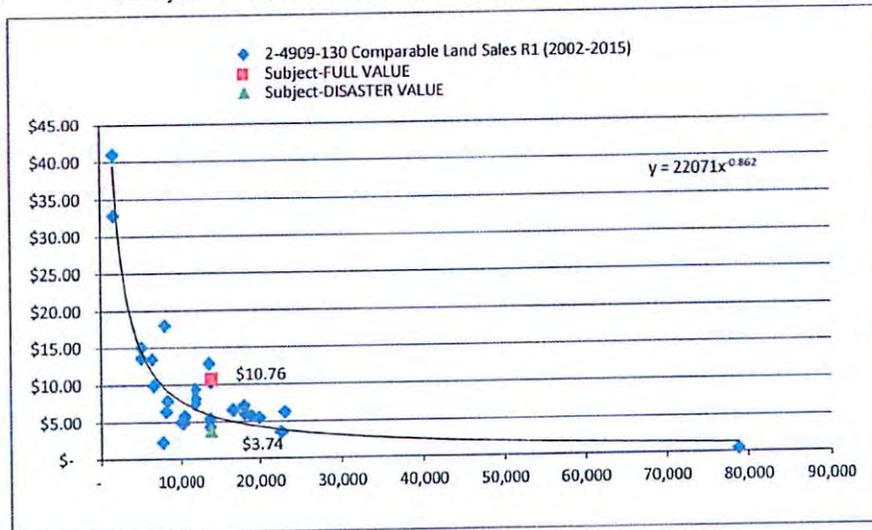
CLIENT: FLEMING/TWIDDLE

**24909130-R1 SALES MODEL**

City & Borough of Sitka R1 Land Sales Model	2016	0.2245	-	14,077	$Y = C * X^{(P)}$	22071	-0.862
		Easement		Total Square Ft		C	P
Valuation Date	April 25, 2016						
Parcel Number 2-4909-130	<b>2-4909-130</b>			0%	Trend Factor		
Zoning	R1						
P	-0.8620	-0.8620	-0.8620				
X^P	0.0003305	0.0010	0.0000				
PSF VALUE	\$7.29	\$2.19	\$1.09				
C	22071.00	2274.20	0.00				
$Y = C * X^{(P)}$	100%	30%	15%				
		Easement					
PARCEL SQ FT	10,917	3,160	-				
BASE LAND VALUE	\$79,631	6914.89	0.00	\$	86,546		
View Adjustment	0.10	0.10	0.10	\$	8,655		
Site Improvements (Clearing,Paving,Drive \$5-\$15k)	0.20	0.20	0.20	\$	17,309		
Superior Adjustment	0.00	0.00	0.00	\$	-		
Neighborhood Adjustment	0.45	0.45	0.45	\$	38,945		
Inferior Adjustment	0.00	0.00	0.00	\$	-		
Overall Factor	1.75	1.75	1.75	\$	151,455		
	\$139,400	\$12,100	\$0	\$	151,500		
	\$0	\$0	\$0	\$			
<b>ADJUSTED LAND VALUE ROUNDED</b>				<b>\$</b>	<b>151,500</b>	<b>2016 Land Value</b>	
<b>PER SQUARE FOOT ADJUSTED</b>	<b>\$12.77</b>	<b>\$3.83</b>	<b>\$0.00</b>				
<b>2015 Disaster Revaluation Value</b>	<b>\$3.74</b>			<b>\$</b>	<b>52,700</b>		
<b>2016 Assessed Value</b>	<b>\$3.74</b>			<b>\$</b>	<b>52,700</b>		

R1 Sales from ALL SALES MASTER 2016-04-20

PARCEL NO	LOCATION	SALE DATE	PRICE	SP/SF	BUYER	SELLER	ZONE	LAND SF
SUBJECT	410 Kramer	05-Sep-14	\$ 151,500	\$ 10.76	Sound Development, LLC	City & Borough of Sitka	R1	14,077
SUBJECT	410 Kramer	05-Sep-14	\$ 52,700	\$ 3.74	Sound Development, LLC	City & Borough of Sitka	R1	14,077
24910012	NHN Kramer Ave	16-Sep-13	\$ 31,411	\$ 0.40	Sound Development, LLC	City & Borough of Sitka	R1	78,868
24910008	JACOBS CIR 114	05-Jun-12	\$ 143,800	\$ 6.25	Kathleen Dumag	City of Sitka	R1	23,003
17572000	HIRST ST 507	15-Feb-12	\$ 68,000	\$ 13.60	Kasey D. Davis	Morris B. Renee B Pierce	R1	5,000
13345000	711 Biorka St	07-Nov-13	\$ 85,000	\$ 13.42	David Longtin	Michael & Jacqueline LaGuire	R1	6,334
11740001	704 Biorka St	02-Jul-02	\$ 52,000	\$ 6.39	Timothy & Terry Pike	Samuel & Beverly Skaggs	R1	8,135
18310000	623 Merrill St	23-Sep-11	\$ 65,000	\$ 9.89	Margaret A. Fedoroff	Christopher & Tiffany Bryner	R1	6,575
17726000	613 Lake St	31-Mar-15	\$ 177,000	\$ 12.79	Dean & Dorothy Orbison Com. Prop Trust	Larry & Karla Zervos	R1	13,837
30648008	610 Versa Place	24-Jul-15	\$ 75,000	\$ 5.39	Charles Garner	Wingert Development, Inc.	R1	13,924
30648007	608 Versa Place	29-Mar-16	\$ 60,000	\$ 4.31	Charles Garner	Wingert Development, Inc.	R1	13,919
15995054	504 Charteris St	06-Aug-13	\$ 97,500	\$ 8.13	Samuel D. Skaggs	Larry & Maryann Calvin	R1	12,000
17730000	503 Shennet St	13-Jan-14	\$ 17,500	\$ 2.26	Jonathan Kreiss-Tompkins	Cecilia Maisel	R1	7,753
24909132	440 Kramer Ave	02-Oct-14	\$ 110,000	\$ 6.54	Mike & Sheryl Southwick	Sound Development, LLC	R1	16,810
24909134	430 Kramer Ave	22-Aug-14	\$ 110,000	\$ 6.57	Adam McLeod	Sound Development, LLC	R1	16,742
24909136	420 Kramer Ave	14-Aug-14	\$ 110,000	\$ 6.03	Andrew & Rebecca Friske	Sound Development, LLC	R1	18,241
16230000	420 Katlian Ave	31-Jul-12	\$ 50,487	\$ 32.83	Boyd Didrickson	Robert Kirkman	R1	1,538
16230000	420 Katlian Ave	22-Aug-13	\$ 63,000	\$ 40.96	Scott K. Saline	Boyd Didrickson	R1	1,538
13646000	408 Dearmond St	27-Oct-14	\$ 75,000	\$ 15.00	JSM Rentals, LLC	Clyde & Valerie Bright	R1	5,000
24910122	240 Kramer Ave	15-Aug-14	\$ 110,000	\$ 5.51	Scott & Nichole McArthur	Sound Development, LLC	R1	19,960
24910126	220 Kramer Ave	09-Oct-14	\$ 110,000	\$ 5.81	Bret Muhlbauer & Marjorie Wolk-Mihlbauer	Sound Development, LLC	R1	18,949
24910120	210 Kramer Ave	15-Aug-14	\$ 110,000	\$ 6.03	Scott & Nichole McArthur	Sound Development, LLC	R1	18,245
31509001	2009-A Halibut Point Rd	14-Mar-16	\$ 60,000	\$ 5.74	Adam & Kris Chinalski	Kerneth & Alice Cameron	R1	10,456
24835004	1940 Dodge Circle	17-Jun-13	\$ 65,000	\$ 7.81	Frank & Nicole Bender	Rebecca Bender	R1	8,321
24750002	1727 Edgcumbe Dr	14-Sep-10	\$ 145,000	\$ 10.36	Thomas & Melissa Henshaw	Michael & Jocelyn Webb	R1	14,000
24767000	1709 Edgcumbe Dr	29-Nov-12	\$ 144,000	\$ 18.01	Paul Haavig	Clyde & Valerie Bright	R1	7,997
14940001	1502 Halibut Point Rd	09-Jan-15	\$ 50,000	\$ 4.87	Larry P. Shinn	Gerik P. Shinn	R1	10,274
14940002	1500 Halibut Point Rd	06-Jan-15	\$ 50,000	\$ 4.96	Larry P. Shinn	Gerik P. Shinn	R1	10,073
15995008	1403 Johnston St	23-Sep-11	\$ 90,000	\$ 7.50	Kelly Pellett & Colleen Ingman	William & Iola Jolley	R1	12,000
24910009	118 Jacobs Circle	02-May-12	\$ 129,100	\$ 7.13	Troy & Mari-Margaret Tydingco	City & Borough of Sitka	R1	18,102
15926003	1105 Furuhelm St	01-Feb-11	\$ 112,000	\$ 9.33	Martin Enterprises, Inc.	United Methodist Church	R1	12,000
30648003	108 Nancy Ct	21-May-14	\$ 80,000	\$ 3.54	Jon Martin & Amanda Grearson	Wingert Development, Inc.	R1	22,581





# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

April 19, 2016

Christine McGraw  
1911 Dodge Circle  
Sitka, AK 99835

RE: 2016 Assessment Appeal – Property ID 2-4909-130 – 410 Kramer Ave.

Dear Ms. McGraw:

I have received a copy of your timely filed appeal of the above referenced parcel. In light of the concerns that you expressed, this office will be available to review any and all market data submitted as evidence that this valuation is unequal, excessive, improper, or under-valued. You as the petitioner bear the burden of proof and must demonstrate sufficient grounds for appeal by providing evidence to the contrary by the appeal packet deadline date of April 22<sup>nd</sup>. Please keep in mind that market data for this appeal must apply to the tax year at hand, calendar year 2015, and cannot be considered if it is dated January 1, 2016, or after. All properties are valued for ad-valorem purposes as of January 1, and any information dated after this date will be pertinent information for the next tax year.

Tax year 2015 evidence that can be considered consists of any of the following:

- (1) Any comparable sales data.
- (2) Any engineering reports pertaining to this property.
- (3) Any estimates of costs to cure any potential deficiencies with this property.
- (4) Any estimate of value reports prepared by a fee appraiser.
- (5) All insurance policies relevant to this parcel.

I am available to discuss this appeal and any evidence you feel should be considered for submission. Please feel free to contact me with any questions, comments, or additional information you have to include in the Board of Equalization packet which will be distributed to the board members on Monday April 25<sup>th</sup>, 2016, one week prior to the May 2 Board of Equalization hearing date. Submission of evidence is mandatory to substantiate this appeal and needs to be received by this office no later than 5:00 p.m. on April 22<sup>nd</sup>, 2016. You may at any time withdraw this appeal by signing and submitting the enclosed withdrawal form.

Sincerely,

Wendy Lawrence  
Assessing Director

Appeal No. 2016-01

Findings of the Board of Equalization

**Appeal:**

Granted \_\_\_\_\_ Adjusted \_\_\_\_\_ Denied \_\_\_\_\_

**Adjustment:**

Land\$ \_\_\_\_\_ Buildings\$ \_\_\_\_\_ Total\$ \_\_\_\_\_

I Certify that the Board of Equalization for the City and Borough of Sitka has established the foregoing assessment valuation in this particular case; that the property owner has been duly notified of such board action by copy hereof; that a copy has been furnished to the Assessor for appropriate roll entry.

Signed: \_\_\_\_\_ Date \_\_\_\_\_

*Clerk, Board of Equalization*

I Certify that the action of the Board of Equalization in this case has been recorded on the assessment roll this

date, \_\_\_\_\_, 2016

Signed: \_\_\_\_\_

*City and Borough of Sitka Assessor*

**City and Borough of Sitka  
Legal Department  
100 Lincoln Street  
Sitka AK 99835  
Phone (907)747-1821  
Fax (907)747-7403**

# Memo

To: Mayor McConnell and Assembly Members

From: Robin Schmid, Municipal Attorney

Date: May 2, 2016

Re: Board of Equalization Procedures

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These are the legal procedures regarding the Board of Equalization hearings set for Monday, May 2, 2016 at 6:00 p.m. Although many of you already know, for new members, the Assembly sits as the Board of Equalization to hear and decide property tax appeals, and two property tax appeals have been filed this year.

Board of Equalization hearings are different from the other meetings at which the Assembly votes on ordinances and resolutions.

1. **Please do not discuss the issues or merits** of any particular property tax appeal with either the Assessor or any person who has appealed before the Board of Equalization meets. (Those who appeal are called "Appellants.") Following this advice will allow the Board to make decisions based on the record before it. Following this advice will also help prevent the disqualification of the Assembly Member involved or even the invalidation of the decision made by the Board of Equalization.

2. Unlike other Assembly meetings, Board of Equalization hearings are contested adversarial proceedings in which the Appellant taxpayer and the Assessor choose the witnesses, who are subject to cross-examination by the other side. The procedure used in Sitka has been as follows:

- A. Appellant makes presentation, with each witness subject to cross-examination
- B. Assessor makes presentation, with each witness subject to cross-examination
- C. Appellant gives rebuttal of Assessor's presentation (no new evidence)

- D. Assessor gives rebuttal of Appellant's presentation (no new evidence)
- E. Appellant makes closing argument
- F. Assessor makes closing argument
- G. Appellant makes rebuttal closing argument

3. The presiding officer of the Assembly presides over the Board of Equalization. The presiding officer exercises such control over the proceedings as is reasonable and necessary. One duty is to enforce **time limits**, which of course should be announced in advance.

4. Another duty of the presiding officer is to rule on the admissibility of evidence at the hearings. The Board of Equalization is not restricted to the formal rules of evidence used in court, but instead follows rules consistent with general rules of administrative procedure. The rules of evidence in Alaska's Administrative Procedure Act are attached.

5. **The taxing authority has broad discretion in deciding among recognized valuation methods.** The appeal from a determination by a Board of Equalization on an assessment is appealable to the Superior Court. The question for the courts in reviewing a determination on an assessment is "whether there is a reasonable basis for the taxing authority's method." If the court finds such a reasonable basis, to prevail in court the taxpayer must show fraud or the "clear adoption of a fundamentally wrong principle of valuation."

6. **At the Board of Equalization hearing, the burden of proof is on the Appellant.** The only grounds for adjustment of an assessment are "proof of unequal, excessive, improper, or under valuation based on **facts** that are stated in a valid written appeal or proven at the appeal hearing." The Assessor is presumed to have done his job and based it on the best information he can procure. Mathematical exactness is not required.

7. An Appellant appealing an assessment does not need to prove the correct amount, range, or method of valuation. However, the Appellant cannot just say the Assessor is wrong or be critical of the method used, they must present independent evidence themselves. If they manage to do so, the burden then shifts to the Assessor to introduce credible evidence which substantiates the assessment.

8. **The Board of Equalization needs to adopt written findings.** Findings to facilitate review by a court and assist the parties. **The findings should address the arguments made by the Appellant taxpayer and the Assessor, particularly those arguments made by the side that does not prevail. In your packet you will find the Assessor's suggested Findings of Fact.**

I will be present for the hearings, and I will work to assist the Board to prepare those written findings which could be voted on and adopted by the Board at such time as the Board may direct. The Board of Equalization shall certify its actions to the Assessor within seven days of the hearing.

9. If the Board chooses, the Board may deliberate in **executive session** to decide the property tax appeals it hears. AS 44.62.310(d)(1) (Open Meetings Act does not apply to a

governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding). Given that the Board's role resembles that of a panel of judges or a jury, there should be no one else present but members of the Board if the Board elects to deliberate in executive session. If the Board has questions regarding the applicable law, the Board could come out of executive session and request answers from the Attorney in open session.

10. The same members of the Board of Equalization must be in attendance throughout the hearing, and only those members who have been in attendance throughout the hearing may vote on matters before the Board.

RLK/slj

Attachment



# CITY AND BOROUGH OF SITKA

## Legislation Details

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File #: 16-086      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 4/27/2016      In control: City and Borough Assembly

On agenda: 5/2/2016      Final action:

Title: Hear an appeal, and reach findings and decision, filed by Dal Global Services, LLC dba Delta Airlines in regard to personal property referenced within appeal packet 2016-03 by reference

Sponsors:

Indexes:

Code sections:

Attachments: [CBS Attorney Memo BOE Procedures.pdf](#)  
[Motion BOE Delta.pdf](#)  
[Appeal packet Dal Global Services, LLC dba Delta Airlines.pdf](#)

Date	Ver.	Action By	Action	Result
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## Step 1

### PROCEDURAL ADVICE – Municipal Attorney Robin Schmid

## Step 2

### ITEM B – Dal Global Services, LLC dba Delta Airlines

Hear an appeal, and reach findings and decision, filed by Dal Global Services, LLC dba Delta Airlines in regard to personal property referenced within appeal packet 2016-03 by reference.

Appellant makes presentation: 3 minutes

Assessor makes presentation: 3 minutes

Appellant gives rebuttal: 3 minutes

Assessor gives rebuttal: 3 minutes

Appellant closing argument: 3 minutes

Assessor closing argument: 3 minutes

## Step 3

*The hearing is closed and the Board determines whether the assessment is unequal, excessive, improper or undervalued and clearly state the findings of fact relied on to reach the decision.*

### POSSIBLE MOTIONS

**I MOVE TO** uphold the appeal value of \$87,900 for personal property referenced within appeal packet 2016-03 by reference.

OR

**I MOVE TO** change the appeal value for personal property referenced within appeal packet 2016-03 by reference from \$87,900 to \$\_\_\_\_\_.

## Step 4

### POSSIBLE MOTION

**I MOVE TO** approve the following findings of fact and conclusions of law based upon the evidence and argument presented at the hearing of May 2, 2016 for personal property referenced within appeal packet 2016-03 by reference:

- 1)
- 2)
- 3)

The Conclusion(s) of law for the assessment was:

*(state one or more):*

- Unequal
- Excessive
- Improper
- Under valuation

*Or, if the value is upheld*

None of the above

## Step 5

### RECONVENE MOTION

**I MOVE TO** RECONVENE AS THE ASSEMBLY IN REGULAR SESSION.

# CITY AND BOROUGH OF SITKA – ASSESSMENT APPEAL



Appeal No. 2016-03

## APPEAL GUIDELINES:

*Alaska Statute 29.45.110(b) The appellant bears the burden of proof. The only grounds for adjustment of assessment are proof of unequal, excessive, improper, or under valuation based on facts that are stated in a valid written appeal or proven at the appeal hearing. If a valuation is found to be too low, the board of equalization may raise the assessment.*

## APPELLANT INFORMATION:

The property owner failed to provide factual information to support this appeal by the April 22 deadline. Factual support of all filed appeals can consist of property-specific appraisals, photos, drawings, insurance estimates, or a complete list of assets, and is required in order to meet the burden of proof which rests upon the appellant, per AS 29.45.210(b).

## ASSESSOR'S DISCUSSION:

Assessor's Parcel No. <b>A-2016-010 – Dal Global Services, LLC dba Delta Airlines</b>	
<b>Owner's Opinion of Value:</b>	<b>Assessed Value:</b>
\$1,862	\$87,900

### Background:

2015 was the first year that Dal Global Services, LLC (dba Delta Airlines), conducted business in Sitka. They had a total of 117 flights in and out of Rocky Gutierrez Airport. With this volume of flights, comes a commensurate amount of business personal property for Delta Airlines to accommodate their transportation business.

February 12, 2016 Dal Global Services, LLC, dba Delta Airlines, filed a Business Personal Property Declaration. They listed only one (1) asset at the Sitka Airport. - *See exhibit A*

*A Disabled Passenger Ramp – Acquired 10-31-2014; Cost 5,475 Depreciated value \$1,862*

An email was sent to the representative for Delta Airlines, stating that all Business Property must be included in the declaration, along with property held or controlled by the company in a representative capacity. Sitka General Code (SGC 4.12.050) – *exhibit B*

The representative for Delta Airlines replied that one (1) asset was all that they had in the City & Borough of Sitka.

Based upon a site inspection of the Delta Airlines site at the Rocky Gutierrez Airport, and under the assumption that Delta Airlines requires more than one (1) asset to run their business in the City & Borough of Sitka - *exhibit C* the Assessing Department generated a Business Personal Property estimate because Delta Airlines failed to file a complete Declaration as required by

## CITY AND BOROUGH OF SITKA – ASSESSMENT APPEAL



Appeal No. 2016-03

SGC 4.12.050 - *exhibit B*

The Assessing Department force filed on Delta Airlines in the amount of \$87,900 for the Business Personal Property located at Rocky Gutierrez Airport – *SGC 4.12.030 – exhibit D*

### **Economic Theory:**

Business Personal Property is assessed at full value and is self-reported by each property owner. When an Assessing Department does not have information or complete information from a business, it is the standard of practice to compare like businesses.

Alaska Airlines also doing business at the Sitka Airport, declared a value of \$901,900 for the business personal property they had in use in Sitka for the tax year 2016.

Alaska Airlines Leases 3,060 square feet of space at the airport, this does not include joint use areas. -*See exhibit E for lease areas*

When the declared value of business property is divided by the amount of exclusively used space, an amount of \$294.74 of business personal property per square feet is derived.

When this equation is applied to the 684 square feet of leased space that Delta Airlines uses, an amount of \$201,601 is obtained. Therefore in comparing like businesses, Delta Airlines could have in the area of \$201,600 in business personal property in the City & Borough of Sitka.

### **2016 Assessed Valuation:**

Delta Airlines was assessed for:

Computer, Scanners, & Software	\$39,000
Office Equipment, Kiosks, Furnishings	\$11,250
Disabled Passenger Ramp	\$3,668
Signage, counters, bag rollers, other equipment	\$34,000

For a total of \$87,918

Rounding to the nearest hundred, Delta Airlines was force filed on for \$87,900. - *exhibit F & G*

Delta Airlines had the opportunity to refute this estimated filing, but failed to provide an accurate and complete rendition of their assets in Sitka. Upon receiving their assessment notice Dal Global Services, LLC, (dba Delta Airlines), filed a Business Personal Property assessment appeal for 2016, without an actual asset rendition. – *exhibit H*



Appeal No. 2016-03

**Value Conclusion:**

The appellant bears the burden of proof and has failed to provide any evidence to support the assertion that they are able to run a transportation service in the City & Borough of Sitka with only one (1) asset, and in that instance you are mandated to uphold this valuation per AS 29.45.210(B).

In light of the foregoing information, the Assessing Department respectfully requests that you uphold the 2016 Assessed Valuation of \$87,900. This value is supported by the evidence presented, the best estimate of assets in use, and with every effort made to ensure accurate and equitable valuations between all properties.

**Reference:**

***AS 29.45.110. Full and true value.***

*(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.*

***AS 29.45.210. Hearing.***

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

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

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

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



**City & Borough of Sitka**

Assessor's Office, 100 Lincoln St, Room 106, Sitka, AK 99835

Phone: 907-747-1822 Fax: 907-747-6138 Email: [ruth@cityofsitka.com](mailto:ruth@cityofsitka.com)

Business Property Return is also available for electronic filing (Excel) at [www.cityofsitka.com](http://www.cityofsitka.com)

**2016 – Business Property Return**

Account Number: A-2016-010	Type of Business: Transportation Services
Owner: DAL GLOBAL SERVICES, LLC  PO BOX 45852 ATLANTA, GA 30320-5852	Business Name & Subsidiary/DBA (if Applicable):  Location/Address of Property: Situs: SITKA, AK 99835  SITKA, AK 99835
<b>Person to Contact Concerning This Report</b>	
Name: Robert Federico	Title: Agent
Phone: (404) 365-0922	E-Mail: <a href="mailto:bob.federico@ryan.com">bob.federico@ryan.com</a>

**Instructions for filing Business Property Return:** This return should be used for any retail, wholesale, industrial, hotel, service, professional, or other enterprises. Commercially used aircraft are to be declared on this return. Property that is temporarily out of the City & Borough of Sitka on January 1<sup>st</sup> is taxable. Licensed vehicles, boats, float houses, and personal aircraft are not to be declared on this form. Include a leased equipment list, so that the lessor may be contacted.

Fair market value should be given for each category of assets listed. IRS depreciation is not acceptable. Depreciation table instructions and examples of machinery and equipment year life tables can be found on pages 9 through 12. Note separately any assets sold or discarded during the preceding year. All returns are subject to the Assessor's Office review and/or revision. Incomplete forms may be returned to taxpayer.

**ITEMIZATION IS REQUIRED: A PRINTOUT OF ASSETS MAY BE ATTACHED TO THIS FORM.**

<b>Who must file?</b> Every person, association, corporation, or firm (regardless of residency) who owns or controls business property which is not specifically exempt in the City & Borough of Sitka.	<b>What must be listed?</b> All business property located in the City & Borough of Sitka that was in the control of, or use by, the taxpayer on January 1. This includes assets owned, leased by, loaned to, or borrowed by the taxpayer.
<b>How do I file?</b> Complete this report by reviewing steps 1 through 8 on the BP summary page. The electronic form will self-calculate depreciation and market value for assets.	<b>Can't make the February 15<sup>th</sup> deadline?</b> Upon formal request by the taxpayer prior to the February 15 <sup>th</sup> deadline, the Assessor may grant an extension of up to 29 days.
<b>The Assessor's Office will declare a value for returns not received by the due date, and the property assessment will be based upon the Assessor's declared value.</b>	

**SGC 4.12.055. Failure to file return – Fee- Penalty**

(A) A taxpayer who fails to file a return as provided in SGC 4.12.50A shall be subject to a fee of \$100.00 for the cost of the assessor's preparation of a valuation based on information available or obtained by the assessor for the taxable property as allowed under SGC 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices.

(B) A person or entity that knowingly makes a false affidavit to a business property or personal property return required by this section relative to the amount, location, kind of value of property subject to taxation with the intent to evade the taxation, is guilty of a violation. Upon conviction, the violator shall be subject to a penalty as provided in SGC 1.12.010.

**THIS FORM IS TO BE FILED ON OR BEFORE FEBRUARY 15, 2016**

## 2016 - Business Property Return

Business Property Return is also available for electronic filing (Excel) at [www.cityofsitka.com](http://www.cityofsitka.com)

**I HEREBY DECLARE OWNERSHIP OR CONTROL OF THE FOLLOWING TAXABLE BUSINESS PROPERTY**

**No Change from previous year?** (Enter "No Change" at right, sign & date return)

Not applicable for 1<sup>st</sup> time filing

**No Longer in Business?** (Complete lines 1, 2, & 3 below, sign & date return)

1. When did your business close or cease conducting business in the City & Borough of Sitka?

\_\_\_\_\_

2. Did you sell your business?

\_\_\_\_\_

3. If so, who is the new owner?

\_\_\_\_\_

### ASSETS

Page No.	Acquisition Cost	Accrued Depreciation	Market Value	Office Use Only
3 & 4	Office Equipment & Computers			
5	Furniture, Fixtures & Leasehold			
6	Machinery and Equipment	5,475	3,614	1,862
	<b>Total (round \$100)</b>	<b>5,500</b>	<b>3,600</b>	<b>1,900</b>
7	Leased Assets	SEE PAGE 7		
7	Sold or disposed Assets	SEE PAGE 7		

### AIRCRAFT & HELICOPTERS

8	Aircraft	Market Value
		<input style="width: 100%; height: 20px;" type="text"/>

**Sold Aircraft**

Transfer price (aircraft)		Buyers Name	
Transfer Date		Mailing Address	

I, the Undersigned, hereby declare that this statement is to the best of my knowledge and belief true, correct and complete, and that it includes all business property, not exempted from taxation, owned by the company on January 1, 2016.

Robert Federico <sup>D.T.</sup> Agent  
Signature/Title of person preparing return

02/12/2016  
Date

Robert Federico  
Print Name

(404) 365-0922  
Phone No.

Sitka, AK  
2016 Business Personal Property Tax Return - A-2016-010

Taxpayer: DAL GLOBAL SERVICES, LLC  
 FEIN: 58-2198841  
 Location ID: CG002SIT  
 Account #: A-2016-010

SITKA, AK 99835

**Taxable - Detail**

Form: Machinery and Equipment				(Reported with subtotals by depreciable life and grand totals at the end)		
Class: Page 6 - Machinery & Equipment				Depreciation: 5 Yr		(Subtotal of all assets with this depreciable life)
Date Acq	Age	Asset ID	Asset Description	Cost	Deprec Value	Assd Value
10-31-2012	4	000000516671-0000	DISABLED PASSENGER RAMP	5,475	1,862	1,862
<b>Class Subtotal:</b>			1 Asset	5,475	1,862	1,862
<b>Totals for Taxable:</b>				<b>Original Cost</b>	<b>Deprec Value</b>	<b>Assd Value</b>
				5,475	1,862	1,862

\* Percent Good is a composite of the percent good allowed and the trend factor if one is applicable  
 \* Values may differ slightly from the return due to rounding issues  
 5.6

## Ruth Joens

---

**From:** Thigpen, Quineisha <Q.Thigpen@ryan.com>  
**Sent:** Friday, February 12, 2016 1:04 PM  
**To:** Assessing  
**Cc:** Kelly, Steve  
**Subject:** Dal Global Services, LLC (Delta) - Acct# A-2016-010  
**Attachments:** Delta AK PT 2016 Sitka Business Personal Property Return 02-12-2016.pdf

**Importance:** High

Dear Sir/Madam:

The attached Business Personal Property return is being filed on behalf of Dal Global Services, LLC for the above referenced account for tax year 2016. Please forward all notices or correspondence regarding this account to the following address:

Dal Global Services, LLC  
PO BOX 45852  
DEPT 852  
Atlanta, GA 30320-5852

Thanks,

**Quineisha R. Thigpen**  
Lead Analyst & AtlasTax/ONESOURCE Power User, PTS - Complex  
Complex India Liaison

Ryan, LLC  
3344 Peachtree Road NE  
Suite 1000  
Atlanta, GA 30326

404.365-0922 ext. 14-9420  
404.942.6389 Facsimile  
[q.thigpen@ryan.com](mailto:q.thigpen@ryan.com) Email

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

*Innovative Solutions to Taxing Problems*



.....  
Privileged/Confidential Information may be contained in this message.  
If you are not the addressee indicated in this message (or responsible  
for delivery of the message to such person), you may not copy or

### 4.12.050 Property owners' returns

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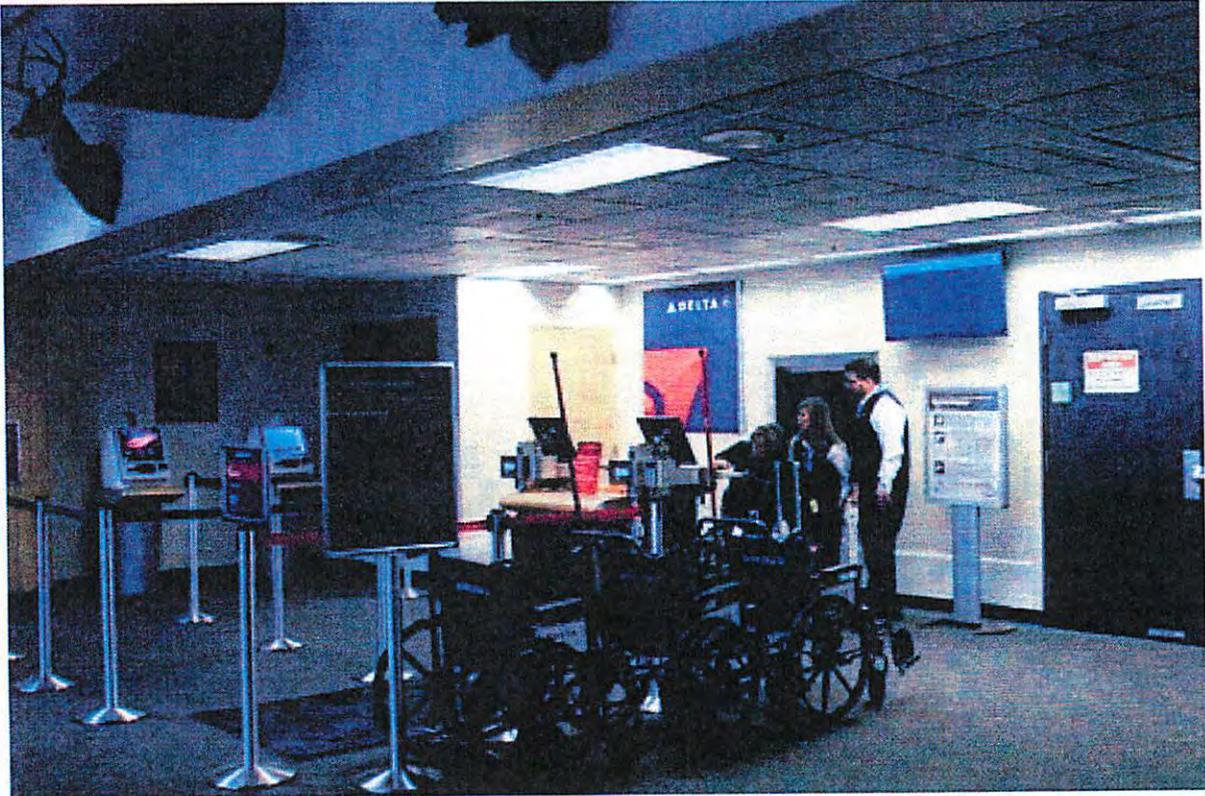
A. Submission Basis. By no later than February 15th of each year, every person shall submit to the assessor a return of any business property or personal property, subject to taxation, owned by him, or in which he has an interest, and of the property held or controlled by him in a representative capacity, in the manner prescribed in this title, which return shall be based upon property values existing as of January 1st in the same year. For good cause shown, prior to delinquency, an extension of time of up to twenty-nine days may be granted by the assessor, but he may grant no extension ending later than March 15th of the tax year.

B. Contents. The person making the return in every case shall state an address to which all notices required to be given to him under this title may be mailed or delivered.

The returns shall show the nature, description, and true value of the property and the place where the property is situated and the return shall be in such form and include such additional information as the assembly may prescribe, and shall be signed and verified by the person liable or his or its authorized agent or representative.

In addition the person making the return shall give the name or names of any person or persons to whom he conveyed property during the previous year and a brief description of the property so conveyed sufficient to identify it on the tax records.

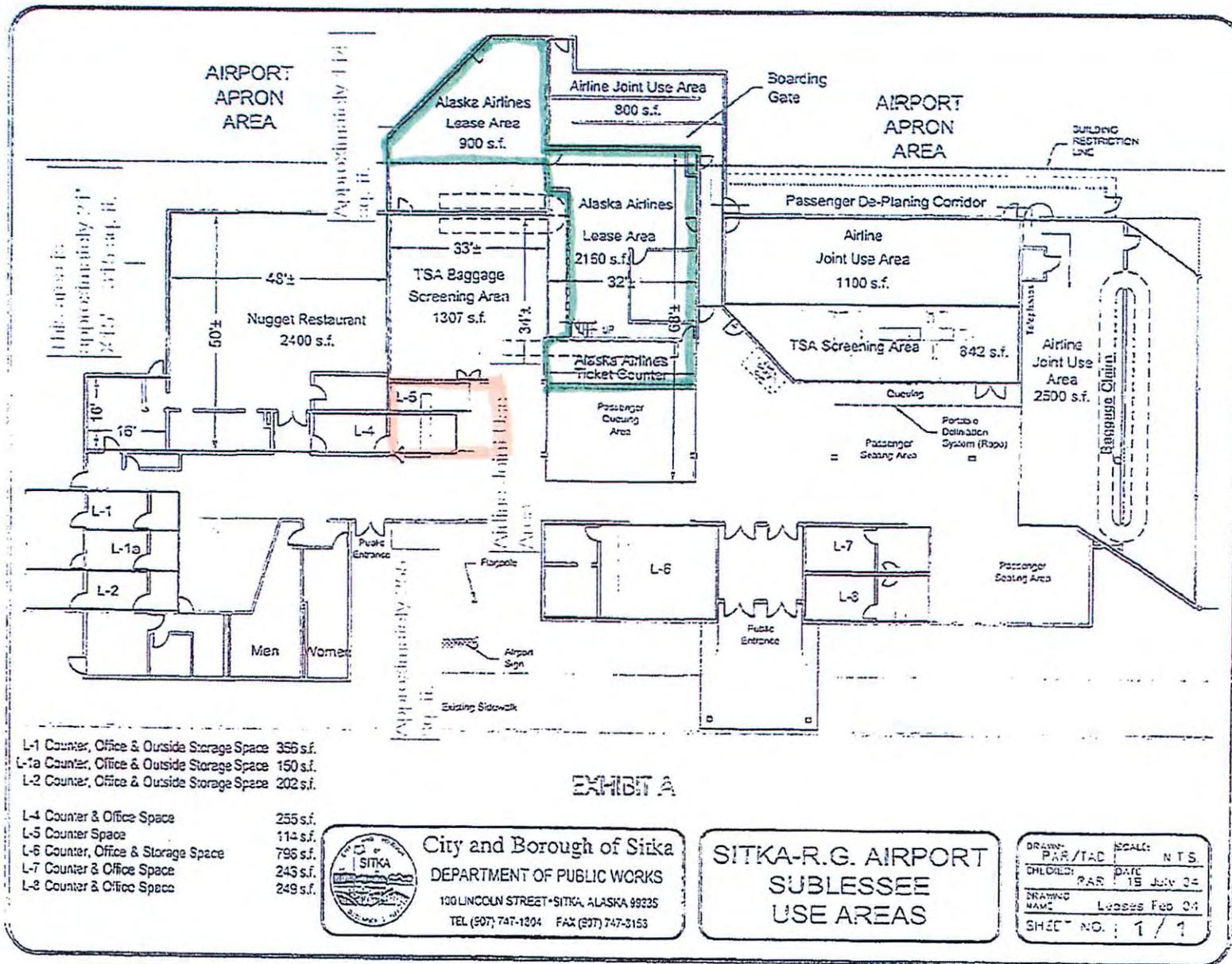
C. Additional Information. The assessor may, by notice in writing to any person by whom a return has been made, require from taxpayer a further return containing additional details and more explicit particulars and upon receipt of the notice, that person shall comply fully with its requirements within fourteen days.



### 4.12.030

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C. Independent Investigation by Assessor. The assessor shall not be bound to accept as correct the return made by any person, but if he thinks it necessary or expedient, or if he suspects that a person who has not made a return has property subject to taxation he shall make an independent investigation as to the property of that person and may make his own valuation and assessment of the taxable amount thereof, which shall be prima facie (accepted as correct until proven otherwise) evidence for all legal purposes and proceedings.



- L-1 Counter, Office & Outside Storage Space 356 s.f.
- L-1a Counter, Office & Outside Storage Space 150 s.f.
- L-2 Counter, Office & Outside Storage Space 202 s.f.
- L-4 Counter & Office Space 255 s.f.
- L-5 Counter Space 114 s.f.
- L-6 Counter, Office & Storage Space 796 s.f.
- L-7 Counter & Office Space 243 s.f.
- L-8 Counter & Office Space 249 s.f.

EXHIBIT A


**City and Borough of Sitka**  
 DEPARTMENT OF PUBLIC WORKS  
 100 LINCOLN STREET • SITKA, ALASKA 99235  
 TEL (907) 747-1294 FAX (907) 747-3153

**SITKA-R.G. AIRPORT**  
**SUBLESSEE**  
**USE AREAS**

DRAWN: PAR/TAD	SCALE: N.T.S.
CHECKED: PAR	DATE: 19 July 04
DRAWING NAME: LUGGAGE Feb 04	
SHEET NO.: 1 / 1	

-  Delta Airlines
-  Alaska Airlines

**Rent and Fee Schedule  
Delta Air lines, Inc.**

The following is the rent fee schedule charged the Sublessee in exchange for the privileges, facilities, and services granted in this agreement. This agreement will be adjusted annually based on the percentage difference between the "All Items figure for Anchorage, Alaska in the "Consumer Price Index for All Urban Consumers", beginning with the edition published the soonest after January 1.

	Square Feet	Lessee Rate	Annual Amount	Monthly Amount
<b>Sublessee Use Area</b>				
Ticket Counter	369	\$33.60	12,398.40	1,033.20
Additional Office	315	\$33.60	10,584.00	882
<b>Subtotal Sublessee Use Areas</b>	684	\$33.60	22,982.40	1,915.20

**SIT JOINT USE**

	Square Feet	Annual Lease Rate	Annual Amount	20% Fixed Cost Annual	20% Fixed Cost Monthly	Cost Per Airline (2)	80% Pro-Rata Cost Annual	80% Pro-Rata Cost Monthly	Cost Per Airline based on % enplaned pax
Passenger Hold Room	1,100	\$33.60	\$36,960.00	\$7,392.00	\$616.00	\$308.00	\$29,568.00	\$2,464.00	
Boarding Gate	800	\$33.60	\$26,880.00	\$5,376.00	\$448.00	\$224.00	\$21,504.00	\$1,792.00	
Baggage Make up	900	\$33.60	\$30,240.00	\$6,048.00	\$504.00	\$252.00	\$24,192.00	\$2,016.00	
Baggage Claim Area	2,500	\$33.60	\$84,000.00	\$16,800.00	\$1,400.00	700	\$67,200.00	\$5,600.00	
Deplaning Corridor	360	\$33.60	\$12,096.00	\$2,419.20	\$201.60	\$100.80	\$9,676.80	\$806.40	
<b>Total Airline Joint Use Areas</b>	5,660	\$33.60	\$190,176.00	\$38,035.20	\$3,169.60	\$1,584.80	\$152,140.80	\$12,678.40	<b>Calculated monthly</b>

\*Lease rate monthly \$2.80

20% shared equally between all air carriers	
Alaska Airlines	Delta Air lines

80% distributed between air carriers on total passenger enplanement	
*Alaska Airlines	*Delta Air lines

Joint Use Variable

1,584.80

\$1,584.80

\$11,410.56

\$1,267.84

\*Alaska Airlines 90% of enplanement and Delta Airlines 10% of enplanements.

**Total Lease Charges \$4,767.84 monthly**

Common Use Area amount charged to Sublessee shall be based upon the 20/80 formula as follows:

20% of the total monthly amount shall be divided equally among all scheduled air carriers having the right to use the Joint Use Areas during the previous calendar month.

80% of the total monthly amount shall be multiplied by each scheduled air carriers percentage of the total enplaned passengers at the air terminal during the previous calendar month.



# CITY AND BOROUGH OF SITKA

Assessor's Office, 100 Lincoln St., Room 108, Sitka, AK 99835

Phone: 907-747-1822 Fax: 907-747-6138 Email: [assessing@cityofsitka.org](mailto:assessing@cityofsitka.org)

Business Property Return is also available for electronic filing (Excel) at [www.cityofsitka.com](http://www.cityofsitka.com)

## 2016 - BUSINESS PROPERTY RETURN

**THIS FORM IS TO BE FILED ON OR BEFORE FEBRUARY 15th 2016.**

Account Number: A-2016-010	Type of Business: Transportation Services
Owner Name: DAL Global Services, LLC	Business Name & Subsidiary/Alias (If Applicable): Delta Airlines
Mailing Address: P.O. Box 45852 Atlanta, GA 30320	Location/Address of Property: Sitka, AK Airport

Person to Contact Concerning This Report	
Name: Robert Federico	Title: Agent
Phone: 404-365-0922 ex 14-9420	E-Mail: <a href="mailto:g.thigpen@ryan.com">g.thigpen@ryan.com</a>

**Instructions for filing Business Property Return:** This return should be used for any retail, wholesale, industrial, hotel, service, professional or other enterprises. Commercially used aircraft are to be declared on this return. Property that is temporarily out of the City & Borough of Sitka on January 1st is taxable. Licensed vehicles, boats, float houses and personal aircraft are not to be declared on this form. Include a leased equipment listing, so that the lessor may be contacted.

Fair market value should be given for each category of assets listed. **IRS depreciation is not acceptable.** Depreciation table instructions and examples of machinery and equipment year life tables can be found on pages 9 through 12. Note separately any assets sold or discarded during the preceding year. All returns are subject to the Assessor's Office review and/or revision. Incomplete forms may be returned to taxpayer.

**ITEMIZATION IS REQUIRED; A PRINTOUT OF ASSETS MAY BE ATTACHED TO THIS FORM.**

<b>Who must file?</b> Every person, association, corporation or firm (regardless of residency) who owns or controls business property which is not specifically exempt in the City & Borough of Sitka.	<b>What must be listed?</b> All business property located in the City & Borough of Sitka that was in the control of, or use by, the taxpayer on January 1. This includes assets owned, leased by, loaned to, or borrowed by the taxpayer.
<b>How Do I File?</b> Complete this report by reviewing steps 1 through 8 on the BP Summary page. The electronic form will self calculate depreciation and market value for assets.	<b>Can't make the February 15 filing deadline?</b> Upon formal request by the taxpayer prior to the February 15 deadline, the Assessor may grant an extension of up to 29 days.
<b>The Assessor's Office will declare a value for returns not received by the due date and the property assessment will be based upon the Assessor's declared value.</b>	

**SGC 4.12.055. Failure to file return - Fee - Penalty.**

(A) A taxpayer who fails to file a return as provided in SGC 4.12.50A shall be subject to a fee of **\$100.00** for the cost of the assessor's preparation of a valuation based on information available or obtained by the assessor for the taxable property as allowed under SGC 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices.

(B) A person or entity that knowingly makes a false affidavit to a business property or personal property return required by this section relative to the amount, location, kind or value of property subject to taxation with the intent to evade the taxation, is guilty of a violation. Upon conviction, the violator shall be subject to penalty as provided in SGC 1.12.010.



# CITY AND BOROUGH OF SITKA

Assessor's Office, 100 Lincoln St., Room 108, Sitka, AK 99835  
 Phone: 907-747-1822 Fax: 907-747-6138 Email: [assessing@cityofsitka.org](mailto:assessing@cityofsitka.org)

Business Property Return is also available for electronic filing (Excel) at [www.cityofsitka.com](http://www.cityofsitka.com)

## 2016 BUSINESS PROPERTY RETURN

I HEREBY DECLARE OWNERSHIP OR CONTROL OF THE FOLLOWING TAXABLE BUSINESS PROPERTY

NO CHANGE FROM PREVIOUS YEAR?	(Enter "No Change" at right, sign & date return)	<input type="text"/>
-------------------------------	--	----------------------

NO LONGER IN BUSINESS?	(Complete lines 1,2,&3 below, sign & date return)	<input type="text"/>
------------------------	---	----------------------

- 1 When did your business close or cease conducting business in the City & Borough of Sitka:

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- 2 Did you sell your business:

---

- 3 If so, who is the new owner:

---

### ASSETS

	ACQUISITION COST	ACCRUED DEPRECIATION	MARKET VALUE	FOR OFFICE USE ONLY
<u>Pages 3 &amp; 4</u> OFFICE EQUIPMENT AND COMPUTERS	\$ 53,500	\$ 10,455	\$ 43,045	
<u>Page 5</u> FURNITURE, FIXTURES AND LEASEHOLD	\$ 7,800	\$ 624	\$ 7,176	
<u>Page 6</u> MACHINERY AND EQUIPMENT	\$ 42,475	\$ 4,767	\$ 37,708	
TOTAL (RND \$100)	\$ 103,800	\$ 15,800	\$ 87,900	
<u>Page 7</u> LEASED ASSETS	SEE PAGE 7			
<u>Page 7</u> SOLD OR DISPOSED ASSETS	SEE PAGE 7			

### AIRCRAFT & HELICOPTERS

<u>Page 8</u>	AIRCRAFT	→	MARKET VALUE
	SOLD AIRCRAFT		
	TRANSFER PRICE (AIRCRAFT)	BUYERS NAME	
	TRANSFER DATE	MAILING ADDRESS	

Robert Federico	2/12/2016
SIGNATURE/TITLE OF PERSON PREPARING RETURN	DATE
Please print name(s) here so that we may correctly identify the contact person for this report if needed.	









TAX YEAR  
2016

## CITY AND BOROUGH OF SITKA ASSESSOR'S OFFICE JANUARY 1, 2016 BUSINESS PERSONAL PROPERTY VALUE TABLES

Computers		Machinery and Equipment *							
4-Year Life		5-Year Life		10-Year Life		15-Year Life		20-Year Life	
Year	Factor	Year	Factor	Year	Factor	Year	Factor	Year	Factor
2015	80%	2015	85%	2015	92%	2015	95%	2015	97%
2014	60%	2014	69%	2014	84%	2014	90%	2014	93%
2013	40%	2013	52%	2013	76%	2013	85%	2013	90%
2012	20%	2012	34%	2012	67%	2012	79%	2012	86%
Prior	10%	2011	23%	2011	58%	2011	73%	2011	82%
		Prior	20%	2010	49%	2010	68%	2010	78%
				2009	39%	2009	62%	2009	74%
				2008	30%	2008	55%	2008	70%
				2007	24%	2007	49%	2007	65%
				2006	21%	2006	43%	2006	60%
				Prior	20%	2005	37%	2005	55%
				<b>Use this Column for Furniture &amp; Fixtures</b>		2004	31%	2004	50%
						2003	26%	2003	45%
						2002	23%	2002	40%
						2001	21%	2001	35%
						Prior	20%	2000	31%
								1999	27%
								1998	24%
								1997	22%
								1996	21%
								Prior	20%

\* Examples of Machinery and Equipment corresponding to the 5,10,15 and 20-year life tables can be found on our website.

**IRS Depreciation Is Not Acceptable**

### Calculation Instructions

Select the table to use (i.e.: 5-years, 10-years, etc). Scan down the table until you find the year you purchased the personal property.

The percentage next to the year of purchase should be used to value the personal property. For example, using the 15-year table, property acquired in 2014 at an original cost of \$5,000 would be valued at 90% of cost. The amount to be declared would be calculated as follows: **\$5,000 X 90% = \$4,500**

Note: Artwork is to be reported a original cost.

This document is updated annually. If you have any questions as to the filing of your statement, please do not hesitate to contact the Assessing Department at (907) 747-1822.

RECEIVED APR 14 2016

City and Borough of Sitka  
Petition for Adjustment of Assessed Valuation  
Real Property

Date Filed: April 15, 2016

The deadline for filing an appeal with the Assessor is April 15, 2016. However, appeal of the Board of Equalization, in what is deemed to be unusual circumstances; by unanimous vote may waive this time provision. The Assessor *must be* contacted during the 30 day appeal period.

Parcel Identification No. A-2016-010-000-0000

- I, Quineisha R. Thigpen Ryan representing Dal Global Services, LLC  
The owner of the above identified property, hereby request the Assessor review the assessment of said property.

2016 Assessed Value:

Land \$ \_\_\_\_\_ Building(s) \$ \_\_\_\_\_ Total \$ 87,900 *Personal Property*

- Please answer the following questions for the information of the Assessor and the Board of Equalization in considering this appeal:

- What date was the property acquired? \_\_\_\_\_
- What was the full consideration/price? \_\_\_\_\_
- Did this price include any furniture/ fixtures? If so, List approximate value \$ \_\_\_\_\_
- What do you consider the market value?  
Land \$ \_\_\_\_\_ Bldg \$ \_\_\_\_\_ Total \$ \_\_\_\_\_
- Have you ever offered this property for sale? Yes \_\_\_\_\_ No \_\_\_\_\_
- Have you ever received an offer? Price/when \_\_\_\_\_
- Have you had the property appraised in the past 2 years? \$ \_\_\_\_\_

- There is an error or omission on the assessment of this property for the following reason(s):

Dal Global Services rendered a taxable cost of \$5,475

Print Name: Quineisha R. Thigpen - Agent

Sign here: Quineisha R. Thigpen Date: 4/15/2016

Appeal No. 2016-03

Findings of the Board of Equalization

**Appeal:**

Granted \_\_\_\_\_ Adjusted \_\_\_\_\_ Denied \_\_\_\_\_

**Adjustment:**

Business Personal Property \_\_\_\_\_ Total\$ \_\_\_\_\_

I Certify that the Board of Equalization for the City and Borough of Sitka has established the foregoing assessment valuation in this particular case; that the property owner has been duly notified of such board action by copy hereof; that a copy has been furnished to the Assessor for appropriate roll entry.

Signed: \_\_\_\_\_ Date \_\_\_\_\_

*Clerk, Board of Equalization*

I Certify that the action of the Board of Equalization in this case has been recorded on the assessment roll this date,

\_\_\_\_\_, 2016

Signed: \_\_\_\_\_

*City and Borough of Sitka Assessor*

**City and Borough of Sitka  
Legal Department  
100 Lincoln Street  
Sitka AK 99835  
Phone (907)747-1821  
Fax (907)747-7403**

# Memo

To: Mayor McConnell and Assembly Members

From: Robin Schmid, Municipal Attorney

Date: May 2, 2016

Re: Board of Equalization Procedures

---

These are the legal procedures regarding the Board of Equalization hearings set for Monday, May 2, 2016 at 6:00 p.m. Although many of you already know, for new members, the Assembly sits as the Board of Equalization to hear and decide property tax appeals, and two property tax appeals have been filed this year.

Board of Equalization hearings are different from the other meetings at which the Assembly votes on ordinances and resolutions.

1. **Please do not discuss the issues or merits** of any particular property tax appeal with either the Assessor or any person who has appealed before the Board of Equalization meets. (Those who appeal are called "Appellants.") Following this advice will allow the Board to make decisions based on the record before it. Following this advice will also help prevent the disqualification of the Assembly Member involved or even the invalidation of the decision made by the Board of Equalization.

2. Unlike other Assembly meetings, Board of Equalization hearings are contested adversarial proceedings in which the Appellant taxpayer and the Assessor choose the witnesses, who are subject to cross-examination by the other side. The procedure used in Sitka has been as follows:

- A. Appellant makes presentation, with each witness subject to cross-examination
- B. Assessor makes presentation, with each witness subject to cross-examination
- C. Appellant gives rebuttal of Assessor's presentation (no new evidence)

- D. Assessor gives rebuttal of Appellant's presentation (no new evidence)
- E. Appellant makes closing argument
- F. Assessor makes closing argument
- G. Appellant makes rebuttal closing argument

3. The presiding officer of the Assembly presides over the Board of Equalization. The presiding officer exercises such control over the proceedings as is reasonable and necessary. One duty is to enforce **time limits**, which of course should be announced in advance.

4. Another duty of the presiding officer is to rule on the admissibility of evidence at the hearings. The Board of Equalization is not restricted to the formal rules of evidence used in court, but instead follows rules consistent with general rules of administrative procedure. The rules of evidence in Alaska's Administrative Procedure Act are attached.

5. **The taxing authority has broad discretion in deciding among recognized valuation methods.** The appeal from a determination by a Board of Equalization on an assessment is appealable to the Superior Court. The question for the courts in reviewing a determination on an assessment is "whether there is a reasonable basis for the taxing authority's method." If the court finds such a reasonable basis, to prevail in court the taxpayer must show fraud or the "clear adoption of a fundamentally wrong principle of valuation."

6. **At the Board of Equalization hearing, the burden of proof is on the Appellant.** The only grounds for adjustment of an assessment are "proof of unequal, excessive, improper, or under valuation based on **facts** that are stated in a valid written appeal or proven at the appeal hearing." The Assessor is presumed to have done his job and based it on the best information he can procure. Mathematical exactness is not required.

7. An Appellant appealing an assessment does not need to prove the correct amount, range, or method of valuation. However, the Appellant cannot just say the Assessor is wrong or be critical of the method used, they must present independent evidence themselves. If they manage to do so, the burden then shifts to the Assessor to introduce credible evidence which substantiates the assessment.

8. **The Board of Equalization needs to adopt written findings.** Findings to facilitate review by a court and assist the parties. **The findings should address the arguments made by the Appellant taxpayer and the Assessor, particularly those arguments made by the side that does not prevail. In your packet you will find the Assessor's suggested Findings of Fact.**

I will be present for the hearings, and I will work to assist the Board to prepare those written findings which could be voted on and adopted by the Board at such time as the Board may direct. The Board of Equalization shall certify its actions to the Assessor within seven days of the hearing.

9. If the Board chooses, the Board may deliberate in **executive session** to decide the property tax appeals it hears. AS 44.62.310(d)(1) (Open Meetings Act does not apply to a

governmental body performing a judicial or quasi-judicial function when holding a meeting solely to make a decision in an adjudicatory proceeding). Given that the Board's role resembles that of a panel of judges or a jury, there should be no one else present but members of the Board if the Board elects to deliberate in executive session. If the Board has questions regarding the applicable law, the Board could come out of executive session and request answers from the Attorney in open session.

10. The same members of the Board of Equalization must be in attendance throughout the hearing, and only those members who have been in attendance throughout the hearing may vote on matters before the Board.

RLK/slj

Attachment