



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Monday, May 1, 2017

6:00 PM

Assembly Chambers

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** [17-086](#) Consideration of a late-file application filed by Christine McGraw (note: if granted, the appeal would be heard at a later date)

Attachments: [Municipal Attorney Memo BOE procedures.pdf](#)

[Memo appeal applications not filed in a timely manner.pdf](#)

[Steps for McGraw late file application.pdf](#)

[McGraw late-file appeal application summary.pdf](#)

- B** [17-087](#) Hear an appeal, and reach findings and decision, filed by Sitka Residences, LLC in regard to real property referenced within appeal packet 2017-01 by reference (Aspen Hotel)

Attachments: [Steps for Sitka Residences, LLC appeal.pdf](#)

[Assessment Appeal Sitka Residences, LLC.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**

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Sara Peterson, CMC, Municipal Clerk
Publish: April 28*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-086 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 4/25/2017 **In control:** City and Borough Assembly

On agenda: 5/1/2017 **Final action:**

Title: Consideration of a late-file application filed by Christine McGraw (note: if granted, the appeal would be heard at a later date)

Sponsors:

Indexes:

Code sections:

Attachments: [Municipal Attorney Memo BOE procedures.pdf](#)
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[Steps for McGraw late file application.pdf](#)
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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 Hunter and Assembly Members

From: Brian E. Hanson, Municipal Attorney

Date: April 27, 2017

Re: Board of Equalization Procedures

These are the legal procedures regarding the Board of Equalization hearings set for Monday, May 1, 2017 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 one property tax appeal has 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 her job and based it on the best information she 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.

BEH

Attachment

The Assessing Department’s thirty-day administrative appeal period began March 14th, when assessment notices were mailed, and closed April 14th. This appeal process is governed by Title 29 of the Alaska Statutes and by Title 4.12 of the Sitka General Code, having been established to afford both the Assessor and the property owner ample time to inspect and review the property, and to allow the property owner time to submit the required documentation to substantiate a valuation dispute grounded on appealable criteria: unequal, excessive, overvalued or improper (AS 29.45.210(b)).

Appeals not filed within this thirty-day window, place an administrative burden on the Assessing Department as well as the Board of Equalization (BOE), due to the time necessary needed to properly document, inspect, review and prepare appeal cases. The strict statutory guidelines on the finalization of assessments and certification of the tax roll by June 1 make late-filed appeals problematic, because any late-file petition meeting the “unusual circumstances” hurdle would require an additional 30-day window allowing for ample time to complete the due-diligence necessary to document, examine and hear each appeal.

When weighing each application against the merits of the “unusual circumstances” requirement, the following are key points to remember:

- Sitka General Code 4.12.100 allows a late-file appeal application to be submitted
- A property owner who wishes to appeal after the 30-day filing period has closed shall file a late-file petition application with the Assessor no later than 5:00pm April 28th
- The BOE shall only consider reasons the taxpayer was unable to comply within the 30-day administrative appeal period, and shall not consider evidence regarding property valuation
- The BOE’s late-file determination shall be based on the late-file application and supporting documentation
- A property owner may not make an oral presentation at this hearing
- Having statutory limits on the appeal period, and placing the burden of proof on the property owner (SGC 4.12.100(E) and AS 29.45.210(b)) to:
 - provide their correct mailing address (SGC 4.12.100(D), 4.12.070(A)), and
 - to timely provide documented and written data of a differing valuation determination (SGC 4.12.100(B)),

allows for the efficient administration of over 4,700 property tax accounts and subsequent roll certification by June 1st as required by law, and affords the property-owner an outlined and structured appeal process necessary under their due rights of appeal.

- Because the property owner bears the responsibility to notify the city of their correct mailing address and any other potential errors in assessment, the failure to receive a notice of assessment, or simply not pick it up, are not sufficient criteria for the “unusual circumstances” clause affording a waiver of these timelines (SGC 4.12.100(d)(1), SGC 4.12.020).
- The city has met its “Assessment Notice” obligations under SGC 4.12.070 in three ways: 1) by mailing the assessment notices on March 14th via first-class mail through Alaska Lithographic *“to the person to whom it is to be given and shall be sufficiently given if it is mailed by first class mail addressed to, or is delivered at, his address as last known to the assessor.”* 2) by posting two public newspaper ads on 3/24/17 and 3/31/17 stating that *“all valuation notices have been mailed”* (SGC 4.12), and 3) by posting such notification prominently at the top of the [Assessing Department’s](#) city web page.

- Late-file petitions are usually heard as the first order of business at the BOE’s May 1 meeting, and there are only two reasons why an appeal can be accepted after the appeal period closes:
 - A new notice of valuation is issued which starts a new statutory 30-day appeal period
 - The BOE accepts a request for a late-filed appeal
- The BOE shall interpret the term “unusual circumstances” as meaning that a property owner must demonstrate compelling reasons or circumstances which would prevent a reasonable person under the circumstances from filing an appeal
- Compelling reasons or circumstances are customarily considered to be those beyond the control of the claimant, including but not limited to a medical condition or disability, impaired mental capacity, illiteracy, family emergency, death in the family, or other similar serious condition or event, that substantially impaired the claimant’s ability to file a timely application
- If the request is accepted by the BOE it must be by a unanimous vote, and this will extend the appeal period into June as the appellant will be given 30 days in which to file an appeal and submit required evidence to substantiate the appeal
- First-class mail is considered delivered unless notice of non-delivery is returned to the sender
- It is the responsibility of the property-owner to make sure their mailing address of record is correct with the Assessing Department as the assessing records are separate from other city accounts; addresses of record are published on the city’s GIS website so that they can be checked at any time during the year

Key Dates to Remember:

March 14 th , 2017	Assessment Notices Mailed, Newspaper & Website Notices Published
March 31 st , 2017	Second Newspaper Publishing of Assessment Notice Mailing
April 14 th , 2017	Last Day to File an Appeal
April 28 th , 2017	Last Day to Submit a Late-File Appeal Application
May 1 st , 2017	BOE Hearing Date
June 1 st , 2017	Certification of Tax Roll Required by AS 29.45.210

CODE REFERENCES:

Sitka General Code governing appeals is very vague on what constitutes “unusual circumstances,” but it is very clear that any waiver to the thirty-day filing period must be by a unanimous Board vote:

4.12.100(B). Appeal to board of equalization: Filing of Appeal by Person Assessed. Notice of appeal, in writing, specifying the grounds for appeal, shall be filed with the board within thirty days after the date on which the assessor’s notice of assessment was given to the person appealing, and the notice must be filed not later than five p.m. of the day prior to the day of any board of equalization hearing at which the appeal shall be heard; provided however, that the board, in what it deems **unusual circumstances**, by unanimous vote may waive this time provision. Such notice must contain a certification that a true copy thereof was mailed or delivered to the assessor. If notice of appeal is not given within that period, the right of appeal shall cease as to any matter within the jurisdiction of the board, unless it is shown to the satisfaction of the board that the taxpayer was unable to appeal within the time so limited. A copy of the notice of appeal must be sent to the assessor as above indicated.

The Sitka General Code governing assessment appeals does not expand on what constitutes “unusual circumstances,” but corresponding city code governing mandatory exemptions advises that allowable “good cause” reasons for the lack of timely-filing are as follows:

4.12.025(G). Exemptions: Exemption application shall be filed by February 15th of each year.

1. The assembly for good cause shown may waive the claimant’s failure to make timely application and authorize the assessor to accept the application as if timely filed. “Good cause” shall mean:

a. Extraordinary circumstances beyond the control of the claimant, including but not limited to a medical condition or disability, impaired mental capacity, illiteracy, family emergency, death in the family, or other similar serious condition or event, that substantially impaired the claimant’s ability to file a timely application.

b. Extraordinary circumstances for a finding of good cause do not include late filing due to the claimant’s inadvertence, oversight, or lack of knowledge regarding the filing requirements or deadline, financial hardship or failure to pick up or read mail or to make arrangements for an appropriate and responsible person to pick up or read mail. If a failure to timely file has been waived and the application approved, the amount of the tax that the claimant has already paid for the property exempted shall be refunded to the claimant.

4.12.030(D). Content of Assessment Roll. The assessor shall prepare an annual assessment roll in duplicate, after consideration of all returns made to the assessor pursuant to this chapter, and after careful inquiry from such sources as the assessor may deem reliable.

On the roll the assessor shall enter the following particulars:

1. The names and last known addresses of all persons with property liable to assessment and taxation;
2. A description of all taxable property;
3. The assessed value, quantity, or amount of the property.

4.12.070 Assessment notice.

A. Notice Mailed to Property Owners. The assessor shall give to every person named in the assessment roll a notice of assessment. The assessment notice shall be directed to the person to whom it is to be given and shall be sufficiently given if it is mailed by first class mail addressed to, or is delivered at, his address as last known to the assessor, the notice may be addressed to the person at the post office nearest to the place where the property is situated. The date on which the notice is mailed or is delivered shall be deemed to be on the date on which the notice is given for the purposes of this chapter.

B. Notice Published in Newspaper, or Posted. When all valuation notices have been mailed, the assessor shall cause to be published in a newspaper of general circulation which is published in the city and borough at least once each week for two successive weeks a notice that the assessment rolls have been completed. In the event no newspaper of general circulation is published in the city and borough the assessor shall cause such notice to be posted at two public places for a period of two weeks. Such notice shall state when and where the equalization hearings shall be held.

C. Form of Notice. The notice shall show the assessed value of each tract assessed. On the back of each assessment notice shall be printed a brief summary for the information of the taxpayer, of the dates when the taxes are payable, delinquent, and subject to interest and penalty, dates when the board will sit for equalization purposes and any other particulars specified by the assembly.

D. Duty to Call Attention to Errors. It shall be the duty of every person receiving a notice of assessment to advise the assessor of any error or omission he may have observed in the assessment of his property in order that the assessor may correct the same.
(B.C.S. § 3.20.070.)

4.12.100 Appeal to board of equalization.

A. Any person who receives notice or whose name appears on the assessment roll may appeal to the board with respect to any alleged error in the valuation, overcharge, omission or neglect of the assessor not adjusted to the taxpayer's satisfaction.

B. Filing of Appeal by Person Assessed. Notice of appeal, in writing, specifying the grounds for appeal, shall be filed with the board within thirty days after the date on which the assessor's notice of assessment was given to the person appealing, and the notice must be filed not later than five p.m. of the day prior to the day of any board of equalization hearing at which the appeal shall be heard; provided however, that the board, in what it deems unusual circumstances, by unanimous vote may waive this time provision. Such notice must contain a certification that a true copy thereof was mailed or delivered to the assessor. If notice of appeal is not given within that period, the right of appeal shall cease as to any matter within the jurisdiction of the board, unless it is shown to the satisfaction of the board that the taxpayer was unable to appeal within the time so limited. A copy of the notice of appeal must be sent to the assessor as above indicated.

C. Appeal Record. Upon receipt of the notice of appeal, the assessor shall make a record of the same in such form as the assembly may direct, which record shall contain all of the information shown on the assessment roll in respect to the subject matter of the appeal, and the assessor shall place the same before the board from time to time as may be required by the board.

D. Notice of Hearing. The board shall cause a notice of the sitting at which the appeal is to be heard to be mailed by the assessor to the person by whom the notice of appeal was given, and to every other person in respect of whom the appeal is taken, to their respective addresses as last known to the assessor.

E. Hearing of Appeal. At the time appointed for the hearing of the appeal or as soon thereafter as the appeal may be heard, the board shall hear the appellant, the assessor, other parties to the appeal and their witnesses and consider the testimony and evidence adduced, and shall determine the matters in question on the merits and render its decision accordingly. If any party to whom notice was mailed above set forth fails to appear the board may proceed with the hearing in his absence. The burden of proof in all cases shall be upon the party appealing.

F. Entry of Decisions. The board shall from time to time enter in the appeal record its decision upon appeals brought before it and shall certify to the same.

G. Appeal to Court. 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.
(Ord. 86-692 § 4, 1986; B.C.S. § 3.20.100.)

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. (§ 12 ch 74 SLA 1985)

Step 1

I MOVE TO CONVENE AS THE BOARD OF EQUALIZATION

Step 2

PROCEDURAL ADVICE – Municipal Attorney Brian Hanson

Step 3

ITEM A –Consideration of a late-file appeal application filed by Christine McGraw.

The Board determines whether to accept the late-file appeal application.

Step 4

POSSIBLE MOTIONS

I MOVE TO accept Christine McGraw's late-file appeal application.

OR

I MOVE TO deny Christine McGraw's late-file appeal application.

Step 5

Next item

Date: April 21, 2017
Name: Christine McGraw
Address: 410 Kramer Avenue, Sitka, AK 99835
Parcel ID: 2-4909-130

Summary:

The following application was presented as a petition for an appeal hearing, but the request was not filed in a timely manner.

- Ms. McGraw's 2017 Assessment Notice was mailed via first-class mail on March 14th, 2017 to the last known address on file of 1911 Dodge Circle, Sitka, AK 99835; and
- The assessment notice was never returned to the Assessing Department as undeliverable or unable to forward; and
- The appeal period closed on April 14th, 2017
- Ms. McGraw called the Assessing Department on April 21st, 2017 saying she never received her 2017 Assessment Notice and that she would like to appeal the valuation of her property. The Property Tax Clerk during this telephone conversation verified the mailing of the Assessment Notice to 1911 Dodge Circle and was told that this was no longer her current mailing address. Ms. McGraw was informed that the appeal period had closed and that she may file a late-file appeal application, but that it was her responsibility to keep the Assessing Department up-to-date on her current mailing address for assessment purposes, and that lack of receipt of the assessment notice due to an inaccurate address was not grounds for an "unusual circumstances" late-file application. The Property Tax Clerk mailed her a copy of the assessment notice that was mailed; and
- Ms. McGraw filed a late-file appeal application in person on April 21, 2017; and
- On April 21st, 2017, the Assessing Department received as undeliverable a final notice for 2016 taxes due sent by the Finance Department via Certified Mail on April 4, 2017, with the 1911 Dodge Circle address indicating that Ms. McGraw has yet to inform either the Finance or Assessing Departments of her current address for notice and billing purposes; and
- Although Ms. McGraw has valuation concerns, those will be addressed if a board hearing is granted.

Assessor's Summary:

It is the responsibility of the property-owner to make sure their mailing address of record is correct with the Assessing Department as the assessing records are separate from other city accounts. Addresses of record are published on the city's GIS website so that they can be checked at any time during the year. Ms. McGraw failed to notify the Assessing Department of her current mailing address, and as a result did not receive her assessment notice. There was no way for this office to know that the address had changed as the original assessment notice mailed on March 14th via first-class mail was not returned as undeliverable or "unable to forward." Receiving such a notice from the post office would have alerted us to at least look elsewhere for a newer current mailing address. A search of utility record accounts shows no physical or mailing address for Ms. McGraw either.

In addition the city has met its "Assessment Notice" obligations under SGC 4.12.070 in three ways:

- 1) by mailing the assessment notices on March 14th via first-class mail through Alaska Lithographic "to the person to whom it is to be given and shall be sufficiently given if it is mailed by first class mail"

addressed to, or is delivered at, his address as last known to the assessor.” First-class mail is considered delivered unless notice of non-delivery is returned to the sender;

- 2) by posting two public newspaper ads on 3/24/17 and 3/31/17 stating that “all valuation notices have been mailed” (SGC 4.12), and
- 3) by posting such notification prominently at the top of the [Assessing Department’s](#) city web page.

Therefore, in this instance, the failure to receive a notice of assessment does not meet the criteria for the “unusual circumstances” clause affording a waiver of the standard appeal timelines (SGC 4.12.100(d)(1), SGC 4.12.020), and the Assessing Department recommends you deny this late-file appeal application.

Key Dates to Remember:

March 14th, 2017	Assessment Notices Mailed, Newspaper & Website Notices Published
March 31st, 2017	Second Newspaper Publishing of Assessment Notice Mailing
April 14th, 2017	Last Day to File an Appeal
April 28th, 2017	Last Day to Submit a Late-File Appeal Application
May 1st, 2017	BOE Hearing Date
June 1st, 2017	Certification of Tax Roll Required by AS 29.45.210

CITY AND BOROUGH OF SITKA - ASSESSMENT RECORD 2017



Owner:	McGraw, Christine	Owner:	
Location:	410 Kramer Ave		
Parcel No:	2-4909-130	Prop Type:	VacResi
Legal Description:	Lot One (1), North Woodbury Subdivision, according to Plat No. 2014-2, Sitka Recording District, First Judicial District, State of Alaska.		

PROPERTY INFORMATION

General Data

Year Built		Prop Style:	No Data
Total Finished Living			
Prop Quality:	No Data		
Eff Age:			
Re-Inspect Date	11/22/2016		

Land Data

Zoning Typ 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

2017	Appraised Value:	Exempted Value:	Assessed Value:
Land Values:	\$24,900	\$0	\$24,900
Bldg Values:	\$0	\$0	\$0
Totals:	\$24,900	\$0	\$24,900



City & Borough of Sitka
Assessing Department
100 Lincoln Street, Rm 106
Sitka, Alaska 99835
(907) 747-1822

Tax Year
2017

Real Property Assessment Notice

Christine McGraw
1911 Dodge Cir
Sitka, AK 99835

PID# 2-4909-130-000-0000

Street Address
410 Kramer Ave

Survey	Lot	Block	Subdivision
3806	1		North Woodbury

Land Value	Building Value	Sen Exempt value	Taxable Value
\$24,900	\$0	\$0	\$24,900

Mailing Date: **March 14**
Appeal Deadline: **April 14**
Board of Equalization: **May 1**

PLEASE NOTIFY THE ASSESSOR OF ANY ERRORS, OMISSIONS OR CHANGES.

*****Important*****
THIS IS NOT A TAX BILL
Tax statements will be issued on or about July

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

RECEIVED
APR 21 2017

Date Filed: 4-21-17

The deadline for filing an appeal with the Assessor is **4:00 pm April 14, 2017**. 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. 410 Kramer Ave

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

2017 Assessed Value:

Land \$ 24,900.00 Building(s) \$ 0.00 Total \$ 24,900.00


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? 9-4-14
B. What was the full consideration/price? 110,000.00
C. Did this price include any furniture/ fixtures? If so, List approximate value\$ _____
D. What do you consider the market value?
Land\$ 0.00 Bldg\$ 0.00 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):

- Property is in high risk landslide area per Shannon & Wilson Report → mapping out high landslide risk areas
- Golder Report
- No bank will loan any money against property for purchase
- Land is unbuildable or unlivable.

Print Name: Christine McGraw Phone# 738-0720

Sign here:  Date: 4-21-17

By Phone notify

Property Tax

City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska • 99835

TEMP-RETURN SERVICE REQUESTED

not at this address.



April 4th, 2017

MCGRAW, CHRISTINE
~~1911 DODGE CIRCLE~~
~~SITKA, AK 99835~~

NIXIE 995 CC 2 0108/18/

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

BC: 99835759499 *1989-04496-13

99835759499





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-087 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/25/2017 In control: City and Borough Assembly

On agenda: 5/1/2017 Final action:

Title: Hear an appeal, and reach findings and decision, filed by Sitka Residences, LLC in regard to real property referenced within appeal packet 2017-01 by reference (Aspen Hotel)

Sponsors:

Indexes:

Code sections:

Attachments: [Steps for Sitka Residences, LLC appeal.pdf](#)
[Assessment Appeal Sitka Residences, LLC.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

PROCEDURAL ADVICE – Municipal Attorney Brian Hanson

Step 2

ITEM B – Sitka Residences, LLC

Hear an appeal, and reach findings and decision, filed by Sitka Residences, LLC in regard to real property referenced within appeal packet 2017-01 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 \$1,963,000 for real property referenced within appeal packet 2017-01 by reference.

OR

I MOVE TO change the appeal value for real property referenced within appeal packet 2017-01 by reference from \$1,963,000 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 1, 2017 for real property referenced within appeal packet 2017-01 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 2017-01

Per Alaska Statute 29.45.110(b) the appellant bears the burden of proof and 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.

Property Description:

Assessor's Parcel No(s). 1-1052-000 – 210 Lake Street – Sitka Residences, LLC
Legally described as L 1,2,PC82 B10 Sitka Townsite USS Survey 1474
Appellant: George Swift

Owner's Opinion of Value:	Revised Assessed Value:
\$350,000 + \$1,216,300=\$1,566,300	\$1,963,300

Appeal Overview:

The appellant has presented an appeal based upon the **excessive** criteria, but has failed to provide the necessary information in order to substantiate that reduction request as required by AS 29.45.110(b). Therefore, the property's recent 2016 sale information is the most-heavily weighted data used to substantiate this valuation. The building value was reduced based upon documented construction costs incurred as of the valuation date, but the land value was upheld.

Documentation by Appellant:

The property owner provided construction costs estimates as of January 1, 2017, but failed to provide all requested information to factually support this appeal by the April 26, 2017 deadline. Factual support commonly consists 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). **Supporting data specifically requested on April 12, 24 & 25th via email and phone requests for consideration included a recent 2016 appraisal and sale closing documents, but only the building costs to date were supplied.**

Appeal Points Summary:

- Subject property was purchased for \$880,000 in 2016 and consists of a 14,037 square foot lot of prime downtown Central-Business District zoned commercial property with utilities in place, with an older 1970's commercial office building and a 1940's single-family residence.
- These older structures were very near the end of their economic life and were of marginal value; thus they were demolished and construction of the new 71-room, 43,600 square foot Aspen Hotel began in 2016.
- The property was inspected by the Assessing Department on November 25, 2016, and was estimated to be 24% complete by the January 1, 2017 valuation date; this estimate was the basis for the original 2017 building valuation..
- The property owner requested a reduction of the land from \$746,900 to \$350,000 citing he felt the land value was too high, and a reduction of the estimated building costs from \$2,592,700 to \$1,216,400 citing the inaccuracy of the 24% completion estimate.
- The building value was reduced as requested based upon the submission of construction costs to the valuation date, but the land value was upheld citing the subject property's sale at \$880,000 as the best indicator of value as a land sale.

CITY AND BOROUGH OF SITKA – ASSESSMENT APPEAL 2017-01

- Property's land value was completed using the standardized CBD land model based upon CBD land sales city-wide from 2010-2016 for equity among all land owners; these sales, as well as the subject's 2016 sale, were the basis for this land valuation conclusion.
- The appellant has provided no alternative valuation information (the subject appraisal or alternative sales) to support this reduction request.

2017 Assessed Valuation:

The 2017 assessed valuation is not a full-market valuation, it is a market based land value derived utilizing comparable land sales, and building value reconciled on the cost approach at an estimated 24% complete as of the valuation date. The building value was further revised to actual costs to date based upon the property owner's supplied information. As such the changes in assessed values from 2016-2017 are as follows:

	2016	2017	REVISED 2017
Land Value	\$ 376,800	\$ 746,900	\$ 746,900
Building Value	\$ 466,000	\$ 1,845,800	\$ 1,216,400
Total Value	\$ 842,800	\$ 2,592,700	\$ 1,963,300

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. The subject's purchase price of \$880,000 was considered to be a land sale, and the very best indicator of value. It was considered a land sale because of several factors: the purchaser's immediate demolition of the original structures, making way for the hotel construction, because of the interim use of the original structures and marginal contributory value they inherently possessed. The property essentially changed to its highest and best use from that of an office income producing property to a hotel income property. The subject property's sales price is reflective of the high-demand for short-term rentals in Sitka, and the limited supply of suitable parcels for the construction of a large hotel within the Central Business District. The land value was resolved down from \$880,000 to \$746,900 to account for additional development costs and net building salvage value if any, and this was assumed to be about 15% of the cost of acquisition.

The building value was derived based upon a percent complete cost approach as is customary for properties under construction. The building value estimate was revised down from \$1,845,800 to \$1,216,400, based upon the actual construction costs submitted by the property owner.

For tax year 2017 the level of valuation detail is brief and summary due to the incomplete stage of construction. At completion, the property value most likely will reconcile somewhere in the value range of \$3,799,600 to \$9,785,500, the range of assessed values for the other five Alaska Aspen Hotels constructed by this same property owner.

PARCEL NO.	LOCATION	AV17	AV17 \$/RM	AV17 \$/SF	GBA	ROOMS	LD SF	LV17	BV17	BV17 \$/SF	YB
1-1052-000	Aspen-Sitka	TBD	TBD	TBD	44,457	71	14,037	\$ 746,900	TBD	TBD	2017
5B1501010020	Aspen-Juneau	\$ 5,284,500	\$ 67,800	\$ 118.71	44,517	78	43,566	\$ 523,000	\$ 4,761,500	\$ 106.96	2016
C-PSS-00-06A0	Aspen-Haines	\$ 4,253,300	\$ 85,100	\$ 140.37	30,300	50	52,707	\$ 228,000	\$ 4,025,300	\$ 132.85	2016
009-167-45	Aspen-Anchorage	\$ 9,785,500	\$ 106,400	\$ 195.60	50,028	92	59,489	\$ 1,113,600	\$ 8,671,900	\$ 173.34	2011
4705236	Aspen-Kenai	\$ 5,884,800	\$ 84,100	\$ 137.88	42,681	70	93,654	\$ 490,500	\$ 5,394,300	\$ 126.39	2007
6024041	Aspen-Soldotna	\$ 3,799,600	\$ 60,300	\$ 114.76	33,108	63	98,446	\$ 453,700	\$ 3,345,900	\$ 101.06	2001

(Notes: AV17=Assessed Value 2017, GBA=Gross Building Area, LDSF=Land Square Feet, LV17=Land Value 2017, BV17=Building Value 2017)

CITY AND BOROUGH OF SITKA – ASSESSMENT APPEAL 2017-01

Subject Photos (Original Structures Prior to Demolition in 2016):



Subject Photo (as of January 1, 2017 Valuation Date):



Assessor's Recommendation:

The appellant bears the burden of proof and has failed to provide any evidence to support the assertion that this property value needs to be further reduced.

In light of the foregoing information supporting this valuation, the Assessing Department respectfully requests that you uphold the 2017 Assessed Valuation of \$1,963,300 on appeal. This value is supported by the evidence presented, 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.

Reference (Continued):

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.

Corrected Assessment - Tax Year 2017

April 21, 2017

City and Borough of Sitka
Assessing Department
100 Lincoln Street, Suite 108
Sitka, AK 99835
Phone: 747-1822
Fax: 747-6138
Email: assessing@cityofsitka.org



Parcel Identification Number: 1-1052-000

Corrected Assessment No: 2017-61

Property Address: 210 Lake Street

Owner(s): Sitka Residences, LLC

January 1, 2017 Assessor's Value (from assessment notice):

Land Value: \$ 746,900 Bldg Value: \$ 1,845,800 Total Value: \$ 2,592,700

I wish to withdraw this appeal at the value as stated below:

CORRECTED ASSESSMENT

Land Value: \$ 746,900 Bldg Value: \$ 1,216,400 Total Value: \$ 1,963,300

Reduced building to actual expenses as of January 1, 2017, as provided by property owner, land upheld as supported by market data.

Signature: _____

Date: _____

Signature: _____

Date: _____

Each property owner or designee must sign, date and return this withdrawal to the address, fax number or email listed above

This withdrawal will not be final until signed and returned by the appellant, and the value is approved by the Assessor.

ADJUSTMENT NOTICE

If your signed response has not been received BY APRIL 24TH, 2017, this value recommendation will move forward for hearing by the Board of Equalization May 1, 2017.

1-1052-000

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

Date Filed: 4-14-2017

The deadline for filing an appeal with the Assessor is 4:00 pm April 14, 2017. 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. 1-1052-000

1. I, GEORGE SWIFT, representing SITKA RESIDENCES LLC
The owner of the above identified property, hereby request the Assessor review the assessment of said property.

2017 Assessed Value:

Land \$ 746,900 Building(s) \$ 1,845,800 Total \$ 2,592,700

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? 11/2015
B. What was the full consideration/price? 880,000
C. Did this price include any furniture/ fixtures? If so, List approximate value \$ NO
D. What do you consider the market value?
Land \$ 350,000 Bldg \$ _____ Total \$ _____
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? \$ YES

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

BOUNDARY VALUE NOT ACCURATE
LAND VALUE SHOULD BE LESS THEN WE PAID BECAUSE OF EXISTING BUILDINGS

Print Name: GEORGE SWIFT Phone# 206-954-1931

Sign here: [Signature] Date: 4-14-2017

Western Steel, Inc.
Job Cost Report
As of Dec 31, 2016

Filter Criteria includes: 1) IDs from 20120 to 20120; 2) Active Jobs. Report order is by ID

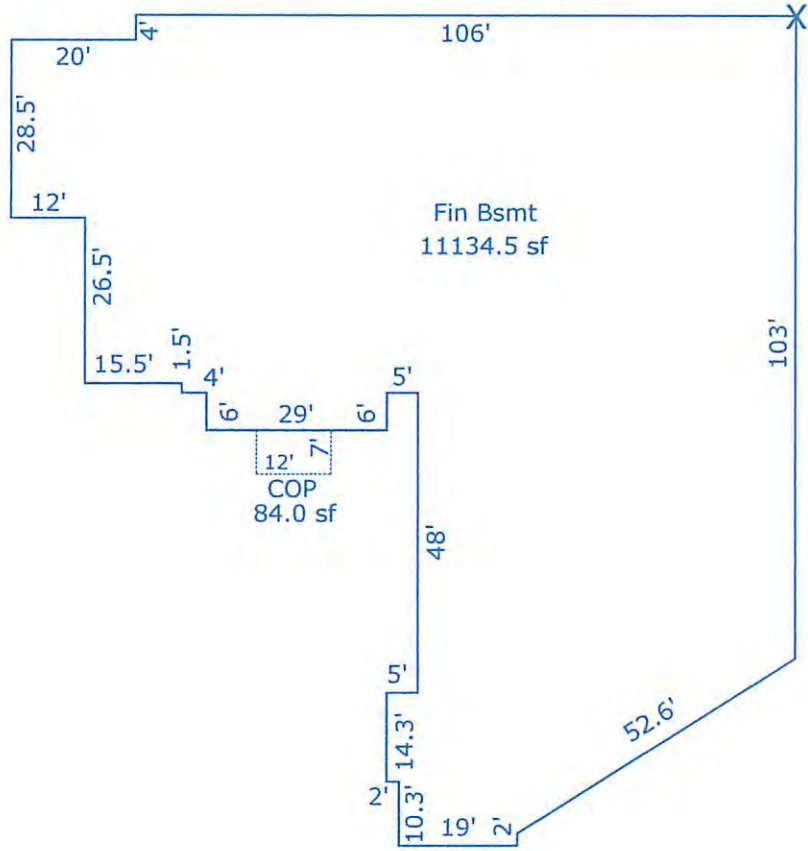
Job Description	Phase Description	Cost Code Description	Act. Expenses	Act. Revenue
Hotel Site, Sitka, Alaska				1,171,309.00
	Design Cost: Archt. Engin		17,550.84	
	Testing & Inspection		3,166.00	
	City/Permit Fees		1,624.10	
	Insurance, Work Comp		12,282.00	
	Geneml Conditions		13,633.80	
	Freight		44,023.57	
	Labor Supt Camp		44,548.22	
	Dumpster Fees		20.00	
	Equipment Rent & Expen		27,544.30	
	Site Work		289,309.54	
	Building Supplies		9,810.52	
	Tools		9,511.15	
	Concrete Forms & Materi		149,149.08	
	Framing Labor		128,521.45	
	Framing Materials & Exp		154,537.40	
	Trusses		105,003.72	
	Metals		5,300.00	
	Plumbing		160,196.84	
	Electrical & Fire Alarm		240,006.67	
	HVAC/PTAC Equi. Rms		10,776.00	
	Elevator		31,350.00	
	Exterior Finish		958.45	
	Windows & Storefronts		21,350.00	
	Vanities & Bath Fixtures		6,569.52	
			<u>1,486,743.17</u>	<u>1,171,309.00</u>
			<u>1,486,743.17</u>	<u>1,171,309.00</u>

The underlined items were paid for BUT NOT
INSTALLED ON THE PROJECT

SKETCH/AREA TABLE ADDENDUM

Parcel No 11052000

SUBJECT	Property Address 210 Lake Street		
	City Sitka	State AK	Zip 99835
	Owner Sitka Residences, LLC		
	Client		
IMPROVEMENTS SKETCH	Appraiser Name Josh Joseph		Inspection Date 11/22/16



Scale: 1" = 14'

AREA CALCULATIONS	AREA CALCULATIONS SUMMARY						Comment Table 1	
	Code	Description	Factor	Net Size	Perimeter	Net Totals		
	BSMT	Fin Bsmt	1.00	11134.51	520.1	11134.51		
	P/P	COP	1.00	84.00	38.0	84.00	Comment Table 2	
							Comment Table 3	

SKETCH/AREA TABLE ADDENDUM

Parcel No 11052000

Property Address 210 Lake Street

City Sitka

State AK

Zip 99835

Owner Sitka Residences, LLC

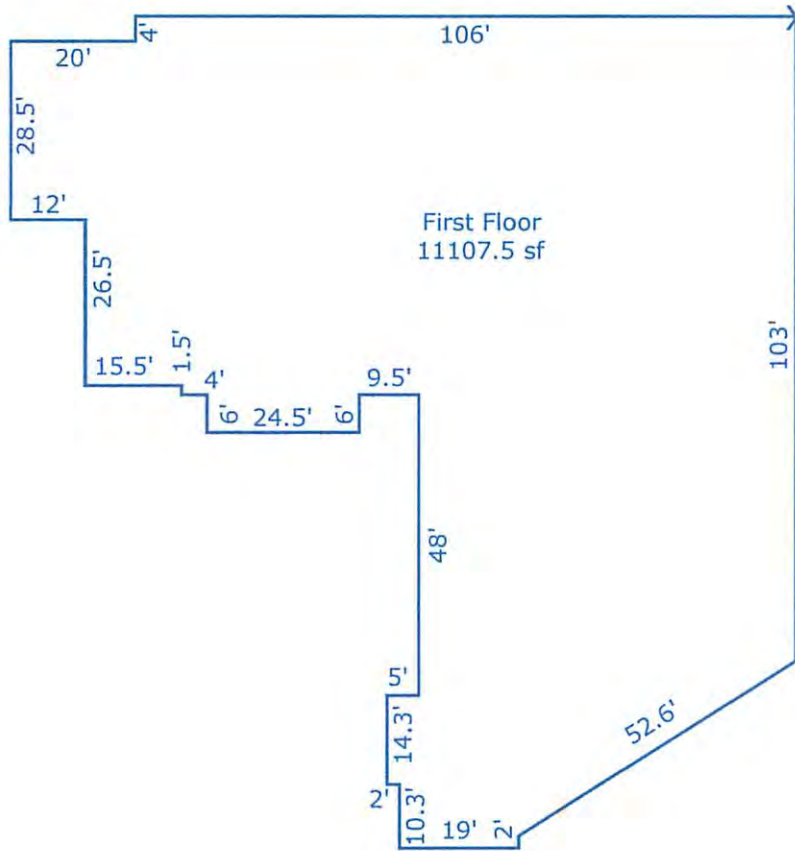
Client

Appraiser Name Josh Joseph

Inspection Date 11/22/16

SUBJECT

IMPROVEMENTS SKETCH



Scale: 1" = 14'

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA1	First Floor	1.00	11107.51	520.1	11107.51

Net BUILDING Area

(rounded w/ factors)

11108

Comment Table 1

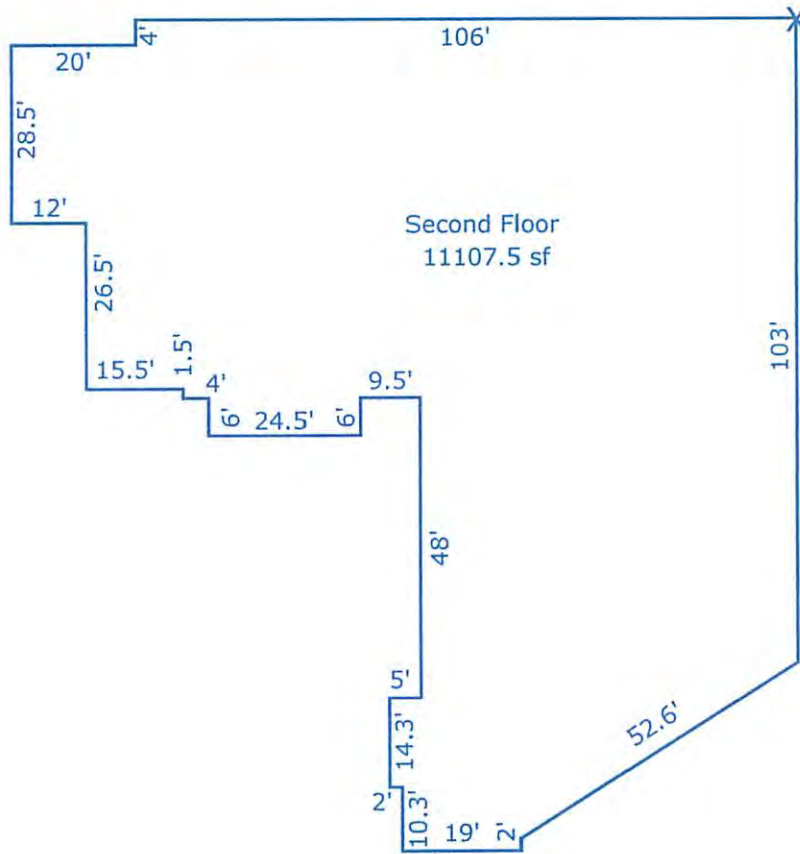
Comment Table 2

Comment Table 3

SKETCH/AREA TABLE ADDENDUM

Parcel No 11052000

SUBJECT	Property Address 210 Lake Street		
	City Sitka	State AK	Zip 99835
	Owner Sitka Residences, LLC		
	Client		
IMPROVEMENTS SKETCH	Appraiser Name Josh Joseph		Inspection Date 11/22/16



Scale: 1" = 14'

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA2	Second Floor	1.00	11107.51	520.1	11107.51
Net BUILDING Area (rounded w/ factors)					11108

Comment Table 1	
Comment Table 2	Comment Table 3

SKETCH/AREA TABLE ADDENDUM

Parcel No 11052000

Property Address 210 Lake Street

City Sitka

State AK

Zip 99835

Owner Sitka Residences, LLC

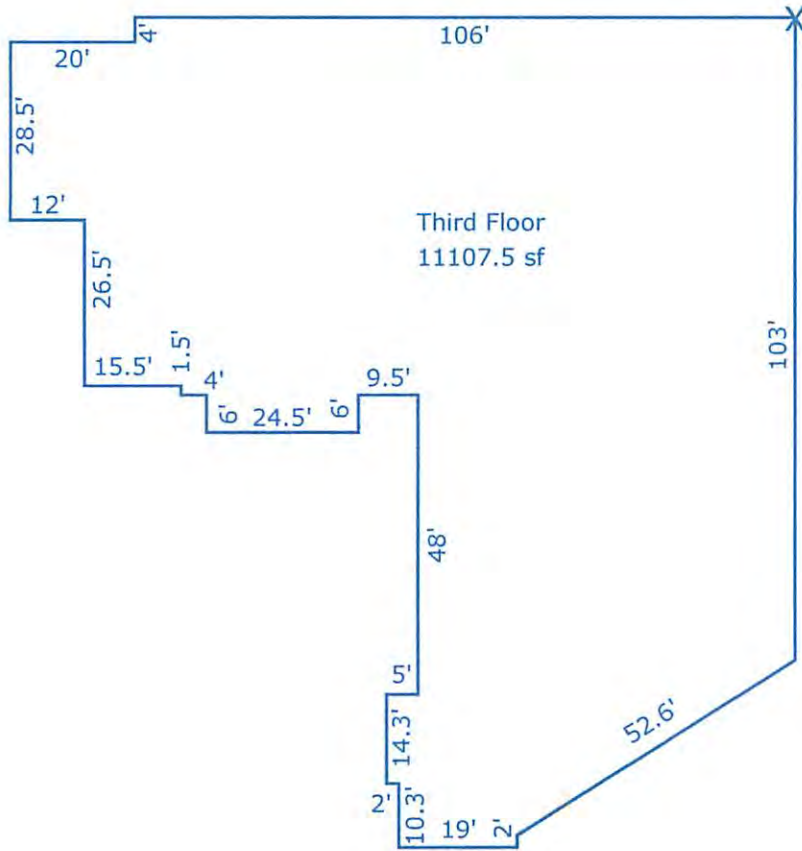
Client

Appraiser Name Josh Joseph

Inspection Date 11/22/16

SUBJECT

IMPROVEMENTS SKETCH



Scale: 1" = 14'

AREA CALCULATIONS

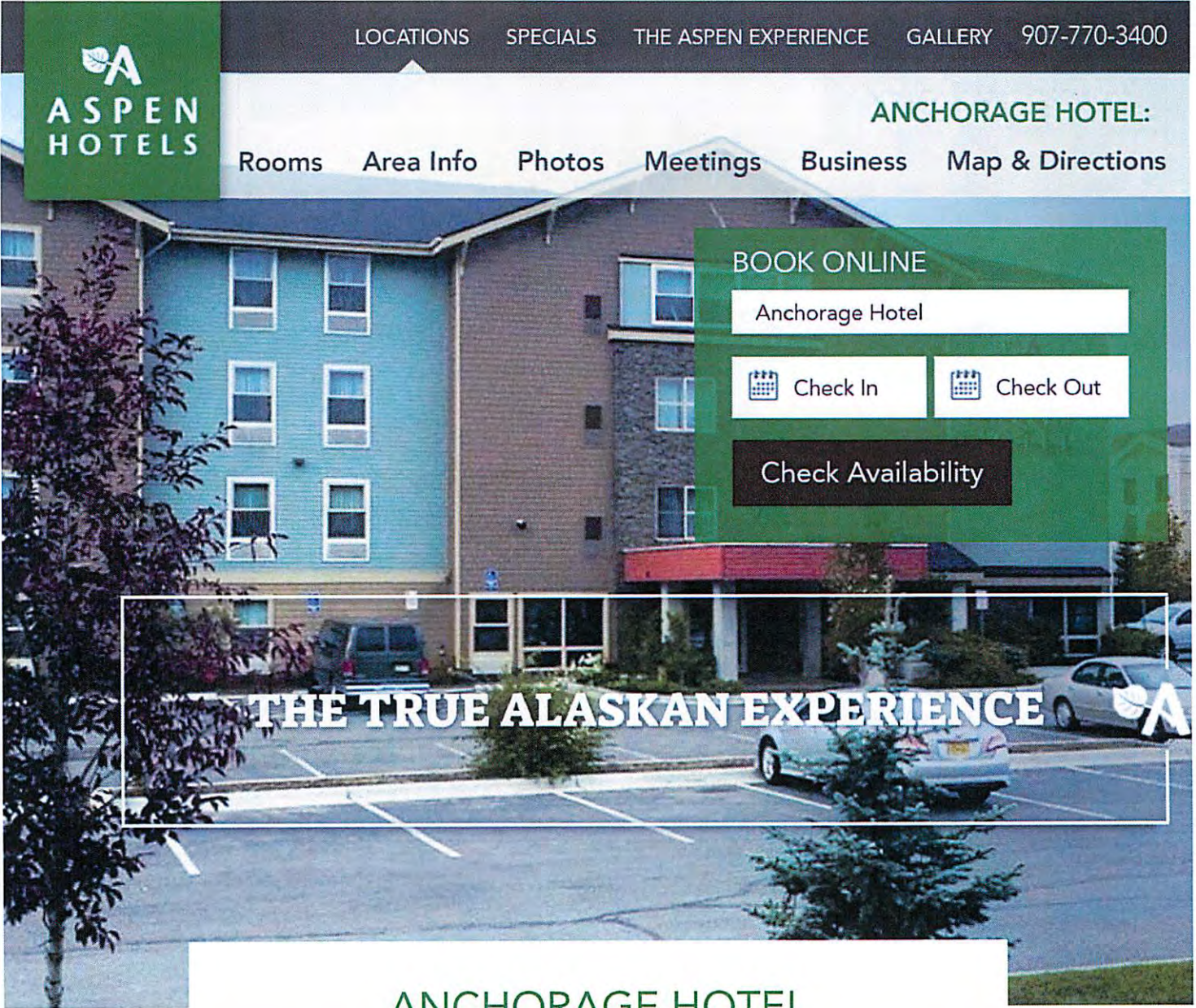
AREA CALCULATIONS SUMMARY

Code	Description	Factor	Net Size	Perimeter	Net Totals
GBA3	Third Floor	1.00	11107.51	520.1	11107.51
Net BUILDING Area (rounded w/ factors)					11108

Comment Table 1

Comment Table 2

Comment Table 3



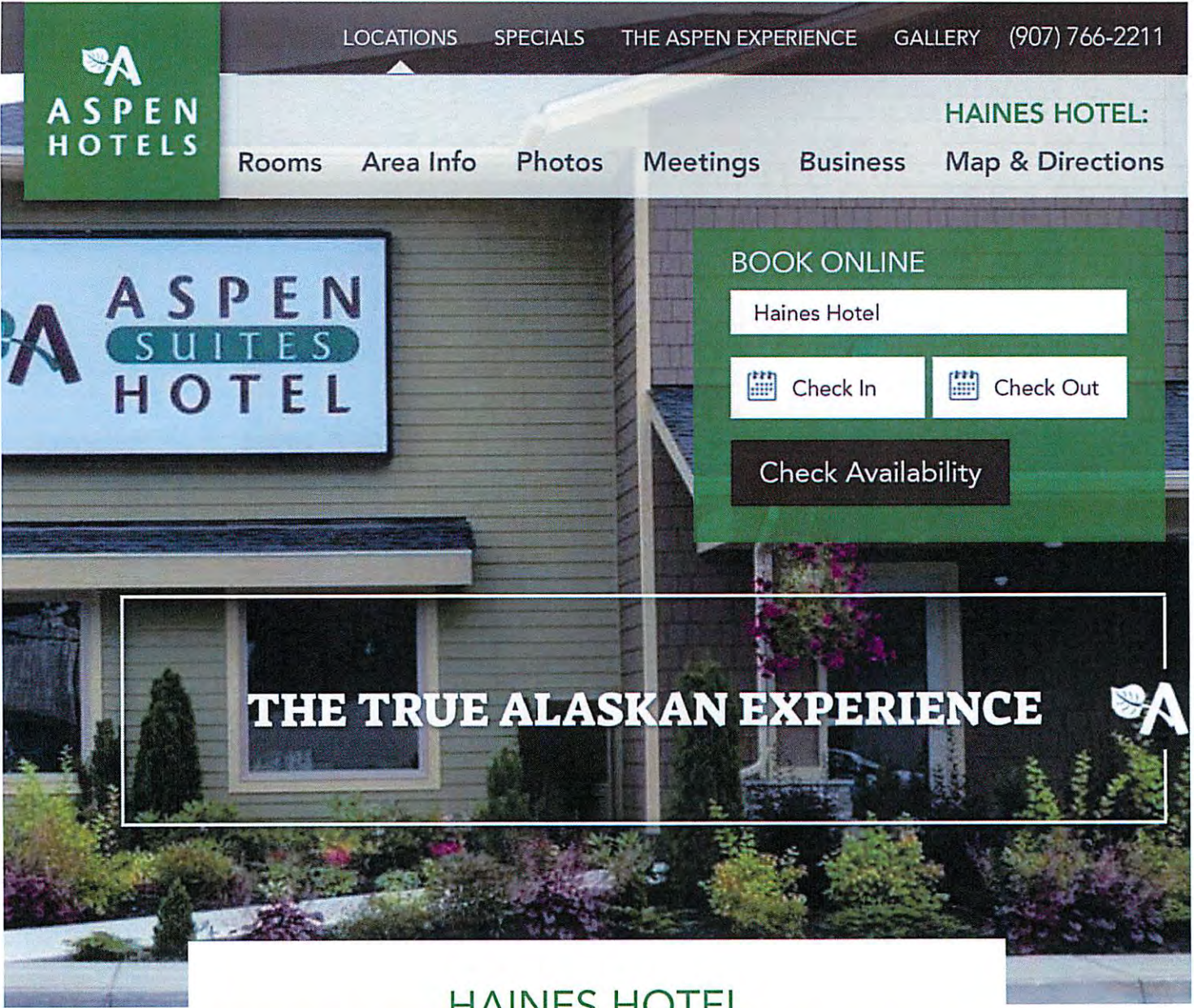
2017 ASSESSED VALUE - \$9,785,500 - 92 Rooms Valued at \$106,400 PER ROOM

Aspen Suites Hotel Anchorage in midtown, is in the heart of one of the largest cities in Alaska. Just 3 miles east to the Ted Stevens Anchorage International Airport and minutes from downtown Anchorage Alaska.



MIDTOWN
ANCHORAGE HOTEL

GUEST ROOM
OPTIONS



2017 ASSESSED VALUE - \$4,253,300 - 50 Rooms Valued at \$85,100 PER ROOM

Aspen Suites Hotel in Haines is in the heart of one of the most scenic areas of Southeast Alaska. With miles of beautiful coastline, plentiful wildlife, cultural facilities and incredible outdoor recreation opportunities you are certain to enjoy your Haines Alaska experience.



HAINES HOTEL

GUEST ROOM

Aspen Suites Hotel in Haines is a perfect choice

ASPEN HOTELS

LOCATIONS SPECIALS THE ASPEN EXPERIENCE GALLERY (907) 500-7700

JUNEAU HOTEL:

Rooms Area Info Photos Meetings Business Map & Directions

BOOK ONLINE

Juneau Hotel

Check In Check Out

Check Availability

THE TRUE ALASKAN EXPERIENCE

JUNEAU HOTEL

2017 ASSESSED VALUE - \$5,284,500 - 78 Rooms Valued at \$67,750 PER ROOM

Aspen Suites Hotel in Juneau is in the heart of one of the most scenic state capitals in the nation. Close to the Juneau Airport and 4 miles from Alaska Marine Ferry Dock, Aspen Suites Hotel Juneau is also just minutes from the awe-inspiring Mendenhall Glacier.



JUNEAU HOTEL

GUEST ROOM

Aspen Suites Hotel in Juneau is a perfect choice



2017 ASSESSED VALUE - \$5,884,800 - 70 Rooms Valued at \$84,100 PER ROOM


Aspen Hotels Kenai Aspen Suites Hotel enjoys an unbeatable location right in the middle of Alaska’s playground, where you’ll find outdoor adventures galore and unforgettable beauty.



KENAI HOTEL

Just minutes from the Kenai Airport and close to shopping and restaurants, Kenai Aspen Suites

GUEST ROOM OPTIONS



LOCATIONS

SPECIALS

THE ASPEN EXPERIENCE

GALLERY

907-260-7736

SOLDOTNA HOTEL:

Rooms

Area Info

Photos


Meetings


Business

Map & Directions

BOOK ONLINE


Soldotna Hotel

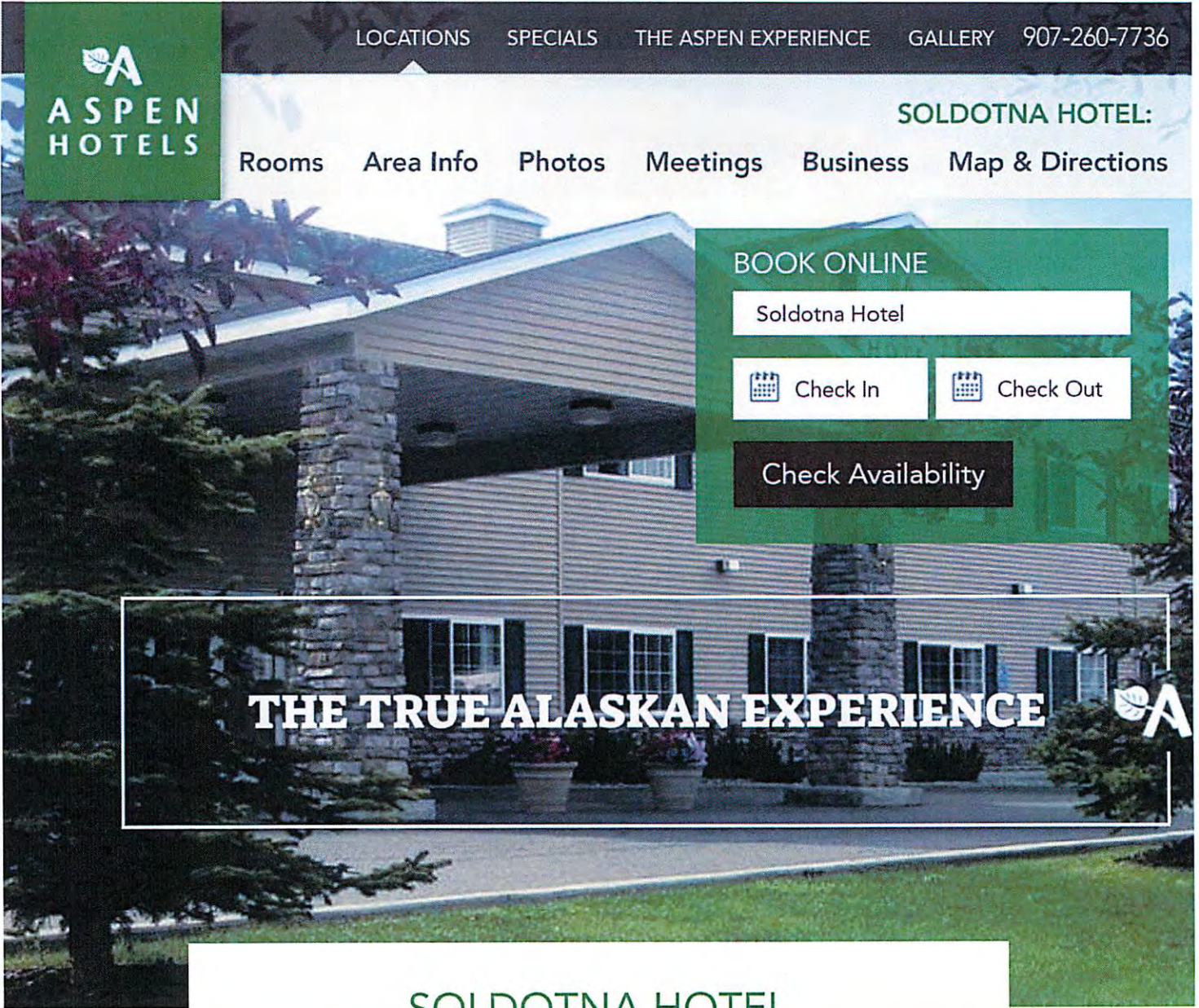
 Check In

 Check Out

Check Availability

THE TRUE ALASKAN EXPERIENCE





SOLDOTNA HOTEL


2017 ASSESSED VALUE - \$3,799,600 - 63 Rooms Valued at \$60,300 PER ROOM

Soldotna’s newest and finest hotel located in the heart of downtown. The Aspen Hotel offers excellent access to the world famous Kenai River with plenty of freezer storage for your prized “catch.”



SOLDOTNA HOTEL
ON THE KENAI

GUEST ROOM
OPTIONS



LOCATIONS

SPECIALS

THE ASPEN EXPERIENCE

GALLERY

SITKA HOTEL:

Rooms

Area Info

Photos


Meetings


Business

Map & Directions

BOOK ONLINE


Sitka Hotel

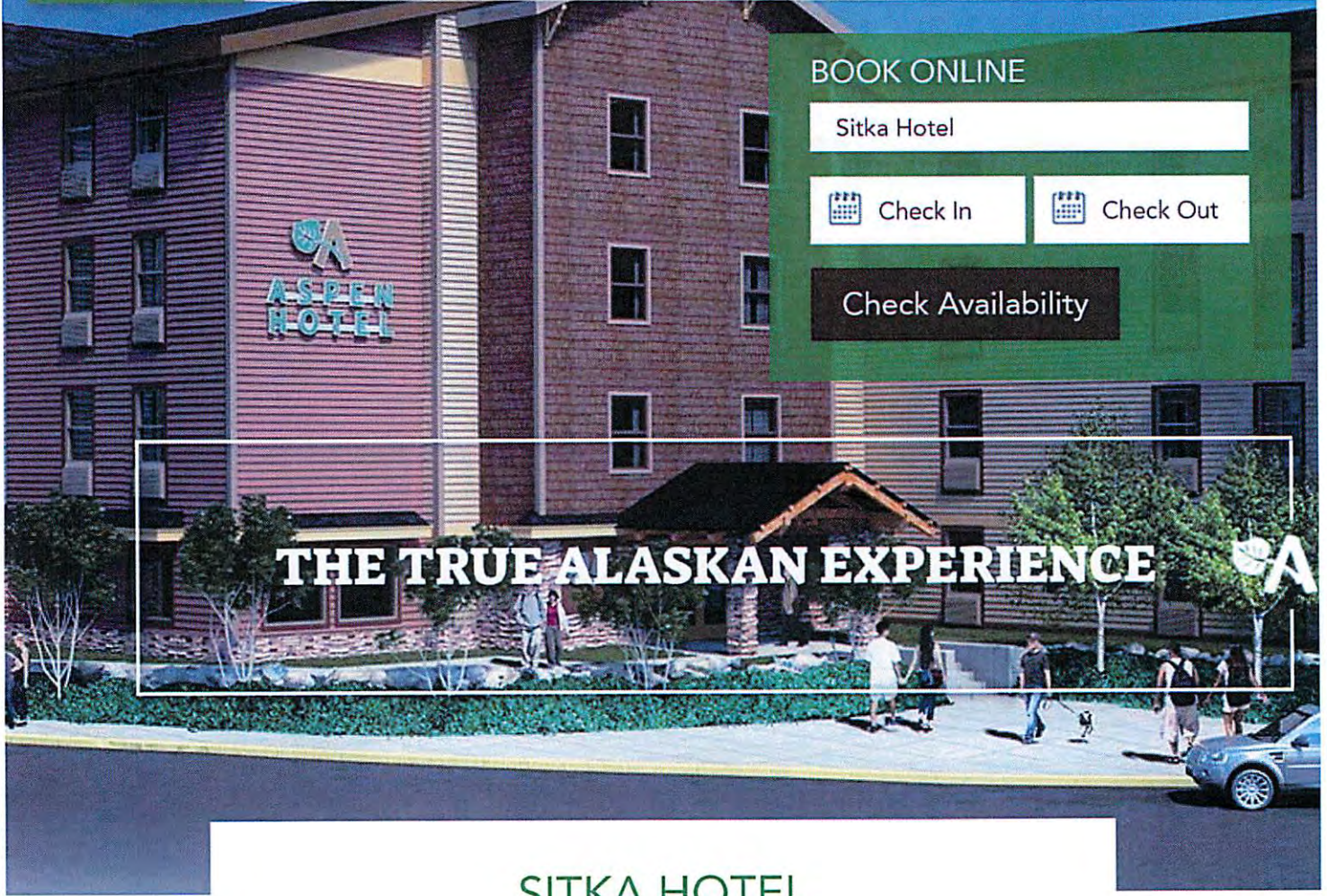
 Check In

 Check Out

Check Availability

THE TRUE ALASKAN EXPERIENCE





SITKA HOTEL

Aspen Suites Hotel Sitka, is located in the former capital of Russian America. This sea-side community is often considered to be the most beautiful of all the southeast Alaskan cities. Sitka is located on the west side of Baranof Island and is flanked on the east by majestic snow-capped mountains, and on the west by the Pacific Ocean.

