



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Memorandum

To: Assembly Members of the City and Borough of Sitka

From: Keith Brady, Municipal Administrator
Wendy Lawrence, Assessing Director

Date: April 7, 2019

Subject: Exemptions – Community Purpose Exemption Review

As requested the City and Borough of Sitka Community Purpose Exemptions have been summarized for your review. The city currently has thirty-four parcels, representing nineteen community programs, which have been vetted through Assembly Ordinance and public hearing to be exempted from real property taxation for those entities determined to be providing services to the community. **Granting of this exemption to a community organization is at the discretion of the Assembly and must meet the criteria outlined in law:**

SGC 4.12.025(E): *The community purpose optional property tax exemption under AS 29.45.050(b) (1) (A) is adopted and incorporated by reference. All or a portion of the property of an organization not organized for business or profit making purposes and used exclusively for community purposes, may be exempted if income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter.*

AS 29.45.050(b)(1)(A): *A municipality may by ordinance (1) classify and exempt from taxation (A) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter.*

As a part of a regular review of exemptions, the following list has been compiled with the most current data available. Review of the list indicates two problems: First, the Assessing Department does not have the documentation of each historic application that substantiates these exemptions. A regular audit of the State Assessor will occur within the next year and this situation will need to be reviewed and rectified in order to be in compliance with state regulation of the property taxation administration. An audit finding will most likely result if we do not meet compliance.

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Secondly, the appraised values are best estimates given that the department does not have accurate information on all structures in order to conduct a thorough and complete valuation. This issue is more of a lack of the appropriate resources to complete this project at this time, as our primary mission is to re-inspect and revalue all taxable properties first and exempt properties last, or as time permits.

The biggest unknown in the valuation of these properties however is the overall value of the larger exemptions. A search of our records also indicated that there was no PILT (Payment in Lieu of Taxes) on file for any of the larger exempted properties. A PILT is a commonly negotiated agreement between exempt parties and municipalities in which a payment is made in lieu of taxes because the entity still requires general fund support in the way of police, fire, administrative and emergency services from the city. Also of note and included in the list is the newly exempted community purpose exemption for the Sitka Historical Society, which has a two-year sunset.

On a final note, any optionally exempted value, such as these community purpose exemptions, gets added back into the Full Value Determination (FVD), which is the basis for our school funding formula. The theory is that although the city loses the tax revenue from these organizations, they in turn provide a benefit to the community. The exempted organization must provide some greater benefit to the community to justify the offset. Any optionally exempted value, gets added back into the FVD in order to equalize all communities to a wholly taxed value in order to determine school funding. This is how the state accounts for various municipalities choosing to optionally exempt properties within their communities, as they see fit.

COMMUNITY PURPOSE EXEMPTIONS - CITY AND BOROUGH OF SITKA 2019

| Parcel ID | Owner | Address | Assessed Value 2019 | Appraised Value 2019 | Year Granted | Assembly Approval | Taxes Exempted | Application Date |
|------------|----------------------------------------------------|--------------------------|------------------------|-------------------------|-----------------|----------------------|---------------------|---------------------|
| 1-0015-001 | Raven Radio Foundation, Inc | 2 Lincoln St | \$ 255,800 | \$ 479,300 | 2000 | Unknown | \$ 2,876 | |
| 1-0256-001 | c/o Spackman, Hal Sitka Historical Society | 330 Harbor Dr Suite 142 | \$ - | \$ 933,400 | 2018 | Ord 18-40 | \$ 5,600 | 2018 |
| 1-0720-000 | Sitkans Against Family Violence | 207 Seward St | \$ - | \$ 648,100 | Unknown | Unknown | \$ 3,889 | |
| 1-6695-000 | Alaska Native Brotherhood | 235 Katlian Ave | \$ - | \$ 212,000 | 1990 | Yes | \$ 1,272 | |
| 1-8552-000 | Sitka Counseling & Prevention Services, Inc. | 111 Metlakatla St | \$ - | \$ 272,500 | 2011 | Yes | \$ 1,635 | |
| 1-8553-000 | Sitka Counseling & Prevention Services, Inc | 113 Metlakatla St | \$ - | \$ 374,700 | 2011 | Yes | \$ 2,248 | |
| 1-8562-004 | Sitka Counseling & Prevention Services, Inc. | 121 Orion Ln | \$ - | \$ 1,080,700 | 2011 | Yes | \$ 6,484 | |
| 1-8562-017 | Alaska Arts Southeast, Inc | 121 John Brady Dr | \$ - | \$ 2,267,300 | 2012 | Yes | \$ 13,604 | 2012 |
| 1-8562-019 | Youth Advocates of Sitka, Inc | 805 Lincoln St | \$ - | \$ 682,700 | 2012 | Yes | \$ 4,096 | 2012 |
| 1-8565-002 | Rivers Edge Property, Inc | 200 Flume Cir | \$ - | \$ 848,100 | 2007 | Yes | \$ 5,089 | |
| 1-8566-000 | SCAPS Inc | 701 Indian River Rd | \$ - | \$ 885,000 | 2000 | Unknown | \$ 5,310 | |
| 1-9400-000 | SEARHC | 222 Tongass Dr | \$ - | \$ 150,000,000 | Unknown | Unknown | \$ 900,000 | |
| 1-9406-000 | SEARHC | 219 Tongass Dr | \$ - | \$ - | Unknown | Unknown | \$ - | |
| 1-9408-000 | SEARHC | 201 Tongass Dr | \$ - | \$ - | Unknown | Unknown | \$ - | |
| 1-9412-000 | SEARHC | 1220 Seward Ave | \$ - | \$ - | Unknown | Unknown | \$ - | |
| 1-9416-000 | SEARHC | 1212 Seward Ave | \$ - | \$ - | Unknown | Unknown | \$ - | |
| 1-9418-000 | SEARHC | 1211 Seward Ave | \$ - | \$ - | Unknown | Unknown | \$ - | |
| 1-9420-000 | SEARHC | 1201 Seward Ave | \$ - | \$ - | Unknown | Unknown | \$ - | |
| 1-9422-000 | SEARHC | 1200 Seward Ave | \$ - | \$ - | Unknown | Unknown | \$ - | |
| 2-5390-004 | Alaska Marine Safety Education Association | 2924 Halibut Point Rd | \$ - | \$ 682,200 | 2004 | Unknown | \$ 4,093 | |
| 2-5815-001 | SE Region EMS Council | 100 Clothide Bahovec Way | \$ - | \$ 302,800 | 1999 | Unknown | \$ 1,817 | |
| 2-6000-000 | Sitka Sportsmen's Association | 5205 Halibut Point Rd | \$ - | \$ 876,800 | 1990 | Yes | \$ 5,261 | |
| 3-0295-000 | Alaska Raptor Rehab Center | 1000 Raptor Way | \$ 207,900 | \$ 2,848,500 | 2008 | Unknown | \$ 17,091 | |
| 3-0425-000 | Northern SE Regional Aquaculture Association, Inc. | 1308 Sawmill Creek Rd | \$ 330,500 | \$ 1,139,700 | 1990 | Yes | \$ 6,838 | 2014 |
| 3-0613-000 | Youth Advocates of Sitka, Inc | 216 Lance Dr | \$ - | \$ 295,300 | 1986 | Unknown | \$ 1,772 | |
| 4-9200-002 | Sitka Maritime Heritage Society | 1490 Seward Ave | \$ - | \$ 588,200 | 2005 | Unknown | \$ 3,529 | |
| 5-5665-004 | Northern SE Reg Aquac Assoc | NHN Bear Cove | \$ - | \$ 5,478,500 | 1990 | Yes | \$ 32,871 | 1990 |
| 5-5864-002 | Boy Scouts of America | NHN Goddard | \$ - | \$ 100,000 | Unknown | Unknown | \$ 600 | |
| 5-6469-002 | Armstrong-Keta, Inc | NHN Port Armstrong | \$ - | \$ 279,500 | 1990 | Yes | \$ 1,677 | 1990 |
| 5-6469-003 | Lium Robert | NHN Port Armstrong | \$ - | \$ 3,257,500 | 1990 | Yes | \$ 19,545 | |
| 5-6469-004 | Armstrong-Keta, Inc | NHN Port Armstrong | \$ - | \$ 198,400 | 1990 | Yes | \$ 1,190 | |
| 6-1000-002 | Kootznahoo Fortress Of The Bear | 4639 Sawmill Creek Rd | \$ - | \$ 1,179,800 | 2007 | Unknown | \$ 7,079 | |
| 6-6400-600 | Northern SE Reg Aquac Assoc NSRAA | 4680 Sawmill Creek Rd | \$ - | \$ 1,286,400 | 2008 | Yes | \$ 7,718 | |
| | | | | | | | | |
| | Grand Totals | | \$ 794,200 | \$ 177,197,400 | | | \$ 1,063,184 | |

SEARCH EXEMPTED PROPERTIES – COMMUNITY PURPOSE



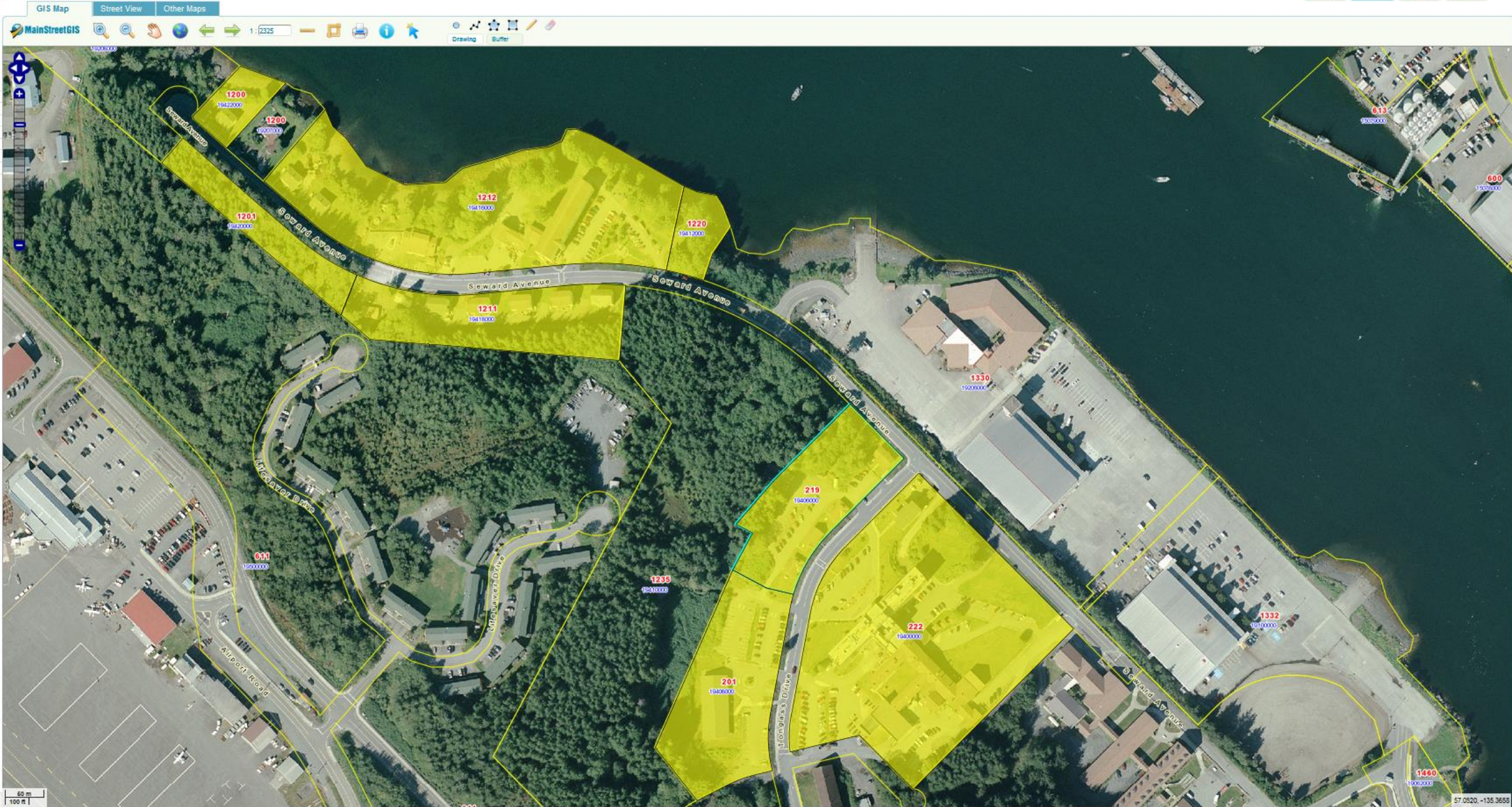
City & Borough of Sitka, Alaska
Web GIS Maps - Internal
by MainStreetGIS, LLC City Website
[User Guide](#) [Feedback](#) [Disclaimer](#)

Base Map:

Layers Property Selection

Selected: 8

- ☒ 19400000 222 Tongass Dr
- ☒ 19406000 219 Tongass Dr
- ☒ 19408000 201 Tongass Dr
- ☒ 19412000 1220 Seward Ave
- ☒ 19416000 1212 Seward Ave
- ☒ 19418000 1211 Seward Ave
- ☒ 19420000 1201 Seward Ave
- ☒ 19422000 1200 Seward Ave



GPIP EXEMPTED PROPERTIES –FORTRESS OF THE BEAR & NSRAA – COMMUNITY PURPOSE



City & Borough of Sitka, Alaska

Web GIS Maps - Internal

by MainStreetGIS, LLC City Website

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Base Map: Aerial Photo 2012

66400600

[Address](#) [Parcel ID](#) [Google](#) [Owner](#)

Layers Property Selection

Clear Save Mail Zoom

Selected: 9

- 19400000 222 Tongass Dr
- 19406000 219 Tongass Dr
- 19408000 201 Tongass Dr
- 19412000 1220 Seward Ave
- 19416000 1212 Seward Ave
- 19418000 1211 Seward Ave
- 19420000 1201 Seward Ave
- 19422000 1200 Seward Ave
- 66400600 4680 Sawmill Creek Rd

FORTRESS OF THE BEAR

NSRAA





Layers Property Selection

Clear Save Mail Zoom

Selected: 2

☒ 10720000 207 Seward St
☒ 16695000 235 Katlian Ave

MainStreetGIS

GIS Map

Street View

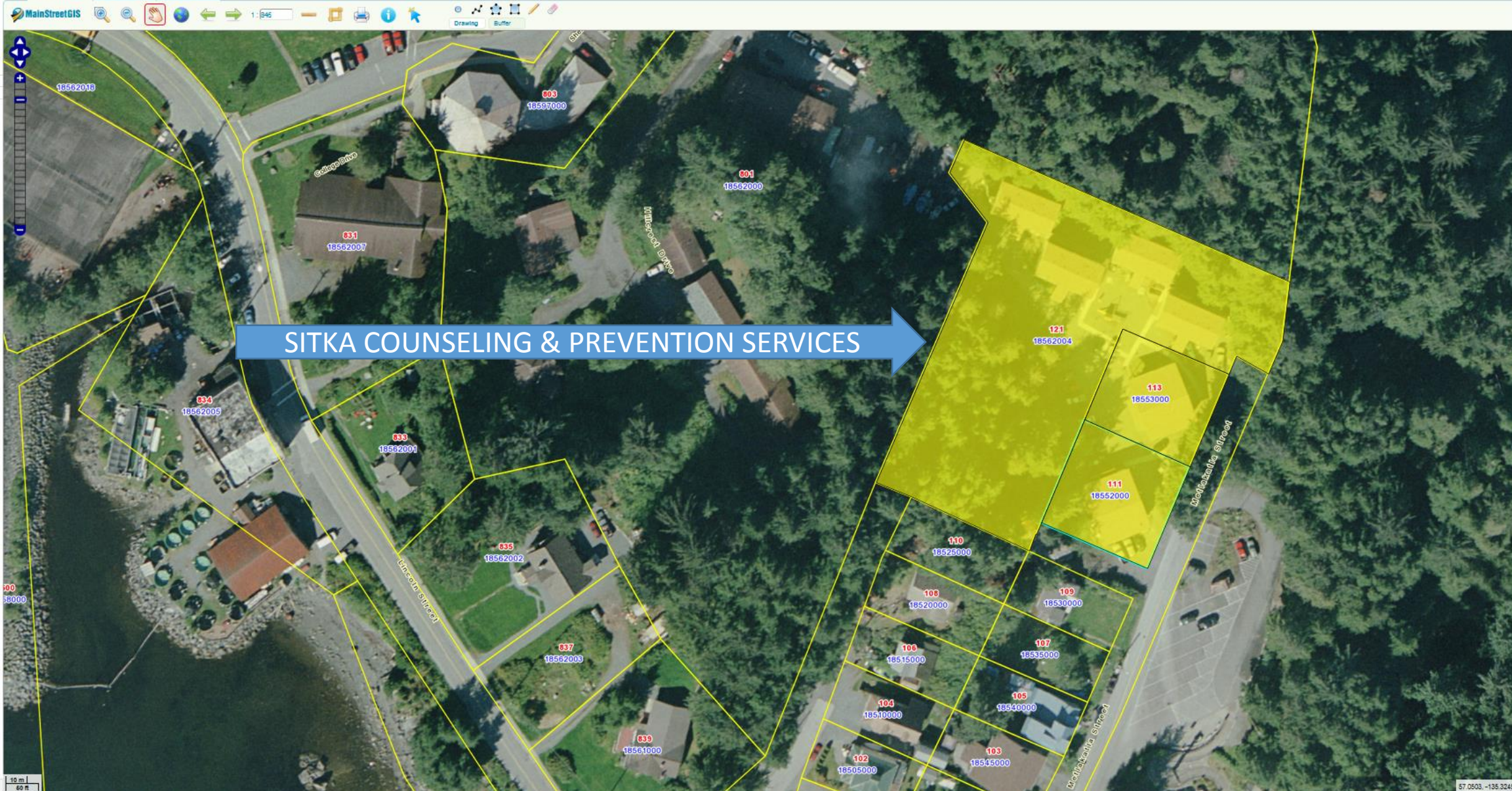
Other Maps

ANB HALL

SITKAN'S AGAINST FAMILY VIOLENCE



| | | |
|-------------------------------------|----------|-------------------|
| <input checked="" type="checkbox"/> | 18562004 | 121 Orion Ln |
| <input checked="" type="checkbox"/> | 18553000 | 113 Metlakatla St |
| <input checked="" type="checkbox"/> | 18552000 | 111 Metlakatla St |





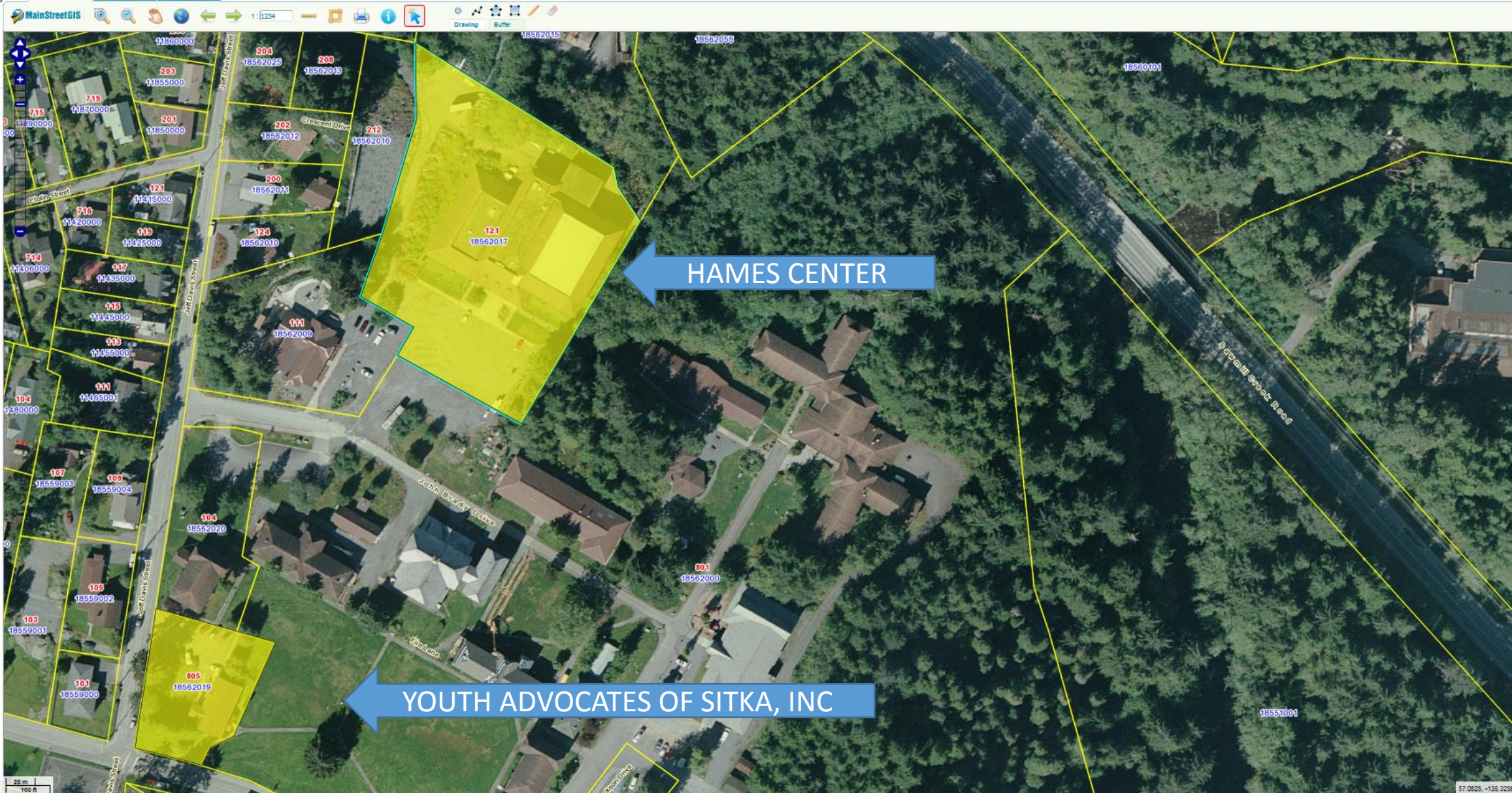
Layers Property Selection

Clear Save Mail Zoom

Selected: 2

☒ 18562017 121 John Brady Dr

☒ 18562019 805 Lincoln St



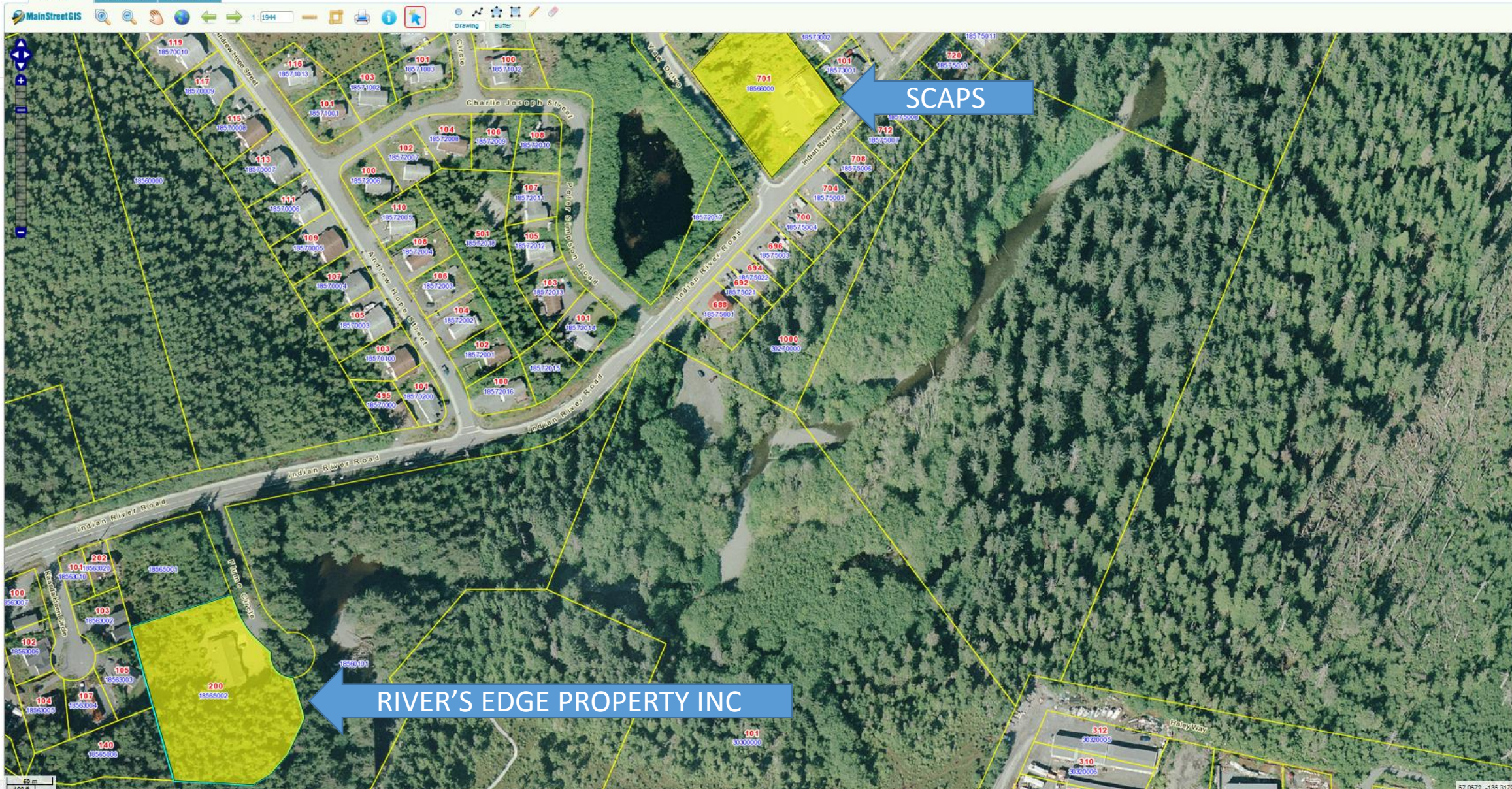


Layers Property Selection

Clear Save Mail Zoom

Selected: 2

☒ 18565002 200 Flume Cir
☒ 18566000 701 Indian River Rd





SE Region EMS Council

Alaska Marine Safety Education Association



Layers Property Selection

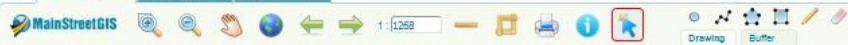
Clear Save Mail Zoom

Selected: 1

26000000 5205 Halibut Point Rd

MainStreetGIS

GIS Map Street View Other Maps



Sitka Sportsmen's Association

20 m 100 ft

57.1282 -135.3850



Layers Property Selection

Clear Save Mail Zoom

Selected: 3

- 30296000 1000 Raptor Way
- 30426000 1308 Sawmill Creek Rd
- 30613000 216 Lance Dr

MainStreetGIS

GIS Map Street View Other Maps





Layers Property Selection

Clear Save Mail Zoom
Selected: 0 (Use selection tool)

MainStreetGIS

GIS Map Street View Other Maps

1:433343

Drawing Buffer

North America USA Alaska region Map of Port Armstrong - satellite view Switch map

Search...



Armstrong-Keta, Inc/Robert Lium

Port Armstrong



sitka, ak



NSRAA-Silver Bay

Silver Bay

Herring Cove Rd

Herring Cove Rd