

Dear Assembly members,

Our purpose in coming before the Assembly is to request a variance in the City's allowances for the refund of sales tax paid on home construction materials. City code states that home builders may apply for this refund but in no case may it be over a two year period from the time of a permit issuance. Due to our unusual circumstances, our situation does not fit within the guidelines of the current City code.

Andrew and Becky Friske bought the lot on 420 Kramer Avenue in 2014 and a building permit was issued June 3, 2015. Construction continued for two months, but came to a halt on August 18, 2015 when our house was hit by the infamous Kramer Ave. landslide. For three and a half years after the landslide we were unable to work on the house. In 2017/18, the City of Sitka created the "Critical Areas Ordinance" which gave us the opportunity to continue building. We worked with an Anchorage geotechnical engineer to study the stability and safety of our property. In the spring and summer of 2018, we worked closely with City building officials and local engineer, Ryan Wilson, following City guidance for the continuation of our home building. We also submitted the required critical ordinances waiver which was considered a "new building permit" and met all requirements of the City to continue building, however, an actual new building permit was not issued. We feel everyone involved worked closely to get our project moving forward in this unprecedented situation, however, not having a new building permit issued ended up being an unintended consequence for us that didn't fit into City code for purposes of tax refund.

Between early 2019, when we resumed construction, and the fall of 2020 we carefully recorded our expenses knowing that we could get a rebate for the local sales tax we paid during construction. On May 8, 2020, our final inspection was performed by the City and we were given the ok to occupy our new home. It was then that we learned that the Sitka General Code allows for only a two-year window from the building permit date for sales taxes incurred to be reimbursed. We contacted the CBS Finance department at the end of May and were told that our *"circumstances were not something that was contemplated when the relevant section of the Code was drafted"* and that they may need to consult with the city attorney and other departments. At the end of June, we reached out to the city again, but with no real answers. In September, we reached out to Jay Sweeney, who put us in touch with Melissa Haley. By the end of October, Ms. Haley encouraged us to reach out to city attorney, Brian Hanson. After meeting with Mr. Hanson, it was determined that the City code did not give us any options except to appeal to the Assembly. We have an excess of \$11,000 that could potentially be returned to us, so it is well worth it to us to go through this process, especially since we had budgeted this money for home expenses.

In conclusion, it is our request, due to the nature of our circumstances, that we be granted a refund for sales tax incurred two years after the approval of our plans by the City on June 18, 2018.

Thank you for your time,

Andrew and Becky Friske



CITY AND BOROUGH OF SITKA
Department of Finance, Tax Division
100 Lincoln Street, Sitka AK 99835
Ph (907)747-1840 Fax (907)747-0536

Request for Refund of Sales Tax Paid on Home Construction Materials

NAME: Andrew & Rebecca Friske DATE: 1-14-21

MAILING ADDRESS: 420 Kramer Ave - A Sitka, AK 99835

STREET ADDRESS: 420 Kramer Ave - A Sitka, AK 99835

HOME PHONE: 966-4141 BUSINESS PHONE: 738-3811

PERMIT ISSUANCE DATE: requesting variance

☐ Grading Permit

☐ Foundation Permit

☒ Building Permit 6-3-15

A Copy of the permit must be included in refund package

FINAL INSPECTION DATE: 5-8-20

TOTAL REFUND REQUESTED: \$11,734.27

Submit all eligible paid invoices and receipts from the date the permit was issued to (1) final inspection date or (2) date of occupancy, but in no case can it exceed two years from the permit issuance. Such invoices must be presented in an orderly fashion with the total amount of refund being applied for totaled.

I certify under penalty of perjury that I am the occupant of the newly constructed residence located at the street address indicated above. I further attest that the sales tax requested to be refunded was for items consumed in the construction of the dwelling or actually installed in the dwelling and that the tax has already been paid by me to the supplier.

Rebecca Friske
(Applicant's signature)

(See Attachment)

1-14-21
(Date)

CITY AND BOROUGH OF SITKA (CBS) BUILDING PERMIT

(PERMIT NOT VALID UNTIL STAMPED "APPROVED" BELOW)

PLEASE VISIT WWW.CITYOFSITKA.COM FOR MORE INFORMATION.

PERMIT NO. _____

APPLICATION INFORMATION: PLEASE FILL OUT ALL THAT APPLY.

OWNER Andrew + Becky Friske PHONE NUMBER 738-3141

PROJECT ADDRESS 470 Kramer MAILING ADDRESS 3004 Becker St

CONTRACTORS: GENERAL Titan Construction PLUMBING _____ ELECTRICAL _____

PROJECT TO INCLUDE: ☒ BUILDING ☐ ELECTRICAL ☐ PLUMBING ☐ DEMOLITION ☒ GRADING

TOTAL SQUARE FOOTAGE 3544 living 483 753 garage PROJECT VALUE \$ 600,000 \$574,745 CD

WHEN APPLICABLE, OWNER/APPLICANT IS RESPONSIBLE FOR THE FOLLOWING ITEMS:

- ☒ CBS UTILITIES CONNECTION / DRIVEWAY CULVERT PERMIT
- ☒ AS BUILT SURVEY PRIOR TO FRAMING
- ☒ CORPS OF ENGINEERS PERMIT FOR ALL CONSTRUCTION ON TIDELANDS OR WETLANDS
- ☒ STATE OF ALASKA DEC SANITARY WASTE DISPOSAL PERMIT
- ☒ STATE OF ALASKA DOT HIGHWAY DRIVEWAY PERMIT
- ☒ 2 SETS OF PLANS SUBMITTED WITH BUILDING PERMIT APPLICATION (ONE SET WILL BE RETURNED WITH PERMIT, ONE SET WILL BE KEPT AT CBS FOR DURATION OF PROJECT)

IMPORTANT: ALL WORK MUST BE INSPECTED PRIOR TO CONCEALMENT. THE BUILDING CODE REQUIRES A MINIMUM OF ONE WORKING DAY'S NOTICE PRIOR TO ALL INSPECTIONS.

PROJECT DESCRIPTION:

Duplex w/ attached garage

I HEREBY ACKNOWLEDGE THAT I HAVE READ THIS APPLICATION, STATE THE ABOVE IS CORRECT, AND AGREE TO COMPLY WITH ALL STATE LAWS, AND CODES AND ORDINANCES OF THE CITY AND BOROUGH OF SITKA.

Andrew Friske
APPLICANT'S NAME (PRINTED)

[Signature]
APPLICANT'S SIGNATURE

4/5/6/14
DATE

FOR OFFICE USE ONLY
ZONING R-1(PUD) OCCUPANCY B-3 FLOOD ZONE N/A PROPERTY TAX ID NO. _____
PLANNING MB PUBLIC WORKS (W/WW) _____ ELECTRIC _____ ADMINISTRATOR _____
COMMENTS: ☐ AS BUILT TO ASSESSING ☐ UTILITIES PERMIT APPLICATION SUBMITTED

Please call for inspections before covering any work.

APPROVED FOR CONSTRUCTION

[Signature]
BUILDING OFFICIAL

ORIGINAL-BUILDING OFFICIAL. COPIES-CUSTOMER, UTILITY CLERK, ASSESSOR.

BUILDING DEPARTMENT FEES

Building/Plan Review/Service Connection

NAME: Andrew Friske BY: _____
ADDRESS: 420 Kramer Ave DATE: 6/3/15
PHONE: 738-3141 BUILDING OFFICIAL: [Signature]

DESCRIPTION	ACCOUNT NO.	AMOUNT
Building Permit Fee	100-300-320-3201-001 MG	\$ 2332 ⁴⁰
Plan Review Fee	100-300-320-3201-001 MG	\$ 769 ⁶⁹
Water Service Connection Charge	210-300-350-3501-001	\$
Sewer Service Connection Charge	220-300-350-3501-001	\$
Comments:	SUBTOTAL	\$ 3102 ⁰⁹
	Sales Tax @ 6 ⁷ / ₁₀ / Exempt #	\$ 90
	TOTAL AMOUNT DUE:	\$ 3192 ⁰⁹

DATE PAID: 6/3/2015 RECEIVED BY: Chai X PAYMENT TYPE: CC