

To: CBJ Assessor & Board of Equalization
From: Shane Hooton, [REDACTED]
Building Owner, Shaune Dr

Page 1 of 5

Date: April 23, 2025

Subject: Late Filed Appeal Request 5326,5322 Shaune Dr.

Ref: CB 15.05.150 ©J

Enc. E-mail communications, Building Appraisal Analysis

The purpose of this communication is to request the Board to honor this request for the Assessor to review the valuation placed on the subject buildings which appear to be incorrect based on the reasons enclosed in this document.

The basis for this late request is detailed below:

- * Assessment cards received in early March for all properties owned by the involved parties except the home owned by L Hooton (Parcel 3B4401000061).
- * The values on the subject properties appeared to be not appropriate based on the prior and current estimates as well as basic building cost/values.
- * The building owners contacted other owners in the area that had similar concerns. One of the other owners contacted mentioned that CBJ had a multiple page document describing how the current commercial building evaluations were determined by the assessor.
- * The owner of Parcel 3B4401000061, that had not received an Assessment card, contacted the Assessor's office by phone in late March requesting the missing Assessment card be sent and verified the correct address with the assessor. A copy of the "CBJ Commercial Assessment Document" was requested. However. The Residential Assessor stated that the Commercial Assessor was sick and he would leave a note on his desk to send the requested document by e-mail.

The requested document was finally received April 8 by e-mail from the Commercial Assessor. The requested missing Assessment card for Parcel 3B4401000061 was never received.

Shaune Drive 5326 has a building which is 10 years old. The building assessment went up 59% for the building alone, if you factor in the land and building combined it increased by 40% this year. With the age of the building and the lack of interest in renting the upstairs offices this should be going down if anything.

5322 Shaune Drive was built last year and just achieved full occupancy. The assessment on the building went up 39%. While the combined assessment with land and building went up 27%.

We are now paying the CBJ over \$30,000 a year for property on a side street and not much in services? We end up plowing Shaune Drive in the mornings when we have heavy snowfall to get to the building to do our snow removal.

Industrial Boulevard property is still being assessed at \$10 per square foot which has a much more desirable area. We are at \$19.46 per square foot for assessed value in Costco area with garbage stink and homeless people.

We are already paying for water and sewer.

Subject: Fwd: Fwd: 2025 Warehouse Assessment
From: Shane Hooton <shane@modern-mechanical.com>
Date: 4/10/2025, 3:36 PM
To: larry hooton <larry@seahook.com>

----- Forwarded Message -----

Subject: RE: Fwd: 2025 Warehouse Assessment
Date: Thu, 10 Apr 2025 23:29:49 +0000
From: Greg Morris <Greg.Morris@juneau.gov>
To: Shane Hooton <shane@modern-mechanical.com>

Hello Shane,

In the previous email I explained your change in valuation. It was due sales showing that we were still under market value, and the change of valuing 2nd floors. The appeal period deadline was April 1st.

Greg Morris
Commercial Appraiser
Assessor's Office
City and Borough of Juneau, AK
(907) 586-5215 X 4036

From: Shane Hooton <shane@modern-mechanical.com>
Sent: Tuesday, April 8, 2025 2:46 PM
To: Greg Morris <Greg.Morris@juneau.gov>
Subject: Fwd: Fwd: 2025 Warehouse Assessment

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

Greg,

We never recieved any of the information you provided below until just now.

My wife and I own Shaune Drive 5326 which increased by 40% this year! This building is 10 years old and if anything should be going down in value. The mill rate is now supposed to be going up also. The property increase went up 50% 3-4 years ago.

We also own 5322 Shaune Drive and this went up 27%. We just built this last year and it had been assessed after completion.

We are now paying the CBJ over \$30,000 a year for property on a side street and not much in services?

Industrial Boulevard property is still being assessed at \$10 per square foot which has a much more desirable area. We are at \$19.46 per square foot for assessed value in Costco area

with garbage stink and homeless people.
We are already paying for water and sewer.

Shane Hooton
Jodee Dixon

----- Forwarded Message -----

Subject:2025 Warehouse Assessment

Date:Tue, 8 Apr 2025 20:57:35 +0000

From:Greg Morris <Greg.Morris@juneau.gov>

To:larry@seahook.com <larry@seahook.com>

Hello Larry,
I apologize for not getting back to you sooner. I was out sick.

Regarding the increase in value of warehouses, are you referring to the warehouse on 5322 Shaune Dr? Once confirmed, I can review any specific changes.
I have attached the 2025 Commercial Report for your review.

For assessment year 2024, I performed a warehouse study which included exterior surveys for each warehouse, updating cost values, equalization of attributes across similar properties, and valuation adjustments based on sales data.

Although I realized I was undervaluing warehouses on a whole, I was very conservative due to the large number of changes I made in 2024 due to my site surveys to increase the accuracy of how we were valuing your building. The 2025 sales study found sales exceeded the assessed values, resulting in an average increase of 18%. The warehouse market is robust, with new and proposed buildings throughout the Borough. The 18% increase is not a result of the market value increasing 18% in one year, it resulted in warehouses being undervalued for a number of years and once studied, values were increased to an estimate of full market value based on sale prices.

Alaska State Statute mandates CBJ to value real property at an estimate of "full market value" as of January 1st of the assessment year (Jan. 1, 2025, in this case). To accomplish this, the Assessor's office visits individual properties throughout the borough on a five-year cycle and compares our assessed values to sale values of like properties in the same neighborhood annually. Rather than relying solely on one valuation method, we employ a hybrid model that combines elements of both the Cost Approach and the Sales Comparison Approach. For each building we use a method called replacement-cost-new-less-depreciation (RCNLD). The RCNLD method enables us to determine the current market cost of reconstructing the structure. We then apply depreciation to account for the age and condition of the structure. The cost data used to develop RCNLD is provided by Marshall & Swift, a firm that supplies Assessor's Offices and appraisers nationwide with regional and local building cost information. We then add the site value to RCNLD value and apply our neighborhood adjustment to get within 5% of market value. The neighborhood adjustment is developed by comparing assessed values to time adjusted sales in your neighborhood to determine market trends.

Site (land) values are developed on a neighborhood basis. The land is examined to understand the typical characteristics in each neighborhood including size, slope, view, water frontage, significant wetlands, and other relevant factors. These characteristics are used to develop a neighborhood land valuation model. This model is tested and refined considering sales of both vacant and developed parcels. The resulting model is then applied to all land in the neighborhood to establish site values.

(rev)

Greg Morris

Commercial Appraiser

Assessor's Office

City & Borough of Juneau, Alaska

On the Traditional Land of the Tlingit People

(907) 586-5215 x4036

