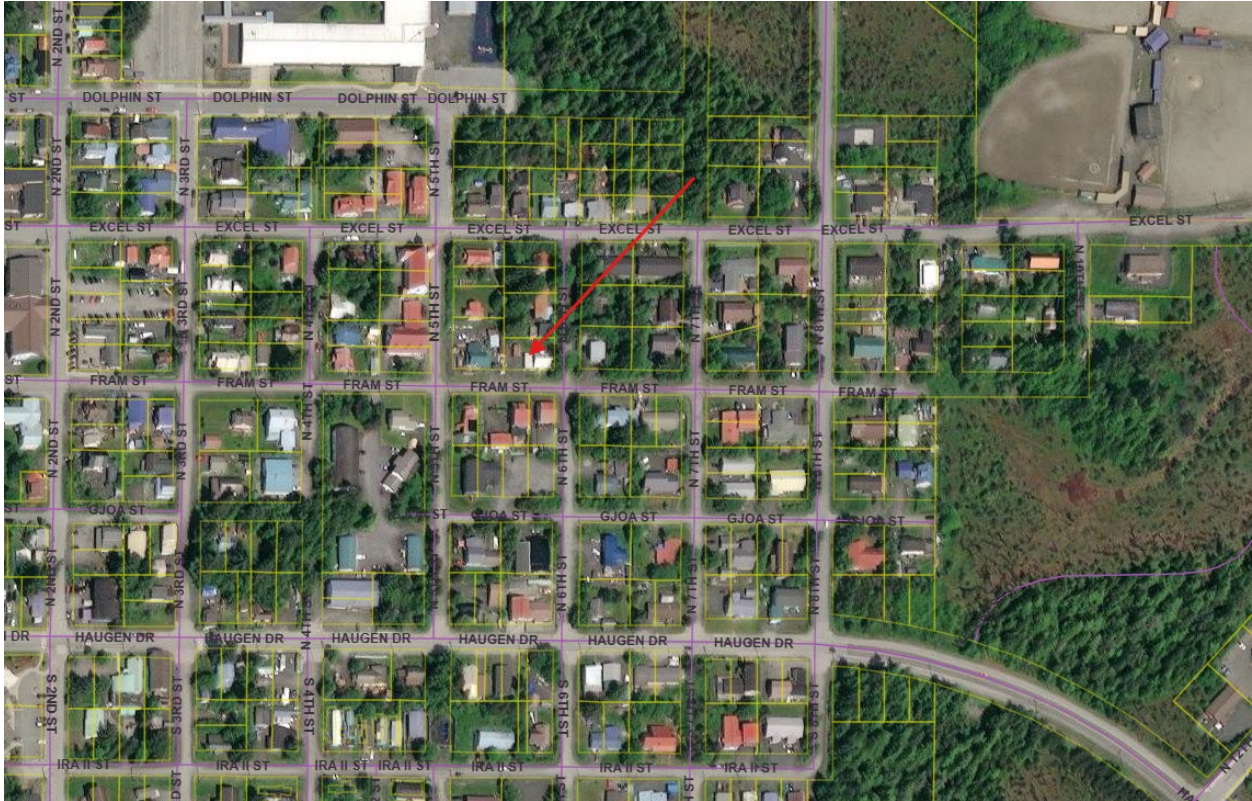


## BOE Appeal Review for 507 Fram St



To: 2026 Board of Equalization  
From: Michael C. Renfro, Assessor  
Martins Onskulis, Assessor  
Re: 01-006-224

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### Purpose of Report

- Validation of the 2026 assessed value of the subject property as determined through the mass appraisal process and supported by sales ratio studies, in compliance with Alaska Statutes requiring assessment at full and true value.
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### Introduction

- The subject property is located at 507 Fram St
- Land Size: 6,180 SF
- Building: \$220,800
- Land Value: \$55,500 (\$8.98/SF)
- Total Assessed Value: \$276,300

- Valuation is based on comparable property sales, lot size, and location.

This report provides a comprehensive review of the assessed value and addresses concerns raised by the property owner.

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### **Legal and Assessment Standard**

Under Alaska law (AS 29.45.110), property must be assessed at its full and true value, defined as market value as of January 1.

- Market value reflects a willing buyer and willing seller
  - It must be based on observable market behavior
  - It cannot be based on speculative or hypothetical conditions
  - Assessments must be applied uniformly and equitably
- 

### **Overview of Valuation Process**

Property valuations in Petersburg are developed using a mass appraisal approach considering:

- Property characteristics
- Location and neighborhood influences
- Market trends
- Verified comparable sales

This ensures consistency and equity across similarly situated properties.

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### **Utilization of Sales Data**

Sales of comparable properties are the primary basis for valuation.

- Sales reflect actual buyer behavior
- Adjustments are made for differences in size, location, and features
- Only local, relevant market data is considered

This ensures valuations are grounded in real transactions rather than assumptions.

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### **Validation Through Sales Ratio Studies**

- Current assessment levels are in the low 80% range of market value
- This indicates assessments are conservative relative to market

- The State of Alaska expects assessments to be near 100% of market value
- 

### **Burden of Proof for Adjustments**

Adjustments require:

- Credible, market-supported evidence
  - Comparable sales demonstrating measurable impact
- 

### **Concern Raised by Property Owner**

- All Land value should be valued at the same rate per SF.
- 

### **Mass Appraisal Consistency**

- All properties are valued using the same methodology
  - Adjustments are only made when supported by market data
  - Unsupported adjustments would create inequity across the tax roll
- 

### **Conclusion**

There is a limited number of recent sales of smaller, typical townsite lots. Due to this constraint, improved property sales were also utilized to extract contributory land values. This approach provides additional support for understanding how the market values typical homesites in areas where vacant land sales alone are insufficient.

The analysis of both vacant and improved sales indicates a consistent market pattern: smaller lots tend to sell at a higher price per square foot, while larger parcels sell for a higher total value but at a lower unit rate. This reflects the principle of diminishing marginal utility, where the initial portion of land required for a homesite carries the highest value, and additional land contributes less value on a per-square-foot basis.

Based on this market behavior, a site value model was developed that applies a base value to a typical homesite size, with additional land valued at a reduced rate. This approach is consistent with standard appraisal practices and reflects how buyers and sellers interact in the marketplace.

The model was tested against current property sales, including both vacant and improved properties, and was found to perform well in aligning assessed values with observed market data. In comparison, applying a single uniform price per square foot across all lot sizes did not produce results consistent with market behavior, as it tends to overvalue larger parcels and undervalue smaller parcels.

The subject property was reviewed using this methodology and appears to be assessed consistently with other comparable properties in the same class and location. Based on the

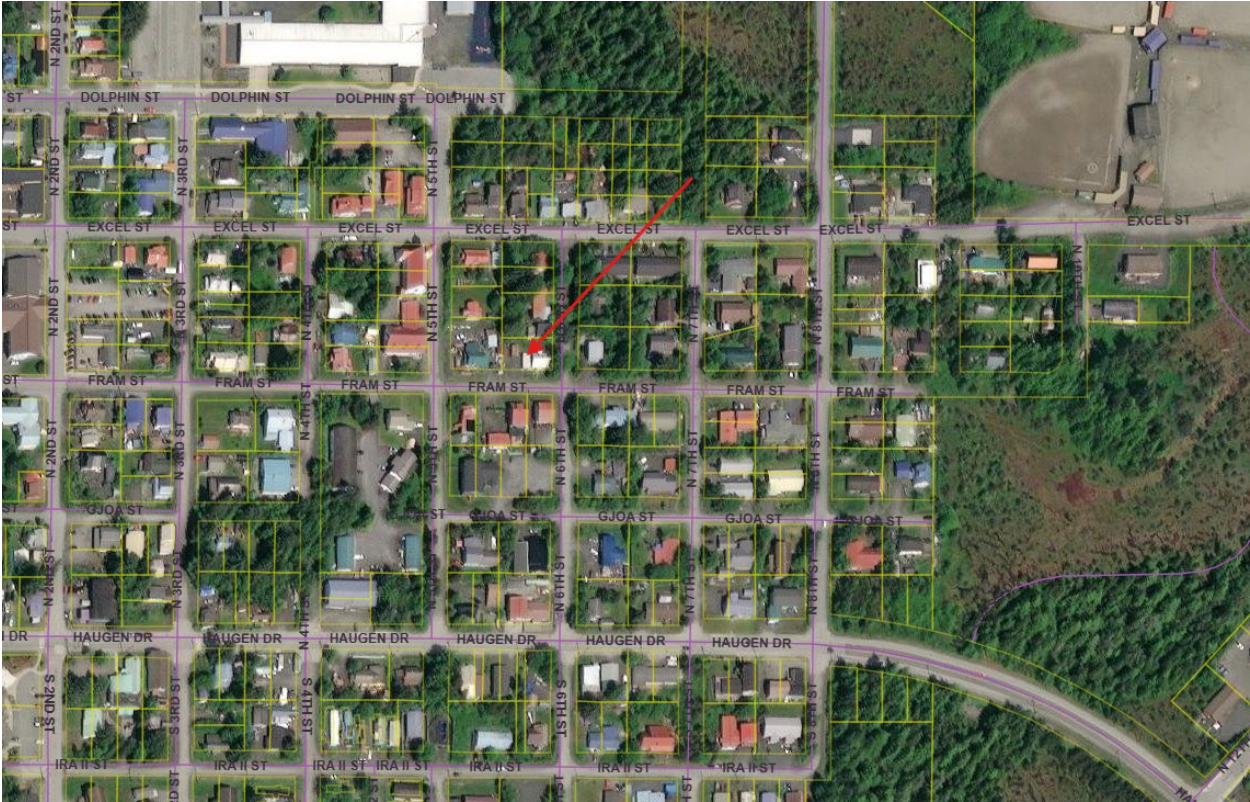
available market data and the performance of the valuation model, the current assessed value is supported.

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Recommendation

**No Change**

**Subject Property**





### **Assumptions and Limiting Conditions**

This mass appraisal is subject to the following extraordinary assumptions (EA) and general assumptions and limiting conditions as follows:

EA-1 it is assumed that the properties ownership valued is correctly identified and held in fee simple interest unless stated otherwise.

EA-2 it is assumed that the land areas and dimensions are as stated in the records.

EA-3 it is assumed that the conditions of the properties areas as described in the various records based on the limitations of the inspections and observable features.

General Assumptions and Limiting Conditions:

1. It is assumed the data, maps, and descriptive data are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.
2. The valuation is based on information and data from sources believed reliable, correct and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property.
4. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraiser's estimate of the highest and best use.
5. It is assumed the title to the property is marketable. No investigation to this fact has been made by the appraiser.
6. No responsibility is assumed for matters of law or legal interpretation.
7. It is assumed no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property.
8. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value beyond what is estimated herein. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
9. The value estimate is made subject to the purpose, date and definition of value.
10. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.

### **Extraordinary Assumption**

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

**Petersburg Appeal**

8 messages

Martins Onskulis <monskulis@appraisalalaska.com>  
To: ben@alaskabroker.com

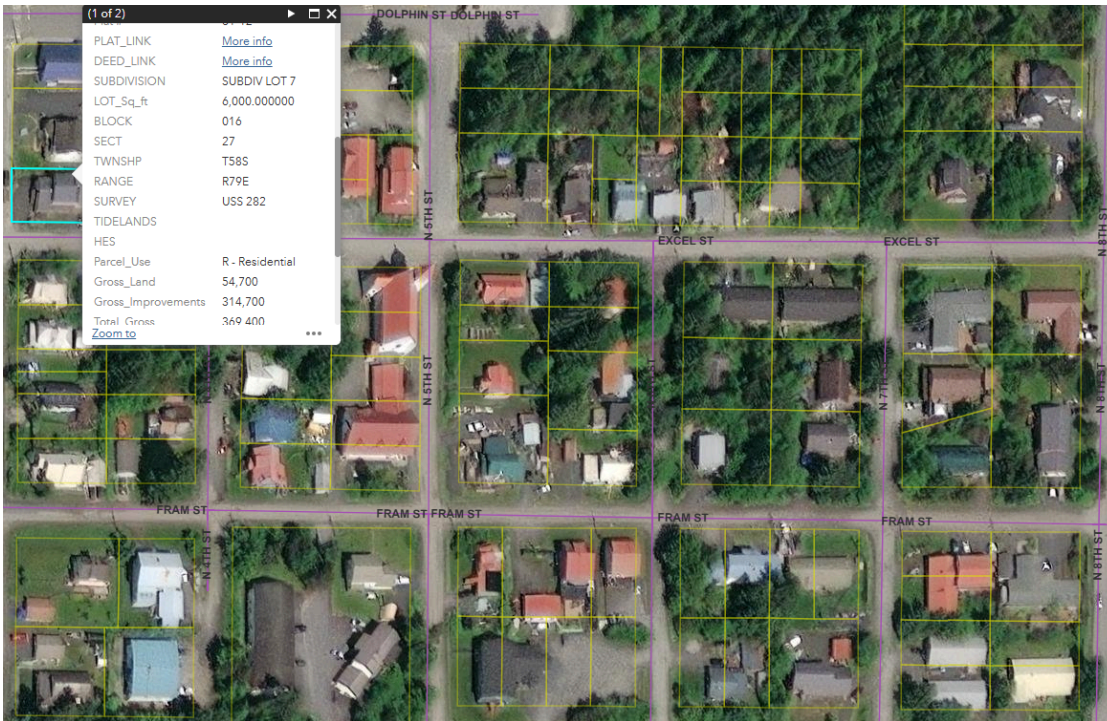
Thu, Apr 2, 2026 at 12:38 PM

Ben,

Thank you for taking the time to discuss your appeal with me the other day. As mentioned, we recently revalued most land in the area. Some properties—particularly smaller lots—saw larger increases, as they had been undervalued in prior years. Larger lots generally saw less change, as they were already closer to market value. We updated the model to reflect a more typical site value approach. Most homes in the area are situated on lots of approximately 5,000 SF, so a base value was applied to that typical site size. Any additional land beyond that is valued as excess or surplus land at a discounted rate. For example, a 6,000 SF lot is valued at approximately \$55,000, while a 10,000 SF lot is valued at about \$70,000. There are relatively few 6,000 SF lots in the townsite, but I did identify one that is assessed at a similar rate to your property (see attached).

After reviewing your property, it appears it has been assessed consistently with other lots in the immediate vicinity using this same methodology. Based on this, I recommend no change to the assessed value. Please let me know if you agree or disagree with this conclusion, or if you have any questions.

Thank you,  
Martins



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Martins Onskulis, MBA  
Appraisal Company of Alaska

405 W. 27<sup>th</sup> Ave.

Anchorage, AK 99503

907.334.6312 (Office)

907.793.7713 (c)

ben@alaskabroker.com <ben@alaskabroker.com>  
To: Martins Onskulis <monskulis@appraisalalaska.com>

Thu, Apr 2, 2026 at 12:51 PM

Martins,

I disagree.

I don't feel you have really broken down the model to a simple metric. Price per square ft is a much simpler conversation to have.

My larger lot is assessed at a lower square footage price per square foot than my smaller lot which is connected. You are saying if convince my neighbor to sell his lot to me and then consolidate the (2) lots into one, the raw land will then be decreased in assessed value by the square foot down to \$7.00.

I buy more land and the assessed value goes down???

Best regards,  
Ben Hinde

ALASKAN QUOTA & PERMITS LLC  
PO Box 109, Petersburg, AK 99833

Local Phone No. (907)772-4000  
Fax No. (866)472-8781  
[alaskabroker.com](http://alaskabroker.com)

On Apr 2, 2026, at 12:38 PM, Martins Onskulis <[monskulis@appraisalalaska.com](mailto:monskulis@appraisalalaska.com)> wrote:

Ben,

Thank you for taking the time to discuss your appeal with me the other day. As mentioned, we recently revalued most land in the area. Some properties—particularly smaller lots—saw larger increases, as they had been undervalued in prior years. Larger lots generally saw less change, as they were already closer to market value. We updated the model to reflect a more typical site value approach. Most homes in the area are situated on lots of approximately 5,000 SF, so a base value was applied to that typical site size. Any additional land beyond that is valued as excess or surplus land at a discounted rate. For example, a 6,000 SF lot is valued at approximately \$55,000, while a 10,000 SF lot is valued at about \$70,000. There are relatively few 6,000 SF lots in the townsite, but I did identify one that is assessed at a similar rate to your property (see attached).

After reviewing your property, it appears it has been assessed consistently with other lots in the immediate vicinity using this same methodology. Based on this, I recommend no change to the assessed value. Please let me know if you agree or disagree with this conclusion, or if you have any questions.

Thank you,  
Martins

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**Martins Onskulis** <[monskulis@appraisalalaska.com](mailto:monskulis@appraisalalaska.com)>  
To: "[ben@alaskabroker.com](mailto:ben@alaskabroker.com)" <[ben@alaskabroker.com](mailto:ben@alaskabroker.com)>

N

Ben,

Thank you for your email, and I apologize for the delay in getting back to you.

In general, as lot size increases, the value per square foot (or per acre) tends to decrease. While larger parcels have a higher total value, buyers typically do not pay the same rate for additional land considered a typical homesite. For example, the initial portion of land needed for a home has the highest utility and value. Additional land—especially in larger parcels—often has less practical utility and assigns a lower value per square foot to that excess land. This is reflected in actual sales data. Smaller lots tend to sell at a higher price per square foot, while larger parcels sell for more over time. For instance, in the townsite, I'm aware of a 5,000 SF lot that sold for \$100,000 (about \$20/SF). Applying that same rate to a larger lot would not be realistic—for example, a 10,000 SF lot would be valued at \$200,000, which would be more in line with a waterfront property.

While there are limited examples in the townsite showing how value changes with size, we do see this pattern clearly in other areas. For example, on Sandy Beach Road, an 11,100 SF waterfront lot sold for \$195,000 (about \$17.56/SF), while a 38,803 SF lot sold for \$290,000 (about \$7.47/SF), both around the same time period.

I've also attached a map showing land values for adjoining lots near your property (highlighted with red dots).

I hope this provides a clearer explanation than my previous email. Please let me know if you have any questions.

Thank you,  
Martins



On Apr 7, 2026, at 11:38 AM, Martins Onskulis <monskulis@appraisalalaska.com> wrote:

Ben,

I wanted to follow up on my previous email.

The borough is required to publish a list of unresolved appeals and schedule them for the BOE. That said, this does not mean we can't continue working toward a resolution before the hearing.

Please let me know if you have any questions.

Thank you,  
Martins

On Mon, Apr 6, 2026 at 9:13 AM Martins Onskulis <monskulis@appraisalalaska.com> wrote:

Ben,

Thank you for your email, and I apologize for the delay in getting back to you.

In general, as lot size increases, the value per square foot (or per acre) tends to decrease. While larger parcels have a higher total value, buyers typically do not pay the same rate for additional land beyond what is considered a typical homesite. For example, the initial portion of land needed for a home has the highest utility and value. Additional land—especially in larger parcels—often has less practical use, so the market assigns a lower value per square foot to that excess land. This is reflected in actual sales data. Smaller lots tend to sell at a higher price per square foot, while larger parcels sell for more overall but at a lower unit rate. For instance, in the townsite, I'm aware of a 5,000 SF lot that sold for \$100,000 (about \$20/SF). Applying that same rate to a larger lot would not be realistic—for example, a 10,000 SF lot would then be valued at \$200,000, which would be more in line with a waterfront property.

While there are limited examples in the townsite showing how value changes with size, we do see this pattern clearly in other areas. For example, on Sandy Beach Road, an 11,100 SF waterfront lot sold for \$195,000 (about \$17.56/SF), while a 38,803 SF lot sold for \$290,000 (about \$7.47/SF), both around the same time period.

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I hope this provides a clearer explanation than my previous email. Please let me know if you have any questions.

Thank you,  
Martins

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**Martins Onskulis** <monskulis@appraisalalaska.com>  
To: "ben@alaskabroker.com" <ben@alaskabroker.com>

Wed, Apr 8, 2026 at 12:10 PM

Ben,

Thank you for your reply.

The same principle applies to many things—for example, a 1,000 SF home will typically have a higher cost per SF than a 5,000 SF home, both in terms of construction and sale price. The same concept applies to land: a 1-acre parcel will generally have a higher per-acre (or per SF) value than a 100-acre parcel.

If you would like to proceed with the BOE, please let me know and I'll inform the City.

Thank you,  
Martins

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**ben@alaskabroker.com** <ben@alaskabroker.com>  
To: Martins Onskulis <monskulis@appraisalalaska.com>

Wed, Apr 8, 2026 at 1:51 PM

Martin,

No need to try and over explain.

The dance of constantly increasing values on property for justification of increasing revenue for the municipality is not new to me. Year after year the methodology of targeting specific areas for increases is as unfortunate as INFLATION.

I still don't agree with your reasoning / decision to increase the property value at 507 Fram

Good day

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**Martins Onskulis** <monskulis@appraisalalaska.com>  
To: "ben@alaskabroker.com" <ben@alaskabroker.com>

Thu, Apr 9, 2026 at 8:26 AM

Ben,

Thank you for your reply—I appreciate it. Please let me know if you would like to move forward with the BOE or what next steps you'd prefer to take. The Borough Clerk is currently working on the meeting agenda, and we're reaching out to a few property owners we haven't heard back from yet.

Feel free to reach out if you have any questions.

Thank you,  
Martins

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