

  
**Haines Borough**  
**2007 Board of Equalization**  
**May 24, 2007**  
**MINUTES**

**Draft**

1. **CALL TO ORDER:** The Board of Equalization meeting of the Haines Borough, held in the Assembly Chambers of the Public Safety Building, was called to order at 6:04pm by Mayor Fred Shields.
2. **ROLL CALL:** **Present:** Mayor Fred **SHIELDS** and Assembly Members, Scott **ROSSMAN**, Jerry **LAPP**, Pete **LAPHAM**, and Deborah **VOGT**. **Absent:** Assembly Members Doug **OLERUD** and Luck **DUNBAR**.

**Staff Present:** Julie **COZZI**/Borough Clerk and John **WURST**/Lands Manager/Assessor.

**Visitors Present:** Tom **MORPHET**/CVN and Phil **BUSBY**.

3. **APPROVAL OF AGENDA**

**Motion** by **ROSSMAN**: Amend the agenda to move the Busby appeals to top of list since **BUSBY** is the only appellant present. It was seconded by **LAPP**. There was no objection.

The motion carried unanimously to approve the agenda as amended.

4. **SWEARING IN OF BOARD MEMBERS:** **COZZI** administered the oath to the members of the Board of Equalization who swore to uphold the laws of the United States, State of Alaska, and Haines Borough, and to perform the duties of BOE member to the best of their abilities.
5. **SWEARING IN OF STAFF AND APPELLANTS:** **COZZI** administered the oath to **WURST** and **BUSBY** who swore to tell the truth, the whole truth, and nothing but the truth.
6. **OVERVIEW AND INSTRUCTIONS:** **WURST** thanked members for serving on the 2007 BOE. He provided an overview of the BOE's rights and responsibilities.

7. **PROPERTY APPEALS**

- A. **Appeal 2007-05, -06, and -07**

Subject properties: C-CIA-04-0100, C-CIA-04-0105, and C-CIA-03-06C0

Appellant: **Philip Busby**

2007 Assessed Value: (0100) Site-\$11,870; Building-\$138,130 Total: \$150,000  
(010S) Site-\$12,855; Building-\$147,145 Total: \$160,000  
(06C0) Site-\$16,330; Building-\$0 Total: \$16,330

Owner's Estimated Value: (0100) Site-\$6,000; Building-\$45,000 Total: \$51,000  
(010S) Site-\$6,000; Building-\$45,000 Total: \$51,000  
(06C0) Site-\$12,000; Building-\$0 Total: \$12,000

Assessor's Recommendation: No Change

**BUSBY** distributed information including photos of the main building before and after it was assessed in November 2006. He pointed out that part of the building collapsed because of heavy snow. He does not deny that the collapse of the building was his responsibility, but he does not believe the building has the same value as it did before. His initial reason for constructing his commercial buildings was to provide monthly rental housing. That effort was not successful so he has resorted to a daily rental business. The documentation provided to the BOE included value information on a few properties he believes to be comparable. He talked about his financial hardships and provided the initial building costs of his cabins adding that none of the buildings are financible. He admitted that he has “ruined some of the lots” and one of the lots has a section line easement down the middle of it. **BUSBY** offered that his gross household income is less than \$20,000, and he referenced borough code regarding the senior disabled hardship exemption: 2% of annual gross household income. He said the 2006 BOE helped him out but not enough, because he cannot afford to pay so much in property taxes. He lives “all over the place on the property” and wants his veteran’s exemption. He claimed he can stay anywhere on the property he wants to and it shouldn’t matter where he decides to sleep. He claimed that a severe hardship exists for him right now and reiterated that the property is not in a sellable condition.

**WURST** asked if the property is indeed for sale. **BUSBY** said he is entertaining any and all offers but has no asking price. **WURST** asked if **BUSBY** would sell his property for the assessed value. **BUSBY** then admitted that he has no intention of listing the property for sale.

**WURST** informed the BOE that Haines Real Estate recently sold two lots down the street from **BUSBY**’s property; the closing was last week and the sale prices were in the \$35K to \$45K price range. He asked the assembly to sustain the assessed values on the lots. Regarding the buildings, he said he recalculated the living space---“the footprint area”---of the primary building on tax lot 0100. The middle level area was destroyed by snow. Originally it was calculated as living space under construction and 30% complete. When he recalculated the assessment, he removed the collapsed area. He believes the value of the assessable portion of his property---the cabins, duplex and approximately 1/3 of the collapsed building---should be sustained. **ROSSMAN** asked about the veteran’s exemption, and **WURST** pointed out that the veteran’s exemption is outside of the BOE’s purview per state law. State statute gives that to the assessor or to the superior court. He is recommending about \$90K veteran’s exemption because the rest of the units are commercial. The law says there can only be one single primary residence. Additionally, he noted that **BUSBY** has to spend a minimum of 180 days in Haines to be eligible for the senior veteran’s exemption. **ROSSMAN** said he doesn’t know why the full \$150K exemption can’t apply. **WURST** said **BUSBY** admitted to using his “primary residence” for commercial purposes. **VOGT** reminded the board that they do not have the right to determine the exemption taxability.

**LAPHAM** asked **WURST** to restate his recommendation to the Board, and he said he recommends no change to the property assessments. **ROSSMAN** said there does appear to be some value disparity between the “comparable” properties presented by **BUSBY**. **LAPP** asked for the total on the buildings and the land for all three lots.

**WURST** said the total for improvements is \$276,945K more or less and the total for property is \$41,055K. He added that after the building caved in, he didn't recalculate the assessment because that portion was already exempted from taxation. **ROSSMAN** expressed appreciation to **WURST** for providing the price per acre on the adjoining properties.

**Motion** by **ROSSMAN**: Sustain the land assessments but reduce the building assessments to a total of \$250K (a \$26K reduction). It was seconded by **LAPP**.

**LAPHAM** asked for the justification for the tax break. **ROSSMAN** said he was moved by the appeal for hardship. **VOGT** said that reduction would include the loss for the roof collapse.

**BUSBY** said he believes the current assessment makes his property worth more than the Fort Seward Lodge. **ROSSMAN** said he does not see anything out of line with the land values but believes a reduction in the building values is warranted.

The motion failed 2-2 with **LAPHAM** and **VOGT** opposed.

**Motion** by **VOGT**: Sustain the land assessments but reduce the building assessments by \$35K. It was seconded by **ROSSMAN**.

**VOGT** said she voted against the previous motion because she did not believe \$26K was enough of a reduction.

The motion carried 3-1 with **LAPHAM** opposed. **VOGT** noted that **BUSBY** may not realize any reduction to his tax bill, because the assessor may choose to remove the \$35K from the exempted portion of the property.

**B. Appeal 2007-03**

Subject property: B-CKL-00-0850

Appellant: **Thomas Hogan**

2007 Assessed Value: Site-\$11,000; Building-\$8,625 Total: \$19,625

Owner's Estimated Value: Site-\$11,000; Building-\$5,000 Total: \$16,000

Assessor's Recommendation: Reduce building as requested by Owner.

**Motion** by **LAPHAM**: Reduce the building as recommended by the Assessor. It was seconded by **ROSSMAN**. The motion carried unanimously.

**C. Appeal 2007-09**

Subject property: 3-CLR-35-0220

Appellant: **Dave Ward**

2007 Assessed Value: Site-\$20,000; Building-\$0 Total: \$20,000

Owner's Estimated Value: Site-\$16,000; Building-\$0 Total: \$16,000

Assessor's Recommendation: No change to assessment due to lack of evidence.

**WURST** said the owner provided no evidence to support his over-assessment claim.

**Motion** by **LAPP**: Sustain the assessment. It was seconded by **LAPHAM**. The motion carried unanimously.

**D. Appeal 2007-02**

Subject property: C-BTR-00-0200

Appellant: **Richard Wirtz**

2007 Assessed Value: Site-\$29,800; Building-\$77,700 Total: \$107,500

Owner's Estimated Value: Not provided

Assessor's Recommendation: Site-\$35,900; Building-\$47,600 Total: \$83,500

**WURST** disclosed that the property was listed for \$80K and he purchased it. He said the building is unfinished inside.

**Motion** by **LAPP**: Accept the assessor's recommendation. It was seconded by **LAPHAM**. The motion carried unanimously.

**E. Appeal 2007-12**

Subject property: 3-HHY-30-0400

Appellant: **Todd Sherman**

2007 Assessed Value: Site-\$12,100; Building-\$0 Total: \$12,100

Owner's Estimated Value: Site-\$500; Building-\$0 Total: \$500

Assessor's Recommendation: No change to assessment

**LAPP** said this property is at 31-mile, and he agrees that it has no value because of flooding.

**Motion** by **LAPP**: Assess the property for \$2,500. It was seconded by **LAPHAM**.

**ROSSMAN** asked what the size of the lot is. **WURST** said the GIS map says it is about 5 acres, most of which is below the river.

The motion carried unanimously.

**F. Appeal 2007-08**

Subject property: 4-LET-00-2500

Appellant: **Shawn McNamara**

2007 Assessed Value: Site-\$49,450; Building-\$0 Total: \$49,450

Owner's Estimated Value: Site-\$40,000; Building-\$0 Total: \$40,000

Assessor's Recommendation: No change to assessment

**Motion** by **VOGT**: Sustain the assessment. It was seconded by **LAPP**. The motion carried unanimously.

**G. Appeal 2007-01**

Subject property: B-EXN-12-0400

Appellant: **Patricia Ceder**

2007 Assessed Value: Site-\$76,015; Building-\$40,743 Total: \$116,758

Owner's Estimated Value: Site-\$66,057; Building-\$40,743 Total: \$106,800

Assessor's Recommendation: No change to assessment

**WURST** said this is an Excursion Inlet property. The owners purchased it for \$250K. They claim a loss of about ½ acre due to the creek shifting.

**Motion** by **LAPHAM**: Sustain the assessment. It was seconded by **LAPP**. The motion carried unanimously.

**H. Appeal 2007-04**

Subject property: 4-MBR-07-0530

Appellant: **Kip Kermoian**

2007 Assessed Value: Site-\$129,260; Building-\$117,500 Total: \$246,760

Owner's Estimated Value: Not provided

Assessor's Recommendation: Site-\$129,260; Building-\$96,220 Total: \$225,480

(with stipulation that an inside inspection be completed within the next assessment cycle)

**WURST** said the building was reassessed because the construction had progressed from the previous year. He has not been inside the house.

**Motion** by **LAPP**: Accept the assessor's recommendation. It was seconded by **LAPHAM**. The motion carried unanimously.

**8. PUBLIC COMMENTS - None**

**9. ANNOUNCEMENTS/ASSEMBLY COMMENTS**

**10. ADJOURNMENT – 7:38pm**

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Fred Shields, Mayor

ATTEST:

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Julie Cozzi, Borough Clerk