

**ASSESSOR'S DESCRIPTION
ANALYSIS AND RECOMMENDATION**

APPELLANT: Homer Spit Properties

PARCEL NUMBER: 181-030-29

**PROPERTY ADDRESS OR GENERAL
LOCATION:**

3232 Homer Spit Road, Homer, AK 99603

LEGAL DESCRIPTION:

T 06S R 13W SEC 35 Seward Meridian HM 2020037
HOMER SPIT PROPERTIES 2019 REPLAT LOT 2

ASSESSED VALUE TOTAL:

\$7,643,200

RAW LAND: \$7,346,400

IMPROVEMENTS \$296,800

TOTAL BUILDING SQUARE FEET:

6,000

LAND SIZE 52.76 Acres

LAND USE AND GENERAL DESCRIPTION

1) Utilities

Electricity: Yes

Gas: Yes

Water: Public

Sewer: Public

2) Site Improvements:

Street:

3) Site Conditions

Topography: Level

Drainage: Adequate

View: Excellent

Easements: Typical for the Kenai Peninsula Borough

HIGHEST AND BEST USE: As Currently Improved

ZONING: Marine
Industrial

INTRODUCTION

The property is located on the Homer Spit. It includes a salt water lagoon/basin. It is operated as the Homer Spit Marine Terminal. According to social media they specialize in *"Terminal Operation, Warehousing, Freight Forwarding, Indoor/Outdoor storage, Cargo Checking, Heavy Equipment for Fright Handling, Boat Haul out and Storage, Large Vessel Haul Out, Marine Vessel Support, Vessel Moorage, and more."*

The warehouse was built in 1980. It is 6,000 square feet plus a finished divided mezzanine. There is a commercial scale and scale shack. On the basin is a sheet pile dock and two shipping containers.

INSPECTION

The last inspection was performed by Land Appraiser Les Carne and Senior Appraiser Bill Anderson on November 4, 2020.

LAND COMMENTS

Subject property is a 52.76 acre parcel located on the Homer Spit. Subject property has natural gas and electric utility, public water/sewer, paved access, and ocean frontage with an excellent view. This parcel was part of a re-plat in 2020.

The current land model was reviewed by Land Appraiser, Matt Bruns. These properties are being valued fairly and equitably with surrounding like-kind properties.

For commercial properties in the Homer market area (#210), 17 sales from the last five years were analyzed. The median ratio for all of the sales is 90.00% and Coefficient of Dispersion (COD) is 17.77, these ratios are within acceptable ranges as set by International Association of Assessing Officers (IAAO).

Ratio Sum	14.37		Excluded	0
Mean	84.51%	Earliest Sale 3/18/2015	# of Sales	17
Median	90.00%	Latest Sale 8/31/2020	0.00 \$	2,011,000
Wtd Mean	66.59%	Outlier Information	Total SP \$	3,020,100
PRD:	1.27	Range 1.5	Minimum	45.20%
COD:	17.11%	Lower Boundary 30.10%	Maximum	126.94%
St. Dev	0.2138	Upper Boundary 133.64%	Min Sale Amt \$	49,000
COV:	25.30%		Max Sale Amt \$	1,429,400

APPRAISAL OF COMMERCIAL PROPERTIES

In the appraisal industry there are three recognized approaches to value; the cost, the income, and the sales comparison approach. All three approaches, when properly used, will produce acceptable results. The sales comparison approach is reliant upon market sales activity to estimate value. The income approach relies on income and expense data, as well as capitalization rates derived from the market to estimate value. Due to the lack of available market information available to the Kenai Peninsula Assessing Department for all property types, it is difficult to equitably establish commercial and industrial type values using these two methods.

Assessors throughout the nation have diminished this obstacle through the use of computerized appraisal models that contain building cost data, which has been calibrated to the local area. The rate tables can be re-calibrated as construction costs and the market changes, thereby uniformly and equitably re-valuing all eligible properties at the same time.

"ProVal Commercial" is the appraisal model that the Kenai Peninsula Borough uses to value all commercial properties. ProVal Commercial has "Marshall and Swift" cost data built into its valuation system. ProVal provides appraisal staff with a complete and accurate estimate of value by calculating the replacement cost new for the existing structure and site improvements (including direct costs, indirect costs, and entrepreneurial profit) and then deducting all measurable depreciation for physical deterioration, functional and economic obsolescence. When the appraiser enters measurable factors including gross building area, quality/grade, construction class, exterior wall height, mechanical facilities, interior finish, number of stories, effective age and other pertinent data pertaining to the structure's make-up, the valuation model will calculate the replacement cost new less depreciation (RCNLD). Since there is only one set of rates for the computer to use, there is assurance that **all similar structures are uniformly and equitably valued.**

When verified market data is available, staff will also use the comparable sales approach and the income approach as a check, since the RCNLD value generated by ProVal is only one of the accepted approaches to value.

All full and true values assessed on commercial improvements within the Kenai Peninsula Borough are reconciled on the cost approach.

AS 29.45.110. FULL AND TRUE VALUE

(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS [29.45.060](#) , and AS [29.45.230](#). The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels.

BURDEN OF PROOF

The appellant has the burden of proving or providing any information to show that the assessed values are excessive, improper or unequal. The assessor is accorded broad discretion in deciding among the recognized valuation methods. The assessor's choice of one recognized method of valuation over another is simply the exercise of a discretion committed to the assessor by law.

*A borough has discretion to appraise, by whatever recognized method of valuation it chooses, so long as there is no fraud or clear adoption of a fundamentally wrong principle of valuation. *Hoblit vs. Greater Anchorage Area Borough*, Sup. Ct. Op. No. 636 (File No. 1214), 473 P.2d 630 (Alaska 1970).

RECONCILIATION AND FINAL VALUE CONCLUSION

The Assessing Department requests the Board of Equalization uphold their value recommended below based on the following findings:

1. Subject properties are currently valued uniformly and equitably with the surrounding parcels.
2. Influences are applied correctly and uniformly to the subject properties.
3. The Assessing Department uses standardized mass appraisal procedures and techniques to specify and calibrate market models which are applied uniformly to value property within the borough. The modeled values are statistically tested to ensure a level of accuracy and equity of assessment that meets the guidelines established by the Alaska Association of Assessing Officers and the International Association of Assessing Officers, and in compliance with State Statutes.
4. The Assessing Department reviewed all physical characteristics of the subject property to ensure all data was accurately captured.

ASSESSOR'S RECOMMENDATION:

APPELLANT: Homer Spit Properties

PARCEL NUMBER: 181-030-29

LEGAL DESCRIPTION: T 06S R 13W SEC 35 Seward Meridian HM 2020037 HOMER SPIT PROPERTIES 2019 REPLAT LOT 2

TOTAL: \$ 7,643,200

BOARD ACTION:

LAND: _____ IMPROVEMENTS: _____ TOTAL: _____

SUBJECT PHOTOS



SUBJECT PHOTOS

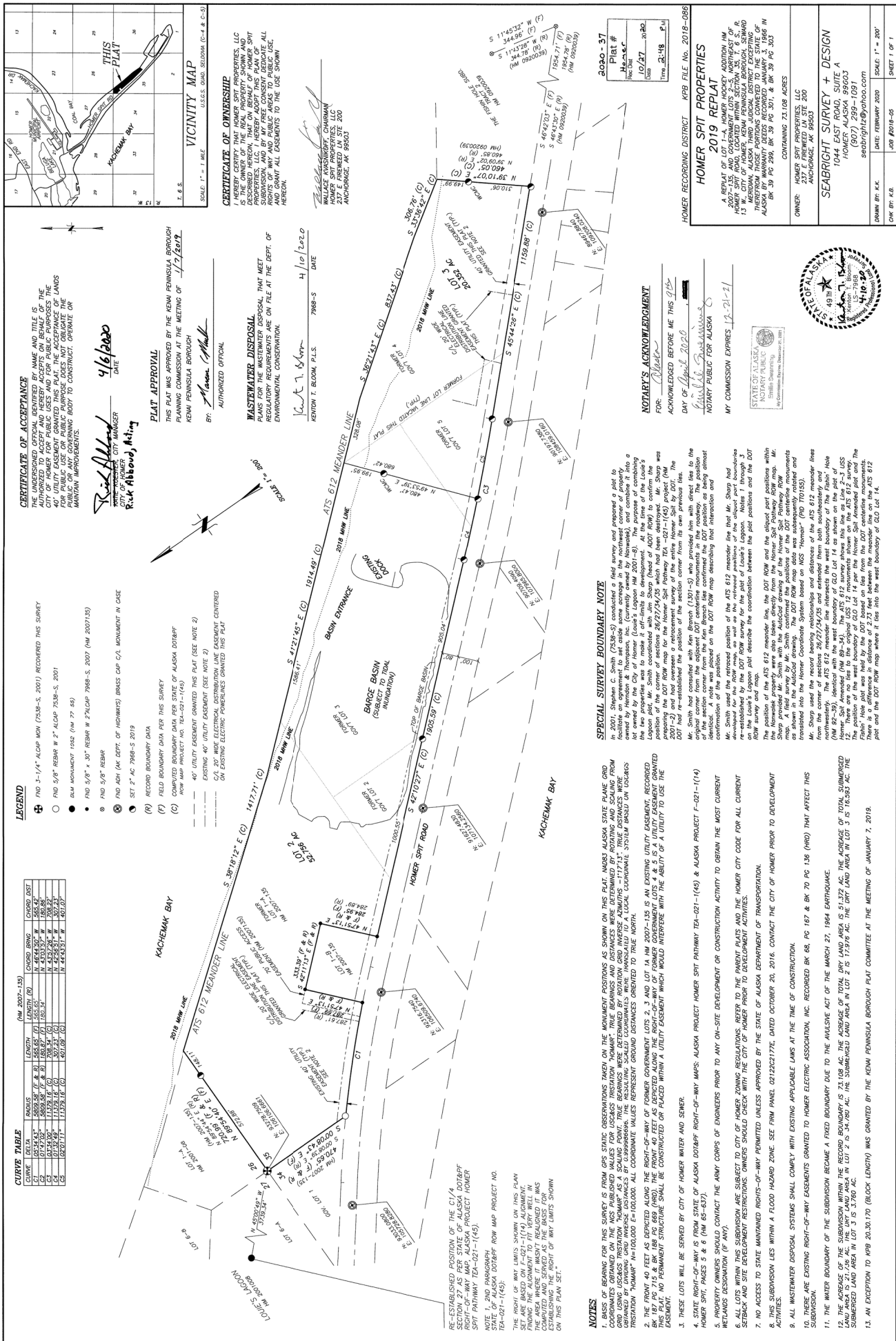


SUBJECT PHOTOS



SUBJECT MAP





CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH	CHORD	CHORD DIST
C1	057°44'42"	500.00	158.65	158.65	500.00
C2	057°44'42"	500.00	158.65	158.65	500.00
C3	057°44'42"	500.00	158.65	158.65	500.00
C4	057°44'42"	500.00	158.65	158.65	500.00
C5	057°44'42"	500.00	158.65	158.65	500.00

LEGEND

- 1. FINO 3-1/4" ALPAC MON (7538-S, 2001) RECOVERED THIS SURVEY
- 2. FINO 5/8" REBAR W 2" LOP 7538-S, 2001
- 3. BLM MONUMENT 1982 (NM 77-85)
- 4. FINO 5/8" x 30" REBAR W 2" LOP 7948-S, 2007 (NM 2007153)
- 5. FINO 5/8" REBAR
- 6. FINO 2" AL 7948-S 2019
- 7. FINO 2" AL 7948-S 2019
- 8. SET 2" AL 7948-S 2019
- 9. FIELD BOUNDARY DATA PER THIS SURVEY
- 10. COMPLETED BOUNDARY DATA PER STATE OF ALASKA DOT&PF
- 11. ROW MAP PROJECT NO. TEA-021-1(45)
- 12. 40' UTILITY EASEMENT GRANTED THIS PLAT (SEE NOTE 2)
- 13. 40' UTILITY EASEMENT GRANTED THIS PLAT (SEE NOTE 2)
- 14. C/A 20' WIDE ELECTRICAL DISTRIBUTION LINE EASEMENT CENTERED ON EXISTING ELECTRICAL POWERLINES GRANTED THIS PLAT

CERTIFICATE OF OWNERSHIP

I HEREBY CERTIFY THAT HOMER SPIT PROPERTIES, LLC IS THE OWNER OF THE LAND DESCRIBED HEREIN, THAT ON BEHALF OF HOMER SPIT PROPERTIES, LLC, I HEREBY ADOPT THIS PLAN OF SURVEY FOR THE PURPOSES OF THE CITY OF KETCHIKAN, ALASKA, AND I GRANT ALL EASEMENTS TO THE USE SHOWN HEREON.

WALLACE KANSNER, CHAIRMAN
HOMER SPIT PROPERTIES, LLC
ANCHORAGE, AK 99503

WATERWATER DISPOSAL

PLANS FOR THE WASTEWATER DISPOSAL THAT MEET REGULATORY REQUIREMENTS ARE ON FILE AT THE DEPT. OF ENVIRONMENTAL CONSERVATION.

PLAT APPROVAL

THIS PLAT WAS APPROVED BY THE KETCHIKAN BOROUGH PLANNING COMMISSION AT THE MEETING OF 1/17/2021.

BY: *[Signature]*
KETCHIKAN BOROUGH PLANNING COMMISSION

NOTARY'S ACKNOWLEDGMENT

FOR: *[Signature]*
ACKNOWLEDGED BEFORE ME THIS 1/17/2021

DAY OF April 2020
NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES 12-21-21

SEABRIGHT SURVEY + DESIGN

1044 EAST ROAD, SUITE A
ANCHORAGE, AK 99503
(907) 299-1091
seabright@seabright.com

OWNER: HOMER SPIT PROPERTIES, LLC
ANCHORAGE, AK 99503

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Homer Recording District PL 2020-37

Finance Department

144 N. Binkley Street, Soldotna, Alaska 99669 • (907) 714-2170 • (907) 714-2376 Fax

Charlie Pierce
Borough Mayor

CERTIFICATE OF TAX DEPARTMENT

I, Jennifer VanHoose, Property Tax and Collections Manager for the Kenai Peninsula Borough, do hereby certify that, as of the date of this certificate, all real property taxes and special assessments levied by the Kenai Peninsula Borough have been paid for the area(s) described as:

Subdivision: HOMER SPIT PROPERTIES 2019 REPLAT

Parcel # 18103009

T 6S R 13W SEC 35 Seward Meridian HM PORTION GOVT LOT 5

Parcel # 18103026

T 6S R 13W SEC 35 Seward Meridian HM 2007135 HOMER HOCKEY ADDN LOT 1-A

Parcel # 18103028

T 6S R 13W SEC 35 Seward Meridian HM THAT PORTION OF GOVT LOTS 2 & 3 LYING NORTHEAST OF THE HOMER SPIT ROAD

Parcel # 18103011

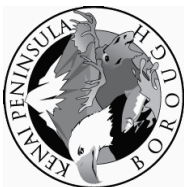
T 6S R 13W SEC 35 Seward Meridian HM PORTION GOVT LOT 4 LYING NE OF HWY

The following taxes and special assessments (except assessments for the cities of Homer, Kenai, Seward, Seldovia, and Soldotna) levied against this property are outstanding: \$0.00.

Witness my hand and seal this 16th day of October, 2020.

Jennifer VanHoose

Property Tax and Collections Manager



KENAI PENINSULA BOROUGH ASSESSING DEPARTMENT

Assessor's Exhibits

2021

108131

181-030-29
Card C01

STRG WAREHS

ADMINISTRATIVE INFORMATION Neighborhood: 210 Homer - Core Area Property Class: 350 General Commercial TAG: 20 - HOMER CITY		LEGAL DESCRIPTION: T 06S R 13W SEC 35 Seward Meridian HM 2020037 HOMER SPIT PROPERTIES 2019 REPLAT LOT 2	ACRES: 52.76 PRIMARY OWNER HOMER SPIT PROPERTIES LLC 237 E FIREWEED LN STE 200 ANCHORAGE, AK 99503-2000									
General Commercial												
VALUATION RECORD												
EXEMPTION INFORMATION		Assessment Year	Worksheet									
		Land	7,346,400									
		Improvements	296,800									
		Total	7,643,200									
LAND DATA AND CALCULATIONS												
Type	Method	Use	Acres	BaseRate	AdjRate	ExtValue	Line#	Info.Code	Description	\$ or %	AdjAmt	Value
Commercial City/Far 30 Per Acre (breakpoint / rate			52.76	47,200	47,200	2,490,300	1	A	View Excellent	1002,490,300		7,346,400
							1	F	Waterfront Ocean	852,116,755		
							1	R	Paved	10 249,030		
							1	N	P/Sewer Yes			
							1	K	P/Water Yes			
							1	X	Elec Yes			
							1	P	Gas Yes			
ASSESSED LAND VALUE (Rounded) :											4,856,081	7,346,400
MEMOS												

ORIGINAL

ASG 19

2021

lfsn = 108131

PHYSICAL CHARACTERISTICS

YEAR Built: 1980 Eff: 1993

USE: STRG WAREHS

Floor Commercial Use Code

1 406 WHESESTOR

ROOFING:

Card Roof Material

C01 Metal

WALL / FRAME:

fl Use Code FrameDescr/sq.ft ht

1 WHESESTOR

fl Wall Siding

lf pct

1 Single -Metal on Steel Ft 320 100

SPRINKLER SYSTEM

NONE

HEATING AND PLUMBING

fl use HeatDescr heat A/C

1 WHESESTOR Space Htr 6,000 0

EXTERIOR FEATURES

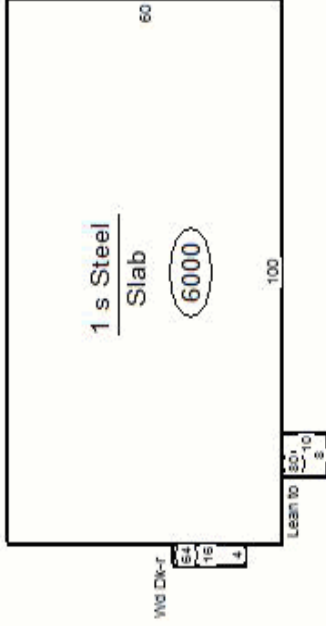
Description Units Cost Total

W/ DK-R 64 22.50 1,440

181-030-29 C01

M & S Database Date: 10/2020

Description	MSUnits	MSCost	MSTotal	%
Base Cost	6,000	45	267,540	
Exterior Walls	6,000	7	44,820	
Heating, Cooling & Ve	6,000	4	22,920	
Basic Structure Cost	6,000	56	335,280	
Physical Depreciation	0	0	214,580	64
Depreciated Cost	6,000	20	120,700	
Building Cost New	0	0	335,280	
Depreciated Cost	0	0	120,700	
Rounded Total	0	0	120,700	



181-030-29 C01

Total Exterior Features Value	1,440
Depreciated Ext Features	520
Total Before Adjustments	121,220
Neighborhood Adjustment	-20
TOTAL VALUE	121,200

SPECIAL FEATURES

Description Size Value

01 1 ISO 1 -1.22

SUMMARY OF IMPROVEMENTS

Improvement	Story or Ht	Grade	Year Const	Eff Const	Cond	Base Rate	Adj Rate	L	W	Size or Area	Comp Value	Pys Depr	Total Depr	% Comp	Value
C WHESESTOR	0.0	F	1980	1993	AV	0.00	0.00	0	0	6,000	0	0	0	100	121,200
01 LEANTO	10.0	Avg	1980	1988	AV	9.38	8.16	10	8	80	650	80	85	100	100
02 MEZZFD	0.0	F	1980	1984	AV	45.27	45.27	60	24	1,440	65,190	57	57	100	28,000
03 PAVING	0.0	Avg	2000	2000	AV	1.75	1.75	0	0	107,000	187,250	79	79	100	39,300
04 SCALE	0.0	F	1980	1980	AV	OVERRIDE	OVERRIDE	0	0	0	0	0	0	100	18,800
05 DOCK	0.0	Avg	2000	2000	AV	OVERRIDE	OVERRIDE	0	0	0	0	0	0	100	84,000
06 CONEX	0.0	Avg	3000	3000	AV	2500.00	2500.00	40	8	1	2,500	0	0	100	2,500
07 CONEX	0.0	Avg	3000	3000	AV	1200.00	1200.00	20	8	1	1,200	0	0	100	1,200
TOTAL IMPROVEMENT VALUE (for this card)															295,100



2021

181-030-29
Card C02

SHED OFFICE

PRIMARY OWNER

LEGAL DESCRIPTION:

ACRES: 52.76

T 06S R 13W SEC 35 Seward Meridian HM 2020037 HOMER SPIT
PROPERTIES 2019 REPLAT LOT 2

HOMER SPIT PROPERTIES LLC
237 E FIREWEED LN STE 200
ANCHORAGE, AK 99503-2000

350 General Commercial

General Commercial

20 - HOMER CITY

VALUATION RECORD

EXEMPTION INFORMATION	ASSESSMENT YEAR	VALUATION RECORD
	Land	7,346,400
	Improvements	296,800
	Total	7,643,200

LAND DATA AND CALCULATIONS

Type	Method	Use	Acres	BaseRate	AdjRate	ExtValue	Line#	Info.Code - Description	\$ or %	AdjAmt	Value	
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							1	F Waterfront Ocean	852,116,755			
							1	R Paved	10 249,030			
							1	N P/Sewer Yes				
							1	K P/Water Yes				
							1	X Elec Yes				
						1	P Gas Yes					
ASSESSED LAND VALUE (Rounded) :											4,856,085	7,346,400

MEMOS

ORIGINAL

2021

l/sn = 108131

PHYSICAL CHARACTERISTICS

YEAR Built: 1990 Eff: 1990

USE: SHED OFFICE

Floor Commercial Use Code

1 472 EQUIPSHD

ROOFING:

Card Roof Material

C02 Metal

WALL / FRAME:

fl Use Code FrameDescr/sq.ft ht

1 EQUIPSHD Wood Joist 80.00 8

fl Wall Siding

lf pct

1 Stud -Textured Plywood 36 100

SPRINKLER SYSTEM

NONE

HEATING AND PLUMBING

fl use HeatDescr heat A/C

1 EQUIPSHD None 80 0

181-030-29 C02

M & S Database Date: 10/2020

Description	MSUnits	MSCost	MSTotal	%
Base Cost	80	30	2,424	
Exterior Walls	80	26	2,107	
Heating, Cooling & Ve	80	0	0	
Basic Structure Cost	80	57	4,531	
Physical Depreciation	0	0	2,809	62
Depreciated Cost	80	22	1,722	
Building Cost New	0	0	4,531	
Depreciated Cost	0	0	1,722	
Rounded Total	0	0	1,700	

Total Before Adjustments

1,700

TOTAL VALUE

1,700

181-030-29 C02

SPECIAL FEATURES

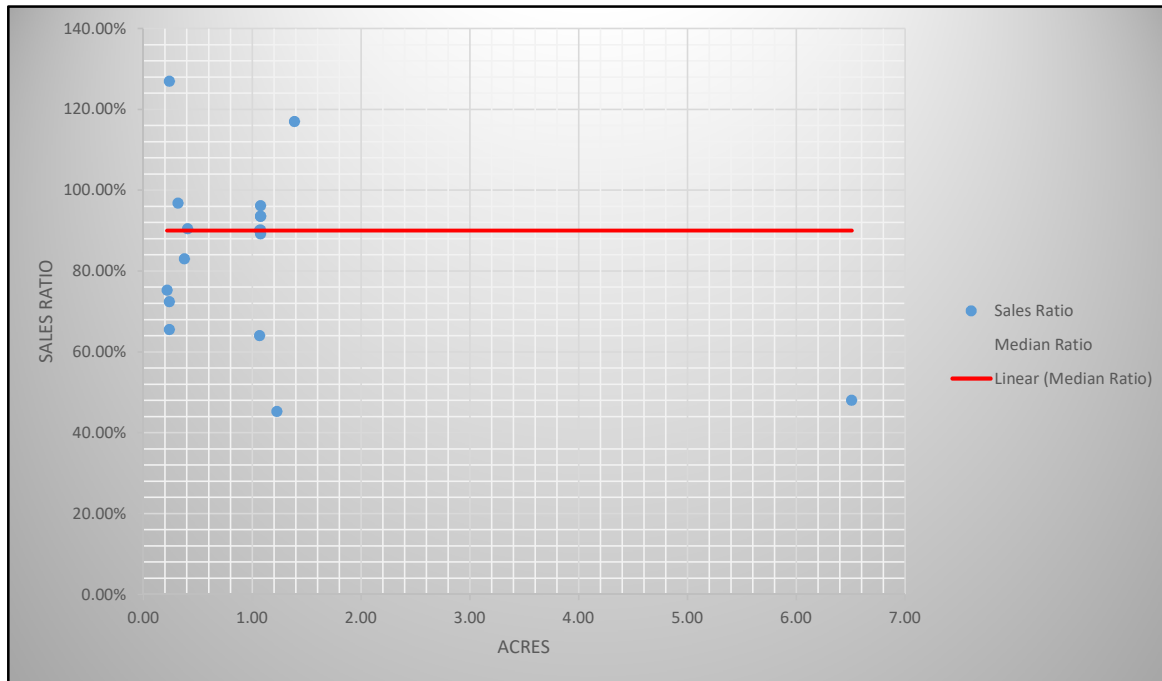
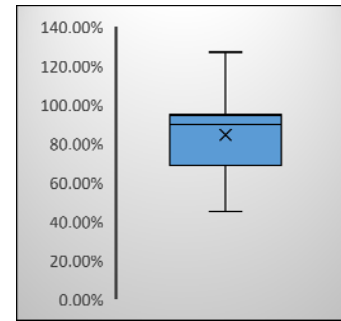
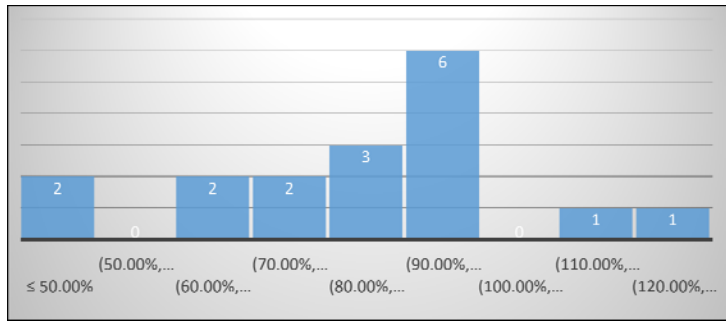
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C EQUIPSHD	0.0	Low	1990	1990	AV	0.00	0.00	0	0	80	0	0	0	100	1,700
TOTAL IMPROVEMENT VALUE (for this card)															1,700

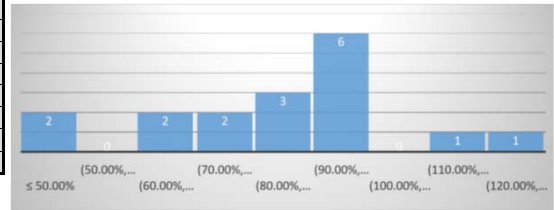
LAND SALES RATIO STUDY

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LAND SALES RATIO STUDY

Ratio Sum	14.37	5.46		Excluded	0
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Median	90.00%	Latest Sale	8/31/2020	Total AV	\$ 2,011,000
Wtd Mean	66.59%	Outlier Information		Total SP	\$ 3,020,100
PRD:	1.27	Range	1.5	Minimum	45.20%
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St. Dev	0.2138	Upper Boundary	133.64%	Min Sale Amt	\$ 49,000
COV:	25.30%			Max Sale Amt	\$ 1,429,400



neighborhooc	pxfer_date	lrn	PIN	Total Acres	Current Land Val	Sale Price	LandType	SaleCd	2020 Cert	Lanc	Ratio
210	4/8/15	61136	17510034	1.39	\$ 152,000	\$ 130,000	6	V	\$152,000		116.92%
210	12/29/15	61488	17514118	0.22	\$ 75,200	\$ 100,000	6	C	\$75,200		75.20%
210	8/20/18	61705	17519014	6.51	\$ 685,800	\$ 1,429,400	6	Z	\$685,800		47.98%
210	4/30/15	62852	17717204	0.32	\$ 64,800	\$ 67,000	6	C	\$64,800		96.72%
210	8/7/15	62857	17717209	0.41	\$ 82,000	\$ 90,700	6	C	\$82,000		90.41%
210	3/18/15	92330	17730133	0.38	\$ 66,400	\$ 80,000	6	C	\$66,400		83.00%
210	2/4/20	63329	17730222	1.23	\$ 79,100	\$ 175,000	6	C	\$79,100		45.20%
210	2/27/18	104800	17908054	1.07	\$ 86,400	\$ 135,000	6	V	\$86,400		64.00%
210	10/12/18	104801	17908055	1.08	\$ 86,500	\$ 92,500	6	C	\$86,500		93.51%
210	10/10/18	104802	17908056	1.08	\$ 86,500	\$ 92,500	6	C	\$86,500		93.51%
210	3/23/18	104804	17908058	1.08	\$ 86,500	\$ 90,000	6	C	\$86,500		96.11%
210	3/6/20	107199	17908065	1.07	\$ 86,400	\$ 96,000	6	C	\$86,400		90.00%
210	8/31/20	107200	17908066	1.08	\$ 86,500	\$ 97,000	6	C	\$86,500		89.18%
210	6/19/20	107207	17908073	1.08	\$ 86,500	\$ 96,000	6	C	\$86,500		90.10%
210	4/24/20	63978	17918314	0.24	\$ 62,200	\$ 95,000	6	V	\$62,200		65.47%
210	5/24/19	64003	17919401	0.24	\$ 76,000	\$ 105,000	6	V	\$76,000		72.38%
210	3/23/15	64042	17920216	0.24	\$ 62,200	\$ 49,000	6	V	\$62,200		126.94%

Crane, Les

From: Crane, Les
Sent: Tuesday, March 2, 2021 9:46 AM
To: 'admin@homerspitmarineterminal.com'; 'morgan@homerspitmarineterminal.com'
Cc: Romain, Scott
Subject: Homer Spit Properties
Attachments: Homer Spit Road Property Tax Assessment.xlsx; Price_AC_Comp_Apple-Orange.pdf; Land Basics.pdf

Good morning Morgan & Alyssa,

My apologies for taking so long to get back with you regarding your questions, we had all of our end of the year deadlines we needed to get through.

In looking at the information you provided, I did notice a couple of things. The first item was that you did not have a land value for parcel #181-034-49 which is the condo's located at the end of the spit. While the underlying parcel that those condo sit on does not have a land value associated with it, instead the value of the land has been portioned out to each individual condo. I have added those values back into the spreadsheet for you.

The other item that I noticed is the way that you were calculating your "average price per acre", you were taking the sum total of your acreage and then the sum total of the assessed value to get an average. This is a common mistake when people are making these types of calculations. To get accurate numbers, you need to break down each parcel individually on a price per acre value. After doing the calculations this way, the overall median ratio for all 172 parcels is \$139,243 and an average of \$237,857. When we filter the data down to just the business & private property types (40 properties), the median remains the same at \$139,243 and the average drops to \$126,005. If we further filter the parcels down to just Homer Spit owned properties, the median again remains the same at \$139,243 and the average drops to \$101,129. If we go back to just the business & private properties and remove Homer Spit properties, the median remains the same at \$139,243 and the average is \$131,282.

In the world of assessing, we are more concerned with the median values, as it is less effected by extreme outliers at either the low or high ends of the spectrum. As you can see in the previous numbers, the median remained constant but the average changed drastically depending on the data. I've also attached a short write up going over the basics of how our land values are calculated for your reference.

Based on the information that I see, it appears that the Homer Spit Properties, LLC properties are being fairly and equitably with like kind properties located on the Homer Spit. I did make some adjustments to the properties when the new plat was submitted, accounting for wetlands portions of the properties. The new property assessments should be in your mailbox this week, if you have any questions give us a call or e-mail us.

Les Crane
Appraisal System Analyst
AAAO LEVEL III Appraiser
Certification #278

KENAI PENINSULA BOROUGH
144 North Binkley Street
Soldotna, Alaska 99669



Crane, Les

From: Crane, Les
Sent: Tuesday, March 16, 2021 4:49 PM
To: 'morgan@homerspitmarineterminal.com'
Cc: Romain, Scott
Subject: Homer Spit Properties LLC
Attachments: 2021_RS_210_COMMERCIAL.pdf

Hello Morgan,

I've attached a list of commercial land sales you requested, these were used in the development of commercial land values for the Homer market area.

State statute AS 29.45.110(a) requires that property be assessed at its full and true value which is the **estimated** price the property would bring in an open market transaction, under the then prevailing market conditions. Based on our ratio study of commercial properties (attached) we are at a median ratio of 90%, well under 100% of market value.

If you have any other concerns, I would suggest you file a formal appeal as the March 31st deadline is rapidly approaching, this will allow us adequate time to address your concerns.

Let us know if you have any further questions.

Les Crane
Appraisal System Analyst
AAAO LEVEL III Appraiser
Certification #278

KENAI PENINSULA BOROUGH
144 North Binkley Street
Soldotna, Alaska 99669



PUBLIC RECORDS LAW DISCLOSURE: This email and responses to this email may be subject to provisions of Alaska Statutes and may be made available to the public upon request.

Average	\$ 236,837	30.26		\$ 237,857				
Median	\$ 151,200	1.00	Parcel Count	\$ 139,243				
Sum	\$ 40,735,900	5204.98	172	\$ 40,911,359				
Address	Land Value	Acerage	Type	\$/AC	Notes		City Owned Property	5,041.97 acres
18103446	\$ 169,900	0.11	City	\$ 1,544,545			Private Owned Property	21.97 acres
18103103	\$ 203,000	0.23	Business	\$ 882,609		26	Business Owned Property	127.83 acres
18103118	\$ 132,300	0.15	City	\$ 882,000			State Owned Property	13.21 acres
18103119	\$ 139,200	0.18	City	\$ 773,333			HSPMT	91.38 acres
18103443	\$ 139,200	0.18	City	\$ 773,333				
18103415	\$ 53,600	0.07	State	\$ 765,714				
18103235	\$ 140,100	0.19	City	\$ 737,368				
18103449	\$ 2,437,800	3.41	Business	\$ 714,897	Condo's			
18103431	\$ 140,300	0.2	City	\$ 701,500				
18103318	\$ 209,500	0.3	City	\$ 698,333				
18103319	\$ 210,900	0.31	City	\$ 680,323				
18103320	\$ 210,900	0.31	City	\$ 680,323				
18103321	\$ 210,900	0.31	City	\$ 680,323				
18103244	\$ 143,600	0.22	City	\$ 652,727				
18103250	\$ 143,600	0.22	City	\$ 652,727				
18103251	\$ 143,600	0.22	City	\$ 652,727				
18103252	\$ 143,600	0.22	City	\$ 652,727				
18103306	\$ 186,500	0.29	City	\$ 643,103				
18103309	\$ 144,500	0.23	City	\$ 628,261				
18103417	\$ 188,000	0.31	Business	\$ 606,452				
18103236	\$ 145,100	0.24	City	\$ 604,583				
18103243	\$ 146,400	0.26	City	\$ 563,077				
18103448	\$ 221,500	0.43	City	\$ 515,116				
18103316	\$ 148,900	0.29	City	\$ 513,448				
18103442	\$ 148,900	0.29	City	\$ 513,448				
18103322	\$ 149,100	0.3	City	\$ 497,000				
18103317	\$ 149,100	0.3	Business	\$ 497,000				
18103260	\$ 223,600	0.46	City	\$ 486,087				
18103254	\$ 150,200	0.31	City	\$ 484,516				
18103444	\$ 150,200	0.31	City	\$ 484,516				
18103218	\$ 151,200	0.32	City	\$ 472,500				
18103233	\$ 151,200	0.32	City	\$ 472,500				
18103234	\$ 151,200	0.32	City	\$ 472,500				
18103238	\$ 151,200	0.32	City	\$ 472,500				
18103239	\$ 151,200	0.32	City	\$ 472,500				
18103240	\$ 151,200	0.32	City	\$ 472,500				
18103241	\$ 151,200	0.32	City	\$ 472,500				
18103242	\$ 151,200	0.32	City	\$ 472,500				
18103245	\$ 151,200	0.32	City	\$ 472,500				
18103245	\$ 151,200	0.32	City	\$ 472,500				
18103247	\$ 151,200	0.32	City	\$ 472,500				
18103248	\$ 151,200	0.32	City	\$ 472,500				
18103249	\$ 151,200	0.32	City	\$ 472,500				
18103253	\$ 151,200	0.32	City	\$ 472,500				
18103237	\$ 151,800	0.33	City	\$ 460,000				
18103425	\$ 228,300	0.52	City	\$ 439,038				
18103255	\$ 152,500	0.35	City	\$ 435,714				
18103445	\$ 152,500	0.35	City	\$ 435,714				
18101033	\$ 155,000	0.38	State	\$ 407,895				
18103104	\$ 98,900	0.31	State	\$ 319,032				
18103477	\$ 162,500	0.52	City	\$ 312,500				
18103478	\$ 163,200	0.53	City	\$ 307,925				
18103256	\$ 153,200	0.5	City	\$ 306,400				
18103432	\$ 164,900	0.57	City	\$ 289,298				
18103307	\$ 246,600	0.88	City	\$ 280,227				
18103441	\$ 165,300	0.6	City	\$ 275,500				
18103408	\$ 22,000	0.08	Business	\$ 275,000				
18103421	\$ 167,200	0.63	City	\$ 265,397				
18103221	\$ 168,000	0.65	City	\$ 258,462				
18103231	\$ 168,400	0.66	City	\$ 255,152				
18103222	\$ 168,800	0.67	City	\$ 251,940				
18103223	\$ 168,800	0.67	City	\$ 251,940				
18103224	\$ 168,800	0.67	City	\$ 251,940				
18103225	\$ 168,800	0.67	City	\$ 251,940				

18103226	\$	168,800	0.67	City	\$	251,940				
18103227	\$	168,800	0.67	City	\$	251,940				
18103228	\$	168,800	0.67	City	\$	251,940				
18103229	\$	168,800	0.67	City	\$	251,940				
18103451	\$	169,100	0.68	City	\$	248,676				
18103302	\$	126,300	0.51	City	\$	247,647				
18103426	\$	255,800	1.09	City	\$	234,679				
18103305	\$	223,300	0.99	City	\$	225,556				
18103304	\$	227,500	1.08	City	\$	210,648				
18103397	\$	177,000	0.93	City	\$	190,323				
18103259	\$	211,200	1.12	City	\$	188,571				
18103308	\$	265,200	1.43	City	\$	185,455				
18103419	\$	267,300	1.49	City	\$	179,396				
18103303	\$	269,000	1.58	Business	\$	170,253				
17922007	\$	132,000	0.81	Business	\$	162,963				
18103418	\$	237,800	1.47	City	\$	161,769				
18103447	\$	274,900	1.83	City	\$	150,219				
18103105	\$	239,900	1.6	City	\$	149,938				
18103395	\$	186,900	1.31	Business	\$	142,672				
18103216	\$	726,900	5.22	City	\$	139,253				
18103402	\$	408,000	2.93	City	\$	139,249				
18103028	\$	3,776,300	27.12	Business	\$	139,244	Barge Basin			
18103011	\$	2,019,000	14.5	Business	\$	139,241	Building side of RV Park			
18103026	\$	3,753,900	26.96	Business	\$	139,240	Boat storage, storage & building lot			
18103116	\$	2,390,700	17.17	City	\$	139,237				
18103117	\$	1,569,100	11.27	City	\$	139,228				
18103450	\$	460,800	3.31	Business	\$	139,215				
18101019	\$	110,700	0.8	Private	\$	138,375				
18103101	\$	244,900	1.82	City	\$	134,560				
18103301	\$	248,000	1.98	City	\$	125,253				
18103102	\$	260,600	2.1	City	\$	124,095				
18103324	\$	191,300	1.59	City	\$	120,314				
18103452	\$	92,700	0.79	City	\$	117,342				
18103108	\$	417,900	3.72	City	\$	112,339				
18103230	\$	194,900	1.78	City	\$	109,494				
18103203	\$	1,281,800	11.91	City	\$	107,624				
18101034	\$	196,600	1.87	Business	\$	105,134				
18103404	\$	221,100	2.23	City	\$	99,148				
18103232	\$	206,200	2.08	City	\$	99,135				
18103009	\$	535,300	5.4	Business	\$	99,130	Triangle lot RV			
18103027	\$	216,100	2.18	Business	\$	99,128	Ice Rink			
18103220	\$	495,600	5	City	\$	99,120				
18103403	\$	346,900	3.5	City	\$	99,114				
18101035	\$	254,800	2.7	Business	\$	94,370				
18102017	\$	502,800	5.52	Business	\$	91,087	Back Beach Lot			
18103479	\$	119,500	1.52	Business	\$	78,618				
18107005	\$	106,700	1.37	City	\$	77,883				
18107005	\$	106,700	1.37	City	\$	77,883				
17922011	\$	97,800	1.3	Business	\$	75,231				
18103401	\$	136,300	2.52	City	\$	54,087				
18101023	\$	160,500	3	City	\$	53,500				
18101017	\$	34,700	0.68	Private	\$	51,029				
18101021	\$	130,900	2.7	Private	\$	48,481				
18103001	\$	143,600	3.1	Private	\$	46,323				
18101015	\$	41,500	0.94	Private	\$	44,149				
18101008	\$	176,900	4.6	City	\$	38,457				
18101007	\$	174,700	6.47	City	\$	27,002				
18102007	\$	114,200	4.29	Private	\$	26,620				
18102001	\$	94,600	3.94	City	\$	24,010				
18101030	\$	188,000	10.3	State	\$	18,252				
18102009	\$	104,800	9	City	\$	11,644				
18102004	\$	73,000	6.9	City	\$	10,580				
18103214	\$	459,000	72.94	City	\$	6,293				
18102018	\$	91,500	19.66	City	\$	4,654				
18102005	\$	78,700	17.46	City	\$	4,507				
18102019	\$	110,900	25.81	City	\$	4,297				
18103106	\$	2,100	0.5	Business	\$	4,200				
18101025	\$	179,600	51.47	City	\$	3,489				
18101011	\$	2,600	0.77	City	\$	3,377				
18103412	\$	1,800	0.56	Business	\$	3,214				
18101010	\$	2,600	0.81	City	\$	3,210				
18101014	\$	2,600	0.82	City	\$	3,171				
18103413	\$	1,600	0.53	Business	\$	3,019				
18102011	\$	2,000	0.7	City	\$	2,857				
18103411	\$	1,800	0.64	Business	\$	2,813				
18101018	\$	2,500	0.9	Private	\$	2,778				
18103024	\$	2,600	1	Private	\$	2,600				
18101020	\$	2,500	1	Private	\$	2,500				
18103023	\$	2,500	1	Private	\$	2,500				

18101012	\$	2,800	1.2	City	\$	2,333				
18103022	\$	2,500	1.08	Private	\$	2,315				
18101013	\$	3,000	1.32	City	\$	2,273				
18101009	\$	3,000	1.44	City	\$	2,083				
18101016	\$	3,000	1.48	Private	\$	2,027				
18102003	\$	1,900	1.02	City	\$	1,863				
18101024	\$	3,800	2.16	City	\$	1,759				
18101022	\$	3,500	2	Private	\$	1,750				
18103007	\$	4,000	2.62	Business	\$	1,527				
18102010	\$	5,100	3.9	City	\$	1,308				
18103113	\$	5,000	4.19	City	\$	1,193				
18102113	\$	5,000	4.19	City	\$	1,193				
18103004	\$	5,600	4.79	City	\$	1,169				
18101001	\$	1,100	1	Private	\$	1,100				
18101002	\$	3,900	3.72	City	\$	1,048				
18101027	\$	2,100	2.15	State	\$	977				
18102006	\$	6,800	7.5	City	\$	907				
18103002	\$	6,800	7.51	City	\$	905				
18101006	\$	4,400	5.03	City	\$	875				
18101003	\$	4,400	5.05	City	\$	871				
18103010	\$	8,100	9.7	Business	\$	835	Beach Lot			
18103006	\$	8,100	10	City	\$	810				
18101005	\$	4,800	5.98	City	\$	803				
18101004	\$	4,800	6.07	City	\$	791				
18102002	\$	5,200	7.1	City	\$	732				
18101028	\$	7,400	12.87	Business	\$	575				
18102014	\$	10,400	25.19	City	\$	413				
18101026	\$	6,400	19.23	City	\$	333				
18107001	\$	154,100	4573	City	\$	34				

Property Tax Proposal

05/15/2020

Alyssa Veldkamp

Homer Spit Properties LLC

3232 Homer Spit Road

Homer, AK 99603

Overview

This document is a summarization of the compilation of information and data that has been acquired from the Kenai Peninsula Borough Parcel Viewer and the Kenai Peninsula Borough Real Property Ownership and Assessment site to provide factual information in regards to Homer Spit Properties annual property taxes and how they weigh comparatively to other properties on the Homer Spit.

Goals

1. Decrease overinflated property taxes for Homer Spit Properties for the year 2021.
2. Establish a correct property value for all of the Homer Spit Properties parcels.

Specifications

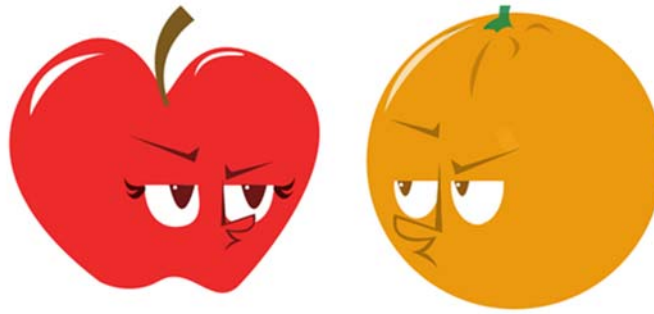
There are a total of one hundred seventy-two parcels that make up the Homer Spit. Twenty-six of these parcels are business owned, fourteen are privately owned, and one hundred thirty-two are city and state owned. To break this down even further, the Homer Spit comprises 5,204.98 acres. Business owned property consists of 127.83 acres, private owned consists of 21.97 acres and the City of Homer & state owned consists of 5,041.97 acres. This means that there is a total of 149.8 acres that pay annual property taxes to the Kenai Peninsula Borough. Homer Spit Properties is 61% of the property (including private and business) that pays property taxed on the Homer Spit.

The total value of property on the Homer Spit according to the Kenai Peninsula Borough is \$38,298,100. The total value of the property that has annual property taxes paid upon it is \$13,705,508. Homer Spit Properties owns 91.38 acres at a value of \$10,811,500 according to the Kenai Peninsula Borough. The rest of the annual taxed property is 58.42 acres and is valued at \$2,894,000. This means that the average value of business and privately owned property comes out to \$49,537.83 per acre. The average value of Homer Spit Properties property per acre is \$118,313.64. This is 2.388 times more than the average business & private property.

By the year 2021, it should be realistic to go through this data, come up with accurate appraisals for all 7 properties owned by Homer Spit Properties and adjust the annual property taxes accordingly. A difference of 238.8% for the average property tax amount is completely unacceptable and needs to be adjusted.

Price per Acre Comparison

A very popular way to compare land values is to do a simple Price per Acre calculation. Simply stated this is the assessed value divided by the acreage. This will work just fine if the properties you are comparing are exactly the same size and have the exact same influences, otherwise you are just comparing apples to oranges.



Below is a sample comparison of 2 parcels that have the same acreage, with different influences.

5.0 AC Base	\$ 50,000		5.0 AC Base	\$ 50,000
Gravel Maint	\$ -		Paved	\$ 5,000
Elec Yes	\$ -		Elec Yes	\$ -
Gas No	\$ (10,000)		Gas Yes	\$ -
View Limited	\$ 12,000		View Good	\$ 25,000
			Waterfront Pond	\$ 25,000
Land Value	\$ 52,000		Land Value	\$ 105,000
Price/AC	\$ 10,400		Price/AC	\$ 21,000

Below is a sample comparison of 2 parcels that have the same influences, with different acreages.

5.0 AC Base	\$ 50,000		10.0 AC Base	\$ 70,000
Paved	\$ 5,000		Paved	\$ 7,000
Elec Yes	\$ -		Elec Yes	\$ -
Gas Yes	\$ -		Gas Yes	\$ -
View Good	\$ 25,000		View Good	\$ 35,000
Waterfront Pond	\$ 25,000		Waterfront Pond	\$ 35,000
Land Value	\$ 105,000		Land Value	\$ 147,000
Price/AC	\$ 21,000		Price/AC	\$ 14,700

Definitions

Assessment progressivity (regressivity). An appraisal bias such that higher value properties are appraised higher (lower) than low-value properties. See also price-related differential.

Coefficient of dispersion (COD). The average deviation of a group of numbers from the median expressed as a percentage of the median. In ratio studies, the average percentage deviation from the median ratio. *Acceptable range: Land under 30%, residential under 20%.*

Coefficient of variation (COV). The standard deviation expressed as a percentage of the mean. *Acceptable range: 1.25 of the COD.*

Mean: The result of adding all the values of a variable and dividing by the number of values. For example, the arithmetic mean of 3, 5, and 10 is 18 divided by 3, or 6. Also called the arithmetic mean.

Median. The midpoint or middle value when a set of values is ranked in order of magnitude; if the number of values is even, the midpoint or average of the two middle values. *Acceptable range: 90% to 110%*

Price-related differential (PRD). The mean divided by the weighted mean. The statistic has a slight bias upward. Price-related differentials above 1.03 tend to indicate assessment regressivity; price-related differentials below 0.98 tend to indicate assessment progressivity. *Acceptable range: 0.98 to 1.03.*

Progressivity. See assessment progressivity (regressivity)

Regressivity. See assessment progressivity (regressivity)

Standard deviation (St. Dev). The statistical calculated from a set of number by subtracting the mean from each value and squaring the remainders, adding together these squares, dividing by the size of the sample less one, and taking the square root of the result. When the data are normally distributed, one can calculate the percentage of observations within any number of standard deviations of the mean from normal probability table. When the data are not normally distributed, the standard deviation is less meaningful and should be used with caution.

Weighted mean; weighted average (wtd mean). An average in which the observations are weighted based on some criterion. In ratio studies, the weighted mean is calculated by weighting the ratios based on their sale prices. A shortcut method is to sum the appraisals or assessments, sum of the sales prices, and divided the first result by the second. (International Association of Assessing Officers, 1990)

References

International Association of Assessing Officers. (1990). *Property Appraisal and Assessment Administration*. Chicago: International Association of Assessing Officers.