

March 11, 2024

Brad Ryan, Borough Manager
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RE: Public Announcement regarding Commercial Property Value Increases

SKAGWAY PUBLIC ANNOUNCEMENT:

This public announcement is for the Commercial Property Owners within the Municipality of Skagway. As a courtesy to the owners of commercial property in Skagway, the Assessor would like to notify all commercial property owners of an increase to their properties in the historic downtown Skagway area. The gross overall increase in the downtown commercial area of Skagway is approximately 50%.

The reason for the large increase is to comply with Alaska State Statutes 29.45.110 (a) which states The Assessor shall assess property at its full and true value as of January 1 of the assessment year.

Explanation: When taking on the role of Assessor in January of 2020, I originally noted that Commercial Property values were undervalued based on sales information. In 2020 I valued residential properties in the downtown market area with the intention of updating the commercial property valuations the following year. With the 2020-21 COVID outbreak unexpected economic changes came about. After consulting with the State Assessor and other Alaska Assessor's, it was decided to wait for the economic impact to settle out. Commercial properties have had a couple of years of recovery, and it is time to update commercial values with the most recent market information.

This last September I visited each commercial property in the downtown area. Inspections of these properties included remeasuring buildings, taking detailed notes regarding quality/condition, etc., talking to owners/lessor's/renters regarding issues with the buildings, obtaining rents and mostly discussing differences of income from 2+ years ago. The new assessments for 2024 reflect this.

When the owners of the Commercial Properties receive their assessment notices, they will have 30 days to appeal the new valuations, based on Unequal, Excessive, Improper, or under valuation based on facts that are stated within a written appeal. I am planning on being available for onsite reviews of the property or reviewing of the past 5 years of audited income/expense information for proper valuation of the property.

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