

MINUTES
Board of Equalization and Review
May 6, 2015

Board Members Present:

Chair: Jennifer Marsh
Pamela Davis
Blaine Schmidt, Alternate (for first part of meeting)
Patricia Roberts (for the latter portion of the meeting, after being sworn in)

Staff Members Present: Roger Gunn, Chief Appraiser

Steve Hensley, Appraiser
Scherri McCray, Notary
Nancy Freeman, Recording Secretary
Anne Marie Tosco, County Attorney

The meeting was called to order at 2:01 PM on Wednesday, May 6, 2015 by Chair, Ms. Jennifer Marsh.

EVELYN J MURDOCH HEIRS

9779906412 and 9851691978

Mary Jo Fyfe, Administrator appeared before the Board to appeal the value of the property located at 186 Ridge Trail with a current assessed value of \$178,460 and the property at 5310 Hough Road with a current assessed value of \$221,673. The appellant stated that she was appointed administrator of the estate upon the death of Ms. Murdoch, as Ms. Murdoch has no close living relatives and the appellant was friends with Ms. Murdoch as the two attended graduate school together. Ms. Fyfe stated that Ms. Murdoch would often explain to the appellant what she wanted done with her estate. Ms. Fyfe stated that Ms. Murdoch prepared a will but the will has not yet been probated. The court has set about the task of searching for relatives, although Ms. Fyfe knows that Ms. Murdoch has no relatives, which is causing Ms. Fyfe to not be able to settle this estate. Ms. Fyfe says that in the interest of expediting settling the estate, she is appealing the values of the properties as their respective assessed values greatly exceed the values from recent appraisals. Ms. Fyfe stated that the house at 5310 Hough Road is not livable.

Ms. Marsh commented that the Board is unable to assist with the issues regarding probating the estate and can only consider her appeal to the value of the properties.

The appellant stated that the 5310 Hough Road property was built 20 years ago or more, is not being lived in, is in a state of disrepair and the appraisal prepared for Ms. Fyfe reflects the disrepair. Ms. Marsh stated that the current tax values are as of January 1, 2009 whereas the valuation date of the appraisal and the comparables used in the appraisal are as of 2013. Ms. Fyfe asked for clarification of what the valuation date means. After giving an explanation, Ms. Davis mentioned that although a 2013 appraisal is irrelevant, Ms. Fyfe can still offer information to the Board about the condition of the home. Ms. Fyfe stated that there was some leftover furniture and furnishings in the home, and the home was in shambles. Ms. Fyfe asked if the County has visited the property. Ms. Davis asked Mr. Hensley if he had visited the home, and Mr. Hensley stated that he had visited the property in the previous weeks.

Mr. Hensley recommended making adjustments to the value because of condition. He stated that the residence should be depreciated to 90%, and that the home is not livable. Mr. Hensley said that the

garage/carport has storage area and is in useable condition. However, Mr. Hensley felt that it would take a lot of work for the house to be livable.

Ms. Marsh asked Ms. Fyfe to address the issues at the 186 Ridge Trail property. Ms. Fyfe stated that Ms. Murdoch was living in this condo when she passed away. The appellant mentioned that Ms. Murdoch purchased the property about 5 years ago. When Ms. Murdoch passed away, Ms. Fyfe discovered that Ms. Murdoch was a hoarder. Once the condo was cleared, it was discovered that there was a severe infestation of mold. The appellant hired a company to assess the condition of the condo, and according to the testing, the company stated that it was the worst case they had come across. Ms. Fyfe stated that she had to purge everything in the home and that the condo was totally stripped.

Ms. Fyfe stated that a company named Tri-Clean spent a week stripping carpet, walls, cleaning the basement, and removing the cabinets in the kitchen, among other activities. Ms. Fyfe stated that homeowners insurance paid for the mold remediation, but there was not enough funds provided by the insurance company to finish the replacement of ceiling, floors, cabinets, and other items. Currently, there is no kitchen flooring, no cabinets, no kitchen door, no ceiling in the living room, and there is no money left from the insurance company to renovate. The deconstruction to remove the hazardous mold was completed in November 2014. Ms. Fyfe has had one offer of purchase on the condo, which was \$70,000 from Brian Swofford. Ms. Fyfe noted the appraisal provided by Mr. Julian was completed prior to the discovery of the mold infestation.

Ms. Marsh asked if the County has visited the property. Mr. Hensley responded that he had visited the property and that he was aware of several changes needed to the County's sketch of the property. Mr. Hensley added that there was storage area not reflected in the sketch, physical depreciation needed to be increased to 28%, and a construction modifier needed removing. After these changes, the value would be reduced to \$177,200. Mr. Hensley stated he was not able to enter the structure but gathered information from looking through the windows.

Ms. Fyfe expressed that she was anticipating being contacted by the County so that she could have allowed Mr. Hensley entrance to the property. Ms. Davis asked if the County was better informed of the severity of the condition of the property, could it be taken into consideration in the value adjustment. Mr. Hensley stated that he could take a look at the current condition and change the percentage of completion, as a temporary condition adjustment. Ms. Marsh stated that they would consider the information if Mr. Hensley was able to visit and enter the structure. Ms. Fyfe agreed to make the property available to the appraiser. Mr. Schmidt asked if there was any work that is ongoing to improve the property. Ms. Fyfe answered that there would be no further improvements or work to the property, as there are no funds available.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Marsh made a motion to accept the adjustments suggested by the County to the 5310 Hough Road property, lowering the value to \$134,600. Mr. Schmidt seconded the motion and the motion carried.

In regards to the 186 Ridge Trail property, the Board agreed that the percentage of completion should be adjusted, and that the value will be lowered for 2015 accordingly and the appraiser is to revisit the property to verify any progress that may be made for the 2016 tax year. Mr. Schmidt asked if Mr. Hensley would revisit now, and Mr. Gunn agreed that the County should revisit the property. Ms. Marsh made a motion for the County to revisit the property to see the interior in order to accurately make a decision on the physical depreciation and appropriate percentage of completion and to adjust the value of the property accordingly. The motion was seconded by Mr. Schmidt and the motion carried.

Ayes: 3

Noes: 0

ANN J LOFTIN

9799504321

Ms. Loftin appeared before the Board to appeal the value of the property located at 907 Emory Drive with a current assessed value of \$334,257. The appellant stated that when she purchased the property, she realized her property was in the flood plain but was not aware of prior issues from flooding. Ms. Loftin stated that when she purchased the home, her flood insurance premiums were \$400, and now they are \$1,200.

The appellant has incurred costs due to damage from flooding. Because of the flood damage, she applied for a buyout through the Town of Chapel Hill with FEMA. She was told that her house is too valuable and over FEMA's limit that they will pay for a home. She said she would have accepted the limited amount that they would offer, but FEMA would not purchase her home. Ms. Loftin stated that there are major maintenance issues for her home, including the need of a new HVAC system. Ms. Loftin said she has offered to sell it at the County assessed value and has not been able to sell it as it is not sellable due to the high price of flood insurance a buyer would have to secure. Ms. Davis asked what prices she has asked for the property and asked what price she would accept. Ms. Loftin stated that the property has flooded twice on the ground floor since she purchased it, which included the apartment that her son was living in. She explained that she would love to sell it, but she needs to get enough money from the sale to live on. Ms. Loftin stated that paying the taxes and paying the maintenance and upkeep costs have been difficult for her.

Ms. Marsh asked the County to provide input. Mr. Gunn explained that it was purchased in April 2009 for \$330,000. He provided sales from 2008 that are in the subject neighborhood. However, Ms. Loftin interjected that her house is located in a trough, so it is lower than other houses. Ms. Marsh asked Ms. Loftin to allow the County to finish their presentation.

Mr. Gunn stated that some of the other properties included in the County's evidence are valued at a slightly higher level because they are not in the flood plain. Mr. Gunn continued to say that there is a note on the property record card that the basement floods and that it had probably been noted before January of 2009.

Ms. Marsh asked what Ms. Loftin thought the home was worth. The appellant stated that she has tried three times to sell the house and has had only one offer. She continued to say that the offer was rescinded after the potential buyer found out how much a flood insurance policy would cost: approximately \$8,000. Ms. Davis questioned why the cost of flood insurance was \$1,200 for Ms. Loftin when the new owner would be charged \$8,000. Ms. Loftin explained the difference is that she purchased the house with cash, and her insurance was therefore lower, whereas the potential buyer would be looking at higher insurance costs based on the buyer's mortgage requirements. Ms. Davis stated she was not familiar with FEMA buying properties in Orange County and Chapel Hill, and Ms. Loftin mentioned that there were 17 condominium properties that were purchased by FEMA in Chapel Hill. Ms. Loftin reiterated that she was not able to sell her property because of the additional finances involved due to the flooding and additional insurance premiums. Ms. Davis asked if the appellant had anything in writing that showed the additional costs of flood insurance to which Ms. Loftin said she could provide this information.

Ms. Loftin also stated that she does not know the condition of the foundation of her home. Ms. Davis asked if there was any remediation that could be done to the back yard to control the flooding. Ms. Loftin showed the board members pictures of flooding in 2013 with the water level above the roof of a shed.

Ms. Marsh asked if Ms. Loftin wanted the opportunity to provide more documentation. Mr. Schmidt stated that the Board needs documentation that shows that the flood insurance would be priced higher based on the value of the mortgage. Ms. Loftin offered to send her pictures electronically. Ms. Davis suggested that she go to her realtor and get estimates for flood insurance costs or go to another insurance company and get estimates. Ms. Marsh asked that she provide additional documentation and get it back to the board before the adjournment date. Mr. Schmidt suggested that Ms. Loftin make a list of the points she made and look at documentation that she can provide to the Board to substantiate the points. He suggested that she email the pictures and any other documentation to the Board. Ms. Davis suggested a realtor's statement. Ms. Loftin asked if FEMA forms would be relevant. Ms. Marsh reiterated that Ms. Loftin should send the information to Mr. Gunn before May 28th.

The Board reviewed all documents and information provided by the appellant and the County. Ms. Marsh made a motion to table this case to allow the appellant to provide additional information before the May 28th adjournment date. Ms. Davis seconded the motion and the motion carried.

Ayes: 3

Noes: 0

AT THIS TIME CHAIR MARSH ALLOWED PATRICIA ROBERTS TO REPLACE BLAINE SCHIMDT AS THE 3RD MEMBER AFTER MS. ROBERTS' SWEARING IN

ANNE R BERRY

9789235557

Ms. Anne Berry appeared before the Board to appeal the value of the property located at 132 Justice Street. The current value assigned by the Tax Office is \$225,733. Ms. Berry stated that it came to her attention that the finished square footage of her home was incorrect. The incorrect portion was actually a garage used as storage. Ms. Berry provided some comparable sales, but the sales were mostly after the January 1, 2009 revaluation date.

Mr. Hensley spoke for the County. He stated that he visited the home and suggested that some changes be made to the property information. He suggested correcting the location of the deck and removing the construction modifier. He also suggested changing the Attached Addition (AA) to a storage area (SA). The recommended changes would adjust the valuation to \$221,100.

Ms. Marsh asked the appellant if this new value was more in line with the value that she expected, and Ms. Berry agreed.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Marsh made a motion to accept the changes recommended by the County and change the value to \$221, 100. This was seconded by Ms. Davis and the motion carried.

Ayes: 3

Noes: 0

Mr. Froeber did not appear before the Board to appeal the value of the property located at 604 Laurel Hill Road. The current value assigned by the Tax Office is \$974,600. Board members reviewed information provided by the appellant, and Mr. Gunn spoke for the County.

Ms. Marsh asked if there was any comment that Mr. Gunn would like to make about the statement that the appellant made in his appeal that he was told by Tax Administration Director Brinson that the value of his property would stay in effect. Mr. Gunn stated that he was not aware of the statement and did not know if Mr. Brinson made the statement.

Mr. Gunn stated that Mr. Froeber questioned in his letter of appeal why the value of his property increased. Mr. Gunn stated that the value for January 1, 2014 was based on a percentage of completion due to renovations to the property, and was valued at 60% completion. The percentage of completion for January 1, 2015 was 100% because the renovations were complete. Mr. Hensley explained that he is very familiar with home due to previous appeals. Mr. Hensley stated that he noted when visiting the property that there had been a swimming pool added and a porch added. Mr. Hensley stated that the homeowner has added second floor skylights and rock walls. Mr. Hensley stated that the property was almost torn down to the studs and rebuilt. Ms. Davis stated that the value should be fair based on the neighborhood.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Marsh made a motion for no change to the value based on the fact that in 2014, the property was valued at 60% completion, and in January of 2015 the percentage was changed to 100%, which increased the value to \$974,600. Ms. Davis seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Mr. Connor did not appear before the Board to appeal the value of a one-acre property located on Yarborough Road. The current value assigned by the Tax Office is \$2,880. Board members reviewed information provided by the appellant, and Mr. Gunn spoke for the County.

Ms. Marsh asked about the location. Mr. Hensley stated that it was located off Mebane Oaks Road near Walmart in Mebane. Mr. Gunn mentioned that there is already an 85% adjustment on the value due to the fact that the County is aware that the property is non-perking lot and because the property is not closely located to water and sewer hookups. Mr. Hensley mentioned that there used to be a mobile home on the property, and a well house with septic tank did exist, but currently there is no home on the property. Mr. Hensley stated that the appellant stated that the zoning for the property was changed, but it was not apparent what the actual change in the zoning was.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion not to make an adjustment to value due to the fact

that the value has already been adjusted down by 85% to account for the fact that it does not perk. Ms. Roberts seconded the motion and the motion carried.

Ayes: 3
Noes: 0

RICHARD E LASSITER

9799961386

Mr. Lassiter did not appear before the Board to appeal the value of the property located at Lot 8, Highview Drive. The current value assigned by the Tax Office is \$500. Board members reviewed information provided by the appellant, and Mr. Gunn spoke for the County.

Mr. Gunn stated that this is a 2014 appeal that is allowable for the sitting board to hear. Mr. Gunn has already lowered the value for 2015 to \$1 and would suggest that the value be lowered to \$1 for 2014 also as the land is declared as "open space" on previously recorded documents and is not buildable or marketable.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to lower the 2014 value to \$1 based on the fact that it has been appropriately valued with similarly classified properties for 2015. Ms. Marsh seconded the motion and the motion carried.

Ayes: 3
Noes: 0

JUSTIN T LASKEY

9876013049

Mr. Laskey did not appear before the Board to appeal the value of the property located at 146 Turning Brook Lane. The current value assigned by the Tax Office is \$121,000. Board members reviewed information provided by the appellant, and Mr. Gunn spoke for the County.

Mr. Gunn stated that this subdivision was originally going to be an equestrian subdivision, which was immediately a problem because it was a wooded tract, and the properties did not sell well and went into foreclosure. The appeal was sent during the informal appeals period in February 2015, but as the appeal was directed to the Board of Equalization and Review, Mr. Gunn held the letter in order to present the appeal to the Board. In the interim, the other lots in this subdivision were appealed at the informal level. Realizing the subject subdivision was not truly an equestrian subdivision, the values of all lots, including the subject lot, were lowered to be comparable to lots in another subdivision, Triple Creek Farms.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Roberts made a motion for no change to the current value, because the value was changed at the informal appeal level from \$199,650 to \$121,000 prior to the convening of the Board. Ms. Marsh seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Ms. Davis noted that she would not be present at the next meeting, Thursday May 7th. Mr. Gunn noted that Barbara Levine will serve that day as an alternate member.

Having heard all of the appeals scheduled on this date, Ms. Marsh made a motion to adjourn this meeting. Ms. Roberts seconded the motion and the meeting was adjourned at 3:47 PM.


Jennifer Marsh, Chair


Nancy Freeman, Recording Secretary