

**MINUTES**  
Board of Equalization and Review  
May 27, 2015

Board Members Present:

Jennifer Marsh, Chair  
Pamela Davis, Regular  
Patricia Roberts, Regular

Staff Members Present:

Roger Gunn, Chief Appraiser  
Steve Hensley, Appraiser  
Kandice Wright, Personal Property Manager  
Brenda Riley, Business Personal Property Appraiser  
Nancy Freeman, Recording Secretary

The meeting was called to order at 2:00 PM on Wednesday, May 27, 2015 by Chair, Ms. Jennifer Marsh.

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**HELEN REIDUN OLSEN**

**9835591157**

Helen Olsen appeared before the Board to appeal the value of the property located at 5900 Raineywood Drive in Mebane. The current value assigned by the Tax Office is \$198,809. Ms. Olsen is appealing the value based on issues arising from the quality of her well water. The appellant stated that she had a water report and photographs that she would like to share with the Board that she did not have when Mr. Hensley visited her home. Ms. Olsen stated that ten years ago, when she was interested in buying her home, the previous owner provided a statement in writing that there were no issues with the water. Ms. Olsen's real estate agent gave the statement back to the owner, but the appellant does not know why. Ms. Olsen realized after the purchase that there was an issue with water, but did not choose to take action against the real estate agent because Ms. Olsen was told the agent was dying of cancer.

Ms. Olsen has tried to get water service from OWASA and has petitioned neighbors without success. She explained that she has tried twice to have her well repaired, and both attempts were unsuccessful. Ms. Roberts asked Ms. Olsen if she had tried reverse osmosis, and Ms. Olsen said that a system was put that in the garage but had failed. Ms. Marsh stated that she wanted Ms. Olsen to understand that the Board does not have the authority to help get the well repaired, to which Ms. Olsen replied that she understands that fact but knows that the value on her property could not be correct because the well water problem would make the value be less. The appellant further stated that lowering the value would help her financial situation.

Mr. Gunn pointed out that the report she provided originally stated that the water could be used for everything including drinking & cooking. Ms. Olsen stated she has been unable to bathe or wash clothes in her home for the last five years, and the water has a terrible odor. Mr. Hensley added that he did visit the property and everything that the appellant stated about the property was true. He provided photos of water stains in the bath fixtures. He recommended that a reduction in value be made based on the damage to the plumbing, which could be accomplished by placing a percentage of completion remaining adjustment on the improvements. Mr. Hensley recommended removing the construction modifier and placing the whole structure at 75% complete, because of the substantial cost of a new well and replacement plumbing. These changes would lower the value to \$151,700.

Ms. Roberts stated that she has 2 wells on her property. She stated that the more shallow one is 300 feet deep and had similar issues to Ms. Olsen's well, but the newer well was 700 foot and was fine. Ms. Olsen stated that a neighbor said there were no issues with water quality in the area until a subdivision was built behind the property and that is when the problem started. Ms. Davis suggested a longer casing but Ms. Olsen said that she has been consistently told that there is no guarantee that a longer casing would help.

Ms. Olsen stated that she has three filters, one under the house and two in the garage. She also stated that the reverse osmosis filter should be changed every three months but she has to change that filter every week.

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, by removing the construction modifier and changing the percentage of completion to 75% lowering the value to \$151,700. Ms. Roberts seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**LEARNING OUTSIDE, INC**

**ACCOUNT 1051218**

Ms. Livy Ludington, CPA appeared before the Board on behalf of Learning Outside Inc. to request approval for a late application for Property Tax Exemption or Exclusion.

Ms. Marsh asked the County to provide input. Mr. Gunn explained that this is for tax year 2014, and that Mr. Brinson wanted it brought before the sitting Board. Ms. Roberts asked how late the application is. Mr. Gunn stated it should have been provided by the end of the listing period, but that the taxpayer is allowed by statute to submit by end of 2014 for good cause shown. Ms. Ludington stated that they were not aware that they had an opportunity to apply; they applied for an extension on filing and at that point they were told that they could appeal to file a late application. Ms. Davis asked for clarification on what they are ruling on. What is the just cause for filing late? Ms. Ludington stated that they were following the Jan 31<sup>st</sup> deadline on listing and were not aware they could file, and that they did pay their property tax for 2014. Mr. Gunn stated that the Board is not approving the application, but rather the Board should decide whether to accept the application.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to accept the late application for property tax exemption for 2014. Ms. Roberts seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**BRENT L HARRELL**

**9825538548**

Mr. Brent & Ms. Rosemary Harrell appeared before the Board to appeal the value of the property located at 115 Bobwhite Way. The current value assigned by the Tax Office is \$249,000. Ms. Harrell stated that they understand the value of their property is based on Jan 1, 2009 and that the schedule of values is based on estimates of value as of that date. Ms. Marsh explained that the values are not based on estimates but on actual sales prior to the January 1, 2009 date, and are based on "arm's length" transactions.

Ms. Harrell stated that they compared their home which is a townhome to similar sized detached homes in the area. The subject property is located in Asbury Crossing and the homes used for comparison were in Asbury Place. Ms. Marsh asked if there were homes to compare within the subject subdivision. Ms. Harrell responded that they are single family homes still in Orange County, whereas her home is a townhome, and valued at \$54,000 more. The appellant inquired as to why the stand-alone single family homes with larger lots have such a lower value, yet they have the standard amenities and look quite

similar inside. Ms. Harrell stated that on Bobwhite Way units 113, 115, 126 all have the same layout. They all have 2-car garages and have a value range of \$227,440 – \$249,000 with their unit having the highest value. The appellant stated that the square footage for their home is listed too high. The finished area listed by the county is 2,217 square feet and the appellants believe 2,100 square feet is correct. The home was listed as 2,140 square feet when the appellants were looking at purchasing. Ms. Davis asked about the active listing and Ms. Harrell stated that it is the same as her home.

Mr. Gunn spoke for the County. He stated that Mr. Hensley visited the home and suggested that the finished area should be 2,104 square feet. Mr. Gunn provided the appellants and the Board sales reports of comparable properties in the subject subdivision that sold prior to January 1, 2009. Mr. Gunn noted that the valuations of the sales in the report do not have double garages like the subject, so the value would be more for the subject. Mr. Harrell stated that one of the sales has a lot that is three times the size of his lot. Ms. Harrell asked if the Board could consider the three properties that are like his property – all having the same floor plan, but the square footage listed differently on all three. The appellant asked if this is going to be corrected and will it affect the value?

Ms. Harrell clarified that her floor plan had not been previously built or sold. Ms. Harrell asked what a change in square footage from 2,217 square feet to 2,104 square feet would do to the value of her property. Mr. Hensley says that the change in square footage would not make a significant difference in value.

Ms. Harrell asked to look at 226 Bobwhite Way & compare its value and Mr. Hensley stated that 226 has a sunroom that was not included in the value for that property, and should have been, so the value for 226 Bobwhite will go up in 2017 as a result. Basically Mr. Harrell's value was correct and the value for 226 Bobwhite was too low.

Mr. Harrell asked about 117 Kestrel Court, which he says has the same floor plan as his house but has a larger lot. Ms. Davis stated that the Harrells needed to compare values of more recently constructed comparable homes as the property in question was built in 2007 and Mr. Harrell's property was built in 2014.

Mr. Gunn stated that the values for homes in this subdivision may go down in 2017. The Harrells stated they paid \$196,000 in 2014 for this property. Ms. Marsh pointed out that if values were changed on a yearly basis then the tax rate would also fluctuate for the county to compensate for the value changes. Ms. Davis suggested that they provide an appraisal based on the 2009 valuation date and appeal next year. Mr. Gunn suggested changing the finished area to 2,058 square feet, which would lower the overall value to \$241,000.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to accept the correction to finished area as suggested by the County, lowering the value to \$241,000. Ms. Roberts seconded the motion and the motion carried.

Ayes: 3

Noes: 0

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**JAN SASSAMAN, TRUSTEE**

**9779916292**

Mr. Mike Saunders appeared before the Board on behalf of University United Methodist Church to appeal the denial of an application for Property Tax Exemption or Exclusion. Mr. Saunders said that there was some confusion about the way the property was titled. The property is listed as "Jan Sassaman, Trustee and United Methodist Church", but the church owns the property, and Mr. Sassaman is only the trustee. Mr. Saunders stated that the use of the property appears to be an issue as the exemption is based on usage.

The appellant added that there are long range plans for the property, but currently they are partnering with Chapel Hill Parks and Recreation to build a community garden and partnering with UNC Hope Table, a chef program and anyone who wants to come in from Chapel Hill Parks and Recreation to work the garden. Per Mr. Saunders, the property is currently being worked as a garden. Ms. Marsh stated that she was aware that they recently had an event there. Mr. Saunders informed the Board that there is a dispute with the town of Chapel Hill concerning the handicapped parking, and a buffer that runs through the part of the property that a demolished home used to sit on.

Ms. Wright spoke for the County, stating that the application was denied based on ownership. She has since received information about the ownership that could be used to determine approval, but Ms. Wright stated that the County needed clarification that the property was going to be used as a community garden as of January 1, 2015. Mr. Saunders stated that the plan was in the works at that time and already had a contribution in place to provide water for the garden. He said that the plan was in place January 1<sup>st</sup>, but the garden wasn't plowed at that time. Mr. Gunn asked if this community use would qualify under the North Carolina General Statutes. Ms. Wright stated that it would because it is part of the church's ministry and contribution to the community.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion based on the evidence and information provided that the Board grant an exemption for the property. Ms. Marsh seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**THOMAS G PEJSA****9892012653**

Mr. Pejsa appeared before the Board to appeal the value of 4940 Murphy School Road. The current value assigned by the Tax Office is \$854,157. Mr. Pejsa explained that he was preparing to put his house on the market and the Realtor stated that the square footage of his house was 5,300 square feet, but the house only contains 4,300 square feet. Mr. Pejsa asked for an appraiser to measure the home to correct the square footage. The appellant hopes that since that since he has paid more taxes than necessary over the last ten years, that the value can be changed for this year and going forward.

Mr. Hensley stated that he did measure the home and the finished area is 3,827 square feet per Mr. Hensley's measurements. Mr. Pejsa also stated that the basement is almost completely finished and the County had listed the walkout basement as unfinished. Mr. Hensley took a moment to go over his data to verify exactly what he noted at the site visit. Mr. Hensley then stated that due to the design of the home it is difficult to get an accurate measurement. There was discussion about the large open area and how much of the bottom floor area actually has a second floor over it. Mr. Hensley suggested that the changes to the square footage would lower the value to \$835,500.

Ms. Davis suggested that if the appellant had a professional appraisal completed and discovers that there is still a discrepancy in the square footage, he could appeal to the NC Property Tax Commission or wait and ask for the change in 2016.

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 sketch changes suggested by the County, lowering the finished area to 3,827 square feet, which lowers the value to \$835,500. Ms. Davis seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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Ms. Shambley appeared before the Board to appeal the value of the property located at 6202 US Hwy 70. The current value assigned by the Tax Office is \$91,005. Ms. Shambley introduced a friend who accompanied her, Ruth Hubert. Ms. Shambley explained that she inherited the property and her husband's grandfather built the home. She currently has an offer to purchase the home for \$59,000. She previously submitted some sales to Mr. Gunn. Ms. Davis asked about the physical condition of the home, and Ms. Shambley stated it was not in good condition. It has been vacant for a couple of years and needs thorough cleaning.

Ms. Shambley asked when the last revaluation was done, and Ms. Marsh answered in 2009 and explained that the next revaluation will be in 2017 but Orange County had been previously revaluating every four years. Ms. Shambley asked how a new structure is valued and how the County knows about the new structure. Mr. Gunn responded that the owner is required to list the improvements and the County values the property per the 2009 Schedule of Values. In addition, Mr. Gunn stated that the County is also notified through the County's permitting system. Ms. Roberts asked if the appraisers must have permission to go on a property, and Mr. Gunn answered no, that as a government entity they are allowed to visit the property, although they cannot force their way onto the property, and they cannot go inside without permission and accessibility.

Ms. Davis suggested that Ms. Shambley's Realtor did not understand what was needed by the Board, and Ms. Shambley stated that after some discussion the Realtor faxed some older sales to the tax office yesterday. Ms. Davis stated that the older sales are located in Alamance County and should not be considered because each county has its own Schedule of Values.

Mr. Gunn suggested lowering the construction grade from C+00 to D+00 and removing a construction modifier. The net result would be a reduction of the value to \$78,800. Ms. Shambley stated that she would love for someone to buy the property and take really good care of it, while making an example for the community.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to accept the changes in grade and construction modifier suggested by the County, thereby lowering the value to \$78,800. Ms. Roberts seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**NORTH CHURTON ANIMAL HOSPITAL****ACCOUNT 1036456**

Mr. James Miller appeared before the Board to appeal a business personal property discovery for 2008-2012.

Mr. Gunn stated that this is an appeal requesting a compromise of the penalties for the discovery. Mr. Miller explained that he rented the property and had other businesses but was not aware that he needed to pay taxes on the property inside the rented building. Ms. Marsh asked if he had a CPA, and Mr. Miller responded that the CPA stated he did not realize the need to pay taxes on the interior furnishings either. Mr. Miller stated he also owns a veterinary office in Durham County, but he owns the building rather than renting the building and both real and personal property are properly listed and paid in Durham County. Ms. Riley stated that the listing was timely filed for 2014 and 2015, and that is when Ms. Riley discovered that he had been in business since 2008. This audit was started in 2013, so the discovery is for

2008-2013. The appellant is asking for compromise of only the penalties which is a total of \$5,390.21. Ms. Riley pointed out that the penalties can by law be compromised but the statutes do not allow that interest be waived, and there is interest on the unpaid bills also.

Ms. Davis asked about the value of the personal property. It was suggested by Ms. Riley that the business was a veterinary office and would include medical equipment and inventories. Ms. Davis asked if some of the penalties could be waived. Ms. Roberts asked that if he had paid anything on the bill, would he still be able to appeal the penalties. Ms. Riley responded that the penalties can be compromised as long as the penalties remain unpaid. Ms. Davis asked if the County's Collections Manager could give information about any payment arrangements or has Mr. Miller attempted to pay any of the bills? Ms. Riley asked the collections manager, Ms. Jaubert, and stated that Mr. Miller had an agreement to pay the taxes by end of June 2015.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to compromise one half of the penalties to reduce them from \$5,390.21 to \$2,695.11. Ms. Marsh seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**EDGAR M ROACH, JR**

**9798765507**

Mr. Roach did not appear before the Board to appeal the value of 407 Meadowmont Lane. The current value assigned by the Tax Office is \$1,552,880.

Mr. Gunn stated that Mr. Milliken, an Orange County appraiser visited the property and noticed that the finished area was incorrect. Mr. Milliken explained the error to Mr. Roach and advised him to appeal the value for 2015 based on this error.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Marsh made a motion to correct the finished area from 7,095 square feet to 6,487 square feet and to remove a construction modifier and a secondary wall as suggested by the County, thereby lowering the value to \$1,426,400. Ms. Davis seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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Mr. Gunn asked the board to revisit the Evelyn Murdoch Heirs property appeal that was tabled for more information. Mr. Hensley suggested that the Hough road property be changed to 75% completion due to the deconstruction. Ms. Marsh made a motion to change the percentage of completion as suggested by the County, and as a result, lower the value to \$138,800. Ms. Roberts seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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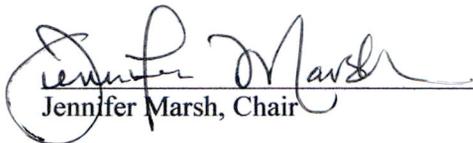
In regard to another property from a May 6, 2015 appeal, PIN 9779504321, owned by Ann J. Loftin: the Board gave Ms. Loftin the opportunity to provide more information. Per Mr. Gunn, the appellant did provide more information in a letter about the cost of the flood insurance. Mr. Gunn contends that the cost of the flood insurance should not affect the value. He reiterated that the property has always been in the flood plain. The appellant paid \$330,000 for the property in 2009. Ms. Roberts asked if the other houses in the neighborhood have a higher value if they are not in the flood plain. Ms. Marsh stated that she does not see the evidence that Ms. Loftin provided as sufficient. Ms. Davis made a motion to make no change to the value based on the fact that the property's assessed value for January 1, 2009 is appropriate and no evidence was submitted to indicate that the value was incorrect. Ms. Marsh seconded the motion and the motion carried.

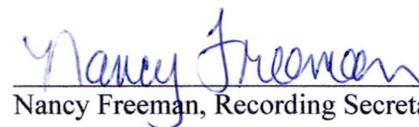
Ayes: 3

Noes: 0

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Ms. Marsh adjourned the meeting at 4:32pm.

  
Jennifer Marsh, Chair

  
Nancy Freeman, Recording Secretary