

MINUTES
Board of Equalization and Review
May 18, 2016

Board Members Present:

Jennifer Marsh, Chair
Pamela Davis
Patricia Roberts

Staff Members Present: Roger Gunn, Chief Appraiser
Brenda Riley, Business Personal Property Appraiser
Scherri McCray, Recording Secretary

Ms. Marsh called the meeting to order at 2:06PM.

Burnette

9839014639

Rodney Burnette failed to appear before the Board, on behalf of his father, Leroy Harrison Burnette, to appeal the value of the property located at 6525 Lynch Store Road, which has a current assessed value of \$98,010.

A list of evidence follows:

APPELLANT	COUNTY
14_2016_05_18_1400 Appeal Request	14_2016_05_18_1400 2016 Property Record Card
	14_2016_05_18_1400 Analysis Property Record Card
	14_2016_05_18_1400 Site Notes
	14_2016_05_18_1400 Photo

In Mr. Burnette's absence, the Board reviewed a letter to the Board in which Mr. Burnette stated that his father had been battling many major health issues and has not been able to pay the property taxes, the house has been vacant for years and is not safe for living conditions, and "the house will need a major total rehab in order to be able to make the house available for residing."

Mr. Gunn presented evidence for the County and stated that upon staff review of the subject by the County, it was noted that there was deferred maintenance issues. The staff appraiser observed the following conditions at the field review:

- Damaged roof covered with tarps
- Damaged fascia and soffit
- Damaged ceiling in carport
- Probable internal water damage based on the roof condition and tarps
- Appears unsafe for habitation

Mr. Gunn stated that the County recommended increasing the depreciation from 35% to 80% for 2016 to reflect the current condition of the property and stated that appraisal staff will revisit the property next year and in subsequent years to ascertain if repairs have been made and to adjust the value

accordingly. After the increase in depreciation and removal of a construction modifier factor, the adjusted valuation of the subject would change from \$98,010 to \$47,400 for the 2016 tax year.

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 County’s recommendation to adjust the depreciation factor to 80% and removal of a construction modifier based on the condition of the property, thereby lowering the valuation from \$98,010 to \$47,400 for the 2016 tax year. Ms. Marsh seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Ellington

9825534886

Joyce Ellington appeared before the Board to request a reduction in value to her property located at 116 Starling Street, Mebane. The 2016 value of the property is \$208,000. The appellant states that the value should be \$160,000, claiming that the market value and the assessed value far exceed the price paid for the house and its value from a 2013 appraisal.

A list of evidence follows:

APPELLANT	COUNTY
15_2016_05_18_1430_9825534886_Appeal request	15_2016_05_18_1430_9825534886_2016_PRC
15_2016_05_18_1430_9825534886_Appraisal	15_2016_05_18_1430_9825534886_2015_PRC
15_2016_05_18_1430_9825534886_Cost of addition	15_2016_15_18_1430_9825534886_Analysis PRC
15_2016_05_18_1430_9825534886_Purchase Agreement	15_2016_05_18_1430_9825534886_Photo
	15_2016_05_18_1430_9825534886_Addition photo

Ms. Ellington stated that she received a form from the Tax Office inquiring if there were any new additions to her property. She indicated that she had a new screened in porch that cost \$1,909. She then received a reassessment notice from the Tax Office and she feels that the new assessment on her property far exceeds what she paid for the property. The appellant also stated that the County has the subject recorded as having three bedrooms. Ms. Ellington claims that the alleged third bedroom is only a 612 square foot room that does not have a closet and is more like an office. The appellant also stated that the County’s square footage of her property is incorrect but conceded the appraisal she obtained lists her property as having three bedrooms, which she feels is incorrect.

Mr. Gunn stated that the increase in the property value was because the County did not have record of the patio or the screened in porch prior to this year. To support his statement, Mr. Gunn presented the Board a copy of the 2015 property record card. In addition, Mr. Gunn stated that the subject has never represented as having three bedrooms and has always been represented as having two bedrooms as evidenced on both the 2015 and 2016 property record cards for 2015 and 2016. Mr. Gunn stated that after the appeal was received, the County revisited the property and re-measured the subject. It was determined that there was a slight discrepancy in square footage. The County noted that there was area coded as an attached addition but should have been made part of the main house. Mr. Gunn explained that In the County’s appraisal and sketching software, if one codes an area as an attached addition instead of part of the main residence, the value of the property is increased. The County

recommended correcting the sketch which would still represent the residence as having 1,590 square feet but would reduce the value of the property to \$198,600.

The Board reviewed all documents and information provided by the appellant and the County. The Board noted that the fee appraisal for the subject did not include a floor sketch. After deliberation and review, Ms. Marsh made a motion to accept the County’s recommendations to eliminate the attached addition and correct the sketch thereby reducing the value to \$198,600. Ms. Davis seconded the motion and the motion carried.

Ayes: 3
 Noes: 0

Kalavsky

9825536372

Joseph and Elizabeth Kalavsky appeared before the Board to appeal the valuation of their property located at 129 Bobwhite Way. The current assessed value of the property is \$271,600.

A list of evidence follows:

APPELLANT	COUNTY
16_2016_05_18_1500_9825536372_Appeal request	16_2016_05_18_1500_9825536372_Property Record Card
16_2016_05_18_1500_9825536372_Informal appeal	16_2016_05_18_1500_9825536372_Analysis PRC
	16_2016_05_18_1500_9825536372_Equity Comparables
	16_2016_05_18_1500_9825536372_Photo
	16_2016_05_18_1500_9825536372_Sales Report
	16_2016_05_18_1500_9825536372_Sketch

Mr. Kalavsky stated that the reason for his appeal is that the square footage of his property has been miscalculated and he has documentation that will support his claim. Mr. Kalavsky stated that there are three models of homes that have the same footprint but with varying layouts and square footages ranging from 1,850 square feet to 2,050 square feet with the only extra feature being is an optional sunroom containing 120 square feet. Mr. Kalavsky presented the Board with square footage information from the County’s ARIES website for comparable properties in the same subdivision as his property and asked the Board what differences, if any, would make the values different between these properties and his property. Mr. Kalavsky noted that all of the properties sit on a 25x60 footprint and claims that all of the comparable properties are exactly the same and his property should be should be valued similar to these properties.

Ms. Marsh clarified with appellant that he looked at other properties in the subject neighborhood and compared them to his property and found them to be inequitable even though his is similar to the other properties, to which the appellant stated that his property is identical to the other properties with the only difference being what people do with the interiors; the footprint and exteriors are identical. Ms. Davis inquired if the floorplan that was presented by the appellant was the appellant’s actual floorplan, to which the appellant replied that it was similar to his floor plan. Ms. Davis asked if the appellant had a covered porch, which the appellant confirmed but stated there are covered porched on the other homes as well. Ms. Marsh informed the appellant that the Board reviews the subject property in comparison with other properties, and that is why the Board was inquiring about the appellant’s actual property.

Mr. Gunn presented evidence for the County and stated that the appellant's estimate of 2,271 square feet was taken from the County website prior to the informal appeal adjustments when the assessed value was \$280,200. Since that time, the appellant appealed at the informal level and adjustments were made to living area reducing the living area to 2,206 square feet. After receipt of a formal appeal, a staff appraiser was sent to the property measure the residence, and the sketch was adjusted to reflect finished area of 2,082 square feet.

Mr. Kalavsky agreed with the County's corrected square footage but he performed a value per square foot analysis based on information on the County's website and determined that his property was still assessed higher than comparable properties.

The Board explained how the property values are calculated by using the Schedule of Values set by the County Commissioners for the 2009 revaluation and Mr. Gunn added that in addition to the square footage of a home, the valuation of the property takes into account all other characteristics of the property including the land, garage, porches, patios, fireplaces, and any other features of a home. Mr. Gunn explained that when one analyzes properties on a value per square foot basis, all one is doing is taking the overall values, which includes all characteristics of the properties, and then dividing the values by square footage as a common denominator. For example, if one property has a porch that another otherwise identical property does not have, the presence of the porch would cause that property to have a higher value per square foot.

After an appraisal staff review of the subject, the County recommended correcting the square footage to 2,082 square feet, which would reduce the valuation of the subject to \$262,900.

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 County's recommendation for correcting the square footage to reflect 2,082 square feet and lowering the valuation to \$262,900. Ms. Davis seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Gourmet Kingdom

297902

Mr. Enwei Yu appeared before the Board to request a compromise of a listing penalty on the business personal property at his restaurant located at 301 E. Main Street, Carrboro.

A list of evidence follows:

APPELLANT	COUNTY
17_2016_05_18_1515_27902_Appeal request	17_2016_05_18_1515_27902_Case brief
17_2016_05_18_1515_27902_Discovery Notice	17_2016_05_18_1515_27902_Copy of tax bills
	17_2016_05_18_1515_27902_Listing Forms
	17_2016_05_18_1515_27902_NCGS

The request for compromise of penalty stems from a Discovery Notice issued by the Orange County Tax Office on October 27, 2015. The appellant paid the business personal property taxes that he owed for the years 2011 through 2015 which totaled \$872.20. He asked that the Board waive the \$298.24 penalty siting that before 2010, he had never ran a business in America and was not aware that he had to pay property taxes for his business property.

Brenda Riley represented the County. She stated that the appellant’s business opened in Orange County in 2010 and a discovery letter was created October 27, 2015 for tax years 2011 through 2014. The business personal property listing was received October 27, 2015 for the tax year 2015 and interest on the unpaid 2015 taxes began on January 6, 2016. The taxes, less the penalty amount, were paid on January 4, 2016.

The Board reviewed all documents and information provided by the appellant and the County, Mrs. Robert made a motion to reduce the assessed penalty by 50% citing the issue of fairness and stating that Mr. Yu was new to the business and as soon as he found out he was not in compliance, he came in to rectify the issue and paid all taxes owed, less the penalty. Ms. Davis seconded the motion and the motion carried.

Ayes: 2

Noes: 1

Good

9767536118

Frederic Good appeared before the Board to request a reduction in valuation of his property located at 1022 Damascus Church Road, Chapel Hill. The current Orange County assessed value is \$745,000.

A list of evidence follows:

APPELLANT	COUNTY
18_2016_05_18_1545_9767536118_Appeal request	18_2016_05_18_1545_9767536118_PRC
18_2016_05_18_1545_9767536118_Exhibit A	18_2016_05_18_1545_9767536118_Analysis PRC
18_2016_05_18_1545_9767536118_Exhibit B	18_2016_05_18_1545_9767536118_Photo front view
18_2016_05_18_1545_9767536118_Exhibit C	18_2016_05_18_1545_9767536118_Photo house
18_2016_05_18_1545_9767536118_Exhibit D	18_2016_05_18_1545_9767536118_Photo wooded area
18_2016_05_18_1545_9767536118_Exhibit E	18_2016_05_18_1545_9767536118_Photo driveway
18_2016_05_18_1545_9767536118_Exhibit F	
18_2016_05_18_1545_9767536118_Statement	
18_2016_05_18_1545_9767536118_Value change	

Mr. Good stated that he and his wife purchased the 13.55 acres of land in 1987 for \$110,000 and thought that purchasing the property would give them a secure investment for retirement as dividing the land in order to build another house on the property was not something they anticipated to be a problem. In 2005, the appellants began exploring the possibility of dividing the land and building a house on the northeast section of the property. The appellants had the Orange County Planning Department mark out the boundaries for a house and make a sketch of where the septic field would be located. They were then instructed to have the proposed lot surveyed in order to obtain a permit to

install a septic system, but the appellants were not able to pursue that project due to financial constraints.

In 2013, the Goods decided to downsize and move into a smaller house and based their asking price for their residence on the 2008 tax value of \$742,000. Mr. Good claimed that the assessment was based on an assumption that the per-acre value of their land was the same as for land on which a house can be built. The property was on the market for a year with no offers. The appellants then explored the possibility of continuing the process of dividing the land. At first, they received a preliminary denial to divide the land and then a subsequent approval upon an appeal. Afterwards, they had a survey of the proposed new property in order to obtain an approval from the Health Department to proceed. The Health Department determined that there was not enough area to accommodate a septic system.

Mr. Good told the Board that what he and his wife hoped would eventually allow him to retire has become a serious financial burden on them. The house was on the market in 2013 with the assessed value as the asking price. Over the span of three years, the asking price has been reduced to \$599,000. The best offer they received was \$475,000. The appellant went on to claim that the appraised value by the County and an appraisal that was performed in 2011 show a difference of \$157,000.

Ms. Roberts suggested to the appellant that he should look into having someone engineer a non-conventional septic system and there are other options out there for them beside a conventional septic system.

Mr. Gunn stated that the current valuation of the Goods' property is \$745,000 and when Mr. Good submitted instituted his informal appeal, he did not present any of the documentation presented here at this Board meeting. The County was able to review the appraisal that the appellant submitted at the informal appeal and it was determined that the County's square footage was incorrect, and a correction of the home's finished area to 3,471 square feet resulted in an increase in value to the subject from \$740,551 to \$745,000. After analyzing the documentation provided to demonstrate that the back part of the property could not be subdivided, the County now recommends a 30% downward adjustment to the land value which would reduce the valuation of the subject to \$689,500.

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 County's recommendation to correct the land valuation bringing the new value to \$689,500. The motion was seconded by Ms. Davis and the motion carried.

Ayes: 3
Noes: 0

Crispens

0803166990

Gary Crispens elected not to appear before the Board but asked that the documents he submitted serve as his appeal. Mr. Crispens is requesting that Board adjust the value of his property located at 5805 Jomali Drive, Durham. The current Orange County assessed value is \$500,600. The appellant is requesting that the value be adjusted to \$410,000 based on a December 2011 appraisal that is his

closest appraisal to the January 1, 2009 valuation date. The appraisal was submitted as evidence for the Board for review.

A list of evidence follows:

APPELLANT	COUNTY
19_2016_05_18_1615_0803196990_2011 Appraisal	19_2016_05_18_1615_0803196990_2016_PRC
19_2016_05_18_1615_0803196990_2015 Appraisal	19_2016_05_18_1615_0803196990_Photo
19_2016_05_18_1615_0803196990_Appeal Letter	
19_2016_05_18_1615_0803196990_Appeal request	

In a letter submitted to the Board, the appellant stated that he included two independent appraisals of the subject. The first appraisal was performed on December 8, 2011 and had an indicated a value of \$410,000. The second appraisal as of January 1, 2015 indicated a value of \$435,000. The appellant claims that the two appraisal documents suggest a significantly lower valuation than the current assessed value. Furthermore, there are two houses for sale on his street which have been on the market for two years, and despite price reductions, the properties are not selling due to the current real estate market conditions.

Upon a review of the evidence by the County, Mr. Gunn stated that the two appraisals submitted by the appellant were inconsistent in the living area calculation for the subject. The 2015 appraisal has the living area listed at 3,377 square feet and the 2011 appraisal has the living area at 3,448 square feet. The County records the living area as having 3,473 square feet. In support of the current assessed value, Mr. Gunn noted that the subject sold three years prior to the revaluation in February 2006 for \$455,000 and contended there was no evidence submitted by the appellant to prove that the County's valuation would have been incorrect as of January 1, 2009.

The Board reviewed all documents and information provided by the appellant and the County. Ms. Davis made a motion of no change to the value, stating that the appellant did not submit any evidence proving that the value as of January 1, 2009 was incorrect. The two appraisals that the appellant submitted as evidence to the Board are after the date of the last revaluation and are not considered relevant. Ms. Roberts seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Brownell

9768067808

Charles Brownell elected not to appear before the Board and has requested that his application and all supporting documents serve as his appeal. He is requesting a reduction in value on his property located at 1008 Sabre Court, Chapel Hill.

A list of evidence follows:

APPELLANT	COUNTY
14_2016_05_18_1400_9839014639_Appeal request	14_2016_05_18_1400_9839014639_2016_PRC
	14_2016_05_18_1400_9839014639_Photo
	14_2016_05_18_1400_9839014639_Analysis PRC
	14_2016_05_18_1400_9839014639_Site notes

The appellant's appeal application reads, "As a result of the crash in 2008, the value of my house fell dramatically, more so than others because it is a larger home with little market demand. Although I have appealed in the past, I did not have a comparable home that sold recently to use as a basis for valuation. Now I do. The home across the street at 1009 sold for \$637,000 on 05/19/15." The appellant noted that he realized that the Board would not take 2015 sales into consideration, but requested that the Board hear his reasoning.

"...market and home prices have improved between 2009 and 2015. So the sales price in 2015 reflects a higher value than would have been in 2009 and this home underwent a major renovation between 2009 and 2015, further increasing the value in 2015 compared to 2009." The appellant adds, "The homes at 1008 and 1009 have always been appraised comparably in price. 1009 is comparable in size but is a more expensive home with 4-sided brick whereas 1008 is siding. The renovations for 1009 include a completely new kitchen, remodel of all bathrooms, built-ins in the dining room, new granite tile in the foyer, new heat & A/C and much more" The appellant stated that he previously provided pictures to demonstrate the "impressive" renovation. He expects the sales price for his home to be less than the recent \$637,000 sales price for 1009 Sabre Court.

The County reviewed the subject and presented the Board with property record cards of 1008 and 1009 Sabre Court for comparison. Mr. Gunn stated that the appellant claimed that both properties were assessed equitably in terms of construction grade and accrued depreciation. The property record cards show that there is a difference of approximately \$140,000 in assessed value which is mainly attributable to the subject's living area being 8,863 square feet and the neighboring home containing 6,291 square feet of living area.

Ms. Roberts inquired as to how the County came up with the value for 2009. Mr. Gunn replied that the 2009 value was based on the application of the Schedule of Values that were adopted for the 2009 revaluation formulated from sales that had taken place prior to the revaluation. Mr. Gunn explained to Ms. Roberts that the 2008 value for the subject of \$858,466 was established at the 2005 revaluation, so the increase in assessed value from \$858,466 to \$1,013,340 reflected the revaluation of 2009. Ms. Davis mentioned that after reviewing the property record card of the subject, she noticed that the value already been reduced from a prior appeal, to which the County confirmed that the value was reduced for the 2013 tax year and remains the current value.

The Board reviewed all documents and information provided by the appellant and the County. Ms. Marsh made a motion that no change be made to the current valuation based on the lack of relevant evidence to support the assertion that the County's assessed value was incorrect and the 2015 appraisal submitted by the appellant as evidence was after the revaluation date and not relevant. Ms. Davis seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Paula Davis Noell Revocable Trust

9788870269

Paula Davis Noell elected not to appear before the Board and requested that all submitted documentation serve to support her appeal. The appellant is requesting a reduction in value for the

property located at 232 Glandon Drive, Chapel Hill. The current valuation is \$2,089,336. The appellant feels that the valuation should be reduced to \$1,450,000 citing an appraisal that was performed March 9th, 2016. The property was purchased in March 2007 for \$ 2,200,000.

A list of evidence follows:

APPELLANT	COUNTY
21_2016_05_18_1645_9788870269_Appeal request	21_2016_05_18_1645_9788870269_2016 PRC
21_2016_05_18_1645_9788870269_Trust agreement	21_2016_05_18_1645_9788870269_Analysis
21_2016_05_18_1645_9788870269_Appraisal	21_2016_05_18_1645_9788870269_Tax bill
	21_2016_05_18_1645_9788870269_Photo

The County reviewed the property and the submitted appraisal along with the sketch and reported square footage of living area from that appraisal. The county noted that there was an overstatement on the overall heated area. The currently recorded finished area is 7,931 square feet. This square footage and the current value have been on the records since the last revaluation. Upon further review of the subject, the County has determined that the correct living area for this property is only 7,448 square feet. With this correction and the removal of the construction modifier, the value of this property would be reduced to \$1,816,800. This reduction would represent approximately a 20% decrease in value from the March 2007 sales price of \$2,200,000.

The Board reviewed all documents and information provided by the appellant and the County. Ms. Marsh made a motion to accept the County's recommendation of correcting the living area of the subject from 7,931 square feet to 7,448 square feet and removing the construction modifier, thereby lowering the current valuation of \$2,089,336 to \$ 1,816,800. Ms. Davis seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Mr. Gunn noted that there are no appeals scheduled for the May 19, 2016 meeting, so that meeting is cancelled. However, there are appeals scheduled for both the May 25th and May 26th meetings.

Having heard all of the appeals scheduled on this date, Ms. Marsh made a motion to adjourn this meeting at 2:42 PM. The motion was seconded by Ms. Roberts and the meeting was adjourned.


Jennifer Marsh, Chair


Scherri McCray, Recording Secretary