

**MINUTES**  
**Board of Equalization and Review**  
**August 23, 2012**

Board Members Present:

Chair: Karen Morrissette  
Tim Kepley  
Paul Snow

Staff Members Present: Steve Hensley, Appraiser  
Roger Gunn, Appraiser  
Scherri McCray, Recording Secretary

**Southstar Holdings Hillsborough I LLC**

**PIN 9873595001**

**PIN 9873593322**

**PIN 9873597650**

**PIN 9873594688**

**PIN 9873498991**

David Pawlowski, a tax representative for the taxpayer, appeared before the Board to appeal the values of five properties in Hampton Pointe in Hillsborough. Parcels 9873595001 and 9873593322 are improved with strip shopping centers and are valued respectively by Orange County at \$3,699,800 and \$1,891,195 for a total combined valuation of \$5,590,995. The tax representative requested that the combined value of both parcels be reduced to \$4,200,000 given the income, expense and capitalization rates that were present at the time of the revaluation. Mr. Pawlowski also cited the market collapse of 2008, vacancy in the shopping center on January 1, 2009 and the inferior location of the shopping center as reasons for the suggested lower combined valuation.

The Board analyzed all information presented by the appellant and the County. After analysis, Paul Snow recommended lowering the values of the parcels as follows:

**PIN 9873593322** is to be reduced to \$1,580,000 based on the average rental rate of \$16.50 per square foot of leasable area, 15% vacancy, 20% operation expenses and a 9% capitalization rate.

**PIN 9873595001** is to be lowered to \$3,490,000 based upon the same market rates as mentioned for the previous parcel plus adding \$225,000 more value to this to account for this parcel's additional land.

The total combined valuation for both parcels would now be \$5,065,000. Tim Kepley seconded the motion and the motion carried.

Ayes: 3

Noes: 0

**PIN 9873597650** is a 2.22 acre vacant parcel valued at \$761,904. The representative is requesting a reduction in value to \$435,165 (\$4.50 per square foot).

**PIN 9873594688** is a 2 acre vacant parcel valued at \$772,200. The representative is requesting a reduction in value to \$392,040 (\$4.50 per square foot).

**PIN 9873498991** is a 1.86 acre vacant parcel valued at \$398,970. The representative is requesting a reduction in value to \$202,554 (\$ 2.50 per square foot).

For these three properties, the representative presented an equity analysis for the land values of five improved properties near Hampton Pointe. These five properties had assessed land values ranging from \$2.54 per square foot to \$4.47 per square foot. The tax representative considered these properties similar to the parcels under appeal. The representative stated that the values of all of the properties were affected by the postponement of the planned widening of the NC 86 Bridge over Highway I-85 because the current bridge functions as a bottleneck and hinders traffic to Hampton Pointe. PIN 9873498991 is further affected by its inferior triangular shape.

The Board considered all information presented by the appellant and the County. The County representative noted that all five properties used in the equity analysis are inferior in location with most in or adjacent to industrial parks. After consideration, Tim Kempley made a motion that no change be made to the values of any of the three vacant lots as insufficient evidence was presented to prove that the County's valuation for these properties were incorrect. Paul Snow seconded the motion and the motion carried.

Ayes: 3

Noes: 0

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### ***Cygnus NC Lots LLC***

***PIN 9870626281***

The appellant elected not to appear before the Board but requested that all forms and documents serve as his appeal. This property is LOT 8, BILLABONG LANE, CHAPEL HILL. The Orange County assessed value is \$106,231. The appellant is requesting that the Board reduce the value to \$35,410 citing that the property is in Resource Conservation District and that there is a 150 foot buffer from the stream that prevents the construction of a reasonable house on the property. This lot is currently on the market. It sold in 2010 in a foreclosure sale for \$94,500.

The County has a 33% adjustment for all adverse factors affecting on this parcel.

The Board reviewed all documentation presented by the taxpayer and the County. After deliberation, Mr. Kempley made a motion that no change be made to the current value, saying that the taxpayer did not present enough evidence to warrant a decrease in the value. Mrs. Morrissette seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**Lake Michael Lots LLC**

**PIN 9826406406**

**PIN 9826503975**

**PIN 9826512632**

**PIN 9825573872**

The appellant elected not to appear before the Board but requested that all forms and documents serve as his appeal. There are four properties under appeal. These are identified as:

PIN 9826406406 = 166.01 acres on Lebanon Road valued at \$1,146,711 with a requested reduction in value to \$381,881

PIN 9826503975 = 3.3 acres at 1808 Saddle Club Road valued at \$54,483 with a requested reduction in value to \$7,230

PIN 9826512632 = 2.22 acres at 11814 Saddle Club Road valued at \$46,792 with a requested reduction in value to \$5,161

PIN 9825573872 = 26.66 acres at 7310 Lebanon Road valued at \$1,073,065 with a requested reduction in value to \$264,357

The appellant feels that the County's assessed values currently have a difference per acre value for each parcel. He submitted a Broker Opinion of Values that estimated a list price for the first three parcels of \$5,000 per acre, but the Broker feels that they would only sell for \$3,000 per acre. The appellant claims that the true market value for these parcels should be lowered to represent \$2,325 per acre. For the last parcel, the appellant submitted a Brokers Price Opinion that estimated a listing price at \$10,000 per acre but would sell for \$8,000 an acre. The appellant claims that the true market value for this parcel should be \$11,744 per acre.

The Board reviewed all documentation presented by the taxpayer and the County. During the deliberation, the Board noted that PIN 9826406406 was sold in 2011 with three other parcels for \$1,204,000 in a foreclosure. After deliberation, Mrs. Morrisette motioned that no change be made to the current assessed values as the taxpayer did not provide relevant sales to substantiate a reduction to the value. The Broker's Price opinion only represented values that were effective in 2011 and were past the relevant revaluation time frame. Mr. Kepley seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**Everett** **PINs 9799371243.001 & 9799268800.012**

Wesley Everett elected not to appear before the Board but requested that all forms and documents serve as his appeal. He is appealing the value of his properties located at 1829

EAST FRANKLIN STREET, UNITS 110-A and 700-D, CHAPEL HILL, NC. The current assessed value by Orange County for these parcels are as follows: PIN 9799371243.001, valued at \$109,369 and PIN 9799268800.012, valued at \$139,598. The appellant is requesting that the Board reduce the property values respectively to \$100,000 and \$75,000. Mr. Everett notes that the layout of building 110-A limits its functionality and that appraised values of both properties are not consistent with the current market values. He suggested that the Board review Case Schilling that represents much lower values now.

The Board reviewed all evidence presented by the appellant and the County. It was determined that the appellant provided no evidence to support his assertion in the valuation of these properties. Mrs. Morrissette made a motion that no change be made to the current values. Mr. Snow seconded the motion and the motioned carried.

Ayes: 3

Noes: 0

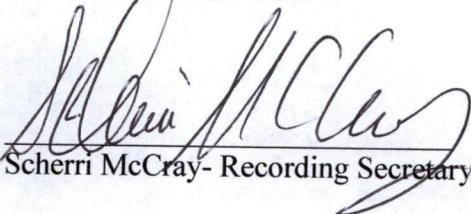
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Having heard all the appeals scheduled on this date, Karen Morrissette made a motion to adjourn this meeting. Tim Kepley seconded the motion and the meeting was adjourned at 5:00pm.

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Karen Morrissette- Chair



Scherri McCray- Recording Secretary