

MINUTES

2014 Board of Equalization and Review
April 30, 2014

Board Members Present: Jane Sparks, Chair
Bronwyn Merritt, Regular
Jennifer Marsh, Regular

Staff Members Present: Roger Gunn, Chief Appraiser
Steve Hensley, Appraiser
Nancy Freeman, Recording Secretary

The meeting was called to order at 2:01PM on April 30, 2014 by Jane Sparks.

Durham **PIN # 9747663557, 9747737621, & 9747626596**

Mr. Walter B. Durham appeared before the Board to appeal the valuation of three properties. The properties are identified as follows:

- PIN 9747663557, 3.2 ACRES OFF STATE ROAD 1951, current Orange County tax value \$27,048
- PIN 9747737621, 11.02 ACRES OFF STATE ROAD 1005, current Orange County tax value \$79,586
- PIN 9747626596, 113.45 ACRES OFF STATE ROAD 1005, current Orange County tax value \$512,397

The appellant is requesting the values be adjusted as follows:

- PIN 9747663557 to \$5,000
- PIN 9747737621 to \$20,000
- PIN 9747626596 to \$250,000

Mr. Durham first discussed PIN 9747663557, the 3.2 acre lot. He stated that there were new developments on the property since he last appealed. He states he has no recorded easement to the property. He has letters from two bordering property owners, and both are hostile to his accessing the property by way of their properties. Mr. Durham further stated that one of the property owners' attorneys contacted Mr. Durham and advised Mr. Durham not to contact his client. Although Mr. Durham was able to harvest trees from the property recently, Mr. Durham stated that he has now lost his access to the property due to the fact that he is unable to obtain agreement for access from neighboring property owners. Mr. Durham stated that in order to get access he would have to sue two property owners, which is cost prohibitive for him for such a small lot with a relatively small value.

Ms. Marsh informed Mr. Durham that the board cannot consider legal fees in the process of reviewing the value of a property.

Mr. Durham mentioned that Venus Jones Campbell, and a couple by the name of Atwater from Carrboro are the owners of one of the adjoining properties. He approached them about purchasing part of their property to gain access to his lot, but they will not sell to him. He further stated that another land owner by the name of Boysen also does not want to allow access via his land, for privacy reasons. Mr. Durham also stated that years ago he gave ½ acre to a local church that neighbors the property, because the ½ acre was to be used as a graveyard for the church.

The County reviewed the property, and Mr. Hensley asked Mr. Durham to explain more about accessing the property. He specifically asked why Mr. Durham was seeking access from the north when he owns the adjoining property to the west. Mr. Hensley mentioned that there was a sliver of land between Mr. Durham's 2 properties that has an easement on it already. Mr. Durham replied that there is no easement; he further stated that he is a Realtor and a college graduate, and that he has researched and found no recorded easement.

The appellant provided the names of the attorneys representing the neighboring properties: Chuck Thibaut for Mr. Boysen and John Loftin for Venus Jones Campbell.

Ms. Merritt asked the appellant if he had litigation pending on the property. Mr. Durham replied that he did not, because the property value was too low to justify spending enough funds in legal fees to get the issue resolved. Mr. Durham stated that he could not spend \$30,000-40,000 in legal fees.

Mr. Gunn stated that the property is currently enrolled in the present use program, but if Mr. Durham will not be able to access the property to harvest the trees, then the property should no longer qualify for farm use and should be removed from the program. Mr. Durham stated that he would make sure that he could access the property and that it should remain in the farm use program as an active tree farm.

Mr. Durham moved on to discuss PIN 9747737621, the 11.02 acre lot. The appellant stated that the property was 2,000 feet from available electricity. He said that it is not a buildable lot since he does not have electricity or the ability to force the other adjacent land owners to give him a utility easement. Mr. Durham stated that he would not be able to get a building permit because he has no electricity access and Orange County would certainly not grant him a building permit without access for electricity. Mr. Durham stated that he could run electricity from a pole from his home site, but he would have to run electricity 7,000 feet to do so. Mr. Durham stated that the only easement he has to the property is a cartway easement for forestry purposes.

Ms. Marsh asked Mr. Durham if he had asked the neighboring properties for an easement. The appellant replied that he has not asked, but that the other landowners will not help him.

Mr. Hensley stated that he toured the property, and there is a cable that runs into the property, and there is a neighboring property with an electrical pole. Mr. Hensley measured it to be a little over 2,000 feet, just as Mr. Durham stated. Mr. Hensley could see that the cable continued, and he believes that it would be an implied easement. Mr. Durham replied that despite the implication, Mr. Durham is still unable to get the landowner to comply.

Ms. Sparks suggested to Mr. Durham that he contact the landowners and get them to put into writing that they will not give him an easement. The appellant asked if he would be able to submit the statements for this year if he can get it in writing from his neighbor. It was agreed that Mr. Durham can bring the letters from the neighboring landowners back by May 22, 2014, which is the adjournment date.

Mr. Gunn stated that there are many landlocked parcels that do not have utility easements. Ms. Marsh questioned Mr. Durham about the fact that he referred to this parcel as a "10 acre tract". She asked if Mr. Durham recognized the fact that it is 11 acres rather than 10 acres. Mr. Durham replied that he does realize the tract is 11 acres.

Mr. Durham moved on to discuss the final property, PIN 9747626596. The appellant stated that he cannot get a utility easement to the larger property.

Mr. Gunn looked at a property as comparison in the adjoining Terrell's Woods, which is comprised of mostly 10 acre lots that have deeded easements. These are listed for approximately \$11,000 per acre and are valued for approximately \$11,500 per acre.

Ms. Marsh asked what the Board's decision for Mr. Durham's appeals on these same properties last year. Mr. Hensley stated there was no change on two of them, and the 11.02 acre lot value was lowered by about \$10,000.

Mr. Durham requested permission from the Board to obtain a statement from Duke Energy to show that he is unable to get a utility easement. Ms. Marsh advised the appellant to obtain a statement in writing that he can never get a utility easement. She mentioned that he has over 100 acres, and stated that the cost to add the utility access would be a cost of doing business of developing the property.

The appellant stated that the property was in a certified tree program, bona fide farm, and a voluntary historical agricultural farm. He asked if he could provide additional information about the ability to get an easement. Ms. Marsh stated that the decision would normally be made today, but he could resubmit an appeal. Mr. Gunn suggested that the Board could table the decision on PIN 9747626596 and 9747737621, but could make their decision on the smallest parcel, PIN 9747663557, today. Mr. Gunn stated the law today does not allow one to subdivide a property and effectively land lock a parcel, but there are many older properties on counties' record books that do not have recorded legal access to them.

Ms. Sparks moved to table the decisions on PIN 9747626596 and 9747737621. Ms. Marsh seconded the motion to table the decisions on these two properties and the motion carried.

Ayes: 3
Noes: 0

The Board reviewed all documentations presented by the appellant and the County on PIN 9747663557. After review and deliberation, Ms. Marsh made a motion for no change to the value. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

ELKINS

PIN #9880250191

Mr. Rebecca R. Elkins appeared before the Board to appeal the valuation of her property located at 113 TREMONT CIRCLE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$328,900. The appellant is requesting that the Board raise her current valuation to \$371,000 citing the fact that the square footage of her home is the largest of similar homes in her neighborhood, yet the value of her home is lower than the mean value of these homes by approximately \$27,000.

The appellant thanked the Board members for the opportunity to present her appeal. Ms. Elkins stated that this situation is highly atypical, and that the Board may not have seen a case like this before. Ms. Elkins stated that most times folks come to the Board and they request their values be adjusted downward. However, she is asking the Board to look at how the tax office assigned values to the homes in her neighborhood and to look at the homes in her neighborhood that are of similar size to her home. The appellant mentioned several comparisons in size and value within her neighborhood show that her value is too low: 106 Tremont, 121 Tremont, 106 Weymouth, and 115 Tremont. Ms. Elkins provided value per square footage information for these homes and stated that her own home has a value of \$328,000 and is 2,268 square feet, which is \$145 per square foot. She stated that her house is \$42,700 lower than the average of these three homes. Ms. Elkins asked the Board to go back to the tax records for 2009 and see why her value is lower. The appellant stated that she has been attempting to sell her home since 2010, and when she started considering putting the home on the market, she found the inequity.

Ms. Elkins stated that she was in the tax office on January 5, 2014 and asked for an appraiser to verify the value on her home. Appraiser Ray Jordan previously came to her house and re-measured it. The appellant stated that Mr. Jordan agreed that her value should be higher. Mr. Hensley explained that he himself visited the property last year and could only find changes that should be made that would raise the value by \$8,000. Ms. Elkins explained that she has been trying to sell her house, and because the tax value is so low, fee appraisers will not go above \$354,000, and she cannot command the price she should because the tax value is too low.

Ms. Marsh asked if the square footage was an issue. Mr. Gunn replied that Mr. Hensley verified the square footage, and it is not an issue. Mr. Hensley also checked some of the homes Ms. Elkins referenced in her appeal documentation.

Ms. Marsh asked if construction grade is an issue. Mr. Gunn responded that grade is not an issue and is consistent with the other homes in the neighborhood. Mr. Gunn stated that he looked at every property on the spreadsheets provided by Mr. Hensley, which include some of the properties that Ms. Elkins referenced. Ms. Marsh asked for clarification of the term on the property record card for Ms. Elkins property, "33% adjustment on land value". Mr. Gunn

explained that all of the land values of these properties are similar. He stated that the building value is the issue, not the land. Ms. Elkins responded that she did pay a \$6,000 lot premium because she has the largest and best lot in the new Northwoods.

Mr. Gunn explained that Ms. Elkins property is \$145.90/square foot. Mr. Hensley stated that the driving factor for the value on Ms. Elkins property is the fact that she is comparing her home to one story homes when her home has two stories. The appellant asked for clarification and wanted to know if Mr. Hensley was saying it is more expensive to build a one story home than a two story. Mr. Hensley responded that because of the foundation, groundwork, and roof, a one story house of the same square footage as a two or three story house is more expensive to build.

Ms. Marsh stated that she felt the need to explain the position of the Board members for the appellant. Ms. Marsh explained that the Board does not represent the County, that they are a separate board appointed to consider information from both parties and make a decision based on the evidence. Ms. Marsh is concerned with some of the comments that were made by the appellant towards the Board members. Ms. Merritt explained that a typical outcome would be that if the County finds an error during the research phase, the Board typically accepts the recommendations of the County staff in order to correct the error.

Ms. Elkins stated that once she sells her house at a loss, she does not expect to see the tax value increase, and she will be watching to see what value is given to the property in 2017.

Ms. Sparks asked if the value of the home is affected by the number of bedrooms in a house. Mr. Gunn replied that the number of bedrooms does not affect the assessed value. She asked that the appellant be provided a copy of her own property record card and also a copy of all of the information that was provided by the County at the appeal. Ms. Sparks advised the appellant that the Board would take the information presented under consideration and make a decision. She reminded Ms. Elkins that she has the right to appeal to the North Carolina Property Tax Commission if she is not satisfied with the Board's decision.

Ms. Marsh reiterated to Ms. Elkins that the values used to create the value of her home were based on a Schedule of Values that was adopted by the Orange County Board of Commissioners in 2009.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Marsh made a motion for no change, citing that the decision was based on the fact that the measurements are correct and that the values are aligned with other properties deemed similar and that there was no evidence presented that warranted a change in value. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Mr. Gunn informed the Board members that no appointments had been scheduled for the planned Board meeting on Thursday, May 1, 2014 and that the meeting is therefore cancelled.

Having heard all of the appeals scheduled on this date, Ms. Sparks made a motion to adjourn this meeting. Ms. Marsh seconded the motion, the motion carried, and the meeting was adjourned at 3:19 PM.


Jane Sparks, Chair


Nancy Freeman, Recording Secretary