

MINUTES

2014 Board of Equalization and Review
June 18, 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 2:00PM on June 18, 2014 by Jane Sparks.

MACAPAGAL

PIN #9866635768

Mr. Ramon Macapagal appeared before the Board to appeal the valuation of property located at 2311 NC 86 NORTH, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$109,500. The appellant is requesting that the Board lower the 2014 valuation citing the fact that the interior needs to be reworked completely, including plumbing, electrical, floor, walls, kitchen, and bathroom.

Mr. Macapagal states that the value is too high. He states that the interior is totally dilapidated. The appellant explained that the brick foundation and the air conditioning system need repairing. Mr. Macapagal would like for an appraiser to visit the interior of the residence. The estimate that he has received for repairs is \$15,000. According to the appellant, the home is not in livable condition. Ms. Sparks stated that there is already 60% depreciation on the home. The appellant says it is still not enough.

Mr. Gunn stated that the value under consideration should be the combined land and house values. Mr. Macapagal is not contesting value of land, just the home. Mr. Hensley remarked that he visited the property, but was not able to gain entry to the home. Mr. Gunn would like for the Board to request that an appraiser re-visit the home for the purpose of reviewing the interior and report back to the Board next week.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Sparks motioned to have an appraiser visit the interior. Ms. Marsh stated that the appellant should be told that he needs to make the property available, and if not, the Board would not consider making a change in value. Ms. Marsh then seconded the motion and the motion carried.

Ayes: 3
Noes: 0

WILEY

PIN #9833523299

Ms. Jennifer Wiley Grantham (on behalf of Mr. William Howard Wiley) did not appear before the Board to appeal the valuation of property located at 3616 MT WILLING ROAD, MEBANE. The current tax value assigned to the property by Orange County is \$361,300. The appellant is requesting that the Board lower the 2014 valuation citing the interior square footage is incorrect, the exterior covering is non-existent, there is an incorrect number of bathrooms, an incorrect number of extra fixtures, and damage present from a fire in 2001.

Mr. Hensley stated that he visited the property but was not able to gain entry to view the interior. Mr. Hensley stated that there was damage to the structure from a fire in 2001, and Mr. Wiley still lives there. Mr. Hensley has visited the property three times but has never been able to gain entry.

Mr. Gunn explained that the number of fixtures has been corrected and the number of bathrooms has been corrected. He further stated that there is an error currently showing on the property record card that shows 16 rooms. This figure is incorrect, but it does not affect the value. Mr. Gunn stated that there are actually 5 bedrooms in the home. Appraiser Ray Jordan recently visited the property and recommended that the value be lowered to \$259,200 for 2015. Mr. Hensley informed the Board that they can recommend that the Orange County Planning Department visit the property to verify its eligibility for continued occupancy.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Marsh motioned to accept the changes recommended by the County: change the upstairs to an unfinished attic and lower the value to \$259,200 for 2014 as well. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

ROBERTS

PIN #0807028293

Mr. Richard Roberts appeared before the Board to appeal the valuation of property located at NEW SHARON CHURCH ROAD, HILLSBOROUGH. The current tax value assigned to the property by Orange County is \$438,400. The appellant is requesting that the Board lower the 2014 valuation citing the fact that 20 acres of the property is in flood plain.

Mr. Roberts asked if he could be in the farm use program because he farms the property. Mr. Gunn stated that Teresa Moore handles the farm use program but she is not in the office but would be back and could answer questions next week. Per Mr. Roberts' request, an application was brought to him. Mr. Roberts mentioned that he gave part of the property to his daughter and he would like to dispute the value of her property as well. Ms. Sparks remarked that she would not be able to appeal until 2015 beginning in January 2015. Mr. Roberts mentioned that currently there is no home on his daughter's part of the land now. Mr. Gunn stated that Mr. Roberts daughter would need to apply separately for farm use for her portion of the property. Mr. Roberts thinks the value is too high for farm land and the taxes are high enough that he does not make a profit.

Ms. Marsh asked if there was an adjustment to the value of the property because part of it is in a flood plain. Mr. Gunn stated that there was an adjustment for the flood plain but it was insufficient.

Mr. Gunn recommended that the adjustment for shape and for flood plain be increased to 35%. Ms. Marsh asked if the adjustment would also affect Mr. Roberts' daughter's property, but Mr. Gunn answered no because both properties are not under appeal. Mr. Hensley stated that there are several yard items that need to be removed from Mr. Roberts's property record card and put on his son's property record card because he discovered on his site visit that the buildings are on the son's parcel. This will allow his son to appeal the value of his parcel, and Mr. Hensley noted that Mr. Roberts' son's property is not in the flood plain. The recommended changes by the County would change the value of the subject to \$301,900.

The Board reviewed all documentations presented by the appellant and the County. After consideration of the all evidence presented, Ms. Marsh made a motion to accept County's recommendations: increase the adjustment for shape and flood plain to 35%, remove outbuildings, and lower the value to \$301,900. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

NEHAMA

PIN #9799789263

Mr. Samuel Nehama did not appear before the Board to appeal the valuation of property located at 334 STANDISH DRIVE, CHAPEL HILL. The current tax values assigned to the property by Orange County is \$173,166. The appellant is requesting that the Board lower his 2014 valuation to \$138,000, citing the fact that purchase price in 2013 was that amount.

Ms. Marsh stated that the settlement statement for a sale in 2013 cannot be used. Ms. Merritt stated that the comparable sales also cannot be used due to being post-revaluation sales. Mr. Gunn produced sales from 2007-2008, and the subject's value appears within the range of the properties' sales prices that he was able to locate.

After consideration of all evidence and deliberation, Ms. Merritt made a motion to make no change based on the fact that the only relevant evidence shows sale prices that are in the range of the current valuation. Ms. Marsh seconded the motion and noted that the evidence provided by the appellant was not from the relevant time frame and the motion carried.

Ayes: 3
Noes: 0

BAILEY CHEROKEE LLC

PIN #9893051307

A representative of Bailey Cherokee LLC did not appear before the Board to appeal the valuation of property located at 4008 SPRING LAKE DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$922,800. The appellant is requesting that the Board lower the 2014 valuation to \$840,000 citing the fact that the neighboring properties are all valued lower.

Mr. Gunn stated there is an upwards adjustment for the pond on the property. He suggested that the County remove the adjustment for having pond area. Mr. Gunn remarked that the property is located off

of Highway 70 in Red Hill Farm which is a gated community. Mr. Gunn believed if the adjustment is removed, the value will be in within range of the value the appellant is seeking.

Mr. Hensley visited the property and recommended that the County make some adjustments to the house: change the exterior wall from stone to frame and add a 2% design factor for the stone façade, and remove the patio area. Per Mr. Hensley, the dock that leads into the pond is priced as a deck. He stated that the predominant part of the roof is metal, and there are shingles on the wings. Making the recommended adjustments to the home plus removing the 15% premium on the land for the pond would lower the value to \$869,800.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Merritt motioned to accept the changes recommended by the County: remove 15% land premium, change exterior wall to frame, and add 2% design factor for stone façade, which would lower the value to \$869,800. Ms. Sparks seconded and the motion carried.

Ayes: 3

Noes: 0

MAINUDDIN

PIN #9787050568.010

Mr. Rolin G. Mainuddin appeared before the Board to appeal the valuation of property located at 406 ABERDEEN DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$300,427. The appellant is requesting that the Board lower the 2014 valuation to \$248,000 citing a bank appraisal from 2010 he provided.

The appellant states he is not very familiar with property tax. He stated that he tried to find out from a Realtor the values of properties, but was told that the Realtor was not an appropriate source to get values. Therefore he supplied an appraisal used for bank financing in October 2010.

Ms. Sparks stated that the appraisal could not be considered because the appraisal date must be prior to January 1, 2009.

Mr. Mainuddin also looked at comparable sales, but provided a comparable that was from 2010. Mr. Mainuddin pointed out the dates of the comparables and he would like for the Board to consider that the location is not exactly the same as his location. The appellant stated that his condo is close to the Lumina Theatre and nearby Market Street area and is not in a proper residential area. Mr. Mainuddin was not able to tell if the County lists his garage as unattached. In addition, the appellant states he does not have a large deck but rather he has a small patio. The appellant understands that the value listed on the appraisal cannot be considered, but would like for the Board to consider the individual differences between his condo and others in the appraisal.

Ms. Marsh stated that the schedule of values is for January 1, 2009. Ms. Marsh stated also that his property record card does show a patio, not a deck, and the garage shows as detached. Ms. Marsh continued by saying that we have valued the appellant's property with those items shown correctly. However, she is not sure about any adjustments that might be applicable due to the close proximity to the market area.

Mr. Gunn stated that the County's comparable sales do not include properties on Aberdeen and that the comparables are closer to the Market Street area than the appellant's home. Ms. Marsh asked Mr. Mainuddin if he has looked at the tax values of neighboring properties in addition to sales. Mr. Mainuddin stated that he did attempt to look at some, but he does not claim to be an expert. The appellant stated he will need to consider moving out of the property due to the high costs of living there, and the amount of tax is a factor in his decision.

Ms. Sparks asked Mr. Gunn to clarify the amount of physical depreciation and the A+75 construction modifier. Mr. Gunn stated that they are two different characteristics, and that they appear correct. Ms. Merritt stated that the proximity to the Market Street is preferred and makes the property more appealing rather than detracting from the value.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Merritt motioned no change in value be made based on the fact that issues mentioned were already accounted for in the value, and the location is a positive and would not detract from the value. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

GARDNER***PIN #9827452096***

Mr. Jeffrey T. Gardner did not appear before the Board to appeal the valuation of property located at 3717 ANGUS LANE, EFLAND. The current tax value assigned to the property by Orange County is \$540,000. The appellant is requesting that the Board lower the 2014 valuation to \$400,000.

Mr. Hensley stated the home was originally a modular and one wing was added which included a garage with an unfinished attic. Mr. Hensley stated that the property is not a 2.5 story; it should be changed to a 2 story with a finished attic. In addition, he explained that there is a fiberglass utility building in back and the value to of it should be lowered to \$1000. Mr. Hensley pointed out that the property is a grade A+15 which is not correct for a modular home, and should be changed to B+10. These changes would lower the value to \$416,800.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Sparks motioned to accept the changes recommended by the County to change grade to B+10, change to story height to 2 stories with a finished attic, lower the value on the outbuilding to \$1000, and lower the overall value to \$416,800. Ms. Marsh seconded the motion and the motion carried.

Ayes: 3
Noes: 0

GEOGIEVA***PIN# 9940239647***

Bilyana P. Geogieva appeared before the Board to appeal the valuation of property located at 216 LUCAS LANE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$540,000. The appellant is requesting that the Board lower the 2014 valuation to \$490,000.

Ms. Georgieva provided color copies of her comparable sales. The appellant explained that her property is a 3 bedroom, 2.5 bath home with a total square footage of 2341. It is one of smallest homes in the neighborhood. Ms. Georgieva states that her valuation was \$580,000 and she appealed informally and the value was changed to \$540,000. The appellant believes that the value is still too high in comparison to other homes in the development. Ms. Georgieva stated that in her selection of comparables she excluded vacant lots and community home trust home sales. Number 11 on her list of sales is the next largest in square footage and value to her property. Number 12 is next smaller in square footage and value to her property. The appellant stated that this is a small close development with small lots that are all very similar, and the homes are "cookie cutter" type homes.

Ms. Marsh pointed out that her home is located on a corner lot. The appellant discussed that the lots are so very similar, and that the biggest variance is in the square footage of the homes. Ms. Georgieva stated that all the homes are fairly new, all constructed by the same developer. Looking at price per square footage, the appellant explains that her home is the highest at \$231 versus a range from \$142 to \$211. Ms. Georgieva divided values by square footage of the homes to come up with a common factor. There were two stages of building on her home; the third floor was finished later, but that improvement was included in the sales price of the home. The County's square footage is correct per her square footage of 2341 per Mr. Gunn.

Ms. Marsh asked Mr. Gunn about the jump in value for this property from 2012 to 2013, and he stated that the value increased because the appellant finished the attic. Per Mr. Hensley, the home sold as soon as the attic was finished. Ms. Georgieva's comps are strictly from same development. She did not include anything from Winmore and Claremont.

Ms. Sparks mentioned that the houses are probably not identical on the inside. Mr. Hensley stated that there would be different design factors, that Zinn (the developer) offers many options. Mr. Gunn asked if this was a model home, and Ms. Georgieva said yes it was because it was a home that did not sell. Ms. Sparks asked about the finished attic, and Mr. Hensley stated that the attic was finished in 2012.

Mr. Hensley suggested that the masonry foundation should be removed from the garage along with the masonry secondary wall, the grade could be adjusted to A+40, and a construction modifier could be removed. All of these changes would only lower the value to \$533,300. Ms. Sparks asked if the County's square footage is correct and Mr. Hensley stated that the appellant agreed with the County's estimate. Mr. Hensley stated that the property was a model home, which means it likely has features that other homes do not have. Mr. Hensley stated that he visited the property twice but was not able to access the interior. Mr. Gunn mentioned that the appellant's lot is larger than some of the other lots.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Ms. Marsh motioned to accept the changes recommended by the County and the resulting value of \$533,300. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

PATEL/SELF HELP VENTURE FUND **PINs #9799673744,**
9799674841, & 9799674741

Mr. Paresh R. Patel did not appear before the Board to appeal the valuation of three properties:

- Property located at 1736 LEGION ROAD, CHAPEL HILL. The current tax value assigned to PIN #9799673744 by Orange County is \$290,483.
- Property located at LOTS 5-8, LEGION ROAD, CHAPEL HILL. The current tax value assigned to PIN #9799674841 by Orange County is \$88,198.
- Property located at 204 SCARLETT DRIVE, CHAPEL HILL. The current tax value assigned to PIN #9799674741 by Orange County is \$42,588.

The appellant is requesting that the Board lower the combined 2014 valuation for all three properties to \$229,000, citing the fact that the three properties were sold for less than \$230,000 prior to 2009.

Mr. Hensley stated that there is a home on PIN #9799673744. The County lists the home as 1.5 stories but Mr. Hensley recommends that the home be changed to 1 story with a 50% finished attic. He does not recommend changing the depreciation because the appellants are working on the house steadily. Mr. Hensley recommended removing the construction modifier and removing a secondary wall. These changes would lower the value to \$275,700.

Mr. Hensley explained that the home's garage is located on PIN #9799674841. Mr. Hensley does not recommend that any changes be made to this parcel. This is the largest of the three lots. The value of the garage is \$4,000.

PIN #9799674741 is known as 204 Scarlett Drive. The appellant states that it cannot be developed and that there are issues because of the required setbacks. Mr. Hensley does not recommend changing the value. There is currently a 45% adjustment due to the lot's size.

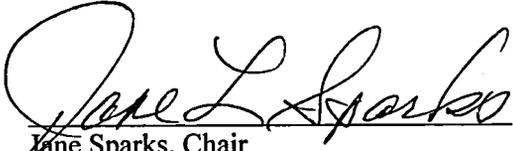
After consideration of all evidence and deliberation, Ms. Marsh made a motion on PIN#9799673744 to accept the changes recommended: to change the story height to 1 story with a 50% finished attic, to remove a construction modifier, and to remove a secondary wall, all lowering the value to \$275,700. Ms. Sparks seconded the motion and the motion carried.

After consideration of all evidence and deliberation, Ms. Marsh made a motion on PIN#9799674841 for no change in value due to a lack of evidence to support a change. Ms. Sparks seconded the motion and the motion carried.

After consideration of all evidence and deliberation, Ms. Marsh made a motion on PIN#9799674741 for no change based on no evidence to support a change and noted that the property already has a 45% adjustment due to size of the lot. In addition, the recent sale mentioned by the appellant was past the revaluation date and was inclusive of all three properties, but the parcels are valued separately. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Having heard all of the appeals scheduled on this date, Ms. Sparks made a motion to adjourn this meeting at 4:19 PM.


Jane Sparks, Chair


Nancy Freeman, Recording Secretary