

MINUTES

2014 Board of Equalization and Review
June 25th, 2014

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

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

The meeting was called to order at 2:00PM on June 25th, 2014 by Jane Sparks.

Maltbie

PIN#9799321324

Kay Maltbie appeared before the Board to appeal the valuation of property located at 416 RIDGEFIELD ROAD, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$ 339,400. The appellant is requesting that the Board lower the 2014 valuation to between \$197,300 - \$ 211,247 citing comparable homes that sold in 2008 warranted this reduction. The subject was completed in 2012. The appellant referenced comparable sales that were all one level properties because the only split level that sold in the area was sold in 2009. Ms. Maltbie informed the Board that the garage that was on the plans for the subject is actually a storage room with heating and HVAC and the attic was also storage space.

Upon review the County made a recommendation for adding 10% functional obsolescence depreciation for the attached addition that is actually a converted garage. The recommended adjustment will bring the value of the property to \$313,400.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Mrs. Marsh motioned to accept the changes recommended by the County and adjust the value to \$313,400. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Blanco

PIN# 9881713610

Maria Blanco and William Black elected not to appear before the Board and requested that their documentation serves as their appeal. They are appealing the valuation of property located at 211 LONGWOOD DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$635,800. The appellant is requesting that the Board lower the 2014 valuation stating the County has an error in the square footage of their home and that the County has the garage listed as a living space within the house. The appellant claims that the County's recorded square footage error is over 500 square feet.

Upon review, the County made the following recommendations to be made to the property record: to change the attached addition on a slab to an attached garage, remove the deck on the front of the house, change the open porch to a deck, and remove the construction modifier. These recommendations will change the current value of the property to \$575,800.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Mrs. Marsh motioned to accept the changes recommended by the County and lower the value to \$575,800. Mrs. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Ratty **PIN# 9799264478.013 and # 9799264478.014**

Michael and Pahnea Ratty appeared before the Board to appeal the valuation of property located at 1829 EAST FRANKLIN STREET, CHAPEL HILL. The current tax values assigned to each of these properties by Orange County is \$139,253. The appellant is requesting that the Board lower the 2014 valuations citing the Unit Owners Association has increased the dues stemming from the ongoing repairs to the foundations and soil issues of three buildings located in the subject project. The appellant states that he is being penalized due to the other properties having these foundation issues even though his properties are not ones with the issues. Mr. Ratty claims that it would cost approximately \$1.5 million to correct the foundation issues. Furthermore, he states that this is an ongoing matter and feels that the units should be demolished and rebuilt. He feels that because of this extraordinary expense, he has substantial loss in property value.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Mrs. Marsh made a motion that no change be made to the valuation of either property citing that the issues with the foundation and soil are economic in nature and do not physically affect the subject's valuation. Mrs. Sparks seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Rampel **PIN# 9799264478.010 and 9799264478.015**

Ruth Rampel elected not to appear before the Board and requested that her documentation serves as her appeal. She is appealing the valuation of two properties located at 1829 EAST FRANKLIN STREET, CHAPEL HILL. The current tax value assigned each parcel by Orange County is \$75,621. The appellant is requesting that the Board lower the 2014 valuation stating that both properties are currently overvalued. In a written document submitted by the appellant, Ms. Rampel stated that an appraisal was done for the condo association in February 2012 for the whole 1200 building, not just her sections. The appraisal indicated a value of \$134 per square foot for the ground floor (1,139 square feet) and \$128 per square foot for the second floor (1,139 square feet). This equated to \$153,765 for the ground level and \$ 145,792 for the upper level. All totaling an appraised value of \$299,557 for 1200 B, G, M & J. The letter went on to note that the Rampels purchased property 1200 B, G, M & J in August 2012 for a price of \$155,000 through an auction. The neighboring unit was also sold at that time in an auction and that unit just went into foreclosure as the owners could not rent it out. The owner of this property has recently offered to sell it to the appellants for \$150,000. In addition, the Franklin Square office development is currently dealing with extreme repair costs due to serious foundation issues in three of its twelve buildings. All the owners (not just those affected) just had their monthly condo dues doubled as a five year assessment started in

May 2014. This money is being raised to repair the foundation of the three buildings. The dues for the Rampel's building increased from \$668.16 a month to \$1,390.16 a month for the next five years. The appellant claims that due to the recent doubling of the condo fees it is projected that it will be very difficult to sell these condos for the next five years.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Mrs. Marsh motioned no change be made to either of the units' valuations citing there is already a 26% economic market adjustment due to the land issue. Mrs. Sparks seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Weedon

PIN#9757978694

Mark Weedon appeared before the Board to appeal the valuation of property located at 109 QUAILVIEW DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$505,500. The appellant is requesting that the Board increase the 2014 valuation to \$700,000 so that the property value can reflect the true market value. When asked by the Board why he wished to increase his property value, Mr. Weedon touted the significance of what an in ground swimming pool with a deck and a wrap-around fence had on the property's value. He claims that the swimming pool alone should be \$50,000 of the total value and the land should be at \$ 135,000. He stated his property is currently on the market for \$615,000 and the property across the street is also for sale. The asking price for the neighbor's property is \$475,000, which was reduced from \$499,000. Mr. Weedon feels that the major difference that drives the lower values is that the neighbor does not have a swimming pool.

Mr. Weedon went on to discuss, with the Board, the perks and/or detriments a swimming pool had on the value of the property. He feels that the value of the house should reflect the appellants' marketing price. Mr. Weedon stated his house has been on the market for over a year and previously received an offer on the house for \$550,000, which the Weedons did not accept.

The County explained that residential fencing does not factor into the County's tax valuation. The property value is set as of the last revaluation period, which was January 1, 2009, and the current valuation does not have an effect on the sales prices of homes that are currently on the market. The value of a property will not increase based on cost. The schedules of value that were adopted by the County Board of Commissioners are what determine the tax value assigned to properties.

Mr. Weedon has requested the land value be increased from \$119,000 to \$135,000. He questioned the Assessment Division as to how the value was determined to which Roger Gunn explained the reappraisal process. Mr. Gunn provided a copy of an email sent to the appellant explaining how the values were assessed.

Upon review, the County recommended an adjustment to the land value from 12% to 20%, the swimming pool construction grade increased from A+00 to A+10 and the residence's construction grade be increase to A+35. These recommendations will adjust the subject's value to \$ 545,800.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Mrs. Marsh motioned to accept the changes recommended by the County and increase the value to \$545,800. Mrs. Sparks seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Therapy Space LLC

PIN# 9799264478.003

PIN# 9799264478.004

PIN# 9799264478.007

PIN# 9799264478.008

Ruth and Mark Rampel and Doug Carlton, representatives of Therapy Space, LLC elected not to appear before the Board and requested that the submitted documentation serve as the appeal. Therapy Space, LLC is appealing the valuation of property located at 1829 EAST FRANKLIN STREET, CHAPEL HILL. There are four condominiums: unit 1000 C, G, D, and H. The current tax values assigned to these properties by Orange County are as follows:

PIN# 9799264478.003 = \$95,401

PIN# 9799264478.004 = \$108,722

PIN# 9799264478.007 = \$105,736

PIN# 9799264478.008 = \$108,722

They are requesting that the values be reduced citing an appraisal that was conducted on May 2013 that had the values totaling \$280,000 for all four units. In addition, the Franklin Square office development is currently dealing with extreme repair costs due to a serious foundation issues in three of its twelve buildings. All the owners (not just those affected) just had their monthly condo dues doubled as a five year assessment started in May 2014. This money is being raised to repair the foundation of the three buildings.

The appellants stated that the dues for the Therapy Space building (100 C, G, D, & H) just went up from \$ 604.84 a month to \$1,258.47 a month. This is in effect for the next five years.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Mrs. Marsh motioned that no change be made to the current valuation citing the property locations are in Building 100 which is not physically affected by the unstable soils. Mrs. Sparks seconded the motion and the motion carried.

Ayes: 3

Noes: 0

600 Franklin Square LLC

PIN# 979926880.001-.008 unit A-H Commercial property

Nathan Miliam, a representative with a limited power of attorney for the appellant, 600 Franklin Square LLC, appeared before the Board to appeal the valuation of properties located at 1829 EAST FRANKLIN STREET, CHAPEL HILL. The current tax values assigned to these properties by Orange County are as follows:

PIN# 9799268800.001 = \$141,463

PIN# 9799268800.002 = \$141,463

PIN# 9799268800.003 = \$141,463

PIN# 9799268800.004 = \$141,463

PIN# 9799268800.005 = \$141,463

PIN# 9799268800.006 = \$141,463
PIN# 9799268800.007 = \$141,463
PIN# 9799268800.008 = \$141,463

He states that the reason for the request is that it had been discovered that there is significant subsurface failures on parts of the property containing several buildings of this condominium project. The cost for permanent repairs is estimated at over \$20 per square foot of the total building area which will obviously have adverse effects on the values. This situation pre dates the 2009 revaluation. He presented a copy for the Board to review of the engineering report to show that the buildings are sinking.

Mr. Miliam remarked that the Board of the Unit Owners Association is taking monies from the property owners to resolve this issue, but the repairs are not slated to start until another 5 years. He added that they feel this property is not marketable because of this issue.

The Board reviewed all documentations presented by the appellant and the County. After review and deliberation, Mrs. Marsh motioned no change be made to the values of any of the units because the appellant did not provide any evidence to show that the County's assessed values were incorrect. Furthermore, the subjects are located in the 600 building which is not physically affected by the soil issue. Ms. Merritt 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 4:25 PM.


Jane Sparks, Chair


Scherri McCray, Recording Secretary