

MINUTES
Board of Equalization and Review
June 01, 2011

Board Members Present:

Chair: Raymond Atwater
Tim Kepley
Paul Smith

Staff Members Present: Roger Gunn, Appraiser
Judy Ryan, Deputy Assessor
Scherri McCray, Recording Secretary

**Wesley H S Everett PIN # 9799268800.012 & PIN
#9799371243.001**

Mr. Tyler Benson, counsel for appellant, appeared before the Board to appeal the valuation of the properties located at 1829 E. FRANKLIN STREET, SUITE 700-D & 1100-A, CHAPEL HILL, NC. The current tax value assigned to the properties by Orange County is as follows: Suite 700-D, \$ 139,598 and suite 1100-A \$ 109,369. The appellant is requesting that the values be decreased to \$121,261 and \$ 91,642 prospectively.

The appellant appealed to the Property Tax Commission (PTC) in 2008. The appellant asserts that an agreement was reached between the appellant and the PTC for the 2008 and the 2009 tax valuations. The appellant is requesting that the agreement be upheld by the County. A copy of PTC agreement was submitted to the Board for review. Mr. Benson pointed out that the documentation states that the 2008 resolution would remain in effect for the 2009 revaluation. The County contends that the agreement did not extend on to the 2009 tax year and beyond. There is a letter that states this matter from John Smith to appellant. The appellant's counsel also noted that there was no documentation from the Department of Revenue to confirm the County's contention. Counsel acknowledged that the letter states that the valuation would not be changed for the 2009 tax year. But interprets this to mean that the 2009 value will not be changed from the 2008 valuation.

During deliberations, the Board considered all information presented by the appellant and the County. After deliberation, the Board determined that this was a matter of contractual law and not a matter of real estate appraisal. The taxes were paid for all years. The Board made a motion to let this matter go forward as a matter of law. There was no evidence to support a value adjustment or to resolve a value dispute. Mr. Kepley made a motion to let this matter go to court. Mr. Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Peregrine LLC PIN # 0802102606 & PIN # 0801094482

Bryan Kempter appeared before the Board to appeal the valuations of the properties located on WINNINGHAM ROAD, CHAPEL HILL, NC. The current tax value assigned to the properties by Orange County is as follows: \$ 1,237,100 for the 81.7 acres, and \$557,200 for the 32.43 acres. There are no structures on these tracts of land. Mr. Kempter presented the Board with comparables. He stated that in early 2009, he signed a contract for \$ 650,000 for 53 acres of land. He purchased the other tract in 2010. The appellant maintained that there were contractual restrictions on these properties by the former owner and that there were restrictive covenants as well. Mr. Kempter said that his original intent was to live on this property but as a practical matter decided to sell off some portions to offset his cost.

During deliberations, the Board considered all information presented by the appellant and the County. The appraisal and sales of comparable properties were considered. After deliberation, the Board determined that the comps were not valid. There were no documents to support the argument that there needed to be a reduction to the value. The burden of proof was on the appellant and there was lack of compelling evidence to render a reduction to the valuations. Mr. Snow made a motion that no change be made to the valuations, Mr. Atwater seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Timberlyne TV Property, LLC ETAL PIN # 9880451344

Thomas W. Berry, representative for the appellant, appeared before the Board to appeal the valuation of the commercial property located at 1129 E. WEAVER DAIRY ROAD, CHAPEL HILL, NC. The current tax value assigned to the property by Orange County is \$ 13,944,100. The appellant is requesting a reduction to the value of \$ 11,295,000. The Counsel presented the Board with an appraisal that was obtained for loan purposes.

During deliberations, the Board considered all information presented by the appellant and the County. The appraisal and sales of comparable properties were considered. After deliberation, the Board determined that some comparables were from Siler City and Warren County and did not contain the appropriate information that would indicate that the value was incorrect. Mr. Kepley made a motion that no change be made to the value. Mr. Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Carolina Spring Apartments PIN # 9778272303

Mr. Roy Pingitore is a representative for the owner and Mr. Adrian Dekker is a property tax consultant. They appeared before the Board to appeal the commercial property located at 600 WEST POPLAR AVENUE, CARRBORO, NC. The current tax value assigned to the property by Orange County is \$ 7,099,152. The appellant is requesting a reduction of the property value to \$ 5,300,000. This property is a 124 unit HUD section 42, Low Income Housing Tax Credit (LIHTC) property that is restricted to seniors aged 55 and older. Mr. Dekker claims that the current assessment exceeds the market value. The representatives provided the Board with documentation to support their claim.

During deliberations, the Board considered all information presented by the appellant and the County. The appraisal and sales of comparable properties were considered. After deliberation, the Board determined that based on the rent level and the expense ratio, a reduction in value was warranted. Mr. Kepley made a motion to decrease the value to approximately \$ 6,500,000. Mr. Snow seconded that motion and the motion carried.

Ayes: 3
Noes: 0

David Cackowski PIN # 9842504442

Mr. Cackowski appeared before the Board to appeal the valuation of the property located at 4204 MYSTIC LANE, HILLSBOROUGH, NC. The current tax value assigned to the property by Orange County is \$ 469,004. This property was purchased in July 2010 for \$ 360,000. It is situated on a 10.01 acre wooded lot. The appellant is requesting that the value be reduced to \$ 400,000 due to topography and its pond. The appellant also stated that the County has incorrect counts of bedrooms and bathrooms on the property record card. The correct number of bedrooms is 2 and bathrooms are 3. He pointed out to the Board that there is a 2 car garage and a basement area which is 9% finished. Mr. Cackowski obtained a land remediation from a civil engineer that he presented to the Board for review. He also presented the Board with an estimate that was obtained from Zillo for review purposes.

During deliberations, the Board considered all information presented by the appellant and the County. The appraisal and sales of comparable properties were considered. After deliberation, the Board determined that there was sufficient evidence to warrant an adjustment to the value. Mr. Atwater made a motion to add 10% functional obsolescence for being a 2 bedroom house, correct the basement area detail, and correct the number of

bathrooms. He also motioned to adjust the land value down to 10% due to the topography and pond deterrent. Mr. Snow seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Franklin West (The Courtyard) PIN# 9788153958

Mr. Snow recused himself. He performed the recent appraisal of this property.

Ms. Heather Jester, an authorized representative for Franklin West, LLC, appeared before the Board to appeal that valuation of the commercial property located at 431 WEST FRANKLIN STREET, CHAPEL HILL, NC. The current tax value assigned to the property by Orange County is \$ 4,656,267. The appellant is requesting a reduction of the property value to \$ 2,344,728. She is also requesting that the land value be reduced to \$ 937,000. Ms. Jester claims that the current tax value does not represent the fair market value as of January 1, 2009. She has submitted documentation including income and expense statements for the Board to review.

During deliberations, the Board considered all information presented by the appellant and the County. The appraisal and sales of comparable properties were considered. After deliberation, the Board determined that there was sufficient evidence to warrant an adjustment to the value of both the building and the land. Mr. Kepley made a motion to reduce the building value to approximately \$ 1,400,000 and reduce the land value to approximately \$ 2,300,000. Mr. Atwater seconded the motion and the motion carried.

Ayes: 2

Noes: 0

Gueorgui Doytchev PIN# 9799054771

Mr. Doytchev appeared before the Board to appeal the valuation of the property located at 101 EASTWOOD LAKE DRIVE, CHAPEL HILL, NC. The current tax value assigned to the property by Orange County is \$558,168. He is requesting a reduction of the value to \$ 400,000. The appellant states that the value does not represent the true market value. The appellant said that he added an addition to the house in 2006 which made it a two story house.

During deliberations, the Board considered all information presented by the appellant and the County. The appraisal and sales of comparable properties were considered. After deliberation, the Board determined that the appellant presented a valid case. Mr. Atwater made a motion that based on the information that was provided by the appellant and the property's characteristics grade of B+00 would be appropriate. He instructed staff to also

add a finished basement and 20% functional depreciation for the exterior. Mr. Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

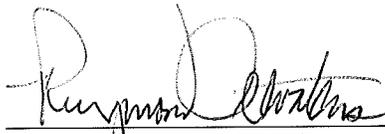
Frank & Anne Marie La Lumina PIN # 9875739471

The appellants failed to appear before the Board. They were appealing the valuation of the property located at 1600 FRIENDSHIP LANE, HILLSBOROUGH, NC. The current tax value assigned to the property by Orange County is \$ 463,915. The appellant's documents requested a reduction to \$ 375,000, citing a recent appraisal conducted by Mr. Scott Dorsett in May 2011.

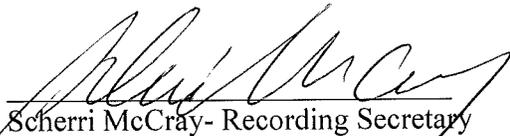
During deliberations, the Board considered all information presented by the appellant and the County. The appraisal and sales of comparable properties were considered. After deliberation, the Board determined that there was no substantive evidence to support a reduction to the value. Mr. Kepley made a motion that no change be made to the value. Mr. Atwater seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Having heard all the appeals scheduled on this date, Raymond Atwater made a motion to adjourn this meeting. Tim Kepley seconded the motion and the meeting was adjourned at 5:30 pm.



Raymond Atwater- Chair



Scherri McCray- Recording Secretary