MINUTES

2013 Board of Equalization and Review
July 11, 2013

Board Members Present: Jennifer Marsh, Chair
Karen Morrissette
Bronwyn Merritt

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

Ms. Marsh called the Board to order at 2:02 p.m. on Thursday July 11, 2013. Ms. Morrissette was unable to be present when the meeting came to order but joined the meeting at 2:10 pm during the presentation of the first appeal.

Robert Watson ***PIN #9779382071***

Manjula Watson appeared before the Board to appeal the valuation of her property located at 213 LUCAS LANE, CHAPEL HILL. The current tax value assigned to the property by Orange County is $744,300. She requested that the Board reduce the value to $618,000. Ms. Watson provided comparisons as of January 2009. She looked at the average value of the homes sold in 2008. She also looked at homes built by the same builder that built her home and completed close to the same time. She stated she has an unfinished basement and no walk-up attic but there is a neighboring home that has both and its price per square foot is only $168. The square footage provided by Ms. Watson was 3,092 square feet.

Mr. Gunn stated that the square footage recorded by the County for the home is 3,948 square feet, and it looks as though there are some corrections necessary. Mr. Hensley stated that the value comparisons mentioned by Ms. Watson between homes in the Winmore and Claremont neighborhoods are not valid comparisons because the neighborhoods are different with Winmore homes generally selling for more than Claremont homes.

Ms. Marsh asked for the County to provide information on corrections that need to be made because of the considerable disparity between the appellant's square footage of 3,092 and the County's square footage of 3,948.

Mr. Gunn asked if there were any open areas in the home, such as cathedral ceilings. Ms. Watson replied that there were no cathedral ceilings. Mr. Gunn questioned if there could be any errors in Ms. Watson's square footage. She mentioned that her figure does not include the unfinished basement nor does it include the attic, which is accessible only by a dropstair.

After County staff noted the necessary square footage corrections, staff indicated that the value would change to $692,000. The appellant asked why that value was still considerably higher than one of her neighboring homes. Mr. Hensley explained the difference between the two homes. Ms. Marsh mentioned that Ms. Watson's home includes a basement that would add about $30,000, to the home and that she was comparing it to a home that did not have a basement. Mr. Hensley stated that the County would also recommend changing the construction grade from A+55 to A+20. Final value would change to $605,300. The corrected square footage for the County is 3,145.

After deliberation, Ms. Marsh made a motion to accept the recommended changes to the square footage and adjust the construction grade to A+20 bringing the value to $605,300. Mrs. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Alan J. Young ***PIN # 9789827812***

Prior to bringing Mr. Young into the board room for his appeal, Ms. Marsh recused herself from the appeal because Mr. Young is her neighbor and serves on a homeowners' association board with her. It is noteworthy to state that a quorum is a vote of two, so the two remaining board members have the authority to make a decision on Mr. Young's appeal.

Mr. Young appeared before the Board to appeal the valuation of his property located at 117 MEADOWBROOK DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is $584,000. He is requesting that the Board reduce the value to $ 475,000. Mr. Gunn informed Mr. Young that Ms. Marsh would not be participating in this appeal. Ms. Merritt welcomed Mr. Young and provided basic information about the appeals process in place of Ms. Marsh.

The appellant stated that he received a letter from the County that noted an increase in the value of his home from $525,000 to the current $584,000. He stated that the increase was triggered by a wall that Mr. Young removed from his home that cost him about $7,000, and it seemed incorrect to add $50,000 to the value. He feels that the correct value is $467,000. Mr. Young had an appraisal performed by Pamela Davis.

Ms. Morrissette verified that the appraisal done by Ms. Davis was based on the correct valuation date of January 1, 2009 with comparable sales from 2008.

Upon review, the County stated that a portion of the home was previously recorded as an attached garage. During a field review, Mr. Hensley found that the garage was actually living space. Mr. Hensley remarked that the change in the property from garage space to an attached addition is what prompted the $50,000 value increase rather than Mr. Young's wall removal. Mr. Gunn noted that the square footage of 2,859 square feet reflected in Pamela Davis's appraisal is very close to the County's calculation of 2,842 square feet. Mr. Gunn also noted that the

County's record reflects 2 bathrooms but the appraisal indicates 2.5 baths. Mr. Gunn recommended the County add the half bath and two fixtures to the record.

County staff recommended removing the design factor, removing a construction modifier, adding the ½ bath and two fixtures, and changing the construction grade from A+55 to A+30. Ms. Morrissette asked the basis for changing the grade. Mr. Hensley mentioned that an A+55 grade borders on being a superadequate house for the neighborhood. The final value recommended by the County was $505,800.

During deliberation, the Board reviewed all documents presented by the appellant and the County. After deliberation, Mrs. Merritt made a motion to accept the recommendations made by the County and the new value of $505,800. Ms. Morrisette seconded the motion and the motion carried.

Ayes: 2
Noes: 0

Robert R. Gelblum ***PIN #9778841851***

Mr. Gelblum appeared before the Board to appeal the valuation of his property located at 107 OLD PITTSBORO ROAD, CARRBORO. The current tax value assigned to the property by Orange County is $232,759. The appellant is requesting that his value be reduced to $192,000.

Mr. Gelblum expressed his appreciation of the assistance that he received from Mr. Gunn in understanding the appeals process. He provided a copy of comparable sales occurring prior to 2009 and an appraisal. He also provided a prior MLS listing of his home from 2006 to show the characteristics of the home. The home is 1,152 square feet on 0.1854 acres.

Ms. Marsh asked about the lot located beside his home, and Mr. Gelblum mentioned that there were often homeless folks who camped out on that neighboring lot. Across the road from this home is inherited land that included a swimming pool which was once common area. The appellant stated that his home was built in 1976.

Mr. Gelblum provided a document that showed comparable sales with ranges of lot sizes from 0.01 to 1 acre, sales from Jan 2007-2009, built from 1980-1990. He pointed out that many of these comparable sales were assessed for a lower value than his property, yet have larger lots and are newer properties. Ms. Morrissette mentioned that he possibly should concentrate on his land value; that his land is valued higher than the comparable sales he provided. Ms. Morrisette stated that his land value is almost $102,000 and is a smaller lot. Mr. Gelblum bought this property for $131,200 and feels that the property would have depreciated to a lower value by January 2009. Ms. Morrissette pointed out that building values are in line with the comparable sales he provided and that the differences seem to be in the land. Mr. Gelblum restated that the lot size is 0.1854 acres.

Ms. Merritt asked about renting the property. Mr. Gelblum stated that he is renting it for $1,400 per month. She mentioned that he has a very valuable piece of land. She stated that he had a good investment in the property and sees no way to adjust the value. Mr. Hensley stated that the

front of the home in the County sketch does not show a bay window that is on the home, and the difference in square feet is that 8 feet for the window which explains the difference in the County's square footage and the appraisal's square footage. Ms. Marsh stated that the closest comparable the appellant provided was about $7,000 different in value so there was no basis for changing the value.

During deliberation, the Board reviewed all information provided by the appellant and the County. After deliberation, Ms. Morrissette made a motion to make no change to the value based on the fact that there was no compelling evidence to show that the value was incorrect. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Cynthia Jean Lasley ***PIN # 9821119830***

Ms. Lasley chose not to appear before the Board to appeal the valuation of her property located at 5333 MEBANE OAKS ROAD, MEBANE. The current assessed value assigned to the property by Orange County is $5,200. Ms. Lasley would like a reduction to $0. The appellant maintains that it is a small portion of a lot that was previously taxed completely by Orange County. During the recent implementation of the Orange-Alamance County Line Ordinance, the majority of her parcel was switched to Alamance County and this sliver of land remains in Orange County. Ms. Lasley provided information that showed proposed county boundary line changes, but neither of the proposed placement choices she provided was the final choice.

Ms. Morrissette stated that the appellant did not provide data that shows that the property is valued incorrectly. Per Mr. Gunn, the property was valued completely by Orange County in 2011. Ms. Lasley would like for the property to not be valued at all; she states that it should not be taxed.

Mr. Gunn stated that this is a county line issue. This is not in actuality a separate parcel; it is a small portion of a larger parcel that is located in Alamance County and its value is based on being part of the larger entire property.

During deliberation, the Board reviewed all information that the appellant provided and that the County presented. After deliberation, Mrs. Morrisette made a motion for no change to value based on the fact that the appellant did not provide evidence that shows the County's value is incorrect. Ms. Marsh seconded the motion and the motion carried.

Ayes: 3
Noes: 0

James G.Nelms, Jr. ***PIN # 9822274132***

Mr. Nelms appeared before the Board to appeal the value of his property located at 3913 WINDY HILL TRAIL, MEBANE. The current tax value assigned to the property by Orange County is $48,400. Mr. Nelms' property lines changed due to the County Line Ordinance between Alamance and Orange County. Mr. Gunn explained that for 2013, both counties valued their respective property portions according to their own Schedule of Values. For 2012, the property portions were valued according to the Alamance County value for the whole property. Per Mr. Nelms, there is a pond on this property that is approximately is 6.4 acres. Mr. Nelms owns a 1.55 acre lot beside the appealed property, which is buildable and has a 2012 Orange County value of $34,000. The subject property is basically a pond lot and is not buildable. Total acreage for the vacant lot and the lot under appeal is approximately 8 acres. It was once a single parcel that was split because of issues with getting a loan to build his house. At that time, there was a mobile home on the smaller property.

Upon review, Mr. Gunn reiterated that this piece is part of a larger lot that is divided by the County line. He recommends about a 45% reduction to the land value due to the fact that the pond takes up close to half the parcel. It is a 6.68 acre tract with a pond. A good portion of the property is not buildable because of the pond. Mr. Gunn stated that the current value is reflective of a buildable lot without a pond. The County recommends that the value be lowered to $26,600.

The Board reviewed all documentation presented by the appellant and the County. Ms. Marsh made a motion to adjust the land value down by 45% due to the pond that was previously unaccounted and adjust the value to $26,600. Ms. Morrissette seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Susan E. Tollison ***PIN # 9857781017***

Ms. Tollison chose not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as her appeal. Her property is located at 605 PORTEUR POINT, CEDAR GROVE. The current value assigned to the property by Orange County is $175,801. The appellant is requesting a reduction in value to $170,000 based on an appraisal from 2012. Per Mr. Hensley, the property is located near Lake Orange but has no lake frontage. The property is situated just off Eno Cemetery Road.

Ms. Marsh noted that the request for reduction by the taxpayer does not meet a 5% differential. The square footage is within 5 feet of what the County indicates.

In view of the fact that the taxpayer provided a 2012 appraisal and that the requested new value is less than 5% lower than the current value, Ms. Morrissette made a motion to deny the request based on the fact that the only evidence provided by the appellant was an appraisal based on post-revaluation sales. Ms. Merritt seconded the motion and the motion carried.

Ayes 3
Noes 0

Rachel Roberts ***2 Properties***

Ms. Roberts appeared before the Board to appeal the value of her two properties shown below:

- PIN 9865603034, LOT 2, BOUNDARY DRIVE, HILLSBOROUGH. County value $16,748
- PIN 9865603280, 524 SHORT STREET WEST, HILLSBOROUGH. County value $152,487

Ms. Roberts provided information on a neighboring property that sold in 2009 that is close to her property in size. Her property consists of a .59 acre parcel with two homes on site and a vacant .23 acre lot. Ms. Roberts stated that she felt an acceptable value for both properties combined would be $97,000. She did not provide a value breakdown (i.e. did not bring it with her) for each property. The larger lot has 2 homes: the smaller home is approximately 900 square feet. It was a garage that was converted into a mother-in-law apartment. The larger home is approximately 1,100 square feet and is the primary home. She stated she also has a couple of outbuildings that are probably 10 x10 each in size. She said the condition of both homes is lacking; they both need work and updating. The larger home has water damage and needs $5,000-$10,000 worth of work. Both homes are rentals. Monthly rents are $550 for the larger one and $275 for the smaller one. Ms. Roberts's properties adjoin each other.

County staff stated that the comparable sale presented is not valid; it is from March of 2009. It was "sold as fixer upper" and it was sold below market value. $169,235 is the total of the value of both of Ms. Roberts' properties combined.

Ms. Morrissette mentioned that the subject homes are larger than originally stated. Per County staff, the square footage of the two houses is 2,189 combined. The homes are listed with a C+00 construction grade, which is about 6% above a doublewide manufactured housing grade. There is 27% & 33% depreciation on the respective homes. The larger home shows a new roof and fairly new windows. Mr. Gunn mentioned that the second floor should be changed to 25% partial finished attic. The main house was built in 1941 and has hardwood floors. The secondary house is on a slab foundation. The County recommends changing the depreciation to 38% for the larger house and 45% on the smaller house and removal of the construction modifiers on each house. A new value of $121,100 was suggested for the larger, improved property with a total value of both properties being $137,848. The properties were purchased below market in an unqualified sale in 2010 for $75,000. Previously, both properties sold together for $138,000.

Ms. Marsh made a motion to make the changes suggested by the County on the larger improved property but make no change to the second vacant property. Ms. Morrissette seconded the motion and the motion carried.

Ayes 3
Noes 0

Bailey Cherokee LLC ***PIN # 9893051307***

The representative for Bailey Cherokee LLC was scheduled to appear before the Board to appeal the value of property located at 4008 SPRING LAKE DRIVE, HILLSBOROUGH. The current value assigned to the property by Orange County is $632,200. The appellant requested a reduction in value to $400,000.

Ms. Marsh made a motion for no change in value due to the fact that the representative did not appear for his scheduled appointment and provided no evidence for the Board to consider. Ms. Morrissette seconded the motion and the motion carried.

Ayes 3
Noes 0

After the appeals were heard and decided, Ms. Merritt mentioned that she would not be able to be present for the next meeting on Wednesday, July 17th. Ms. Morrissette agreed to take Ms. Merritt's place for this meeting.

Having heard all the appeals scheduled on this date, Ms. Marsh made a motion to adjourn this meeting at 4:55PM. Ms. Merritt seconded the motion and the meeting was adjourned.

Ayes 3
Noes 0

Jennifer Marsh

Jennifer Marsh, Chair

Nancy Freeman

Nancy Freeman, Recording Secretary