

MINUTES
Board of Equalization and Review
July 8, 2009

Board Members Present: Jane Sparks, Chair
Tim Kepley
Paul Snow

Staff Members Present: Judy Ryan, Deputy Assessor
Roger Gunn, Staff Appraiser
Steve Hensley, Staff Appraiser
Pam Bryant, Recording Secretary

Ms. Sparks called the meeting to order at 2:05 p.m. on Wednesday, July 8, 2009.

FFF, LLC **770958**

Mr. Gordon Fisher appeared before the Board to represent FFF, Inc. in appealing the valuation of an office unit located at #212-605 W. Main St., Carrboro, NC. The current tax value assigned to the property by Orange County is \$309,731. FFF, Inc. purchased the office building, consisting of several units, in 2005 for \$490,500. The appellant's are aware that the valuation of this unit was adjusted downward from \$326,032 to \$309,731 during the informal appeals process, but wishes to pursue further reduction in the valuation. Documentation included an appraisal completed December 2008 of the unit with an estimated market value of \$229,000. Per Mr. Fisher, the building currently has a lot of vacancy. The office unit has no partition walls and a concrete slab floor.

During deliberations the Board considered all information presented by the appellant. Paul Snow recused himself from voting due to prior knowledge of this property. Tim Kepley made a motion to adopt the appraised value of \$229,000. Jane Sparks seconded the motion and the motion carried.

Ayes: 2
Noes: 0

FFF, LLC **770959**

Mr. Gordon Fisher appeared before the Board to represent FFF, Inc. in appealing the valuation of an office unit located at #214-605 W. Main St., Carrboro, NC. The current tax value assigned to the property by Orange County is \$177,179. FFF, Inc. purchased the office building, consisting of several units, in 2005 for \$490,500. The appellant's are aware that the valuation of this unit was adjusted downward from \$186,504 to \$177,179 during the informal appeals process, but wishes to pursue further reduction in the valuation. Documentation included an appraisal completed December 2008 of the unit

\$127,000. Per Mr. Fisher, the building currently has a lot of vacancy. The office unit has no partition walls and a concrete slab floor.

During deliberations the Board considered all information presented by the appellant. Paul Snow recused himself from voting due to prior knowledge of this property. Tim Kepley made a motion to adopt the appraised value of \$127,000. Jane Sparks seconded the motion and the motion carried.

Ayes: 2
Noes: 0

Nancy Benedict 373552

Ms. Nancy Benedict appeared before the Board to appeal the valuation of her property located in Ashbury Crossing at 116 Kestrel Ct., Mebane, NC. The current tax value assigned to the property by Orange County is \$247,994. The property is an 1812 square foot home on a .15 acre lot. Ms. Benedict purchased the property in 2004 for \$245,000. The appellant is aware that the valuation was adjusted downward from \$257,745 to \$247,994 during the informal appeal process, but wishes to pursue further reduction in the valuation. Documentation included an appraisal dated June 2009 with a market value of \$209,500.

During deliberations the Board considered all information presented by the appellant. The appraisal and sales of comparable properties were considered. Jane Sparks made a motion to remove the design factor of .04 from the county record. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Charles Smith 709208

Mr. Charles Smith, along with Matt McAndrews, a local real estate broker, appeared before the Board to appeal the valuation of his property located at 1724 Allard Rd., Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$436,530. Mr. Smith purchased the property in 1998 for \$275,000. The appellant is aware that the valuation was adjusted downward from \$450,239 to \$436,530 during the informal appeal process, but wishes to pursue further reduction in the valuation. Documentation included an appraisal completed by a local appraiser January 2009 with a market value of \$388,000. Mr. McAndrews cited several comparable sales in the immediate area and it is his belief the market value is closer to \$354,000.

During deliberations the Board considered all information presented by the appellant. The appraisal and sales of comparable properties were considered. Tim Kepley made a motion to direct the staff to make appropriate changes to adjust the valuation to \$390,000±. Paul Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Joseph Riddle 703671, 704148, 708503

Mr. Joseph Riddle, along with Howard Brooks, his mortgage broker, and Jonathan Chapman, his appraiser, appeared before the Board to appeal the valuation of three lots located at McDade St. and Yates St., Chapel Hill, NC. Below is a chart showing the three lots, their tract numbers and 2009 Orange County valuations.

Tract #	Location	Orange County 2009 Valuation
703671	109 McDade St.	\$171,024
704148	Fronting Yates St.	\$187,324
708530	103 McDade St.	\$181,064

Mr. Riddle feels there is inequity between the valuation placed on his lots as compared to adjacent lots. Documentation included an appraisal for these lots in conjunction with another vacant lot and an improved lot.

During deliberations the Board considered all information presented by the appellant. Paul Snow made a motion to direct the staff to make appropriate changes to adjust the lot values for Tracts 703671 and 704148 to the same unit price as Tract 702697. The motion also included a directive to change the unit price on Tract 708503 to the same unit price on Tract 703590. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Joseph Riddle 706227

Mr. Joseph Riddle, along with Howard Brooks, mortgage broker, and Jonathan Chapman, appraiser, appeared before the Board to appeal the valuation of a vacant parking lot located on Franklin St., Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$1,114,164. Mr. Riddle feels there is inequity between the valuation placed on his lot as compared to adjacent lots. Documentation included an appraisal for these lots in conjunction with another vacant lot and an improved lot.

During deliberations the Board considered all information presented by the appellant. Paul Snow made a motion to adjust the land value to reflect \$2,613,600 per acre. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Joseph Riddle 706466

Mr. Joseph Riddle, along with Howard Brooks, mortgage broker, and Jonathan Chapman, appraiser, appeared before the Board to appeal the valuation of his property located at 419 W. Franklin St, Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$919,827. The appellant is aware that the Orange County valuation was adjusted downward from \$1,198,499 to \$919,827 during the informal appeal process, but wishes to pursue further reduction in the valuation.

The property is a .30 acre site improved with an old vacant automobile dealership building. The building has been gutted inside and there is only the outside walls and old roof remaining. Documentation included an appraisal of this property in conjunction with four vacant lots.

During deliberations the Board considered all information presented by the appellant. Paul Snow made a motion to adjust the land value to reflect \$2,613,600 per acre and add an economic depreciation to the commercial building of 99%. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

2005 Champions LLC c/o Joseph Riddle 703396

Mr. Joseph Riddle, along with Howard Brooks, mortgage broker, and Jonathan Chapman, appraiser, appeared before the Board to appeal the valuation of his property located at 147 E. Franklin St, Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$848,424. The appellant is aware that the Orange County valuation was adjusted downward from \$1,037,555 to \$848,424 during the informal appeal process, but wishes to pursue further reduction in the valuation.

The property is a 2561 square foot lot improved with a 2571 square foot building occupied by a fast food restaurant. The tenant pays \$70,000 in gross annual rent and pays the Orange County tax. The owner is responsible for repairs. The tenant signed a 10 year lease in 2005. Mr. Riddle believes the actual market value is between \$500,000 and \$700,000.

During deliberations the Board considered all information presented by the appellant. Paul Snow made a motion to direct the staff to make appropriate changes to reflect a total valuation of \$625,000±. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Riddle Commercial Properties, Inc. 745872

Mr. Joseph Riddle, along with Howard Brooks, mortgage broker, and Jonathan Chapman, appraiser, appeared before the Board to appeal the valuation of his property located at 100 E. Franklin St, Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$5,986,431. The appellant is aware that the Orange County valuation was adjusted downward from \$6,809,494 to \$5,986,431 during the informal appeal process, but wishes to pursue further reduction in the valuation.

The property is a .25 acre lot improved with a three story commercial building with a basement. The third floor is occupied by Top of the Hill Restaurant. The basement level is currently empty, but rent is being paid under a current lease by Wells Fargo. Level 1 and 2 are also currently rented. Mr. Riddle reports a net operating income for 2008 between \$475,000-\$500,000.

During deliberations the Board considered all information presented by the appellant. Paul Snow made a motion to direct the staff to make appropriate changes to reflect a total valuation of \$5,000,000±. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Riddle Commercial Properties, Inc. 745871

Mr. Joseph Riddle, along with Howard Brooks, mortgage broker, and Jonathan Chapman, appraiser, appeared before the Board to appeal the valuation of his property located at 108 E. Franklin St, Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$4,113,874. The appellant is aware that the Orange County valuation was adjusted downward from \$4,261,798 to \$4,113,874 during the informal appeal process, but wishes to pursue further reduction in the valuation.

The property is a .26 acre lot improved with a 10,950 square foot commercial building. On January 1, 2009 the building was occupied as a theater. The appellant presented photographs of the interior in its current condition. Mr. Riddle believes the value to be inequitable when compared to other nearby properties.

During deliberations the Board considered all information presented by the appellant. Tim Kepley made a motion to direct the staff to make appropriate changes to reflect a total valuation of \$3,000,000±. Paul Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

82 Magnolia Chapel Hill, LLC (James Roberts) 761886

Mr. James Roberts appeared before the Board to appeal the valuation of a 240 unit apartment building known as the Pointe at Chapel Hill, located on Edisto Ct., Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$24,440,764. The appellant's are aware that the Orange County valuation was adjusted downward from \$28,753,840 to \$24,440,764 during the informal appeal process, but wish to pursue further reduction in the valuation. The appellants consider the valuation to be excessive due to the fact it is inconsistent with the recent sale of the subject property in April of 2009 for \$21,750,000. The LLC believes the sales price is supported by the income and expense statements and the current cap rate of 6.8%. Documentation included current income and expense information.

During deliberations the Board considered all information presented by the appellant. Paul Snow confirmed that this sale was a true market sale even through there were financing difficulties, and the only sale of institutional apartments in the first quarter of 2009. Jane Sparks made a motion to direct the staff to make appropriate changes to reflect a total valuation of \$22,000,000±. Tim Kopley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Cedar Hill Apartments, LLC (Lee VanDeCarr) 326641
Elmwood Apartments, LLC (Lee VanDeCarr) 323214

Mr. Lee VanDeCarr appeared before the Board to appeal the valuation of two low income apartment complexes located in Mebane, NC.

Cedar Hill Apartments is located at 11th St., Mebane, NC. The current tax value assigned to Cedar Hill Apartments LLC by Orange County is \$1,196,793. The appellant's are aware that the Orange County valuation was adjusted upward from \$1,841,219 to \$1,196,793 during the informal appeal process, and Mr. VanDeCarr wishes to pursue reduction in the latest assessed valuation. The appellants purchased the property in 2008 for \$800,000. The appellant provided documentation including income and expense information. Mr. VanDeCarr does not believe that Orange County correctly followed NCGS 105-277.15 in placing a valuation on this property. Mr. VanDeCarr pointed out that according to this statute, the assessor must use the Income Approach to value the property and may not consider income tax credits. It is the owner's opinion that the market value should be \$725,000±.

Elmwood Apartments is located at Oakwood St., Mebane, NC. The current tax value assigned to Elmwood Apartments LLC by Orange County is \$1,082,039. The appellant's are aware that the Orange County valuation was adjusted downward from \$1,298,447 to \$1,082,039 during the informal appeal process, but wish to pursue further reduction in the valuation. The appellants purchased the property in 2008 for \$581,500. The appellant provided documentation including income and expense information. Mr. VanDeCarr

does not believe that Orange County correctly followed NCGS 105-277.15 in placing a valuation on this property. Mr. VanDeCarr pointed out that according to this statute, the assessor must use the Income Approach to value the property and may not consider income tax credits. It is the owner's opinion that the market value should be \$825,000±.

During deliberations the Board considered all information presented by the appellant. Paul Snow made a motion to direct the staff to make appropriate changes to reflect a total valuation of Cedar Hill Apartments of \$750,000±. The motion also included a directive to the staff to make appropriate changes to reflect a total valuation of Elmwood Apartments of \$850,000±. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Richard Birgel 715451

The appellant listed above failed to appear before the Board. Since the appellant presented no evidence, Jane Sparks made a motion that no change be made to the value at this time. Should the appellant request to reschedule prior to Board adjournment, their case can be reconsidered at that time. Paul Snow seconded the motion and the motion carried

Ayes: 3
Noes: 0

Having heard all the appeals scheduled on this date, Jane Sparks made a motion to adjourn this meeting. Paul Snow seconded the motion and the meeting was adjourned at 4:50 pm.


Jane Sparks, Chair


Pamela Bryant, Recording Secretary