

MINUTES
Board of Equalization and Review
June 10, 2010

Board Members Present:

Chair: Tom Heffner
Paul Snow
Tim Kepley

Staff Members Present: Roger Gunn, Appraiser
Steven Hensley, Appraiser
Scherri Robinson, Recording Secretary

Mr. Heffner called the meeting to order at 1:00 p.m. on Thursday June 10, 2010.

Alliance Tax Advisors/ Village of Chapel Hill 715063 & 709806

Mr. Miller appeared before the Board to appeal the valuation of the commercial property located at 1000 SMITH LEVEL RD CARRBORO, NC. The current value assigned to these properties by Orange County is \$ 15,688,310 for tract # 715063 and \$ 3,596,819 for tract # 709806. There are a total of 321 total units. Mr. Miller states that the actual incomes will not support the proposed values. This matter was brought before the Board last year and the board made no change to the valuation. The appeals packet contained a appraisal along with other documents for the Board's review. They would like the Board to consider the cap rates and operating statements to determine the value adjustments.

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 adjust the values to approximately \$16,000,000 to be divided between the both properties, Tract # 715063 and Tract # 709806. Paul Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Alliance Tax Advisors/ BBR Chapel Hill 740401

Mr. Miller appeared before the Board to appeal the valuation of the commercial properties listed below located in Carrboro, NC.

- 1) 140 BPW CLUB RD
- 2) 142 BPW CLUB RD

The current value assigned to the properties by Orange County is \$ 9,361,186. The appellant states that the income will not support the valuation increase. There is approximately \$ 415,000 in total expenses for repair. They would like the Board to consider decreasing the value of the property to \$ 8,000,000.

During deliberations, the Board considered all information presented by the appellant. The Board determined that the property values were in-line with the market value for these types of property. Paul Snow made a motion that no change be made to the value. Tim Kepley seconded to the motion and the motion carried.

Ayes: 3
Noes: 0

Franklin Hotel Investors 706242

Mr. Patel appeared before the Board to appeal the valuation of the commercial property located at 311 W FRANKLIN ST CHAPEL HILL, NC. The current value assigned to the property by Orange County is \$ 10,762,642. Mr. Patel is requesting the Board to reassess the value of this property to between \$ 7.2 million and 7.7 million dollars. He presented the Board with the 2008 income statement as well as an appraisal that was conducted by PKF in August of 2008 for review. The appraisal has the value of the property to about 9.5 million dollars. The Franklin Hotel is experiencing modest cash flow but not enough to support the valuation increase, according to Mr. Patel.

During deliberations, the Board considered all information presented by the appellant. The appraisal and sales of comparable properties were considered. The Board determined that that valuation of this property was correct. Tim Kepley made a motion that no change be made to the valuation. Tom Heffner seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Walden Greenfields Associates 728660

Mr. King appeared before the Board to appeal the valuation of the commercial properties listed below located in Chapel Hill, NC.

- 1) 100 DICKENS CT
- 2) 103 DICKENS CT
- 3) 100 MELVILLE LOOP
- 4) 101 MELVILLE LOOP
- 5) 103 MELVILLE LOOP
- 6) 104 MELVILLE LOOP

- 7) 110 MELVILLE LOOP
- 8) 114 MELVILLE LOOP
- 9) 200 MELVILLE LOOP
- 10) 204 MELVILLE LOOP
- 11) 207 MELVILLE LOOP
- 12) 211 MELVILLE LOOP

The current value assigned to the properties by Orange County is \$ 12,621,762. These structures were built in 1986. It has 228 apartment units. Mr. King acquired this property in 1995. This property is below average construction. It had Masonite siding that was replaced with vinyl siding. The property was not properly framed. He states that the roof was not constructed well. The soil quality is poor. The asphalt is of poor quality. The building has received settlement, sidewalks have cracks and contorted. Mr. King has made a lot of repairs to the building since 1998. The cost of repairs was approx 3 million dollars. Internal repairs cost approximately \$ 750,000. The club house has yet to be completed. They have suffered economic losses and residents were not happy and are not renewing the leases. The income will not support the valuation increase. They are requesting that the Board decrease the value of this property to \$ 9,000,000.

During deliberations, the Board considered all information presented by the appellant. The appraisal and sales of comparable properties were considered. The Board determined that the evidence presented by the appellant warranted a reduction in the valuation of this property. Tom Heffner made a motion to decrease the value of this property to approximately 9,000,000. Paul Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Joseph Polcaro 704614,705172,704287,703721,702574,748567

Commercial Properties: Mr,Kepley recused himself. He did the appraisal

Mr. Polcaro appeared before the Board to appeal the valuation of several of his properties. The current value assigned to the property by Orange County and the addresses are stated below.

Mr. Polcaro told the Board that his properties should not be valued at their current assessment due to the locations of these properties. He feels that the homeless shelter that is located next to his properties should have caused the values to go down instead of up. He states that the homeless people do unmentionable things around his properties. The appraisal of the properties has it appraised for around one million. The appellant feels that the property should be assessed back two to three years prior.

Tract 704614. The legal description of the property is N COLUMBIA ST. The current tax value assigned to the property by Orange County \$561,636. Based on the evidence presented by the appellant the Board determined that a reduction to the value was warranted. The value should be reduced to approximately \$ 175,000.

Tract 705172, located at 205 N COLUMBIA ST CHAPEL HILL NC. The current tax value assigned to the property by Orange County \$ 633,006. Based on the evidence presented by the appellant the Board determined that an increase to the value was warranted. The value should be increased to approximately \$760,000.

Tract 704287, located at 208 PRITCHARD AVE CHAPEL HILL, NC. The current tax value assigned to the property by Orange County \$ 485,007. Based on the evidence presented by the appellant the Board determined that a reduction to the value was warranted. The value should be reduced to approximately \$ 432,000.

Tract 703721 located at 108 W ROSEMARY ST CHAPEL HILL, NC. The current tax value assigned to the property by Orange County \$ 323,233. Based on the evidence presented by the appellant the Board determined that a reduction to the value was warranted. The value should be reduced to approximately \$ 318,000.

Tract 702574 The legal description of the property is P/O #5-6 W N PRITCHARD. The current tax value assigned to the property by Orange County \$ 490,335. Based on the evidence presented by the appellant the Board determined that an increase to the value was warranted. The value should be increased to approximately \$ 637,000.

Tract 748567. The legal description of the property is E/O PRITCHARD AVE. The current tax value assigned to the property by Orange County \$ 87,139. Based on the evidence presented by the appellant the Board determined that no change be made to the valuation.

During deliberations, the Board considered all information presented by the appellant. Tom Heffner made a motion to adjust the values are stated in the above document. Paul Snow seconded the motion and the motion carried

Ayes: 3

Noes: 0

<i>WE 3 Investments</i>	<i>146262</i>	<i>no show</i>	
<i>The Stallings Group/ IA Winston Hotels Chapel Hill</i>	<i>776199</i>	<i>withdraw</i>	

Having heard all the appeals scheduled on this date, Tom Heffner made a motion to adjourn this meeting. Tim Kepley seconded the motion and the meeting was adjourned at 5:00 pm.



Tom Heffner, Chair



Scherri Robinson, Recording Secretary