

**MINUTES**  
**2013 Board of Equalization and Review**  
**May 2, 2013**

Board Members Present: Jane Sparks, Chair  
Jennifer Marsh  
Bronwyn Merritt  
Ann Stroobant- alternate

Staff Members Present: T. Dwane Brinson, Tax Administrator  
Lee Harris, Deputy Assessor  
Roger Gunn, Chief Appraiser  
Steve Hensley, Appraiser  
Scherri McCray, Recording Secretary

Ms. Sparks called the Board to order at 2:00 p.m. on Thursday May 2, 2013.

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***Judith Blau***

***PIN # 9778655181***

Ms. Blau appeared before the Board to appeal a Denial of Exemption under GS 105-278.7 that she received from the Orange County Assessor's office regarding the subject property. Ms. Blau states that she was applying for a tax exemption for the Human Rights Center located at 107 BARNES STREET, CARRBORO. She communicated to the Board the purpose of the Human Rights Center. She states the Center has been devoted to providing services and programs to the poor, mostly Latinos, African-Americans and refugees. Also, it is a non-profit organization that has an IRS 501.C3 classification and is used to develop a social setting for equal rights, educational purposes, and a community place to congregate. The constituents come and stay on the property. There are no fees associated with this center.

The appellant stated that there is a tenant living in this duplex and that he provided the center with needed computer system repairs. Ms. Blau purchased this property and is the current owner of record.

The County states that Ms. Blau's request for exemption was denied because the Human Rights Center did not meet the qualification for this exemption. Under North Carolina General Statute 105-278.7, "...shall be exempt from taxation if wholly owned by an agency..." The Human Rights Center does not own this property. The property is owned by the appellant and the ownership is determined as of January 1<sup>st</sup> each year.

The Board deliberated and reviewed all documents presented by the appellant and the County. After deliberation, Ms. Sparks made a motion that no change be made to the current taxability status of this property citing that the appellant does not meet the

exemption qualification criteria outlined in the North Carolina General Statute 105-278.7. Mrs. Marsh seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**William C. Hooper, Jr.**

**PIN # 9873561262**

Mr. Hooper elected not to appear before the Board and requested to allow the appeal form and all supporting documentation to serve as his appeal. His property is located at 2503 SUMMIT DRIVE, HILLSBOROUGH. This is a 2137 square foot residential property. The current tax value assigned to the property by Orange County is \$ 252,252. The value per square foot is \$ 118.04. The appellant's documentation states that his homes assessed value is much higher than the true market value had ever been and he feels that he is paying too much in taxes and it is making it difficult to budget his money efficiently. He states that he purchased this property in 2004 for \$ 200,000. Furthermore, he claims that he never saw similar homes in his neighborhood sell for near his assessed value in 2009.

The County reviewed this property and noted that the difference between the appellant's assessed value and that of other homes in the neighborhood related to the subject lot's topography and an addition that was added to the property. The County submitted sales comparables that indicated higher price per square foot than the assessed value. Furthermore, the County stated that all the property values should be similar except for variations in the size of the finished living space, square footage and lot size. The appellant did not provide any evidence to support his claim that the property is worth \$ 215,000.

The Board deliberated and reviewed all documentation presented by the appellant and the County. After deliberation, Mrs. Marsh made a motion to adjust the appellant's land value down from 1% to 7% to reflect inferior topography. This adjustment will bring the appellant's value to \$ 251,700 which is in line with other values in the subject's neighborhood. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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Ms. Sparks motioned to bring back Community Land Trust's Homestead Exemption denial appeal from May 1, 2013. Mrs. Marsh made a motion that the people within the Community Land Trust were deemed the owners and that the exemption is to be reinstated for the 2013 tax year. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3

Noes: 0

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***Thomas Horne***

***PIN # 9863958966***

Mr. Horne appeared before the Board to appeal the value of his 2.9 acre property located at 2509 OLD NC 86, HILLSBOROUGH. The current tax value assigned to the property by Orange County is \$ 339,917. He is requesting that the Board reduce his value to \$ 192,000, claiming that when he went to refinance the mortgage on this property, the bank had it appraised at a lower value. The appraisal was conducted in March 2013. Mr. Horne informed the Board that he had asked the bank if he could speak with the appraiser who performed the appraisal but the bank denied his request. He was told by the bank that it used sale comparables from the last six (6) months of the date of the appraisal.

Mr. Horne's believes that his biggest deterrent is that during the 2009 revaluation, the County did not take into consideration that the property does not have public sewer and that there is a Duke Power right of way on the property. He stated that the right of way was recorded on the deed in 1979. In addition, he feels like the property is being taxed as a commercial property instead of a residential property even though it is zoned for economic development. Mr. Horne remarked that he has owned this property since 1977 and that it is currently rented with a monthly rent of \$ 950.

As additional evidence to support his requested value, the appellant submitted a map of a three (3) acre property, located on Old Highway 86 , Pin # 9873053116, that he felt was comparable to his property. The Board and the County examined this property and determined that the reason for the lower value for PIN # 9873053116 was attributable to its location in a flood zone.

Upon review, the County located sale comparables on properties with similar land configurations as the subject. The County determined that the appellant's land value was appraised 50% over that of similar properties in 2009. Furthermore, the County recommends a change to the subject's construction grade to B+00 and a reduced depreciation to 26%.

The County recommends that the right of way be recorded. The appellant informed the County that it was recorded. He presented the Board a copy of the deed reflecting the right of way to Duke Power.

During deliberation, the Board reviewed all evidence and documentation presented by the appellant and the County. After deliberation, Ms. Sparks made a motion to accept the County's recommendation to reduce the appellant's land value by 50% , to accept the construction grade change to B+00, and the reduction of the depreciation to 26%. The changes result in a new land value is \$ 139,200 and a new total value of \$ 225,000. Ms. Merritt seconded the motion and the motion carried.

Ayes: 3

Noes: 0

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***Thomas Lester***

***PIN # 9789200843***

Mr. Lester appeared before the Board to appeal the value of his property located at 324 UMSTEAD DRIVE, CHAPEL HILL. The current tax value assigned to the property by Orange County is \$ 297,235 with a price per square foot of \$ 192.07. The appellant is requesting that the Board adjust his current valuation to \$ 223,700 citing that the comparable home sales that he obtained from the Value Appeal website support a reduced assessment. He purchased this property in 2011 for \$ 227,500. Mr. Lester summarized all the sales comparables, which he obtained from Zillo.com, on one page and pointed out that there were homes that sold ½ mile from his property during July 2007 thru April 2008. He ranked all the sales comparables by price per square foot and after looking at the price trend, he feels that his property value per square foot should be \$ 218.08.

Upon review, the County provided sales comparable that supported the County's assessed value. The County noted that an adjustment for the driveway was already factored in to the value. The construction grade was below average for the neighborhood, with a grade of A+05 and the property already had a -4% land adjustment.

During deliberation, the Board examined all the documents presented by the appellant and the County. Ms. Merritt felt that the value was still too high given the topography of site. She made a motion to change the land adjustment from -4% to -10%. This will change the land value from \$ 121,666 to \$ 109,500 and bring the total property value to \$ 285,000. Ms. Sparks seconded the motion and the motion carried.

Ayes: 3

Noes: 0

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***RENC CH LLC***

The appellant is being represented by Steve Graham of Duff and Phelps, authorized representative for the taxpayer. Mr. Graham elected not to appear before the Board and requested to allow the appeal forms and all supporting documentation to serve as the appeal. The appellant is appealing the value of three (3) commercial properties that are a part of one economic unit to be considered in the valuation. The current owner of these properties is TENC CH LLC. These properties are composed of an automotive dealership.

The PIN numbers, property locations and current assessed values for all three (3) are listed below:

PIN # 9799461235

Property located at 1715 LEGION ROAD, CHAPEL HILL. The current Orange County assessed value is \$ 1,198,101.

PIN # 9799365575

Property located at 1730 FORDHAM BOULEVARD, CHAPEL HILL.

The current Orange County assessed value is \$ 4,333,658.

PIN # 9799367662

Property located at FORDHAM BOULEVARD, CHAPEL HILL. The current Orange County assessed value is \$ 475,438

The current combined value of the properties is \$ 6,007,197.

Documentation was submitted by the appellant's representative that stated that the proposed value includes all three (3) parcels and that a proposed value of \$ 2,836,047 was determined by applying an income approach. The gross potential income was based on vacant dealerships asking rental rates. Documentation stated that 2008 and 2009 were the height of the automotive dealership crisis.

The representative noted that a cost approach was utilized that supports the indicated value obtained by the income approach. Furthermore, the cost approach was based on a completed dealership, with adjustments for site improvements and physical depreciation using the Marshall and Swift cost estimator.

The appellant's representative included all the supporting documents detailing the calculations for the Board to review.

The County stated that the appellant wants to challenge the value of the three (3) parcels collectively and is requesting a combined value of \$ 3,000,000. The properties were purchased in January 2011 for \$ 3,600,000. The dealership was non-operational at the time of acquisition. The County noted that in the representative's analysis, he selected a dealership in Wake Forest to substantiate the income approach. The sales data used were from sales in inferior locations and they were not from the relevant time period. The County conceded that the value maybe somewhat over valued but not to the extent that the appellant states. The County noted that the subject properties sold previously in 2004 for \$ 5,700,500. The County stated that the properties are now currently being utilized and is owner-occupied. The County feels that the January 2011 sale was a distressed sale and was not marketed to the public. The County recommends a 10% economic market adjustment for these three (3) properties.

During deliberation, the Board reviewed all documentation provided by the appellant and the County. After deliberation, Mrs. Marsh made a motion to accept the County's recommendation for a 10% economic market adjustment to these three (3) properties. She also stated that the appellant did not provide an appraisal or any substantial evidence to support the request for reduction. She added that no further changes will be made to the value. Ms. Sparks seconded the motion and the motion carried.

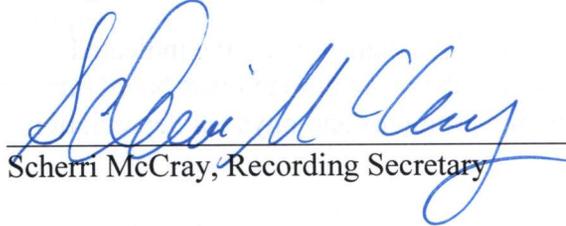
Ayes: 3

Noes: 0

Having heard all the appeals scheduled on this date, Ms. Sparks made a motion to adjourn this meeting. Ms. Merritt seconded the motion and the meeting was adjourned at 4:17 pm.

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Jane Sparks, Chair

  
Scherri McCray, Recording Secretary