

MINUTES
Board of Equalization and Review
October 1, 2009

Board Members Present: Tim Kepley, Chair
Tom Hefner
Paul Snow

Staff Members Present: John Smith, Assessor
Roger Gunn, Staff Appraiser
Brad Allison, Staff Appraiser
Pam Bryant, Recording Secretary

Mr. Kepley called the meeting to order at 2:15 p.m. on Thursday, October 1, 2009.

Crit NC III LLC **753867**

Mr. David Schindler appeared before the Board to appeal the value of Highland Hills Apartments owned by Crit NC III LLC located at 180 BPW Club Rd., Carrboro, NC. The current tax value assigned to the property by Orange County is \$17,256,216. The property is a 46.017 acre tract of land improved with a 250 unit apartment complex built in 1988. Originally there were 264 units, but due to a fire in 2006, 14 units were destroyed and were not rebuilt. Mr. Schindler presented income and expense information. Per the appellant, rental rates were reduced in January to minimize vacancies and concessions. Mr. Schindler informed the Board that the owner is also the manager, therefore there is no operating fee included in the reported expenses. It is Mr. Schindler's opinion that the Orange County valuation is excessive and he believes the correct valuation should be \$14,400,000±.

During deliberations the Board considered all information presented by the appellant. The Board reviewed the income and expense information and all documentation presented. Tim Kepley made a motion to adjust the value to approximately \$16,100,000. Paul Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

SH Pool A Sunstone LLC **701360**

Mr. Gregory Kline appeared before the Board to appeal the value of Sunstone Apartment Complex owned by SH Pool A Sunstone LLC located at 208 Conner Drive, Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$15,102,435. The property is a 13.85 acre tract of land improved with a 260 unit apartment complex. Mr. Kline presented income and expense information. Per Mr. Kline, repairs for this

apartment complex are higher than normal due to a high degree of student housing. Mr. Kline also stated that vacancy is higher at this time due to the fact that students are commuting rather than living near campus. Documentation included a Valuation Analysis completed by Strategic Property Tax Advisors.

During deliberations the Board considered all information presented by the appellant. Income and expense information and all documentation presented, was reviewed. Tim Kepley made a motion to adjust the value to approximately \$13,500,000. Paul Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

AIMCO Shadowood LLC 728151

Mr. Gregory Kline appeared before the Board to appeal the value of Shadowood Apartment Complex owned by AIMCO Shadowood LLC located at Shadowood Cr., Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$16,869,236. The property is a 16.491 acre tract of land improved with a 336 unit apartment complex. Mr. Kline presented income and expense information. Per Mr. Kline, repairs for this apartment complex are higher than normal due to a high degree of student housing. Mr. Kline also stated that vacancy is higher at this time due to the fact that students are commuting rather than living near campus. Per Mr. Kline, these apartment units are older construction, with wood siding. Documentation included a Valuation Analysis completed by Strategic Property Tax Advisors.

During deliberations the Board considered all information presented by the appellant. Income and expense information and all documentation presented, was reviewed. Tim Kepley made a motion to adjust the value to \$15,000,000±. Paul Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Dobbins Hill II LLC 774296, 774298

Mr. Jud Little appeared before the Board to appeal the value of two properties known as Dobbins Hill II LLC owned by Crosland LLC located at 1749 Dobbins Dr., Chapel Hill, NC. Below is a chart describing both tracts showing the value placed on each property by Orange County.

Tract #	Land Size	Orange County Valuation
774296	1.58 Acres	\$1,149,998
774298	.88 Acre	\$ 804,483

Per Mr. Little, both apartment complexes participate in the low income housing tax credit program. Mr. Little pointed out that per NC General Statute 105-278.6, this type of property is a non-appreciating property, awards are made to complexes of 100 units or less, and the assessor is required to use actual rents to determine income. The appellant presented income and expense information.

During deliberations the Board considered all information presented by the appellant. Income and expense information and all documentation presented, was reviewed. Tim Kepley made a motion to change the market adjustment for both complexes to E54. Paul Snow seconded the motion and the motion carried.

Ayes: 3
Noes: 0

W3M LLC **772865**

Mr. Bud Matthews appeared before the Board to appeal the value of his property located at 609 NC 54W, Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$337,833. Per Orange County records, the property is a 2.08 acre parcel improved with a 3000 square foot building shell. Mr. Matthews purchased the property in 2006 for \$229,000. Per Mr. Matthews, he began dismantling the building with plans to renovate or rebuild, but had to stop demolition because the bank denied financing. Documentation included photographs of the property. The land is currently listed for sale on the open market for \$575,000. Permissible uses include office, wholesale sales and equipment rental. An additional 3000 square feet improvement can be added to the site and water and sewer are available.

During deliberations the Board considered all information presented by the appellant. All documentation presented was reviewed. Tom Hefner made a motion that no change be made to the valuation. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Raymond Matthews **761744**

Mr. Bud Matthews appeared before the Board to appeal the value of his property located at 205 Severin St., Chapel Hill, NC. The current tax value assigned to the property by Orange County is \$479,091. Per Orange County records, the property is a 0.45-acre lot improved with a 3080 square foot two-story duplex with finished basement per Mr. Matthews, zoning for this property is restricted, and should the building be destroyed, it could not be rebuilt. The appellant believes the value is excessive based on the income he receives for the duplex.

During deliberations the Board considered all information presented by the appellant. All documentation presented was reviewed. Tom Hefner made a motion to adjust the value to \$375,000±. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Raymond Matthews **706625**

Mr. Bud Matthews appeared before the Board to appeal the value of his property located at 5413 Cornwallis Rd., Durham, NC. The current tax value assigned to the property by Orange County is \$163,567. Per Orange County records, the property is a 6.9 acre parcel of land improved with two double wide mobile homes and outbuildings. Mr. Matthews feels the value is excessive.

During deliberations the Board considered all information presented by the appellant. Tom Hefner made a motion to leave the value as it is. Tim Kepley seconded the motion and the motion carried.

W3M LLC **460447**

Mr. Bud Matthews appeared before the Board to appeal the value of a 1.48 acre unimproved lot located at 525 Meadowland Dr., Hillsborough, NC. The current tax value assigned to the property by Orange County is \$164,102. Mr. Matthews feels the valuation is excessive and requested that the Board review and lower the value.

During deliberations the Board considered all information presented by the appellant. Tom Hefner made a motion that no change be made to the valuation. Tim Kepley seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Woods Brothers Inc. **403041**

Mr. Robert Woods appeared before the Board to appeal the value of his property located at 2700 NC 86 S., Hillsborough, NC. The current tax value assigned to the property by Orange County is \$1,736,106. Per Orange County records, the property is a 4.87-acre parcel improved with Surety Storage facility. There are 489 units with a mixture of unit sizes. Mr. Woods presented income and expense information as well as occupancy information. According to Mr. Woods, the facility is a wooden structure in need of painting at a cost of approximately \$25,000. The roofs are metal and are in need of repair. Documentation included a "summary of facts" page as of June 28, 2008 that gave

an estimated market value for the property. Mr. Woods feels the tax valuation is excessive and requests that the Board reduce the value.

During deliberations the Board considered all information presented by the appellant. All documentation presented was reviewed. Tim Kepley made a motion that no change be made to the valuation. Tom Hefner seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Blue Cross Blue Shield of NC 748167 & Tract 751704

Steven Cherrier, Stan Summer, and Phil Post, appeared before the Board to appeal the value of the property located at Eastowne Park, I-40 and US 15-501, Chapel Hill, NC. Below is a chart showing the tract number, size, and the current tax value assigned to each property by Orange County.

Tract #	Size	Orange County 2009 Valuation
748167	12.43 AC	\$3,250,317
751704	20.5 AC	\$3,573,703

The appellants are aware that the values for both tracts were reduced during the informal appeal process, but wish to pursue further reduction in the valuation. Documentation included a map indicating that large areas of the properties that cannot be built on due to location within the Resource Conservation District. The appellants feel the land valuation is excessive given that the ability to build on much of the land is substantially decreased. There is a pond on the tract that cannot be drained or removed. Per the representatives, the construction of an additional driveway would be cost prohibitive. The representatives felt Tract 748167 should be adjusted to \$2,266,000, and that the market value of Tract 751704 should be \$2,139,000.

During deliberations the Board considered all information presented by the appellant representatives. All documentation presented was reviewed. Paul Snow made a motion that the valuation for Tract 748167 and Tract 751704 be reduced to \$2,500,000+ each. Tim Kepley seconded the motion and the motion carried.

Ayes: 3

Noes: 0

Legion Road Professionals 775574, 775577, 775578, 775579, 775580

A representative for Legion Road Professionals appeared before the Board to appeal the valuation of five office condominium units located at 1709 Legion Road, Chapel Hill, NC. A chart showing the unit number, tract number, and valuation of each unit is as follows.

Unit #	Tract #	2009 Orange County Valuation
Unit C	775574	\$331,437
Unit F	775577	\$256,213
Unit G	775578	\$191,825
Unit H	775579	\$191,825
Unit I	775580	\$238,667

Documentation presented included an appraisal for each unit prepared by Analytical Consultants.

During deliberations the Board considered all information presented by the appellant. The Board reviewed the appraisals presented. Paul Snow recused himself from voting. Tom Hefner made a motion to make minor adjustments to each office unit to reflect a value close to the appraised value. Tim Kepley seconded the motion and the motion carried.

Ayes: 2
Noes: 0
Abstained: 1

Shachtman I LLC 724507

Mr. and Mrs. Shachtman appeared before the Board to appeal the value of their property located at 101 Lloyd St., Carrboro, NC. The current tax value assigned to the property by Orange County is \$234,697. According to Orange county records, the property is a 5,269 square foot lot improved with a 3520 square foot warehouse/storage building. Per Mr. and Mrs. Shachtman, the warehouse building is of brick construction, single story, and is currently being rented to a tee shirt printing company. The owners supplied a report that showed five years of income and expenses.

During deliberations the Board considered all information presented by the appellant. The income and expense information was reviewed. Due to a prior commitment, Tim Kepley excused himself from the meeting. Paul Snow made a motion that the property value be adjusted to reflect a valuation of \$200,000±. Tom Hefner seconded the motion and the motion carried.

Ayes: 2
Noes: 0

<u>ML North Carolina Apartments</u>	<u>744028</u>
<u>Deep Sea Technologies LLC</u>	<u>734293</u>
<u>Fairfield Autumn Woods Michelle Rudd</u>	<u>754031</u>
<u>ITAC 101 LLC</u>	<u>443746</u>
<u>Munch Family Properties</u>	<u>704074</u>

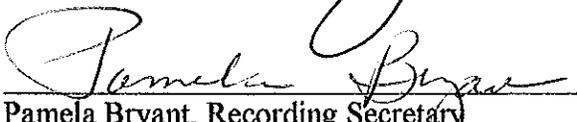
The appellants listed above failed to appear before the Board. Since the appellants presented no evidence, Tom Hefner made a motion that no change be made to the value at this time. Should the property owners request to reschedule, prior to Board adjournment, the case can be reconsidered at that time.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

Ayes: 2
Noes: 0

Having heard all the appeals scheduled on this date, Paul Snow made a motion to adjourn this meeting. Tom Hefner seconded the motion and the meeting was adjourned at 5:30 pm.



Tim Kepley, Chair



Pamela Bryant, Recording Secretary