

MINUTES
Board of Equalization and Review
Date: August 14, 2019

Board Members Present:

Pamela Davis, Chair
Hunter Beattie, Regular
Daron Satterfield, Regular

Staff Members Present:

Roger Gunn, Real Property Appraisal Manager
Bill Hiltbold, Appraiser
Kelly Wells, Chief Appraiser
Cyle Anderson, Appraiser
Jimmy Milliken, Appraiser
Brian Harlow, Appraiser
Annette Moore, County Attorney
Scherri McCray, Administrative Support

Pamela Davis called the meeting to order at 1:00pm.

SCHEDULE:

232074	Chelsea Theater	Appearing
9864976687	Dean Herington	Appearing
0805547993	Mark Walkowe	Appearing
9757813437	Andrew E. Balber	Appearing
9890202083	Karen Stegman	Not Appearing
9788587528	Scott Immel	Appearing
9778843973	Theodore Sampson	Appearing
9778742836	Adam Reis	Appearing
9779205830	Timothy Carless	Not appearing
9798556880	Lynn Goodpasture	Not appearing
9789712240	Joyce Shain	Not appearing
9789907123	Gilbert White	Not appearing

The Chelsea Theater

Acct 232074

Ms. Emily Kass, the Director of the Chelsea Theater, appeared before the Board to appeal the County's decision to deny an exemption for charitable or educational purposes. The property is located at 1129 Weaver Dairy Road, Suite AB, Chapel Hill. A list of evidence follows:

APPELLANT	COUNTY
232074 APPEAL	232074 COUNTY

The appellant is requesting that the Board grant the exemption from taxes for the business personal property. The appellant stated that this request is based on the fact that the theater has received a 501 c3

certificate as a public charity and that it serves an education function under the G.S 105-278.7. The theater is currently paying property tax on the rented portion of the real property.

Annette Moore, the attorney for Orange County, requested that the appellant provide the Board with the actual 501-c3 filing, to which the appellant agreed to do so.

Shavonda McLean, representing the County, stated that there is no demonstration of charitable or educational purposes as outlined in G.S. 105-278.7, and this was the basis of the denial for exemption.

Ms. Davis stated that the Board will review what the statutes stipulate about the exemption.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to table this appeal to allow the appellant to present the actual application for 501 c3. The appeal was tabled.

Ayes: 3
Noes: 0

Herington

PIN 9864976687

Dean Herington appeared before the Board to appeal the valuation of the property located at 128 W. Queen Street, Hillsborough. The current assessed value of the property is \$644,500. A list of evidence follows:

APPELLANT	COUNTY
9864976687 APPEAL	9864976687 COUNTY

The appellant is requesting that the Board lower the valuation of the subject to \$613,600 citing the fact that renovations were done to the subject's bathroom but no additional square footage was added. The appellant states that the valuation should not be increased at all and is requesting that the subject's value revert to the prior assessed amount of \$613,600.

Mr. Cyle Anderson represented the County and informed the Board that the value was increased based on a permit that was issued in July 2018 for a bathroom renovation. Mr. Anderson stated that he conducted a field inspection of the subject property in July 2019 and confirmed that the permitted renovation involved the conversion of a bath tub into a shower, and otherwise, there were no extensive renovations. The County recommends lowering the effective year built of the property from 2000 to 1995 which will reduce the subject valuation to \$613,600.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Satterfield made a motion to accept the County's recommendation. Ms. Davis seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Walkowe

PIN 0805547993

Mark Walkowe appeared before the Board to appeal the valuation of the property located at 1301 Sides Mountain Road, Durham. The current assessed value of the property is \$437,800. A list of evidence follows:

APPELLANT	COUNTY
0805547993 APPEAL	0805547993 COUNTY

The appellant is requesting that the Board reduce the valuation to \$385,900 citing the fact that his neighbor at 1314 Sides Mountain Road has a home with the same square footage that is assessed at only \$385,900.

Mr. Brian Harlow represented the County and stated that an equity analysis was performed on comparable homes located in the Hillcroft subdivision and it was determined the average value per square foot of the assessed units are \$138.46 and the subject's value per square foot is \$142.24. Mr. Harlow remarked that after researching the subject parcel, he noticed that all parcels on Sides Mountain Road had a land adjustment except the subject. Mr. Harlow recommended a land adjustment of -30% be applied to the subject parcel to make the subject's land value more equitable with the other parcels in the subject's neighborhood. However, Mr. Harlow also noted that as the subject was built in 2018, the appellant's older comparables suffer from greater physical depreciation, and thus, the reason for the lower values of the surrounding parcels.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion postpone the appeal until August 28, 2018 meeting.

Ayes: 3
Noes: 0

Balber

PIN 9757813437

Andrew E. Balber appeared before the Board to appeal the valuation of the property located at 3526 Stonegate Drive, Chapel Hill. The current assessed value of the property is \$675,900. A list of evidence follows:

APPELLANT	COUNTY
9757813437 APPEAL	9757813437 COUNTY

The appellant is requesting that the Board reduce the valuation to \$531,233 stating that he feels that "it's all about the numbers." Mr. Balber informed the Board that there are 31 lots in the development and construction started around 2003. Around 2008, the developer went bankrupt and stopped building. The appellant purchased the subject for \$664,000 in November 2017 and feels the subject's value is higher than the other comparable homes in the neighborhood. Mr. Balber stated that he determined that the price per square foot is the dominant factor in determining the 2016 market prices of the properties in the subject's neighborhood. Mr. Balber contends that his house is one of the smaller houses in the development but has the highest value per square foot.

Jimmy Milliken represented the County and stated that upon conduction of a field visit, he noticed that the construction grades on all the properties in the development were the same and the only differences were the year built. Furthermore, Mr. Milliken noticed the subject was a one story home and there were very few one story homes in the subject neighborhood as most were multistory homes. Mr. Milliken also documented 3 patios on the subject residence that were not included on the County's property record card and corrected the listing of an open porch that is now an enclosed porch. Mr. Milliken presented the Board with a graph of the Orange County comparable properties in the subject neighborhood and noted that the single story homes were priced differently in the Schedule of Values, which he claims is typical in the market. He determined that it was necessary to add a functional obsolesces of 5% due to the

majority of homes within the neighborhood being multi-story homes. Mr. Milliken noted that once the recommended adjustments were applied to the subject, the revised value would be \$661,700.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Satterfield made a motion accept the County's recommended adjustments and the revised value of \$661,700. Ms. Davis seconded the motion and the motion carried. Mr. Beattie did not agree with the motion.

Ayes: 2
Noes: 1

Stegman

PIN 9890202083

Karen Stegman elected not to appear before the Board but requested that her documents serve as the appeal. The appellant is appealing the valuation of the property located at 2525 Buxton Court, Chapel Hill. The current assessed value of the property is \$470,800. A list of evidence follows:

APPELLANT	COUNTY
9890202083 APPEAL	9890202083 COUNTY

The appellant is requesting that the Board lower the valuation to \$423,750 stating that the County may have overestimated the square footage and value of the subject following a recent renovation.

Jimmy Milliken represented the County and stated that he conducted a site visit on July 8, 2019 at which time he and the appellant briefly reviewed the County's property record card and areas of the home where the appellant was unsure of how the second floor's square footage was calculated. Mr. Milliken measured the home and adjusted the sketch on the property record card by removing the basement and adding an attached garage with a living area above. Mr. Milliken also adjusted the second floor area to account for vaulted areas. The square footage of the living area was corrected from 3,412 square feet to 2,850 square feet. With the data corrections approved and implemented, the County's recommended value would be \$425,600.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Satterfield made a motion to accept the County's recommendations and the adjusted value of \$425,600 for 2019. Ms. Davis seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Immel

PIN 9788587528

Mr. Beattie recused himself due to a relationship with the appellants.

Scott Immel and Chaya Tanna appeared before the Board to appeal the valuation of the property located at 506 E. Rosemary Street, Chapel Hill. The current assessed value of the property is \$1,433,200. A list of evidence follows:

APPELLANT	COUNTY
9788587528 APPEAL	9788587528 COUNTY

The appellant is requesting that the Board adjust the valuation to \$788,000 citing discrepancies in their land value compared to their neighbor's land value as well as the incorrect square footage of their house. Mr. Immel stated that his neighbors across the street pay \$10,000 less in taxes than the appellant but have a larger lot and have made major renovations to their property. Mr. Immel stated that he does not understand how the County can value other houses, which are similar to the subject, less than the subject. Furthermore, he feels that he and his wife are paying way more property taxes than others.

Ms. Davis informed the appellants that the issue being presented to the Board is what the value of their property is, regardless of what they pay in taxes compared to what the neighbors are paying; it is about how much their house is worth as of January 1, 2017.

Mr. Immel asked what the value was based on, to which Ms. Davis replied that it is based on comparable sales and what the house offers in features in this specific location.

Mr. Bill Hiltbold represented the County and stated that upon conduction of a site visit, he noted that the porch on the right side of the home was a screened porch instead of glazed porch and the roof was slate rather than shingles. Furthermore, the subject had been renovated and well maintained but did not "feature considerable architectural styling, large rooms including social area with attention to detail with considerable built-ins", as characteristics of an AA graded property per the Orange County Schedule of Value. These adjustments were recommended after the appellant's informal appeal process. Mr. Hiltbold recommended changing the grade of the subject from AA10 to A+75. This recommended adjustment would result in a revised property value of \$1,260,200.

Mr. Gunn noted that the property was purchased in 2014 for \$1,230,000. The appellant stated that they knew they overpaid for the property.

Ms. Davis inquired is to why the appellants felt their home is only worth \$788,000 and would they sell it for that. The appellant stated that it was difficult to assess the process of assigning a value to the house; and no, they would not sell it for that amount but the house is not worth the assessed value.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to accept the County's recommendation of \$1,260,200 based on the grade adjustment following the County's site visit. Mr. Satterfield seconded the motion and the motion carried.

Ayes: 2
Noes: 0

Sampson **PIN 9778843973**

Theodore Sampson appeared before the Board to appeal the valuation of the property located at 412 South Greensboro Street, Carrboro. The current assessed value of the property is \$458,500. A list of evidence follows:

APPELLANT	COUNTY
9778843973 APPEAL	9778843973 COUNTY

The appellant is requesting that the Board reduce the valuation to \$326,080 citing that an unfinished detached garage is inaccurately and inappropriately assigned as a second dwelling on the property record when it should be listed as a special feature and yard item. The appellant stated that he purchased the property in 1997 for \$53,000. Mr. Sampson narrated a history of the events that led him to request a reduction in value.

Mr. Bill Hiltbold represented the County and stated that the subject property is a single family dwelling that has not been well maintained since it was built in 1937, and only some of its rooms are heated and cooled. Mr. Hiltbold recommended that the building sketch on the County's property record card be updated to correct a finished attic to a half upper story and the living area corrected from 1,251 square feet to 1,632 square feet. It was also recommended that the building condition be changed from Average to Fair. After review of the garage, Mr. Hiltbold indicated that the construction was not completed and was in a state of decay. He recommended that the quality grade of the garage be adjusted from B+05 to D+05, the building condition changed from Average to Poor, and additional physical depreciation of 35% be added. If the recommendations are approved by the Board, the total adjusted property valuation would be \$327,300.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Satterfield made a motion to accept the County's recommendation. Ms. Davis seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Reis

PIN# 9778742836

Amanda Evans and Adam Reis appeared before the Board to appeal the valuation of the property located at 101 Allen Street, Carrboro. The current assessed value is \$243,200. This is a 2.26-acre vacant lot. A list of evidence follows:

APPELLANT	COUNTY
9778742836 APPEAL	9778742836 COUNTY

The appellant is requesting that the Board lower the valuation to \$140,000 citing the \$145,000 purchase price in March 2019. The appellant submitted a recent appraisal with their appeal request with an effective valuation date of January 4, 2019. The appellant stated that the property is actually worth \$0 due to it being landlocked with no road access. Also, a private road with a bridge would have to be built and acquiring sewer access requires an easement from the neighboring property and OWASA approval would also be necessary to develop. The appellants stated that the property was listed for sale for \$200,000 and the appellants purchased the property for \$145,000 and it would cost approximately \$63,000 to provide access to the property. Ms. Evans provided the Board with estimated costs for road installation. The appellant stated that, when they purchased the property, they were aware that the land had issues.

Mr. Bill Hiltbold represented the County. Mr. Hiltbold stated that he conducted a site visit and described the property as a 2.278 acre undeveloped, wooded lot between Prince Street and Allen Street in Carrboro. Mr. Hiltbold stated that a stream runs through the length of the property and the banks are quite steep. Mr. Hiltbold noted that a 2019 fee appraisal of the property calculated a market value of \$160,000. Considering the sales history of the property, there was a 2008 sale for \$175,000, a 2015 sale for \$240,000 and a 2017 sale for \$250,000. During the informal appeal process in January 2019, the value of the subject was reduced from \$258,400 to \$243,200. Mr. Hiltbold concludes that the current Orange County valuation represents the best indicator of value as of January 1, 2017.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Beattie made a motion to reduce the value of the property from \$243,200 to \$195,400 due to the topography and hydrology concerns. Mr. Satterfield seconded the motion. Ms. Davis did not agree with the motion. The motion carried.

Ayes: 2
Noes: 1

Carless

PIN 9779205830

Timothy Carless elected not to appear before the Board but requested that the documents serve as the appeal. Mr. Carless is appealing the valuation of the property located at 116 Carol Street, Carrboro. The current assessed value of the property is \$283,400. A list of evidence follows:

APPELLANT	COUNTY
9779205830 APPEAL	9779205830 COUNTY

The appellant is requesting that the Board lower the valuation to approximately \$232,500, which is the price that he paid for the property in 2012. Mr. Carless states that the opinion of value is based on the subject being located in a 100-year flood zone and that the subject has flooded approximately six different times throughout the appellant's ownership.

Mr. Bill Hiltbold represented the County and stated that according to the Orange County flood maps, the subject property is covered by a floodway and flood plain except for a small area at its northeast corner. Mr. Hiltbold conducted a site visit of the subject and recommended an updated sketch of the residence on the property record card to include having the split-level area of the residence drawn separately, changing an open porch to a screened porch, and add a one foot, second floor living quarters overhang. Mr. Hiltbold concluded that due to the property's frequent flooding issues, a recommended a floodplain factor of -40% be applied to the land. With the application of the County's recommendations, the revised assessed value of the subject would decrease from \$283,400 to \$222,800.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to accept the County's recommendations and lower the subject's assessed value to \$222,800 based on the evidence provided from the appellant and the County. Mr. Beattie seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Shain

PIN 9789712240

Joyce Shain elected not to appear before the Board but requested that her documents serve as the appeal. The appellant is appealing the valuation of the property located at 104 Wild Iris Lane, Chapel Hill. The current assessed value of the property is \$662,600. A list of evidence follows:

APPELLANT	COUNTY
9789712240 APPEAL	9789712240 COUNTY

The appellant is requesting that the Board lower the valuation of the property to \$535,000. The appellant states their opinion of value is based on the subject property needing work and updates.

Kelly Wells represented the County and stated the following:

- The subject property is a .05-acre lot with a masonry house built in 1990 and is located in the Franklin Hills subdivision, Chapel Hill.
- The house has several areas with rotting windows, door frames, and support pillars.

- The roof and chimney leaks causing issues with the wooden flooring.

Mrs. Wells conducted a site visit and recommended that an updated sketch of the residence was warranted to include the addition of a partially finished basement, thereby increasing the finished area from 3,255 square feet to 3,990 square feet. Furthermore, Ms. Wells recommended that due to the deterioration and repairs needed to the subject, the condition of the subject be changed from Average to Fair and additional physical depreciation of 20% be applied. The County's recommended adjustments would reduce the assessed value to \$589,100.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to accept the County's recommendation to reduce the value of the subject from \$662,600 to \$589,100 by increasing the finished area from 3,255 square feet to 3,990 square feet, changing the condition of the subject to Fair, and increasing the physical depreciation by 20%. Mr. Satterfield seconded the motion and the motion carried.

Ayes: 3
Noes: 0

White

PIN 9789907123

Gilbert White elected not to appear before the Board but requested that his documents serve as the appeal. The appellant is appealing the valuation of the property located at 243 Hillcrest Circle, Chapel Hill. The current assessed value of the property is \$966,700. A list of evidence follows:

APPELLANT	COUNTY
9789907123 APPEAL	9789907123 COUNTY

The appellant is requesting that the Board lower the valuation to \$836,900 citing the fact that updates to the residence included no changes to the square footage of the residence.

Kelly Wells represented the County and stated that the subject property is a 1.32-acre lot with a masonry house built in 1932 with 4,575 square feet located in the Hillcrest subdivision and no other evidence was submitted by the appellant other than the request to appeal the value. Ms. Wells noted that the property was purchased by the owner in 2003 for \$975,000. In 2018, the house was fully renovated. The permit shows a construction cost of \$460,000. The effective year built was raised from 1985 to 2015 to reflect the renovation. In turn, the value of the property increased from \$836,900 to \$966,700 for 2019, a difference of \$129,900. The County recommends no change be made to the current assessed value.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to deny the appellant's request to reduce the current Orange County assessed value as the appellant did not submit any evidence to support that the County's assessed value is incorrect. Mr. Satterfield seconded the motion and the motion carried.

Ayes: 3
Noes: 0

GOODPASTURE

PIN 9798556880

Lynn Goodpasture did not appear before the Board but requested that the documents serve as the appeal. The appellant is appealing the valuation of the property located at 704 Sprunt Street, Chapel Hill. The current assessed value of the property is \$553,200. A list of evidence follows:

APPELLANT	COUNTY
9798556880 APPEAL	9798556880 COUNTY

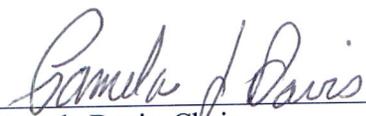
The appellant is requesting that the Board lower the valuation to \$353,100 stating that the home had been uninhabitable since 2017. The appellant submitted a letter to the Board claiming that she had contracted with a builder to restore and remodel the subject and the general contractor initially failed to adhere to a schedule and the quality of work diminished greatly over time. The appellant noted that a new contractor was commissioned to repair the unacceptable work and complete the restoration/remodel. The appellant hopes to have the project completed sometime in the summer. Upon completion of the project, the appellant states that the square footage of the subject will increase.

Jimmy Milliken represented the County and informed the Board that during a site visit conducted on July 1, 2019, he noted that a construction crew was on site to complete the addition/renovation. After reviewing the photos submitted by the appellant, Mr. Milliken utilized the Marshall and Swift percentage of completion guide to aid in assessing the property. Based on the information provided by the aforementioned guide, the percentage of completion on the subject should reflect 56% completion instead of the current 90% that is on the County's records. The recommended adjustment, once approved, would reduce the subject value to \$432,600.

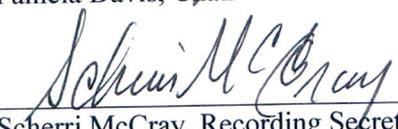
The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Beattie made a motion to accept the County's recommendation to adjust the percent of completion from 90% to 56% rendering an adjusted value of \$432,600. Mr. Satterfield seconded the motion and the motion carried.

Ayes: 3
Noes: 0

Having heard all of the appeals scheduled on this date, Ms. Davis made a motion to adjourn this meeting at 4:09 PM. The motion was seconded by Mr. Satterfield and the meeting was adjourned.



Pamela Davis, Chair



Scherri McCray, Recording Secretary