

MINUTES
Board of Equalization and Review
Date: June 5, 2019

Board Members Present:

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

Staff Members Present: Roger Gunn, Real Property Appraisal Manager
Brian Harlow, Appraiser
Shavonda McLean, Appraiser
Heidi Whetzel, Appraiser
Brenda Riley, Business Personal Property Appraiser
Bill Hiltbold, Appraiser
Kandice Wright, Personal Property Manager
Scherri McCray, Administrative Support

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

SCHEDULE:

9796293144	Mount Carmel Baptist Church	Appearing
9847437182	Sandra Ball	Appearing
9728447408	Allen Bose	Not Appearing
1058813	Yesteryears Brewing LLC dba Vecino Brewing Co.	Not Appearing
9840272377	Dana Hall	Not Appearing
9853046865	Christine Watt	Not Appearing
35536671	Rena Ellis Norwood	Appearing
8777248	Layne Hessee	Not Appearing
9798340950	Station at Chapel Hill LLC	Not Appearing
9788253104	James Kitchen	Not Appearing
9799386254	Harvey C. Krasny	Not Appearing
9778278230.083L413	Sandra Santucci	Not Appearing
9789299173	Cherng Ping Kuo & Cju-Mei Hsu Kuo	Not Appearing

Mount Carmel Baptist Church

PIN 9796293144

Representatives from the Mount Carmel Baptist Church appeared before the Board to request an exemption for religious purposes for the property located at 2016 Mount Carmel Church Road, Chapel Hill. A list of evidence follows:

Evidence
9796293144 Appeal Documents

The appellant is requesting that the Board reinstate for the 2018 tax year the property tax exemption granted for the 2019 tax year. The appellant stated that in early January 2017, Mount Carmel Baptist Church closed on a real estate transaction that exchanged a small section of church property with a small section of property from an adjacent property owner (L Short LLC). The property transaction represented a small overall change in the church property line and did not impact the ownership or use of any of the churches facilities. Unbeknownst to the church's finance team and trustees, the real estate transaction resulted in Orange County assigning the church property a new Parcel Identification Number (PIN) from 9796293115 to 9796293114. More importantly, the church's long time property tax exemption status was not automatically carried forward to the new parcel. Furthermore, due to the timing of the real estate transaction (January 2017), the church did not receive a property tax bill in 2017 since the bills are generated based on property status as of the first of the year. Unfortunately, the finance team missed the tax notice that Orange County would have mailed mid-year 2018. The Church would not have been expecting any bill, as the church had always been exempt from property tax. The finance team first noticed the error once an unpaid property tax notification was received in February 2018. The appellant promptly contacted and notified the Orange County Tax Office of this issue. The appellant is requesting the that Board grant the church an exemption to the 2018 tax bill based on their long time tax- exemption status associated with the prior PIN 9796293115.

Shavonda Mclean presented evidence and represented the County. Ms. McLean informed the Board that the exemption would have remained had the PIN not been changed. Since a new PIN was created, the appellant needed to reapply for the exemption status, which they did, and it was granted for the 2019 tax year.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Beattie made a motion to grant the exemption stating that a creation of a new PIN should not have resulted in a loss of the exemption status and that the exemption should run with the entity and its continuous use. Ms. Davis seconded the motion and the motion carried.

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Bose

PIN 9728447408

Allen Bose elected not to appear before the Board and requested that his submitted documentation serve as the appeal. The property is located at 1911 Western Trail, Chapel Hill. A list of evidence follows:

Evidence
9728447408 Appeal Documents

The appellant is requesting that the Board allow her to change her application for the Circuit Breaker deferment program to the Elderly Exclusion for the 2018 tax year.

Shavonda McLean presented evidence and represented the County. Ms. Mclean informed the Board that the appellant applied for the Circuit Breaker Deferment program in 2018 and was approved for that program, but In February 2019, the appellant changed her mind and requested to qualify instead for the Elderly Exclusion for the 2018 tax year.

The Board requested more information about the different types of Tax Assistance Programs that were available. Ms. Mclean provided the Board with information on the different programs, what each program offers and the qualifications that are required to be approved for the different forms of tax assistance, and the timelines for applying for these programs. Ms. McLean noted that the appellant was approved for the Elderly Exclusion for the 2019 tax year.

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 change her 2018 application from the Circuit Breaker Deferment program to the Elderly Exclusion because the appellant did not apply for the Elderly Exclusion during the calendar year of 2018 as required by North Carolina law. Mr. Beattie seconded the motion and the motion carried.

3 Ayes
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Krasny

PIN 9799386254

Harvey C. Krasny elected not to appear before the Board but requested that his submitted documentation serve as the appeal. A list of evidence follows:

APPELLANT	COUNTY
9799386254 Appeal	

The appellant is appealing the decision by the County to deny his application for Property Tax Relief in 2019 for the Elderly Exclusion. Mr. Krasny stated that the reason given by the County for the denial was that his income "exceeds the allowed amount of \$30,200". The appellant does not believe his income from the preceding year 2018 exceeded the maximum allowed amount to qualify for the relief. He explains that his IRA required a mandatory distribution of stock (equities). This distribution was only stocks and no cash transferred from his IRA account to a separate, regular stock account. There was no conversion of the stock to cash before or after the distribution. Mr. Krasny believes it would be unreasonable and inequitable to retroactively consider the money that was received 24 years ago to be part of his current income even if the funds were transferred in 2018.

Shavonda McLean presented evidence and represented the County. Ms. McLean informed the Board that per the 2019 tax year income requirements, the appellant was over the allotted amount of monies received to qualify for the exclusion.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, the Board requested that this appeal be tabled and requested the appellant provide the evidence he mentioned in his letter dated May 21, 2019, to support his claim that an amended 2019 income tax return was filed with the IRS.

3 Ayes
0 No

Ball

PIN 9847437182

Sandra Ball appeared before the Board to request that the Board overturns the County's denial of the appellant's 2019 application for Elderly Exclusion. A list of evidence follows:

APPELLANT	COUNTY
9847437182 Appeal	9847437182 County

The appellant stated that she received notice from the Tax Office that she did not qualify for the Elderly Exclusion based on her 2018 income exceeding the program's allotted income amount of \$30,200. She stated that the reason for exceeding the allotted amount was due to the death of her husband. Her husband had an IRA in his name, and upon his death, the IRA had to be cashed out and immediately put into an

annuity in the appellant's name. Ms. Ball stated that the funds were never used as income and were immediately reinvested, thus the funds should not be considered actual income received.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Satterfield made a motion to grant the appellant the Elderly Exclusion based on a one time increase on her income. Ms. Davis seconded the motion and the motion carried.

3 Ayes
0 No

Yesteryear Brewing dba Vecino Brewing

Abstract # 1058813

David Larsen did not appear before the Board but requested the submitted documents serve as his appeal. A list of evidence follows:

APPELLANT	COUNTY
1058813 Appeal	1058813 County

The appellant is requesting that the Board waive the \$3,025.27 in listing penalties and interest on the outstanding tax bills from 2016 and 2017 stating that due to extreme hardships arising from tragic private family matters, he is not able to pay these taxes.

Brenda Riley presented evidence and represented the County. Ms. Riley informed the Board that this appeal is a request for Compromise of Listing Penalties and Interest for a discovery notice created July 20, 2018 for the tax years 2016 and 2017.

Ms. Riley stated that Per G.S. 105-312 (k), taxpayers can request a compromise of the county's claim for taxes on discovered property. However, once taxes have been paid, the county's claim for those taxes has been settled and the taxes can no longer be compromised and if a taxpayer wishes to request that the Board of Equalization and Review compromise some or all of the taxes resulting from discovered property, the taxpayer should not pay the portion of those taxes in which they wish to request a compromise.

Ms. Riley stated that the 2018 Business Personal Property was received timely on April 6, 2018 and processed. The discovery was created for failure to list in tax years 2016 and 2017. The interest amount is calculated as of June 30, 2019.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Satterfield made a motion to waive the discovery penalty and all interest associated with the discovery due to economic hardship. Ms. Davis seconded the motion and the motion carried.

3 Ayes
0 No

Hall

PIN 9840272377

Dana Hall elected not to appear before the Board and requested that all submitted documentation serve as the appeal. Ms. Hall is appealing the valuation of property located at 7427 Orange Grove Road,

Hillsborough. The current tax value assigned to the property by Orange County is \$284,400. A list of evidence follows:

APPELLANT	COUNTY
9840272377 Appeal	9840272377 County

The appellant is requesting that the Board reduce the 2019 valuation to \$100,900 citing the fact that the subject was only 14% complete as of January 1, 2019.

Heidi Whetzel presented evidence and represented the County. Ms. Whetzel informed the Board that after a field inspection conducted on January 31, 2019, she verified that the subject was only at 14% completion. However, when the property data was entered into the County database, the Percentage Construction Remaining was not keyed properly. Therefore the property was valued based on being 100% complete. Ms. Whetzel recommends adding an 86% adjustment for the Percentage Construction Remaining. This adjustment would result in a revised value of \$100,900.

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 recommended adjustment which will result in a revised value of \$100,900. Mr. Satterfield seconded the motion and the motion carried

3 Ayes
0 No

Watt

PIN 9853046865

Christine Watt elected not to appear before the Board and requested that all submitted documentation serve as the appeal. Ms. Watt is appealing the valuation of property located at 3401 Monadnock Ridge Road, Efland. The current tax value assigned to the property by Orange County is \$348,500. A list of evidence follows:

APPELLANT	COUNTY
9853046865 Appeal	9853046865 County

The appellant is requesting that the Board lower the 2019 valuation to \$316,000 citing the facts that the square footage of the subject is incorrect based on a recent appraisal, the subject's functionalities/features, and other sales in the area. In addition, the appellant stated that other houses in the area are selling for less than her value but those properties have more features than her home.

Heidi Whetzel presented evidence and represented the County. Ms. Whetzel informed the Board that after a field inspection conducted May 2019, the following adjustment was recommended: adding a -10% adjustment for functional depreciation due to the subject only having two bedrooms despite having 1,851 square feet of living area. Also a change in the quality grade of the subject from A to A-10 was recommended. When applied, these recommended adjustments will result in a revised value of \$321,900.

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 recommended adjustments and the revised value of \$321,900. Ms. Davis seconded the motion and the motion carried.

3 Ayes
0 No

Norwood**Abstract #3553667**

David McCall, husband of the appellant, appeared before the Board to appeal the valuation of a vehicle that the appellant owns. The vehicle is a 2017 Ford Edge Titanium MP and has an assessed value of \$28,451. A list of evidence follows:

APPELLANT	COUNTY
9847437182 Appeal	9847437182 County

The appellant stated that the market value of the vehicle is less than the assessed value of the vehicle and feels that that the market value should be approximately \$22,000. Mr. McCall submitted evidence to support his claim of a lower market value. The evidence was from Car Fax, Kelly Blue Book and NADA.

Jackie Morrow presented evidence and represented the County. Ms. Morrow explained that the initial assessed value of \$31,612 had already been adjusted down 10% for a high mileage deduction. Ms. Morrow stated that the appellant submitted information about trade in values but the County does not use trade in values to calculate market value.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Beattie made a motion to not change the County's valuation of \$28,451 stating that the valuation was in line with the values of other vehicles of this type. Mr. Satterfield seconded the motion and the motion carried.

3 Ayes
0 No

Hessee**Abstract # 8777248**

Layne Hessee elected not to appear before the Board and requested that all submitted documentation serve as the appeal. This is a registered motor vehicle appeal. The vehicle is a 2012 Jeep MP and the Orange County assessed value is \$19,298. A list of evidence follows:

APPELLANT	COUNTY
Appeal	County

The appellant states that the market value is less than the Orange County assessed value for the vehicle. Mr. Hessee claimed that the value should be \$16,000 citing three dealerships have documented this amount as the average retail value. The vehicle also has high mileage.

Jackie Morrow presented evidence and represented the County. Ms. Morrow informed the Board that the County has already adjusted the initial appraised value of \$21,929 due to high mileage and necessary repairs. The adjustment rendered a revised value of \$19,298.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davie made a motion to deny the appellant's request for further reduction to the vehicle's value stating that the County has already applied adjustments which reduced the assessed value from \$21,929 to \$19,298. Mr. Satterfield seconded the motion and the motion carried

3 Ayes
0 No

The Station at Chapel Hill

PIN 9798340950

The Station at Chapel Hill elected not to appear before the Board and requested that all submitted documentation serve as the appeal. The appeal is for property located at 1450 Environ Way, Chapel Hill. A list of evidence follows:

APPELLANT	COUNTY
9798340950 Appeal	9798340950 County

In a written statement to the Board, Ben Perry, the Finance Director, is requesting that the Board review the status of listing penalties assessed on the subject and is requesting that these penalties be waived. The property is the former site of the Town of Chapel Hill's Fire Station # 2 on Hamilton Road. Pursuant to a Development Agreement and corresponding financial agreement between the appellant and the Town of Chapel Hill, the property was conveyed from the Town to the appellant in January 2017 in order to complete a redevelopment of the site into a new fire station and a privately owned office building. Because the property was subject to an on-going public-private partnership under which the appellants were required to ultimately convey a portion of the property back to the Town. It did not occur to the appellant that the property would be placed on the tax roll until the public-private partnership was completed and the buildings were placed into service, which occurred near the end of 2018.

Roger Gunn presented evidence and represented the County. Mr. Gunn stated that the property was formally owned by the Town of Chapel Hill and since it was owned by a governmental entity is was 100% exempt from property taxes. The property transferred in January 2017 to East West Partners which later transferred the property to The Station at Chapel Hill, a subsidiary of East West Partners. The County failed to note the transfer from a non-taxable entity to a taxable entity until 2019 and in 2019, the County discovered that the property escaped taxation for 2017 and 2018. Mr. Gunn explained that if an exempt property transfers between January 1 and June 30 in any tax year, the property is taxable for the full year. The County processed a Discovery of Value for tax years 2017 and 2018 and applied the statutory 10% listing penalty for tax year 2018 and 20% listing penalty for tax year 2017. Mr. Gunn stated that it is the County's duty to ensure that property subject to taxation are correctly listed in the tax roll and that the County should have caught the oversight and should have been taxed and billed in 2017 and 2018. Mr. Gunn stated that unfortunately, the statutes do not allow for the County to remove the required statutory listing penalties. Mr. Gunn noted that the appellant has paid all prior years taxes owed, less the listing penalties.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Satterfield made a motion to remove the listing penalties associated with the discovery as the County should have been aware of the change in property ownership. Ms. Davis seconded the motion and the motion carried.

3 Ayes
0 No

Kitchen

PIN 9788253104

James Kitchen elected not to appear before the Board and requested that all submitted documentation serve as the appeal. Mr. Kitchen is appealing the valuation of property located at 415 Patterson Place, Chapel Hill. The current assessed value assigned to the property by Orange County is 398,000. A list of evidence follows:

APPELLANT	COUNTY
9788253104 Appeal	9788253104 County

The appellant is requesting that the Board lower the 2019 valuation to 330,000 citing this opinion was based on an appraisal dated April 2, 2018. In a written statement provided by the appellant, Mr. Kitchen states that he received a 2019 Value Change Notice from the County for the subject property. The appellant feels that the notice was generated because the subject was subdivided. Mr. Kitchen provided an appraisal that assumes the property will be subdivided.

Bill Hiltbold presented evidence and represented the County. Mr. Hiltbold informed the Board that the subject property is a 0.2 acre parcel that was subdivided and sold May 18, 2018 for \$460,000. The residence that was initially built in 1942 was totally renovated in 2018 with a new front porch and landscaping including a sturdy pergola and stockade privacy fence which screens the view of stored railroad cars across the street. After reviewing the quality grades for the subject neighborhood, it was determined that the grades ranged from C to B+05 surrounding the subject property which currently has a grade of B+10. Mr. Hiltbold recommended changing the grade from B+10 to C+10 and the effective year built of the subject from 2012 to 2007 to correctly account for the contribution of recent renovations. The recommended changes will result in a reduced value from \$398,000 to \$343,300.

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 recommended changes and the revised value of \$343,300. Mr. Beattie seconded the motion and the motion carried.

3 Ayes
0 No

Santucci

PIN 9778278230.083L413

Sandra Santucci elected not to appear before the Board and requested that all submitted documentation serve as the appeal. Ms. Santucci is appealing the valuation of property located at 140 W. Franklin Street, #413, Chapel Hill. The current tax value assigned to the property by Orange County is \$708,200. A list of evidence follows:

APPELLANT	COUNTY
9778278230.083L413 Appeal	9778278230.083L413 County

The appellant is requesting that the Board reduce the valuation to \$636,000 citing a 2018 appraisal that claims this is a correct value.

Brian Harlow presented evidence and represented the County. Mr. Harlow informed the Board that the appellant is appealing the assessed value of her property based off an independent appraisal with an effective valuation date of April 2018 and an opinion of value of \$ 656,000. The appellant did not provide a copy of the appraisal as evidence to support this opinion.

Mr. Harlow stated that a sales analysis was performed on comparable units within 140 West condominium project. All of these units sold in 2016 and all are located on the fourth floor. The average

value per square foot of these comparable sales is \$457.85 and the subject's value per square foot is \$339.18.

An equity analysis was also performed on the comparable units within 140 West. All of these units are located on the 4th floor. The average value per square foot of the assessed units is \$362.15 and the subject's value per square foot is \$339.18.

After reviewing the sales and equality analysis, the County recommends no change be made to the appellant's assessed value as its value is below the average sales price per square foot and average assessed value per square foot for similar units in the subject project.

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 appeal based on insufficient data and the appellant's appraisal that used comparable sales after the County's revaluation date of January 1, 2017. The County did provide comparable sales occurring prior to the revaluation from 2016 to support their recommendation. Mr. Beattie seconded the motion and the motion carried.

3 Ayes
0 No

Kuo

PIN 9789299173

Cherng Ping and Cju-Mei Hsu Kuo elected not to appear before the Board and requested that all submitted documentation serve as their appeal. A list of evidence follows:

APPELLANT	COUNTY
9789299173 Appeal	9789299173 County

The appellant is requesting that the Board approve their application for Elderly Exclusion that was denied by the County. Due to the appellants' limited English comprehension, a May 9, 2019 letter was transcribed by the appellants' daughter. This letter stated that Mr. Kuo wanted to clarify that he does not reside with Mrs. Kuo at 103 Taylor Street, Chapel Hill. He inadvertently completed the application for property tax relief incorrectly due to his limited understanding of the English language. Both Mr. and Mrs. Kuo maintain ownership of the property, but Mrs. Kuo is the sole occupant. Mr. Kuo resides in Apex, NC. He continues to assist Mrs. Kuo with annual income tax reporting and property tax payments.

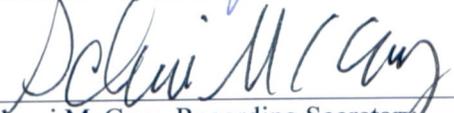
Shavonda McLean presented evidence and represented the County. Ms. McLean informed the Board that the appellants were denied the 2019 Property Tax Relief due to the appellants' 2018 tax returns indicating an address in Apex, North Carolina and the appellants are applying for an exclusion for a property in Chapel Hill. One of the qualification questions, on the application for the exclusion, asked if your spouse resided with you, to which the appellant entered "yes." The County did not have verification as to whether the appellants were living together or apart until the appellants daughter contacted the County and stated that the appellants were living separately but they still file a joint income return. The appellants submitted copies of their NC Driver licenses that indicated that they both lived at different addresses: Mr. Kuo in Apex and Mrs. Kuo in Chapel Hill. The County did not receive the information in time to approve their application.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Davis made a motion to approve the appellants' request for Elderly Exclusion. Mr. Beattie seconded the motion and the motion carried.

3 Ayes
0 No

Having heard all of the appeals scheduled on this date, Ms. Davis made a motion to adjourn this meeting at 3:00 PM. The motion was seconded by Mr. Satterfield and the meeting was adjourned.


Pamela Davis, Chair


Scherri McCray, Recording Secretary