

## MINUTES

Board of Equalization and Review

Date: December 20, 2018

Board Members Present:

Reginald Morgan, Chair  
Karen Morrisette  
Barbara Levine

Staff Members Present: Roger Gunn, Real Property Appraisal Manager

Cyle Anderson, Appraiser  
Christy Carden, Appraiser  
Brenda Riley, Appraiser  
Bill Hiltbold, Appraiser  
Chad Phillips, Deputy Tax Assessor  
Nancy Freeman, Business Officer

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Chair Reginald Morgan called the meeting to order at 1:00pm.

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### SCHEDULE:

9759968967	Hickory Grove Baptist Church	Appearing
1073588	Sequoia Services LLC	Appearing
9788342830	Grasty	Appearing
9891936616L5	Baillif	Appearing
1067055	Jewel Recycle, LLC	Appearing
9873350505	Zhu	Appearing
9778407746	180 West Club LP	Appearing
1057995	Blue Stripes LLC	Appearing
9873998025	Cates	
9867260320	Vallie Washington, Trustee	Appearing
1069493	Manufacturer Services Group	

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### **Hickory Grove Baptist Church**

**9759968967**

Dr. Charlie Williams, pastor of Hickory Grove Baptist Church, appeared before the Board to appeal the denial of exemption for religious purposes for a vacant 15 acre parcel on Hackney Road in Chapel Hill. A list of evidence follows:

<b>APPELLANT</b>	<b>COUNTY</b>
9759968967 APPEAL	9759968967 COUNTY

The appellant is requesting that the board reverse the denial of exemption for religious purposes. Dr. Williams stated that Doug & Erica Walters had a property adjacent to the church's property and

asked to have access to the church property so they would have a better access to their own property. The church decided to allow them to have access. Dr. Williams explained that granting the access was seen as a split/change to the church property and it changed the status of the property in the Tax Office. Dr. Williams was told that the church had to reapply for exemption, so Dr. Williams came to the office and quickly filled out an application form while he was still in the office. The appellant stated that he did not provide information that he should have, and as a result, the application was denied.

Mr. Chad Phillips represented the County. Mr. Phillips stated that appraiser Shavonda McLean reviewed the application, which stated that the property was used for camping and hiking, and denied the application because the uses listed on the application did not qualify the property for exemption. Mr. Williams stated that while he was at the Tax Office on November 26<sup>th</sup>, he rushed through the application and was not thorough in stating the religious objectives for the property, and he maintains that Ms. McLean did not help him understand what he needed to include on the application that was important to regaining the exemption.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Morgan made a motion to grant the exemption. Ms. Levine seconded the motion and Ms. Morrissette disagreed.

Ayes: 2

Noes: 1

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**Sequoia Services LLC**

**1073588**

Ms. Teresa Sagraves appeared before the Board to request a compromise of taxes for business personal property located at 7112-UT E. Washington Street, Mebane. A list of evidence follows:

APPELLANT	COUNTY
1073588 APPEAL	1073588 COUNTY

Ms. Sagraves is requesting that the board allow a compromise of taxes in the amount of \$1,382.21 related to a listing penalty for a discovery of business personal property for the 2018 tax year.

Ms. Brenda Riley represented the County and stated that a listing for the equipment was timely filed in Guilford County because the company headquarters are in Guilford County, but the equipment was located in Orange County. Upon learning of the mistake, the owners of the company brought the mistake to Orange County's attention, who in turn performed a discovery of business personal property that included the statutory listing penalties.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Morrissette made a motion to grant the request to compromise taxes in the amount of \$1,382.21 for the listing penalty associated with the 2018 discovery. Mr. Morgan seconded the motion and the motion carried.

Ayes: 3

Noes: 0

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Mr. Thomas Grasty did not appear as planned before the Board to request the Board accept an untimely filed appeal for the property located at 216 Vance Street, Chapel Hill. A list of evidence follows:

APPELLANT	COUNTY
9788342830 APPEAL	9788342830 COUNTY
	9788342830 PHOTO 1
	9788342830 PHOTO 2
	9788342830 PHOTO 3

Roger Gunn represented the County and explained that the property was purchased by Mr. Grasty on March 12, 2018. By statute, Mr. Grasty would have had until the June 14, 2018 adjournment date of the Board to appeal the valuation. A notification of value change was sent to the January 1, 2018 owner, and as the prior owner did not forward the notice to Mr. Grasty, Mr. Grasty did not receive a notice of the value. When Mr. Grasty received the tax bill he questioned the value, did some investigation and found that the County had increased the home’s finished square footage in error.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Morrissette made a motion to grant the request to hear the untimely filed appeal. Mr. Morgan seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

*As the Board has granted the request to hear the appeal, the appeal follows:*

The current Orange County valuation of the property is \$731,700. Bill Hiltbold represented the County and stated that an initial, exterior only field review resulted in an improper increase to the square footage. On a second field review, when Mr. Hiltbold was allowed inside the residence with Mr. Grasty, Mr. Hiltbold was able to get more accurate information that resulted in a correction to 2,812 square feet finished living area. Based on photos indicating the property has been updated with new flooring, light fixtures, and plumbing, Mr. Hiltbold recommended increasing the effective age to 2008. The correction in finished area and effective age would lead to a revised valuation of \$623,300.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Morrissette made a motion to accept the County’s recommended changes, thus lowering the value to 623,300. Mr. Morgan seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

Raymond Baillif did not appear before the Board as scheduled to appeal the valuation of his property located at 5901-16C Wilkins Drive, Durham. The current Orange County assessed value of the property is \$37,600. A list of evidence follows:

APPELLANT	COUNTY
9891936616L5 APPEAL	9891936616L5 COUNTY
	9891936616L5 PHOTO

Mr. Gunn represented the County and noted that the appeal was timely filed earlier in the year but the appeal form was just recently found and brought to his attention. Mr. Gunn noted that the subject is a manufactured home in a mobile home park, currently classified as leasehold improvements. Mr. Gunn stated that the appellant believes the value of the residence to be \$5,000. The County recommends reclassifying the property from real property to personal property and revising the value to \$2,730, based on the County's personal property value schedule for manufactured homes.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Morrissette made a motion: in consideration of the documentation provided by the taxpayer and the evidence provided by the County, so move to correct the classification of the property to personal property and correct the value to \$2,730. Ms. Levine seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

**Jewel Recycle, LLC**

**1067055**

Todd Melet appeared before the Board to request a compromise of taxes for the 2013-2017 tax years related to a discovery of business personal property at 201 S. Estes Drive, Chapel Hill. A list of evidence follows:

APPELLANT	COUNTY
1067055 APPEAL	1067055 COUNTY

The appellant is requesting a compromise of taxes in the amount of \$1,440.88, which represents the total listing penalties for the 2013-2017 tax years. Mr. Melet explained that he shares the duties for filing taxes for his company with a co-worker and his company has four locations in three counties. When the Orange County location was added, both he and his coworker thought the other coworker was filing the Orange County listing, but neither coworker filed. Mr. Melet stated that this was a complete oversight on the company's part and when his company discovered the error, it immediately corrected the issue and submitted a 2018 listing form.

Christy Carden presented represented the County and stated that the County received the 2018 listing form that indicated dated information that led the County to create the discovery for the 2013-2017 tax years.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Morgan made a motion to deny the request to waive the penalty. Ms. Morrissette seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**Zhu**

**9873350505**

Shiyang Zhu appeared before the Board to request the Board hear an untimely filed appeal of the property located at 436 Monarda Way, Hillsborough. A list of evidence follows:

APPELLANT	COUNTY
9873350505 APPEAL	9873350505 COUNTY
	9873350505 PHOTO

The appellant stated that she purchased and closed on a newly constructed home in December 2017 and should have been listed as the January 1, 2018 owner, but that was not the case. Ms. Zhu stated that in October 2018, she received a \*new owner notice and that is the first time she had seen the tax value for her new home. The appellant stated that she did not get to see the value from the 2018 property tax listing form or the original 2018 tax bill.

*\*Note: the new owner notice is a duplicate billing sent to new owners normally in October for any properties transferred during the previous year that remain unpaid.*

Mr. Gunn represented the County and stated that the County does corroborate the situation that occurred, that the property was transferred to the appellant in December 2017 but that the record was not updated in a timely fashion for the appellant to receive the January 2018 listing form that included the 2018 valuation.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Morrissette moved to accept the request to hear the untimely filed appeal. Mr. Morgan seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

*As the Board has granted the request to hear the appeal, the appeal follows:*

The current Orange County assessed value of the property is \$241,000. Ms. Zhu stated that the finished square footage on the County record is incorrect. Ms. Zhu stated that the 1,834 square feet of finished area listed for her property is the same finished square footage listed for her neighbor's property and is a clerical error on the part of the County as the finished square footage of her home is less than that of the neighboring home. Ms. Zhu indicated that her square footage was checked by Cyle Anderson and his review indicated a finished area of 1,689 square feet, and therefore, the appellant believes the value should be lowered.

Mr. Anderson stated that after his field visit in November 2018, he recommends adjusting the subject's finished area from 1,834 square feet to 1,698 square feet leading to a reduction in value from \$241,000 to \$232,100.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Morgan moved to accept the requested change in finished area from 1,834 square feet to 1,698 square feet and lower the valuation from \$241,000 to \$232,100. Ms. Morrissette seconded the motion and the motion carried.

Ayes: 3  
 Noes: 0

**180 West Club LP**

**9778407746**

William Miller, an authorized tax agent for the appellant, chose not appear before the Board to appeal the valuation of the property located at 180 BPW Club Road, Chapel Hill but requested that the documents serve as the appeal. The current Orange County assessed value is \$23,090,900. A list of evidence follows:

APPELLANT	COUNTY
9778407746 APPEAL	9778407746 COUNTY
	9778407746 PHOTO

Mr. Roger Gunn represented the County and shared evidence provided by the appellant. Mr. Gunn stated that the appellant is requesting that the value be lowered to approximately \$18,300,000 because the County has not assessed the subject property equitably as compared to other apartment properties.

Mr. Gunn stated that he analyzed the properties submitted by the appellant, and that he believes that some of the properties submitted in the analysis are not comparable with the subject property and other properties comparable with the subject property were excluded. Mr. Gunn asked the board members to review the County evidence spreadsheet. A sales comparison analysis of sales occurring prior to the revaluation produced an estimated value of \$21,998,573. The income approach to value produces a value of \$21,706,972. Weighting the two value approaches equally produces a value of \$21,852,772. Mr. Gunn recommended a revised valuation of \$21,853,000.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Mr. Morgan made a motion to accept the County's recommended value of \$21,853,000. Ms. Levine seconded the motion and the motion carried.

Ayes: 3  
 Noes: 0

**Blue Stripes LLC DBA Silverspot Cinema**

**1057995**

Ms. Sarah Sullivan appeared before the Board to request a compromise of taxes for business personal property located at 201 S. Estes Drive, Suite 100, Chapel Hill. A list of evidence follows:

APPELLANT	COUNTY
1057995 APPEAL	1057995 COUNTY

Ms. Sullivan explained that she started working for Blue Stripes LLC dba Silverspot Cinema in October 2015. Ms. Sullivan stated that she incurred a personal loss and was out of the office most of December 2017 and January 2018 and due to her absence, there was quite a pile up of office mail, and some of the mail was lost or misplaced. Ms. Sullivan stated that she requested an extension to file for 2018 taxes by email prior to April 2018. Ms. Sullivan is asking for a compromise in taxes in the amount of \$128,918.72, which represents the listing penalties associated with the business personal property discovery for tax years 2015 through 2018.

Ms. Sullivan further explained that her supervisor Jeannette, who is based out of Florida, filed the property tax listings for the previous years, and Ms. Sullivan's supervisor indicated that she was under the impression that the landlord would list part of the construction for the leasehold improvements as part of the agreement with the lease. Ms. Sullivan stated that she was told that her supervisor also contacted our office and asked lots of questions in order to file properly.

Brenda Riley represented the County and stated an extension request was received for 2018 but it was received in March and the deadline to file an extension was January 31, 2018. The 2018 listing form was received in March 2018. Because of this filing, there was an audit performed by an outside firm, and the outside auditor found that there was business personal property that had not been previously listed which resulted in a discovery. Basically, the leasehold improvements to the property were not listed. Ms. Riley stated that there were no listing forms for business personal property submitted for 2015, 2016, 2017 and 2018.

Ms. Riley noted that the auditor helped Ms. Sullivan complete the 2018 listing form. Ms. Sullivan concurred with that statement, and also elaborated to say that she was under the impression that there were listings done for 2015-2017 and will go back and check the record. She recalls that there were questions and that she contacted our office to discuss how it was listed. Ms. Sullivan stated that she recalled questions possibly in 2017 and there was an additional mailing sent out about the Trilogy Restaurant and the owners notified our office that the restaurant was part of the cinema.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Morrisette made a motion: in view of the fact that the evidence indicated that the reason that the filings were not done in a timely manner was due to a systemic vulnerability within the business organization rather than the temporary absence of one staff member who is responsible for the filing, so move not to compromise the penalties. Ms. Levine seconded and the motion carried.

Ayes: 3  
Noes: 0

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**Cates** **9873998025**

Ms. Cates did not appear before the board but requests that her document serve as her appeal. Ms. Cates is asking that the previously denied elderly exclusion for the property located at 1919 Lawrence Road, Hillsborough be approved. A list of evidence follows:

APPELLANT	COUNTY
9873998025 APPEAL	9873998025 COUNTY

Mr. Chad Phillips represented the County and stated that the appellant is requesting that the board accept her application for elderly exclusion due to the fact that the person who prepared her taxes *did* so incorrectly. Mr. Phillips stated that in reviewing the tax return, it is evident that the amount of her income was doubled. In reviewing her Social Security wages statement and her additional income information, a calculation performed to sum the two incomes proves that the tax preparer doubled Ms. Cates income. The Social Security and additional income total fall within the income limit for elderly exclusion. The County is recommending that Ms. Cates' application be approved.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Morrisette made a motion to grant the approval of the application for elderly exclusion based on the County's recommendation. Mr. Morgan seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

**Vallie Washington, Trustee**

**9867260320**

Ms. Vallie Washington appeared before the Board to request that the previously denied application for exemption for religious purposes be approved for the property located at 4515 NC Highway 86 North, Hillsborough. A list of evidence follows:

APPELLANT	COUNTY
9867260320 APPEAL	9867260320 COUNTY

The appellant is requesting that the board accept her application of exemption for religious purposes. Ms. Washington explained that she and her husband are caretakers of the church. Most of the members are not in a position to give funds, and the Washingtons use personal funds to support the church. Ms. Morrisette asked when the church came into existence. Ms. Washington stated that they purchased the church in 2016, at which time the pastor informed the Washingtons that that the church did not pay taxes.

Mr. Chad Phillips represented the County. Mr. Gunn asked if the Washingtons paid taxes in 2017 because the property was deeded to them as individuals in 2016. Mr. Phillips stated that the loss of the religious exemption occurred when Ms. McLean discovered a change in ownership during an exemption audit. Ms. McLean discovered that the property was no longer in the name of the entity that had originally made application for the exemption, so the religious exemption was no longer a legitimate exemption. Once the property changed ownership, the exemption became invalid. Mr. Gunn notified the Board that a correction deed was recorded in October 2018 to reflect the Washingtons as Trustees for the New Birth in Christ Holiness Church and the ownership of record will be correct in the future, and the appellant has already applied for religious exemption for 2019.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Morrisette made a motion: in light of the fact that in January 2018 the property in question was not deeded in the name of a religious organization nor was it being used in that capacity, so move to deny the exemption. Mr. Morgan seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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**Manufacturer Services Group**

**1069493**

The appellant did not appear before the Board but requests that the documents serve as the appeal. The appellant is requesting a compromise of taxes for business personal property located at 7315 Oakwood Street, Mebane. A list of evidence follows:

APPELLANT	COUNTY
1069493 APPEAL	1069493 COUNTY

The appellant is requesting that the Board compromise taxes in the amount of \$1,309.91, which represents the sum of the listing penalties associated with a discovery of business personal property for the 2015-2017 tax years.

Ms. Brenda Riley represented the County and stated that the company had been listing property taxes in Alamance County since 2015 in error. The taxes are for leased equipment located at 7315 Oakwood Street in Mebane. In 2018, Alamance County discovered that the equipment was actually located in Orange County, and sent the listing information for 2018 to Orange County. Orange County created the 2018 tax bill based on the timely listing form sent by Alamance County, and the appellant has paid the 2018 tax bill. Orange County also discovered taxes for the tax years 2015-2017 in which the property was not listed in Orange County.

The Board reviewed all documents and information provided by the appellant and the County. After deliberation and review, Ms. Morrissette made a motion to grant a compromise of taxes in the amount of \$1,309.91, which is the sum total of the listing penalties. Ms. Levine seconded the motion and the motion carried.

Ayes: 3  
Noes: 0

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Having heard all of the appeals scheduled on this date, Mr. Morgan made a motion to adjourn this meeting at 3:39 PM. The motion was seconded by Ms. Morrissette and the meeting was adjourned.

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Reginald Morgan, Chair

  
Nancy Freeman, Recording Secretary