

The 2016 County of New Kent Board of Equalization met on Thursday, June 16, 2016 in the Boardroom of the Administration Building, 12007 Courthouse Circle, New Kent, Virginia, at 2:00 p.m.

ROLL CALL: A roll call determined that Mr. William Wallace, Mr. Mathew Starr, Ms. Amy Pearson, Mr. Baird Jones and Mr. William Chandler were present. Representing the Commissioner's Office were Deputies Shannon McLaughlin, Lori Massey, Kaitlyn Holliday and Devin Caldwell and Commissioner of Revenue Laura Ecimovic.

HEARINGS/CONSIDERATION OF APPEALS: Hearings were scheduled for the following PID numbers: 2709, 3638, 6396, 6400, 6450, 6451, 3735, 3846, 8973, 8230, 2219 and 100448. Appeals with pending determinations from previous hearing schedules included PID numbers 5859, 3090, 3095, 1997, 1880, 4606, 5718, 100452, 5536, 2832, 1189 and 6999.

JOHNSTON PARTNERS LLC PID #2709 & #3638 – Mr. Miles Johnson, representing Johnston Partners LLC, was present in support of these appeals. He reported there had been meetings between Mr. E. Taylor Moore, Jr., Mr. Linwood Gregory and the Commissioner and the results had also impacted the assessments of his properties. He indicated he had received updated assessment information after having arrived for today's hearings and requested he be given a few minutes to review the information. He suggested that if he was in agreement, he may not wish to make a presentation.

MOORE, E. Taylor, Jr. and Kristine K., PID #5536 – Mr. Moore, who had presented his case on Tuesday, June 14th, was present and asked if he could speak briefly with the Board prior to hearing other appeals. The Board agreed. Mr. Moore gave the Board a letter and read a statement indicating he had met with the Commissioner of Revenue, an amicable resolution had been reached and he wished to withdraw his appeal. The Board accepted his withdrawal. Mr. Wallace thanked Mr. Moore for all he had put into reaching a resolution. Mr. Moore also thanked the Commissioner and the Board and noted he understood their job was not easy and expressed his appreciation for the work they were doing.

GREGORY, Roger III, etals., PID #2832 – Linwood Gregory, who had also presented the Gregory family's case on Tuesday, June 14th, asked if he could also speak briefly with the Board. Mr. Gregory reported he had also met with the Commissioner of Revenue, an amicable resolution had been reached and he wished to withdraw the appeal on behalf of the Gregory family. The Board accepted his withdrawal.

Board of Equalization Secretary Wanda Watkins noted the next appointment would be at 2:30 p.m. and suggested the Board may wish to go back and review appeals carried forward from June 13th and June 14th. The Board agreed and a summary list of those appeals requiring additional consideration was distributed.

JOHNSTON PARTNERS LLC PID #2709 & #3638 – Mr. Miles Johnson, representing Johnston Partners LLC, noted he was pleased with the value adjustments made to his properties and indicated he wished to withdraw his appeals. The Board accepted his withdrawals.

The Board began a review of pending appeals from June 13th and 14th.

SEARS, James Dallas, PID #5859 - Mr. Sears had stopped by the Board of Equalization Office on June 14th and had indicated he had a dental emergency and was on his way to the dentist. He was not sure he would be able to keep his 2:00 p.m. appointment. He left a copy of the building permit for the garage situated on the property suggesting it could be helpful to the Board in making a decision on his appeal. Mr. Sears was offered options to meet with the Board later in the day if he was able. Mr. Sears did not show and the Board deferred action. The Board took up additional discussion on PID #5859 on June 16th. Mr. Chandler suggested that because Mr. Sears had not personally appeared before the Board, it would be difficult to understand his case. Ms. Watkins reminded the Board that due to the aforementioned dental emergency, Mr. Sears had not been able to appear but he had provided a copy of the building permit for consideration. Ms. Ecimovic suggested there was a problem determining the value of the property because Mr. Sears filed an appeal every year and then would not respond to letters from the Commissioner or allow assessors an opportunity to come onto the property. Mr. Caldwell noted Mr. Sears' most recent appeal was regarding the garage located on the property. Mr. Caldwell provided a review of the comparable garages provided by Mr. Sears. He indicated he had reviewed previous appeals filed by Mr. Sears and with each appeal, he had been able to learn more about the Sears' property. A number of minor corrections had been made to the property record and the Commissioner was recommending a reduced assessment of \$213,900. Upon a motion made by Mr. Chandler and seconded by Ms. Pearson, the Board voted to change the assessment to \$213,900 as recommended by the Commissioner with a value of \$56,600 given to the land and \$157,300 given to the improvements, by a vote of 5:0.

Mr. Jones asked if a record would be kept of the process and discussions involved in making a decision on each of the cases. Ms. Watkins indicated the meetings were being recorded and a written record would be prepared. Mr. Jones asked that it go on record that the Sears file contained many years of appeal information and Mr. Sears had made some allegations that he felt were not true. He indicated Mr. Sears had made allegations about the Commissioner of Revenue and staff and the Sheriff's Office which were not true. He specifically noted Mr. Sears' allegation that the Board of Equalization had not granted him an appeal during the previous assessment cycle. Mr. Jones indicated this was not true because he had served on the Board, an appeal had been scheduled and Mr. Sears had not shown up for the hearing.

HARWOOD, Charles D., PID #3090 – Mr. Harwood had not appeared for his 3:00 p.m. appointment on June 14th. The Board deferred action to allow Mr. Harwood an opportunity to contact the Board prior to rendering a decision. Having heard nothing from Mr. Harwood, the Board took up additional discussion on PID #3090 on June 16th.

Mr. Wallace asked if cases where no one appeared would be considered a withdrawal. Ms. Watkins indicated County Administrator Rodney Hathaway had requested that the Board review all cases whether the appellant was present or not. Ms. Pearson asked if this was another of the large waterfront properties. Ms. Ecimovic indicated it was a large acreage property but was not waterfront. Mr. Caldwell presented information on the comparables supplied by Mr. Harwood. Having nothing from Mr. Harwood substantiating an inaccurate assessment and there being no further discussion, Mr. Chandler made a motion that the assessment stand as noted at \$922,200. Mr. Starr indicated he had a good amount of experience with real estate and wished to make a comment regarding some of the large parcels with assessment appeals. He noted the comparable sales numbers were derived from actual transactions and suggested that some of these properties may have been sold at inflated prices. He noted one specific property, he suggested the current owner had indicated prior to going to the property auction that they were going to buy the property and they didn't care what it sold for. He noted concerns that these sales figures would drive up assessments just because some wealthy individuals had been "looking for a place to park their money". He suggested the sales had not been made under duress but had in fact been purchased by people with no concern regarding cost. Mr. Wallace reminded the Board that it was their responsibility to determine if the property assessment was fair and equitable and the owner's opinion that they may have paid too much for the property did not make a difference. Mr. Chandler pointed out the applicant was suggesting a per acre value which was less than the per acre value of any of the comparable sales. Board members continued to discuss per acre sales prices for a number of transactions closed in the past three years. Mr. Chandler reminded the Board that there was a motion on the table. Mr. Chandler was asked to restate his motion. He did so after which Mr. Jones seconded the motion and it was approved by a vote of 3:2 with Mr. Wallace and Mr. Starr casting the dissenting votes.

HARWOOD, Charles D., PID #3095 - Mr. Harwood did not appear for his 3:15 p.m. appointment on June 14th. The Board deferred action to allow Mr. Harwood an opportunity to contact the Board prior to rendering a decision. Having heard nothing from Mr. Harwood, the Board took up additional discussion on PID #3095 on June 16th. Mr. Caldwell again presented information on the comparables supplied by Mr. Harwood. He pointed out that one of the comparables had a lower per acre value than the Harwood property but suggested this was due to the RPA (Resource Protection Area) impact. Having nothing from Mr. Harwood substantiating an inaccurate assessment and there being no further discussion, Mr. Chandler made a motion, seconded by Mr. Jones, that the assessment stand as noted at \$392,100. The motion was approved by a vote of 3:2 with Mr. Wallace and Mr. Starr casting the dissenting votes.

ELTHAM FARM LLC, PID #6396 – Mr. Louis Savage was present to share information supporting the Eltham Farm LLC appeal. Ms. McLaughlin indicated the appeal had been reviewed by the Commissioner of Revenue's staff and some adjustments had been made. She provided Mr. Savage with a copy of the adjusted assessment. Mr. Savage indicated he had received an initial assessment in January but had been confused when he had received an additional reassessment notice in March. Mr. Wallace noted

that Mr. Savage had four properties subject to Board of Equalization review and asked Mr. Savage if he had received two reassessment notices for all four properties. Mr. Savage indicated that he had. Mr. Wallace stated, "I contend that the second one is illegal." He suggested that assessments were supposed to be completed by the end of December 2015. Property cards were sent out in early January based on the information available at the closed of 2015. He suggested that a second notice sent out later in March was not valid. Ms. Ecimovic reported the second notices were mailed on March 21st and argued they were valid because Code Section 3981 allowed the Commissioner of Revenue to make corrections. She indicated the waterfront properties were to have been "switched over" in December 2015 and this had not happened. She suggested this was a clerical error and the Code gave her the right to change it. Mr. Wallace asked if these properties were similar to the three waterfront properties which had been reviewed earlier by the Board. Ms. Ecimovic indicated they were. Ms. McLaughlin noted adjustments had been made and suggested she move forward with presenting the findings. She reported GIS had been used to more accurately report the swamp acreage and a powerline which had been missing from the description had been added. She noted the recommendation was to reduce the original assessment of 1,211,200 to \$886,200 which was \$2,850 per acre. She indicated the property did have 1,717 feet of waterfront and the reduced assessment was in line with the comparables provided by Mr. Savage. Ms. Ecimovic asked if she could make a statement and noted she had been bothered by Mr. Wallace's allegations that her office had done something illegal. Mr. Wallace noted that he and the Commissioner of Revenue obviously disagreed and he suggested the County Attorney be asked to provide an opinion. Ms. Ecimovic suggested the Board of Equalization was here to determine fair market value and nothing else. She further suggested it was wrong for Mr. Wallace to have suggested any illegal activities by her office during Board of Equalization proceedings. Mr. Starr asked Mr. Savage if he was satisfied with the reduction being recommended by the Commissioner of Revenue. He indicated he was satisfied. Upon a motion made by Mr. Chandler and seconded by Mr. Jones, the Board voted to approve the Commissioner of Revenue recommended reduction in assessment to \$866,200, by a vote of 5:0.

ELTHAM FARM LLC, PID #6400 – Mr. Louis Savage was present to share information supporting the Eltham Farm LLC appeal. Ms. McLaughlin indicated the appeal had also been reviewed by the Commissioner of Revenue's staff and some adjustments had also been made to this property. She provided Mr. Savage with a copy of the adjusted assessment. She noted the value of the land had been reduced from \$98,200 to \$82,900 and indicated she had several questions for Mr. Savage. She noted a review of the GIS overhead map had suggested there was a pier and possibly a boat lift on this property. Mr. Savage indicated what had been viewed was in fact the old road bed and approach to the old bridge. Ms. McLaughlin referenced the overhead map and noted the object she was referring to was located south of the existing bridge. Mr. Savage reviewed the map and indicated the pier was not on his property and was located on property belonging to John Britt. Mr. Savage indicated he was not sure if this was the place to address this or not but individuals were often seen fishing from the old bridge approach. He noted he did not feel this was a safe situation and suggested a "Jersey Wall" should be put up to stop the activity. Ms. McLaughlin noted that \$19,100 had been

added for the value of the pier. With this removed, the recommended value would be \$63,800. Mr. Starr asked Mr. Savage if he was satisfied with this recommended reduction. He indicated he was satisfied. Upon a motion made by Ms. Pearson and seconded by Mr. Chandler, the Board voted to approve the Commissioner of Revenue recommended land value reduction to \$63,800, by a vote of 5:0.

ELTHAM FARM LLC, PID #6450 – Mr. Louis Savage was present to share information supporting the Eltham Farm LLC appeal. Ms. McLaughlin indicated this property was one of the nineteen waterfront review properties mentioned earlier. This appeal had also been reviewed by the Commissioner of Revenue’s staff and Ms. McLaughlin provided Mr. Savage with a copy of the findings. She noted this property contained 3,197 feet of excellent waterfront and a GIS review had resulted in a more accurate reflection of the swamp acreage. The Commissioner’s office was recommending a reduction from \$941,700 to \$681,800. Mr. Savage noted disagreement with the “3,197 feet of excellent waterfront” assessment and indicated some of the shoreline was a steep cliff (“30 foot sheer cliff”) with erosion issues and some of the shoreline was part of a substantial marsh. Ms. McLaughlin suggested these conditions had been taken into consideration during the GIS review. Mr. Savage indicated the recommended reduction was “more livable” but suggested the cliff and marsh should reduce the waterfront value. Mr. Wallace asked if the cliff would make any difference in the assessment and Mr. Chandler asked if there was any room for further reduction based on the information shared by Mr. Savage. Mr. Savage indicated the reassessment notice he had received in January had suggested a \$445,600 value, up from \$354,100. The notice received in March had indicated the value was \$941,700. He also noted there was very little land that would be considered usable as a waterfront lot and suggested the proposed reduction to \$681,800 was still high. Ms. Ecimovic had left the room to retrieve a GIS overlay map to assist the Board in making a final determination. Mr. Starr asked if the Board would be okay with moving on to the next appeal while they waited for Ms. Ecimovic to return. The Board agreed. Ms. Ecimovic returned before the Board could move forward. She distributed maps showing RPA areas and noted no significant topo issues were evident on the shoreline. Mr. Savage pointed out the areas where the steep cliff and marsh were present. Mr. Savage suggested that someone should come out and take a look at the property. Ms. McLaughlin indicated Mr. Savage had asked for an assessor to come out the previous week but they had not been able to schedule a visit. Mr. Jones asked if it would be acceptable to ask the Commissioner’s Office to go out and take another look at the property and make adjustments as necessary with the understanding the Board of Equalization and the property owner would agree to accept the value based on the findings. Ms. Ecimovic suggested the Board move on to the next appeal while she and Mr. Caldwell went back to the office and made adjustments based on the information provided by Mr. Savage. The Board agreed. Ms. Ecimovic and Mr. Caldwell returned after an additional reduction had been made and recommended the assessment be set at \$588,900. Mr. Savage indicated he was happier with this figure but noted he would still like someone to visit the property. Upon a motion made by Mr. Chandler and seconded by Mr. Starr, the Board voted to approve the Commissioner of Revenue recommended land value reduction to \$588,900, by a vote of 5:0.

ELTHAM FARM LLC, PID #6451 – Mr. Louis Savage was present to share information supporting the Eltham Farm LLC appeal. Ms. McLaughlin indicated the appeal had also been reviewed by the Commissioner of Revenue’s staff and they had agreed the assessment was too high and, as a result, some adjustments had been made. She provided Mr. Savage with a copy of the adjusted assessment. The Commissioner of Revenue’s office was recommending a reduction from \$445,600 to \$289,700. Ms. McLaughlin noted for the record that Mr. Savage had not come in to discuss this assessment with Commission of Revenue staff. Mr. Wallace indicated he had a problem with the process and suggested Mr. Savage had not felt any need to come in when he had received the January notices. He had no concerns until receiving the March notices. Ms. McLaughlin noted Mr. Savage had not received a second notice for this property which was why she mentioned he had not contacted the Commissioner’s office to voice his concerns. Mr. Savage agreed that he had not come to the Commissioner’s office about this parcel but felt that since he was appealing the others, he would also include this parcel. He suggested the property was entirely marsh and would not even be considered a good duck marsh which limited any potential rental value. Ms. McLaughlin again noted agreement with Mr. Savage and restated the Commissioner’s office was recommending a reduction from \$445,600 to \$289,700. Mr. Savage indicated he was satisfied with this recommendation. Upon a motion made by Mr. Chandler and seconded by Mr. Wallace, the Board voted to approve the Commissioner of Revenue recommended land value reduction to \$289,700, by a vote of 5:0.

Mr. Wallace indicate he was not sure who Hanna Keck was but indicated he managed properties for Eric Keck and wished to recuse himself from any discussions regarding the Keck appeals.

KECK, Hanna M., PID #3735 – Ms. Keck did not appear for her 3:30 p.m. appointment. The Board deferred action to allow Ms. Keck an opportunity to contact the Board prior to rendering a decision. (Ms. Keck did not contact the Board and a decision was rendered on her case on Friday, June 17th. Please see those minutes for a final determination.)

KECK, Hanna M., PID #3846 – Ms. Keck did not appear for her 3:45 p.m. appointment. The Board deferred action to allow Ms. Keck an opportunity to contact the Board prior to rendering a decision. (Ms. Keck did not contact the Board and a decision was rendered on her case on Friday, June 17th. Please see those minutes for a final determination.)

KECK, Eric L.G., PID #8973 – Mr. Keck did not appear for his 4:00 p.m. appointment. The Board deferred action to allow Mr. Keck an opportunity to contact the Board prior to rendering a decision. (Mr. Keck did not contact the Board and a decision was rendered on his case on Friday, June 17th. Please see those minutes for a final determination.)

KECK, Eric L.G., PID #8230 – Mr. Keck did not appear for his 4:15 p.m. appointment. The Board deferred action to allow Mr. Keck an opportunity to contact the Board prior to

rendering a decision. (Mr. Keck did not contact the Board and a decision was rendered on his case on Friday, June 17th. Please see those minutes for a final determination.)

KECK, Eric L.G., PID #2219 – Mr. Keck did not appear for his 4:30 p.m. appointment. The Board deferred action to allow Mr. Keck an opportunity to contact the Board prior to rendering a decision. (Mr. Keck did not contact the Board and a decision was rendered on his case on Friday, June 17th. Please see those minutes for a final determination.)

Hanna Keck and Eric L. G. Keck and no representative of either of them having appeared, the Board continued reviewing pending appeals from June 13th and 14th between each of the Keck appointments.

RICHARDSON, Archie and Barbara, PID #1997 – The Richardsons had presented information supporting their appeal on June 13th. At that time the square footage of the residence was in question and the Board deferred action to allow the Richardsons an opportunity to produce plans indicating the square footage. The Board took up additional discussion on PID #1997 on June 16th. No new information had been received and there was no recommendation from the Commissioner of Revenue's office for any further reductions in value. Upon a motion made by Mr. Chandler and seconded by Mr. Jones, the Board voted to affirm the Commissioner of Revenue's assessed value of \$223,700, by a vote of 5:0.

HUGHLETT, Charles W. and Nikki D., PID #109776 – Ms. Watkins noted the Board had approved a reduced assessment of \$250,000 for the Hughlett property on June 13th. She requested clarification regarding the value of the land and improvements. After some discussion, the Board agreed the intent had been that the land be valued at \$60,000 and the improvements valued at \$190,000. The June 13th minutes will be modified to note these values.

DAVIS, Clyde C. etals., PID #1880 – Mr. Charles M. Davis, representing the owners, had presented information supporting the appeal on June 14th. This property was also one of the nineteen waterfront properties discussed earlier. At the time, it had been noted there were several other large acreage waterfront properties scheduled for hearings. The Board deferred action to allow for similar cases to be heard and for the Commissioner to consider the previously mentioned factors prior to rendering a decision. The Board took up additional discussion on PID #1880 on June 16th. Ms. Ecimovic indicated she had received additional information from the Davis family and, based on factual errors, was recommending a reduced assessment of \$718,200. Upon a motion made by Mr. Starr and seconded by Mr. Wallace, the Board voted to approve the Commissioner of Revenue's recommended reduced assessment of \$718,200, by a vote of 5:0.

ROSE, Carroll L., PID #5718 – Mr. Rose had presented information in support of his appeal on June 14th. At the time, Ms. Ecimovic noted she had no argument with Mr. Rose's assessment of the building's condition and indicated there were "some calculators" that could be applied to reduce the assessment. After additional discussion, the Board decided to defer action until the Commissioner had an opportunity to review

the information received and provide a recommendation. The Board took up additional discussion on PID #5718 on June 16th. Mr. Wallace suggested most of this facility was being used as storage and had very little rental value. Ms. Ecimovic indicated a portion of the building was being rented and Mr. Rose had provided some rental information. She noted agreement with Mr. Rose that the property was assessed at a higher rate than its actual value. After further discussion regarding the condition and value of the building, Mr. Starr motioned and Mr. Chandler seconded, that the assessment be reduced to \$130,000 with \$102,400 of the value assigned to the land and \$27,600 in value assigned to the improvements, by a vote of 5:0.

WENTLING, David G. and Robin L., PID #100452 – The Wentlings had presented information in support of their appeal on June 14th. Mr. Wentling had indicated he was basing his claim on his property's close proximity to the winery and suggested the noise had reduced its value. It has also been noted by Mr. Caldwell that the change in the building value was largely due to items that had been missing from the property record, i.e. unreported square footage. There had also been a great deal of discussion regarding whether a structure on the property was a "pole barn" or a "garage". The Board deferred action to allow time for further consideration. The Board took up additional discussion on PID #100452 on June 16th with initial discussion focusing on the pole barn/garage question. Ms. Ecimovic indicated she would not consider this to be a pole barn and noted the building did have sides and a concrete floor. She also indicated there were no comparable sales that would substantiate Mr. Wentling's claims that the winery had negatively impacted his property value. She also noted that over 240 square feet of existing livable space had not been included in prior assessments of this property. Mr. Wallace and Mr. Jones both indicated they felt the Board had no grounds to change the assessment without an appraisal. Upon a motion made by Mr. Chandler and seconded by Mr. Wallace, the Board voted to affirm the Commissioner of Revenue's assessment of \$527,900, by a vote of 5:0.

BLAND FRANKLIN PROPERTIES, PID #1189 – John Phillips, representing Phillips Energy and Bland Franklin Properties, had presented information supporting the Bland Franklin appeal on June 14th. Mr. Phillips had reported receiving both a January and March reassessment notice on this property. There had been no concerns with the January notice which had indicated a value of \$599,500. Concerns were raised when the March notice indicating a value of \$735,000 was received. Mr. Phillips had suggested there had been a lack of uniformity in the reassessment and drew attention to several properties with lower assessments which he considered to be comparables. Mr. Phillips had indicated the business had run out of space in Gloucester and had felt backed into a corner and had paid what he believed was more than the actual value of the property. Comparables were reviewed and Ms. Ecimovic noted they were all smaller than the subject property. Mr. Starr had asked if Bland Franklin had an appraisal for the subject property and Mr. Phillips had indicated he did have an appraisal and could provide a copy to the Board. The general consensus had been to defer action on this appeal to give Mr. Phillips an opportunity to provide a copy of the appraisal. Mr. Phillips indicated he would have the appraisal to the Board by Friday, June 17th. Mr. Phillips provided a copy of a June 19, 2012 appraisal by facsimile received on June 16th. Because the appraisal

was more than one year old, it was not considered to be an accurate assessment of the property value. The 2012 appraisal had suggested the property was valued at \$665,000 and the 2015 sales price had been \$739,000. The Board took up additional discussion on PID #1189 on June 16th. Copies of the 2012 appraisal were distributed. A number of properties that could possibly be considered as comparables were discussed but all were eliminated. Mr. Wallace asked if the County could possibly give the owners some type of business incentive to offset some of the increase in tax liability. County Administrator Rodney Hathaway indicated the Economic Development Authority (EDA) did have an incentive program and reported that the County had worked with the Phillips' family for about two years to help them find a suitable location. He indicated a business incentive grant had been offered to Mr. Phillips but they had not been interested. Mr. Jones indicated he understood the business incentive grants were generally given up front during the process of opening a new business and asked if there was any tax reduction that a business could be given after opening. Mr. Hathaway indicated he did not believe the code would allow for tax reductions as a business incentive. He did note the EDA was prepared to offer incentives to businesses who made improvements after opening or expanded. Upon a motion made by Mr. Wallace and seconded by Ms. Pearson, the Board voted to affirm the Commissioner of Revenue's assessment of \$735,500, by a vote of 4:1 with Mr. Jones casting the dissenting vote.

LAUREL COVE LLC, PID #6999 – Mr. and Mrs. Bruce Howard, representing Laurel Cove LLC, had presented information supporting the Laurel Cove appeal on June 14th. Mr. Howard had noted the value of the property, which was located on the Diascund Reservoir approximately half a mile off the road, had increased by 42%. Ms. Ecimovic had noted this was a large acreage property located on the water and her office had determined the waterfront value had not been accurately reflected. It was noted the property had sold for \$1,081,545 at auction in 2010 but auction sales prices were not often an accurate reflection of fair market value. The Board took up additional discussion on PID #6999 on June 16th. Ms. Ecimovic noted this property was not a part of the nineteen riverfront properties previously discussed and had only received one reassessment notice (January). She indicated she believed the property was assessed at or near the price paid in 2010. She reported that a number of large acreage properties had been reviewed this reassessment cycle based on sales and the market for these properties had increased significantly. She noted the Howard's had paid \$1,081,545 for the property five years ago and the reassessment value at \$1,095,800 was in line with the purchase price. Mr. Chandler noted the owner had indicated the assessment had increased 42% and he asked Ms. Ecimovic if she could explain such an increase. Ms. Ecimovic suggested there had been an error in the previous assessment and the property had been significantly undervalued. Mr. Wallace pointed out powerlines crossing 12 acres of the property had been assessed at \$2,475 per acre. Ms. Ecimovic indicated a powerline crossing the property would be grounds for an adjustment and indicated this acreage should have been valued closer to \$1,000 per acre. Mr. Wallace asked Board members for suggestions. Mr. Chandler indicated he did not see how the Board could do much more than the reduction for the powerline mentioned by Ms. Ecimovic. Mr. Wallace agreed and noted that adjustment would be minimal. Mr. Starr indicated he had general knowledge of the area and specific knowledge of this particular piece of property.

He indicated he did not feel the value was any more than \$2,000 per acre given the location of the property. He added that given the sales price, the buyer had obviously paid much more for the property. He reported he also had knowledge of the conditions surrounding the sale and reported the Howards had gone to the auction planning to buy the property regardless of the sales price. He suggested that knowing this, he did not feel sure the assessment was fair and equitable. Mr. Chandler suggested this was what a free market was about. Mr. Wallace indicated the assessment still had to be equal to the values of comparable properties. Ms. Ecimovic agreed that sales prices as well as values of comparables were all considered in the reassessment process. Mr. Wallace suggested that some individuals were willing to pay much more than actual values for properties. Ms. Ecimovic noted that people were willing to pay more for properties on the Diascund Reservoir than they would pay for properties not on the Diascund. Mr. Starr agreed that the market drove sales prices. Mr. Wallace pointed out it had been noted that the property was located a long distance from the main road and asked if this was something the Commissioner of Revenue could possibly adjust. The Commissioner indicated the consideration of location was a part of the process. She noted the Board had to do what they felt was reasonable. Mr. Jones suggested the fact the property was assessed at what the owner had paid said a lot about the process. Mr. Chandler suggested it said everything and noted the market was what the people were willing to pay. It was noted the current assessment was approximately \$2,500 per acre. Ms. Ecimovic reported adjustments for the powerline had resulted in a revised assessment value of \$1,078,000. Upon a motion made by Mr. Chandler and seconded by Mr. Jones, the Board voted to support the Commissioner of Revenue's assessment with adjustments to be made for a powerline on the property – reduced from \$1,095,800 to \$1,078,000, by a vote of 4:1 with Mr. Starr casting the dissenting vote.

MINTER, Michael Edward, PID #4606 – Mr. Minter had presented information in support of his appeal on June 14th. He had indicated he had received a reassessment notice which had included a 33% increase in value. He reported he had come to the Commissioner of Revenue with an appeal and when he had received the results of that appeal, the value had increased an additional \$4,000. He noted a number of concerns with the property including cracks in the foundation, settling problems, interior doors that would not close, electrical problems, poor construction workmanship and its location just sixty yards off of I-64. He had estimated there were approximately seventy homes in the neighborhood and suggested his lot was one of the worst in the community. Mr. Starr had suggested the property may have been graded incorrectly and asked Ms. McLaughlin for some additional information on property grades. Ms. McLaughlin indicated average properties were generally given a grade of “C” and the grade would be moved up or down based on characteristics of the structure. Ms. McLaughlin suggested the increase could be attributed to the current market and the addition of air conditioning which had not previously been included in the property description. Ms. McLaughlin had suggested that if Mr. Minter was agreeable, Commissioner's staff could come out to the property and conduct an interior inspection which could have an impact on the property grade. Mr. Minter agreed to the interior inspection and an inspector visit was scheduled for 3:00 p.m. on Thursday, June 16th. The Board took up additional discussion on PID #4606 on June 16th with Commissioner's staff providing a report on the interior inspection. Ms.

McLaughlin indicated the inspectors had visited the home and suggested the current grade of “C” appeared to be accurate and there was no recommended change. She indicated she could not argue that the property did have below average depreciation. Mr. Wallace asked Ms. McLaughlin if she had inspected the house. She noted Ms. Massey and Ms. Holliday had done the inspection. Mr. Wallace asked the two to describe the appearance of the home. Ms. Massey indicated the condition of the home had not been as bad as she had expected. Ms. McLaughlin distributed pictures taken during the inspection and pointed out deficiencies including numerous foundation cracks and a rear stoop in need of replacement. She noted the inspectors had reported a large amount of interstate noise in the back yard. Ms. McLaughlin also noted this was a two-bedroom home which she did not believe was typical for the neighborhood and suggested that most of the homes were three bedroom. Mr. Wallace suggested if Mr. Minter was to put the home on the market, a realtor would suggest that all of these deficiencies be fixed before listing the home and he estimated, based on the pictures provided, it would take about \$20,000 to do the work that needed to be done. If the owner wasn’t able to or didn’t want to make the repairs, he’d have to sell the home for a price below the assessment. Ms. Ecimovic agreed and suggested a buyer may expect a price reduction of even more than \$20,000 before considering the purchase. She suggested an adjustment could be considered for “cost to cure”. The Board suggested the assessment be adjusted down to take into consideration the below average depreciation and the value of the dilapidated back stoop be removed. Ms. Ecimovic left the room to make these adjustments. Upon returning, she recommended the assessment be reduced to \$122,700 with a value of \$89,300 being given to the improvements and \$33,400 to the land. Upon a motion made by Ms. Pearson and seconded by Mr. Starr, the Board voted to accept the Commissioner of Revenue’s recommended assessment of \$122,700 with a value of \$89,300 being given to the improvements and a value of \$33,400 to the land, by a vote of 5:0.

WHITMORE, Thomas B, III and Kathleen, PID #100448 – This was the Whitmore’s initial hearing before the Board. Mr. Whitmore had filed an appeal with the Commissioner of Revenue. The Commissioner’s response had been mailed in error to the address of record for the subject property rather than to the address Mr. Whitmore had supplied on the appeal application. Mr. Whitmore did not receive the Commissioner’s correspondence and had not been notified of his right to an appeal with the Board of Equalization and the deadline to file such an appeal. Given the circumstances, staff had recommended the Board of Equalization consider hearing Mr. Whitmore’s appeal on Thursday, June 16th at 4:45 p.m. The Board had taken action on June 13th to approve setting a hearing for the recommended date and time. Mr. Whitmore was present to present information on his appeal. Mr. Whitmore noted his appreciation to the Board for agreeing to hear his appeal. He indicated he was confused by the fluctuation in the value of his property. He suggested the value had dropped 11% in the prior reassessment and had then jumped 30% in the most recent reassessment and indicated he would like an explanation as to why. Ms. McLaughlin distributed research information prepared by Mr. Caldwell who was not able to be present for this hearing. Ms. McLaughlin provided a review of several comparables including a larger parcel also located in the Lee’s Reach subdivision which had recently sold for \$590,000. She noted similarities and differences between each comparable and the Whitmore property. Mr. Whitmore asked if any of the

recent sale in the Piney Pointe subdivision had been considered as comparables. He noted the sales prices on these lots were about a fourth of the original asking price. Ms. Ecimovic noted the Piney Pointe prices were so low because the property had been sold at auction and, as a result, they could not be used in the comparables. Mr. Whitmore indicated he understood but felt the lots were actually worth the original asking price. Mr. Chandler noted this situation was not uncommon and indicated the Board had heard several cases earlier in the hearings where individuals had been willing to pay far above the value of the properties and had driven the values of similar properties up. Mr. Whitmore suggested this was also what had happened in his case and indicated the one comparable in Lee's Reach had been a sale to an individual who wanted the property and had not been too concerned with the sales price. Ms. Ecimovic suggested the parcel Mr. Whitmore was referring to was actually the best parcel in Lee's Reach which caused its value to be higher. Mr. Whitmore agreed it was in fact the best parcel in the community. Mr. Wallace asked Mr. Whitmore what he had paid for his lot. Mr. Whitmore indicated he felt he had purchased his lot at the peak of the real estate boom and had paid \$375,000. Mr. Starr asked if any discount had been given for the property being divided by the road. Ms. Ecimovic indicated all of the lots divided by the road had been discounted for this. She noted that Mr. Whitmore's property contained a good amount of marsh with RPA (Resource Protection Area) issues which significantly limited where a driveway could be placed. Mr. Chandler asked where Mr. Whitmore had come up with his suggested \$230,000 value. Mr. Whitmore indicated this figure had been the 2014 assessed value. Ms. Ecimovic noted the RPA acreage had been removed from the equation and had been given a lower per acre value. Mr. Starr asked if there were some structural issues with the access road into Lee's Reach. Mr. Whitmore indicated the road was in poor condition and bids had been received for repairs, the cost of which would be borne by the owners. Mr. Wallace asked if a homesite had been identified. Mr. Whitmore indicated a homesite had been identified but it had been determined that the septic system would have to be pumped across the access road or a nonconventional system could be placed closer to the home. Ms. Ecimovic noted she was not aware of this factor and the fact that the property had failed to perk for a conventional system would make a difference in the property value. Mr. Starr asked if there was any way to apply the cost associated with repairing the access road. Ms. McLaughlin indicated the Commissioner's Office had not been aware of this road issue and suggested that if the bids for the repairs could be provided, a "cost to cure" could be considered. Ms. Ecimovic left the meeting to make an adjustment for the failed conventional perk. Upon returning, she recommended the property value be adjusted down to \$273,300 as a result of the restricted perk. Mr. Whitmore indicated he would be satisfied with this adjustment. Upon a motion made by Mr. Wallace and seconded by Mr. Chandler, the Board voted to accept the Commissioner of Revenue's recommended assessment reduction to \$273,300, by a vote of 5:0.

OTHER BUSINESS: Chairman Starr stated that there were no other appeals to be heard and considered on today's agenda. The Board would be meeting again at 2:00 p.m. on Friday, June 17, 2016 to hear additional appeals.

ADJOURNMENT: On a motion made by Mr. Wallace and seconded by Mr. Chandler, the meeting was adjourned at 5:07 p.m.

William Wallace	Aye
Mathew Starr	Aye
Amy Pearson	Aye
William B. Chandler	Aye
E. Baird Jones	Aye

Approved by email

Mathew Starr, Chairman

Date Finalized: 12/1/16