

**PASQUOTANK COUNTY, NORTH CAROLINA
JUNE 6, 2022**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, June 6, 2022 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Charles H. Jordan, Vice-Chairman
Cecil Perry
William “Bill” Sterritt
Sean Lavin
Barry Overman (excused at 6:10 PM)
Jonathan Meads

MEMBERS ABSENT: None

OTHERS PRESENT: Sparty Hammett, County Manager
R. Michael Cox, County Attorney
Sheri Small, Finance Director
Patrice Stewart, Tax Administrator
Sharon Cooper, Tax Appraiser
Kathy Lane & Chase Pearson, Pearson’s Appraisal Service
Tommy Wooten, Sheriff
Danny Fogg, Chief Deputy
Lynn Scott, Clerk to the Board

The meeting was called to order at 6:00 PM by Chairman Lloyd Griffin. Commissioner Jordan gave the invocation and Commissioner Bill Sterritt led in the Pledge of Allegiance to the American Flag. Chairman Griffin welcomed those in attendance.

1. AMENDMENTS TO THE AGENDA:

Vice-Chairman Jordan requested that the following item be added to the agenda immediately following Amendments to the Agenda: 1) Settlement of Estate of Andrew Brown, Jr., and add the following items recommended by the Finance Committee to the Consent Agenda: 2) Budget Amendments (carried over from the Finance Committee); 3) Approval of Bid Request for Commissioner Boardroom Project; and 4) Approval of Implementation of 911 Communications and EMS – EMT Curriculum at Pasquotank County High School.

Motion was made by Charles Jordan, seconded by Sean Lavin to amend the agenda to add Item #1 immediately following Amendments to the Agenda, and Items #2-4 to the Consent Agenda. The motion carried unanimously.

2. SETTLEMENT OF ESTATE OF ANDREW BROWN, JR.:

Attorney Mike Cox explained that the Board will consider the appropriation of \$1 million from the County’s General Fund - Fund Balance to settle the claim regarding the Andrew Brown Estate. He noted that there will be a press release shortly after the Board votes tonight.

County Manager Hammett explained that appropriation would be in addition to \$2 million in proceeds from the County’s insurance provider, for a total of \$3 million.

Motion was made by Charles Jordan, seconded by Barry Overman to appropriate \$1 million from the County’s General Fund – Fund Balance to settle the claim regarding the Andrew Brown Estate. The motion carried 6 to 1, with Sean Lavin voting in opposition.

Attorney Cox stated that this will resolve the complete civil case between all parties.

Commissioner Overman asked that he be excused from the remainder of the meeting.

Motion was made by Charles Jordan, seconded by Jonathan Meads to excuse Barry Overman from the meeting at 6:10 PM. The motion carried unanimously.

- The building has 2738 square feet of finished heated area with an attached garage and 2 open porches
- Grade is a B+
- Condition is Average

Cost Approach Summary Totals

- Land is 6,000 square foot (.138 acres) = \$21,500
- Building = \$211,500
- Total Assessment = \$233,000

Sales Approach Summary

DATE	SALE PRICE	MAP NO:	BLDG SQ FT
12/06/2021	301,000	47-K-5	2647
12/10/2021	256,000	47-K-1	1986
10/08/2021	175,000	33-E-29	2124
10/06/2021	257,000	47-E-14B & 17	2436

Quality Grade Description

- The quality grade of materials and workmanship is the most significant variable to be considered in estimating the replacement cost of a structure.
- Two buildings may be built from the same general plan, each offering exactly the same facilities and with the same specific features, but with widely different cost due to the quality of materials and workmanship used in their construction.

Summary

- Pearson's Appraisal Service would propose a Real Property assessment of \$233,000

Ms. Lane stated that an informal appeal was held on March 4, 2022. Staff had an opportunity to initially look at his property record card. She explained that during a mass appraisal, they do not traditionally go into dwellings. It is not the scope of their work. They had a chance to correct the data. Some of the changes that they made were related to plumbing, the number of fixtures for the dwelling, the number of chimney stacks, and the forced air component was originally listed as a heat pump. They mailed a new notice of assessment to Mr. and Ms. Grills for \$233,000 (original assessed at \$242,000).

Ms. Lane said the land value is appropriate for where it is. She said the dwelling, which was built in 1890, does have an effective age of 1975. She feels it is interesting to note that the spreadsheet Mr. Grills provided is a snapshot of the street. When they do a mass appraisal they look at the entire neighborhood and all the components. With all that in mind, and with a 1975 effective year, it means the dwelling, although built in 1890 depreciates off of 1975, which would be appropriate if they look at all the characteristics of the property. She said with all the upgrades and renovations, it is graded at a B+, which is a key component they look at for property. The condition was average and it is well maintained.

Ms. Lane said during the informal appeal, she never received an opinion of value from the Grills. In using the methodology of mass appraisal, they assigned a value accordingly based on components. She provided the sale approach summary below. She noted that the neighborhood showed a healthy increase in market studies. The quality grades of the houses presented by Mr. Grills are different. Quality grades are solely to represent the quality craftsmanship of the construction of the house. When looking at and reviewing some of Mr. Grills' comparisons, some of the grading was appropriate, but Mr. Grills dwelling has a more unique quality construction than a very standard construction. It is very ornate. She said there are a multitude of components that go into the assessment, including effective age, grade, condition, and the attributes of the property.

Ms. Lane stated that if a property has undergone some renovations, they are required by law every January 1 to update the Tax Department on any upgrades. Sometime they may be listed. Other times they are not. The taxpayer has due diligence to inform the Tax Department so the Tax Office can follow up. If they don't know all the characteristics, they don't know if a dwelling needs any additional effective age.

Ms. Lane recommended the value remain at \$233,000.

Commissioner Lavin asked Mr. Grills if he has an opinion on the value. Mr. Grills answered that it is not the value as much to him as it is the overall process. He said the letter he received said this is supposed to be a fair valuation, and when you see a lot of errors that are not in your favor, you tend to say I don't know what the value is. He said if the Board wants him to throw out a number; he would like the same value as 509 W. Main Street, which is \$56,200. He feels the house looks similar to his. He said his ward has changed a lot of the makeup of the historic houses. He thinks the tax records did not catch up with them because the assessor does not go inside them. He stated that his house is almost identical to 406 W. Main, but their tax rates are very different. That's his issue.

Mr. Grills said he noticed that a lot of other counties assess tax breaks for historical houses. He said when he first moved in he was told Pasquotank does this, but that is not the case. Attorney Cox said he is not aware of any tax breaks for historical houses.

After hearing the evidence, the board concurred the value should be \$233,000.

Motion was made by Sean Lavin, seconded by Jonathan Meads to deny Mr. and Ms. Grills' appeal to change the property tax assessment for 502 W. Main Street (33-A-21) and concurred the value should be \$233,000. The motion carried unanimously.

APPEAL #7 – Woodstock I LMTD PTNSP– Map No: P89-31

Chairman Griffin called on Ross Litkenhous to present his Assessment Appeal.

Mr. Litkenhous stated that across all three of these properties (Appeals #7-9) there are some commonalities with this appeal, so he will try not to be redundant. He noted that Woodstock I is similar to Woodstock II and III. It is the same apartment complex, and was constructed around the same time. The apartments are properties that were mortgaged under loans with the USDA under section 515. Those loan requirements are very specific to this particular type of low-income housing property.

Mr. Litkenhous said they submitted information for review to the Assessor's Office and discussed with Pearson's Appraisal Service. Upon review, one of the assessments of one of the properties was reduced. Surprisingly, the other two were increased. He said there are some very objective differences here between their evaluation and the appraisal and the evaluation that Pearson's Appraisal Services put together. He said a lot of this revolves around how these properties are operated, as well as the legal requirement under North Carolina state law, as well as the legal requirements associated with how these properties should be valued and the income that they generate.

Mr. Litkenhous said he will start with Woodstock I. The 2022 Assessment Value is \$3,920,970 and the 2022 taxpayer's requested value is \$2,964,000, which is a difference of \$956,370. He explained that this property was built in 1985. The subject property is a 118-unit, garden-style, low-income apartment complex. It is a mix of one bedroom, two bedroom, and three bedroom apartments.

Mr. Litkenhous stated that the taxpayer was provided valuation support from the jurisdiction regarding how the 2022 assessed value for Woodstock I was derived. These work papers consisted of 2019 Durham County Section Guidelines. In holistically applying these Guidelines to Woodstock I, the taxpayer did not find the jurisdiction's valuation to be supported. More specifically, the assessor's calculation used the lower figures in the guidelines for both vacancy losses and replacement reserves, but disregards the 55% operating expense ratio stated in the guidelines due to lower actual operating expenses per taxpayer financials. The taxpayer does not believe this inconsistent manner to be an accurate reflection of true value.

Mr. Litkenhous said conversely, the taxpayer has based their 2022 Requested Value on their audited income statement for the year-ended December 31, 2021. For the year, tax-adjusted Net Operating Income was \$252,291. He said they have a capital needs assessment that carries with the loan, which is a certain amount of money that has to be set aside for replacement reserves, which is used for things such as parking lots, roofs, and appliances. The income valuation that they developed for this property used the actual audited financials that they submitted to the County, as well as to Pearson's Appraisal Services. He said the taxpayer's analysis incorporates a replacement reserve in the amount of their legally required annual reserve contribution. This

exact reserve amount is taken directly from the USDA loan agreement, where a formal Capital Needs Assessment was performed to calculate necessary future capital expenditures.

Mr. Litkenhous stated that the valuation they developed across all three of the properties sticks true to the actual income and expenses that have been achieved at this property. They developed their valuation with those specific income and expense numbers in the direct capitalization analysis, which is the same methodology that Pearson's Appraisal Services used when analyzing this.

Mr. Litkenhous said the difference here is that the valuation of this property, which is legally supposed to be done based on the income that the property generates, is based on the actual income that the property generates; not a summary; not an estimate. He said that is an important distinction in their valuation versus the valuation used for assessment purposes. The replacement reserves that were used to develop the direct capitalization analysis used for this assessment are roughly 3%. The legal requirement under a Capital Needs Assessment in order to remain in compliance with the USDA, Section 515 loan, requires them to set aside more than that. The valuations they developed use these specific numbers and that's how their valuation would be developed, both in terms of market valuation and how it should be developed from any appraisal perspective, specifically for these assessment purposes.

Mr. Litkenhous said they have provided all the support necessary, including their audited financials, loan terms, and loan convenience related to those replacement reserves. He said the final point he will make is there was some discussion as to what is a relative capitalization rate, which is a measure of risk and return for these types of properties. He said they provided ample evidence that would indicate that the capitalization rate used to derive the value for this property is not appropriate and they feel a higher capitalization rate should be used to develop this valuation. Between the two factors, their actual income and expense, as well as its measure of return that is used to develop these valuations, they are asking respectfully that the Board consider their appraisal, as well as the fact that they have used actual audited financial, which is what is legally required to develop this valuation and reduce the assessment to their own opinion of value.

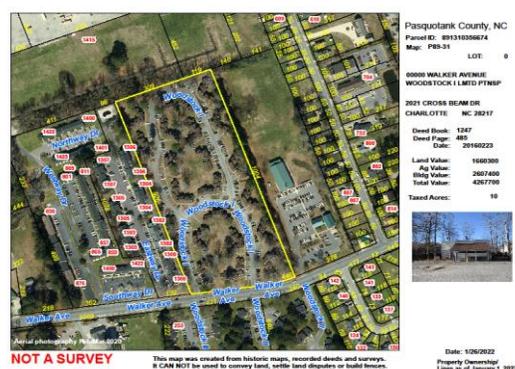
Ms. Lane and Mr. Chase Pearson presented the following evidence:

- Current Owner: Woodstock I Lmted Ptnsp; LIHTC property
- Map No: P89-31 parcel identified as Woodstock I Apartments
- Assessment under appeal: \$3,920,970
- Taxpayer opinion of value: \$2,964,600

Informal Appeal Notes

- Calvary Real Estate is the authorized tax agent representing the taxpayer.
- Initial assessment of \$4,267,700 was appealed.
- Pearson staff reviewed the income data submitted for the property, a change letter was emailed to the tax representative with the assessment of \$3,920,970.

Property Images





Income Approach

Tax – adjusted Value

278,706

65,292.60 property taxes

343,998.60 = Net operating Income

Cap rate = 6.30% + tax rate 1.48% = 7.78%

Assessment value \$4,421,575.84

2021 Audited Financial Statement numbers

Summary

- Pearson's Appraisal Service would propose a Real Property assessment of \$4,421,575.

Ms. Lane noted that the original assessment was \$3,920,970. After the informal appeal, and going back through the audited financial statements from 2021 and other data, Pearson's would propose a real property assessment of \$4,421,575. Initially, in the conversation there seemed to be some conflicting data within the report, so they tuned in on the cap rate that Woodstock was using. She said in reviewing their information, Mr. Pearson was able to find some additional information. Mr. Pearson said after doing market research on other affordable income, rent restricted properties, he found a sale in March 2019, with a cap rate of 6.5% and another one at 6.25%, both in North Carolina. They add back the property tax to the net operating income and then add the property tax rate to the cap rate. He said they used Woodstocks' audited financial statements for their net operating income. Based on the sales they found in North Carolina, they used a 6.3% cap rate.

Mr. Litkenhous said they actually based their assessment on guidelines that were provided by Pearson's appraisal. He said he was very surprised at the information that they presented tonight, because it is very different than the information they were supplied during the review process. He said they actually showed a range of capitalization rates that they worked within and that was based on a survey of Durham County. He said their argument was that the cap rate study that they supplied was actually for a much more densely populated area, which would not be reflective of these particular properties. He said they were provided very limited information upon request and review.

Mr. Litkenhous said he cannot speak to the sales, but he can tell the Board that there are drastically different types of affordable housing properties and the fact that one of the properties that he discussed is a three or four level building and Woodstock is a two level building, which can be drastically different. He said they are using a capitalization rate within the range of the study that Pearson's used to develop the study across the entire county. He stated that they used an 8.5% cap rate, which does include the load for the tax rate.

Vice-Chairman Jordan said he would like the two entities to get together and see what they can work out. Mr. Litkenhous said he would like to do that as well.

APPEAL #8 – Woodstock II LMTD PTNSP– Map No: P121-18A

Mr. Litkenhous explained that the properties are almost identical. He said the current appraised value is \$2,477,000. Using the same valuation that was just discussed in detail, they have arrived at a value of \$1,148,600, which is a difference of \$1,328,400.

Ms. Lane presented the following evidence:

- Current Owner: Woodstock II LmtD PtNSP; LIHTC property
- Map No: P121-18A parcel identified as Woodstock II Apartments
- Assessment under appeal: \$2,477,000
- Taxpayer opinion of value: \$1,148,600

Informal Appeal Notes

- Calvary Real Estate is the authorized tax agent representing the taxpayer.
- Initial assessment of \$2,095,000 appealed.
- Pearson staff reviewed the income data submitted for the property, a change letter was emailed to the tax representative with the assessment of \$2,477,000.

Property Images



Income Approach

Tax – adjusted Value

190,317.58

26,151.97 taxes

185,213.78 = Net operating Income

Cap rate = 6.30% + tax rate 1.48% = 7.78%

Assessment value \$2,829,097.04

2021 Audited Financial Statements numbers

Summary

- Pearson’s Appraisal Service would propose a Real Property assessment of \$2,829,097.

APPEAL #9 – Woodstock III LMTD PTNSP – Map No: P121-18B

Mr. Litkenhous stated that the current assessed value for this property is \$1,522,100. Using the exact same valuation methodology, they have arrived at a value of \$1,330,300, which is a difference of \$191,800.

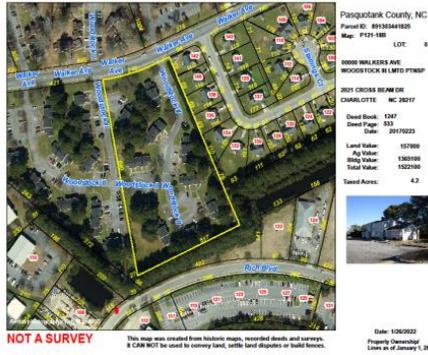
Ms. Lane presented the following evidence:

- Current Owner: Woodstock III LmtD Ptnsp; LIHTC property
- Map No: P121-18B parcel identified as Woodstock III Apartments
- Assessment under appeal: \$2,200,000
- Taxpayer opinion of value: \$1,330,300

Informal Appeal Notes

- Calvary Real Estate is the authorized tax agent representing the taxpayer.
- Initial assessment of \$1,552,100 was appealed.
- Pearson staff reviewed the income data submitted for the property, a change letter was emailed to the tax representative with the assessment of \$2,200,000.

Property Images



Income Approach

Tax – adjusted Value

166,075.48

26,151.97 taxes

192,227.45 = Net operating Income

Cap rate = 6.30% + tax rate 1.48% = 7.78%

Assessment value \$2,470,789.85

2021 Audited Financial Statement numbers

Summary

- Pearson's Appraisal Service would propose a Real Property assessment of \$2,470,789.

Attorney Cox asked for a brief recess.

Motion was made by Sean Lavin, seconded by Jonathan Meads to recess the meeting. The motion carried unanimously.

The Board reconvened.

Attorney Cox said he recommends adjourning the Board of E&R for 2022 this evening after all the appeals have been heard, and set a special session on June 20, 2022 at 6:00 PM to continue the appeals for Woodstock I, II, and III.

Motion was made by Charles Jordan, seconded by Cecil Perry to delay action on the following appeals until June 20, 2022 at 6:00 PM: Woodstock I LMTD PTNSP (Map No: P89-31), Woodstock II LMTD PTNSP (Map No: P121-18A), and Woodstock III LMTD PTNSP (Map No: P121-18B). The motion carried unanimously.

APPEAL #2 – Kenneth Brown, Formerly Cutters, Inc. LLC – 1138 N. Road Street - Map No: P143-56

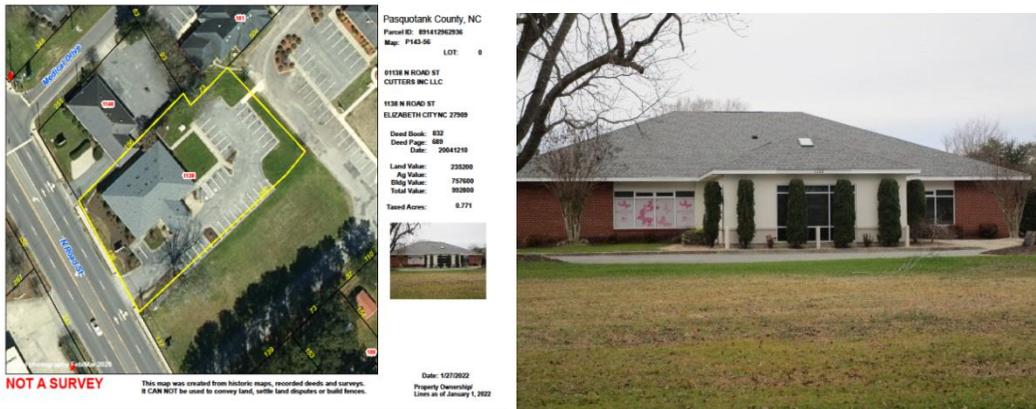
Ms. Lane presented the following evidence:

- Current Owner: Kenneth Brown – property transferred 02/28/2022
- Parcel identified as Chesapeake Regional HealthCare
- Map No: P143-56
- Assessment under appeal: \$992,800
- Taxpayer opinion of value: Not stated

Informal Appeal Notes

- Mr. Brown resides in California. An Informal Appeal via phone was done with Bryan Salter on March 17, 2022.
- Mr. Brown purchased the property on February 28, 2022 for \$1,374,000 and he feels he overpaid.
- The building is currently occupied by Chesapeake Regional Healthcare.
- It was learned during the Informal Appeal that a lease exists for the property for four more years (2026).
- After further review of the parcel data, a no change letter was emailed.

Property Images



Property Data

- Land is 33,600 square foot
- The structure use is a medical center
- Built in 1994, with an effective age of 2004
- The building has 5100 square feet of finished heated area with an attached enclosed entry of 720 square feet
- Grade is a B+
- Condition is Normal/Average
- Asphalt paving – 15,000 square foot

Cost Approach Summary

- Highest & Best Use of a property is its present use, a valid indication of value may be derived by estimating the value of land
- Adding the land value to the depreciated value of all the improvements; the resulting equation being
- Estimated land value
- + Estimated Replacement Cost New of Structures
- - Estimated depreciation
- = indication of property value
- Land is 33,600 square foot (.771 acres) = \$235,200
- Building = \$748,260*
- Outbuilding/Other Improvements = \$9,279*
- Total Assessment = \$992,800
- *After reviewing all sales data in Neighborhood 997 a 10% negative market adjustment for all buildings and outbuildings was allocated

Sales Approach Summary

DATE	SALE PRICE	MAP NO:	BLDG SQ FT
10/13/2021	\$4,500,000	P143A-92C	9768
03/21/2017	\$3,850,000	P143A-92C	9768
12/02/2016	\$3,300,000	P143-57	5680
10/21/2016	\$1,362,400	P142-125	19,461
09/29/2017	\$175,000	P89-99B	2.32 acres land

Summary

- Pearson's Appraisal Services staff has not been provided with any additional independent appraisal data or income data to review. Based on the property type per industry standards of appraisal that the cost approach is the most appropriate valuation approach.
- The cost approach holds that value is based on current replacement cost of a property, less the loss in value from accrued depreciation.
- Pearson's Appraisal Service would propose a Real Property assessment of \$992,800 (\$194.66 per sq ft).

Motion was made by Charles Jordan, seconded by Sean Lavin to deny the appeal to change the property tax assessment for 1138 N. Road Street (P143-56) and concurred the value should be \$992,800. The motion carried unanimously.

APPEAL #3 – CT Port Elizabeth – 1851 W. Ehringhaus Street - Map No: P89-193

Ms. Lane presented the following evidence:

- Current Owner: C T Port Elizabeth LLC
- Map No: P89-193 parcel identified as the former Food Lion and adjacent shops
- Assessment under appeal: \$4,266,700
- Taxpayer opinion of value: \$3,659,887

Informal Appeal Notes

- Ryan LLC is the authorized tax agent representing the taxpayer.
- In email correspondence from Ryan LLC, supporting documentation was to follow.
- At the time of this presentation, no additional data has been received from Tax representative.

Property Images



Property Data

- Land is 10.437 acres
- The structure use is a shopping center – Dollar Tree and related stores
- Built in 1990
- Building 1 on Card 1 has 24,856 square feet of finished heated area with an attached canopy
- Grade is a C
- Condition is Renovated/Normal/Average
- Additional Outbuilding/Yard items – including concrete and asphalt paving

Cost Approach Summary

- Highest & Best Use of a property is its present use, a valid indication of value may be derived by estimating the value of land
- Adding the land value to the depreciated value of all the improvements; the resulting equation being
- Estimated land value
- + Estimated Replacement Cost New of Structures
- - Estimated depreciation
- = indication of property value
- Land is Primary site of 8.877 acres and Undeveloped of 1.560 acres = \$1,597,700*
- Building 1 Card1 = \$1,384,020*; building is irregularly shaped and is comprised of the various commercial stores
- Outbuilding/Other Improvements = \$114,500*
- Building 2 Card 2 = \$1,837,730*; this building is the former Food Lion supermarket
- Total Assessment for parcel = \$4,266,700

- *After reviewing all sales data in Neighborhood 997 a 10% negative market adjustment for the land and buildings and outbuildings were allocated a 20% negative adjustment

Summary

- Pearson's Appraisal Services staff has not been provided with anything additional to review on behalf of the taxpayer.
- Pearson's Appraisal Service would propose a Real Property assessment of \$4,266,700 for Map P89-193.

Motion was made by Sean Lavin, seconded by Charles Jordan to deny the appeal to change the property tax assessment for 1851 W. Ehringhaus Street (P89-193) and concurred the value should be \$4,266,700. The motion carried unanimously.

APPEAL #4 – CT Port Elizabeth – 1873 W. Ehringhaus Street - Map No: P89-193ATHRU195

Ms. Lane presented the following evidence:

- Current Owner: C T Port Elizabeth LLC
- Map No: P89-193 thru195, parcel identified as the Old Walmart – now occupied by Harbor Freight
- Assessment under appeal for both parcels: \$5,521,200
- Taxpayer opinion of value: \$4,735,971

Informal Appeal Notes

- Ryan LLC is the authorized tax agent representing the taxpayer.
- In email correspondence from Ryan LLC, supporting documentation was to follow.
- At the time of this presentation, no additional data has been received from Tax representative.

Property Maps



Property Data

- Land is 10.916 acres
- The structure use is a commercial store – Harbor Freight
- Built in 1990
- Building has 113,912 has 84,506 square feet of finished heated area with several attached loading docks, enclosed entries
- Grade is a C
- Condition is Renovated/Normal/Average
- Additional Outbuilding/Yard items – including concrete and asphalt paving

Cost Approach Summary

- Highest & Best Use of a property is its present use, a valid indication of value may be derived by estimating the value of land
- Adding the land value to the depreciated value of all the improvements; the resulting equation being
- Estimated land value
- + Estimated Replacement Cost New of Structures
- - Estimated depreciation
- = indication of property value
- Land is Primary site of 9.50 acres and Undeveloped of 1.416 acres = \$2,020,300*
- Building = \$4,222,080*
- Outbuilding/Other Improvements = \$154,000*
- Total Assessment = \$5,521,200

- *After reviewing all sales data in Neighborhood 997 a 10% negative market adjustment for the land and buildings and outbuildings were allocated a 20% negative adjustment

Summary

- Pearson's Appraisal Services staff has not been provided with any additional to review on behalf of the taxpayer.
- Pearson's Appraisal Service would propose a Real Property assessment of \$5,521,200 for Map P56-41.

Motion was made by Sean Lavin, seconded by Charles Jordan to deny the appeal to change the property tax assessment for 1873 W. Ehringhaus Street (P89-193ATHRU195) and concurred the value should be \$5,521,200. The motion carried unanimously.

APPEAL #5 – CT Port Elizabeth LLC – 1831 W. Ehringhaus Street - Map No: P89-193B

Ms. Lane presented the following evidence:

- Current Owner: C T Port Elizabeth LLC
- Map No: P89-193B parcel identified as the former Lowe's now identified as Ollie's and Planet Fitness
- Assessment under appeal: \$3,467,200
- Taxpayer opinion of value: \$2,974,092

Informal Appeal Notes

- Ryan LLC is the authorized tax agent representing the taxpayer.
- In email correspondence from Ryan LLC, supporting documentation was to follow.
- At the time of this presentation, no additional data has been received from Tax representative.

Property Maps



Property Data

- Land is 13.317 acres
- The structure use is a commercial building – Ollie's and Planet Fitness
- Built in 1990
- Building has 52,064 square feet of finished heated area with several attached loading docks, enclosed entries
- Grade is a C
- Condition is Normal/Average
- Additional Outbuilding/Yard items – including concrete and asphalt paving and lighting

Cost Approach Summary

- Highest & Best Use of a property is its present use, a valid indication of value may be derived by estimating the value of land
- Adding the land value to the depreciated value of all the improvements; the resulting equation being
- Estimated land value
- + Estimated Replacement Cost New of Structures
- - Estimated depreciation
- = indication of property value
- Land is Primary site of 4.719 acres; and Undeveloped of 5.780 acres; and Retention pond of 2.818 acres = \$1,252,900*
- Building = \$2,698,620*

- Outbuilding/Other Improvements = \$69,300*
- Total Assessment = \$3,467,200
- *After reviewing all sales data in Neighborhood 997 a 10% negative market adjustment for the land and buildings and outbuildings were allocated a 20% negative adjustment

Summary

- Pearson's Appraisal Services staff has not been provided with any additional to review on behalf of the taxpayer.
- Pearson's Appraisal Service would propose a Real Property assessment of \$3,467,200 for Map P89-193B.

Motion was made by Sean Lavin, seconded by Charles Jordan to deny the appeal to change the property tax assessment for 1831 N. Road Street (P89-193B) and concurred the value should be \$3,467,200. The motion carried unanimously.

APPEAL #6 – ALDI (N.C.) LLC- 3805 Conlon Way - Map No: P56-47

Ms. Lane presented the following evidence:

- Current Owner: Aldi (N.C.) LLC
- Map No: P56-47 parcel identified as Aldi supermarket
- Assessment under appeal: \$3,055,000
- Taxpayer opinion of value: \$2,500,000

Informal Appeal Notes

- Ryan LLC is the authorized tax agent representing the taxpayer.
- In email correspondence from Ryan LLC, supporting documentation was to follow.
- At the time of this presentation, no additional data has been received from Tax representative.

Property Maps



Property Data

- Land is 2.60 acres
- The structure use is a retail supermarket
- Built in 2019
- Building has 23216 square feet of finished heated area with several attached loading docks, enclosed entries
- Grade is a C+
- Condition is Normal/Average
- Additional Outbuilding/Yard items – including concrete and asphalt paving

Cost Approach Summary

- Highest & Best Use of a property is its present use, a valid indication of value may be derived by estimating the value of land
- Adding the land value to the depreciated value of all the improvements; the resulting equation being
- Estimated land value
- + Estimated Replacement Cost New of Structures
- - Estimated depreciation
- = indication of property value
- Land is Primary site of 2.60 acres \$1,132,600
- Building = \$1,849,580
- Outbuilding/Other Improvements = \$72,800
- Total Assessment = \$3,055,000

Summary

- Pearson’s Appraisal Services staff has not been provided with any additional to review on behalf of the taxpayer.
- Pearson’s Appraisal Service would propose a Real Property assessment of \$3,055,000.

Motion was made by Charles Jordan, seconded by Sean Lavin to deny the appeal to change the property tax assessment for 3805 Conlon Way (P56-47) and concurred the value should be \$3,055,000. The motion carried unanimously.

APPEAL #10 and #11 – Tanglewood Parkway – 3850 Conlon Way and 3855 Conlon Way - Map No: P56-29 & P56-41

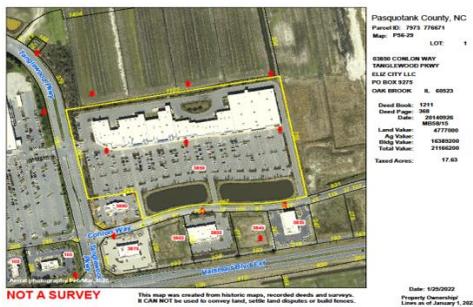
Ms. Lane presented the following evidence:

- Current Owner: Tanglewood Pkwy Elizabeth City, LLC
- Parcels identified as Shopping Center includes– Hobby Lobby, TJ Maxx, Dollar Tree
- Map No: P56-29 Hobby Lobby, et al & P56-41 – Mattress Firm, et al
- Assessment under appeal for both parcels: \$23,299,600
- Taxpayer opinion of value for both parcels: \$17,450,000

Informal Appeal Notes

- Income data information received from Tax representative Ernst & Young LLP
- After further review of income data a No Change letter was emailed to the authorized tax rep
- A Business Investment Program Grant Agreement was entered into in 2013. In the application, the new expected total investment for the project was listed as \$22,800,000

Property Maps





Property Data

- Land is 17.63 acres
- The structure use is a commercial shopping center
- Built in 2015
- Building 1 on Card 1 has 84,506 square feet of finished heated area with several attached loading docks, canopies
- Grade is a B+
- Condition is Normal/Average
- Additional Outbuilding/Yard items – including concrete paving, lighting
- Building 2 on Card 2 has 65,796 square feet of finished heated area with several attached loading docks, canopies
- Grade is a B
- Condition is Normal/Average
- Additional Outbuilding/Yard items – including concrete paving

Cost Approach Summary

- Highest & Best Use of a property is its present use, a valid indication of value may be derived by estimating the value of land
- Adding the land value to the depreciated value of all the improvements; the resulting equation being
- Estimated land value
- + Estimated Replacement Cost New of Structures
- - Estimated depreciation
- = indication of property value
- Land is Primary site of 15.811 acres and a Retention pond of 1.89 acres = \$4,743,300
- Buildings = \$16,030,360
- Outbuilding/Other Improvements = \$358,800
- Total Assessment = \$21,166,200
- Land is Primary site of 6966 square feet (1.60 acres) = \$697,000
- Building = \$1,396,210
- Outbuilding/Other Improvements = \$40,200
- Total Assessment = \$2,133,400

Income Approach Summary

Cap rate = 6.30% + tax rate 1.48% = 7.78%

Net Operating Income = \$1,818,672

\$1,898,672

+ 208,646

\$2,107,318.86

Assessment value \$27,086,360

Summary

- Pearson’s Appraisal Services staff has reviewed all data associated with the property, particularly related to the income information that was received.
- The appeal lists issues such as ongoing litigation with clients and the “upcoming recession’ that are outside the scope of our revaluation and our timeframe of January 1st, 2022.
- Pearson’s Appraisal Service would propose a Real Property assessment of \$27,086,360 for both parcels.

Motion was made by Charles Jordan, seconded by Sean Lavin to deny the appeals to change the property tax assessment for 3850 Conlon Way (P56-29) and 3855 Conlon Way (P56-41) and concurred the value should be \$27,086,360. The motion carried unanimously.

Motion was made by Charles Jordan, seconded by Cecil Perry to adjourn the Board of E&R for 2022 for the purpose of hearing additional appeals. The motion carried unanimously.

4. CONSIDERATION OF APPOINTMENTS TO BOARDS AND COMMITTEES:

Vice-Chairman Jordan reported that the Appointments Committee met today and has made the following recommendations:

Aging Advisory Council – Reappoint Lashonda R. Boone to an additional term.

Airport Authority – Reappoint Steven Saunders to an additional term.

COA Board of Trustees – Reappoint Dr. Anthony Sharp to an additional term.

Pasquotank County Drainage Committee – Reappoint Maurice Berry and Kevin Brickhouse to additional terms.

Juvenile Crime Prevention Council – Approve the slate of appointees for 2022-23 as proposed by the Juvenile Crime Prevention Council.

Pasquotank County Library Board – Reappoint Mike Cox and Hezekiah Brown to additional terms.

Pasquotank County Planning Board/Board of Adjustments – Reappoint Joseph P. Gregory, Jr. to an additional term.

Region R Workforce Investment Consortium Board – Reappoint Lloyd Griffin to an additional term.

Senior Citizens Advisory Committee – Reappoint Betty Eason to an additional term.

Senior Tarheel Legislature – Reappoint David Boone and James Robertson to additional terms.

Social Services Board - Reappoint Barry Overman to an additional term.

Tourism Development Authority – Reappoint Dean Schaan and Rhonda Twiddy to additional terms, and per TDAs request, shift Dean Schaan from the joint hotel/motel appointment to the regular County appointment.

Central Communications Advisory Board – Appoint Randy Cartwright. This appointment will need to lie over for two weeks since it is a new appointment.

Motion was made by Charles Jordan, seconded by Jonathan Meads to accept the recommendations from the Appointments Committee to approve the reappointments as presented, with the new appointment to lay over to the next meeting to allow Board members the opportunity to review the application and to allow for additional applications. The motion carried unanimously.

5. APPROVAL OF CONSENT AGENDA:

The Board considered the following consent agenda:

a. Approval of Minutes of May 16, 2022 Commissioner Meeting

b. Approval of Tax Releases and Refunds

The Finance Committee has recommended approval of the following tax releases and refunds:

Tax Release

		County	City
1.	Johnnie Booker Walton	341.16	193.41

Tax Refunds

		County	City
1.	Amber Leigh Bateman	171.32	
2.	Thomas Edison Chappell	210.17	201.99
3.	James Arthur Hill	153.10	
4.	Henry Felton Roach	133.48	
5.	Calvin Ricardo Spence	149.95	

Solid Waste Fee Refund

		Parcel ID #	Reason for Refund
1.	Katie Butts	P6-72	Vacant

c. Approval of Budget Amendments

The Finance Committee has recommended approval of the following budget amendments:

Occupancy Tax

Increase	030.0220.4270.00	Occupancy Tax	350,000.00
Increase	030.4920.5625.01	Tourism	350,000.00

Representative Payee

Increase	031.0220.4380.26	SSI/RSDI	9,000.00
Increase	031.0991.4991.00	Fund Balance Appropriated	20,000.00
Increase	031.5310.5670.10	Beneficiary Payments	29,000.00

Deed of Trust

Increase	072.0300.4418.03	Recording Fees	8,700.00
Increase	072.4180.5985.07	Payment to State Treasure	8,700.00

Fines & Forfeitures

Increase	073.0230.4323.01	Fines & Forfeitures	65,000.00
Increase	073.5910.5985.70	Payment to ECPPS	65,000.00

W/S Capital Reserve

Increase	080.0350.4713.10	System Development Fees	75,000.00
Increase	080.8200.5980.63	Transfer to RO	75,000.00

Public Buildings

Decrease	010.6900.5991.00	Contingency	8,000.00
Increase	010.4190.5351.00	Maintenance-Building	8,000.00

Debt Service

Increase	010.0600.4930.00	Insurance Proceeds	15,634.00
Increase	010.9100.5700.37	2018 Vehicles	15,634.00

Jail

Increase	010.0600.4980.00	Jail - Perquimans/Camden	374,765.00
Increase	010.4320.5700.19	Debt Services	374,765.00

Insurance Proceeds

Increase	010.0600.4930.00	Insurance Proceeds	18,996.00
Increase	010.4310.5353.00	Maintenance – Vehicles (Sheriff)	6,488.00
Increase	010.4350.5353.00	Maintenance – Vehicles (Inspections)	1,010.00
Increase	010.4347.5353.00	Maintenance – Vehicles (Nixonton)	5,223.00
Increase	010.4140.5353.00	Maintenance – Vehicles (Tax)	775.00
Increase	010.4310.5500.00	Capital Outlay (Sheriff)	5,500.00

Juvenile Justice – Pass Thru

Increase	010.0230.4360.05	Juvenile Justice – Pass Thru	41,151.00
Increase	010.6600.5615.10	Juvenile Justice – Pass Thru	41,151.00

Home & Community Care Block Grant (HCCBG)

Decrease	010.6900.5991.00	Contingency	4,944.00
Increase	010.6600.5620.04	HCCBG	4,944.00

Sheriff

Increase	010.0240.4380.10	Federal – Bullet Proof Vest	4,200.00
Increase	010.4310.5600.24	Bullet Proof Vest Grant	4,200.00

Public Buildings

Increase	010.0180.4240.00	Documentary Stamps	117,000.00
Increase	010.4190.5331.00	Utilities	90,000.00
Increase	010.4192.5351.00	Maintenance – Building	15,000.00
Increase	010.4192.5500.00	Capital Outlay	12,000.00

Non-Departmental

Increase	010.0240.4380.20	FEMA	157,221.00
Increase	010.4195.5600.35	HMPG – Elevation	157,221.00

Contingency

Decrease	010.6900.5991.00	Contingency	32,305.00
Increase	010.4150.5192.00	Legal Fees	14,000.00
Increase	010.4343.5353.00	Maintenance – Vehicles (Newland)	3,500.00
Increase	010.4344.5353.00	Maintenance – Vehicles (Weeksville)	10,300.00
Increase	010.4347.5353.00	Maintenance – Vehicles (Nixonton)	755.00
Increase	010.6130.5440.00	Contracted Services (Northern Park)	1,500.00
Increase	010.6130.5500.00	Capital Outlay (Northern Park)	2,250.00

Sheriff

Increase	010.0230.4431.07	Controlled Substance Tax	8,600.00
Increase	010.0110.4120.00	Loss of Present Value Exemption	11,000.00
Increase	010.0550.4839.00	Miscellaneous Revenue	34,430.00
Increase	010.0180.4240.00	Documentary Stamps	41,000.00
Increase	010.4310.5251.00	Gas & Oil	40,000.00
Increase	010.4310.5261.00	Departmental Supplies	34,430.00
Increase	010.4310.5311.00	Training	5,600.00
Increase	010.4310.5352.01	Maintenance – Office Equipment	15,000.00

Register of Deeds

Increase	010.0300.4418.03	Recording Fees	3,200.00
Increase	010.4180.5261.00	Departmental Supplies	1,600.00
Increase	010.4180.5189.00	Supplemental Pension	1,000.00
Increase	010.4180.5188.00	Insurance – Retiree	600.00

HR & GIS

Increase	010.180.4240.00	Documentary Stamps	2,450.00
Increase	010.4125.5261.00	Departmental Supplies	2,000.00
Increase	010.4915.5321.00	Telephone	450.00

d. Approval of Fireworks Permit Request

The Finance Committee has recommended approval a request received from Dr. Dan Terryberry to do a fireworks display in the Newbegun Land subdivision. All the required paperwork has been submitted and approved for the permit. Following North Carolina General Statutes, the Board of Commissioners must approve the fireworks display before the permit can be written.

e. Consideration of Lease Agreement for DPS – Probation and Parole

The Finance Committee has recommended approval of a lease agreement for +/- 3,098 square feet of office space provided at 1305 McPherson Street and +/- 252 square feet located at 206 E. Main Street for the Department of Public Safety. The proposed lease agreement is for a three year period with a lease payment of \$1.00. This agreement is consistent with the terms of the Department of Public Safety – Probation & Parole agreement. Per General Statute, each County is required to provide office space for the use of Probation and Parole employees assigned to the County.

f. Approval of Bid Request for Commissioner Boardroom Project

The Finance Committee has recommended awarding the contract for the Commissioners Boardroom Project to the low bidder, A.R. Chesson Construction Company at \$1,216,200 and approval of a total project budget of \$1,342,320, which includes a 10% Contingency and a budget for a Certified Industrial Hygienist. The sources of funding include \$1,100,540 from County Capital Reserve Funds and proceeds from the sale of the Putter Lane property in Kitty Hawk, and \$241,780 from ECPPS Capital Funds.

g. Approval of Implementation of 911 Communications and EMS – EMT Curriculum at Pasquotank County High School

The Finance Committee has recommended approval of implementing a 911 Communications and EMS – EMT curriculum at Pasquotank County High School.

Motion was made by Sean Lavin, seconded by Charles Jordan to approve the Consent Agenda as amended. The motion carried unanimously.

6. PRESENTATION OF FY 2022-23 PROPOSED COUNTY BUDGET:

Chairman Griffin asked County Manager Sparty Hammett to present the County's proposed budget for FY 2022-23. Mr. Hammett read the budget message indicating the ad valorem tax rate will be reduced by 15¢ to 62¢ per \$100 valuation. The proposed budget will be available for public inspection at the W.C. Witherspoon Library and at the County Manager's Office.

Motion was made by Charles Jordan, seconded by Sean Lavin to call for a Public Hearing on the proposed County budget for fiscal year 2022-23 at the June 20, 2022 Commissioner meeting. The motion carried unanimously.

7. REPORTS FROM COMMISSIONERS:

Commissioner Sterritt reported that the SPCA will be receiving an additional \$20,000 in their budget this year if approved. The SPCA formed an internal committee to address and prevent difficult situations in the future with dangerous animals. He attended the Witherspoon Harris Awards Banquet. Mayor Bettie Parker was the recipient of the Witherspoon Harris Award. He noted that she is a very disserving individual. Approximately twenty five additional individuals were recognized. Additionally, he attended the Finwick Hollowell Trail Ribbon Cutting. He and Dr. Anita Coleman spoke. He thanked the Board for their donation and noted that it helped with completion of the project. Mr. Phil Donahue was honored for his efforts on the project.

Commissioner Meads stated that he attended the Solid Waste/Landfill Committee meeting.

Commissioner Lavin thanked staff for putting the budget together. He said he does not want to hold up the budget, but in light of recent events, he would like to see the Sheriff's Department work with the incoming ECPPS Superintendent to get a plan together to place School Resource Officers at every school in the County. He thinks it is appropriate.

Commissioner Perry stated he had no committee meetings since the last meeting. He said he would like for the Special Projects Committee to meet to discuss what the Board can do to help the issues young people are having in our community and throughout our country.

Vice-Chairman Jordan said he agrees with Commissioner Lavin. He wants all our children to be safe at school and he would certainly appreciate our Sheriff's Office looking into that. He attended several meetings and events over the past two weeks to include: Chamber of Commerce meeting, Providence Volunteer Fire Department meeting, Economic Development meeting, Solid Waste/Landfill Committee meeting, Witherspoon Harris Awards, Drainage Committee meeting, COA Wetlands Trail Dedication, USCG Change of Command, NEAAAT and PCHS graduation ceremonies, Westlawn Memorial Day Event, and Sentara's Topping Ceremony.

Chairman Griffin provided an update on activities at the Albemarle Commission. Their budget was increased for the Meals on Wheels program and broadband. He attended the Airport Authority meeting. The price of fuel is going up; however, people are still flying. He attended the Sentara Topping Event. They are excited about being in Pasquotank County, and noted that they are a great community partner. He said the new Economic Developer, Jeff Berry is not seen quite as much on the streets as our former developer. He is quieter, but is getting the job done and is very active behind the scenes.

There being nothing further to come before the Board;

Motion was made by Sean Lavin, seconded by Jonathan Meads to adjourn the meeting. The motion carried and the meeting was adjourned at 8:06 PM.

CHAIRMAN

CLERK TO THE BOARD