

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

THURSDAY

9:00 A.M.

FEBRUARY 26, 2009

PRESENT:

James Covert, Chairperson
John Krolick, Vice Chairperson*
Benjamin Green, Member
Linda Woodland, Member
James Brown, Member

Nancy Parent, Chief Deputy Clerk
Herb Kaplan, Deputy District Attorney

The Board of Equalization convened at 9:00 a.m. in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Chairman Covert called the meeting to order, the Clerk called the roll and the Board conducted the following business:

WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing:

Assessor's Parcel No.	Petitioner	Hearing No.
37 parcels	WACHOVIA NA	09-1472A thru 09-1472WWW
011-026-01	FITZGERALDS RENO INC	09-1425
049-360-20	TAMARACK CROSSING LLC	09-1421

09-0572E SWEARING IN

There were no Assessor's staff members needing to be sworn in.

09-0573E CONSOLIDATION OF HEARINGS

Chairman Covert indicated the Board would consolidate items as necessary when they each came up on the agenda.

09-0574E REQUEST TO REOPEN HEARINGS – PARCEL NOS. 125-522-21 & 125-531-17 (ALSO SEE MINUTE ITEM NOS. 09-0599E AND 09-0600E)

Chief Deputy Clerk Nancy Parent explained the two parcels in question were previously heard by the Board on February 13, 2009. The Petitioner faxed in a request to be heard at a later date, but it was not discovered until after the hearing had already taken place. Herb Kaplan, Legal Counsel, confirmed the agenda item allowed the

Board to consider setting aside its previous decision and reopen the hearings on the two parcels.

On motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Krolick absent, the decisions rendered by the Board on February 13, 2009 were set aside and Hearing Nos. 09-0888 and 09-0887 for Parcel Nos. 125-522-21 and 125-531-17 were reopened.

Chairman Covert indicated the Petitioners would be heard in the order in which they signed in.

DISCUSSION – PARCEL NOS. 033-152-17 & 033-152-19 – IRON HORSE KOHALA, LLC – HEARING NOS. 09-0980C & 09-0980A (ALSO SEE MINUTE ITEMS 09-0575E AND 09-0576E)

On behalf of the Petitioner, Marcus Clark and Chris Shanks were sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser III, oriented the Board as to the locations of the subject properties. He submitted Assessor's Exhibits I and II, and explained the two parcels under consideration were the in-line shops and pad shops of the Iron Horse Center.

Mr. Clark indicated the Petitioner was in agreement with the recommendation to uphold the Assessor's values.

Please see minute item numbers 09-0575E and 09-0576E below for details concerning the petition, exhibits and decision related to each of the parcels.

09-0575E PARCEL NO. 033-152-17 – IRON HORSE KOHALA, LLC – HEARING NO. 09-0980C

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 593 E Prater Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Owners opinion of market value, 1 page.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 21 pages.

Exhibit II: Income approach to value, 3 pages.

The Board considered arguments at the same time for two similar parcels owned by Iron Horse Kohala, LLC. Please see above for a summary of the discussion concerning Parcel Nos. 033-152-17 and 033-152-19.

With regard to Parcel No. 033-152-17, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Krolick absent, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

**09-0576E PARCEL NO. 033-152-19 – IRON HORSE KOHALA, LLC –
HEARING NO. 09-0980A**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 685 E Prater Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Owners opinion of Market Value, 1 page

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 32 pages.

Exhibit II: Income approach to value, 3 pages.

The Board considered arguments at the same time for two similar parcels owned by Iron Horse Kohala, LLC. Please see above for a summary of the discussion concerning Parcel Nos. 033-152-17 and 033-152-19.

With regard to Parcel No. 033-152-19, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Krolick absent, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

**09-0577E PARCEL NO. 033-152-05 – IRON HORSE KOHALA, LLC –
HEARING NO. 09-0980B**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 589 E Prater Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Owners opinion of Market Value, 1 page.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 26 pages.

***9:09 a.m.** Member Krolick arrived at the meeting.

Having been previously sworn, Marcus Clark and Chris Shanks were present on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Paul Oliphint, Appraiser I, oriented the Board as to the location of the subject property. He noted the subject was the vacant portion of the Iron Horse Center that was previously occupied by a Target store. He reviewed the Assessor's recommendation to apply obsolescence to the taxable improvement value because of the extraordinarily high vacancy rate for retail anchor sites, as well as the competition from several other vacant sites in the neighborhood.

Mr. Clark confirmed for Chairman Covert that the Petitioner was in agreement with the Assessor's recommendation.

With regard to Parcel No. 033-152-05, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$1,284,250, resulting in a total taxable value of \$4,935,000 for tax year 2009-10. The reduction was based on the Assessor's recommendation to apply external obsolescence. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

09-0578E PARCEL NO. 037-020-43 – ESM MARINA LLC – HEARING NO. 09-0983

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 1495 E Prater Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

Exhibit II: Income approach to value, 2 pages.

Having been previously sworn, Marcus Clark And Chris Shanks were present on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser III, oriented the Board as to the location of the subject property.

Mr. Clark confirmed for Chairman Covert that the Petitioner was in agreement with the recommendation to uphold the Assessor's values.

With regard to Parcel No. 037-020-43, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Green, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0579E PARCEL NO. 043-011-48 – LONGLEY CENTER ANNEX LLC – HEARING NO. 09-0981

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 7675 S Virginia St, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Investment summary, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 21 pages.

Exhibit II: Income approach to value, 2 pages.

Having been previously sworn, Marcus Clark and Chris Shanks were present on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser III, oriented the Board as to the location of the subject property.

Mr. Clark indicated the subject property was recently hit hard by many tenants requesting reductions in their lease rates. He stated there was one tenant in a

10,000 square foot space that was about ready to move out with no replacement on the horizon any time soon. Chairman Covert asked whether the tenant had already given notice or was trying to negotiate. Mr. Clark replied they were significantly behind in their rent, an attorney was involved, and the end was near. Mr. Clark discussed several other tenants who were asking for or had been given reductions. He said the Petitioner was trying to do anything possible to keep the tenants in and the lights on, but the overall income was decreased. He indicated these were recent events, so the Assessor was probably not aware of the depth of the problem.

Mr. Shanks reviewed the information provided in Exhibit A, which was produced by the Arcus software package. He explained the software was used to model what an institutional buyer would pay for the subject property by using in-place leases and assumptions to run a 30-year analysis. He stated the package solved for an internal rate of return. He noted many buyers were currently looking for a 20 percent return and the cap rate was almost an afterthought. He talked about some of the assumptions used, which produced a purchase price of \$8.6 million to achieve a 20 percent internal rate of return, which worked out to a 9.5 percent cap rate. He pointed out there were many institutional and industrial buyers who were well into the double digits for cap rates based on current market conditions.

Member Green asked whether a nearby gas station was part of the subject property. Mr. Clark said it was not. Member Green reviewed some of the shops located at the subject property, including Austin's Restaurant.

Chairman Covert commented the Petitioner's information was very thorough. He observed the data might be a year early, as the Assessor's cut-off date was June 30, 2008.

Appraiser Ettinger reviewed the comparable sales and range of values provided in Exhibit I. He identified IS-3 as most similar to the subject property. Chairman Covert noted the older date of sale for IS-3. Appraiser Ettinger indicated it was comparable to the subject in terms of proximity and occupancy mix. He referenced Exhibit II and noted the income approach was based on projected 2009 income and expenses that were provided by the appellant, which gave the appellant the benefit of the doubt. Chairman Covert wondered whether a calendar year or fiscal year was used. Appraiser Ettinger clarified a calendar year was used. He stated a 7.5 percent cap rate was used based on improved sales and conversations with leasing agents and others currently in the market, producing a total value of approximately \$11 million for the subject property. He observed the total taxable value on the subject property was lower than the value produced using the income approach. He concurred there were some problems with the market at this point in time. He pointed out taxable values had historically been much lower than market values, and acknowledged the gap between values was closing. He agreed with Chairman Covert that the market changes might possibly affect next year's taxable value.

Chairman Covert said the data in Exhibit II looked like a cash income statement as opposed to a financial income statement because there was no depreciation included. Appraiser Ettinger agreed that no depreciation was included in the analysis.

Member Green observed a 7.5 percent cap rate seemed too high for a property that catered to small businesses and had no big box stores. He suggested 8.5 or 9.0 percent might be more appropriate. He commented he was seeing more and more small shops closed, and that had been occurring prior to June 30, 2008. Appraiser Ettinger agreed the cap rate could fluctuate depending on location and circumstances. He noted the subject property had not traditionally had a big anchor store, although Winner's Corner was located nearby and drew business to the center. He pointed out an 8.5 percent cap rate would produce a value very close to the subject's total taxable value.

Chairman Covert questioned whether there were any issues with tenants leaving or requesting reductions prior to June 30, 2008. Mr. Shanks stated there were not.

Mr. Shanks indicated the purchase price for IS-2 was inflated because the property was purchased by a casino that was willing to overpay. Chairman Covert said it was a question of whether or not it was an arm's length transaction. Mr. Shanks replied it was not fair market and was not reflective of the marketplace. He indicated a cap rate of 7.5 percent was not achievable at this point. He noted the Arcus software model ignored the cap rate and focused on what kind of risk and return a buyer would want. Based on risk and return, he stated a 9.5 percent cap rate was much more in line with the marketplace. Chairman Covert said he did not disagree but still had a problem with the timing.

Member Green noted the data in Exhibit A produced a value just over \$12 million, but the Assessor's total taxable value was already less than that. Mr. Shanks clarified that number was for a projection ten years down the road. He pointed out there was a figure of approximately \$8 million under the valuation summary.

Member Green agreed the data was a year early, and stated he was in favor of upholding the Assessor's values.

With regard to Parcel No. 043-011-48, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

DISCUSSION – PARCEL NOS. 011-051-01, 011-051-07, 011-026-01, 011-051-25 & 011-370-12 (ALSO SEE MINUTE ITEM NOS. 09-0580E THRU 09-0583E)

On behalf of the Petitioner, Brian Brandstetter and Bob McGowan were sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Mark Stafford, Senior Appraiser, recommended consolidation of Hearing Nos. 09-1424, 09-1425, 09-1428, 09-1475A and 09-1475B for Parcel Nos. 011-370-12, 011-026-01, 011-051-07, 011-051-01 and 011-051-25. He indicated they all had the same owner, were an economic unit, and the factors affecting value were the same. Ms. Parent pointed out Hearing No. 09-1425 for Parcel No. 011-026-01 had been withdrawn by the Petitioner. Chairman Covert asked whether the Petitioner had any objections to consolidation. Mr. Brandstetter acknowledged the withdrawn parcel. He noted only some of the parcels were an economic unit, but said he could work with consolidation.

Herb Kaplan, Legal Counsel, questioned whether the parcels were being consolidated or just heard at the same time. Chairman Covert indicated the Board would hear arguments for all four parcels.

Appraiser Stafford oriented the Board as to the location of the subject properties. He referred to the descriptions of each parcel on page 3 of Exhibit I and stated most of the Fitzgeralds Hotel Casino was located on Parcel No. 011-051-25 (parcel -25), a portion of the Hotel Casino was located on Parcel No. 011-051-07 (parcel -07), Parcel No. 011-051-01 (parcel -01) was used as a storage building, and Parcel No. 011-370-12 (parcel -12) was a parking garage. He noted Fitzgeralds owned the improvements for the parking garage on parcel -12, but the ground under it was leased.

Mr. Brandstetter explained the owners acquired a number of parcels for the Montage condominium project and associated projects. He stated the Montage project had subsequently been taken over by the bank, and the company was left with some remaining parcels that included the subject properties. He noted the assumptions and projections made when the parcels were purchased had been greatly changed by the economy. He said it was difficult to determine what the properties were worth because it was typical to project what income a property would produce within a reasonable holding time. He observed the Assessor probably grouped the parcels together because they were purchased as part of the same sales transaction. He characterized the subjects as a group of distinct properties that might or might not further a single project. Mr. Brandstetter indicated he considered parcels -25 and -07 for the Hotel Casino to be part of an economic unit with parcel -12 for the parking structure. He clarified the original concept had been to model the Fitzgeralds Hotel into a boutique hotel, and the parking structure was meant to serve that project. He described parcel -01 as an ancillary unit that was currently used for storage but was otherwise vacant. He reviewed the information related to parcels -25, -07 and -12 in Exhibit A and to parcel -01 in Exhibit B. He suggested the subject parcels had only a nominal value until it was clear there was some market value.

Chairman Covert asked about the owner's current intentions. Mr. Brandstetter said the owners still intended to proceed with the boutique hotel project, but there was a lot of uncertainty as to whether that was the right way to go. He stated the owners were prepared to stand behind their investment. Under current conditions, he indicated the owner would likely have to hold the properties for at least three years with negative income, at which time there would be several million dollars in expenditures and start-up costs. He estimated it would take at least five years before the property could be operational and have a stabilized income. He noted the building on parcel -01 would probably have to be torn down before any economic use of the property was possible and the property was not central to any of the development plans. He reiterated there should be nominal taxable improvement value on the subject properties. He confirmed for Chairman Covert the Petitioner was not protesting the taxable land values.

Appraiser Stafford reviewed the comparable sales information provided in Exhibit I. He noted the total taxable values on the subject properties were substantially less than the owner's purchase price in late 2007. He stated the purchase transaction fit the parameters of a normal casino sale.

Chairman Covert questioned the value on the storage building. Appraiser Stafford indicated the taxable improvement value on parcel -01 represented a salvage value.

Appraiser Stafford stated he previously requested financial information from the appellant, but did not receive anything to suggest the Assessor's values were incorrect. He disagreed with the value produced by the Petitioner's cash flow analysis and said it was not realistic in terms of what a potential buyer of the property would do. Chairman Covert wondered whether the Assessor's valuation would have been affected if the information in Petitioner's Exhibit A had been provided in advance. Appraiser Stafford replied that it would not. He suggested there was more than enough evidence of comparable hotel sales to support the Assessor's value, even if one disregarded the casino sales.

Mr. Brandstetter acknowledged he struggled with the subject property's value. He called attention to the dates on the comparable sales and stated the Assessor's comparable sales did not represent what the market had done or was about to do. He pointed out the purchase price for the subject properties included personal property and the sale happened under a completely different set of assumptions. He noted there was no income stream on which to calculate a cap rate for the subject properties. He commented he did not see where operating information about the Fitzgeralds Hotel Casino would have been helpful to the Assessor's valuation. He emphasized the information in Exhibit A was a general perspective into the developer's original concept of the project, but nothing would happen with the property for quite a while and the project would take a great deal of investment after the market recovered.

Member Krolick asked what kind of valuation per door the Assessor had on properties located near the comparables, such as the Onslow and the Virginian. Appraiser Stafford estimated the Onslow at about \$24,000 to \$25,000 per unit. He estimated the total value of the Virginian at about \$6 million, but did not recall how many rooms it had. Member Krolick questioned how they compared to the subjects in terms of quality. Appraiser Stafford characterized the Onslow as inferior in terms of its location and the size of the rooms. He was not certain, but thought the number of rooms was similar. Member Krolick commented the Virginian would be inferior because it had been vacant for quite some time. Appraiser Stafford noted it had been leased and operated for a period of time by the Cal Neva.

Member Green stated the lowering of the railroad tracks removed a detriment for the Fitzgerald's properties. Appraiser Stafford noted there was a platform for a flat plaza covering the railroad tracks across from the property, but it was not built out yet. Member Krolick said there was obvious value in the land, but he thought some relief for obsolescence on the improvements was justified. Member Woodland indicated it was a year too early for a reduction. Member Green noted there were discounts given to subdivisions and wondered whether a similar concept applied to the subject properties. Chairman Covert observed he had a problem with comparable sales that were six to eight years old. Member Krolick commented the sales took place during much more prosperous times. Member Green observed sale HC3 for the Holiday Inn was fairly recent and had a higher taxable value per room than the subject properties. Member Brown noted the sale took place in May 2007. Member Krolick thought its location benefited from access to Interstate 80. Member Green disagreed. He stated access was difficult and the location was much inferior to Virginia Street. Chairman Covert pointed out it was the owner's option to buy and hold the subject properties. Member Green remarked Fitzgerald's had been for sale for many years. He observed the Petitioner made a business decision to close the Hotel Casino after purchasing the properties. He indicated he initially considered supporting some relief for obsolescence, but changed his mind when he thought more about it. Member Woodland said she agreed with Member Green. Chairman Covert stated it was the owner's decision to do what was done with the subject properties. He thought the Assessor's Office had done a good job.

Please see minute item numbers 09-0580E thru 09-0583E below for details concerning the petition, exhibits and decision related to each of the four parcels.

09-0580E PARCEL NO. 011-051-01 – DRW FITZGERALD REAL PROP LLC
– HEARING NO. 09-1475A

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on property located at 98 W Commercial Row, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation for Fitzgerald's former casino/hotel and parking structure, 8 pages.

Exhibit B: Supporting documentation for Mercantile Building, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 26 pages.

The Board heard arguments at the same time for four parcels owned by the same Petitioner. Please see above for a summary of the discussion on Hearing Nos. 09-1475A, 09-1428, 09-1475B and 09-1424 for Parcel Nos. 011-051-01, 011-051-07, 011-051-25 and 011-370-12.

With regard to Parcel No. 011-051-01, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion carried on a 4-1 vote with Member Krolick voting "no," it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0581E PARCEL NO. 011-051-07 – OPPIO INVESTMENTS LLC – HEARING NO. 09-1428

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on property located at 255 N Virginia St, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation for Fitzgerald's former casino/hotel and parking structure, 8 pages.

Exhibit B: Supporting documentation for Mercantile Building, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 26 pages.

The Board heard arguments at the same time for four parcels owned by the same Petitioner. Please see above for a summary of the discussion on Hearing Nos. 09-1475A, 09-1428, 09-1475B and 09-1424 for Parcel Nos. 011-051-01, 011-051-07, 011-051-25 and 011-370-12.

With regard to Parcel No. 011-051-07, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by

Member Brown, which motion carried on a 4-1 vote with Member Krolick voting "no," it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

**09-0582E PARCEL NO. 011-051-25 – DRW FITZGERALD REAL PROP LLC
– HEARING NO. 09-1475B**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on property located at 255 N Virginia St, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation for Fitzgerald's former casino/hotel and parking structure, 8 pages.

Exhibit B: Supporting documentation for Mercantile Building, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 26 pages.

The Board heard arguments at the same time for four parcels owned by the same Petitioner. Please see above for a summary of the discussion on Hearing Nos. 09-1475A, 09-1428, 09-1475B and 09-1424 for Parcel Nos. 011-051-01, 011-051-07, 011-051-25 and 011-370-12.

With regard to Parcel No. 011-051-25, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion carried on a 4-1 vote with Member Krolick voting "no," it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

**09-0583E PARCEL NO. 011-370-12 – FITZGERALD VIRGINIA & PLAZA
LLC – HEARING NO. 09-1424**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on property located at 50 E Plaza St, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation for Fitzgerald's former casino/hotel and parking structure, 8 pages.

Exhibit B: Supporting documentation for Mercantile Building, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 26 pages.

The Board heard arguments at the same time for four parcels owned by the same Petitioner. Please see above for a summary of the discussion on Hearing Nos. 09-1475A, 09-1428, 09-1475B and 09-1424 for Parcel Nos. 011-051-01, 011-051-07, 011-051-25 and 011-370-12.

With regard to Parcel No. 011-370-12, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion carried on a 4-1 vote with Member Krolick voting "no," it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

10:26 a.m. Chairman Covert declared a brief recess.

10:39 a.m. The Board reconvened with all members present.

09-0584E **PARCEL NOS. 011-051-10, 011-051-11, 011-051-23 & 011-051-24 – SIERRA & VIRGINIA PROPERTY LLC & WELLS FARGO BANK ETAL – HEARING NOS. 09-1474A, 09-1474B, 09-1474C & 09-1426**

Petitions for Review of Assessed Valuation were received protesting the 2009-10 taxable valuation on property located at 241 N Virginia St, 237 N Virginia St and 236 N Sierra St, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Opinion of value, 1 page.

Exhibit B: Supporting documentation for former Golden Phoenix (Prima Donna) casino, 11 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 31 pages.

Having been previously sworn, Brian Brandstetter and Bob McGowan were present on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Mark Stafford, Senior Appraiser, oriented the Board as to the location of the subject properties.

He indicated there was one building that covered four contiguous parcels extending from Virginia Street to Sierra Street, with a walkover across the Douglas Alley connecting two sides of the building.

Mr. Brandstetter explained the parcels were acquired by the owner along with the old Hilton properties and were purchased to go along with the Montage condominium project and associated projects. He indicated the buildings were in very poor condition. He noted there was one small lessee occupying a portion of parcel -24, but the properties were otherwise vacant. He stated the properties were not leasable in their current condition and there were very few lessee prospects in the current market. He pointed out the Petitioner was not protesting the taxable land values, but was requesting nominal value on the improvements. He reviewed the information provided in Exhibit B.

Chairman Covert asked whether the subject properties were owned by the same entity as those in the previous hearing (see discussion and minute items 09-0580E through 09-0583E). Mr. Brandstetter acknowledged they were a different partnership entity, but were owned by the same group of higher level investors and were taking a similar buy and hold position.

Appraiser Stafford described some of the history of the subject properties and their ownership. He reviewed the comparable sales information and range of values provided in Exhibit I. He noted the subject properties were reviewed annually for obsolescence and the four parcels were currently receiving a combined total of \$358,000 in obsolescence. He stated there was an unlimited gaming license included with the subject properties.

Chairman Covert asked for more information about the condition of the buildings. Appraiser Stafford acknowledged they were in poor condition, particularly the interior of the buildings. He stated he had not been in the buildings for a while, but noted they were still in operation about a year ago.

Chairman Covert requested a definition of the quality class 2 on the subject properties. Appraiser Stafford explained they were rated as average quality, which was at the lower end of the rating scale.

Member Krolick questioned the value of an unlimited gaming license and what was required to maintain one. Appraiser Stafford said it was his understanding a property had to be opened and operating once a year to maintain its gaming license. He indicated he could only speculate on a market value, but estimated it was at least \$1 million.

Member Brown asked which sale was most comparable to the subjects. Appraiser Stafford identified IS-1 as most similar, mainly because of its location.

Member Green observed an unlimited gaming license did not require hotel rooms. Appraiser Stafford acknowledged that was a great advantage. He noted unlimited

gaming licenses could be moved and reestablished in another location. Member Green asked what might make the buildings viable to produce income. Appraiser Stafford suggested a small casino with some type of entertainment venue. He noted there were some very successful downtown nightclubs. He acknowledged the visitor totals were down due to the economy. He noted the bar scene was coming back to downtown Reno, more residents were moving into the downtown area, and a ballpark was scheduled to open soon. Member Green wondered whether the improvements would be considered as knock down types of buildings. Appraiser Stafford said he would not consider them as such, unless the entire block was acquired for demolition.

Mr. Brandstetter noted the sales trends were heading downward. He pointed out the price on the Assessor's most comparable sale was slightly less than the taxable value on the subject properties. He stated he did not know the condition of any of the Assessor's comparable properties. He pointed out he walked through all of the subject parcels the previous day, and observed there were no sprinklers. He commented the Petitioner received a professional opinion that the HVAC system might be made to work but really needed to be replaced. Chairman Covert wondered about the building's structural integrity. Mr. Brandstetter said he was not a structural engineer and could not speculate. He noted it was just very rough inside the buildings. Mr. McGowan explained there was no finished area inside, and it was just cement walls, metal studs and hanging mechanicals.

Member Woodland questioned what the change in value would be if the subject properties were taken to a quality class 1.0. Appraiser Stafford said it would lower the value but he had no idea by how much.

Member Krolick asked whether the comparable at 165 North Virginia was vacant. Appraiser Stafford stated there was a liquor store there. He noted the building was in great condition for its age.

Chairman Covert expressed concern about the condition of the subject building, given that Appraiser Stafford had not been inside for three years but the Petitioner was inside the previous day. Appraiser Stafford noted there was \$358,000 in obsolescence on the building. Chairman Covert said he was not sure it was enough. Member Krolick agreed. He indicated land sale LS-2 was purchased by a local real estate speculator.

Member Green pointed out it was not uncommon for commercial property to have bare walls, and for the tenants to make improvements. He noted the Petitioner's request for an improvement value of \$10,000 was too low, although he would support some additional obsolescence. Chairman Covert suggested an approximate doubling in the amount of obsolescence currently on the improvements. Member Green said he had been thinking about a 10 percent reduction for each property, which amounted to about \$350,000.

With regard to the Parcel Numbers listed below, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Green, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable land values be upheld and the taxable improvement values be reduced by a total of \$350,000 to be divided equally among the four parcels for tax year 2009-10. The reduction was based on obsolescence due to the quality/condition of the improvements. With the adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

PARCEL NO.	PETITIONER	HEARING NO.
011-051-10	SIERRA & VIRGINIA PROPERTY LLC	09-1474A
011-051-11	SIERRA & VIRGINIA PROPERTY LLC	09-1474B
011-051-23	SIERRA & VIRGINIA PROPERTY LLC	09-1474C
011-051-24	WELLS FARGO BANK ETAL	09-1426

09-0588E PARCEL NO. 011-051-02 – FITZGERALD OLD RENO LLC – HEARING NO. 09-1427

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on property located at 44 W Commercial Row, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation for Old Reno Building, 6 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 26 pages.

Having been previously sworn, Brian Brandstetter and Bob McGowan were present on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Mark Stafford, Senior Appraiser, oriented the Board as to the location of the subject property.

Chairman Covert observed the total taxable value for the subject property was less than the amount requested on the appeal form. As shown in Exhibit A, Mr. Brandstetter explained the Petitioner was amending the appeal to request a nominal taxable improvement value of \$10,000 and a total taxable value of \$189,265.

Mr. Brandstetter reviewed the information provided in Exhibit A. He noted the property was in a situation that was similar to those of the properties discussed in the previous hearings. He explained the owner of the subject property acquired it during an exchange for other properties that previously bridged the railroad tracks when

the City of Reno was working on its railroad trench project. He stated the building was in bad shape and there had been no activity inside the subject property for about three years.

Appraiser Stafford briefly described some of the circumstances behind the exchange transaction that resulted in the Petitioner's acquisition of the subject property. He reviewed the comparable sales and range of values provided in Exhibit I.

Mr. Brandstetter commented that the interior finish in the subject's building was more of an expense than an amenity because it would have to be removed before the building could be used.

Chairman Covert expressed concern about the condition of the building and noted it might have trouble passing current building codes. Appraiser Stafford pointed out some of the buildings for the comparables in Exhibit I were older than the subject building. He clarified for Chairman Covert that, if an owner were to demolish a building, the property could be valued at its land value after subtracting demolition costs. He emphasized that would be based on a property's highest and best use, and said he did not have any information as to the structural integrity of the subject building. Chairman Covert questioned whether the Assessor's Office had been inside the subject building. Appraiser Stafford indicated he had never been inside.

Member Green noted IS-4 had a quality class of 1.5. He questioned whether its location was comparable to the subject. Appraiser Stafford characterized the subject property as superior in location. Member Green wondered whether the subject had a gaming license. Appraiser Stafford indicated the license had been moved to another property.

Member Brown asked what factors made the subject's value per square foot higher than those of the comparable properties. Appraiser Stafford noted the biggest factors were the small size of the building and the superior land value for the subject's location. He stated unit values tended to go up as size went down.

Member Green stated he was inclined to support the Assessor's value on the subject property. He noted it was the Petitioner's business decision to buy and hold onto the property.

With regard to Parcel No. 011-051-02, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0589E PARCEL NOS. LISTED BELOW – PNK (RENO) LLC –
HEARING NOS. 09-1473A THRU 09-1473M

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on 15 parcels located in the Verdi area, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Appraisal report and analysis, 89 pages.

Exhibit B: Supporting documentation for “Boomtown excess land,” 14 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

Having been previously sworn, Brian Brandstetter and Bob McGowan were present on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Steve Clement, Appraiser III, oriented the Board as to the locations of the subject properties.

Mr. Brandstetter characterized the subject parcels as excess land that was ancillary to the Petitioner's operation of the Boomtown Casino. He explained the outside appraisal provided in Exhibit A formed the basis of the appeal and was done in order to allow the Petitioner to report asset values to the Securities and Exchange Commission (SEC). He indicated the appraisal's conclusions were also provided in Exhibit B, and resulted in a value of \$15,500,000 for the combined subject parcels. He noted the land values requested by the Petitioner for each subject parcel were shown on page 1 of Exhibit B and were based on the amount of the appraisal. He stated the Petitioner's requested values amounted to roughly \$80,000 per acre for commercial parcels and \$27,000 per acre for residential parcels. He pointed out some market analysis information was received from Ernst and Young subsequent to the appraisal in Exhibit A that placed the combined value of the parcels at just over \$21 million, and that was the audited value that would be reported to the SEC.

Appraiser Clement said the Assessor's Office gave very little consideration to the Petitioner's outside appraisal because it combined the subject parcels to come up with a single value. He observed the subject properties were 15 unique parcels with different types of zoning, topography, fronting and development potential. He stated the assumption that the parcels could be valued as equivalent to each other did not hold. He read from NRS 361.227(2)(c): “The unit of appraisal must be a single parcel unless in the professional judgment of the person determining the taxable value the parcel is one of a group of parcels that should be valued as a collective unit.” He pointed out the

Petitioner's requested values were skewed further when the parcels were added together because it resulted in downward adjustments for size. He noted the outside appraisal used residential comparables from Dayton and Fernley, called them superior in location, and adjusted them downward. He pointed out the median home prices in Fernley and Dayton were significantly lower than those in Reno, and those in Verdi were much higher than other parts of Reno. He discussed the commercial comparables provided in the outside appraisal. He said he could not speak to the \$21 million value from Ernst and Young because he had no information as to where it came from.

Appraiser Clement reviewed the information and conclusions provided in Exhibit I, and requested that the Assessor's values be upheld.

Member Green asked whether the Boomtown/Verdi interceptor sewer line had been put in. Appraiser Clement said he believed it had been installed. He noted the values on parcels located on the north side of Interstate 80 reflected extensive development work that was done by Mortensen et al.

Mr. Brandstetter stated he did not know how many of the large residential land sales in Exhibit I were being developed at the current time. He suggested it was appropriate to take a conservative look at property values based on the current state of market conditions. He noted the evidence provided by the Petitioner was from a Nevada MAI certified general appraiser, and the Petitioner's requested values were extrapolated from that appraiser's conclusions. He noted the subject parcels were all under the same ownership and the Assessor's configuration of the parcels had been established long before the Petitioner purchased them. He referenced the independent conclusion of \$21 million in overall value that was provided by another set of third party professional appraisal groups. He pointed out both of the values provided by the Petitioner were substantially less than the Assessor's values.

Chairman Covert commented the Assessor's values added up to roughly \$25 million. Appraiser Clement noted there was a combined value of \$25,899,670. He stated the previous year's values added up to approximately \$34 million, so there had been a reduction of 25.6 percent.

With regard to Hearing Nos. 09-1473A thru 09-1473O, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0589E: PNK (RENO) LLC			
038-090-33	038-120-03	038-132-25	038-870-19
038-090-34	038-120-10	038-430-21	038-870-20
038-090-60	038-120-12	038-430-50	038-870-22
038-090-61	038-120-13		

11:56 a.m. Chairman Covert declared a brief recess.

12:33 p.m. The Board reconvened with all members present.

09-0590E **PARCEL NO. 009-572-01 – POSTROZNY-LUCHETTI TRUST – HEARING NO. 09-1176**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on property located at 4215 Buckaroo Cir, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter, supporting documentation, and photos, 21 pages.

Exhibit B: Supplemental hearing evidence packet, 21 pages.

Exhibit C: Comparable sales and photographs, 13 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

On behalf of the Petitioner, George Postrozny was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Bozman, Appraiser III, oriented the Board as to the location of the subject property.

Mr. Postrozny pointed out the Assessor's value on his property was higher than it had been the previous year, even after the 15 percent discount that was granted to all taxable land values in Washoe County. He indicated the total taxable value on his property exceeded market value, as evidenced by five comparable sales provided in Exhibit A. He stated his taxable land value also exceeded market value. Under the regulations, he noted there was an insufficient number of comparable land sales within Juniper Trails for the Assessor to use the sales comparison approach. He said he was informed by an appraiser that preliminary studies of the Washoe County Assessor's Office suggested 25 percent of the property's total value would be allocated to the land values in Juniper Trails next year.

Mr. Postrozny requested a 5 percent downward adjustment in his taxable improvement value because he had a two-car garage in a neighborhood where 90 percent of the homes had three- or four-car garages. He referred to photographs provided in Exhibits A and C. He noted he was advised by an architect he could not remodel his garage because it was right up against the property's development envelope. Chairman Covert asked whether the two-car garage was put there because of the limitations of the

building envelope. Mr. Postrozny replied a larger garage would have required a different home design. He observed he paid less for the property because of its two-car garage, but the difference was not taken into account on the Assessor's valuation. He referenced a listing on Waterhole Road, shown on page 2 of Exhibit A, which also had a two-car garage.

Mr. Postrozny requested an additional 5 percent downward adjustment because his lot lacked privacy when compared to the neighbors. He referred to the photographs on page 4 of Exhibit A, which showed the relationship between the development spaces for the subject property and the property at 45 Rimfire Circle. He said there was an eight-foot wall, but it did not mitigate the problem.

Mr. Postrozny compared his land value to the values of other sold properties. He identified page 10 of Exhibit B as a list of vacant land sales provided by the Assessor's Office as the basis for the 2009 reappraisal of Juniper Trails. He noted there were differences in the views between his property and those used to establish its land value, and indicated the taxable land value on his property would be just over \$200,000 if the proper adjustments were made to the Assessor's comparables. He pointed out the property on Scattergun Circle was a listing that had not been sold. Although the Assessor's Office discounted the list price by 10 percent in the analysis, he pointed out a listing was not valid data on which to base an increase in valuation. Chairman Covert agreed listings should be viewed as additional information. Mr. Postrozny continued to discuss differences between the subject and the vacant land sales used in the Assessor's analysis. He noted there had been a larger discrepancy between land values in 2001-02 than there was at the current time, which suggested the differences in view had been recognized at some point in time and were lost along the way.

Appraiser Bozman reviewed the comparable sales and range of values provided in Exhibit I. He stated the comparable sales supported the Assessor's values on the subject property. He discussed three of the properties offered for comparison by the Petitioner in Exhibit A, and identified several differences from the characteristics of the subject property that would affect the improvement values. He pointed out the square footage of the subject's garage was larger than that of a standard two-car garage. He noted the vacant land sale on Sourdough Circle had a building footprint that only allowed for a two-car garage. With respect to the privacy issue, he noted the distance from the subject property to the neighboring property referenced by the Petitioner was 260 feet. He noted the condition was there when the home was purchased.

Member Green observed the taxable value per square foot on the Assessor's improved sale IS-1 was less than the value on the subject property, although the house and garage were slightly larger and they had the same quality class. Appraiser Bozman attributed the difference to one less bathroom and fewer fixtures, and noted the values were determined by *Marshall and Swift*. Member Green stated the lot was also smaller. Appraiser Bozman said both properties had the same base lot value. He explained the area had not been reappraised for five years, so the values came up for the 2009-10 tax year.

Member Green noted the majority of the subject property seemed to run along Caughlin Parkway. Appraiser Bozman indicated the subject was in a cul-de-sac, and the house sat back from the street. Member Green questioned whether there were any traffic discounts for properties along the Caughlin Parkway. Appraiser Bozman stated there were none.

Mr. Postrozny acknowledged that he did not pursue the traffic issue because he was unable to find enough tangible evidence. He commented that many of the disagreements about the comparable properties seemed to come down to what properties did or did not have city views. He referenced the photographs in his exhibits that showed the views. He commented that the presence of the privacy impairment when the property was purchased did not somehow nullify the impact on its value. He stated any buyer or seller would take such things into account, and the impairment would continue to be internalized into the market value of the property.

Appraiser Bozman stated the Assessor's Office would be doing annual reappraisals from this point forward, and issues such as the views would be reevaluated if they could be quantified through market data. He noted the base lot value was supported by the comparable sales, so properties with a view would be adjusted upward from the base lot value.

Mr. Postrozny said impairments were taken into account for market value and should be taken into account for taxable value, irrespective of when they came into existence. He indicated he would not characterize his two-car garage as oversized. He explained there was about two feet on either side of the parking spaces, but there was no workshop space. He commented that most of the Assessor's land sales in Exhibit I were not located in Caughlin Ranch, were not in Juniper Trails, and were not comparable. He said they appeared to be in the Mountain Gate Juniper Ridge subdivision, which was in the city, and had larger and more expensive homes on much larger average lot sizes.

Mr. Postrozny pointed out he received two different lists of comparable properties from the Assessor's Office prior to the hearing, and then a third list was submitted at the hearing as Exhibit I. In the event that the appeal proceeded to the State Board, he asked the Assessor's Office to waive any objection to the Petitioner's submission of new evidence in response to the information in Exhibit I. Chairman Covert indicated he did not know what the State's rules were. Herb Kaplan, Legal Counsel, stated the Petitioner would have to make a request and it would be up to the State Board as to whether they would accept any additional evidence.

Member Green said he was inclined to consider a 10 percent reduction on the subject's taxable land value because the shape and location of the lot did not allow room for a bigger garage and there was a walking path right next to the subject property.

With regard to Parcel No. 009-572-01, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Green, seconded by

Member Krolick, which motion duly carried, it was ordered that the taxable land value be reduced by 10 percent to \$267,750 and the taxable improvement value be upheld, resulting in a total taxable value of \$699,302 for tax year 2009-10. The reduction was based on detriment due to the shape and location of the lot. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

DISCUSSION – LADERA RANCH 390, LLC

Chief Deputy Clerk Nancy Parent called Hearing Nos. 09-1399B through 09-1399P4 for 115 parcels owned by Ladera Ranch 390, LLC.

On behalf of the Petitioner, John Bugucki was sworn in by Ms. Parent.

On behalf of the Assessor and having been previously sworn, Michael Bozman, Appraiser III, oriented the Board as to the location of the subject property.

Mr. Bugucki explained there were two components to his appeal. He said there were two parcels he considered to be open space, and he would discuss the issues for the remaining 105 “paper lots” separately. Ms. Parent stated Parcel No. 502-250-05 was listed under a separate agenda item as open space. Mr. Bugucki said he did not know what that was about and he had not objected to the value on that parcel. He indicated his only open space objections concerned Parcel Nos. 502-700-04 and 502-700-05.

Mr. Bugucki noted the information submitted in Exhibits B and C pertained to 105 “paper lots,” and had been revised from Exhibit A after the 15 percent reduction in land value was granted to all Washoe County properties. He discussed the lot values presented in Exhibit B, which took into account the cost to finish each lot. Chairman Covert asked whether the cost was an estimate or an actual number. Mr. Bugucki referenced Exhibit C, which showed estimates obtained from Sierra Nevada Construction for site work. He stated anyone looking for land in the current market, if such a person could be found, would ask how much it would cost to get to a finished lot. He said the Assessor’s information in Exhibit I estimated the finished lot value to be about \$54,000. He observed the \$68,000 expense to finish each lot placed him “upside down.” He requested a \$2,000 reduction from the Assessor’s taxable land value on each lot, although he did not believe he was likely to get that amount in a fair market sale. He acknowledged the land values were likely to be readjusted by the Assessor next year.

Appraiser Bozman indicated 105 of the parcels were residential lots. He reviewed the information provided in Exhibit I. He indicated there were no improved sales in the neighborhood and the land value was determined using the similarly situated North Star Ranch Subdivision located to the west of the subject. He noted the Petitioner was receiving an underdevelopment discount of 80 percent, resulting in a valuation of \$11,050 per lot. He pointed out the 2009-10 land value represented a 44.5 percent reduction from the previous year’s value. He requested the Assessor’s values be upheld.

Mr. Bugucki stated some of the lots would require extra infrastructure improvements. He observed there was a whole separate sewer line that had to be put in. He indicated there was a lot of rock in the ground, so the contractor put in a contingency for blasting that probably would not be used. He explained the contractor's cost estimates assumed 40 percent of the lots would have step-outs. Chairman Covert commented it was better for the Assessor to deal with such issues when the subdivision reached the development stage, rather than have the Board try to deal with hypothetical situations. Mr. Bugucki said the subdivision map was approved with a specific type of construction.

Member Brown asked for a definition of step-out. Mr. Bugucki referred to it as a site intended for a two-story home built on different levels, with a walkout or daylight basement.

Member Green said he found the numbers presented by the Petitioner to be shocking, and had a hard time believing off-site improvements were that high. He thought the Assessor's land value was fair. Member Woodland agreed and noted there was already an 80 percent discount on the parcels.

Member Brown moved to uphold the Assessor's values. Member Woodland seconded the motion and the motion carried unanimously.

Ms. Parent called Hearing No. 09-1399A for Parcel No. 502-250-05, Ladera Ranch 390, LLC Open Space.

Appraiser Bozman oriented the Board as to the location of the subject properties.

Mr. Bugucki pointed out that the parcel number on the agenda was incorrect. He said Parcel Nos. 502-700-04 and 502-700-05 were required to be offered to the Washoe County Parks and Recreation Department as part of the tentative map approval, although ownership would not be transferred to Washoe County until grading permits were issued. He pointed out no buyer would purchase the parcels because of the restrictions. He referenced the tentative maps and documentation provided in Exhibit A.

Appraiser Bozman requested clarification. He pointed out the two parcels presented by the Petitioner were included in the Board's previous motion to uphold value. Chairman Covert commented the Petitioner could do nothing with the parcels if there was a tentative map requirement to dedicate them to the County. Appraiser Bozman stated such information would not be available to the Assessor until the final maps were received. He indicated the two parcels were valued based on their mixed zoning, which had not yet changed.

Herb Kaplan, Legal Counsel, advised that a motion to reopen the previous hearing would need to be made if the two parcels were to be excluded from that decision. Chairman Covert noted he needed more information as to tentative versus final map stages before the Board could decide whether to exclude the parcels or not.

Chairman Covert asked whether the parcels would have a zero value if the zoning was changed. Appraiser Bozman said he had no information to show the zoning was changed. He noted such information would not be available until the final map was filed. Member Woodland commented the Petitioner still owned the two parcels until that time. Member Green noted the Petitioner was requesting the two parcels be reduced to \$1,000 per acre. Chairman Covert said he was not sure the Board had enough information to do that.

Mr. Bugucki read from the maps in Exhibit A: "Parcel G offered to dedication to Washoe County." Chairman Covert observed the action did not take place until Washoe County took title to the property. Appraiser Bozman agreed the Assessor had to wait for the transaction to take place before it could be valued accordingly.

A discussion ensued as to which lots had been included in the previous motion, which parcels the Petitioner was actually appealing, and what needed to be done if the Board decided to grant any reductions. It was determined the first component of the Petitioner's appeal applied to 105 residential parcels, shown under Agenda Item 6 as Hearing Nos. 09-1399I through 09-1399P3, but excluding 09-1399F1 and 09-1399O3. Additionally, the Petitioner requested the Board consider the parcels shown under Agenda Item 6 as Hearing Nos. 09-1399F and 09-1399G as open space. The parcel shown under Agenda Item 9 as Hearing No. 09-1399A was an open space parcel and its value was not contested by the Petitioner. The parcels shown under Agenda Item 6 as Hearing Nos. 09-1399F1, 09-1399O3 and 09-1399P4 were identified by Appraiser Bozman as unbuildable parcels, and the Petitioner did not object to those values. The remaining parcels shown under Agenda Item 6 as Hearing Nos. 09-1399B, 09-1399C, 09-1399D, 09-1399E and 09-1399H were not contested by the Petitioner.

On motion by Member Green, seconded by Member Woodland, which motion duly carried, the Board reopened Hearing Nos. 1399B through 1399P4 and set aside its previous decision to uphold value.

Please see minute item numbers 09-0591E thru 09-0595E below for details concerning the petition, exhibits and decision related to each of the 105 parcels.

**09-0591E PARCEL NOS. LISTED BELOW – LADERA RANCH 390, LLC –
HEARING NOS. 09-1399I THRU 09-1399P3, excluding 09-1399F1 &
09-1399O3**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located in the Golden Valley area, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment analysis and supporting documentation, 26 pages.

Exhibit B: Analysis of assessment of FM paper lots, 1 page.

Exhibit C: Estimate of expenditures for site preparation of 105 Ladera Ranch lots, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 5 pages.

Please see above for a summary of the discussion on Hearing Nos. 09-1399A through 09-1399P4 for 116 parcels owned by Ladera Ranch 390, LLC.

With regard to Hearing Nos. 09-1399I thru 09-1399P3, excluding 09-1399F1 and 09-1399O3, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0591E: LADERA RANCH 390 LLC				
502-711-01	502-712-08	502-722-08	502-722-29	502-731-05
502-711-02	502-721-01	502-722-09	502-722-30	502-731-06
502-711-03	502-721-02	502-722-10	502-722-31	502-731-07
502-711-04	502-721-03	502-722-11	502-722-32	502-731-08
502-711-05	502-721-04	502-722-12	502-722-33	502-731-09
502-711-06	502-721-05	502-722-13	502-722-34	502-731-10
502-711-07	502-721-06	502-722-14	502-722-35	502-732-01
502-711-08	502-721-07	502-722-15	502-722-36	502-732-02
502-711-09	502-721-08	502-722-16	502-722-37	502-732-03
502-711-10	502-721-09	502-722-17	502-722-38	502-732-04
502-711-11	502-721-10	502-722-18	502-722-39	502-732-05
502-711-12	502-721-11	502-722-19	502-722-40	502-732-06
502-711-13	502-721-12	502-722-20	502-722-41	502-732-07
502-711-14	502-721-13	502-722-21	502-722-42	502-732-08
502-712-01	502-722-01	502-722-22	502-722-43	502-732-09
502-712-02	502-722-02	502-722-23	502-722-44	502-732-10
502-712-03	502-722-03	502-722-24	502-722-45	502-732-11
502-712-04	502-722-04	502-722-25	502-731-01	502-732-12
502-712-05	502-722-05	502-722-26	502-731-02	502-732-13
502-712-06	502-722-06	502-722-27	502-731-03	502-732-14
502-712-07	502-722-07	502-722-28	502-731-04	502-732-15

09-0592E **PARCEL NOS. 502-712-09, 502-722-46 & 502-732-16 – LADERA RANCH 390, LLC – HEARING NOS. 09-1399F1, 09-1399O3 & 09-1399P4**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located in the Golden Valley area, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment analysis and supporting documentation, 26 pages.

Exhibit B: Analysis of assessment of FM paper lots, 1 page.

Exhibit C: Estimate of expenditures for site preparation of 105 Ladera Ranch lots, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 5 pages.

Please see above for a summary of the discussion on Hearing Nos. 09-1399A through 09-1399P4 for 116 parcels owned by Ladera Ranch 390, LLC.

With regard to Hearing Nos. 09-1399F1, 09-1399O3 and 09-1399P4, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the improvements were valued correctly and the total taxable value did not exceed full cash value.

09-0593E **PARCEL NOS. 502-690-04, 502-700-01, 502-700-02, 502-700-03 & 502-700-06 – LADERA RANCH 390, LLC – HEARING NOS. 09-1399B, 09-1399C, 09-1399D, 09-1399E & 09-1399H**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located in the Golden Valley area, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment analysis and supporting documentation, 26 pages.

Exhibit B: Analysis of assessment of FM paper lots, 1 page.

Exhibit C: Estimate of expenditures for site preparation of 105 Ladera Ranch lots, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 5 pages.

Please see above for a summary of the discussion on Hearing Nos. 09-1399A through 09-1399P4 for 116 parcels owned by Ladera Ranch 390, LLC.

With regard to Hearing Nos. 09-1399B, 09-1399C, 09-1399D, 09-1399E and 09-1399H, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the improvements were valued correctly and the total taxable value did not exceed full cash value.

09-0594E PARCEL NOS. 502-700-04 & 502-700-05 – LADERA RANCH 390, LLC – HEARING NOS. 09-1399F & 09-1399G

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located in the Golden Valley area, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment analysis and supporting documentation, 26 pages.

Exhibit B: Analysis of assessment of FM paper lots, 1 page.

Exhibit C: Estimate of expenditures for site preparation of 105 Ladera Ranch lots, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 5 pages.

Please see above for a summary of the discussion on Hearing Nos. 09-1399A through 09-1399P4 for 116 parcels owned by Ladera Ranch 390, LLC.

With regard to Hearing Nos. 09-1399F and 09-1399G, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land values be reduced to \$425 per acre for tax year 2009-10. The reduction was based on a requirement that the properties be dedicated to Washoe County as open space. With the adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

09-0595E PARCEL NO. 502-250-05 – LADERA RANCH 390, LLC –
HEARING NO. 09-1399A

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located in the Golden Valley area, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment analysis and supporting documentation, 26 pages.

Exhibit B: Analysis of assessment of FM paper lots, 1 page.

Exhibit C: Estimate of expenditures for site preparation of 105 Ladera Ranch lots, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 5 pages.

Please see above for a summary of the discussion on Hearing Nos. 09-1399A through 09-1399P4 for 116 parcels owned by Ladera Ranch 390, LLC.

With regard to Hearing No. 09-1399A, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

2:17 p.m. Chairman Covert declared a brief recess.

2:29 p.m. The Board reconvened with all members present.

09-0596E PARCEL NO. 224-032-08 – SCHROEDER FAMILY TRUST –
HEARING NO. 09-1217

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located at 02665 Manzanita Ln, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Multiple Listing Service information, 1 page.

Exhibit B: Map and comparable sales, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

On behalf of the Petitioner, John Schroeder was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Linda Lambert, Appraiser III, oriented the Board as to the location of the subject property.

Mr. Schroeder said he had been a homebuilder in the area for fourteen years and had a pretty good sense of value for lots and homes. He noted there had probably been a 35 to 40 percent decline in values over the last three years. He read a newspaper article that asserted the median price for a home had been \$200,000 in January 2009. He stated his appeal related to his taxable land value, which had been increased by 50 percent in 2008-09 and then by 32 to 33 percent for the 2009-10 tax year. He requested his land value be reduced to its 2008-09 level. Chairman Covert observed the appeal form requested a land value of \$162,500. Mr. Schroeder indicated that would be fine. He pointed out a vacant lot at 2625 Manzanita Lane that sold for \$52,438 after foreclosure, and asserted it was symbolic of the baseline land values in the Manzanita area. As a homebuilder, he pointed out he could not afford to pay more than \$100,000 for a lot based on the current market for houses.

Appraiser Lambert noted the subject property was located in appraisal Area Two and had not been reappraised since 2004. She observed the vacant land sale referred to by the Petitioner was not really a sale, but was the bank taking the home back upon foreclosure. She clarified the Assessor's Office could not really consider it as a valid sale. She reviewed the features of the subject property, comparable sales and the range of values associated with them in Exhibit I. She requested that the Assessor's values be upheld.

Chairman Covert observed the Assessor's comparable sales looked pretty current.

Member Green noted land sale LS-3 was located across the street from the subject property and sold in 2007 for \$170,000 with no view. Appraiser Lambert agreed and confirmed for Member Green that the subject property had a view.

Member Brown asked what made LS-1 an inferior neighborhood compared to the subject. Appraiser Lambert clarified IS-1 was located in an inferior neighborhood, but LS-1 was in a slightly superior neighborhood and had an obscured city view.

Chairman Covert noted the subject had a 30 percent upward adjustment for a city view and a 5 percent downward reduction for size.

Mr. Schroeder stated the properties on Manzanita Lane were unique and the properties used by the Assessor in Exhibit I were not comparable. He discussed comparisons between some of the properties.

Chairman Covert asked for clarification of a 30 percent view, as opposed to other percentages. Appraiser Lambert explained comparable sales were used to determine a dollar value for the view, which was then converted to a percentage of the base lot value. Chairman Covert wondered about a tiny view as opposed to a panoramic view. Appraiser Lambert indicated the subject neighborhood received a 30 percent adjustment for any city view.

Chairman Covert asked the Petitioner whether he could see the mountains from his property. Mr. Schroeder replied he could see the mountains near Caughlin Ranch if he stood right at his window and looked to the left. He noted the Assessor's land sales went back about a year and a half, but values had plummeted since that time.

Chairman Covert said he was still hung up on the view. Appraiser Lambert stated an example of a city view would be one in which downtown could be seen and the dome on the Silver Legacy identified. Chairman Covert wondered whether adjustments were given for partial views, such as for Lake Tahoe properties. Appraiser Lambert indicated she had not done appraisals at Lake Tahoe.

Corinne Delguidice, Senior Appraiser, clarified there was market evidence at Lake Tahoe to differentiate between fair, average and panoramic views. She indicated there was not any data to support multiple view classifications in the subject neighborhood. She said adjustments were only given for city views, and the appraiser would consider a property as having no view if the view was very obscured. Chairman Covert asked when an appraiser was last on the subject property. Appraiser Delguidice stated reappraisal was done sometime in the summer of 2008 and it was felt at that time that a downtown view was obtainable from the subject property.

Member Woodland observed there was a notation next to LS-1 about an obscured city view. She asked what percentage adjustment it was receiving. Appraiser Delguidice indicated there was no view adjustment on LS-1. She clarified the paired sales analysis in the subject neighborhood produced a value of \$40,000 to \$50,000 for a city view.

Member Green observed the Assessor's taxable land value on 2625 Manzanita Lane, the vacant land sale referred to by the Petitioner, was the same as the subject property. He asked whether it also had a city view. Appraiser Delguidice stated that it did. She said the Assessor's Office was able to make a determination standing on the lot at 2625 Manzanita Lane. She noted the subject property faced the same direction. Mr. Schroeder indicated the other lot had a better view than he did.

Member Krolick observed IS-4 had the same quality class as the subject, but the house was eight years older. He wondered how quality was determined. Appraiser

Delguidice replied the quality class had nothing to do with age, but was determined by the quality of construction and attributes at the time the house was built. Chairman Covert commented the age was dealt with by depreciation.

Member Green remarked that the Petitioner provided four improved comparable sales that had lower taxable values per square foot than the subject property. Appraiser Delguidice noted the comparables were located in inferior neighborhoods and lacked city views. Member Green noted IS-4 was located on Manzanita and had a lower value per square foot. Member Krolick agreed. Appraiser Delguidice pointed out it was eight years older and had significantly more depreciation.

Member Green said he was for granting the Petitioner a 10 percent reduction. Chairman Covert expressed concern that the additional evidence supplied by the Petitioner was on a foreclosure. He questioned whether there was a preponderance of evidence. Member Brown stated he agreed with Member Green about the value of the comparables. Chairman Covert asked whether Member Green's recommended reduction was based on the view. Member Green indicated he did not support changing the view adjustment, just a reduction in the land value.

With regard to Parcel No. 224-032-08, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Green, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be reduced by 10 percent to \$162,562 and the taxable improvement value be upheld, resulting in a total taxable value of \$556,183 for tax year 2009-10. The reduction was based on comparable sales. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

09-0597E PARCEL NO. 130-312-10 – SHEARING, STEVEN P & E MIRIAM – HEARING NO. 09-1082

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located at 1143 Lakeshore Blvd, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Taxable value analysis, 1 page.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 8 pages.

On behalf of the Petitioner, Lynn Rivera of Taggart & Taggart was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Patricia Regan, Appraiser III, oriented the Board as to the location of the subject property.

Ms. Rivera noted the appeal on the subject property was based on equalization. She said it was the Petitioner's belief that the properties at Incline Village were still not being assessed equally and there was great disparity in value. She discussed the analysis provided in Exhibit A that compared historic valuations between the subject property and the Bakst property. She noted there had been a 16 percent difference in taxable value in 2001-02, but the difference had increased to 52 percent for the 2009-10 taxable values. She stated the Bakst property received the benefits of court decisions and their values were rolled back, but the Petitioners did not receive the same benefits. She indicated the Bakst property also received the benefit of the statutory tax cap on top of the rollback value. She noted the result was that one property owner was being taxed millions of dollars less than another, for properties located less than one mile apart.

Ms. Rivera stated Article 10 Section 1 of the constitution required uniform and equal taxation across the State and across the County. She noted the Nevada Supreme Court determined the methodologies used by the Washoe County Assessor in 2003-04 to be unconstitutional, and rolled back property values in the Bakst decision. At the time, she indicated the remaining 8,700 properties were not rolled back to the same valuation. She referenced an equalization decision issued by the Washoe County Board of Equalization in 2006 that was recently considered by the Nevada Supreme Court. She pointed out the Court sent the matter back to the Nevada State Board of Taxation. Ms. Rivera said it was the Petitioner's belief that all of the Incline Village and Crystal Bay property owners were entitled to the rollback, and that the statutory tax cap should apply on top of the rollback. She discussed the taxable values being paid by the Bakst property versus the subject property, and stated there was something fundamentally unfair about the disproportionate difference between the properties.

Chairman Covert read the following statement from NRS 361.345 concerning the job and responsibilities of the County Board of Equalization: "...the county board of equalization may determine the valuation of any property assessed by the county assessor, and may change and correct any valuation found to be incorrect either by adding thereto or by deducting therefrom such sum as is necessary to make it conform to the taxable value of the property assessed, whether that valuation was fixed by the owner or the county assessor. The county board of equalization may not reduce the assessment of the county assessor unless it is established by a preponderance of the evidence that the valuation established by the county assessor exceeds the full cash value of the property or is inequitable..."

Chairman Covert stated the Board was only dealing with the current year's taxable values. Ms. Rivera acknowledged she was aware of the statute. Chairman Covert commented the Petitioner had probably chosen not to pay the lawyer's fees to be included in the Bakst case. Ms. Rivera noted the Petitioner was a sitting Nevada Supreme Court

Justice at the time of the Bakst case, and felt it was not appropriate to be a litigant in the case.

Member Green related he had been on the County Board at the time of the Bakst decision. He stated the Bakst property was paying less due to a Court decision and that did not necessarily have anything to do with its true value. He indicated the County Board had no problem with the Assessor's values at the time of Bakst, but there was a problem with the methodologies used. Consequently, he said some taxpayers got a break and others were still paying their fair share. Ms. Rivera commented that the Supreme Court recently spoke to that and basically said, regardless of why 300 people got a break, the break still had to be given to the remaining 8,700. Member Green noted the case had not yet been remanded to the Washoe County Board. Member Krolick remarked it was still going through the process and could take another five years. Ms. Rivera said the matter was currently before the Nevada State Board of Taxation.

Ms. Rivera asked whether she was correct in that the Washoe County Board issued an equalization decision and made the determination that all 8,700 property owners should receive the same rollback extended to Bakst. Member Green acknowledged there was a motion to that effect, which subsequently went to the State Board and on to the courts. He pointed out the County Board also made a motion on that same day, which did not have enough votes to pass, to roll all of Washoe County back. He said a number of people on the County Board at that time felt Incline Village was part of Washoe County and the balance of the County should have the same opportunities. Ms. Rivera agreed such an argument could be made. She stated her concern was for the residents at Incline, mainly the Shearings (the Petitioners).

Ms. Rivera reiterated her argument about the difference in taxable values. Member Green pointed out it was obviously an advantage to own property at Lake Tahoe, otherwise properties there would not sell for the prices that they did. He said the County Board was charged with dealing with fair market value and taxable value. He suggested the County Board could only do something if the Petitioner brought some comparable sales to show their property was not valued correctly. He said the Bakst decision would not help the Petitioner in the current hearing. Chairman Covert noted the County Board's job was to ensure the taxable value did not exceed full cash value. He said it was his personal opinion that the Bakst property was grossly under-assessed due to special circumstances. Ms. Rivera indicated the point was that all properties need to be assessed the same, even if they were under-assessed.

Josh Wilson, Assessor, stated he appreciated hearing the insight of a former Justice who rendered the Bakst decision and was now before the County Board. He read from the conclusions of the Court's recent decision regarding the remand to the County Board: "Because the State Board retained jurisdiction over the Assessor's appeal, we deny the taxpayer's request for a Writ of Certiorari. We grant the taxpayer's petition with respect to their alternative request for a Writ of Mandamus however, because they demonstrated that they are without other adequate legal remedy and that the State Board arbitrarily exercised its discretion. Therefore, we direct the Clerk of this Court to issue a

Writ of Mandamus instructing the State Board to vacate its remand order and proceed with its consideration of the Assessor's appeal to the County Board's equalization decision on the merits."

Assessor Wilson read from footnote 30 of the Court's decision: "We deny at this stage, the taxpayer's request for a Writ directing the Washoe County Treasurer to comply with the County Board's equalization decision." He said his interpretation was that the Court was directing the State Board to do its job and equalize the properties. He indicated he did not know what direction that meant or what else it might mean. He pointed out the Court had the opportunity to roll back the remaining 8,700 properties, and had not ordered refunds based on the County Board's mass rollback until the State Board heard the case. He observed there had been a reappraisal of the subject property and he would let his appraiser address those issues. He disagreed with the assertion that the Nevada Tax Commission failed to adopt general and uniform regulations for the assessors to apply. He observed the Tax Commission adopted new regulations on August 4, 2004 that were further clarified last year and he believed those were approved June 25, 2008. He stated it was his feeling that the Bakst issues were cured. He noted the constitution called for uniform assessment and taxation, not just taxation. He said he could provide a copy of the Court's remand order if requested. He acknowledged there were other equalization cases pending in the Supreme Court. With respect to unconstitutional methodologies, he noted there was a Court decision that referenced 17 properties for the 2003-04 tax year and another concerning some 2004-05 tax cases. He asserted the 2009-10 values were beyond the Bakst decision because of the new Tax Commission regulations and the reappraisal.

Appraiser Regan said the Assessor's Office would stand on the written record submitted in Exhibit I. She displayed the subject parcel and the Bakst parcel on a GIS map. She explained the features of a typical Lakefront lot, as identified in modeling that was done during the 2008-09 reappraisal. She noted the Bakst parcel was a flag-shaped lot and the Assessor's modeling process clearly identified flag-shaped lots as generally having a lower value. She pointed out the Bakst lot had less than one-half the acreage of the subject property, and both lots received adjustments for rocky beaches. She observed there were also adjustments for a sewer easement, size and shape on the Bakst property. Appraiser Regan explained the pier premiums were removed from all properties in 2008-09, which further reduced the value of the Bakst lot by \$500,000. She commented that both lots enjoyed Lake frontage. She stated the Assessor's Office did not look at what was done five years ago when reappraisals were done. She indicated a reappraisal wiped the slate clean and established value based on current market data. She said it was not possible to look at the numbers and make a correlation between the two properties, when the numbers on the Bakst property were determined by court decisions. She recommended the Assessor's values be upheld.

Ms. Rivera noted the Petitioner, former Justice Shearing, chose not to participate in the Bakst litigation and did not participate in any of the Court's decisions involving Washoe County property. She acknowledged there were differences between the Bakst property and the subject property, but again pointed out the disproportionate

percentage differences over time. She said it was logical that values would increase proportionally among similarly situated properties. She referenced a second Court decision in the Barta case that said one could not use land factors on top of an unconstitutional value. She stated the Shearings would be paying significantly less if their values had been rolled back.

Assessor Wilson agreed that was correct, but stated the difference in what was paid was more a function of the tax bills not being equalized than it was a function of the valuation. He said he was not aware the County Board had any jurisdiction to adjust taxes.

Member Krolick commented that the Lake Tahoe properties on the southern part of Lakeshore Boulevard always commanded a higher price. He stated prices were somewhat flat for waterfront property in the early part of 2000, but when sales prices rose, buyers recognized properties near the subject were more private estate parcels. He pointed out the location of the Bakst property was like a freeway in the summer, and noted the south side would always command a higher price, at least \$1 million.

With regard to Parcel No. 130-312-10, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Green, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0598E PARCEL NO. 025-590-02 – LUCEY PROPERTIES LLC –
HEARING NO. 09-1158

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 7025 Longley Ln, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 19 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 17 pages.

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He

explained the Petitioner had been present and he met with her to discuss his recommendation, but she subsequently left. He reviewed the Assessor's recommendation provided in Exhibit I to apply obsolescence to the taxable improvement value based on sales comparisons and income evaluation. He stated the Petitioner was in agreement with the recommendation.

With regard to Parcel No. 025-590-02, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$1,234,745, resulting in a total taxable value of \$2,000,000 for tax year 2009-10. The reduction was based on the Assessor's recommendation to apply \$246,227 in obsolescence. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

09-0599E PARCEL NO. 125-531-17 – PRIESTER, ALBERT G JR & CARLA J
– HEARING NO. 09-0887

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located at 574 Fallen Leaf Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Request for Continuance, 2 pages

Exhibit B: Photographs, 6 pages

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 10 pages.

Please see minute item number 09-0574E for the Board's motion to reopen the previous hearing on the subject property.

On behalf of the Petitioner, Al Priester was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Rigoberto Lopez, Senior Appraiser, oriented the Board as to the location of the subject property.

Mr. Priester stated he provided the photographs shown in Exhibit B to the Assessor's Office regarding his view. He noted the Assessor's file contained a photograph taken in 1992, which showed a view that was no longer there. After discussion with the appraiser, he said he and the Assessor's Office agreed the subject property no longer had a Lake Tahoe view.

Appraiser Lopez indicated he and another appraiser visited the subject property on the previous day to verify its view and compare photographs. He recommended removal of the subject's view adjustment.

With regard to Parcel No. 125-531-17, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable land value be reduced to \$306,000 and the taxable improvement value be upheld, resulting in a total taxable value of \$576,777 for tax year 2009-10. The decision was based on removal of the 30 percent view adjustment. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

09-0600E PARCEL NO. 125-522-21 – PRIESTER, ALBERT G JR & CARLA J
– HEARING NO. 09-0888

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located at 622 Tumbleweed Cir, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Request for Continuance, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 8 pages.

Al Priester, previously sworn, was present on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Rigoberto Lopez, Senior Appraiser, oriented the Board as to the location of the subject property. He reviewed the Assessor's recommendation to uphold value, as outlined in Exhibit I.

Mr. Priester confirmed for Chairman Covert that he was in agreement with the Assessor's recommendation.

With regard to Parcel No. 125-522-21, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Krolick, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0601E PARCEL NO. 009-471-18 – KOSACH FAMILY TRUST –
HEARING NO. 09-1081

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 4085 Ramrod Cir, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Sales Information, 6 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 9 pages.

On behalf of the Petitioner, Gail Kosach was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Bozman, Appraiser III, oriented the Board as to the location of the subject property.

Ms. Kosach indicated she was protesting both the land and improvement values. She stated land values had continuously gone up, although market values were decreasing. She noted there had been a 75 percent increase on the land value since the 2005-06 tax year. She said she received an amended notice from the Assessor's Office in 2008-09 after an air conditioning unit was installed. She pointed out the air conditioner was valued for 100 percent of the house, but only cooled about a 900 square foot portion. She observed the air conditioning unit cost \$3,300 to install, but the permit was submitted for \$8,000 and that was the amount used in the Assessor's valuation.

Chairman Covert asked whether the Petitioner was aware of the 15 reduction in land values granted to all Washoe County properties. Ms. Kosach indicated she was aware, but did not believe that was enough. She discussed the comparable sales provided in Exhibit A, as well as those provided by the Assessor in Exhibit I. She requested the taxable land value be reduced to its 2008-09 level.

Chairman Covert observed there was only about a 7 percent difference between the value requested by the Petitioner and the Assessor's value.

Appraiser Bozman explained several representatives from Caughlin Ranch came to the Assessor's Office and agreed with the use of the comparable land sales shown in Exhibit I. He indicated the Assessor's Office did not necessarily stay within the same neighborhood for land sales. He reviewed the land sales and range of values provided in Exhibit I, and noted the land value on the subject property fell below the range. He acknowledged he did not have information in front of him as to all of the

properties presented by the Petitioner, but noted some of them were not similar in age or quality class.

Chairman Covert asked about the air conditioning issue. Appraiser Bozman stated the valuation was done based on the permit, but the Assessor's Office could go out and take a look. Corinne Delguidice, Senior Appraiser, pointed out anything related to the air conditioner would make a difference in the *Marshall and Swift* costs, and the Assessor could reopen the roll to make a factual correction following an inspection.

Ms. Kosach referenced a diagram of the house to show that 900 out of the 3,178 square foot total was affected by the air conditioning. Chairman Covert indicated the Assessor would come out to do measurements, and then make the appropriate adjustments to value.

With regard to Parcel No. 009-471-18, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value. The Assessor's Office was directed to inspect the property to verify a possible factual error with respect to the area covered by the air conditioning system.

09-0602E PARCEL NO. 150-291-02 – MARSH TRUST – HEARING NO. 09-0248

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 14290 Black Eagle Ct, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Photograph, 1 page.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Craig Anacker, Appraiser III, oriented the Board as to the location of the subject property. He explained he met with the Petitioner and discussed differences in square footage between the subject and another house on the same block. He said the Petitioner's view was now

partially obstructed by two houses that had been built below him. He reviewed the Assessor's recommendation to change the view from a 15 percent to a 10 percent downward adjustment, and to apply obsolescence to the taxable improvement value. He stated the Petitioner was in agreement with the recommendation.

With regard to Parcel No. 150-291-02, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable land value be reduced to \$257,125 and the taxable improvement value be reduced to \$412,875, resulting in a total taxable value of \$670,000 for tax year 2009-10. The decision was based on the Assessor's recommendation to reduce the view adjustment to 10 percent and to apply \$56,461 in obsolescence. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

09-0603E PARCEL NO. 124-072-05 – EPPOLITO, JOHN C & TERESA M –
HEARING NO. 09-0844

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 525 Jensen Cir, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales information, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 7 pages.

On behalf of the Petitioner, John Eppolito was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Rigoberto Lopez, Senior Appraiser, oriented the Board as to the location of the subject property.

Mr. Eppolito expressed frustration because he thought he had a 9:00 a.m. appointment for his hearing. The Petitioner began to make derogatory remarks and was asked by Chairman Covert to leave. The Petitioner left the hearing after suggesting there should be a metal detector in the building.

Appraiser Lopez reviewed the Assessor's recommendation to uphold value based on the information provided in Exhibit I. Member Woodland commented the comparable sales looked fairly recent. Chairman Covert asked whether the appraiser knew what was meant by the reference to abated amounts in Exhibit A. Appraiser Lopez

said he had spoken with the Petitioner. Had he completed his presentation, he said the Petitioner probably would have raised equalization issues based on the amount of taxes paid in comparison to other properties.

Member Woodland said she wanted to go on record that Mr. Eppolito made threats to the Board and to County staff. Member Green wondered what the Petitioner had been told about his hearing time. Appraiser Lopez stated the Assessor's Office had several conversations with Mr. Eppolito, and informed him the hearings were first come, first served. He indicated the Petitioner was advised to sign in by 8:30 a.m. Ms. Parent referred to the Hearing Notice that was mailed to the Petitioner, which clearly stated: "This time is approximate and you should be prepared for possible delays, as many appeals are scheduled for the same date and time."

With regard to Parcel No. 124-072-05, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0604E PARCEL NO. 220-072-12 – SAITTA, JOSEPH A TTEE –
HEARING NO. 09-0160

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located at 115 Sawbuck Rd, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Photographs, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 10 pages.

Exhibit II: Assessor's recommendation after inspection of property, 1 page.

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Michael Bozman, Appraiser III, oriented the Board as to the location of the subject property. He noted the hearing on the subject property had been continued from February 9, 2009 (see minute item 09-0185E). He indicated he subsequently conducted a site inspection of the property and verified the usable portion of the property was impacted by erosion from the Steamboat Ditch. He reviewed the Assessor's recommendation, as outlined in Exhibit II, to reduce the taxable land value by 10 percent.

With regard to Parcel No. 220-072-12, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be reduced to \$267,750 and the taxable improvement value be upheld, resulting in a total taxable value of \$653,232 for tax year 2009-10. The decision was based on the Assessor's recommendation to reduce the land value by 10 percent due to erosion on a portion of the parcel bordering the Steamboat Ditch. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

09-0605E PARCEL NO. 222-060-32 – CUNNINGHAM, STEVE & MARY A –
HEARING NO. 09-0913

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 10 Lurie Ln, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 10 pages.

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Patrick O'Hair, Appraiser III, oriented the Board as to the location of the subject property. In response to questions posed in the Petitioner's appeal form, he explained the subject area had not been reappraised for five years. He indicated the land factors applied during the five-year span did not keep up with market values. He noted the Petitioner claimed there was an easement, although no easement was on record. He acknowledged the property had a flag-shaped lot, and stated there were no adjustments given for that in the subject neighborhood. He pointed out there were access easements on some of the adjoining parcels, but they did not affect the subject property. He reviewed the comparable sales provided in Exhibit I and recommended the Assessor's values be upheld.

With regard to Parcel No. 222-060-32, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Green, seconded by Member Woodland, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0606E PARCEL NO. 224-031-10 – LEVERTY FAMILY TRUST –
HEARING NO. 09-0119

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on property located at 4810 Broken Arrow Cir, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 10 pages.

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Linda Lambert, Appraiser III, oriented the Board as to the location of the subject property. She reviewed the information provided in Exhibit I. Member Green asked whether the subject neighborhood was made up of custom homes or was a subdivision area. Appraiser Lambert indicated it was a custom area. Chairman Covert observed the Petitioner had not really provided any firm evidence to support his request for a reduction.

With regard to Parcel No. 224-031-10, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

BOARD MEMBER COMMENTS

There were no Board member comments.

PUBLIC COMMENT

Josh Wilson, Assessor, said he was disturbed by the actions of one of the Petitioners. He referenced the comment about a metal detector and suggested a report of some kind should be filed. He noted it was not possible to know who would or would not act on any threat of violence.

Chairman Covert noted the Petitioner seemed very explosive and irrational, and it had been obvious that a normal coherent hearing would not be possible.

Nancy Parent, Chief Deputy Clerk, suggested it was possible to arrange to have a Sheriff's deputy present at the next day's hearing if the Chair felt it was necessary.

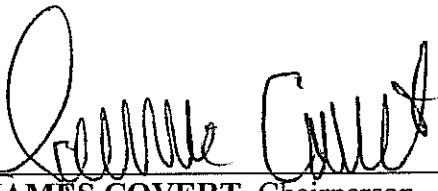
Herb Kaplan, Legal Counsel, noted there had been another incident with the same Petitioner prior to the lunch break and his behavior had been inappropriate. He stated the Chair was well within his authority to have removed the appellant and any further action was up to the Board.

Chairman Covert said he could not ignore a threat and preferred to err on the safe side. He requested a transcript be sent to the Sheriff's Office and the previous incident be referenced as well. Mr. Kaplan indicated a report would be filed and the Sheriff's Office could handle things from there.

Member Green observed the appellant was very threatening to Ms. Parent during the lunchtime incident, but calmed down when an agreement was made to hear him at 4:30 p.m. He stated the Petitioner received every consideration.

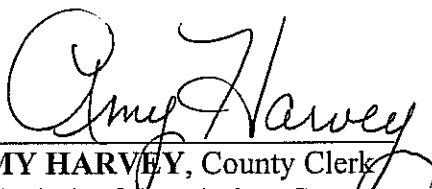
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4:30 p.m. There being no further hearings or business to come before the Board, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, the meeting was adjourned.



JAMES COVERT, Chairperson
Washoe County Board of Equalization

ATTEST:



AMY HARVEY, County Clerk
and Clerk of the Washoe County
Board of Equalization

*Minutes prepared by
Lisa McNeill, Deputy Clerk*