

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

TUESDAY

9:00 A.M.

FEBRUARY 16, 2010

PRESENT:

James Covert, Chairman
John Krolick, Vice Chairman*
Linda Woodland, Member
James Brown, Member
Phil Horan, Member (Alternate)*

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

The Board of Equalization convened at 9:02 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:

SWEARING IN

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

10-0582E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing: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.
516-511-02	Kiley Ranch LLC	10-0962
528-020-05	Red Hawk Land Company LLC	10-0399
026-031-39	Northtowne Plaza/Petco Animal Supplies Inc.	10-0834
037-061-08	Silver State Station LLC	10-0956
037-061-15	Silver State Station LLC	10-0957
510-082-52	AIG Baker Sparks LLC	10-0916A
510-082-53	AIG Baker Sparks LLC	10-0916B
510-082-54	AIG Baker Sparks LLC	10-0916C
528-321-05	Donahue Schriber Realty Grp LP Etal	10-0950A
528-321-06	Donahue Schriber Realty Grp LP Etal	10-0950B
528-321-02	Donahue Schriber Realty Grp LP Etal	10-0950C
528-321-03	Donahue Schriber Realty Grp LP Etal	10-0950D
528-321-04	Donahue Schriber Realty Grp LP Etal	10-0950E
528-322-01	Donahue Schriber Realty Grp LP Etal	10-0951A
528-322-02	Donahue Schriber Realty Grp LP Etal	10-0951B

Assessor's Parcel No.	Petitioner	Hearing No.
528-322-03	Donahue Schriber Realty Grp LP Etal	10-0951C
528-322-04	Donahue Schriber Realty Grp LP Etal	10-0951D
528-321-04	Raley's Family of Fine Stores	10-0714
528-321-06	Raley's Family of Fine Stores	10-0713

***9:05 a.m.** Member Krolick arrived at the meeting.

10-0583E PARCEL NO. 027-520-01 – RALEY'S FAMILY OF FINE STORES – HEARING NO. 10-0716

Gary Warren, Senior Appraiser, explained the Petitioner requested a continuance and submitted pages from their lease to support their contention that they had the right to file an appeal. Herb Kaplan, Deputy District Attorney, recommended the hearing be continued as requested. He stated he would look at the paperwork in the meantime to determine the Petitioner's standing for the appeal.

On motion by Member Woodland, seconded by Member Krolick, which motion duly carried with Member Horan absent, it was ordered that Hearing No. 10-0716 for Parcel No. 027-520-01, Raley's Family of Fine Stores, be continued to February 24, 2010.

10-0584E PARCEL NO. 035-681-01 – DANDINI 10.61 LLC – HEARING NO. 10-0307

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land located at Spectrum Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Washoe County Sheriff's Office letter dated October 11, 2006, 2 pages.

Exhibit B: Parcel map, 1 page.

Assessor

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

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

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

Mr. MacKenzie indicated he had been involved with development of the Regional Public Safety Training Center (RPSTC) on the 124 acres adjoining the subject property. He stated the RPSTC was completed around 1999 or 2000, and it had always been his intention to develop the subject and three other parcels on the remaining 43 acres to the south of the RPSTC. He explained the zoning on the subject was changed to multiuse and placed under the Dandini Regional Plan by the City of Reno in 2005. As part of the City's Transit Oriented Development (TOD) plan, higher density use was allowed on the property. During the planning process with the City in 2006, he said the Washoe County Sheriff came out with a memo objecting to any residential development on the properties south of the RPSTC (Exhibit A). He pointed out he was required to disclose the issues outlined in the memo to any potential buyers or users of the subject property. Mr. MacKenzie stated he came back to the City with a second plan for multifamily units because residential was the highest and best use for the property at the time. He was advised by the City that the RPSTC would not want residential units next to them and he lost the sale in October 2006. He said the market subsequently went into a tailspin. He pointed out the subject property had been listed for sale since 2001, primarily with Grubb and Ellis, and the only offers received were for the two residential projects in 2005 and 2006. He outlined some of the potential hazards listed in the Sheriff's memo, including the potential for bullets to leave an open air firing range. He noted the Sheriff's Office hired spotters when the range was in use. He commented that bullets did not know the difference between a residence, a hotel, or someone drinking coffee at a coffee house. He expressed concern that the County and the RPSTC stakeholders had not dealt with the problem.

Mr. MacKenzie stated he put \$1.7 million into infrastructure all the way down to Dandini Boulevard as part of his deal with the County to develop the entire site around the RPSTC. He suggested every dollar that went into extraordinary costs such as construction on sloped land and special use permits should come out of the value of the land. He noted approximately 10 out of 22 acres on the subject parcel could be developed with no extraordinary charges for site work (see Exhibit B).

Chairman Covert asked the Petitioner to point out the location of the shooting range. Mr. MacKenzie observed it was directly east of the RPSTC and northeast of the subject parcel. He said the County requested a buffer area adjacent to the range. Chairman Covert wondered if they requested an easement. Mr. MacKenzie indicated the County wanted a 5-acre area but no easement was offered.

Appraiser Thompson stated there had been no sales in the subject neighborhood for two years. He pointed out Spectrum Boulevard was completely paved and had municipal water and sewer. He noted the subject's multiuse zoning allowed for various types of commercial uses, office use and multifamily use. He indicated single family residential use required a special use permit, although previous attempts to create single family parcels or projects on Spectrum Boulevard had been successfully opposed by the Washoe County Sheriff's Office. He said he was informed by Jerry Bowden, City of Reno Planner, that the Sheriff's Department had no jurisdiction in the matter. Appraiser Thompson reviewed the comparable land sales shown in Exhibit I, which had

similar locations on US Highway 395. Chairman Covert wondered if similar meant that the comparable also had rifle ranges next to them. Appraiser Thompson said it meant they were located on an access road near an exit on US 395. He indicated the infrastructure on the subject parcel was superior to the comparables. Based on comparable sales and listings, he stated the taxable value did not exceed full cash value and the property was equalized with similarly situated properties and improvements in Washoe County.

Mr. MacKenzie read from the Sheriff's memo in Exhibit A, which outlined the risks and issues associated with the shooting range and other facilities surrounding the RPSTC. He stated the County wanted to protect its investment but was not concerned about his investment. He noted the memo referred to traffic and parking issues. He indicated he allowed free parking on his property adjacent to the shooting range for five years but had subsequently taken the privilege away. He pointed out he paid for 40 percent of the infrastructure improvements on Spectrum Boulevard and had been unable to recover his investment.

Member Krolick asked if the Petitioner had talked to the County about buying him out of his holding. Mr. MacKenzie indicated they had no money. He said he was told a buffer area for security was required around the Emergency Operations Center next to the RPSTC. Member Krolick wondered if the Petitioner owned the adjacent land prior to the opening of the RPSTC facility. Mr. MacKenzie replied affirmatively and observed he had received only two purchase offers on the land in ten years. Member Krolick asked what the value was on the offers that failed. Mr. MacKenzie said the offers had been approximately \$6.00 per square foot for residential projects.

Member Woodland questioned how the County could build something and then require somebody to provide space free of charge on land they did not own. Member Krolick commented the Petitioner had probably been doing it as a courtesy. Mr. MacKenzie acknowledged his cooperation had been a negotiating factor because he wanted to bring water down from the north through an easement on County land. He stated the County said no to his easement but wanted property for a buffer in order for him to develop his parcels. He noted the infrastructure improvements he participated in included a 700-gallon water tank on County property and he had an easement for that to the corner of his parcel.

Member Brown asked when the Petitioner purchased the subject property. Mr. MacKenzie indicated he bought it in 1997 and he thought the RPSTC was finished sometime around 1999.

Chairman Covert suggested the issues surrounding what the County wanted should be sorted out by someone other than this Board. Herb Kaplan, Deputy District Attorney, agreed but pointed out the issues might still impact the Board's decision. Chairman Covert asked if the Petitioner received any legal advice concerning his issues. Mr. MacKenzie said he presented a suit against the City, the stakeholders and the County but it was dismissed because the plans never got to the Planning Commission.

He explained the project was scheduled for the Planning Commission on October 18 and the Sheriff's memo came out on October 16. He and the developer pulled the special use permit out of the Planning Commission process based on advice from the City. He pointed out the developer got cold feet after spending about \$800,000 and ten months of the City's time in putting plans together.

***9:33 a.m.** Member Horan arrived at the meeting.

Chairman Covert questioned whether the Assessor's Office considered any of the restrictions on the property. Appraiser Thompson indicated he had no objection to any of the Petitioner's statements but had been unaware of the issues until he recently received documentation associated with the petition. He noted there were no signs posted on Spectrum Boulevard to alert people about any hazards from gunfire or stray bullets. He pointed out the documents provided by the Petitioner were dated 2006 and 2007, and he did not know if the issues still applied in the same way in 2010. He observed the subject property was currently listed for double the amount of its taxable value, which indicated it was fairly valued. He acknowledged he had not been aware of the land use issues when he did the appraisal. Based on follow up with a City of Reno Planner, he said the Sheriff's memo presented opposition but the City Planning Commission actually had jurisdiction regarding the use of the property. Appraiser Thompson indicated the subject was fairly valued based on comparable listings and sales in the area.

Mr. MacKenzie added that the flight path for the airport was right above the subject property. Chairman Covert observed the flight path had always been there.

Member Krolick commented the property obviously was not going to work for residential use and 5 acres would not be usable in any case. He wondered what the property could be used for. Mr. MacKenzie noted the office, commercial and residential markets were not good and that covered everything he had in mind for the property. He indicated people had looked at the property from an industrial standpoint but the grading would be very difficult and very expensive. He stated cutting and filling in excess of 20 feet would be required on most of the sites. He referred to the colored areas shown on Exhibit B, which illustrated acreage that could be developed at a reasonable cost. He estimated the total area to be about 12 out of 43 acres over four parcels. He noted engineers had looked at the property to determine how it could be graded properly for different types of uses and different types of footprints.

Chairman Covert asked if there were any topography adjustments. Appraiser Thompson observed there was a 25 percent size adjustment. Member Krolick suggested a 60 percent adjustment might be warranted for the limited ability to develop. Chairman Covert said he would go with 50 percent if he were to make any adjustment at all. He pointed out the property was already appraised lower than the comparables, although the comparables did not have the same issues. Member Brown observed a 5-acre buffer zone was 25 percent of the parcel. Chairman Covert asked how much of the acreage was negatively impacted on the 22.49-acre subject parcel (Hearing No. 10-0307).

Mr. MacKenzie said approximately 10 acres could be graded at a reasonable cost. He observed a bullet traveled at about 1500 feet per second or about 600 feet, although the shooting was in the opposite direction toward a mountain. Chairman Covert questioned whether a ricochet would travel at full speed. Mr. MacKenzie noted it was a disclosure issue that covered everything mentioned in the Sheriff's memo, including increased traffic concerns, a buffer zone around the EOC, parking issues, and a hazardous chemical lab on the RPSTC site. Chairman Covert remarked he was not as hung up on the other issues as he was on the shooting range. He noted noise was the only issue if shooting was done in the opposite direction and asked if there were any berms to deflect the noise. Mr. MacKenzie noted there was a berm on the 11-acre parcel but it did not deflect any noise.

Member Woodland stated many of the problems were legal issues and she did not support a 50 percent reduction. Chairman Covert agreed and withdrew that suggestion for the subject parcel. He observed it would be a different story if the shooting was directed toward the subject parcel. He noted there was a noise issue and a topography issue. Mr. MacKenzie remarked there was also a high voltage line that required a 90-foot setback. Member Woodland suggested a 25 percent reduction. Member Krolick said he preferred to see a motion related to restrictions on the use of the land because he thought the Assessor had already adjusted for topography. Member Woodland agreed.

With regard to Parcel No. 035-681-01, pursuant to NRS 361.356, 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 on a 4-0 vote with Member Horan abstaining, it was ordered that the taxable land value be reduced to \$1,432,725 (25 percent reduction due to restrictions placed on land by shooting range located on adjacent property), resulting in a total taxable value of \$1,432,725 for tax year 2010-11. With that adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

10-0585E PARCEL NO. 035-681-02 – DANDINI 10.61 LLC –
HEARING NO. 10-0308

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land located at Spectrum Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Washoe County Sheriff's Office letter dated October 11, 2006, 2 pages.

Exhibit B: Parcel map, 1 page.

Assessor

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

Please see discussion related to this hearing under Hearing No. 10-0307 above (10-0584E).

On behalf of the Petitioner and having been previously sworn, Donald MacKenzie was present to offer testimony.

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

Chairman Covert asked the Petitioner if he had anything to add to his previous testimony under Hearing No. 10-0307. Mr. MacKenzie pointed out the subject parcel was very steep with a high point in the middle. He noted the cuts and fills for grading would be in excess of 20 feet. He pointed out there was no access onto Dandini Boulevard from the site and the lower corner piece of the parcel had no direct access to Spectrum Boulevard. He stated the small southern corner between the subject parcel and Spectrum Boulevard was owned by the Desert Research Institute.

Chairman Covert wondered what type of industrial or commercial use could be anticipated. Mr. MacKenzie said he had tried everything, including gas stations, coffee shops and hotels, but no one had come up with any ideas about how to develop the 3-acre parcel. He emphasized the difficult access and topography.

Appraiser Thompson indicated the comparables for the subject parcel were the same as those presented for Hearing No. 10-0307 and its situation was similar. He stated the most valuable property for similarly situated parcels going north on US Highway 395 was currently listed at \$12.00 per square foot. He noted the subject's taxable value was less than half of that listing amount and he believed the parcel was fairly valued. He said it was far enough away to be protected from the shooting range and the RPSTC. He observed the subject was located right at the freeway exit.

Chairman Covert questioned the topographical issues. Appraiser Thompson acknowledged there were some topography issues but there was enough buildable area to develop the parcel without major excavation, and there was access to Spectrum Boulevard. He said there was a 10 percent location adjustment on the parcel but no adjustments for topography.

Member Brown asked what made the subject's infrastructure superior to its comparables. Chairman Covert noted there was municipal water and sewer, and Spectrum Boulevard was paved all the way to the RPSTC. He commented it was very robust infrastructure for the area in which it was located.

Member Woodland said she was inclined to leave the taxable value alone. Chairman Covert wondered if the Sheriff's opposition applied to the subject parcel. Appraiser Thompson stated the documentation in Exhibit A suggested the Sheriff's

memo applied to all four parcels on Spectrum Boulevard owned by the Petitioner. He pointed out the memo was just an opinion.

With regard to Parcel No. 035-681-02, pursuant to NRS 361.356, 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 on a 4-0 vote with Member Horan abstaining, it was ordered that the Assessor's taxable values be upheld for tax year 2010-11. It was found that the Petitioner failed to meet his/her burden to show that the land is valued higher than another property whose use is identical and whose location is comparable.

**10-0586E PARCEL NO. 035-682-01 – DANDINI 10.61 LLC –
HEARING NO. 10-0309**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land located at Spectrum Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Washoe County Sheriff's Office letter dated October 11, 2006, 2 pages.

Exhibit B: Parcel map, 1 page.

Assessor

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

Please see discussion related to this hearing under Hearing No. 10-0307 above (10-0584E).

On behalf of the Petitioner and having been previously sworn, Donald MacKenzie was present to offer testimony.

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

Mr. MacKenzie indicated the subject parcel had topography issues. He observed there was a center portion on the parcel that could be developed without any extraordinary grading, although there was also wash running through the site from the RPSTC above it. He stated the wash drained the mountains to the east, as well as the grade from the west, ran underneath Spectrum Boulevard, and dumped onto the Petitioner's 3-acre parcel across the street.

Chairman Covert noted the subject was relatively distant from the shooting range. Mr. MacKenzie disagreed and said it was directly below the range. Chairman Covert asked if shooting was in the opposite direction. Mr. MacKenzie agreed that it was. He pointed out one of the comments from the Sheriff had been that residential use was a problem because they did not want people walking onto the property designated as open space to the east of the shooting range, which was owned by the Bureau of Land Management.

Appraiser Thompson stated the subject had the same comparable sales as those used in Hearing Nos. 10-0307 and 10-0308. He noted the subject was currently listed for sale at \$4.69 per square foot and its total taxable value was \$1.82 per square foot. He indicated the subject had a 20 percent downward adjustment for topography and a 20 percent downward adjustment for drainage.

With regard to Parcel No. 035-682-01, pursuant to NRS 361.356, 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 on a 4-0 vote with Member Horan abstaining, it was ordered that the Assessor's taxable values be upheld for tax year 2010-11. It was found that the Petitioner failed to meet his/her burden to show that the land is valued higher than another property whose use is identical and whose location is comparable.

**10-0587E PARCEL NO. 035-682-02 – DANDINI 10.61 LLC –
HEARING NO. 10-0310**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land located at Spectrum Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Washoe County Sheriff's Office letter dated October 11, 2006, 2 pages.

Exhibit B: Parcel map, 1 page.

Assessor

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

Please see discussion related to this hearing under Hearing No. 10-0307 above (10-0584E).

On behalf of the Petitioner and having been previously sworn, Donald MacKenzie was present to offer testimony.

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

Chairman Covert observed the subject parcel was close to the shooting range. Mr. MacKenzie agreed. He stated the subject parcel was where the County wanted a buffer zone. He indicated the parcel also had difficult topography and traffic issues. He used the parcel map display to clarify the location of the adjacent shooting range for Chairman Covert. He indicated there was only about 1.5 to 2 acres on one corner of the parcel that could be developed. He said he went to the RPSTC as a good neighbor to ask if they wanted to buy the parcel for more space but the discussion came back to bite him pretty hard.

Appraiser Thompson stated he used the same comparable sales for the subject parcel as he had for the Petitioner's other three parcels (Hearing Nos. 10-0307, 10-0308 and 10-0309). He noted the subject was currently listed for sale at \$4.69 per square foot and its taxable value was \$1.56 per square foot. He indicated downward adjustments of 20 percent for topography and 10 percent for drainage had been made. He observed none of the Petitioner's four parcels had been appealed to raise the issues in previous years. Mr. MacKenzie explained he had been operating under the assumption that he could develop the parcels and was always told the stakeholders would get back to him and would help him.

Member Woodland referred to page 2 of Exhibit I, which showed a downward adjustment of 40 percent on the land value, whereas the notes on the appraisal record added up to a 30 percent adjustment. Appraiser Thompson clarified the downward adjustments should add up to 30 percent.

Mr. MacKenzie suggested the drainage ditch took up more than 10 percent of the parcel, as illustrated on Exhibit B. Chairman Covert estimated the drainage ditch affected about 20 percent of the parcel.

Josh Wilson, County Assessor, clarified that the appraiser meant for the subject parcel to have a 30 percent downward adjustment but 40 percent had actually been calculated into the valuation. He stated the taxable value of \$1.56 per square foot represented a 40 percent reduction from the Assessor's base land value.

Chairman Covert said he was nervous about the flying bullets and suggested an adjustment was warranted for the same reasons as those considered during Hearing No. 10-0307. Member Woodland agreed. Chairman Covert stated the adjustment should be more than 25 percent because the subject parcel was directly adjacent to the firing range.

With regard to Parcel No. 035-682-02, pursuant to NRS 361.356, 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 on a 4-0 vote with Member Horan abstaining, it was ordered that the taxable land value be reduced to

\$403,650 (50 percent reduction due to subject's proximity to shooting range), resulting in a total taxable value of \$403,650 for tax year 2010-11. With that adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

**CONSOLIDATION AND DISCUSSION – RBK INVESTMENTS
LLC – HEARING NOS. 10-0042 AND 10-0042R09**

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Appraiser Paul Oliphint indicated the Petitioner was in agreement with the Assessor's recommendation to reduce the taxable improvement value for tax years 2009-10 and 2010-11. He explained the building was originally constructed with the expectation of medical office use but the Petitioner wound up accepting a lease on the entire building from a career college at a very low rate. He stated it was a ten-year lease that allowed for typical rent adjustments. He noted an outside appraisal done for financing purposes had been supplied to the Assessor's Office, and appeared to be well supported and well reasoned.

Please see 10-0588E and 10-0589E below for the details concerning the petition, exhibits and decision related to each of the properties in the consolidated hearing.

**10-0588E PARCEL NO. 037-020-65 – RBK INVESTMENTS LLC –
HEARING NO. 10-0042**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 1421 Pullman Drive, 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, 2 pages.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor, Appraiser Paul Oliphint offered testimony.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – RBK INVESTMENTS LLC – HEARING NOS. 10-0042 AND 10-0042R09 above.

With regard to Parcel No. 037-020-65, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$3,236,113 (for obsolescence), resulting in a total taxable value of \$3,984,013 for tax year 2010-11. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

10-0589E PARCEL NO. 037-020-65 – RBK INVESTMENTS LLC – HEARING NO. 10-0042R09

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 1421 Pullman Drive, 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, 2 pages.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor, Appraiser Paul Oliphint provided testimony.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – RBK INVESTMENTS LLC – HEARING NOS. 10-0042 AND 10-0042R09 above.

With regard to Parcel No. 037-020-65, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$3,236,098 (for obsolescence), resulting in a total taxable value of \$3,984,013 for tax year 2009-10. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**10-0590E PARCEL NO. 033-391-04 – PCR RST LTD –
HEARING NO. 10-0117**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 80 Victorian Avenue, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter of agreement, 1 page.

Assessor

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

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser, oriented the Board as to the location of the subject property. He explained the Assessor's recommendation was to apply \$286,070 in obsolescence to reduce the taxable improvement value based on the sales price for the subject property. He indicated the Petitioner was in agreement with the recommendation.

With regard to Parcel No. 033-391-04, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$68,800 (for obsolescence), resulting in a total taxable value of \$500,000 for tax year 2010-11. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**10-0591E PARCEL NO. 037-320-03 – SPARKS FAMILY HOSPITAL INC –
HEARING NO. 10-0212**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 2375 East Prater Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable property information, 5 pages.

Exhibit B: Letter and supporting documentation, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 12 pages.

On behalf of the Petitioner, no one was present to offer testimony.

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

Chairman Covert asked if the Assessor's Office agreed with the Petitioner's contention in Exhibit B that the income approach to value was not appropriate due to current economic conditions. According to the *Appraisal of Real Estate, 12 Edition*, Appraiser Delgiudice stated the cost approach to value was the most appropriate for special use properties such as the subject that were not frequently exchanged in the market. She noted the subject was a community hospital and equipment shop, and the buildings were adequately fulfilling their intended use. She pointed out the income information provided by the Petitioner's tax representative came from the American Hospital Directory, which provided online data for hospitals. Although the information contained revenue, operating income, operating expenses and net income, she indicated it did not separate the business income and expense from the real estate income and expense. She said much of the inpatient and outpatient revenue was not related to the real estate and contractual allowances covered payments to third party companies such as Blue Cross. She suggested a detailed explanation of income and expenses related to the real estate was required in order to perform a credible income analysis. Appraiser Delgiudice indicated the land was valued at full cash value and the improvements were valued at their costs new minus the state-mandated depreciation rate of 1.5 percent per year. She reviewed the comparable land sales shown in Exhibit I and pointed out the subject was receiving a 20 percent downward adjustment on its taxable land value due to topography.

Chairman Covert asked about the age of the facility. Appraiser Delgiudice said it was built in 1984.

Member Brown wondered if this was the first year the topography adjustment was applied. Appraiser Delgiudice stated the Assessor's Office believed the adjustment had been previously applied.

Member Krolick asked if there had been a reduction in the population for the area of Sparks served by the hospital. Appraiser Delgiudice replied that the Assessor's Office did not keep population records. Member Krolick noted the Petitioner's income would be affected if there had been a mass exodus in the population. Based on the income information provided, Appraiser Delgiudice said it appeared the Petitioner's income had gone down but they were still reporting \$258 million per year. Chairman Covert remarked the income had gone down but had not gone away. Member Horan observed the hospital's service area had expanded greatly since 1984. He commented the

Petitioner estimated their land value at about \$500,000 on their appeal form. Appraiser Delgiudice said it was her understanding the Petitioner was appealing the total taxable value, although she did not know how they differentiated the values on the petition. Chairman Covert asked about the lot size. Appraiser Delgiudice noted it was 10.3 acres.

Member Horan said it would be difficult to make any adjustment to the Assessor's values based on the Petitioner's information. Chairman Covert agreed.

With regard to Parcel No. 037-320-03, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2010-11. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable.

**CONSOLIDATION AND DISCUSSION – IRONHORSE KOHALA
LLC – HEARING NOS. 10-0334A, 10-0334B AND 10-0334C**

On behalf of the Petitioner, no one was present to offer testimony.

Member Horan noted there were four addresses identified on the petition but only three parcel numbers being heard. Appraiser Paul Oliphint clarified the three parcels were identified by four legal addresses.

On behalf of the Assessor and having been previously sworn, Paul Oliphint, Appraiser, oriented the Board as to the location of the subject properties. He indicated the Ironhorse Shopping Center had good traffic and visibility with a lot of out-lot development for businesses such as Western Dental, Jack in the Box, Arby's, El Pollo Loco, Sizzler, and Applebee's. He noted the nearby restaurants helped to get more circulation into the shopping center. He stated the 30-year old building on the parcels had a total gross area of 184,844 square feet and was of average quality. He reviewed the comparable sales provided in Exhibit I and observed the key sale was for the Silver State Plaza property located across the street, which had a 45 percent vacancy rate when it sold at \$96 per square foot.

Chairman Covert asked when the sale had taken place. Appraiser Oliphint said the Silver State Plaza sold on December 8, 2008. He observed the two properties had similar issues in terms of vacancy, age and quality, although he thought the subject was more desirable because of the out-lot businesses generating more rent. He noted the change in capitalization rate would suggest a value for the subject at about \$87.00 per square foot as compared to its taxable value of \$75.00 per square foot. He stated the concluded value of the subject based on the sales comparison approach was \$16,081,000. He reviewed the income approach to value shown on page 32 of Exhibit I, which supported \$15,891,000 as a total value. He recommended the Assessor's taxable value of \$13,888,137 be upheld.

Member Horan observed the Petitioner had not provided any evidence to counter the Assessor's recommendation.

Please see 10-0592E, 10-0593E and 10-0594E below for the details concerning the petition, exhibits and decision related to each of the properties in the consolidated hearing.

**10-0592E PARCEL NO. 033-152-05 – IRONHORSE KOHALA LLC –
HEARING NO. 10-0334A**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 589 East 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, 46 pages.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Appraiser Paul Oliphint provided testimony.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – IRONHORSE KOHALA LLC – HEARING NOS. 10-0334A, 10-0334B AND 10-0334C above.

With regard to Parcel No. 033-152-05, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2010-11. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable.

**10-0593E PARCEL NO. 033-152-17 – IRONHORSE KOHALA LLC –
HEARING NO. 10-0334B**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 593 East 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, 46 pages.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Appraiser Paul Oliphint provided testimony.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – IRONHORSE KOHALA LLC – HEARING NOS. 10-0334A, 10-0334B AND 10-0334C above.

With regard to Parcel No. 033-152-17, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2010-11. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable.

10-0594E PARCEL NO. 033-152-19 – IRONHORSE KOHALA LLC – HEARING NO. 10-0334C

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 685 East 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, 46 pages.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Appraiser Paul Oliphint provided testimony.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – IRONHORSE KOHALA LLC – HEARING NOS. 10-0334A, 10-0334B AND 10-0334C above.

With regard to Parcel No. 033-152-19, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2010-11. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable.

**10-0595E PARCEL NO. 037-020-43 – ESM MARINA LLC –
HEARING NO. 10-0337**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 1495 East 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, 17 pages.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Pete Kinne, Appraiser, oriented the Board as to the location of the subject property. He noted the Petitioner was in agreement with the Assessor's recommendation to apply \$460,879 in obsolescence to the taxable improvement value.

With regard to Parcel No. 037-020-43, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$1,255,100 (for obsolescence), resulting in a total taxable value of \$2,180,000 for tax year 2010-11. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

10:34 a.m. Chairman Covert declared a brief recess.

10:43 a.m. The Board reconvened with all members present.

**CONSOLIDATION AND DISCUSSION – DBJ HOLDINGS LLC
ETAL – HEARING NOS. 10-0590A AND 10-0590B**

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Cori Delgiudice, Senior Appraiser, oriented the Board to the location of the subject properties. Based on the sales data provided in Exhibit I, she stated it was the recommendation of the Assessor's Office to uphold the taxable value on Parcel No. 528-010-33 and to reduce the taxable land value on Parcel No. 528-010-14. She indicated the Petitioner was in agreement with the recommendations.

Please see 10-0596E and 10-0597E below for the details concerning the petition, exhibits and decision related to each of the properties in the consolidated hearing.

**10-0596E PARCEL NO. 528-010-14 – DBJ HOLDINGS LLC ETAL –
HEARING NO. 10-0590A**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land located at Wingfield Hills Road, 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, 14 pages.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor, Senior Appraiser Cori Delgiudice provided testimony.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – DBJ HOLDINGS LLC ETAL – HEARING NOS. 10-0590A AND 10-0590B above.

With regard to Parcel No. 528-010-14, pursuant to NRS 361.356, 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 \$2,945,850, resulting in a total taxable value of \$2,945,850 for tax year 2010-11. With that adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

**10-0597E PARCEL NO. 528-010-33 – DBJ HOLDINGS LLC ETAL –
HEARING NO. 10-0590B**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land located at Wingfield Hills Road, 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, 14 pages.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Senior Appraiser Cori Delgiudice provided testimony.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – DBJ HOLDINGS LLC ETAL – HEARING NOS. 10-0590A AND 10-0590B above.

With regard to Parcel No. 528-010-33, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2010-11. It was found that the Petitioner failed to meet his/her burden to show that the land is valued higher than another property whose use is identical and whose location is comparable.

**10-0598E PARCEL NO. 048-081-02 – SCHMIDT, GARY R –
HEARING NO. 10-0600**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 9000 Mount Rose Highway, 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.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, John Thompson, Appraiser, oriented the Board as to the location of the subject property. He indicated the subject was an 8,308 square foot bar and restaurant with at least one small apartment for rent. He stated the building was fully depreciated and currently closed for business. He reviewed the comparable sales provided in Exhibit I. He noted the comparables were a mixture of similar uses but there were no good matches to the subject property and none of the comparables were located near the subject. He pointed out there had been multiple attempts to contact the Petitioner by telephone and by mail but no responses were received. Appraiser Thompson said it was impossible to determine the current condition of the building without a site inspection. He indicated there was no proof that any obsolescence was necessary and recommend the Assessor's taxable values be upheld.

Member Horan noted there was a snowmobile rental in operation on the property, although he did not believe it was doing much business. He indicated the Petitioner had not submitted any evidence.

With regard to Parcel No. 048-081-02, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2010-11. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable.

10-0599E PARCEL NO. 030-032-17 – ESTES, GARY K –
HEARING NO. 10-0787

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 2975 Vista Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income and expense statements, 11 pages.

Assessor

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

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser, oriented the Board as to the location of the subject property. He indicated the Petitioner was in agreement with the Assessor's recommendation to apply \$86,562 in obsolescence to the taxable improvement value based on the inability to achieve stabilized rental income on the subject property.

With regard to Parcel No. 030-032-17, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$310,302 (for obsolescence), resulting in a total taxable value of \$475,302 for tax year 2010-11. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**10-0600E PARCEL NO. 037-030-46 – OLYMPIA GAMING CRS SPARKS
LLC – HEARING NO. 10-0914**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land located at 100 Legends Bay Drive, 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.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Michael Bozman, Appraiser, oriented the Board as to the location of the subject property. He reviewed the comparable sales provided in Exhibit I and recommended the taxable values be upheld.

Chairman Covert asked if the property was acquired for the purpose of building a casino. Appraiser Bozman agreed that it was and said it was likely a casino would eventually be built.

Member Horan noted the Petitioner had not provided any evidence.

With regard to Parcel No. 037-030-46, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2010-11. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable.

**10-0601E PARCEL NO. 510-083-08 – SPARKS GALLERIA INVESTORS LLC
– HEARING NO. 10-0918**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 175 Disc Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income information, 6 pages

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 12 pages.

On behalf of the Petitioner, no one was present to offer testimony.

On behalf of the Assessor and having been previously sworn, Paul Oliphint, Appraiser, pointed out there was a typographical error on page 1 of Exhibit I. He indicated the correct Hearing No. was 10-0918 rather than 10-0916. He oriented the Board as to the location of the subject property. He noted the Petitioner was the tenant rather than the property owner. He stated the owner, Sparks Galleria Investors, had not filed an appeal and no evidence was provided to show that the appellant had been appointed as an authorized agent of the property owner.

Member Horan asked if the former Long's Drugs store had been taken over by CVS. Appraiser Oliphint indicated CVS had taken over all of the Long's Drugs locations. He pointed out there was a new CVS store located close to the subject at the southwest corner of Sparks Boulevard and Los Altos Parkway. He said he was aware that CVS was still paying an option rent to keep someone else from taking over another

former Long's facility at Pioneer Meadows. He suggested CVS was probably paying the contractual rent on the subject property.

Chairman Covert wondered who signed the petition. Appraiser Oliphint said it was signed by Dan Johnson, who was a tax representative. He indicated he had spoken to Mr. Johnson on the telephone.

Chairman Covert asked if the Board had jurisdiction to hear the appeal. Herb Kaplan, Deputy District Attorney, explained the statutes allowed an authorized agent to petition on behalf of the property owner with an appropriately signed authorization form. He stated he did not see an appropriate authorization form in the record.

With regard to Parcel No. 510-083-08, on motion by Member Woodland, seconded by Member Brown, it was found that the Board had no jurisdiction to hear the appeal for the 2010-11 tax year because it was brought by the tenant and no agent authorization form was signed by the property owner.

10-0602E BOARD MEMBER COMMENTS

There were no Board member comments.

10-0603E PUBLIC COMMENT

There was no response to the call for public comment.

* * * * * * * * *

11:00 a.m. There being no further hearings or business to come before the Board, on motion by Member Woodland, seconded by Member Horan, 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