

**BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA**

WEDNESDAY

9:00 A.M.

FEBRUARY 26, 2014

PRESENT:

James Covert, Chairman
John Krolick, Vice Chairman
James Brown, Member
Philip Horan, Member
Gary Kizziah, Member

Nancy Parent, County Clerk
Leslie Admirand, 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:

14-326E PUBLIC COMMENTS

There was no response to the call for public comment.

14-327E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing: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.
023-731-09	HASCHEFF 2012 REVOCABLE TRUST, PIERRE A	14-0127

14-328E CONSOLIDATION OF HEARINGS

The Board consolidated items as necessary when they each came up on the agenda.

**14-329E PARCEL NO. 050-303-15 – CLARK, MICHAEL E –
HEARING NO. 14-0030**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 3775 Poco Lena Court, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales and assessments, 18 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 16 pages.

Exhibit II: Amended Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 16 pages.

On behalf of the Petitioner, Michael Clark was sworn in by County Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Rigo Lopez, Sr. Appraiser, oriented the Board as to the location of the subject property. He noted the Assessor's Office was proposing a reduction and the Petitioner was in agreement with it. He said the taxable value for the subject had increased from \$580,190 to \$809,602, which was a result of an annual review of obsolescence in the neighborhood. He explained Mr. Clark came to the office and talked to the Appraiser that worked the neighborhood. He then met with Mr. Clark and Sr. Appraiser Ron Sauer to discuss a lot of items. Mr. Clark's concerns were the Assessor's Office had all the information on the subject, but there were several properties in the neighborhood that did not have certain items listed or assessed. The third meeting with all of them involved driving around the neighborhood whereby the Appraisers made several notes of improvements which were not on the roll. At the end of the day, the bulk of those items were fences and wells; however, there were some permits in place that could be added to the roll during the reopen period. He did not have an explanation for why that happened, other than in some cases permits had not been taken out.

Sr. Appraiser Lopez wanted it on the record that this neighborhood was scheduled for review to ensure their records were up to date. He said those items that were missing from the roll would be put on for the 2015-16 fiscal tax year year. He said the Assessor's Office appreciated Mr. Clark bringing all those items to their attention. He asked the Board to include in their motion a notation the Assessor's Office would conduct an inspection of the subject and make any necessary corrections to the record card. He said the land value would remain the same at \$95,000; the improvement value would change to \$559,970, for a total taxable value of \$654,970, or \$162 per square foot.

Mr. Clark stated after numerous meetings with the Assessor's Office, he acknowledged they had come to an agreed valuation and they had responded to his questions with regard to fairness. Chairman Covert disclosed he found the Assessor's Office to be flexible in that area and were happy to receive input from residents and owners.

With regard to Parcel No. 050-303-15, pursuant to NRS 361.355, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member

Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$559,970, resulting in a total taxable value of \$654,970 for tax year 2014-15. The reduction was based on obsolescence and a correction to the Assessor's Office record card. 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.

14-330E PARCEL NO. 142-241-20 – LIDDLE, NEIL –
HEARING NO. 14-0096

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 2170 Whites Creek Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 18 pages.

Assessor

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

On behalf of the Petitioner, Neil Liddle was sworn in by County Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pete Kinne, Appraiser, and Rigo Lopez, Sr. Appraiser, offered testimony. Appraiser Kinne oriented the Board as to the location of the subject property.

Mr. Liddle stated the subject increased by 23 percent in one year. He said he understood the economy had recovered some, but he felt that increase was excessive. When he challenged this originally with the Appraiser, he was sent comparisons of some properties, but most of them were empty lots, which he thought was comparing apples with oranges. He noticed on page 2 of Exhibit I the subject was compared to two other homes, which he felt were fair, but the home on Desatoya Drive showed a sale of \$158 per square foot; however, they were only being taxed \$104 square foot. He said his original letter explained his attempt at trying to buy property, but he kept losing houses to investors. He said Improved Sale (IS)-3 on Exhibit I was his next door neighbor's property who paid less for their house a few months after he bought the subject, which would indicate the property values had dropped. He said IS-3 was being valued at \$110 per square foot.

Mr. Liddle stated page 2 of Exhibit I showed the subject had municipal water, which was not correct. In order to make the water from his well drinkable, they

would have to spend \$6,000 on treatment for arsenic. He noted the water system they originally had failed and they had paid \$1,500 for that.

Appraiser Kinne read from page 2 of Exhibit I and reviewed the features, comparable sales, and range of values associated with the subject property. He said it was the Assessor's Office recommendation to uphold the taxable value.

Chairman Covert asked the Appraiser to respond regarding the subject not being on municipal water and remediation of the well before it was useable. Appraiser Kinne said most lots were not on municipal water in the neighborhood. He said IS-2 was superior to the subject because they were on a municipal system and the record card indicated the subject had a well and was listed as an improvement to the property.

Member Kizziah stated it looked like an inequitable taxable dollar per square foot for IS-2, which was indicated as superior to the subject but was listed at \$104 per square foot. Appraiser Kinne said the age of the property showed it was built in 1999 and it had received some depreciation every year. He noted the quality class was a 4 and was a little lower than the subject, and it was only a one-acre parcel, where the subject had two and one-half acres. He said the garage was also 300 square feet smaller.

Mr. Liddle said the difference between the subject and his neighbor was the neighbor's house was larger and about the same age, yet the subject was assessed higher at \$136 per square foot. Chairman Covert asked the Appraiser to explain the difference to the Petitioner.

Appraiser Kinne explained IS-3 was assessed at \$110 per square foot because it had minimal yard items as compared to the subject, which had a detached garage, concrete, asphalt and fencing. IS-3 had a well and pressure system. Member Kizziah asked for clarification of the garages. Appraiser Kinne stated the subject had a 500 square foot attached garage and a 1,300 square foot detached garage. Chairman Covert asked if there was a big difference between a detached and an attached garage if they were similar in size. Appraiser Kinne stated the costs to build would be different and the quality class and age were different also.

Appraiser Kinne stated that in a neighborhood as diverse as the Government lots, he felt the sale of the subject was the best indicator of value.

Mr. Liddle stated he had no fencing around the subject, and he disputed the amount of paving on the record. He noted there was a paved road that went to his property, but it was not on his land. He said his house was a couple years newer but there were five spaces in the subject's garage and the neighbor's had four spaces. Chairman Covert asked if the amount of pavement on the subject was less than what the Assessor's Office had. Mr. Liddle stated that was correct.

Appraiser Kinne displayed a photo of the detached garage and asphalt for the subject. Member Horan stated the Petitioner said the numbers reflecting the concrete

and asphalt were incorrect. Appraiser Kinne stated the Assessor's Office showed 2,000 square feet of asphalt for the driveway and 500 square feet of concrete. Mr. Liddle stated he did not have concrete on his property. Appraiser Kinne stated he had not done a site inspection, but was going off what the Appraiser showed on the record in 2006. Mr. Liddle reiterated there was no concrete outside the garage.

Chairman Covert brought the discussion back to the Board. Member Horan stated he was in support of the Assessor's valuation with the caveat that they do a site inspection to ensure the record card was correct. Chairman Covert asked Sr. Appraiser Lopez if the record card could be corrected after an inspection and Sr. Appraiser Lopez stated it could. Chairman Covert asked how much the value would change in the event the inspection revealed there was no concrete on the subject. Sr. Appraiser Lopez said the 500 square feet was assessed at a little over \$2,300. Member Kizziah said the purchase price was \$615,000 and they were being assessed at \$577,035, which he felt was warranted.

With regard to Parcel No. 142-241-20, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Kizziah, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year. It was further ordered to have the Assessor's Office perform an on-site inspection and to make any adjustments to the improvement value if needed.

**14-331E PARCEL NO. 152-071-08 – KORCHECK FAMILY TRUST,
STEPHEN M & KAREN E – HEARING NO. 14-0071**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 10148 Indian Ridge 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, 13 pages.

On behalf of the Petitioner, Steve Korcheck was sworn in by County Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Pete Kinne, Appraiser, and Josh Wilson, Assessor, offered testimony. Appraiser Kinne oriented the Board as to the location of the subject property.

Mr. Korcheck stated he questioned the validity of the assessment value of the subject. He did not make any improvements in the past year, but the value went up 19 percent; \$20,000 to the land value and \$87,000 to the improvement value, for a total increase of \$107,000. He said he knew properties in Reno had not increased in value over the past year, especially in Arrowcreek, and with the Chapter 11 pending he wondered exactly where they were with the value of the properties. He said one of the properties used as a comparable sold recently for \$547,000, which equated to \$126 per square foot. He believed the square footage listed at 2,927 square feet was less than the actual footage, because that property had been listed at 4,000 square feet. He reported to the Board that he was a senior citizen and on a fixed income.

Appraiser Kinne read from page 2 of Exhibit I and reviewed the features, comparable sales, and range of values associated with the subject property. He said it was the Assessor's recommendation to uphold the value.

Chairman Covert asked for clarification that improved sale (IS)-5 had no garage because he thought all homes in Arrowcreek had garages. Appraiser Kinne stated it had a basement garage. He noted IS-5 was a distressed sale and consisted of 4,000 square feet; however, a portion of that was the finished basement and it was costed separate from the living area. Chairman Covert asked if anyone lived in the basement. Appraiser Kinne stated it was considered finished and the same quality as the first floor. He thought it may have a game room, bathrooms and bedrooms. Member Brown asked if IS-5 was currently listed for sale. Appraiser Kinne said it was listed for over \$1 million.

Member Kizziah said the Petitioner mentioned Chapter 11 for Arrowcreek and he wondered if that would have an impact. Appraiser Kinne stated he could not discuss it. Chairman Covert asked if the legal and financial problems Arrowcreek had would impact the values of individual properties. Appraiser Kinne responded they saw a steady increase in land sales and that was why the subject had an increase with the adjustment to obsolescence. He said the lots in Arrowcreek had sold for \$40,000 and now were selling for \$80,000. Member Horan asked if the land values were allocated and adjusted for everyone in the community. Appraiser Kinne explained he did not use land allocation, he used vacant land sales to arrive at the land value. Member Horan asked if all the land values in Arrowcreek were adjusted up. Appraiser Kinne stated they were.

Josh Wilson, Assessor, stated the Assessor's Office could not speak to the potential bankruptcy but he pointed out that Exhibit I showed the improved sales were in November and December 2013. He hoped that whoever listed the properties disclosed some of the pending challenges the golf course had. He said Appraiser Kinne indicated that the market seemed to be appreciating based on the current analyzed comparable sales despite those challenges. He stated the Assessor's Office had to follow the market whether it went up or down.

Mr. Korcheck stated the golf course owners filed a petition in January 2014 for Chapter 11. He said most of the homes had been built after his home and he thought the subject should have more depreciation. He believed the basement for the neighbor's property was living space because of the bedrooms and wine cellar.

Chairman Covert brought the discussion back to the Board. Member Horan stated he supported the Assessor's Office valuation, even though there may be future impacts because of the golf course; however, the recent sales justified the valuation.

With regard to Parcel No. 152-071-08, pursuant to NRS 361.357, 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 and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

14-332E PARCEL NO. 019-172-14 – SANDHU, KULDIP S & SURJIT K –
HEARING NO. 14-0185

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 1100 Skyline Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable Sales and Market Trends-Reno, 4 pages.

Exhibit B: Email and CMA Summary Report, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 14 pages.

On behalf of the Petitioner, Kuldip Sandhu was sworn in by County Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Linda Lambert, Appraiser, and Rigo Lopez, Sr. Appraiser, offered testimony. Appraiser Lambert oriented the Board as to the location of the subject property.

Mr. Sandhu stated Exhibit I listed four properties which were not on his list and his list (Exhibit A) included sales for the last six months. The average cost of the homes in his evidence was about \$150 per square foot and he provided comparable values his agent put together which were between \$500,000 and \$550,000. He said he

thought the subject's value should be \$550,000 to \$580,000. He said the agent saw only one house currently listed at 3,700 square feet for \$580,000.

Appraiser Lambert read from page 2 of Exhibit I and reviewed the features, comparable sales, and range of values associated with the subject property. She said it was the Assessor's Office recommendation to uphold the current value.

Chairman Covert asked the Appraiser to comment on the comparable sales discussed by the Petitioner. Appraiser Lambert stated Exhibit A reflected sales of homes in Somerset and all of them were lower in quality than the subject. The highest quality was at 4.5 and was near a golf course. She said Exhibit B reflected a sale of \$580,000, but she did not feel it was comparable.

Member Kizziah asked Appraiser Lambert if she did a comparable sale analysis for the view. Appraiser Lambert responded the subject did not have a view, and one of the comparables had a view and was receiving a \$30,000 upward adjustment for that.

In rebuttal, Mr. Sandhu said the comparable on Hunter Lake had a view and had twice as much garage space as compared to the subject. The comparable on Zolezzi Lane had a garage about three times larger than the subject. He was told by his agent there had been no sales within the last six months of houses that were comparable to the subject. He mentioned a two-story home that recently sold in the neighborhood for \$378,000, but he believed it was not as good in quality as the subject. He thought IS-2 was the most comparable to the subject at \$174 per square foot. He said he made some improvements to the subject in the form of landscaping at a cost of \$40,000 to \$45,000 last year.

Chairman Covert asked the Petitioner if he was aware how the County calculated quality class. Mr. Sandhu responded he was not. Appraiser Lambert stated when homes were constructed two or more appraisers would go out while the home was being built and do inspections because quality class was subjective. She said they used their experience and would compare what they saw to other properties. She confirmed IS-2 did not have a view. Chairman Covert asked if quality would be determined by what was in the house as well as outside, such as tile, doors, trim, counter tops, configuration of the building, the size and other things. Appraiser Lambert stated that was correct.

Sr. Appraiser Lopez stated the subject was built in 2008 and he was not sure if the appraiser was able to inspect the inside of the residence, but they would be happy to do that if the owner approved. Member Horan asked if something different was discovered during the inspection, would that fall under the same category of an adjustment to the record card. Sr. Appraiser Lopez stated that was correct and they would like to do the inspection as soon as possible. If the current record card was correct it would be left as is and the Appellant would have time to appeal to the State if he chose to.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 019-172-14, pursuant to NRS 361.357, 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 and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year. It was further ordered for the Assessor's Office to do a subsequent inspection within the next two weeks to determine accurate quality class.

**14-333E PARCEL NO. 025-553-08 – WALTHER TRUST, FREDERICK W –
HEARING NO. 14-0189**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 1698 Meadow Wood Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Financial Information, 2 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 025-553-08, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$372,625, resulting in a total taxable value of \$492,800 for tax year 2014-15. 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.

**14-334E PARCEL NO. 164-110-03 – SOUTHWEST GALLERIA LLC –
HEARING NO. 14-0190**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 7530 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Financial Information, 2 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 164-110-03, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$869,217, resulting in a total taxable value of \$1,305,618 for tax year 2014-15. 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.

14-335E PARCEL NO. 164-110-04 – SOUTHWEST GALLERIA LLC –
HEARING NO. 14-0191

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 7520 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Financial Information, 2 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 164-110-04, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$812,895, resulting in a total taxable value of \$1,112,190 for tax year 2014-15. 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.

14-336E **PARCEL NO. 023-723-05 – VENEZIA, ROBERT P –**
HEARING NO. 14-0187

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 2425 Manzanita Lane, 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, 9 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Linda Lambert, Appraiser, oriented the Board as to the location of the subject property. She said the Assessor's Office stood on the written record.

Chairman Covert commented not much evidence had been presented by the Petitioner.

With regard to Parcel No. 023-723-05, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

14-337E **BOARD MEMBER COMMENTS**

There were no Board member comments.

14-338E **PUBLIC COMMENTS**

There was no response to the call for public comment.

* * * * *

10:00 a.m. There being no further hearings or business to come before the Board, on motion by Member Horan, seconded by Member Krolick, which motion duly carried, the meeting was adjourned.

JAMES COVERT, Chairman
Washoe County Board of Equalization

ATTEST:

NANCY PARENT, County Clerk
and Clerk of the Washoe County
Board of Equalization

*Minutes prepared by
Jaime Deller, Deputy Clerk*