

**BOARD OF EQUALIZATION  
WASHOE COUNTY, NEVADA**

WEDNESDAY

9:00 A.M.

FEBRUARY 21, 2018

PRESENT:

**Philip Horan, Chair**  
**Eugenia Larmore, Vice Chair**  
**James Ainsworth, Member**  
**James Richards, Member**

**Nancy Parent, County Clerk**  
**Jennifer Gustafson, Deputy District Attorney**

ABSENT:

**Barbara “Bobbi” Lazzarone, Member**

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 Horan called the meeting to order, the Clerk called the roll and the Board conducted the following business:

Chair Horan commented any motion would require three votes to pass.

**18-089E      PUBLIC COMMENT**

There was no response to the call for public comment.

**18-090E      SWEARING IN**

Nancy Parent, County Clerk, swore in the appraisal staff.

**18-091E      WITHDRAWALS**

Nancy Parent, County Clerk, announced RC Willey Home Furnishings, APN 140-213-20, hearing number 18-0049, requested a withdrawal.

**18-092E      REQUESTS FOR CONTINUANCES**

Nancy Parent, County Clerk, announced there were two requests for continuances to the February 28, 2018 meeting. When asked by Chair Horan if space remained to accommodate them at the February 26 meeting, Ms. Parent informed him the agenda for the 26th meeting was already posted.

On motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered the following hearings be continued to February 28, 2018:

<b>Assessor's Parcel No.</b>	<b>Petitioner</b>	<b>Hearing No.</b>
037-030-71	LOWE'S HIW INC	18-0044
040-951-08	RS EAGLE FEDERAL WAY LLC et al	18-0045

**18-093E      CONSOLIDATION OF HEARINGS**

There were no petitions requesting consolidation.

**STIPULATIONS – REAL PROPERTY**

**18-094E      PARCEL NO. 082-534-60 – MERRY WINK INVESTMENTS LLC – HEARING NO. 18-0033**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 4893 N. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

**Exhibit A:** Settlement statement, 2 pages.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 082-534-60 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, 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 \$72,462, resulting in a total taxable value of \$120,000 for tax year 2018-19. 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.

**18-095E**      **PARCEL NO. 032-023-04 – GOUDY INVESTMENTS LLC –**  
**HEARING NO. 18-0034**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 2100 Victorian Avenue, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 032-023-04 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, 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 \$307,976, resulting in a total taxable value of \$525,397 for tax year 2018-19. 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.

**18-096E**      **PARCEL NO. 049-360-31 – BAYLOCQ PROPERTIES LLC –**  
**HEARING NO. 18-0041A**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 2 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 049-360-31 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$176,539, resulting in a total taxable value of \$176,539 for tax year 2018-19. 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.

**18-097E      PARCEL NO. 049-360-32 – BAYLOCQ PROPERTIES, LLC –**  
**HEARING NO. 18-0041B**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 12725 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 2 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 049-360-32 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$164,261, and the taxable improvement value be upheld, resulting in a total taxable value of \$230,114 for tax year 2018-19. 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.

**18-098E**      **PARCEL NO. 010-031-08 – G-4CE CHISM HOUSE LLC –**  
**HEARING NO. 18-0042A**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 Chism Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 2 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 010-031-08 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$122,108, resulting in a total taxable value of \$122,108 for tax year 2018-19. 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.

**18-099E**      **PARCEL NO. 010-031-09 – G-4CE CHISM HOUSE LLC –**  
**HEARING NO. 18-0042B**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 Chism Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 2 pages

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 010-031-09 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$58,706, resulting in a total taxable value of \$58,706 for tax year 2018-19. 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.

**18-100E      PARCEL NO. 010-031-10 – G-4CE CHISM MOBILE HOME PARK LLC – HEARING NO. 18-0042C**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 Chism Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

Exhibit I: Taxable Value Change Stipulation, 2 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 010-031-10 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$500, resulting in a total taxable value of \$500 for tax year 2018-19. 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.

**18-101E**      **PARCEL NO. 163-031-07 – RIVERSIDE REDEVELOPMENT LLC**  
**– HEARING NO. 18-0051A**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 Sandhill Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 163-031-07 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$2,433,094, resulting in a total taxable value of \$2,433,094 for tax year 2018-19. 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.

**18-102E**      **PARCEL NO. 163-031-09 – RIVERSIDE REDEVELOPMENT LLC**  
**– HEARING NO. 18-0051B**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 Sandhill Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 1 page

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 163-031-09 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$1,822,253, resulting in a total taxable value of \$1,822,253 for tax year 2018-19. 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.

**18-103E      PARCEL NO. 163-062-14 – DOUBLE DIAMOND TOWN CENTER LLC – HEARING NO. 18-0052A**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 Gateway Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 163-062-14 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$233,100, and the taxable improvement value be reduced to \$53,789, resulting in a total taxable value of \$286,889 for tax year 2018-19. 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.



**18-104E**      **PARCEL NO. 090-051-03 – WINNER PROPERTIES LLC**  
**COLORADO – HEARING NO. 18-0053**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 14291 Lear Boulevard in Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 090-051-03 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, 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 \$2,843,767, resulting in a total taxable value of \$3,675,000 for tax year 2018-19. 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.

**18-105E**      **PARCEL NO. 012-171-19 – MODEL DAIRY LLC – HEARING NO.**  
**18-0054**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 500 Gould Street in Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

None.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 012-171-19 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, 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 \$1,815,980, resulting in a total taxable value of \$2,953,760 for tax year 2018-19. 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.

**18-106E      PARCEL NO. 568-100-08 – STONEFIELD INDUSTRIAL LLC – HEARING NO. 18-0055A**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 Lear Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

Exhibit A: Comparables, 6 pages.

**Assessor**

Exhibit I: Taxable Value Change Stipulation, 2 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 568-100-08 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$448,667, resulting in a total taxable value of \$448,667 for tax year 2018-19. 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.

**18-107E**      **PARCEL NO. 568-100-09 – STONEFIELD INDUSTRIAL LLC – HEARING NO. 18-0055B**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 Lear Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

**Exhibit A:** Comparables, 6 pages.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 2 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 568-100-09 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$3,751,333, resulting in a total taxable value of \$3,751,333 for tax year 2018-19. 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.

**18-108E**      **PARCEL NO. 160-220-33 – SMITHS FOOD & DRUG CENTERS, INC – HEARING NO. 18-0076A**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 750 South Meadows Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

**Exhibit A:** Comparables, 7 pages.

**Assessor**

**Exhibit I:** Taxable Value Change Stipulation, 1 page

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 160-220-33 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$689,892, and the taxable improvement value be reduced to \$310,108, resulting in a total taxable value of \$1,000,000 for tax year 2018-19. 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.

**18-109E      PARCEL NO. 038-881-08 – CABELAS RETAIL INC – HEARING NO. 18-0047**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 8650 Boomtown Garson Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

Exhibit A: Requested market value with sales approach and property comparison, 3 pages.

Exhibit B: List of retail closings in 2017/2018, 2 pages.

**Assessor**

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 30 pages.

On behalf of the Petitioner, Eric Owens was sworn in by County Clerk Nancy Parent.

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

Nancy Parent, County Clerk, stated the Petitioner provided additional evidence, which she distributed to the Board and labeled as Exhibit B.

Eric Owens shared his research that over 6,800 retail stores were closing in 2017 and 2018, due mostly to the impact of e-commerce. He concluded those closings would result in a great amount of vacant square footage coming into the market, which would drive down the price of retail. He reviewed the graphs and charts in Exhibit B.

Reviewing Exhibit A, Mr. Owens indicated his analysis in determining his market value of \$12 million was based on both a sales approach and a property comparison approach. He reviewed page 2 and said his firm utilized big box stores as comparisons because just like those stores, the sole purpose of Cabela's was to sell retail. He mentioned the Great Western Marketplace, which the Assessor's Office (AO) used as a comparison was sold and parceled out to be retrofitted for different purposes. He said the sales approach showed what big box stores struggled with when trying to sell their stores, especially if they had closed before selling. He reviewed page 3 of Exhibit A and explained how they arrived at their property comparison approach value. He requested the Board reduce the total taxable value to \$12 million.

Appraiser Pete Kinne read from page 2 of Exhibit I and reviewed the features, comparable sales, and range of values associated with the subject property. He indicated Cabela's was constructed for an estimated \$36 million. He stated the subject property also included taxidermy displays, fishtanks, a deli, a restaurant, conference rooms, a shooting gallery, a general store, and semi-truck and RV parking. Since there were no comparable warehouse showroom store sales, weight was given to big box retail discount stores in Washoe County.

Appraiser Kinne directed the Board to pages 4 through 8 of Exhibit I, pointing out the property featured high-end finishes such as the gabled roof, tongue and groove ceiling, sky windows, and additional buildouts that the comparable properties lacked. He concluded Cabela's was not representative of a big box store.

Appraiser Kinne stated he requested five years of sales data at the Reno Cabela's on January 10, 2018, but he said Mr. Owens declined to provide it. Appraiser Kinne indicated Mr. Owens provided nationwide Cabela's data but did not supply Reno-specific information. Appraiser Kinne stated 31 Cabela's stores were purchased by Bass Pro Shop for \$5 billion. Because no specific subject property data was provided, market rents and expense data were determined by using comparable market data. He summarized based on a sales comparison approach and further supported by the income approach, the total taxable value did not exceed its full cash value and he recommended the Board uphold the total taxable value.

Addressing comments made by Mr. Owens, Appraiser Kinne reviewed pages 12 and 13 of the hearing evidence packet. He pointed out the sale of the Western Marketplace parcel was comprised of two transactions and he felt they could not be lumped together as one sale. Regarding a discount warehouse sale in Clark County, he noted the Clark County Assessor said the property was in a poor location that experienced great turnover.

When asked whether the AO typically considered sales in Clark County, Appraiser Kinne replied they would consider any that were comparable, such as a sale of a Cabela's or a Dick's Sporting Goods store. He stated a furniture store was not comparable to the subject property.

Appraiser Kinne commented the five properties supplied by Mr. Owens as part of his equalization approach were discount warehouses and were not comparable to the subject parcel. He claimed Mr. Owens did not provide an accurate valuation of the building and he expressed confusion about the adjustments made by Mr. Owens. He suggested the Scheels store in Sparks would have been comparable but the value would have been much higher than that of the subject property.

Member Larmore asked Appraiser Kinne to explain how the age of structures impacted their building valuation. Appraiser Kinne said they considered how much it would cost to rebuild the store new and then depreciated that value by 1.5 percent per year; a 20-year old building would be depreciated by 30 percent. He reiterated he did not know how Mr. Owens determined the building values in his evidence.

Mr. Owens emphasized the \$36 million cost to build Cabela's was not the same as value. He admitted Cabela's had many high end finishes but the value in question was for Cabela's itself; people would not be paying for the roofline or the stonework of the store. He described the finishes as functional obsolescence for which a buyer would pay the lowest possible dollar amount. He added there would be an adjustment made for economic obsolescence given issues in the United States with e-commerce.

Mr. Owens said he did not have time to review the Assessor's packet which they sent on February 20. Regarding the comparable sales used by the AO, he said the industrial engineering storage warehouse was not comparable. He noted several of the comparable sales were significantly smaller than the Cabela's yet no adjustments were made for size. He said he was unaware of whether a leaseback was involved with the purchase of Whole Foods by Amazon. He remarked sale leasebacks would utilize above market rates and were not typically used for comparison.

Mr. Owens alleged he did not decline to give sales information for the prior five years; he provided the information he was given by Cabela's. He said the comparable sales he used were appropriate. Regarding his equalization table, he said the County separated improvement values from land value so that was what he did. He felt the value of the Cabela's should be lowered to \$12 million.

When questioned by Chair Horan, Appraiser Kinne confirmed he sent the hearing evidence packet to Mr. Owens on February 20 but he had conversations with the appellant in January.

There being no response to the call for public comment, Chair Horan closed the public hearing.

Member Ainsworth stated he agreed with the AO and expressed difficulty comparing Cabela's to big box stores given the finishes of the building. He felt the finish of the Cabela's building was so unique it could be utilized by another business.

Member Larmore felt comparing anything to buildings that were depreciated 30 percent due to age skewed the value.

Chair Horan added the valuation did not exceed market valuation and he intended to support the AO's recommendation.

Member Ainsworth moved to uphold the value pursuant to Nevada Revised Statute (NRS) 361.355. Deputy District Attorney Jennifer Gustafson pointed out the Petitioner brought the petition pursuant to NRS provisions 361.356 and 361.357.

With regard to Parcel No. 038-881-08, which petition was brought pursuant to NRS 361.356 and NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner has failed to meet his burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable. Further, the Petitioner failed to meet his burden to show the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

**18-110E      PARCEL NO. 516-511-02 – CAV INVESTMENTS LLC – HEARING NO. 18-0001**

A Petition for Review of Assessed Valuation was received protesting the 2018-19 taxable valuation on land and improvements located at 0 Los Altos Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

**Exhibit A:** Property data, assessment card and grant, bargain and sale deed, 5 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, Carlos Vasquez was sworn in by County Clerk Nancy Parent.

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

Mr. Vasquez said he had an option to purchase the property for five years, noting the property was listed for sale in that time. He claimed the reason there was only one qualifying offer in that time was because the property was situated in a Planned Unit

Development (PUD) with severe restrictions. He said the handbook allowed for certain basic uses: banks, printing and photocopying, corporate offices, regional offices, medical offices, vocational schools, music schools, daycares, or churches. He stated he did know the limitations when he had the option to purchase. He felt the property would be a good fit for a Starbucks but retail was not allowed. He said any offers that might be made would disappear when the prospective buyers realized they could not place a retail business on the property. He stated amending the handbook required consent of all other affected parties and the immediate neighbor of the subject property would not consent to anything.

Mr. Vasquez confirmed he currently owned the property. He estimated a new handbook would cost \$250,000 and \$300,000 but that was virtually impossible with the existing neighbors. He said he felt obligated to purchase the property because the prior owner was elderly and wanted to be rid of it. He stated the property was not worth seven times his purchase price and it never would be. He said he had little hope of developing the property given the constraints.

Appraiser Bozman noted the subject property was currently listed by Mr. Vasquez for \$450,000. When questioned by Chair Horan about the restrictions placed on the subject property, Appraiser Bozman said he was unsure if it was as restricted as stated, but even if the property was limited to a professional, financial, or medical office, the Assessor's Office (AO) valuation would still be supported. He pointed out there were medical offices across the street from the subject property. He mentioned the valuation had not changed on the subject property since the prior year. He read from page 2 of Exhibit I and reviewed the features, comparable sales, and range of values associated with the subject property.

Mr. Vasquez remarked the two large parcels that comprised the medical office had been available for longer than his subject parcel and they were largely empty. He alleged the original plan was to build a medical park but the market in the area would not support it. He said no offers had been made in five years despite it being listed for five years.

When asked why the property was listed for \$450,000, Mr. Vasquez answered that was the recommendation. He mentioned he advertised financing as a build-to-suit property at 90 percent but still there were no offers. He expected to be back every year to contest the taxable value as he did not expect it to sell.

There was no response to the call for public comment. Chair Horan closed the public hearing.

Chair Horan opined it was clear someone felt the property had value and, while he sympathized with the appellant, he was inclined to uphold the AO's recommendation.



With regard to Parcel No. 516-511-02, which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Larmore, which motion duly carried with Member Lazzarone absent, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his 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.

**18-111E      PARCEL NO. 020-231-32 – DEVI PROPERTIES LLC – HEARING NO. 18-0010**

A Petition for Review of Assessed Valuation was received protesting the 2017-18 taxable valuation on land and improvements located at 1295 E. Moana Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

**Petitioner**

Exhibit A: comparables, 2 pages.

Exhibit B: Income and Expenses, 1 page.

**Assessor**

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 23 pages.

Exhibit II: Valuation history, 1 page.

On behalf of the Petitioner, Vikas Bhatia was sworn in by County Clerk Nancy Parent.

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

Mr. Bhatia stated the property located at 1290 Gentry Way was used in a similar fashion to his. Senior Appraiser Steve Clement showed the location and proximity of the two properties on an internet map.

Mr. Bhatia conceded he had a superior location than the Gentry Way property but he pointed out the two complexes had similar stores. He claimed the Gentry Way property's taxable improvement value went up 2.8 percent from 2015 to 2018 while his went up 120 percent in that time. He said both properties had similar incomes. He reviewed Exhibit B, which had been distributed to the Board and placed on file with the Clerk. He said margins were tight, even with him doing all property management and maintenance himself. He commented retail was very difficult as opposed to residential. He mentioned there were problems at the subject property with access and its location in a low-income neighborhood. He stated he did not declare a property management or maintenance fee because he had to show income in order to refinance.

Appraiser Jackins remarked the shopping center was configured into seven retail office spaces, two of which were occupied by the owner's businesses. She read from page 2 of Exhibit I and reviewed the features, comparable sales, and range of values associated with the subject property. She reviewed page 3 of Exhibit I.

Addressing the difference in taxable value increases between the two properties, Appraiser Jackins pointed out the Gentry Way property was built in 1965 and as such had 75 percent depreciation on its value. Additionally, it was of lesser quality and both the parcel and the buildings were smaller than the subject property. She indicated the Gentry Way property never received a reduction via obsolescence and saw steadier increases unlike the subject property, which had almost \$640,000 in obsolescence at one point. She said the obsolescence was based on the market. During the recession the petitioner appealed his value and the Board had been reviewing his property ever since. She remarked during the economic downturn there were no available comparable sales, so adjustments were made based on data reviewed by the Assessor's Office (AO).

Appraiser Jackins presented Exhibit II, which was distributed to the Board, and reviewed the history of obsolescence applied to the property. She noted a small amount of obsolescence was removed in 2017 and another amount was to be removed in 2018. She said the AO started removing the obsolescence as they had with all commercial properties, many of which no longer had any obsolescence.

Appraiser Jackins said many neighborhood shopping centers had some owner occupancy including the subject property, two of the improved sales (IS), and the property on Gentry Way. Answering Chair Horan's question, Appraiser Jackins confirmed the subject property's buildings were built in 2005 while the Gentry Way property was built in 1965.

Appraiser Jackins pointed out the AO reviewed every property that carried obsolescence annually and made adjustments that were valid for one year. They requested income and expense data and rent rolls to review vacancies. She expressed appreciation to all taxpayers who provided the AO with requested information. That information along with market data was used to determine adjustments to obsolescence amounts. She felt much of the subject property's obsolescence should have been removed already but the AO waited for good trends in the market.

Referencing Petitioner's Exhibit B, Appraiser Jackins said the information varied from past value analyses in its higher expense ratio, the inclusion of utility expenses for Suite A, and changes in the rent roll due to reconfiguration of suite sizes. She said the Moana market was divided into three spaces in August 2017 with 100 square feet listed as vacant. She said an inspection done on the morning of the meeting showed the Moana Market occupied all 2,512 square feet.

She concluded that, using both comparable sales and the income approach to value, the total taxable value was supported and she recommended upholding the Assessor's value.

Mr. Bhatia responded the Market was 1,100 square feet, which was leased out in August, and the plan was to subdivide it. He was actively on wait lists to get a contractor, an electrician, and a plumber. He said the new rent structure was already in place. He admitted the market was using all 2,500 feet but the kitchen was now a separate revenue item that did not exist prior to August. He said he was only using the upstairs office.

Mr. Bhatia indicated the operator of IS-1 paid too high a price for that property and mentioned that was why he preferred using an income approach and not a sales approach for valuation. Regarding IS-2, he pointed out the owner started a business on the property that failed; it was vacant at the time of sale. He felt IS-3 was not comparable due to its location. He reiterated both his property and the 1290 Gentry Way property had similar incomes and he expressed frustration that his taxable value was increasing much higher than the other.

When asked by Chair Horan for clarification about the disparity, Appraiser Jackins reminded the Board the Gentry Way property was fully depreciated at 25 percent of the replacement cost where the subject property only had 19.5 percent depreciation. She mentioned she calculated the square foot value of the subject property with full depreciation and found it to be comparable to the Gentry Way property. She said the disparity was caused by the depreciation of the Gentry Way property as well as the fact that it never had large amounts of obsolescence placed on it.

Senior Appraiser Steve Clement reminded the Board the state of Nevada utilized a modified cost approach to value properties; it was not a market-driven system. He stated the Gentry Way property never exceeded market value. He said if they reviewed income and expense data from that property, its market value could be three times its taxable value due to the depreciation and lack of obsolescence. He pointed out the petitioner brought the subject property before the Board in 2010 for exceeding market value and it was reduced based on the modified cost approach. He said as the economic market improved, the obsolescence was being removed which caused the disparity.

Mr. Bhatia responded the AO was being overly optimistic, specifically regarding commercial properties, and he would not be appealing if he owned residential properties.

There was no response to the call for public comment. Chair Horan closed the public hearing.

Member Larmore noted the replacement cost approach caused inequity based on the age of buildings but there was nothing the Board could do about it. Chair

Horan echoed it was how the AO appraised properties. He felt the AO did its due diligence in this case and attached an appropriate value to the property.

With regard to Parcel No. 020-231-32, which petition was brought pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Larmore, seconded by Member Richards, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner has failed to meet his burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable.

**18-112E      BOARD MEMBER COMMENTS**

Member Ainsworth thanked the Assessor's Office staff for the thoroughness with which they answered his questions.

**18-113E      PUBLIC COMMENT**

There was no response to the call for public comment.

\*      \*      \*      \*      \*      \*      \*      \*      \*

**10:20 a.m.**      There being no further hearings or business to come before the Board, the meeting was adjourned.

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**PHILIP HORAN**, Chairman  
Washoe County Board of Equalization

ATTEST:

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

*Minutes prepared by  
Derek Sonderfan, Deputy Clerk*