

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

FRIDAY

9:00 A.M.

FEBRUARY 19, 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 9:00 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:

SWEARING IN

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

10-0690E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing: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.
514-370-10	Barker Development Ltd	10-0100R09
514-370-09	Barker Development Ltd	10-0101R09
514-370-08	Barker Development Ltd	10-0102R09

10-0691E REQUESTS FOR CONTINUANCE

Nancy Parent, Chief Deputy Clerk, noted Hearing No. 10-0415 for Parcel No. 033-221-24, 1301-1321 McCarran LLC, had been previously continued to February 24, 2010.

Based on requests from the Petitioners, Chairman Covert continued the following hearings to February 26, 2010:

Assessor's Parcel No.	Petitioner	Hearing No.
163-061-09	Tarazi Living Trust, Munah F & Rola M	10-0734
516-281-15	MLRO LLC	10-0743

***9:04 a.m.** Member Krolick arrived at the meeting.

10-0692E **PARCEL NO. 514-370-10 – BARKER DEVELOPMENT LTD – HEARING NO. 10-0100**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 5945 Los Altos Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Summary of Salient Facts, 5 pages.

Assessor

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

On behalf of the Petitioner, Lance Faulstich was sworn in by Chief Deputy Clerk Nancy Parent. Having been previously sworn, Charles Christiansen was also present to offer testimony.

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

Chairman Covert asked if the Petitioner was in agreement with the Assessor's recommendation. Mr. Christiansen indicated the Petitioner was in agreement with the recommendations for Hearing Nos. 10-0100 through 10-0105 (please see items 10-0692E through 10-0697E below). Mr. Faulstich agreed.

Based on the sales and income analyses, Appraiser Stockton explained the Assessor's recommendation was to apply \$212,621 in obsolescence to reduce the subject's taxable improvement value.

With regard to Parcel No. 514-370-10, 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 \$571,900 (for obsolescence), resulting in a total taxable value of \$795,900 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.

**10-0693E PARCEL NO. 514-370-09 – BARKER DEVELOPMENT LTD –
HEARING NO. 10-0101**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 5931 Los Altos Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Summary of Salient Facts, 5 pages.

Assessor

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

On behalf of the Petitioner and having been previously sworn, Charles Christiansen and Lance Faulstich were present to offer testimony.

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained the Assessor's recommendation was to apply \$152,107 in obsolescence to reduce the subject's taxable improvement value. The Petitioner was in agreement with the Assessor's recommendation.

With regard to Parcel No. 514-370-09, 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 \$656,000 (for obsolescence), resulting in a total taxable value of \$828,100 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.

**10-0694E PARCEL NO. 514-370-08 – BARKER DEVELOPMENT LTD –
HEARING NO. 10-0102**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 5915 Los Altos Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Summary of Salient Facts, 5 pages.

Assessor

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

On behalf of the Petitioner and having been previously sworn, Charles Christiansen and Lance Faulstich were present to offer testimony.

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained the Assessor's recommendation was to apply \$238,697 in obsolescence to reduce the subject's taxable improvement value. The Petitioner was in agreement with the Assessor's recommendation.

With regard to Parcel No. 514-370-08, 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 \$780,140 (for obsolescence), resulting in a total taxable value of \$1,018,640 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.

10-0695E PARCEL NO. 514-370-04 – CYPRESS HILL LLC –
HEARING NO. 10-0103

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 5975 Los Altos Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Summary of Salient Facts, 5 pages.

Assessor

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

On behalf of the Petitioner and having been previously sworn, Charles Christiansen and Lance Faulstich were present to offer testimony.

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained the Assessor's recommendation was to apply \$189,263 in obsolescence to reduce the subject's taxable improvement value. The Petitioner was in agreement with the Assessor's recommendation.

With regard to Parcel No. 514-370-04, 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 \$504,620 (for obsolescence), resulting in a total taxable value of \$701,120 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.

10-0696E PARCEL NO. 514-370-06 – CYPRESS HILL LLC –
HEARING NO. 10-0104

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 5961 Los Altos Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Summary of Salient Facts, 5 pages.

Assessor

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

On behalf of the Petitioner and having been previously sworn, Charles Christiansen and Lance Faulstich were present to offer testimony.

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained the Assessor's recommendation was to apply \$205,882 in obsolescence to reduce the subject's taxable improvement value. The Petitioner was in agreement with the Assessor's recommendation.

With regard to Parcel No. 514-370-06, 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 \$582,120 (for obsolescence), resulting in a total taxable value of \$770,420 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.

**10-0697E PARCEL NO. 514-370-02 – CYPRESS HILL LLC –
HEARING NO. 10-0105**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 5901 Los Altos Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Summary of Salient Facts, 5 pages.

Assessor

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

On behalf of the Petitioner and having been previously sworn, Charles Christiansen and Lance Faulstich were present to offer testimony.

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained the Assessor's recommendation was to apply \$244,700 in obsolescence to reduce the subject's taxable improvement value. The Petitioner was in agreement with the Assessor's recommendation.

With regard to Parcel No. 514-370-02, 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 Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$534,400 (for obsolescence), resulting in a total taxable value of \$753,200 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.

**10-0698E PARCEL NO. 163-170-03 – FRM INVESTMENTS LLC –
HEARING NO. 10-0759**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 9533 Gateway Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property information, 2 pages.

Exhibit B: Letter regarding lease agreement, 1 page.

Exhibit C: Interior photos of subject property, 2 pages.

Assessor

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

Exhibit II: Corrected Assessor's Hearing Evidence Packet including comparable sales, maps and subjects appraisal records, 11 pages.

On behalf of the Petitioner and having been previously sworn, Charles Christiansen and Lance Faulstich were present to offer testimony.

On behalf of the Assessor and having been previously sworn, Rigo Lopez, Senior Appraiser, stated there was an error in Exhibit I. He submitted the corrected evidence packet as Exhibit II.

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

Mr. Christiansen and Mr. Faulstich stated they were not in agreement with the Assessor's recommendation for the subject property. Mr. Faulstich said a portion of the building was previously used by Centex Homes for their design center but it was currently unoccupied and the interior finish elements belonging to Centex had been removed. Chairman Covert asked why the false ceiling had been removed. Mr. Faulstich indicated there had been lighting displays in the ceiling that belonged to Centex. He explained the Petitioner was receiving no rent for an 800 square foot section of the building that was currently occupied. He noted the agreement with the occupant was intended to keep the utilities turned on (see Exhibit B) with no economic benefit to the Petitioner. He pointed out full service rents in the South Meadows market were about \$1.00 per square foot, as shown in Exhibit A, and market data showed the vacancy rate to be 30 percent. Using the income approach with a capitalization rate of 10 percent, he arrived at a value of \$209,933 for the subject property.

Appraiser Stockton reviewed the features, comparable sales, and range of values associated with the subject property and shown in Exhibit II. He stated a downward adjustment of \$15.00 per square foot was reasonable to account for the condition of the building. He indicated weight was given to the sales comparison approach as well as to an income analysis. He recommended a total taxable value of \$390,500 or \$125.00 per square foot, which would result in \$37,720 of obsolescence applied to reduce the taxable improvement value.

Appraiser Stockton acknowledged there were properties in the area being marketed for \$1.00 per square foot, although most he had seen were on a triple net lease. Chairman Covert observed the Petitioner's income analysis and the Assessor's income analysis were within about \$10,000 of each other. Appraiser Stockton agreed. He noted he was not aware of any sales in the range of \$112 per square foot that would support the Petitioner's opinion of value. He indicated many of the buildings were marketed as owner occupied office space. Mr. Faulstich said he was aware of a sale on Prototype Boulevard

(Parcel No. 163-291-05) that sold for \$80 per square foot in shell condition. Appraiser Stockton stated he had looked at the building on Prototype and its condition was not even close to that of the subject property. He pointed out it had been a foreclosure and was now owned by Nevada State Bank. He noted the interior of the building had dirt floors, no partitioned walls, no heating or electricity, and no water hookups. Chairman Covert asked if there had ever been a tenant in the building. Appraiser Stockton said there had never been a tenant and the building was not finished so it was inaccurate to characterize the two buildings as similar in construction.

Member Horan wondered if the Assessor's Office was discounting the income approach and relying on the sales approach. Appraiser Stockton said a value of \$125 per square foot was recommended for the subject based on a reconciliation of both approaches. He noted the sales comparisons provided a range of values between \$179 and \$241 per square foot. He stated fair weight was given to the income approach.

Mr. Faulstich pointed out the Nevada State Bank building had not been occupied in the three years since it was constructed. Mr. Christiansen observed the subject property had also been vacant since 2007 and there had been no interest in a lease rate of \$1.00 per square foot. He suggested the sales comparison approach was not valid in the current market and the income approach was the only way to look at the subject's value.

Member Horan said he was comfortable with the appraiser's weighting of the income and the sales approaches. Chairman Covert indicated he was not so comfortable with it and suggested \$37,000 was a token reduction.

With regard to Parcel No. 163-170-03, 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 carried on a 4-1 vote with Chairman Covert voting "no," it was ordered that the taxable land value be upheld and and the taxable improvement value be reduced to \$265,500 (for obsolescence), resulting in a total taxable value of \$390,500 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.

10-0699E PARCEL NO. 163-072-16 – HUMBOLDT LLC –
HEARING NO. 10-0760

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 9598 Prototype Court, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property information, 2 pages.

Assessor

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

Exhibit II: Appraisal record card, 1 page.

On behalf of the Petitioner and having been previously sworn, Charles Christiansen and Lance Faulstich were present to offer testimony.

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

Mr. Faulstich indicated the subject's taxable value had increased by about \$25,000 from the previous year, although no improvements were made to the building. He noted rent concessions had been granted to both of the tenants because of market pressure. He requested a total value of \$637,000 using the income approach and referred to the list of market rents provided in Exhibit A.

Appraiser Stockton reviewed the features of the subject property. He stated the Petitioner had not provided the actual lease and expense information for the subject property. He noted the comparable sales shown in Exhibit I ranged in value from \$132 to \$314 per square foot. He attributed the wide range of values to differences in use and lease conditions. He identified IS-1 as most similar to the subject. He indicated the income approach produced a value of \$693,636 or \$125 per square foot, although more weight was given to the comparable sales. Chairman Covert observed the income approaches used by the Petitioner and the Assessor resulted in similar values if the capitalization rate was changed.

Appraiser Stockton wondered what the subject's actual rent roll was and suggested a 20 percent vacancy rate was not appropriate because the building was fully occupied. Mr. Christiansen noted the Assessor's calculation allowed a 25 percent vacancy rate. Appraiser Stockton stated that was the standard analysis used for all properties. Chairman Covert pointed out the bottom line numbers were similar. Mr. Faulstich indicated tenants came to the market more frequently because of the economic conditions. He said the tenants' lease terms would be coming to an end and their lease terms would probably require adjustment to a market rent of approximately \$1.00 per square foot. Chairman Covert suggested that was an issue for a future hearing because the changes had not happened yet. Mr. Faulstich remarked that lease concessions had already been given to address the current market conditions.

Member Horan asked about the increase from the previous year's improvement value. Appraiser Stockton explained the Assessor's Office had done quality control checks to see if their records reflected actual site improvements. He said he did not have the specific adjustments for the subject property in front of him. Member Horan requested he obtain the information to answer the Petitioner's objection.

9:47 a.m. Chairman Covert declared a brief recess to allow the Assessor's Office to retrieve the requested information.

9:54 a.m. The Board reconvened with all members present.

Rigo Lopez, Senior Appraiser, referred to notations on the appraisal record card that were made during the appraiser's site visit (Exhibit II). Appraiser Stockton explained the subject's exterior walls were changed from 100 percent stud stucco to 75 percent stud stucco and 25 percent stone veneer. Chairman Covert asked the Petitioner if that represented the building correctly. Mr. Faulstich indicated stone veneer was correct but the walls had always been that way. Chairman Covert reiterated that the Assessor's Office was correcting its records. Appraiser Stockton stated 15 yard improvements were added, as noted under the special features section of the appraisal card. He said yard improvements could include items such as trees and sprinkler systems. Chairman Covert asked the Petitioner what kind of landscaping was in place. Mr. Faulstich pointed out the landscaping had not changed since the building was constructed.

Mr. Faulstich disagreed with the use of an industrial manufacturing building (IS-3) as a comparable for the subject. He noted buildings were being taken back by the banks on a daily basis. Chairman Covert asked if IS-3 was bank owned. Appraiser Stockton said it was not. He noted IS-3 was an office building with an unfinished area (about 60 percent) that he thought was being used for light assembly. He stated the record might have to be rechecked during a site visit but there was no heavy industrial machinery in the building. Chairman Covert wondered if such a use resulted in a lower price per square foot. Appraiser Stockton explained a large portion of the building did not have high interior office finish. Member Horan asked if the appraiser's statement meant IS-3 was not a valid comparison. Appraiser Stockton stated IS-3 was 100 percent valid as a comparison but he was not sure if the occupancy designation for industrial manufacturing was accurate.

Chairman Covert suggested the Petitioner provide future lease adjustments directly to the Assessor's Office so they could be taken into account before the 2011-12 tax roll was finalized. Mr. Faulstich wondered if that made the information accessible to the public. Appraiser Stockton explained there was a statute that allowed taxpayers to request confidentiality. Chairman Covert pointed out that information presented to the Board of Equalization at a public hearing was not confidential.

With regard to Parcel No. 163-072-16, 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 Woodland, 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.

Appraiser Lopez commented that November was a good time each year for taxpayers to come in and talk to the Assessor's Office because reappraisals were completed but adjustments could still be made based on additional income or sales information.

10-0700E PARCEL NO. 163-120-03 – GREAT BASIN FED CREDIT UNION – HEARING NO. 10-0270

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 9770 South Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property information, 8 pages.

Assessor

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

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

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

Mr. Terrasas described the features of the owner occupied subject property. He reviewed the income analysis and assumptions provided on page 2 of Exhibit A. He agreed with the Assessor that 50 percent of the building was used for office space and 50 percent for credit union space. He noted the Assessor's Office put 100 percent of their weight on a market approach (comparable sales) and did not use the income approach to value.

Mr. Terrasas presented comparables for two office buildings provided on page 4 of Exhibit A. He pointed out a price per gross building area (GBA) of \$73.58 for the Children's Cabinet building (P-IS1) in October 2009 and \$98.37 for the Landmark building (P-IS2) in December 2009. He indicated the prices on the Petitioner's comparables were dramatically lower than Assessor's comparable IS-3 that sold in June 2009. He stated the data showed downward movement in the market. He described the subject as an average building, P-IS2 as high end, and P-IS1 as lower than average. He reasoned the value for the office portion of the subject property fell between the Petitioner's two comparables at \$486,246 or \$85.97 GBA. He observed the result was within \$10,000 of the income approach on the office space and indicated he was comfortable with the market approach for the office portion of the subject property.

Mr. Terrasas stated the sales comparison approach was inefficient for the bank portion of the subject property because no bank buildings were sold in the south Reno submarket. He pointed out the bank buildings labeled IS-1 and IS-2 in Assessor's Exhibit I were not quality comparables because they were in the Sparks submarket, their smaller square footage resulted in a higher GBA, and they were newer buildings. He said there was a pioneering business element in the Los Altos Parkway area of Sparks that added value and probably affected the sales prices a little bit.

Based on reasonable market assumptions, Mr. Terrasas indicated the income approach was more accurate for the percentage of the building used as a bank. He stated the owner's opinion of value was \$1,548,888 based on his analysis. He agreed with the Assessor's analysis for the subject's land value. He requested a reduction of \$452,000 on the subject's taxable improvement value.

Chairman Covert asked the Assessor's Office to address why the income approach was not used and why the Assessor's comparable sales resulted in a considerably different value when compared with the Petitioner's comparables.

Appraiser Stockton reviewed the comparable sales provided in Exhibit I and ranging from \$266 to \$515 per square foot. He indicated the sales prices for IS-1 and IS-2 reflected the additional improvements required in a bank building. He stated the office building comparable IS-3 was considered a high indicator of value for the subject. He noted lease rates for banks were difficult to find and he was not sure what market rents to use for an income approach.

Chairman Covert asked what he thought of the Petitioner's approach to value. Appraiser Stockton observed he had not seen the Petitioner's information prior to the hearing. He said \$0.95 per square foot per month was a little bit low for market rents on office space, and rents of \$1.00 were typically seen only for short-term leases. He suggested 8 percent for operating expenses was also a little low, although possible if the leases were on a triple net basis. He pointed out the Assessor's Office was using a capitalization rate of 8 percent for office buildings, as opposed to the 9 percent rate used by the Petitioner.

Chairman Covert wondered if a bank was considered a specialized use of an office building. Appraiser Stockton replied that it was. Member Horan asked if *Marshall and Swift* had specific improvement costs for a bank building. Ron Sauer, Chief Appraiser, indicated the improvement costs were higher and offered to get more specific information. Appraiser Stockton noted later in the meeting that the *Marshall and Swift* costs for a bank building were approximately 47 percent higher per square foot than the costs for an office building.

Member Krolick asked how much value was attributed to the high visibility enjoyed by the subject building. Appraiser Stockton agreed the subject had great visibility but said no adjustments were made on that basis.

Member Horan asked the Assessor's Office to comment on the Petitioner's comparables. Appraiser Stockton said he was very familiar with P-IS2. He suggested the market value had been discounted at sale because the building was bought out of receivership with a 60 percent vacancy rate. He indicated it was a beautiful building but there was a lot of risk associated with it in the current market. He identified P-IS1 as an owner-user purchase and said he believed the building had a high vacancy rate when purchased. He pointed out the building was significantly older than the subject, with a slightly lower quality class and a very different location. Appraiser Stockton observed there was a new sale recorded in January 2010 for the Colonial Bank building at 2330 South Virginia Street. He stated the building was partial bank and partial office space, built in 1973, quality class 2, and sold for \$2.1 million or about \$115 per square foot. He cautioned the sale had not yet been verified by the Assessor and acknowledged it took place after the Board's cut-off date of December 31, 2009.

Mr. Terrasas pointed out the 60 percent vacancy rate for P-IS2 was representative of the current market and there was no indication that vacancy rates or property values were going to get better. He disagreed with any assumption that the sale represented an atypical market situation or that the market downturn would correct quickly. He agreed P-IS1 was an owner-user purchase and a lower quality building but emphasized he placed the subject's value between the two comparables rather than assuming the lower value. He pointed out the January 2010 sale referenced by the Assessor's Office was not part of the data package submitted for the hearing. Chairman Covert stated the Board did not recognize sales after December 31, 2009.

Mr. Terrasas said the subject property's visibility was counterbalanced by difficult access into the commerce center where it was located. Chairman Covert asked if an adjustment was normally given for difficult access. Appraiser Stockton stated there were no adjustments on the subject for access or visibility.

Member Brown questioned whether the Petitioner held firm on the assumption of a \$0.95 per square foot per month rental rate in the income approach calculation. Mr. Terrasas stated it was a low expense assumption. He observed there was probably some room for movement but the assumption was logical based on the total data.

Member Krolick suggested a 5 to 10 percent adjustment for obsolescence because of the lack of comparable sales. Chairman Covert agreed that valuation was difficult for both the Petitioner and the Assessor because of the lack of hard data. Member Horan said he would support a 5 percent reduction, which would result in a total taxable value of \$1.9 million.

With regard to Parcel No. 163-120-03, 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 Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$1,534,100 (for obsolescence), resulting in a total taxable value of \$1,900,000 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.

10:38 a.m. Chairman Covert declared a brief recess.

10:50 a.m. The Board reconvened with all members present.

10-0701E **PARCEL NO. 142-230-10 – RADOW, KELLEY –**
HEARING NO. 10-0298

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 16520 Wedge Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 3 pages.

Exhibit B: Supporting documentation, 6 pages.

Assessor

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

Exhibit II: Comparable leasing information, 2 pages.

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

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

Mr. Radow suggested it had been well established by previous petitioners that comparable sales were challenged data because of the lack of credible comparable sales. He noted two of the three comparable sales provided in Assessor's Exhibit I were beyond the fiscal year under consideration. He stated IS-1 was a medical office with little relevance to the subject property. He reviewed the comparable sales provided on page 1 of Exhibit B. He said he provided all sales of commercial office buildings for the 2008-09 fiscal year because of the scarcity of good comparable sales. He indicated the sales suggested a total value of \$127 per square foot or \$197,000 for the subject property. Mr. Radow stated a further reduction in value was indicated by the continuing downward trend in data beyond June 1, 2009. He pointed out the subject building was not owner occupied. He outlined the lease rates for the building's two tenants and reviewed the income analysis information shown on page 3 of Exhibit B. He noted most of the maintenance expenses were wrapped into the association fees. He used a 10 percent capitalization rate to arrive at an improvement value of \$65,000. He stated the short-term leases warranted a 14 percent discount on the value, as supported by the Property

Inspection Report shown on pages 5 and 6 of Exhibit B. He pointed out he met with the Assessor's Office prior to the hearing to present his information. He requested a value of \$56,000 for the subject property based on the income approach in a market where comparable sales were few and far between.

Chairman Covert asked if the Assessor's Office was made aware that the subject was not an owner occupied building. Appraiser Churchfield indicated the Secretary of State's website listed Jules and Marsha Radow as the owners of the tenant's business, Roxi Spice. He stated the tenant was either a relative of the owner or the building was owner occupied, but he did not know what the relationship was. Chairman Covert wondered about Creative Dimensions, the second tenant. Appraiser Churchfield noted Creative Dimensions was on the smaller end of the lease. Chairman Covert questioned whether that would make the building entirely owner occupied. Appraiser Churchfield said it was partially owner occupied, although his presentation did not reflect that.

Appraiser Churchfield indicated some of the buildings included in the Petitioner's list of commercial comparables were built as early as 1926 and 1921. He noted one comparable was a transfer back to bank ownership rather than a true sale. He stated the Petitioner's analysis was not an accurate perspective of the sales comparison approach. He reviewed the sales comparables provided by the Assessor in Exhibit I and said the most emphasis was placed on IS-1. He pointed out the subject's total taxable value of \$181 per square foot was more than supported by the comparable sales approach. With respect to the income approach, he observed there was confusion as to whether the Roxi Spice lease represented a valid market rent. Chairman Covert commented it was necessary to look at the lease in order to make a determination as to whether it was arm's length. Appraiser Churchfield noted the rate of \$0.84 per square foot per month was the lowest lease he had seen for office space. Chairman Covert asked what sources he had looked at. Appraiser Churchfield said he used the Colliers inventory. He indicated the average rental rate used by the Assessor for Area One reappraisals was \$1.62 per square foot. He referred to Exhibit II, which showed two leases offered for space in the same center as the subject. He noted one was offered at \$2.00 per square foot for a triple net lease and the other at \$1.55 per square foot for a modified gross lease. He stated a value of \$290,258 resulted when those rates were applied to the income approach. He pointed out the value was very close to the subject's \$281,656 total taxable value. He explained the use of comparable sales after June 30, 2009 was the Assessor's attempt to find a lower value.

Mr. Radow stated there were four similar buildings in the Wedge Parkway Professional Center that each had about 7,000 square feet and were broken into various size parcels and office suites. He referenced page 4 of Exhibit B, which showed a gross lease rate of \$0.96 per square foot in one of the buildings that had no affiliation with the Petitioner. He noted the lease was entered on October 1, 2009. He indicated the owner of another neighboring building was asking \$1.25 per square foot and was willing to accept just about anything. He noted the space shown in Exhibit II at \$1.55 per square foot had been vacant for over three years. He indicated the lease to Western Color Print that was

shown at \$1.76 per square foot in Exhibit B was due to expire at the end of 2010 and was unlikely to be reentered at that rate. He outlined the lease rates and terms for several buildings located on Wedge Parkway to illustrate that \$1.00 per square foot was the going rental rate. Mr. Radow disagreed with the Assessor's use of a medical building as a comparable sale. He noted buyers often took the income producing aspect of a building into account and suggested all of the facts were not known. He said the Assessor was "cherry picking" the high value comparables and the comparables were not credible given the income producing valuations, the leases, the trends in lease rates, and the surrounding lease rates.

Member Horan asked the Assessor's Office to comment. Appraiser Churchfield stated IS-1, which was given the most weight in comparison to the subject, was not a medical building but was leased to a law firm. He indicated he had been through the building. He said the Assessor's Office was not cherry picking the comparables but was trying to find the most comparable sales. He pointed out he could not compare an office built in 1912 to the subject building that was built in 2004. He indicated the Assessor's comparables were more representative of the subject in terms of year built and type of construction. He noted two of the comparables were taken from the South Meadows market, which he considered to be very comparable to the Wedge Parkway area. Chairman Covert asked if there was any medical or specialty uses among any of the Assessor's comparables. Appraiser Churchfield acknowledged IS-3 was a medical building. He emphasized the most weight was given to IS-1. He observed IS-3 was a chiropractic office that probably did not have a lot of medical build-out.

Member Horan asked if the location of the subject property would be considered less desirable than the comparables. Appraiser Churchfield said the area was similar to the Caughlin Ranch office park in that the occupants chose office space close to their homes. Member Horan stated he would not compare Wedge Parkway to Caughlin Ranch. Appraiser Churchfield indicated he had not used comparables from Caughlin Ranch. Member Horan observed people were more likely to go to the South Meadows area than to Wedge Parkway where the subject property was located. Appraiser Churchfield acknowledged South Meadows was more extensively built out than Wedge Parkway. Member Horan said Wedge Parkway was probably not going to be built out and there might be some consideration based on that.

Given the current marketplace, Mr. Radow noted the subject's value would drive toward the middle range of low value comparables if the outliers were thrown out. He said he looked at the entirety of the market comparables to try to come up with something reasonable.

Appraiser Churchfield stated the Assessor had sales to support a capitalization rate of 8 percent but he did not see any support for the 10 percent capitalization rate used in the Petitioner's income approach.

Chairman Covert said he did not believe the Petitioner's income approach was based on arm's length rental rates and he also believed the Assessor's rental rate of

\$1.55 per square foot was a little high. He indicated he would be amenable to a \$47,078 reduction based on a rental rate of \$1.25 per square foot per month. Member Horan agreed he could support such a downward adjustment.

With regard to Parcel No. 142-230-10, 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 \$169,978 (for obsolescence), resulting in a total taxable value of \$234,578 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.

**10-0702E PARCEL NO. 142-230-13 – JAGR INVESTMENTS II LLC –
HEARING NO. 10-0299**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 16580 Wedge Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 3 pages.

Exhibit B: Supporting documentation, 6 pages.

Assessor

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

Exhibit II: Comparable leasing information, 2 pages.

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

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

Mr. Radow indicated the arguments for the subject property were similar to those in previous Hearing No. 10-0298 (see discussion under 10-0701E above). Based on the comparable sales and income analysis provided in Exhibit B, he said a value greater than \$479,000 was hard to justify for the subject property.

Appraiser Churchfield reviewed the comparable sales provided in Exhibit I. He indicated the lease rates on IS-1 and IS-2 were \$1.50 and \$1.75 per square foot respectively. He said the most weight was given to IS-1. He pointed out the application of an 8 percent capitalization rate to the Petitioner's income approach calculation supported the total taxable value on the subject property. He noted the market trends toward short-

term leases would be reflected in values for the 2011-12 tax year. He stated he had not discounted the subject's taxable value based on a short-term lease and did not know how the discount factored in.

Mr. Radow emphasized buyers were not seeing 8 percent capitalization rates in the marketplace. He observed the short-term leases made the office buildings unmarketable and was driving capitalization rates closer to 12 percent. He suggested 10 percent was a very fair capitalization rate. He read from the Property Inspection Report on page 6 of Exhibit B, which identified different ranges for rates on short-term versus five-year leases. He explained he used the 14 percent difference to apply a discount in his income approach calculation.

Consistent with the previous Hearing No. 10-0298, Chairman Covert calculated a taxable value based on a rental rate of \$1.25 per square foot and a capitalization rate of 8 percent. He stated the Assessor's total taxable value was not very far off, even if a 10 percent discount was allowed for the short-term lease. Member Horan said he was in favor of supporting the Assessor's value. He pointed out the Petitioner had a lease in place at \$1.76 per square foot for the balance of the year.

With regard to Parcel No. 142-230-13, 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.

10-0703E PARCEL NO. 013-331-08 – AIRPORT PROPERTIES LP –
HEARING NO. 10-0097

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 1201 Terminal Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 3 pages.

Exhibit B: Taxpayer's hearing statement, 10 pages.

Exhibit C: Letter dated 2/11/2010 to Washoe County Assessor, 3 pages.

Exhibit D: Taxpayer's affidavit, 2 pages.

Exhibit E: Charts of assessed and taxable values, 1 page.

Assessor

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

On behalf of the Petitioner, Thomas J. Hall and Claude Gaubert were sworn in by Chief Deputy Clerk Nancy Parent.

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

Member Krolick disclosed that his company had recently hired Thomas Hall for representation in a real estate matter, although he did not believe it would impact his decision on the petition before the Board. Herb Kaplan, Deputy District Attorney, said Member Krolick could continue if he felt his decision would not be affected.

Mr. Hall referred to Exhibit C, which contained four years of combined income and expenses for the subject property and a neighboring property that was also owned by the Petitioner (see Hearing No. 10-0098 under item 10-0704E below). He noted there had been a 47 percent decline in rents over a four-year period, although the property taxes showed a moderate increase over the same period. He pointed out the two properties had negative net income in 2008 and 2009. He stated there had been a vacancy rate of 47 percent in 2009 and no improvement was expected in the future. He requested a 40 percent reduction in the Assessor's taxable values. He disagreed with the notation in Assessor's Exhibit I that no financial information was provided by the Petitioner, and said the information was hand delivered on February 11, 2010. He observed the Assessor used a 20 percent vacancy rate in their income approach, although the actual vacancy was double that amount. He indicated the Petitioner was reluctant to provide the actual rent roll because it would not remain confidential, and said Mr. Gaubert could testify that the actual rents were in the range of \$1.00 to \$1.10 per square foot per month.

11:38 a.m. Member Woodland temporarily left the meeting.

Rigo Lopez, Senior Appraiser, pointed out the increase in the Petitioner's taxes over the last four years was a function of the property tax cap implemented by the State Legislature. He noted the Petitioner's taxable values had been reduced from the 2009-10 to the 2010-11 tax years.

Appraiser Gonzales stated the Assessor's evidence packet had already been completed by the time the Petitioner's financial information was received. He reviewed the features, comparable sales, and range of values associated with the subject property and shown on page 1 of Exhibit I. He indicated statistical data from the market was used in the income approach shown on page 2 of Exhibit I. He noted the Assessor's income approach included a 20 percent vacancy rate, a rental rate of \$1.00 per square foot, and an 8 percent capitalization rate (based on sales analysis). He pointed out he was not able to use the financial information provided by the Petitioner because it combined the two buildings and it was necessary for him to differentiate between them. Appraiser Gonzales said his research found that the subject property at 1201 Terminal Way currently had nine suites listed for lease through Stark and Associates, which was equivalent to a 28 percent vacancy rate. He noted the building owned by the Petitioner at

1281 Terminal Way had 12 suites available, which was equivalent to a 39 percent vacancy rate. He indicated both buildings were listed at a rate of \$1.35 per square foot. Based on the information from Stark and Associates, he arrived at a value of \$83.30 per square foot. He indicated data supported the total taxable value of \$60.56 per square foot and recommended the Assessor's values be upheld.

Member Horan asked if the Assessor's Office had any issues with the operating expenses submitted by the Petitioner. Appraiser Gonzales indicated he could not use them because the two buildings were grouped together. He noted the salaries, administrative expenses, and repair/replacement/landscaping expenses appeared to be high but he was not sure if the amounts included capital reserves. Chairman Covert asked if there was anything about the subject's landscaping that would require high-end maintenance. Appraiser Gonzales observed the subject did not have a lot of landscaping.

Member Brown questioned what vacancy rate the Assessor's Office used based on the new information. Appraiser Gonzales said he used a 28 percent vacancy rate based on the data from Stark and Associates.

Mr. Hall noted the carpets were replaced throughout the building, which increased expenses in the repair/replacement/landscaping category. He commented that some of the subject's office suites were vacant and some were expected to become vacant. He said the Petitioner stood behind an effective vacancy rate of 47 percent. He requested a 20 percent discount from the Assessor's total taxable value on both of the Petitioner's buildings because of the economic decline.

11:52 a.m. Member Woodland returned to the meeting.

Chairman Covert noted an income approach calculation that used a 30 percent vacancy rate along with the Assessor's assumptions produced a total value of \$1,239,813 or \$42.50 per square foot. He commented that the resulting reduction of \$526,703 might be a little bit high based on the information presented. Member Horan wondered about the sales comparisons. Chairman Covert indicated the income approach alone probably took the value too low. Member Woodland suggested reducing the taxable improvement value to \$1 million. Chairman Covert agreed the application of \$217,616 in obsolescence was reasonable to split the difference.

With regard to Parcel No. 013-331-08, 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 on a 4-0 vote with Member Woodland abstaining, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$1,000,000 (for obsolescence), resulting in a total taxable value of \$1,548,900 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.

10-0704E PARCEL NO. 013-331-09 – AIRPORT PROPERTIES, LP –
HEARING NO. 10-0098

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 1281 Terminal Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 3 pages.

Exhibit B: Taxpayer's hearing statement, 10 pages.

Exhibit C: Letter dated 2/11/2010 to Washoe County Assessor, 3 pages.

Exhibit D: Taxpayer's affidavit, 2 pages.

Exhibit E: Charts of assessed and taxable values, 1 page.

Assessor

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

On behalf of the Petitioner and having been previously sworn, Thomas J. Hall and Claude Gaubert were present to offer testimony.

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

Chairman Covert asked if the arguments for the subject property were the same as those for previous Hearing No. 10-0097 (see discussion under item 10-0703E above). Appraiser Gonzales pointed out the only difference would be the data related to the vacancy rate from Stark and Associates.

Chairman Covert recommended the two properties be equalized at \$53.10 per square foot. Member Horan suggested applying \$209,533 in obsolescence to decrease the subject's taxable improvement value to \$1 million. Mr. Hall agreed the Board was on the right track.

With regard to Parcel No. 013-331-09, 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 Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$1,000,000 (for obsolescence), resulting in a total taxable value of \$1,522,700 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.

10-0705E PARCEL NO. 160-853-10 – DOOLITTLE INVESTORS LLC –
HEARING NO. 10-0393

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 10587 Professional Circle, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Summary of Salient Facts and Conclusions, 69 pages.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He noted the Assessor had a recommendation to reduce the value but the Petitioner was not in agreement.

Mr. Hughes indicated a professional appraisal placed the subject property's value at \$1 million or \$127 per square foot in November 2009. Based on his review of the Assessor's recommendation in Exhibit I, he said it appeared some comparables were omitted by the professional appraiser. He reviewed comparable IS-1, shown on page 1 of Exhibit I, and stated it was a good comparable for the subject property. He pointed out the Assessor's income approach resulted in a value of \$770,000 or \$97.50 per square foot.

Chairman Covert asked if the Petitioner thought the assumptions in the Assessor's income approach were reasonable. Mr. Hughes noted 75 percent of the subject's office space was currently leased under terms that were agreed to at the top of the market. He indicated two of the tenants had the ability to terminate their leases near the end of 2010 and the scenarios in the Assessor's income approach would be overly optimistic after that occurred.

Appraiser Stockton reviewed the features of the subject property. He stated the Petitioner was reporting a 24 percent vacancy rate and the current contract rents exceeded current market rents. He observed the comparable sales provided in Exhibit I suggested a value range of \$132 to \$215 per square foot. He attributed the wide range of values to the interior finish of IS-2, which was not an office condominium and had approximately one-half of the building finished as warehouse space. He noted IS-2 was consequently considered a low indicator of value. Chairman Covert wondered if the

statement also applied to IS-1. Appraiser Stockton said it did not and identified IS-1 as a fully finished office building. Using market assumptions for the subject property, he arrived at a total value of \$770,250 based on the income approach. He pointed out the income analysis was a low representation of the subject's value because the market assumptions did not reflect what was actually occurring. He noted the professional appraisal submitted in Exhibit A relied completely on the income approach and gave no weight to sales comparisons. Appraiser Stockton recommended the application of \$58,210 in obsolescence to the taxable improvement value, which would reduce the subject's total value to \$140 per square foot.

Appraiser Stockton referenced the list of comparable sales provided by the Petitioner on page 45 of Exhibit A. He noted Listing 10 on Prototype Court was owned by the bank. He believed Listing 11 was in a shell-like condition, although he had not personally looked at the property. Excluding the listings, he observed the sales ranged from \$181 to \$300 per square foot. He reviewed the lease analysis for the subject property shown on page 65 of Exhibit A, which reflected about \$2.10 per square foot on a modified gross lease for most of the office spaces. He agreed the lease expiring in November 2010 was likely to be renegotiated by the tenant at a substantially reduced rate. He said it was his opinion the comparable sales in the Petitioner's appraisal and the comparable sales provided by the Assessor both supported the Assessor's recommendation. He indicated he had not run the income approach calculation using \$2.10 per square foot, but suggested it would also support the Assessor's recommended values.

Chairman Covert observed the Assessor gave more weight to the comparable sales than to the income approach. He wondered if it had been determined that IS-2 was not comparable to the subject. Appraiser Stockton said he believed IS-2 was the best comparable. He noted IS-3 was a medical office building and carried less weight.

Mr. Hughes pointed out that Mr. Stockton's testimony identified IS-2 and IS-3 as low value comparables. He suggested \$1 million was a fair value if the two comparables were substantially invalid. He referenced three comparable properties that sold in 2009, shown in the professional appraisal on page 4 of Exhibit A. He stated 2009 had been a slow year for office sales transactions, it was hard to get an accurate comparable, and many properties were distressed. He said IS-3 was unquestionably a medical office. Based on the sales comparables, he stated \$127 per square foot was a fair value for the subject property.

Chairman Covert said he had done some calculations to split the difference between some of the assumptions and arrived at a value of \$139.87 per square foot. He was in favor of upholding the Assessor's recommendation.

With regard to Parcel No. 160-853-10, 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 \$790,000 (for obsolescence), resulting in a total taxable value of \$1,106,000 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.

10-0706E PARCEL NO. 160-070-25 – AIC RENO INVESTORS LLC –
HEARING NO. 10-0782

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 10375 Professional Circle, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable Sales, 3 pages

Exhibit B: Photographs and supporting documentation, 9 pages.

Assessor

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

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

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

Ms. Ashby stated Employers Insurance Company of Nevada was the single tenant of the subject property under a triple net lease that was signed at the top of the market in 2007. She indicated the subject was assessed higher than it should be based on the comparables provided by the Assessor in Exhibit I. As noted under the Assessor's recommendations, she pointed out no income analysis had been completed. She acknowledged it was hard to find comparables for the subject's particular scenario. She stated Employers Insurance signed a ten-year lease with Tanamera in 2007 and the property was subsequently turned over to the current owner, an investment company out of San Francisco known as AIC. Ms. Ashby observed the subject property was shown in Exhibit I as improved sale comparable IS-1. She indicated it was not a good comparable because the sale took place at the top of market in 2007 under an investment company scenario. Chairman Covert noted the Board did not place much weight on sales that occurred before 2009 but they were looked at as an indicator if there was not enough other information. Based on market analysis, Ms. Ashby observed sales of comparable buildings within the subject's size range and area were very hard to come by. She referenced the comparables provided by the Petitioner in Exhibit A, which included the Whole Foods property on South Virginia Street and a high-end property on Damonte Ranch Parkway. She acknowledged the Damonte Ranch property was a distressed sale

and noted it had been listed for lease or sale for over a year with Sperry Van Ness. She said there was risk in terms of the commissions and tenant improvements that would be required to put a tenant into the Damonte Ranch building. She indicated her Internet research showed that Assessor's comparable IS-3 at 902 East Second Street was possibly a medical office building that would have higher levels of improvements than the subject's general office use. She referred to the pictures of the subject submitted in Exhibit B. She noted the interior was primarily open work space with exterior private office space. She described it as a class A office building with improvements that were not over the top. She characterized the building on Damonte Ranch Parkway as more of a class A plus building, with high-end finishes, fireplaces and balconies.

Appraiser Stockton described the features of the subject property, which was fully occupied by a single tenant under a triple net lease at \$1.90 per square foot for ten years. He stated the subject property was its own best comparable and was shown as IS-1 in Exhibit I. He indicated the subject was purchased in August 2008 for \$257 per square foot. He pointed out he had not done an income approach because the buyer purchased property along with its very favorable lease. He recommended the Assessor's values be upheld.

Chairman Covert requested clarification on IS-3. Appraiser Stockton said he had not visited the property. Chairman Covert asked about its age. Appraiser Stockton said it was built in 1987. Member Horan wondered about the building's utilization. Following some discussion, Appraiser Stockton indicated there was apparently a lot of medical office space in the building.

Ms. Ashby remarked that Employers Insurance Company was shooting themselves in the foot by being a good tenant. She observed IS-3 was a medical building with a pharmacy inside its walls. Chairman Covert pointed out IS-3 enjoyed 20 years worth of depreciation that the subject did not have because it was a newer building. Ms. Ashby requested a 10 to 15 percent reduction on the subject property's value.

Chairman Covert said the Board's hands were tied. Member Krolick agreed that the triple net lease on the subject property was a double-edged sword.

With regard to Parcel No. 160-070-25, 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 Woodland, 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.

10-0707E PARCEL NO. 162-010-26 – SOUTH RENO MEDICAL PLAZA LLC
– HEARING NO. 10-0058

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 15 McCabe Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Cash flow statement and rent roll, 2 pages.

Assessor

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

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

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

12:37 p.m. Chairman Covert declared a brief recess so that copies of Petitioner's Exhibit A could be made for the Board.

12:45 p.m. The Board reconvened with all members present.

Dr. Cassani indicated he was one of six owners representing the subject property. He requested a reduction in taxable value based on two approaches: the net income approach and the sales comparison approach.

Based on the subject property's actual net income of \$128,000 (see Exhibit A) and an 8 percent capitalization rate, Dr. Cassani used the income approach to arrive at a value of \$1.6 million. He pointed out the Assessor's income approach used market assumptions and produced a value of \$2.459 million. He calculated a value of \$2.7 million using the subject's actual rent rolls of \$30,520 per month and an actual vacancy rate of 7 percent. He noted one of the property owners was currently in bankruptcy and had been given a short-term rent reduction. He said it was not yet clear if that owner would continue to occupy space in the building. He stated an average of the three income approach calculations would result in about a 45 percent reduction in total taxable value.

Dr. Cassani referenced the improved sale comparables shown by the Assessor on page 1 of Exhibit I. He indicated IS-1 was a building immediately adjacent to the subject property that was sold by him and his partner in 2008. He stated IS-1 was appraised at the time of the sale with a capitalization rate of 6.5 percent. Based on the

change in market conditions since that time, he reasoned that a more conservative capitalization rate of 8 percent would reduce the taxable value by 23 percent and a 9 percent capitalization rate would reduce it by 38 percent. He said an average of the two reductions would produce a value of \$148 per square foot, which was the same taxable value shown for IS-2 and IS-3. He pointed out a comparable value of \$148 per square foot amounted to a 21 percent reduction in the taxable value of the subject property.

According to his Grubb and Ellis real estate agent, Dr. Cassani noted the average reduction in real estate values was somewhere between 30 and 40 percent. He pointed out market vacancy rates were running between 20 and 25 percent, as shown in Assessor's Exhibit I. He indicated physician revenue was going down drastically secondary to the recession and Medicare planned to decrease reimbursement by 21.2 percent on March 1, 2010. He stated most of the subject property's tenants were physicians or dentists, and a number of them were requesting rent reductions. He indicated the residential taxable values in the South Meadows area had already been decreased by 15 percent. Dr. Cassani pointed out he purchased the land for the subject property in 2004 at \$10.50 per square foot and the current taxable land value equated to \$11.34 per square foot. He said it was his belief that current land values were substantially less than they had been in 2004.

Appraiser Stockton indicated the actual income, expense and vacancy information for the subject property was not available when the Assessor's presentation was prepared. He reviewed the range of values for the comparable sales on page 1 of Exhibit I. He stated IS-1 was considered the best comparable to the subject and was located adjacent to it. Although the building on IS-1 was significantly smaller than the subject, he noted both properties were used as medical office space and had similar construction. He said the Assessor's income analysis on page 2 of Exhibit I was based on market assumptions and was a low indicator of value for the subject property. He indicated he had gone out and looked at both the subject and IS-1, and it was his feeling the most weight should be given to IS-1. Based on the significant amount of weight given to the sales comparison approach, he stated the subject's taxable value of \$192 per square foot was reasonable.

Chairman Covert asked if the Assessor's Office was inclined to reconsider its recommendation given the information provided by the Petitioner. Appraiser Stockton noted the subject's loan principle and interest were included in the operating expenses shown in Exhibit A. Chairman Covert observed the interest would be included in an income and expense statement but not the principle. Appraiser Stockton explained the interest on the loan was a function of the negotiation between the lender and the borrower. Member Horan wondered if the Assessor's Office ignored the interest because it was not possible to adjust for it on all properties. Appraiser Stockton agreed that was the reasoning. Following some discussion, a value of \$4.6 million was calculated by removing the loan interest and principle from the operating expenses. Dr. Cassani said he had difficulty agreeing with removal of the interest. Chairman Covert stated he had difficulty as well but the Assessor's Office took a different view of it. He observed the subject's value had been placed somewhere between \$3.0 and \$4.6 million.

Dr. Cassani said he felt strongly that the loan interest should be left in as an operating expense, giving a taxable value of \$2.9 million based on the income approach. He noted the Assessor relied primarily on the comparable sales approach based on IS-1, which was the building adjacent to the subject. He reiterated that IS-1 was appraised at a capitalization rate of 6.5 percent in 2008 and he had been told by people in the industry that current capitalization rates were 8 percent or higher. He suggested the application of an 8 percent capitalization rate to IS-1 reduced its value by about 23 percent. He indicated that would place the Assessor's three comparables between \$148 and \$164 per square foot. He said a reduction of about 15 percent in the subject's total taxable value was warranted.

Chairman Covert noted there was about a 10 percent difference in taxable value per square foot between the subject property and IS-1. He asked if the 10 percent difference accurately reflected the market from December 2008 to December 2009. Appraiser Stockton said he wanted to be careful because the total taxable value was a function of the *Marshall and Swift* costs and not just a function of the market.

Chairman Covert said he had done some calculations but could not draw a conclusion one way or the other. Member Horan indicated he understood why the Assessor excluded both the principle and the interest from the income approach calculation. He stated there was no question the bank loan interest was a cost, but it was a function of the investment and not a function of the operation. Based on such reasoning, he noted the income approach came pretty close to the Assessor's valuation.

With regard to Parcel No. 162-010-26, 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 Woodland, 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.

1:05 p.m. Chairman Covert declared a brief recess.

1:46 p.m. The Board reconvened with all members present.

REQUEST TO CONTINUE HEARINGS

Nancy Parent, Chief Deputy Clerk, indicated a request was received from a Petitioner to reschedule hearings from February 23, 2010 to February 26, 2010.

On motion by Chairman Covert, seconded by Member Horan, which motion duly carried, it was ordered that the following hearings be continued to February 26, 2010:

Assessor's Parcel No.	Petitioner	Hearing No.
007-285-13	North River Development LLC	10-0843A
007-285-14	North River Development LLC	10-0843B
007-285-20	North River Development LLC	10-0843C
007-285-21	North River Development LLC	10-0843D

**10-0708E PARCEL NO. 140-213-16 – RYDER-DUDA VENTURES LTD –
HEARING NO. 10-0128**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 985 Damonte Ranch Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 11 pages.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He reviewed the Assessor's recommendation to apply \$3,584,054 in obsolescence to reduce the taxable improvement value. He stated the Petitioner was in agreement with the recommendation. With the reduction, he indicated the total taxable value would not exceed market value.

With regard to Parcel No. 140-213-16, 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, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$3,943,500 (for obsolescence), resulting in a total taxable value of \$5,050,000 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.

**10-0709E PARCEL NO. 160-220-19 – JC ARROW INVESTMENTS LLC –
HEARING NO. 10-0180**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 800 South Meadows Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Profit and loss statement, 1 page.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained it was the Assessor's recommendation to apply \$691,098 in obsolescence to reduce the taxable improvement value. He stated the Petitioner was in agreement with the recommendation. With the reduction, he indicated the total taxable value would not exceed market value.

With regard to Parcel No. 160-220-19, 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 Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$1,620,675 (for obsolescence), resulting in a total taxable value of \$2,302,875 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.

10-0710E PARCEL NO. 031-194-17 – C A V LIMITED PARTNERSHIP – HEARING NO. 10-0258

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 921 Rock Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales and listings, 27 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subjects appraisal records, 15 pages.

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

On behalf of the Assessor and having been previously sworn, Rigo Lopez, Senior Appraiser, oriented the Board as to the location of the subject property. He recommended the Assessor's taxable values be upheld.

Chairman Covert noted the building on the subject property was a 384 square foot house. Appraiser Lopez referenced the map on page 6 of Exhibit I. He explained there was a small single family residence on the property and the remainder of the parcel was used as a parking lot for an office building located on the adjoining parcel. He indicated the subject's mixed use carried a higher value than the Petitioner's comparable sales for single family residential homes. Chairman Covert asked if someone lived in the house. Appraiser Lopez said the building was primarily used for storage.

With regard to Parcel No. 031-194-17, 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 Woodland, 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.

10-0711E PARCEL NO. 163-061-07 – RAHLVES & RAHLVES INC –
HEARING NO. 10-0269

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 9790 Gateway Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subjects 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, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He stated the Petitioner was in agreement with the Assessor's recommendation to apply \$1,172,261 in obsolescence to reduce the taxable improvement value. With the reduction, he indicated the total taxable value would not exceed market value.

With regard to Parcel No. 163-061-07, 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 \$3,286,185 (for obsolescence), resulting in a total taxable value of \$4,687,285 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.

10-0712E PARCEL NO. 164-352-27 – AMP'D GROUP LLC –
HEARING NO. 10-0272

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 3705 Barron 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 subjects 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, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He stated the Petitioner was in agreement with the Assessor's recommendation to apply \$1,227,150 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 164-352-27, 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 and the taxable improvement value be reduced to \$911,322 (for obsolescence), resulting in a total taxable value of \$2,997,422 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.

10-0713E PARCEL NO. 163-090-22 – OLSON, ANDREA H –
HEARING NO. 10-0290

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 8630 Technology Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Commercial Rental Data, 1 page.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained the Petitioner was in agreement with the Assessor's recommendation to apply \$69,881 in obsolescence to reduce the taxable improvement value.

Member Horan asked about the inclusion of sales comparable IS-2, which was an office on the Mount Rose Highway. Appraiser Stockton stated the comparable was similar in size to the subject property and was included because there were limited sales.

With regard to Parcel No. 163-090-22, 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 upheld and the taxable improvement value be reduced to \$738,360 (for obsolescence), resulting in a total taxable value of \$950,560 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.

10-0714E PARCEL NO. 163-090-17 – TECHNOLOGY PROPERTIES LLC – HEARING NO. 10-0394

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 8700 Technology Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subjects 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, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He stated the Petitioner was in agreement with the Assessor's recommendation to apply \$178,461 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 163-090-17, 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 \$545,280 (for obsolescence), resulting in a total taxable value of \$949,480 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.

10-0715E PARCEL NO. 037-331-02 – 175 SALOMON CIRCLE LLC –
HEARING NO. 10-0484

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Financial and lease information, 14 pages.

Exhibit B: Letter and supporting documentation, 15 pages.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Howard Stockton, 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 \$229,094 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 037-331-02, 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 Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$1,734,100 (for obsolescence), resulting in a total taxable value of \$2,150,000 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.

**10-0716E PARCEL NO. 164-411-07 – TANTAU FAMILY TRUST –
HEARING NO. 10-0722**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 5470 Reno Corporate Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income and lease information, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subjects 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, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He said the Petitioner was in agreement with the Assessor's recommendation to apply \$276,783 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 164-411-07, 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 \$1,250,700 (for obsolescence), resulting in a total taxable value of \$1,691,500 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.

**10-0717E PARCEL NO. 164-440-10 – LONGLEY PROFESSIONAL CAMPUS
LLC – HEARING NO. 10-0723**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 5594 Longley 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 subjects 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, Howard Stockton, 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 \$110,590 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 164-440-10, 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 \$270,900 (for obsolescence), resulting in a total taxable value of \$391,300 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.

10-0718E PARCEL NO. 163-061-03 – STARK, KENNETH J & EILENE C –
HEARING NO. 10-0726

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 9855 Double R Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales and photographs, 12 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subjects 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, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He stated the Petitioner was in agreement with the Assessor's recommendation to apply \$580,296 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 163-061-03, 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, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$929,420 (for obsolescence), resulting in a total taxable value of \$1,519,320 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.

**10-0719E PARCEL NO. 163-062-10 – SWIFT MANAGEMENT INC –
HEARING NO. 10-0756**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 500 Double Eagle Court, 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 subjects 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, Howard Stockton, 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 \$698,156 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 163-062-10, 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 \$725,040 (for obsolescence), resulting in a total taxable value of \$1,463,040 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.

**10-0720E PARCEL NO. 026-421-13 – VANGUARD PROPERTY
MANAGEMENT LLC – HEARING NO. 10-0778**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 2105 Capurro Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable listing, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subjects 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, Howard Stockton, 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 \$400,960 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 026-421-13, 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 \$439,300 (for obsolescence), resulting in a total taxable value of \$690,000 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.

10-0721E PARCEL NO. 160-070-16 – RENO TECH 4 LLC ETAL –
HEARING NO. 10-0795

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 10315 Professional Circle, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 29 pages.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He indicated he had been unable to contact the Petitioner to discuss the Assessor's recommendation.

Chairman Covert noted the Petitioner requested a total value of \$7,941,402, which was close to the Assessor's recommended value. Member Horan asked if the rent rolls provided by the Petitioner were used by the Assessor's Office. Appraiser Stockton said he had done an analysis. He stated the Assessor's

recommendation was to apply \$595,299 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 160-070-16, 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 \$6,385,880 (for obsolescence), resulting in a total taxable value of \$8,228,480 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.

10-0722E PARCEL NO. 163-301-02 – PATRICIA FERGUSON ETAL
TRUSTEE – HEARING NO. 10-0954

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 9080 Double Diamond Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice and commercial data, 4 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subjects 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, Howard Stockton, 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 \$31,291 in obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 163-301-02, 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 Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$245,380 (for obsolescence), resulting in a total taxable value of \$274,680 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.

10-0723E **PARCEL NO. 163-291-01 – NEVADA STATE BANK –**
HEARING NO. 10-0960A

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Appraisal report, 131 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subjects 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, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He indicated a private appraisal was received from the Petitioner. He said he attempted to make contact to discuss the Assessor's recommendation but did not hear back from the Petitioner. He stated the Assessor's recommendation was to apply \$39,698 in additional obsolescence to reduce the taxable improvement value.

Member Horan asked if the Assessor's Office reviewed the substantial amount of evidence provided by the Petitioner before making a recommendation. Appraiser Stockton noted the appraisal shown in Exhibit A was taken into account.

With regard to Parcel No. 163-291-01, 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, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$60,000 (for obsolescence), resulting in a total taxable value of \$156,000 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.

10-0724E **PARCEL NO. 163-291-02 – NEVADA STATE BANK –**
HEARING NO. 10-0960B

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Appraisal report, 131 pages.

Assessor

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

Please see the discussion above under Hearing No. 10-0960A, (10-0723E).

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

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained it was the Assessor's recommendation to apply \$34,832 in additional obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 163-291-02, 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 Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$45,000 (for obsolescence), resulting in a total taxable value of \$117,000 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.

**10-0725E PARCEL NO. 163-291-03 – NEVADA STATE BANK –
HEARING NO. 10-0960C**

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Appraisal report, 131 pages.

Assessor

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

Please see the discussion above under Hearing No. 10-0960A, (10-0723E).

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

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

explained it was the Assessor's recommendation to apply \$34,832 in additional obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 163-291-03, 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 \$45,000 (for obsolescence), resulting in a total taxable value of \$117,000 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.

10-0726E PARCEL NO. 163-291-06 – NEVADA STATE BANK –
HEARING NO. 10-0960E

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Appraisal report, 131 pages.

Assessor

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

Please see the discussion above under Hearing No. 10-0960A, (10-0723E).

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

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained it was the Assessor's recommendation to apply \$34,832 in additional obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 163-291-06, 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 \$45,000 (for obsolescence), resulting in a total taxable value of \$117,000 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.

10-0727E PARCEL NO. 163-291-07 – NEVADA STATE BANK –
HEARING NO. 10-0960F

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Appraisal report, 131 pages.

Assessor

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

Please see the discussion above under Hearing No. 10-0960A, (10-0723E).

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

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He explained it was the Assessor's recommendation to apply \$45,158 in additional obsolescence to reduce the taxable improvement value.

With regard to Parcel No. 163-291-07, 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 \$54,540 (for obsolescence), resulting in a total taxable value of \$150,540 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.

10-0728E ROLL CHANGE REQUESTS – RCR 5-1 THROUGH 5-21

Agenda Subject: “DECREASE – consideration of and action to approve or deny RCR No. 5 – TWIN LAKES DR (RCR 501 THROUGH 5-21)”

The following was submitted into evidence by the Assessor:

Exhibit I: Roll Change Request 2010/11, RCR 5-1 through 5-21, Correction to Valuation 361.345, 2 pages.

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, was present to offer testimony.

Chairman Covert observed the Assessor's Office was making a correction. Member Woodland noted the recommendation was to reduce the taxable land values from \$55,000 to \$46,200 for all of the subject properties on the list. Appraiser Stockton indicated that was correct.

Pursuant to NRS 361.345, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the taxable land values be decreased for the 2010-11 tax year, as recommended on Assessor's Roll Change Request Nos. 5-1 through 5-21. With those adjustments, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

10-0728E: ROLL CHANGE REQUESTS		
ASSESSOR'S PARCEL NO.	PROPERTY OWNER	RCR NO.
400-151-05	IRISH GREEN LANDS LLC	5-1
400-151-06	LOMBARDO, NANCY E	5-2
400-151-07	TRUCKEE RIVER PROPERTIES LTD	5-3
400-152-01	STARR, EDWIN A	5-4
400-152-02	DEL'S RENTAL'S INC	5-5
400-161-02	JONES, TERESA	5-6
400-161-04	ADVANCED DISTRIBUTNG & MFG INC	5-7
400-161-05	GREENWOOD, AARON R	5-8
400-162-01	BROCHU, MICHAEL L	5-9
400-162-02	BROCHU, MICHAEL L	5-10
400-162-03	JENSEN, REBECCA	5-11
400-162-04	BROCHU, MICHAEL L & GABRIELA A	5-12
400-162-07	RAKESTRAW, HOWARD	5-13
400-162-09	COOPER, JOAN	5-14
400-162-10	WATSON, TROY A	5-15
400-162-11	CASTELLANOS, JOHN & LISA	5-16
400-162-12	DEL'S RENTALS INC	5-17
400-162-14	COOPER, JOAN	5-18
400-170-05	FRYE, HENRY W & MAGDELENA	5-19
400-170-06	ANDRESEN, JUSTIN ETAL	5-20
400-170-07	CARLIN, JULIE L & CRAIG G	5-21

10-0729E BOARD MEMBER COMMENTS

Member Horan referred to an earlier hearing at which a Petitioner talked about cherry picking comparable sales. He said it was important for the taxpayers to know the Board was an independent body that would not tolerate cherry picking of sales by the Assessor's Office and the Board did not feel the Assessor's Office was doing that. He stated the Petitioner's comments had been unwarranted. Chairman Covert agreed.

Ron Sauer, Chief Appraiser, emphasized that the appraisers were not instructed to uphold the Assessor's values, but to arrive at market value.

10-0730E PUBLIC COMMENT

There was no response to the call for public comment.

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2:30 p.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, 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*