

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

TUESDAY

9:00 A.M.

FEBRUARY 17, 2009

PRESENT:

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

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

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

WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing:

| Assessor's Parcel No. | Petitioner | Hearing No. |
|--------------------------|------------------|-------------------------|
| 15 parcels (residential) | THE PALLADIO LLC | 09-1024 thru 09-1038 |
| 82 parcels | DR HORTON INC | 09-1478A thru 09-1478G3 |
| 130-081-05 | JENKINS, KEVIN | 09-1348 |
| 5 parcels (commercial) | THE PALLADIO LLC | 09-1019 thru 09-1023 |

09-0419E SWEARING IN

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

09-0420E CONSOLIDATION OF HEARINGS

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

09-0421E PARCEL NO. 007-274-31 – STUDIO 3 LIMITED PARTNERSHIP – HEARING NO. 09-1384

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 695 3rd St, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Authorization for representation, 1 page.

Exhibit B: Declaration of restrictive covenants for low income housing tax credits, 13 pages.

Exhibit C: Cap rates for sales, 6 pages.

Exhibit D: Income and expense statement, 2 pages.

Assessor

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

On behalf of the Petitioner, Jim Susa of Bancroft Susa & Galloway was sworn in by Chief Deputy Clerk Nancy Parent.

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

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

Mr. Susa stated the subject property was a low income housing complex located in the Reno area. He noted there were rent restrictions on the use of the property that were not taken into account in the Assessor's valuation, and the comparables used did not have similar restrictions on the use of their properties. He went through the income approach, and compared the "hypothetical" vacancy rate, market rents and cap rate used on page 2 of Exhibit I with the actual data for the subject property provided in Exhibit D. He asserted a willing buyer would never pay based on hypothetical numbers that would never be reached because the property would never really generate the net income used by the Assessor's Office. He referenced a comment under the recommendations in Exhibit I that the owner received favorable financing, income tax credits and other incentives. He acknowledged that to be true, but suggested it was not appropriate to penalize the owner by raising the value of the property beyond what its actual value was. He said he did not believe Nevada law based valuation on the owner's financial capabilities, but rather on the actual performance of the land and improvements. He requested the subject property's total taxable value be reduced to \$7 million.

Appraiser Churchfield stated the valuation of the subject property had been appealed before the County Board in prior years and the State Board upheld its valuation last year. He noted the State Board and prior County Boards viewed the subject property as a fee simple complex operating under normal market conditions. He said the State Board's decision was partially based on the fact that the owner received favorable financing and income tax credits and incentives. He noted the owner of the property also owned the management company that operated the property. He reviewed the income approach to valuation based on the data in Exhibit I, and indicated a cap rate of 7 percent was used because that was what was upheld by the State Board in its 2008-09 decision.

Chairman Covert asked whether the comparables shown in Exhibit I were also rent controlled properties. Appraiser Churchfield indicated they were not. He said the most weight had been given to improved sale IS-1, and its sales price was adjusted upwards to compensate for age and size to obtain a value of \$44,000 per unit. He observed the land sales broke out to a price of \$12,000 to \$13,000 per unit, as compared to the subject's land value equated to \$8,500 per unit. He agreed with Chairman Covert that the only truly comparable sale was IS-1.

Chairman Covert noted the average rents provided by the Petitioner appeared to be quite a bit lower than those used in Exhibit I. Appraiser Churchfield indicated some allowance was made in the expense ratio based on the fact that the owner paid for the utilities. He stated the rents commanded by the subject property were similar to market rents for studio apartments. He acknowledged the analysis did not entirely reflect the difference from market rents and the comparables did not include utilities in their rents. Chairman Covert wondered what was happening in the market on properties like the subject. Appraiser Churchfield noted the market was going down a little bit. Although he could not provide an accurate cap rate, he agreed with Chairman Covert that 10 percent might be reasonable.

Member Green wondered what the 2008-09 taxable value had been. Appraiser Churchfield indicated the 2008-09 total taxable value was \$8,909,079. He attributed the increase in the 2009-10 value to comparable sales. Chairman Covert said he was somewhat uncomfortable that the comparable sales were not low income rent controlled properties. Appraiser Churchfield stated no such sale had been found. He thought IS-1, when adjusted for age, was very comparable because of the size of its units. Chairman Covert noted the sale took place before the market slumped.

Member Green asked about the utilities. Appraiser Churchfield indicated a 60 percent expense factor was used for the subject property because utilities were included in the rent. Member Green wondered what some of the advantages were for someone to build a low rent apartment complex. Appraiser Churchfield stated the owner received an unknown amount up front for building the complex. He noted the owner received very favorable financing at a much lower interest rate, as well as favorable income tax credits. Appraiser Churchfield agreed with Member Green that a future buyer of the property would continue to receive favorable financing, but the up front money would be gone. Member Green said he had a hard time with an increase of more than \$1 million in the 2009-10 value when there was only one truly comparable sale and no rent controlled comparables. Appraiser Churchfield pointed out that vacancy and cap rates in 2008 were not greatly impacted, possibly because many of the people whose homes were foreclosed upon were renting apartments. He reiterated the commercial market was starting to go down in 2009, but it was not yet possible to determine an accurate rate. Member Green asked whether the appraiser felt comfortable with like kind property selling at a 7 percent cap rate. Appraiser Churchfield noted there was a 6.69 median cap rate for 2008 sales, which was lower than the 7 percent used in the subject's valuation.

Mr. Susa referenced Mr. Churchfield's previous comment that the property owner also owned the property management company. He noted there was no suggestion the management fee was any different from what another company would charge. He pointed out market conditions had worsened since the State Board used the 7 percent cap rate, and a higher cap rate was now being called for. He asserted there were no sales of rent controlled properties because investors in a tight market did not buy properties that produced less income. He noted people moving into apartments after foreclosure would not necessarily qualify for rent controlled apartments based on income. He commented the 2008 occupancy rates provided in Exhibit D indicated that people were not flocking to low income apartments.

Mr. Susa read an excerpt from a 2008 decision by the Nevada Supreme Court pertaining to the proper way to use income to determine obsolescence in a property: "if a property's full cash value using the capitalized income method is substantially less than the taxable value assessed without depreciation under NRS 361.227(1), this indicates that a reduction for obsolescence is warranted. In this way, the income that the property generates is used to determine whether the condition of any improvement on the property is decreasing the income that the property would otherwise generate." He noted the Court was not referring to income generated by a hypothetical property, but to actual income generated by a property.

Mr. Susa stated the County and State Boards determined a 2008-09 value of \$8.9 million for the subject property. He commented the trend in market values was going down rather than up, and he reiterated his opinion the property should be valued at approximately \$7 million. He pointed out there was no citation for Mr. Churchfield's testimony as to the possible transfer of tax credits and favorable financing to a future buyer. He indicated he did not know whether anything would transfer or not. He said he did know the Assessor's Office made no account of restrictions on the property, and the restrictions imposed a lower value.

Member Green asked what the rental income limits were. Mr. Susa said the limits were described in Exhibit B. He indicated there was a convoluted two-part test based on comparison to the median income limits contained in federal law. He said governments chose to subsidize the creation of low income units at a number of levels, but the Assessor had established higher values based on what the income from a regular apartment complex would be.

Member Woodland wondered whether the tenants were Section 8 or just low income. Mr. Susa replied there were tenants who qualified in both categories. He noted that some low income rental properties were entirely exempt from property taxes, but the subject property was not "certified" to receive such an exemption.

Member Green observed some of the comparable properties were much older than the subject and would obviously have more obsolescence. He said the investors would not have built the apartments if they did not make money. Based on a net income of \$341,000 and a property value of \$10 million, he estimated approximately 3.5

percent income on the subject property as an investment. He stated the tax advantages must be substantial or people would not make such investments. He noted he had seen the building and it was beautiful. Mr. Susa acknowledged there was a benefit. He disagreed with the logic of the Assessor's Office that the value of the property was higher because of the incentives attached to it. He noted it was not a business venture that was being valued, but the land and improvements that generated a specific amount of income.

Mark Stafford, Senior Appraiser, said he attended the 2008-09 State Board hearing concerning the subject, and clarified the property's value was already at \$8.9 million before the hearing took place. He explained the State Board viewed the property as a fee simple open market operation and made some calculations. On reviewing the minutes from the hearing prior to the preparation of Exhibit I, he noted the State Board was coming up with numbers much higher than the \$8.9 million and realized no adjustment to the value was necessary. Mr. Susa pointed out he attended the State Board hearing as well, although he had not seen the minutes and they had not been provided for the hearing that was currently under consideration. He said the State Board's calculations were sort of all over the map, but at the end of the day they decided a taxable value of \$8.9 million was appropriate for the 2008-09 tax year.

Member Green indicated he did not agree with a value of \$7 million, but would be amenable to a reduction to the subject's 2008-09 value. He did not believe one could compare a building built in 1977 with one built in 2000. He commented it was a nice piece of property and he was sure the community appreciated that the Petitioner put it there, but he was also sure it was put there to make money. As to the management, he said most management companies would charge 8 to 10 percent of the gross and he was certain the owner's company could manage it for less.

Chairman Covert agreed with a reduction to the previous year's value. He stated he would not recommend reducing the land value because the Petitioner had already received benefits from it. Member Brown concurred.

With regard to Parcel No. 007-274-31, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Green, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$6,869,079, resulting in a total taxable value of \$8,909,079 for tax year 2009-10. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**09-0422E PARCEL NO. 011-126-10 – CITY CENTER LTD PTSP – HEARING
NO. 09-1385**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 201 Pine St, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Authorization of representation, 1 page.

Exhibit B: Declaration of restrictive covenants for low income housing tax credits, 13 pages.

Exhibit C: Cap rates for sales, 6 pages.

Exhibit D: Income and expense statement, 2 pages.

Assessor

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

Jim Susa of Bancroft Susa & Galloway, previously sworn, was present on behalf of the Petitioner.

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

Mr. Susa explained his arguments were very similar to those made for Hearing No. 09-1384, and incorporated those arguments by reference, (see minute item 09-0421E). As noted in Exhibit D, he stated the subject property had a higher vacancy rate than the previously considered property. He suggested an increase in total taxable value from the 2008-09 tax year was not appropriate in a declining market.

Appraiser Churchfield indicated there had been a 2008-09 appeal before the State Board of Equalization and the subject property's valuation was upheld. He reviewed the comparable sales information in Exhibit I and identified IS-1 as most comparable to the subject. Chairman Covert asked whether IS-1 was rent controlled. Appraiser Churchfield indicated it was not. Appraiser Churchfield provided an overview of the income approach to value provided in Exhibit I.

Member Green observed the vacancy rate for the subject property was about 30 percent, whereas the Assessor's valuation used a vacancy rate of 7.5 percent. He asked Appraiser Churchfield whether he felt comfortable with that. Appraiser Churchfield noted the property had always been looked at from a market approach because there was no information available about the incentives provided when the property was built.

Chairman Covert wondered why the vacancy rate was higher and rents were lower when compared to the previously heard property. Appraiser Churchfield and Mr. Susa both said they did not know why.

Mr. Susa noted the Assessor's value on the subject property was higher than that of the previously considered property, although rents were lower and vacancy

rates were higher. He argued the market had not improved, and suggested the subject property's value should be less than that of the previously considered property.

Member Brown questioned why the operating expenses for the first six months of 2008 were so much higher than the second six months. Mr. Susa replied the only logical explanation was that they let some of the employees go due to the tight market conditions.

Member Krolick asked what the subject property's 2008-09 taxable improvement value had been. Appraiser Churchfield identified it as \$7,990,560. Member Krolick wondered about the use of a 7 percent cap rate. Appraiser Churchfield indicated the median cap rate for 2008 was 6.69 percent. He referenced the comparable sales data on page 6 of Exhibit I, and noted the last sale in 2008 had a 5.47 percent cap rate. Member Krolick asked whether that sale was for a rent controlled property. Appraiser Churchfield said it was not. Member Krolick noted low cap rates were achieved during the strong market. Although he was not familiar with the local cap rate, he said nationwide cap rates had gone up considerably since that time. He wondered whether the Assessor's Office looked at current listings to compare cap rates. Appraiser Churchfield stated he looked at current listings. He indicated the Marina Village in Sparks was listed at a cap rate of 6.5 percent. Member Krolick observed the Marina Village was a class A property. Appraiser Churchfield indicated he had no sales to demonstrate cap rates on rent restricted properties.

Member Green said he found it fascinating that studio rents had not changed. Member Krolick thought they were slower to change because the rents were subsidized. Member Green indicated the subject property had the same issues as the property in the previous hearing. He stated he was amenable to a reduction to the 2008-09 total taxable value, but did not want to reduce the value further. He commented he did not know why the vacancy rate would be higher than the other building. Chairman Covert noted it could be the location. He said it was difficult for him to believe the value would have increased by almost \$0.5 million from the previous year to the current year. Member Woodland agreed with the previous year's value.

With regard to Parcel No. 011-126-10, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Green, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$7,384,260, resulting in a total taxable value of \$9,577,260 for tax year 2009-10. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**09-0423E PARCEL NO. 004-081-60 – PARK VIEW AT RENO, LLC –
HEARING NO. 09-1352X**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located at 1195 Selmi Dr, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Michael Churchfield, Appraiser II, oriented the Board as to the location of the subject property. He reviewed the comparable sales provided in Exhibit I. He noted the apartment units under construction on the subject property were not yet complete, so it was valued as vacant land. He pointed out LS-1 was the purchase of the subject property in January 2008 and the purchase price was higher than the property's 2009-10 total taxable value. He requested the Assessor's values be upheld.

Member Green said he knew the subject property, which used to be a garbage dump. He said he was in favor of increasing the subject property's taxable value to its purchase price of \$2.6 million. Chairman Covert asked what the rationale would be for the increased value. Member Green stated the purchase price was a good indication of its value. Member Krolick observed the property probably went into escrow sometime in 2007, and it was not likely the value of property had gone up or even held its value since that time. Member Green observed there had been a lot of protests to building on the property, but those protests were overcome. He noted the clearing of the old dump site had increased the land value.

Mark Stafford, Senior Appraiser, read from NRS 361.357(4), which was related to appeals where the full cash value of a property was less than its taxable value: "No appeal under this section may result in an increase in the taxable value of the property." He read from NRS 361.345(3): "If the county board of equalization finds it necessary to add to the assessed valuation of any property on the assessment roll, it shall direct the clerk to give notice to the person so interested by registered or certified letter, or by personal service, naming the day when it will act on the matter and allowing a reasonable time for the interested person to appear."

Member Green said it was his understanding the County Board of Equalization had the authority to increase value. Herb Kaplan, Legal Counsel, noted the Board had the power to increase value, but the taxpayer had to be given appropriate notice before that could be done. He noted the Petitioner in this case filed for a reduction and was not necessarily on notice that the Board might increase the subject's value. Chairman Covert asked how the phrase "...by adding to or deducting therefrom..." in NRS 361.357 related to NRS 361.345. Mr. Kaplan explained NRS 361.345 set out the

powers of the Board, and provided that the Board had the power to either increase or decrease the value of a property. He stated NRS 361.357 set forth the instrument that allowed the Board to exercise their power. He indicated a Petitioner who appealed based on NRS 361.357 or 361.356 was asking the Board to decrease the value. Although the Board also had the authority to increase the value, it had to go through a process of properly noticing the property owner before that could be allowed.

Chairman Covert observed, if the Petitioner asked for a decrease in value on the subject property, but did not ask for a specific amount, the Board was in the position of either approving or disapproving the petition. Mr. Kaplan agreed that was the current situation.

With regard to Parcel No. 004-081-60, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Green, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

**09-0424E PARCEL NO. 132-020-08 – SPECKERT 1993 TRUST, BRUCE L –
HEARING NO. 09-0710**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located at 877 Alder Ave, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Patricia Regan, Appraiser III, oriented the Board as to the location of the subject property. She noted the appeal was submitted on the standardized form provided by the Village League to Save Incline Assets, Inc. She pointed out the subject parcel was a commercial property, but received the same 10 percent reduction granted on reappraisal to all properties at Incline Village, as well as the 15 percent reduction in land value granted to all Washoe County properties. She acknowledged there were limited vacant land sales, and noted the subject's taxable value was about half of what it was purchased for in 2001. She indicated the Assessor's Office would stand on its written presentation, and requested the Board uphold the subject property's taxable values.

Chairman Covert commented that the owner's opinion of market value noted on the appeal form was higher than the Assessor's total taxable value.

With regard to Parcel No. 132-020-08, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

**DISCUSSION – CONSOLIDATED HEARINGS – PARCEL NOS.
161-089-02, 161-233-18, 161-234-07 AND 161-237-09 (ALSO SEE
MINUTE ITEMS 09-0425E THRU 09-0428E)**

Chairman Covert asked whether there were similar issues for the four properties owned by Lee and Barbara Welch. On behalf of the Assessor and having been previously sworn, Virginia Sutherland, Appraiser II, indicated the issues were similar.

On motion by Member Woodland, seconded by Member Brown, which motion duly carried, the Board consolidated Hearing Nos. 09-0159A through 09-0159D for Parcel Nos. 161-089-02, 161-233-18, 161-234-07 and 161-237-09.

Appraiser Sutherland oriented the Board as to the location of each of the subject properties. She reviewed the comparable sales and read the Assessor's recommendations provided on page 1 of Exhibit I for each of the four properties in turn. Based on recent sales data showing the total taxable value to be greater than full cash value, she recommended that obsolescence be applied to reduce each property's improvement value.

Member Krolick asked whether other condominium units in the same complex would also be reduced. Appraiser Sutherland indicated there would be a roll change request coming before the Board at a later hearing date to reduce the other units, but the four subject properties were not part of the roll change request.

Chairman Covert wondered whether the reduction was the same for all units in the complex. Appraiser Sutherland explained there were three levels and each had separate recommendations.

Chairman Covert questioned whether the Petitioner was aware of the Assessor's recommendation. Appraiser Sutherland stated the Petitioner was aware, but was not in agreement.

Member Krolick commented he was amazed to see such low sales and listing prices. He noted it would cost more to build the units than what they were selling for. Member Green said it was a very nice upscale condominium project. Member Brown

stated he knew some people who lived there and they had very high homeowners' association fees.

Please see 09-0425E through 09-0428E below for details concerning the petition, exhibits and decision related to each of the four parcels in the consolidated hearing.

**09-0425E PARCEL NO. 161-089-02 – WELCH, LEE O & BARBARA A –
HEARING NO. 09-0159A**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 9900 Wilbur May Pkwy, #2803, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 9 pages.

Assessor

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

The Petitioner was not present.

The Board consolidated hearings for the four similar properties owned by Lee and Barbara Welch. Please see above for a summary of the discussion.

With regard to Parcel No. 161-089-02, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$223,733, resulting in a total taxable value of \$319,188 for tax year 2009-10. The reduction was based on the Assessor's recommendation to apply obsolescence of \$20,000. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**09-0426E PARCEL NO. 161-233-18 – WELCH, LEE O & BARBARA –
HEARING NO. 09-0159D**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 9900 Wilbur May Pkwy, #3106, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 9 pages.

Assessor

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

The Petitioner was not present.

The Board consolidated hearings for the four similar properties owned by Lee and Barbara Welch. Please see above for a summary of the discussion.

With regard to Parcel No. 161-233-18, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$190,204, resulting in a total taxable value of \$268,999 for tax year 2009-10. The reduction was based on the Assessor's recommendation to apply obsolescence of \$35,000. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

09-0427E PARCEL NO. 161-234-07 – WELCH, LEE O & BARBARA –
HEARING NO. 09-0159B

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 9900 Wilbur May Pkwy, #3702, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 9 pages.

Assessor

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

The Petitioner was not present.

The Board consolidated hearings for the four similar properties owned by Lee and Barbara Welch. Please see above for a summary of the discussion.

With regard to Parcel No. 161-234-07, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be

upheld and the taxable improvement value be reduced to \$172,169, resulting in a total taxable value of \$250,964 for tax year 2009-10. The reduction was based on the Assessor's recommendation to apply obsolescence of \$35,000. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**09-0428E PARCEL NO. 161-237-09 – WELCH, LEE O & BARBARA –
HEARING NO. 09-0159C**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 9900 Wilbur May Pkwy, #4206, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 9 pages.

Assessor

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

The Petitioner was not present.

The Board consolidated hearings for the four similar properties owned by Lee and Barbara Welch. Please see above for a summary of the discussion.

With regard to Parcel No. 161-237-09, 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 \$193,750, resulting in a total taxable value of \$272,545 for tax year 2009-10. The reduction was based on the Assessor's recommendation to apply obsolescence of \$35,000. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**09-0429E PARCEL NOS. LISTED BELOW – CAVIATA ATTACHED
HOMES LLC – HEARING NOS. 09-0947A thru 09-0947J7**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 950 Henry Orr Pkwy, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Taxable value information and budget analysis, 14 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packed including comparable sales, maps and subject's appraisal records, 18 pages.

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Michael Churchfield, Appraiser II, explained the subject property was a group of townhomes that the owner converted to rental apartments because none of them had been sold.

On motion by Member Woodland, seconded by Member Green, which motion duly carried, the Board consolidated Hearing Nos. 09-0947A thru 09-0947J7 for the 185 parcel numbers listed below.

Appraiser Churchfield oriented the Board as to the location of the subject property. He reviewed the Assessor's recommendation in Exhibit I to reduce the combined taxable improvement value to \$22,914,800 based on the current cash flow and an estimated one-year stabilization period of market value for the subject property. He suggested that obsolescence of \$1,204,916 be distributed among the parcel numbers as indicated on pages 2 through 7 of Exhibit I. He stated the owner was in agreement with the recommendation.

Chairman Covert asked if each parcel's units were substantially the same. Appraiser Churchfield said there were some differences in the number of bedrooms.

With regard to the list of parcels below, 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 combined taxable improvement value be reduced to \$22,914,800, resulting in a combined total taxable value of \$25,730,000 for tax year 2009-10. The reduction was based on the Assessor's recommendation. It was noted that the combined value was distributed among the list of subject properties due to the owner's conversion to an apartment use. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

| 09-0429E: CAVIATA ATTACHED HOMES LLC | | | | |
|--------------------------------------|------------|------------|------------|------------|
| 510-581-04 | 510-583-53 | 510-583-90 | 510-585-47 | 510-586-44 |
| 510-582-33 | 510-583-54 | 510-583-91 | 510-585-48 | 510-586-45 |
| 510-582-34 | 510-583-55 | 510-583-92 | 510-585-49 | 510-586-46 |
| 510-582-35 | 510-583-56 | 510-583-93 | 510-585-50 | 510-586-47 |
| 510-582-36 | 510-583-57 | 510-583-94 | 510-585-51 | 510-586-48 |
| 510-582-37 | 510-583-58 | 510-583-95 | 510-585-52 | 510-586-49 |

| <u>09-0429E: CAVIATA ATTACHED HOMES LLC</u> | | | | |
|--|------------|------------|------------|------------|
| 510-582-38 | 510-583-59 | 510-583-96 | 510-585-53 | 510-586-50 |
| 510-582-39 | 510-583-60 | 510-584-25 | 510-585-54 | 510-586-51 |
| 510-582-40 | 510-583-61 | 510-584-26 | 510-585-55 | 510-586-52 |
| 510-582-41 | 510-583-62 | 510-584-27 | 510-585-56 | 510-586-53 |
| 510-582-42 | 510-583-63 | 510-584-28 | 510-585-57 | 510-586-54 |
| 510-582-43 | 510-583-64 | 510-584-29 | 510-585-58 | 510-586-55 |
| 510-582-44 | 510-583-65 | 510-584-30 | 510-585-59 | 510-586-56 |
| 510-582-45 | 510-583-66 | 510-584-31 | 510-585-60 | 510-586-57 |
| 510-582-46 | 510-583-67 | 510-584-32 | 510-585-61 | 510-586-58 |
| 510-582-47 | 510-583-68 | 510-584-33 | 510-585-62 | 510-586-59 |
| 510-582-48 | 510-583-69 | 510-584-34 | 510-585-63 | 510-586-60 |
| 510-582-49 | 510-583-70 | 510-584-35 | 510-585-64 | 510-586-61 |
| 510-582-50 | 510-583-71 | 510-584-36 | 510-585-65 | 510-586-62 |
| 510-582-51 | 510-583-72 | 510-584-37 | 510-585-66 | 510-586-63 |
| 510-582-52 | 510-583-73 | 510-584-38 | 510-585-67 | 510-586-64 |
| 510-582-53 | 510-583-74 | 510-584-39 | 510-585-68 | 510-586-65 |
| 510-582-54 | 510-583-75 | 510-584-40 | 510-585-69 | 510-586-66 |
| 510-582-55 | 510-583-76 | 510-584-41 | 510-585-70 | 510-586-67 |
| 510-582-56 | 510-583-77 | 510-584-42 | 510-585-71 | 510-586-68 |
| 510-582-57 | 510-583-78 | 510-584-43 | 510-585-72 | 510-586-69 |
| 510-582-58 | 510-583-79 | 510-584-44 | 510-585-73 | 510-586-70 |
| 510-582-59 | 510-583-80 | 510-584-45 | 510-585-74 | 510-586-71 |
| 510-582-60 | 510-583-81 | 510-584-46 | 510-585-75 | 510-586-72 |
| 510-582-61 | 510-583-82 | 510-584-47 | 510-585-76 | 510-586-73 |
| 510-582-62 | 510-583-83 | 510-584-48 | 510-585-77 | 510-586-74 |
| 510-582-63 | 510-583-84 | 510-585-41 | 510-585-78 | 510-586-75 |
| 510-582-64 | 510-583-85 | 510-585-42 | 510-585-79 | 510-586-76 |
| 510-583-49 | 510-583-86 | 510-585-43 | 510-585-80 | 510-586-77 |
| 510-583-50 | 510-583-87 | 510-585-44 | 510-586-41 | 510-586-78 |
| 510-583-51 | 510-583-88 | 510-585-45 | 510-586-42 | 510-586-79 |
| 510-583-52 | 510-583-89 | 510-585-46 | 510-586-43 | 510-586-80 |

10:50 a.m. Chairman Covert declared a brief recess.

11:00 a.m. The Board reconvened with all members present.

09-0430E PARCEL NOS. LISTED BELOW – WATERSTONE LLC –
HEARING NOS. 09-0948A thru 09-0948D7

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 18 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packed including comparable sales, maps and subject's appraisal records, 18 pages.

The Petitioner was not present.

On motion by Member Woodland, seconded by Member Green, which motion duly carried, the Board consolidated Hearing Nos. 09-0948A thru 09-0948D7 for the 204 parcel numbers listed below.

On behalf of the Assessor and having been previously sworn, Michael Churchfield, Appraiser II, oriented the Board as to the location of the subject property. He explained the subject property was a group of attached single family homes that the owner converted to rentals because none of them had been sold. He referenced the Assessor's recommendation in Exhibit I and stated the owner was in agreement.

With regard to the parcels listed below, 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 combined taxable improvement value be reduced to \$24,814,100, resulting in a combined total taxable value of \$27,920,000 for tax year 2009-10. The reduction was based on the Assessor's recommendation. It was noted that the combined value was distributed among the list of subject properties due to the owner's conversion to an apartment use. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

| 09-0430E: WATERSTONE LLC | | | | |
|---------------------------------|------------|------------|------------|------------|
| 510-591-03 | 510-593-06 | 510-593-47 | 510-594-32 | 510-595-24 |
| 510-592-01 | 510-593-07 | 510-593-48 | 510-594-33 | 510-595-25 |
| 510-592-02 | 510-593-08 | 510-593-49 | 510-594-34 | 510-595-26 |
| 510-592-03 | 510-593-09 | 510-593-50 | 510-594-35 | 510-595-27 |
| 510-592-04 | 510-593-10 | 510-593-51 | 510-594-36 | 510-595-28 |
| 510-592-05 | 510-593-11 | 510-593-52 | 510-594-37 | 510-595-29 |

| 09-0430E: WATERSTONE LLC | | | | |
|---------------------------------|------------|------------|------------|------------|
| 510-592-06 | 510-593-12 | 510-593-53 | 510-594-38 | 510-595-30 |
| 510-592-07 | 510-593-13 | 510-593-54 | 510-594-39 | 510-595-31 |
| 510-592-08 | 510-593-14 | 510-593-55 | 510-594-40 | 510-595-32 |
| 510-592-09 | 510-593-15 | 510-593-56 | 510-594-41 | 510-595-33 |
| 510-592-10 | 510-593-16 | 510-594-01 | 510-594-42 | 510-595-34 |
| 510-592-11 | 510-593-17 | 510-594-02 | 510-594-43 | 510-595-39 |
| 510-592-12 | 510-593-18 | 510-594-03 | 510-594-44 | 510-595-40 |
| 510-592-13 | 510-593-19 | 510-594-04 | 510-594-45 | 510-595-41 |
| 510-592-14 | 510-593-20 | 510-594-05 | 510-594-46 | 510-595-42 |
| 510-592-15 | 510-593-21 | 510-594-06 | 510-594-47 | 510-596-01 |
| 510-592-16 | 510-593-22 | 510-594-07 | 510-594-48 | 510-596-02 |
| 510-592-17 | 510-593-23 | 510-594-08 | 510-594-49 | 510-596-03 |
| 510-592-18 | 510-593-24 | 510-594-09 | 510-595-01 | 510-596-04 |
| 510-592-19 | 510-593-25 | 510-594-10 | 510-595-02 | 510-596-05 |
| 510-592-20 | 510-593-26 | 510-594-11 | 510-595-03 | 510-596-06 |
| 510-592-21 | 510-593-27 | 510-594-12 | 510-595-04 | 510-596-07 |
| 510-592-22 | 510-593-28 | 510-594-13 | 510-595-05 | 510-596-08 |
| 510-592-23 | 510-593-29 | 510-594-14 | 510-595-06 | 510-596-09 |
| 510-592-24 | 510-593-30 | 510-594-15 | 510-595-07 | 510-596-10 |
| 510-592-25 | 510-593-31 | 510-594-16 | 510-595-08 | 510-596-11 |
| 510-592-26 | 510-593-32 | 510-594-17 | 510-595-09 | 510-596-12 |
| 510-592-27 | 510-593-33 | 510-594-18 | 510-595-10 | 510-596-13 |
| 510-592-28 | 510-593-34 | 510-594-19 | 510-595-11 | 510-596-14 |
| 510-592-29 | 510-593-35 | 510-594-20 | 510-595-12 | 510-596-15 |
| 510-592-30 | 510-593-36 | 510-594-21 | 510-595-13 | 510-596-16 |
| 510-592-31 | 510-593-37 | 510-594-22 | 510-595-14 | 510-596-17 |
| 510-592-32 | 510-593-38 | 510-594-23 | 510-595-15 | 510-596-18 |
| 510-592-33 | 510-593-39 | 510-594-24 | 510-595-16 | 510-596-18 |
| 510-592-34 | 510-593-40 | 510-594-25 | 510-595-17 | 510-596-19 |
| 510-592-35 | 510-593-41 | 510-594-26 | 510-595-18 | 510-596-19 |
| 510-593-01 | 510-593-42 | 510-594-27 | 510-595-19 | 510-596-20 |
| 510-593-02 | 510-593-43 | 510-594-28 | 510-595-20 | 510-596-20 |
| 510-593-03 | 510-593-44 | 510-594-29 | 510-595-21 | 510-596-21 |
| 510-593-04 | 510-593-45 | 510-594-30 | 510-595-22 | 510-596-21 |
| 510-593-05 | 510-593-46 | 510-594-31 | 510-595-23 | |

**09-0431E PARCEL NO. 004-130-81 – RENO ASSOCIATES LLC – HEARING
NO. 09-0445**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land and improvements located at 2800 Enterprise Rd, 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 Packed including comparable sales, maps and subject's appraisal records, 57 pages.

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Michael Churchfield, Appraiser II, oriented the Board as to the location of the subject property. He reviewed the Assessor's recommendation in Exhibit I to reduce the subject's improvement value. He stated the apartment building housed 216 units, each containing two to four bedrooms that were leased to university students on a per room rather than a per unit basis. He indicated there was a high vacancy rate and high management expenses, but the subject was evaluated based on its highest and best use for leasing each unit in its entirety, rather than on a room-by-room basis. The reduction was recommended in order to allow market stabilization of the property.

Chairman Covert asked whether the Petitioner was in agreement with the recommendation. Appraiser Churchfield indicated he had very little contact with the Petitioner.

With regard to Parcel No. 004-130-81, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Green, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$13,413,200, resulting in a total taxable value of \$15,800,000 for tax year 2009-10. The reduction was based on the Assessor's recommendation. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

09-0432E PARCEL NO. 007-114-08 – BROWN STONE PROPERTIES LLC –
HEARING NO. 09-0168

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located at 1133 Buena Vista Ave, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income and Expense Statement, 9 pages.

Assessor

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

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Michael Churchfield, Appraiser II, oriented the Board as to the location of the subject property. He described it as an older property with 32 shared units, meaning the tenants shared kitchens and bathrooms. He reviewed the income information provided in Exhibit I to demonstrate the total taxable value did not exceed full cash value. He requested the Assessor's values be upheld.

Chairman Covert noted the owner's opinion of value as stated on the petition was more than the total taxable value on the subject property.

With regard to Parcel No. 007-114-08, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

09-0433E PARCEL NO. 514-340-06 – CANYON VISTA APARTMENTS INC –
HEARING NO. 09-0938

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on improvements located at 5200 Los Altos Pkwy, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 33 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 84 pages.

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Michael Churchfield, Appraiser II, oriented the Board as to the location of the subject property. He reviewed the valuation information based on the income approach that was provided in Exhibit I. He stated the Petitioner was in agreement with the Assessor's recommendation to uphold values because of the 15 percent reduction in taxable land value that was already granted to all Washoe County properties.

With regard to Parcel No. 514-340-06, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2009-10. It was found that the Petitioner failed to meet his/her burden to show the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

**09-0434E PARCEL NO. 514-340-17 – GLACIER/COLONNADE CORP –
HEARING NO. 09-0937**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on improvements located at Los Altos Pkwy, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 33 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 79 pages.

The Petitioner was not present.

On behalf of the Assessor and having been previously sworn, Michael Churchfield, Appraiser II, oriented the Board as to the location of the subject property. He noted the subject property was owned by the same company as the property from the previous hearing (see minute item 09-0433E), although it had a higher vacancy rate. He reviewed the Assessor's recommendation provided in Exhibit I to apply obsolescence to the taxable improvement value based on income information submitted by the Petitioner. He stated the owner was in agreement with the recommendation.

With regard to Parcel No. 514-340-17, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Green, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$16,182,800, resulting in a total taxable value of \$19,100,000 for tax year 2009-10. The reduction was based on the Assessor's recommendation. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

11:20 a.m. Chairman Covert declared a brief recess.

1:00 p.m. The Board reconvened with all members present.

**09-0435E PARCEL NO. 037-320-07 – KELLER FAMILY TRUST –
HEARING NO. 09-0807**

A Petition for Review of Assessed Valuation was received protesting the 2009-10 taxable valuation on land located at 6800 E Prater Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income information, 1 page.

Exhibit B: Maps and photographs of subject property, nearby residential properties and similar properties, 33 pages.

Exhibit C: Maps and photographs of the Assessor's comparable properties, 24 pages.

Assessor

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

On behalf of the Petitioner, David Keller and Burton Keller were sworn in by Chief Deputy Clerk Nancy Parent.

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

Mr. David Keller indicated the subject property was appealed to both the County and State Boards of Equalization in 2008-09, and a small reduction was made in the taxable land value based on ingress and egress problems. He stated the 2009-10 taxable land value was subsequently increased by 41.2 percent.

Chairman Covert wondered whether the Petitioner was aware of the Assessor's recommendation to reduce the taxable land value. Mr. David Keller said he was aware, but the recommendation still represented a 20 percent increase over the previous year's value.

Mr. David Keller pointed out maps of the subject and its neighboring properties on pages 1 through 3 of Exhibit B. Chairman Covert asked whether the road marked "Unspecified" to the east of the subject was paved. Mr. David Keller replied it was paved and led to a City park.

Mr. David Keller reviewed several photographs of the subject property that were shown on pages 5 through 13 of Exhibit B. He noted the 16.5 acre parcel contained two large barn buildings, an auto repair shop and four low income rental houses, but most of the land was undeveloped. He indicated the property had a significant upward slope from north to south. He discussed limited ingress and egress to the property, which was surrounded by private property except for a 50-foot section along its western boundary where it joined the right-of-way for Prater Way. He talked briefly about each of the buildings located on the property.

Chairman Covert questioned what the barns were being used for. Mr. David Keller indicated they were currently used for storage.

Mr. David Keller went through the parcel maps and photographs on pages 14 through 31 of Exhibit B. He indicated the taxable land values on most of the nearby residential parcels had been reduced from their 2008-09 values, whereas the value of the subject parcel had been increased. He discussed comparisons of other properties that he characterized as similar to the subject. He noted the 2009-10 taxable land values of the similar properties had been reduced from those of the previous year. His arguments were summarized on pages 32 and 33 of Exhibit B.

Appraiser Thompson discussed the zoning and usage of the subject parcel. He indicated it was not currently at its highest and best use. He acknowledged a new point of ingress/egress would have to be created in order for the subject parcel to be developed as either residential or commercial property. He reviewed the comparable sales and range of values provided in Exhibit I. He stated the improved comparable sales upheld the subject's taxable improved value. He reviewed the Assessor's recommendation to return the taxable land value to the 2008-09 value set by the County Board, as outlined on page 2 of Exhibit I.

Member Green referenced Parcel No. 402-100-09 that was provided by the Petitioner as a similar property on page 19 of Exhibit B. He asked about the Assessor's value on the parcel. Appraiser Thompson said it was valued at \$100,000 per site for 19 sites, with a 60 percent underdevelopment discount, resulting in a taxable land value of \$646,000. Member Green questioned whether it would be considered a superior location to the subject property. Appraiser Thompson said he did not consider it to be a comparable lot because it bordered a golf course, whereas the subject was surrounded by

commercial property. He noted the comparison lot was quite a bit larger than the subject parcel, and had no apparent availability to utilities or an access road.

Member Green referenced Parcel No. 037-293-09, which was also provided by the Petitioner for comparison on page 27 of Exhibit B. He said he thought it was probably steeper than the subject property and questioned the topography of the access road. Mr. David Keller noted Salomon Circle provided access to the parcel and continued across it. He stated the southern edge of the parcel was steep, but the rest of the property was relatively flat. Appraiser Thompson agreed with Member Green that the eastern portion of the parcel had severe topography issues. He indicated the availability of utilities, water and access roads was not readily apparent. He said it was comparable to the subject in terms of its highest and best use.

Member Krolick noted the subject parcel was zoned residential. He wondered whether Appraiser Thompson's analogy was somewhat speculative in terms of current versus potential use, and questioned whether that amounted to forcing the owner to develop the subject property because of its perceived value. Appraiser Thompson said the subject currently had mixed residential and commercial use.

Member Green recalled from the previous year's hearing that the subject property was involved in some litigation. Mr. David Keller stated there was an ongoing legal dispute over a 99-year lease on the subject property that was granted to an outside party.

Member Green questioned whether the subject property abutted the hospital property. Appraiser Thompson confirmed that it abutted the hospital parking lot to the east. Member Green said the subject parcel was a beautiful piece of land located close to town, and he did not believe it was being well utilized at the current time. He stated he did not understand the problem with access, but it seemed to him some other access could be granted through Prater Way or through the hospital property. Mr. David Keller commented the hospital's land was private property and the Petitioner did not control whether or not the hospital would grant access to it. Member Green remarked the subject property had not been utilized at its best use for many years. Mr. David Keller remarked it was absurd to tax a property based on opinions of best use. He pointed out his father was 90 years old, had used the subject property to make his living since he was a child, and just wanted to live out his life. He remarked there was not enough income from the property for his father to pay the taxes, let alone provide for other expenses. He noted the other properties provided for comparison had similar elevations and topography, and also remained undeveloped.

Chairman Covert asked the Assessor's Office to address the issues brought up by the Petitioner regarding land values on the surrounding residential properties. Appraiser Thompson said he had been unfamiliar with the history of the subject property when he originally did the reappraisal to determine its 2009-10 land value. He stated he calculated the number of potential buildable lots on the property based on the zoning, and

came up with a high land value. He noted the Assessor's recommendation to reduce the land value was made after reconsideration of the ingress/egress issue.

Member Woodland questioned the underdevelopment discount received by one of the comparison properties. Appraiser Thompson explained it was normal practice for the Assessor to provide a discount on land that was slated for future development. He clarified for Chairman Covert that the subject was not slated for development and was appraised differently because of its mixed use.

Chairman Covert said he was wrestling with the recommendation because the market had gone down since the 2008-09 value was established. Member Krolick questioned whether the 15 percent reduction in land value that was granted to all Washoe County properties should be applied to the 2008-09 value. Appraiser Thompson noted his recommended value was supported by the comparable sales. Chairman Covert asked whether the Petitioner was getting the benefit of the 15 percent reduction. Appraiser Thompson replied it was not his recommendation to give the 15 percent reduction because it had been granted for 2009-10 values. Chairman Covert observed they were two separate issues in his mind.

Member Krolick indicated he would support granting the 15 percent reduction to the 2008-09 land value. He pointed out the application of speculative issues to land valuations created a rush in the market to develop properties when the owners could no longer afford to maintain their current uses.

Member Woodland asked whether the Petitioner owned water rights on the subject property. Mr. David Keller indicated the only rights were those granted to draw from the existing well that serviced the property.

Mr. David Keller reviewed several maps and photographs submitted in Petitioner's Exhibit C that were taken from the comparable sales included in Assessor's Exhibit I. His conclusions were included on pages 23 and 24 of Exhibit C. He requested the subject's taxable land value be reduced to \$495,000.

Appraiser Thompson pointed out his criteria for using comparable sales was based on use rather than on location or topography. He said he had tried to find improved sales for properties that had multiple low value buildings on them. He noted he tried to find land sales for properties of similar size in areas he considered to be developing areas. He commented there was still development going on in the area of Sparks where the subject was located, although substantial development had already taken place in the area. He noted old buildings were demolished and land use was changed after the purchase of many of the comparable properties. He said he did not consider topography to be a significant issue with respect to the subject property. Although it was on a hillside, he stated it was flat at the bottom and its slope was not extreme.

Appraiser Thompson confirmed for Chairman Covert that limited access was the main reason for the Assessor's recommendation to reduce land value.

Chairman Covert said it appeared to him that the Assessor's recommendation ignored the 15 percent reduction granted to other properties. Member Green indicated he thought a 15 percent reduction would be in order, but he did not want to go as low as the value requested by the Petitioner. Member Woodland agreed.

With regard to Parcel No. 037-320-07, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable land value be reduced to \$1,011,500 and the taxable improvement value be upheld, resulting in a total taxable value of \$1,134,075 for tax year 2009-10. The decision was based on application of the 2008-09 taxable land value, as well as a 15 percent reduction, consistent with the reduction granted to all Washoe County properties. With the adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

BOARD MEMBER COMMENTS

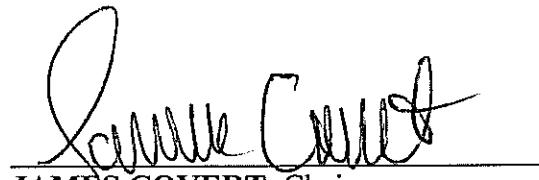
There were no Board member comments.

PUBLIC COMMENT

There was no response to the call for public comment.

* * * * *

2:37 p.m. There being no further hearings or business to come before the Board, on motion by Member Woodland, 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