

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

MONDAY

9:00 A.M.

FEBRUARY 22, 2010

PRESENT:

James Covert, Chairman
John Krolick, Vice Chairman*
Philip Horan, Alternate Member*
Linda Woodland, Member
James Brown, Member

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

The Board of Equalization convened at 9:01 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:

Chairman Covert indicated Agenda Item 8, Equalization of Properties in Washoe County (Washoe County Properties with wells) Pursuant to NAC 361.624, would be moved to February 26, 2010.

10-0731E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners:

| Assessor's Parcel No. | Petitioner | Hearing No. |
|------------------------------|-----------------------------------|--------------------|
| 076-310-32 | JACK ENTERPRISES LLC | 10-0253 |
| 076-390-36 | GAMA ENTERPRISES LLC | 10-0255 |
| 025-631-03 | TC SIERRA CORPORATE CENTER INC | 10-0293 |
| 040-880-01 | QUAIL MEDICAL III LLC | 10-0419 |
| 040-880-02 | QUAIL MEDICAL II LLC | 10-0420 |
| 040-880-20 | QUAIL COURT LLC | 10-0423 |
| 040-920-01 | QUAIL CORNERS I LTD LIAB CO | 10-0427 |
| 040-941-13 | QUAIL CORNERS SOUTH LLC | 10-0456 |
| 040-941-05 | 689 SIERRA ROSE LLC | 10-0455 |
| 040-942-24 | QUAIL CORNERS SOUTH PHASE III LLC | 10-0464 |
| 040-942-25 | QUAIL CORNERS SOUTH PHASE III LLC | 10-0465 |

10-0732E PARCEL NO. 040-142-06 – NEVDEX OFFICE PARK LLC –
HEARING NO. 10-0242

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5310 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property information, 3 pages.

Assessor

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

On behalf of the Petitioner, Frank Terrasas was previously sworn by Chief Deputy Clerk Nancy Parent.

***9:15 a.m.** Member Krolick arrived.

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

Mr. Terrasas indicated this property was part of a group that consisted of three subsequent hearings.

Mr. Terrasas reviewed the property information and the income analysis. He said he used the Assessor's Office assumptions and arrived at the same numbers; however, there was some confusion with the market analysis. He said based on the comparables the Assessor's Office communicated in the assessed data, the value on the improvements was weighted assuming that the market approach was the most efficient way to value the building. Mr. Terrasas said the comparable sales provided in Exhibit A, were within the Meadowood sub-market with properties ranging from \$32.97 to \$105.07 a square foot. He indicated the median price was \$86 a square foot, which was dramatically lower than the comparisons listed in Exhibit I and, more indicative of the commercial pricing trend in the sub-market. Based on the information and analysis provided, Mr. Terrasas said the owner's opinion of value for improvements was \$4,636,666, arriving at total taxable value of \$5,950,000.

Appraiser Gonzales reviewed the comparable sales and said the sales comparison indicated a range from \$98.37 a square foot to \$257 a square foot. He said the current economic conditions had increased office vacancies, which put pressure on market rents. Appraiser Gonzales said the sales price of Improved Sale 1 (IS1) and IS2 represented the upper and lower indicators of value for comparable sales. He said the income approach to value indicated a value of \$129.88 per square foot. In the absence of

income and expense data, Appraiser Gonzales explained market assumptions were applied. He said the subject property's taxable value was \$144.44 a square foot, which fell within the range of comparable sales and the income analysis. He said the most recent sale was similar to the subject in topography and utility, but was inferior in location and had an easement detriment. He remarked the easement was for public and emergency access, and for water, sewer and drainage. Appraiser Gonzales recommended that the land be reduced to \$9 a square foot for a value of \$1,313,334 and that the improvement value be upheld.

In rebuttal, Mr. Terrasas emphasized that IS2 and IS3 were in different markets. He said he reviewed the net income, but did not know the most efficient way to divide the land and improvement values.

Member Woodland agreed with the improvement value and with the recommendation for the land value.

With regard to Parcel No. 040-142-06, 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 Brown, which motion duly carried with Member Horan absent, it was ordered that the taxable land value be reduced to \$1,313,334 and the taxable improvement value be upheld, resulting in a total taxable value of \$7,237,063 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.

***9:25 a.m.** Member Horan arrived.

10-0733E **PARCEL NO. 040-142-09 – NEVDEX OFFICE PARK LLC –**
HEARING NO. 10-0243

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5390 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property information, 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, Frank Terrasas was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Terrasas reviewed the property information and the income analysis. He said he used the Assessor's Office assumptions and was in agreement with the income analysis. He said the comparable sales provided in Exhibit A, were within the Meadowood sub-market with properties ranging from \$32.97 to \$105.07 a square foot. He said the median price was \$86 a square foot which was dramatically lower than the comparisons listed in Exhibit I and, more indicative of the commercial pricing trend in the sub-market. Mr. Terrasas said assuming a top price range of \$105.07 was fair that would equal a total improvement value of \$6,826,818.

Member Woodland indicated one of the Petitioner's comparable sales sold in January 2010, so the Board could not consider that sale.

Appraiser Gonzales reviewed the comparable sales and said the sales comparison indicated a range from \$98.37 a square foot to \$257 a square foot. He said the current economic conditions had increased office vacancies, which put pressure on market rents. Appraiser Gonzales said the sale price of Improved Sale 1 (IS1) reflected the risks associated with bringing the property to stabilization during difficult economic times. He said the sale price of IS2 had one tenant leasing the entire building on a triple net basis. He remarked the two improved sales represented the upper and lower indicators of value for comparable sales. Appraiser Gonzales said the income approach to value indicated a value of \$129.88 per square foot. In the absence of income and expense data, he explained market assumptions were applied. He said the subject property's taxable value was \$149.08 a square foot which fell within the range of comparable sales and the income analysis. The most recent sale was similar to the subject in topography and utility, but was inferior in location and had an easement detriment. He remarked the easement was for public and emergency access, and for water, sewer and drainage. Appraiser Gonzales recommended that the land value be reduced to \$9 a square foot for a value of \$1,481,900 and that the improvement value be upheld.

In rebuttal, Mr. Terrasas suggested when the analysis was completed, the quality of the building be taken into account and, because this was a quality building, the owner not be penalized.

With regard to Parcel No. 040-142-09, 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 reduced to \$1,481,900 and the taxable improvement value be upheld, resulting in a total taxable value of \$8,890,107 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.

10-0734E PARCEL NO. 040-142-07 – NEVDEX OFFICE PARK LLC –
HEARING NO. 10-0244

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5340 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property information, 3 pages.

Assessor

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

On behalf of the Petitioner, Frank Terrasas was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Terrasas reviewed the property information and the income analysis. He said he used the Assessor's Office assumptions and was in agreement with the income analysis. He said the comparable sales provided in Exhibit A, were within the Meadowood sub-market with properties ranging from \$32.97 to \$105.07 a square foot. He said the median price was \$86 a square foot which was dramatically lower than the comparisons listed in Exhibit I and, more indicative of the commercial pricing trend in the sub-market. Mr. Terrasas said assuming a top price range of \$105.07 was fair that would equal a total improvement value of \$6,950,000.

Appraiser Gonzales reviewed the comparable sales and said the sales comparison indicated a range from \$98.37 a square foot to \$257 a square foot. He said the current economic conditions had increased office vacancies, which put pressure on market rents. Appraiser Gonzales said the sale price of Improved Sale 1 (IS1) reflected the risks associated with bringing the property to stabilization during difficult economic times. Appraiser Gonzales said the sale price of IS2 had one tenant leasing the entire building on a triple net basis. He said those two sales represented the upper and lower indicators of value for comparable sales. Appraiser Gonzales said the income approach to value indicated a value of \$129.88 per square foot. In the absence of income and expense data, he explained market assumptions were applied. He said the subject property's taxable value was \$144.85 a square foot which fell within the range of comparable sales and the income analysis. The most recent sale was similar to the subject in topography and utility, but was inferior in location and had an easement detriment. He remarked the easement was for public and emergency access, and for water, sewer and drainage.

Appraiser Gonzales recommended that the land value be reduced to \$9 a square foot for a value of \$1,360,380 and that the improvement value be upheld.

Chairman Covert asked if IS3 was comparable to the subject parcel. Appraiser Gonzales stated that was correct.

In rebuttal, Mr. Terrasas agreed with the land value and the relation to IS1 regarding the market approach.

Member Horan inquired on the vacancy rate. Mr. Terrasas replied one property had a 25 percent vacancy; another building was 73 percent vacant and yet another was 35 percent vacant. However, the subject property was 100 percent occupied. He indicated the average vacancy rate of the four parcels was 30 percent.

With regard to Parcel No. 040-142-07, 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 Brown, which motion duly carried, it was ordered that the taxable land value be reduced to \$1,360,380 and the taxable improvement value be upheld, resulting in a total taxable value of \$8,191,591 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.

10-0735E PARCEL NO. 040-142-08 – NEVDEX OFFICE PARK LLC –
HEARING NO. 10-0245

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5370 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property information, 3 pages.

Assessor

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

On behalf of the Petitioner, Frank Terrasas was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Terrasas reviewed the property information and the income analysis. He said he used the Assessor's Office assumptions and was in agreement with the income

analysis. He said the comparable sales provided in Exhibit A, were within the Meadowood sub-market with properties ranging from \$32.97 to \$105.07 a square foot. He said the median price was \$86 a square foot which was dramatically lower than the comparisons listed in Exhibit I and, more indicative of the commercial pricing trend in the sub-market. Mr. Terrasas said assuming a top price range of \$105.07 was fair that would equal a total improvement value of \$5,767,922. Based on the information and analysis the owner's opinion of value was \$6,750,000.

Appraiser Gonzales reviewed the comparable sales and said the sales comparison indicated a range from \$98.37 a square foot to \$257 a square foot. He said the current economic conditions had increased office vacancies, which put pressure on market rents. Appraiser Gonzales said the sale price of Improved Sale 1 (IS1) reflected the risks associated with bringing the property to stabilization during difficult economic times. Appraiser Gonzales said the sale price of IS2 had one tenant leasing the entire building on a triple net basis. He stated those two sales represented the upper and lower indicators of value for comparable sales. Appraiser Gonzales said the income approach to value indicated a value of \$129.88 per square foot. In the absence of income and expense data, he explained market assumptions were applied. He said the subject property's taxable value was \$146.40 a square foot which fell within the range of comparable sales and the income analysis and the most recent sale was similar to the subject in topography and utility, but was inferior in location and had an easement detriment. He remarked the easement was for public and emergency access, and for water, sewer and drainage. Appraiser Gonzales recommended that the land value be reduced to \$9 a square foot for a value of \$1,285,890 and that the improvement value be upheld.

Chairman Covert inquired on the improvement value if a 70 percent vacancy rate were added with the existing market assumptions. Appraiser Gonzales replied based on the income approach the total taxable value would be \$336,000. Chairman Covert asked what would be a comparable adjustment for the high vacancy rate. Appraiser Gonzales said based on the rent approximately \$90 to \$100 a square foot.

The Petitioner had no further information.

Member Woodland stated she would not reduce the value to \$336,000, but some relief was warranted. Chairman Covert stated he could reduce the improvements by \$20 a square foot. Member Woodland suggested a reduction to \$6 million for the improvement value based on obsolescence.

With regard to Parcel No. 040-142-08, 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 reduced to \$1,285,890 and the taxable improvement value be reduced to \$6,000,000, resulting in a total taxable value of \$7,285,890 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.

10-0736E PARCEL NO. 040-971-06 – PLATINUM FIRST PROPERTIES LLC
HEARING NO. 10-0248

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5441 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property information, 4 pages.

Assessor

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

On behalf of the Petitioner, Charles Christiansen was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Christiansen reviewed the income approach for the subject property. He stated income was lost due to concessions, such as six months free rent for the first six months of 2010 and a 15 percent decrease in rent for the last six months of 2010. He stated a second tenant was also given six months free rent for the first six months of 2010. Mr. Christiansen stated those concessions were necessary for the tenants to remain in the building. He said although the finished office space was fully occupied, the concessions reduced the effective gross income. He requested a 9 or 10 percent capitalization (cap) rate and the land value be reduced to \$89 per square foot.

Appraiser Gonzales reviewed the comparable sales and said the sales comparison indicated a range from \$98.37 a square foot to \$257.10 a square foot. He said the current economic conditions had increased office vacancies, which put pressure on market rents. Appraiser Gonzales said the sale price of Improved Sale 1 (IS1) reflected the risks associated with bringing the property to stabilization during difficult economic times. He said the sale price of IS2 had one tenant leasing the entire building on a triple net basis. He stated those two sales represented the upper and lower indicators of value for comparable sales. Appraiser Gonzales said the income approach to value indicated a value of \$129.88 per square foot. In the absence of income and expense data, he explained market assumptions were applied. He said the subject property's taxable value was \$165.98 a square foot, which fell within the range of comparable sales and the income analysis. He said there was a current listing for 6,074 square feet at \$2.45 a square foot in the subject building. Appraiser Gonzales stated that suggested the building was performing better than current market assumptions. He said most weight was placed on the comparable sales data with IS2 being the most comparable with a strong lease. He

recommended the total taxable value be upheld and that the subject property was equalized with similarly situated properties and improvements in the County. Appraiser Gonzales stated the Assessor's Office had the land value listed as \$8.70 a square foot, which was lower than the request made by the Petitioner. He noted it was recognized that the building was 90 percent finished.

In rebuttal, Mr. Christiansen indicated he reviewed the numbers for the land value. He explained the building was 100 percent occupied except for the unfinished 6,500 square feet.

Chairman Covert commented it was cost effective for 6,000 square feet of the building to be empty. Mr. Christiansen stated that was correct.

Member Horan asked if the concessions to the tenants were only for this year. Mr. Christiansen replied that was correct. He remarked if that concession was divided by the potential gross income it arrived at 20 percent. Chairman Covert commented the concessions were driven by the market.

Member Woodland felt there should be some adjustment. She suggested applying obsolescence and reducing the improvement value to \$9 million. Member Woodland moved to reduce the improvement value to \$9,000,000 and the land value be upheld, resulting in a new total taxable value of \$10,325,600. Due to lack of a second, the motion failed.

Chairman Covert suggested a 10 percent reduction for the improvements.

With regard to Parcel No. 040-971-06, 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 \$8,531,316, resulting in a total taxable value of \$9,856,916 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.

10-0737E PARCEL NO. 038-710-07- LAFFERTY, LINDA D -
HEARING NO. 10-0793

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 100 Waterbuck Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property information, 5 pages.

Exhibit B: Request for tax assessment, 12 pages.

Assessor

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

Exhibit II: Updated top page, 1 page.

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

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

Ms. Lafferty stated the comparable sales were based on old reports from 2007, 2008 and 2009, which reflected some of the highest sales in the County. She indicated only two properties sold in the area of the subject property within the last 9 months with one being a foreclosure sale that did not accurately reflect the market. She indicated the subject property had been on the market for two years and recently the price had been reduced; however, that price still did not reflect true market value. Ms. Lafferty reviewed current property taxes for properties in the Verdi area and felt the subject property was excessively taxed at \$2.45 a square foot. Based on the current sold and listed comparable properties, she indicated the subject property had a true market value of less than \$170 a square foot and was overtaxed when compared with custom properties located on the same street, in the immediate vicinity and marketed listed properties. Ms. Lafferty requested the subject property be reassessed for taxation purposes based on current and true value.

Chairman Covert asked if the property flooded during the 1999 flood. Ms. Lafferty replied approximately half of the property flooded and a considerable amount of land washed away.

Member Krolick said the Petitioner indicated the property was currently on the market. He asked what the current listed price was. Ms. Lafferty replied the current list price was \$999,000.

Appraiser Sutherland reviewed the comparable sales and noted the four improved sales were all inferior to the subject property. She said the range of value per square foot of the sales utilized was \$201 to \$231, which the subject fell below with a square foot value of \$197. However, as a result of reverting to the 2009 well-costing calculation, it was recommended a reduction in the amount of \$11,983 be made to the improvement value for a new improvement value of \$595,445 resulting in a total taxable value of \$895,445.

In response to Chairman Covert, Appraiser Sutherland said the flood adjustments were made in the base lot value. Chairman Covert asked if that would be the same for a piece of property not subject to flooding. Appraiser Sutherland indicated non-river lots had a different base lot value. She stated river lots did not arrive on the market

very often, and when they did demanded a premium. She noted all of the river lots had the same value.

Member Woodland asked if there was an adjustment for topography. Appraiser Sutherland stated there was not a specific adjustment for topography on the subject property; however, for this reappraisal period river lots were decreased by 40 percent.

Chairman Covert asked if the difference on a square foot basis between the comparables and the subject parcel was quality class. Appraiser Sutherland replied that was correct because the subject property had a higher quality class than the comparables.

In rebuttal, Ms. Lafferty stated she disagreed with the comparable sales used by the Assessor's Office.

Member Horan remarked this was a difficult market, but the base lot values were established for the area and were equitable. Member Brown said based on the sale of January 4, 2010 the Petitioner had a good argument for next year.

With regard to Parcel No. 038-710-07, 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 \$595,445, resulting in a total taxable value of \$895,445 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.

10-0738E PARCEL NO. 040-920-26 – LAFFERTY, LINDA D –
HEARING NO. 10-0791

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6580 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessor's appraisal record and comparable sales, 3 pages.

Exhibit B: Request for reassessment, 7 pages.

Assessor

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

On behalf of the Petitioner, Linda Lafferty was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Ms. Lafferty indicated the land value for this property had decreased by 2 percent, but the building value increased by 43 percent. She felt in comparison to the surrounding properties the parcel was assessed high. Ms. Lafferty said the comparable sales used by the Assessor's Office were outdated and reflected an inflated market value. She indicated the parcel had been classified without consideration and only a portion of the space was utilized as medical; however, there were no improvements to substantiate the increase in appraisal. Ms. Lafferty commented that primary care offices should be considered as any other business office since they adapt to the general business need.

Appraiser Gonzales reviewed the comparable sales and upon review stated the taxable value did not exceed full cash value and the subject property was equalized with similarly situated properties in the County. He explained a medical classification would be given for this type of building. He described a medical office classification as having examination rooms, patient treatment, a reception/lobby area, dropped ceilings with acoustic tiles, high intensity fluorescent lighting and individual treatment rooms, but costed out as having laboratory facilities.

Member Krolick asked if improvements had been completed on the building in the past three years. Appraiser Gonzales replied recently a quality control check was completed of the commercial properties to ensure the classification was correct. He said this building was corrected and the classification changed to a medical office, which increased the improvement value.

Chairman Covert said the Petitioner indicated that 50 percent of the building was unoccupied; however, an income approach was not presented. Appraiser Gonzales said the income approach analysis was not completed because this was owner-occupied and the Petitioner did not argue a lack of income being generated. He said if the parcel was 50 percent built-out as medical and the remainder was open office space that could be corrected with an inspection and an amended notice.

Member Horan asked how was it determined to change categories. Appraiser Gonzales replied the area had many medical office spaces, so when the quality class was inspected it was determined if the office was a medical or a law office. Member Horan said the Petitioner stated the attorney's office next to the subject parcel, in the same building and constructed at the same time, was valued lower. He thought that indicated an inequity on how the subject parcel was treated. Ron Sauer, Chief Appraiser, explained a medical occupancy also implied a higher intensity build-out.

Appraiser Gonzales clarified that Appraiser Ginny Sutherland had completed a physical inspection of the subject parcel and spoke with someone who stated

it was a general office. He explained a building could have four different suites containing four different uses.

In rebuttal, Ms. Lafferty said this office was not a typical square exam room facility and was originally set-up for general office use. She stated there was a large difference in a primary care facility which offered no additional income generated and felt it was unfair to be discriminated for being a physician.

Member Woodland requested the Appraiser reappraise the property to ensure there was not a factual error.

With regard to Parcel No. 040-920-26, 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. It was noted that the Assessor's Office would conduct a full appraisal with the appellant and a decision would be made at that time.

11:10 a.m. The Board recessed.

11:21 a.m. The Board reconvened.

10-0739E PARCEL NO. 040-972-33 – MOUNTAINVIEW CORPORATE CENTRE LLC – HEARING NO. 10-0744

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Parcel maps, 3 pages.

Assessor

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

On behalf of the Petitioner, no one was present.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He said the Petitioner provided a map of the parcel that was different than the record. Appraiser Gonzales explained the owner split the parcel which had not yet reached the

Assessor's Office, however, that was in the mapping department and would be reworked. He said based on the 5.2 acre size of the lot, it would be revalued and would receive a new valuation notice. Appraiser Gonzales recommended upholding the current value with the understanding that the parcel would be re-evaluated pending a review of the size.

With regard to Parcel No. 040-972-33, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2010/11. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable.

**10-0740E PARCEL NO. 040-972-27 – MOUNTAINVIEW CORPORATE
CENTRE LLC – HEARING NO. 10-0745**

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5595 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Financial information, 3 pages.

Assessor

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

Exhibit II: Updated top sheet, 1 page.

On behalf of the Petitioner, no one was present.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He recommended that the taxable improvement value be reduced in the form of economic obsolescence and noted the Petitioner was in agreement.

With regard to Parcel No. 040-972-27, 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 \$667,100, resulting in a total taxable value of \$1,075,200 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.

10-0741E **PARCEL NO. 040-972-34 – MVCC SIERRA LLC –**
HEARING NO. 10-0746

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5470 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Financial information, 3 pages.

Assessor

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

Exhibit II: Updated top sheet, 1 page.

On behalf of the Petitioner, no one was present.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He recommended that the taxable improvement value be reduced in the form of economic obsolescence and noted the Petitioner was in agreement.

With regard to Parcel No. 040-972-34, 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 \$5,513,600, resulting in a total taxable value of \$6,790,700 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.

10-0742E **PARCEL NO. 040-880-05 – SIERRA QUAIL LTD LIABILITY CO –**
HEARING NO. 10-0421

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6880 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Supplemental information, 31 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said the income approach on the subject property demonstrated a 3.3 percent capitalization (cap) rate and after adding back the interest expense, depreciation and amortization, demonstrated an income of \$153,772 with a total value of \$4,659,424. Mr. Croteau said this property was classified as office/professional/business or general office multiple use. He indicated it was over 21,000 square feet in one area and 8,000 square feet in another area.

Mr. Croteau reviewed the comparable sales he provided and noted those were smaller properties which should lead to a higher per square foot cost. He said the leasing information demonstrated the same type of modified gross leases as reviewed in previous hearings. He said the subject property was a 15 year old stud and stucco building that was not a Class A building. He stated the income approach used by the Assessor's Office was \$332,000; however, the actual earned income was \$153,772. Mr. Croteau requested a reduction of 20 to 25 percent.

Appraiser Gonzales said the sales comparison indicated a range from \$129.19 a square foot to \$305.39 a square foot for an office building and \$351.69 a square foot for a medical office building. He said the income approach to value indicated a value of \$136.91 a square foot. In the absence of income and expense information, he said market assumptions were applied which included a rental rate of \$1.50 per square foot for office space, \$1.90 per square foot for medical office space, a 20 percent vacancy rate and an operating expense of \$4.50 per square foot. He said the subject property's taxable value was \$153.70 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales stated the most recent sale, Improved Sale 3 (IS3) was similar to the subject in topography and utility, but was inferior in location and had an easement detriment. He said the easement was for public and emergency access, and for water, sewer and drainage. He recommended that the land be reduced to \$9 a square foot and that the improvement value be upheld.

Member Horan asked for clarification of the sequence of events on the record card for the subject property. Appraiser Gonzales said 2006 was a final value and 2007 was a final value with 8 percent applied to the prior value, which was a factor. He said in 2009 the property was reappraised, using the *Marshall and Swift Costing Manual*.

Chairman Covert said the 2009 reappraisal included additional improvements. Appraiser Gonzales replied in 2008 a remodel permit was issued.

Chairman Covert had some concern with the medical/dental office classification. Appraiser Gonzales explained the description for medical buildings within the Occupancy Code was medical/dental office, but did not give a breakdown.

Member Krolick said IS3 was a concrete tilt-up and asked how that was valued differently from stud and stucco. Ron Sauer, Chief Appraiser, explained Class D buildings, which were characterized by combustible construction, would have a value of \$59.60 per square foot and a Class C building, which was a concrete tilt-up, had a value of \$62.71 a square foot.

In rebuttal, Mr. Croteau reiterated his previous statements, concerns about the level of improvement for the property and that the classification could be generically changed. He indicated the subject property had been challenging and had absorption problems.

Chairman Covert inquired on the information concerning the asking lease versus the actual lease. Appraiser Gonzales replied typically the owners received 10 to 15 percent less than what was quoted. He said when the income data was provided, rents had been between \$1.40 to \$2.40 a square foot. Chairman Covert commented that could be long-term tenants that signed leases two to three years ago. Member Horan stated those leases were expiring and those renewals would be different.

With regard to Parcel No. 040-880-05, 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 reduced to \$1,141,200 and the taxable improvement value be reduced to \$3,011,955, resulting in a total taxable value of \$4,153,155 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.

12:15 p.m. The Board recessed.

1:02 p.m. The Board reconvened.

10-0743E PARCEL NO. 040-880-13– QUAIL MEDICAL I LLC – HEARING NO. 10-0422

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6630 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 29 pages.

Exhibit C: Income statement, 4 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn in by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said this property was classified as professional office and business; however, on the Assessor's Office assessment card it was identified as a medical office. He noted the property had a factual net operating loss that demonstrated an operational loss of \$92,021. He said the add-backs totaled a net income for a capitalization calculation of \$178,753, which demonstrated a 4.75 percent capitalization (cap) rate. Mr. Croteau added rent concessions began in September 2009 with some tenants receiving two to three months free rent.

Member Horan asked if the concessions were in the first six months of a two-year lease. Mr. Croteau explained that depended on the tenant. He said many of the leases currently were demanding one to two months free rent; however, a short-term lease may only receive one month free rent.

Chairman Covert inquired if there was a medical office located on the subject parcel. Mr. Croteau clarified this building was classified as a medical office building but had mixed-use.

Mr. Croteau said the Assessor's Office used a cash income analysis showing that the building should be making \$308,000 in income when in fact that would demonstrate an income valuation of \$171 per square foot. However, the actual income was \$178,000, about 55 percent of the calculated projected income from the Assessor's Office. Mr. Croteau said he prepared a cluster of available properties sold in the area and discussed those comparable sales. Based on the information provided, he requested a 4.5 percent cap rate, but would agree between that and a 9 percent cap rate.

Chairman Covert inquired on the vacancy rate of the subject parcel. Mr. Croteau indicated the vacancy rate was between 30 and 35 percent.

Appraiser Gonzales said the sales comparison indicated a range from \$145.49 a square foot to \$351.69 a square foot and the income approach to value indicated a value of \$171.75 per square foot. He said the income approach to value indicated a value of \$136.91 a square foot. In the absence of income and expense information, he said market assumptions were applied which included a rental rate of \$1.90 per square foot for medical office space, a 20 percent vacancy rate and an operating

expense of \$4.50 per square foot. He said the subject property's taxable value was \$167.52 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales stated the most recent sale, Improved Sale 3 (IS3) was similar to the subject in topography and utility, but was inferior in location and had an easement detriment. He said the easement was for public and emergency access, and for water, sewer and drainage. He recommended that the land be reduced to \$9 a square foot and that the improvement value be upheld.

Member Horan asked why IS2 was characterized as an inferior location. Appraiser Gonzales explained that entire location near Second Street was inferior to the McCarran/Kietzke area based on the age of the buildings and the geographic areas.

In rebuttal, Mr. Croteau said he attempted to choose comparable sales that included the McCarran Boulevard corridor and in reasonable proximity to the subject parcel; however, this property was not garnering the same leases as those on Kietzke Lane or across the street from the medical center.

Member Woodland stated she would prefer applying obsolescence. Member Horan suggested the improvement value be reduced to \$2,500,000 and reducing the land value to \$9 per square foot.

With regard to Parcel No. 040-880-13, 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 reduced to \$827,600 and the taxable improvement value be reduced to \$2,500,000, resulting in a total taxable value of \$3,327,600 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.

**10-0744E PARCEL NO. 040-880-21- QUAIL COURT-RIBEIRO MORENO
LLC – HEARING NO. 10-0424**

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6774 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 54 pages.

Exhibit C: Income statement, 4 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau indicated this was an interior property with no frontage. He said it was a stand-alone building valued by the Assessor's Office at \$154 a square foot. Mr. Croteau reviewed the income approach that indicated a \$78,558 loss with an add-back of \$83,109 for an interest payment, a \$42,373 depreciation expense and a \$9,880 amortization expense. He said the net income was a positive \$56,804. Mr. Croteau said prior to the recommended reduction this had a 3.8 percent capitalization (cap) rate; however, after the reduction the cap rate was 4.8 percent. He felt that was too low and stated this was not a medical office or medical facility.

Chairman Covert indicated a reduction was recommended. Mr. Croteau stated that was correct; however, the capitalization (cap) rate was in disarray.

1:38 p.m. Member Woodland temporarily left the meeting.

Chairman Covert stated there was a 10 percent reduction for access. Mr. Croteau concurred, but with the reductions, the property was still valued at \$123 per square foot, which was similar to a medical office. Mr. Croteau stated all the comparable sales were higher than the subject property and, if the Board were inclined to go on a valuation method based on pure sales without any consideration for the inability to rent and the lack of income, the Assessor's Office numbers would hold weight. Based on the income approach, the rentable space and the value of rents would not hold weight. He reviewed the comparable sales and said the income approach presented by the Assessor's Office illustrated the property should have an income of \$95,000; however, the true income was \$56,000 which was attributed to rental rates and vacancy issues.

Appraiser Gonzales said the sales comparison indicated a range from \$97.50 a square foot to \$214.51 a square foot and the income approach to value indicated a value of \$123.75 per square foot. In the absence of income and expense information, he said market assumptions were applied which included a rental rate of \$1.50 per square foot for office space, a 20 percent vacancy rate and an operating expense of \$4.50 per square foot. He said since completion in 2004 this office condo had experienced frequent vacancies and currently had a posting for office space for lease. Appraiser Gonzales said due to the historical poor performance of the property most emphasis was placed on the income analysis. He recommended that obsolescence be applied and that the taxable value be reduced to \$1,188,000 or \$123.75 a square foot and the land value be upheld.

Member Horan stated this was a two-story building and asked if this area was predominately a one-story corridor. Appraiser Gonzales stated that was correct. Member Horan questioned if that was viewed as a detriment and, given the market

conditions, was accessibility worth more of a deduction in the current market. Appraiser Gonzales felt a two-story building would not be a detriment since there was access to an elevator. In regard to the access adjustment, he indicated adjustments were made based on market data, but presently not much market data was available.

1:44 p.m. Member Woodland returned.

The Petitioner had no further information.

Chairman Covert agreed with the Assessor's Office recommendation.

Member Woodland stated she would abstain from the vote.

With regard to Parcel No. 040-880-21, 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 with Member Woodland abstaining, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$993,900, resulting in a total taxable value of \$1,188,000 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.

10-0745E PARCEL NO. 040-880-22- QUAIL COURT-RIBEIRO MORENO LLC – HEARING NO. 10-0425

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 54 pages.

Exhibit C: Income statement, 2 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau stated the subject parcel had been mostly vacant, was a shell of a building and the first floor of the building was unfinished and vacant for all of 2009. He said the income statement showed an \$182,498 loss.

Appraiser Gonzales stated the subject property was a two-story office condo and the first floor was unfinished and currently had \$277,997 in obsolescence applied for the lack of finish. He said the sales comparison indicated a range from \$97.50 a square foot to \$214.51 a square foot and the income approach to value indicated a value of \$123.75 per square foot. In the absence of income and expense information, he said market assumptions were applied which included a rental rate of \$1.50 per square foot for office space, a 20 percent vacancy rate and an operating expense of \$4.50 per square foot. He said since completion in 2004 this office condo had experienced frequent vacancies and due to the low demand for office space in this building, the first floor had remained unfinished since 2004 and currently had a posting for office space for lease. Appraiser Gonzales said due to the historical poor performance of the property most emphasis was placed on the income analysis. He recommended that obsolescence be applied and that the taxable value be reduced to \$960,127 or \$123.75 a square foot along with the existing obsolescence of \$227,997 for lack of finish. He said the total amount of obsolescence in the amount of \$341,938 would be applied to the improvement value and the land value would be upheld.

In rebuttal, Mr. Croteau agreed that due to the unfinished portion of the building, obsolescence should be applied.

Member Woodland agreed reducing the improvement value by applying additional obsolescence.

With regard to Parcel No. 040-880-22, 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 Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$764,327, resulting in a total taxable value of \$960,127 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.

**10-0746E PARCEL NO. 040-943-05 – QUAIL CORNERS S BLDG N 104-106
LLC – HEARING NO. 10-0428**

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 31 pages.

Exhibit C: Income statement, 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, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said the following parcels were located in the Sierra Rose Office Park. He said this parcel was a general office building with no frontage, but from an income approach was not badly positioned. However, from a market value, \$167 a square foot for an interior parcel property was incorrect. Mr. Croteau said he did not agree with those comparable sales used by the Assessor's Office located on McCarran Boulevard.

Appraiser Gonzales stated there was an error on Improved Sale 1 (IS1) and explained it was a split going through the Assessor's Office. He said the actual square footage for IS1 was 2,667 and that sold for \$194.98 per square foot.

Mr. Croteau reviewed the comparable sales that he provided and felt they were reasonable. He added none of those comparable sales came in at \$1.50 a square foot on a triple net basis as indicated by the comparable sales provided by the Assessor's Office. Based on the income approach from the Assessor's Office, he said \$1.23 per square foot was not a bad number, but was still lower than the current assessed \$1.67. He requested the property be equalized to approximately \$1.40 a square foot.

Appraiser Gonzales said the sales comparisons indicated a range from \$194.13 a square foot to \$216.70 a square foot and the income approach to value indicated a value of \$123.75 per square foot. In the absence of income and expense information, he said market assumptions were applied which included a rental rate of \$1.50 per square foot for office space, a 20 percent vacancy rate and an operating expense of \$4.50 per square foot. He said the subject property taxable value was \$167.02 a square foot which fell within the range of the comparable sales and the income analysis. He recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

Chairman Covert said this building sat in the middle of a large complex and asked if that made a difference for access. Appraiser Gonzales explained the access to the parcel and said the parcel abutted a common area that added value to those parcels closest to that common area. Member Woodland remarked there was plenty of access to the buildings and felt the parcel did not suffer from not being frontage property.

Member Krolick said the rentable price per square foot was comparable to a highly visible location, but was a destination location where tenants would seek out the lowest price per square foot for their needs.

In rebuttal, Mr. Croteau said he still had a concern with the \$1.67 per square foot value. He stated upcoming appeals in the Sierra Rose Office Park had lower square footage values and he did not understand the variance between the similar locations in the same office park or why this particular parcel in the same proximity was priced higher. He said these were not all medical offices and added many businesses would not rent without street frontage. He believed the subject parcel was worth less than \$1.67 a square foot.

Chairman Covert said he did not believe the Board had made any decisions on excess of \$160 a square foot for like properties and agreed with the Assessor's Office recommendation. However, he agreed, to a degree, with the analysis from both the Petitioner and the Appraiser concerning access.

Member Krolick agreed with the concept; however, square footage was only one way to value a property and was an issue with properties in this type of development. He did not know how to arrive at something that would apply to all of them. Chairman Covert agreed and stated the only way was a square footage basis.

Member Woodland preferred applying obsolescence since that could be reviewed next year. Chairman Covert suggested a reduction in the amount of \$120,094 on the improvement value. Member Horan preferred a 10 percent adjustment of \$86,000.

With regard to Parcel No. 040-943-05, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried with Member Horan voting "no," it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$743,300, resulting in a total taxable value of \$1,058,100 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.

10-0747E PARCEL NO. 040-951-01– MCCARRAN QUAIL PK BL A, B, C
LLC – HEARING NO. 10-0429

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6490 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Evidence packet, 50 pages.

Exhibit B: Income statement, 5 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn in by Chief Deputy Clerk Nancy Parent. He suggested this hearing be combined with Hearing No. 10-0434.

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

Mr. Croteau commented a recommendation was made for a reduction of \$209,200 or approximately 6 percent. He said the subject parcel was 25,314 square feet with 12,078 square foot of office space that was empty and had been for the entire year. He indicated the financials for this property and the following Hearing No. 10-0434 had been combined. He said the collective incomes for both properties was \$379,000 taking back all of the negatives and add-backs. Mr. Croteau requested a modest recognition of the subject property with the inability to rent the 12,078 square feet and stated with that adjustment to this property, the following property's recommendation was acceptable.

Appraiser Gonzales stated the subject property consisted of two buildings, an office building and an office building with some dental office space. He said the sales comparison indicated a range from \$129.19 a square foot to \$305.39 a square foot and the income approach to value indicated a value of \$128.53 per square foot. In the absence of income and expense information, he said market assumptions were applied which included a rental rate of \$1.50 per square foot for office space, \$1.90 a square foot for medical office space, a 20 percent vacancy rate and an operating expense of \$4.50 per square foot. He said the subject property's taxable value was \$137.27 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales said the most recent sale, Improved Sale 3, was similar to the subject in topography and utility, but was inferior in location and had an easement detriment. He said the easement was for public and emergency access, and for water, sewer and drainage. He recommended that the land value be reduced to \$9 a square foot and that the improvement value be upheld.

In rebuttal, Mr. Croteau said the reduction showed a value of \$1.29 a square foot; however, he requested equalizing the property with an earlier decision on a similar parcel for \$1.23 a square foot.

With regard to Parcel No. 040-951-01, 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 reduced to \$1,046,000 and the taxable improvement value be upheld, resulting in a total taxable value of \$3,265,659 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.

10-0748E PARCEL NO. 040-951-06 – MCCARRAN QUAIL PK BL A, B, C
LLC – HEARING NO. 10-0434

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6490 S. McCarran Blvd., Washoe County, Nevada.

For discussion concerning this hearing see above item 10-0747E.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 51 pages.

Exhibit C: Income statement, 5 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He recommended that the land value be reduced to \$9 per square foot and that the improvement value be upheld. He noted the Petitioner was in agreement.

With regard to Parcel No. 040-951-06, 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 reduced to \$483,800 and the taxable improvement value be upheld, resulting in a total taxable value of \$1,844,701 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.

10-0749E PARCEL NO. 040-951-02– MCCARRAN QUAIL PK BL F PTSP –
HEARING NO. 10-0430

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6490 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 33 pages.

Exhibit C: Income statement, 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, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau noted there was a recommendation for a reduction of \$78,800. He said the income approach on the subject property demonstrated a 5.6 percent capitalization (cap) rate and noted total income on the property was \$87,041. He felt the cap rate should be 9 percent based on the age of the building and requested a reduction based on the income method.

Appraiser Gonzales said the sales comparison indicated a range from \$124.76 a square foot to \$305.39 a square foot and the income approach to value indicated a value of \$123.75 per square foot. In the absence of income and expense information, he said market assumptions were applied which included a rental rate of \$1.50 per square foot, a 20 percent vacancy rate and an operating expense of \$4.50 per square foot. He said the subject property's taxable value was \$129.53 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales said the most recent sale, Improved Sale 3, was similar to the subject in topography and utility, but was inferior in location and had an easement detriment. He said the easement was for public and emergency access, and for water, sewer and drainage. He recommended that the land value be reduced to \$9 a square foot and that the improvement value be upheld.

The Petitioner had no rebuttal.

With regard to Parcel No. 040-951-02, 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 reduced to \$393,800 and the taxable improvement value be upheld, resulting in a total taxable value of \$1,417,542 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.

**10-0750E PARCEL NO. 040-951-03 – MCCARRAN QUAIL PARK BLDG E
LLC – HEARING NO. 10-0431**

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6490 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Evidence packet, 26 pages.

Exhibit B: Income statement, 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, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He recommended that the land value be reduced to \$9 per square foot and that the improvement value be upheld and noted that the Petitioner was in agreement.

With regard to Parcel No. 040-951-03, 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 Horan, which motion duly carried, it was ordered that the taxable land value be reduced to \$370,800 and the taxable improvement value be upheld, resulting in a total taxable value of \$1,218,356 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.

10-0751E PARCEL NO. 040-951-05 – MCCARRAN QUAIL PARK BLDG D –
HEARING NO. 10-0432

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6490 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 28 pages.

Exhibit C: Income statement, 3 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He recommended that the land value be reduced to \$9 per square foot and that the improvement value be upheld and noted that the Petitioner was in agreement.

With regard to Parcel No. 040-951-05, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the taxable land value be reduced to \$905,600 and the taxable improvement value be upheld, resulting in a total taxable value of \$3,374,507 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.

10-0752E PARCEL NO. 040-920-02– QUAIL CORNERS SOUTH LLC –
HEARING NO. 10-0452

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6512 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 115 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said this property had frontage on McCarran Boulevard and was similar to the prior five properties heard, but the value on this property was higher than those hearings. He requested \$140 per square foot to equalize the subject property.

Appraiser Gonzales said the sales comparison indicated a range from \$205.81 a square foot to \$274.64 a square foot and the income approach to value indicated a value of \$140.55 per square foot. In the absence of income and expense information, he said market assumptions were applied which included a rental rate of \$1.50 per square foot for office space, \$1.90 a square foot for medical office space, a 20 percent vacancy rate and an operating expense of \$4.50 per square foot. He said the subject property's taxable value was \$150.79 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

In rebuttal, Mr. Croteau commented the Assessor's Office comparable sales were less than 6,000 square feet, which was smaller than the subject property.

Chairman Covert remarked the subject property had better access and visibility than the other buildings discussed prior to this hearing. He agreed with the Assessor's Office recommendation to uphold.

With regard to Parcel No. 040-920-02, 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 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.

10-0753E PARCEL NO. 040-941-04– QUAIL CORNERS SOUTH LLC –
HEARING NO. 10-0454

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 691 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 115 pages.

Exhibit C: Income statement, 2 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He indicated there was an incorrect square footage listed on Improved Sale 1 and noted the actual square footage was 2,667 feet and valued at \$194.98 per square foot.

Mr. Croteau said this area was a similar use product and straight office buildings with some vacancies. He requested the property be equalized to \$149 a square foot.

Appraiser Gonzales said the sales comparison indicated a range from \$194.98 a square foot to \$216.77 a square foot and the income approach to value indicated a value of \$123.75 per square foot. In the absence of income and expense information, he said market assumptions were applied which included a rental rate of \$1.50 per square foot, a 20 percent vacancy rate and an operating expense of \$4.50 per square foot. He said the subject property's taxable value was \$153.92 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

The Petitioner had no new information.

In response to a question from Chairman Covert, Appraiser Gonzales replied the building had no signs posting vacancy and was occupied.

With regard to Parcel No. 040-941-04, 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 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.

10-0754E PARCEL NO. 040-941-17– QUAIL CORNERS SOUTH LLC –
HEARING NO. 10-0457

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 649 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 116 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said there was a garage/storage shed on the premises, and stated it was valued too high.

Appraiser Gonzales stated the garage was used for the storage of maintenance equipment to maintain the grounds and office condos in the Quail Corners Business Complex. He said the most comparable types of properties were storage warehouses or industrial flex buildings with minimal office build-out. He said the comparable sales included two storage warehouses and one industrial flex. Appraiser Gonzales said the sales comparison indicated a value range from \$57 per square foot to \$184.81 a square foot. He said the subject property's taxable value was \$61.16 a square foot which fell within the range of the comparable sales. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

Chairman Covert asked if “warehouse” and “garage” were considered identical terms to the Assessor’s Office. Appraiser Gonzales explained warehouse was a more common term. In the instance of the subject parcel, he believed that was considered low-quality since it did not have a raised dock or high ceilings with garage doors. Chairman Covert remarked a warehouse usually had a raised dock. Appraiser Gonzales explained one comparable sale was similar to the subject parcel except for being a concrete block building. Ron Sauer, Chief Appraiser, replied this was costed as a warehouse.

Member Krolick asked how a maintenance building within a homeowners association would be valued. Appraiser Gonzales replied, based on the cost approach, it would be valued the same.

Member Horan said the land taxable value for 2008/09 decreased by \$20,000 and then decreased an additional \$17,000 in 2009/10. He asked if the land value had decreased this year. Appraiser Gonzales stated the land value had decreased. Member Horan said in 2008/09 it showed a substantial increase in the improvement taxable value and asked if that was attributable to the *Marshall and Swift Costing Manual*. Appraiser Gonzales stated that was correct.

In rebuttal, Mr. Croteau remarked in a prior hearing property had been equalized off Longley Lane that was a warehouse with a dock, which was akin to the subject property.

With regard to Parcel No. 040-941-17, 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.

3:14 p.m. The Board recessed.

3:28 p.m. The Board reconvened.

10-0755E **PARCEL NO. 040-941-32– QUAIL CORNERS SOUTH LLC – HEARING NO. 10-0458**

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 615 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 115 pages.

Exhibit C: Income statement, 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, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said an adjacent property similar to the subject parcel was valued at \$150 a square foot. He requested a value of \$150 per square foot on the subject parcel to be in equalization with the Office Park.

Appraiser Gonzales said the sales comparison indicated a range from \$205.81 a square foot to \$274.64 a square foot and the income approach to value indicated a value of \$141.03 per square foot. In the absence of income and expense information, he said market assumptions were applied. He said the subject property's taxable value was \$160.17 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

The Petitioner had no further information.

Member Woodland suggested reducing the improvement value based on obsolescence. Chairman Covert said he would agree to an adjustment toward the income analysis.

With regard to Parcel No. 040-941-32, 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 \$1,320,328, resulting in a total taxable value of \$1,878,228 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.

10-0756E **PARCEL NO. 040-941-35 – QUAIL CORNERS SOUTH LLC –**
HEARING NO. 10-0459

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 609 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Evidence packet, 115 pages.

Exhibit B: Income statement, 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, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said this parcel was valued at \$166.59 a square foot and was a mixed use office/dental building. He reviewed the comparable sales that he provided and requested the subject be valued at \$153 a square foot consistently with other properties.

Rigo Lopez, Sr. Appraiser, explained the previous parcel for Hearing No. 10-0458 was 12,276 square feet and indicated the subject parcel was 9,000 square feet. Chairman Covert asked if office/dental was classified different than office/medical. Appraiser Lopez replied it was classified the same. Appraiser Gonzales stated these were buildings designed for medical and/or dental services with examination and outpatient treatment rooms and added the costing combined the two.

Appraiser Gonzales said the sales comparison indicated a range from \$205.81 a square foot to \$274.64 a square foot and the income approach to value indicated a value of \$141.51 per square foot. In the absence of income and expense information, he said market assumptions were applied. He said the subject property's taxable value was \$166.59 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

In rebuttal, Mr. Croteau requested a valuation of \$153 per square foot, which was consistent with other combinations of office/medical.

Appraiser Lopez restated that this parcel was 3,000 square feet smaller than the previous parcel. Mr. Croteau questioned when a building was larger did it receive less per square foot. Chairman Covert stated the Board had looked at economies of scale and it was not a linear relationship; however, he did not believe there was that much linear difference between 9,000 and 12,000 square feet.

Member Horan said the Board had to keep in mind the difficulties to average all the offices because of the different characteristics and percentages of utilizations. Chairman Covert agreed; however, the Assessor's Office made the distinction between office, medical and a combination medical/office.

With regard to Parcel No. 040-941-35, 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 Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$984,625, resulting in a total taxable value of \$1,405,625 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.

10-0757E PARCEL NO. 040-941-36– QUAIL CORNERS SOUTH LLC –
HEARING NO. 10-0460

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 601 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Evidence packet, 113 pages.

Exhibit B: Income statement, 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, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said this was a two-story building, which should be valued less per square foot and based on actual income, it was operating with a 5 percent capitalization (cap) rate. He said he was seeking an equity approach with the surrounding properties and requested \$153 per square foot.

Appraiser Gonzales said the sales comparison indicated a range from \$205.81 a square foot to \$274.64 a square foot and the income approach to value indicated a value of \$151.11 per square foot. In the absence of income and expense information, he said market assumptions were applied. He said the subject property's taxable value was \$161.80 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County. He indicated the subject property had a higher medical build-out than some of the previous parcels; therefore, dictated a higher cost.

In rebuttal, Mr. Croteau stated the income approach indicated was \$151.11 per square foot and commented the income approach presented by the Assessor's Office was substantially higher than the actual income for the property.

Member Horan recommended a 10 percent reduction on the improvement value. Chairman Covert agreed a reduction was warranted, but felt 10 percent was too high and suggested a 5 percent reduction based on obsolescence.

With regard to Parcel No. 040-941-36, 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 \$2,269,788, resulting in a total taxable value of \$2,862,288 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.

10-0758E PARCEL NO. 040-920-03 – QUAIL CORNERS III LLC –
HEARING NO. 10-0453

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 6502 S. McCarran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 34 pages.

Exhibit C: Income statement, 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, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He said there was an incorrect square footage listed on Improved Sale 1 and noted the actual square footage was 2,667 square feet valued at \$194.98 per square foot. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

Based on previous hearings, Mr. Croteau stated he had no reason to dispute the Assessor's Office on the subject property.

With regard to Parcel No. 040-920-03, 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 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.

10-0759E PARCEL NO. 040-942-21– QUAIL CORNERS SOUTH PHASE III LLC – HEARING NO. 10-0463

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 630 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Evidence packet, 67 pages.

Exhibit B: Income Statement, 2 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said this property was valued at \$170 a square foot. He said it was a weighted average between office and dental. Mr. Croteau explained this was a

single-story building built in 2002 and an identical product as several of the previous hearings. He requested this property be equalized with similar properties in the area.

Appraiser Gonzales said the sales comparison indicated a range from \$205.81 a square foot to \$274.64 a square foot and the income approach to value indicated a value of \$147.75 per square foot. In the absence of income and expense information, he said market assumptions were applied. He said the subject property's taxable value was \$170.62 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County. He stated there were differences in the buildings square footage, age or percentage of use. He explained a parcel approximately 6,000 square feet, based on the 50/50 split of medical and office was costed through *Marshall and Swift* at \$131.10 per square foot. He said the costing on a 12,000 square foot building would be \$122 a square foot, which meant larger buildings cost less per square foot.

In rebuttal, Mr. Croteau reiterated his previous statements and requested a reduction.

Chairman Covert agreed a reduction was needed, but could not support \$153 a square foot. He said he preferred \$165 a square foot. Member Horan stated he would support that adjustment.

With regard to Parcel No. 040-942-21, 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 \$719,310, resulting in a total taxable value of \$989,010 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.

**10-0760E PARCEL NO. 040-942-28 – 660 SIERRA ROSE LLC –
HEARING NO. 10-0466**

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 660 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Evidence packet, 42 pages.

Exhibit B: Income statement, 2 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He said there was an incorrect square footage listed on Improved Sale 1 and noted the actual square footage was 2,667 feet valued at \$194.98 per square foot.

Mr. Croteau stated this was a straight office building. He said the actual income approach on the subject property was a 6.5 percent capitalization (cap) rate. He said this was a 7,043 square foot building built in 2003 with basic utilization. He said the income approach presented by the Assessor's Office demonstrated a \$123.75 per square foot costing or \$871,571 and applying a 9 percent cap rate to the profit demonstrated an \$828,300 valuation. He requested a \$150 per square foot value to be equalized with properties with similar utilization.

Appraiser Gonzales said the sales comparison indicated a range from \$194.13 a square foot to \$216.77 a square foot. The income approach to value indicated a value of \$123.75 per square foot. In the absence of income and expense information, he said market assumptions were applied. He said the subject property's taxable value was \$159.28 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

The Petitioner had no further information.

Chairman Covert suggested reducing the improvement value to \$150 per square foot.

With regard to Parcel No. 040-942-28, 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 Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$738,350, resulting in a total taxable value of \$1,056,450 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.

10-0761E PARCEL NO. 040-943-03– QUAIL CORNERS BLDG N LLC –
HEARING NO. 10-0469

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

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Evidence packet, 21 pages.

Exhibit B: Income statement, 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, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said no income was being made on the subject property and noted there was a 5 percent capitalization (cap) rate.

Appraiser Gonzales said the sales comparison indicated a range from \$175.48 a square foot to \$275.20 a square foot and the income approach to value indicated a value of \$123.75 per square foot. In the absence of income and expense information, he said market assumptions were applied. He said the subject property's taxable value was \$135.62 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

The Petitioner had no further information.

With regard to Parcel No. 040-943-03, 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 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.

10-0762E PARCEL NO. 043-331-01– QUAIL COUNTRY ESTATES LLC –
HEARING NO. 10-0476

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 161 Country Estates Circle No. 3, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 25 pages.

Exhibit C: Income statement, 4 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said since it was a shell office building there was no income associated with the property.

Appraiser Gonzales stated the property was an office condo that was in shell condition. He said as an office shell the subject property would be difficult to rent unless generous concessions were provided or the shell was built-out. Appraiser Gonzales indicated there were no comparable sales available for office condos in shell condition. He said the taxable value took into account that the building had no office finish. He said the subject property's taxable value was \$57 per square foot which was well below the comparable sales for finished office condo. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

The Petitioner had no further information.

With regard to Parcel No. 043-331-01, 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.

10-0763E PARCEL NO. 043-332-05 – QUAIL COUNTRY ESTATES LLC –
HEARING NO. 10-0478

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 160 Country Estates Circle, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 24 pages.

Exhibit C: Income statement, 4 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said this was a single-story building and noted the access was across Country Estates Circle.

Appraiser Gonzales stated the Petitioner did not provide any information regarding the current lease or income and expense for the subject property. He said the sales comparison indicated a range from \$97.50 a square foot to \$214.51 a square foot and the income approach to value indicated a value of \$123.75 per square foot. In the absence of income and expense information, he said market assumptions were applied. He said the subject property's taxable value was \$131.25 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

The Petitioner had no further information.

With regard to Parcel No. 043-332-05, 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.

10-0764E PARCEL NO. 043-332-06 – 110 HUFFAKER LANE LLC –
HEARING NO. 10-0479

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 110 Country Estates Circle, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessment notice, 1 page.

Exhibit B: Evidence packet, 15 pages.

Exhibit C: Income statement, 2 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn by Chief Deputy Clerk Nancy Parent.

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

Mr. Croteau said in light of the Board's previous ruling, he submitted the evidence and accepted the recommendation.

Appraiser Gonzales said the sales comparison indicated a range from \$97.50 a square foot to \$214.51 a square foot. He said Improved Sale 2 was a distressed sale with large monthly decreases in list price per the listing agent. In the absence of income and expense information, he said market assumptions were applied. He said the subject properties taxable value was \$131.25 a square foot which fell within the range of the comparable sales and the income analysis. Appraiser Gonzales recommended that the taxable value be upheld and the subject property was equalized with similarly situated properties in the County.

With regard to Parcel No. 043-332-06, 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.

10-0765E PARCEL NO. 076-310-05– MACDONALD, GARY J & MARVALEE
HEARING NO. 10-0252

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 655 Encanto 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, 16 pages.

On behalf of the Petitioner, no one was present.

On behalf of the Assessor and having been previously sworn, Ron Sauer, Chief Appraiser, oriented the Board as to the location of the subject property. He stated the land value would remain the same and recommended the taxable improvement value be reduced to \$399,523 as a result of reverting to the 2009 well-costing calculation. He indicated that the taxpayer was in agreement with this recommendation.

With regard to Parcel No. 076-310-05, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$399,523, resulting in a total taxable value of \$530,023 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.

10-0766E PARCEL NO. 076-310-63 – ALICIA GJM LLC ETAL –
HEARING NO. 10-0254

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at Los Arboles Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 4 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subjects appraisal records, 6 pages.

On behalf of the Petitioner, no one was present.

On behalf of the Assessor and having been previously sworn, Rigo Lopez, Sr. Appraiser, oriented the Board as to the location of the subject property. He recommended reducing the land value to \$130,500 due to the topography and noted the Petitioner was in agreement.

With regard to Parcel No. 076-310-63, 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 reduced to \$130,500, resulting in a total taxable value of \$130,500 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.

10-0767E PARCEL NO. 076-390-54 – SPADE ENTERPRISES LLC –
HEARING NO. 10-0256

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 28 Corvato Court, 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, 6 pages.

On behalf of the Petitioner, no one was present.

On behalf of the Assessor and having been previously sworn, Rigo Lopez, Sr. Appraiser, oriented the Board as to the location of the subject property. He recommended a 10 percent reduction based on an access adjustment and noted the Petitioner was in agreement.

With regard to Parcel No. 076-390-54, 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 reduced to \$83,880, resulting in a total taxable value of \$83,880 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.

10-0768E PARCEL NO. 076-380-45 – DYETTE, ADRIAN –
HEARING NO. 10-0718

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 1095 Sunset Vista 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, 8 pages.

Exhibit II: Updated top sheet, 1 page.

On behalf of the Petitioner, no one was present.

On behalf of the Assessor and having been previously sworn, Ron Sauer, Chief Appraiser, oriented the Board as to the location of the subject property. He recommended that the taxable improvement value be reduced as a result of reverting to the 2009 well-costing calculation and also in the form of economic obsolescence. He noted the Petitioner was in agreement.

With regard to Parcel No. 076-380-45, 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 \$166,985, resulting in a total taxable value of \$260,185 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.

10-0769E PARCEL NO. 025-552-10– WEE BEE PARTNERS LLC –
HEARING NO. 10-0292

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5605 Riggins Court, 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.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He recommended that the taxable improvement value be reduced in the form of economic obsolescence and noted the Petitioner was in agreement.

With regard to Parcel No. 025-552-10, 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 \$1,199,330, resulting in a total taxable value of \$1,484,730 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.

**10-0770E PARCEL NO. 025-372-37– RIDGEVIEW PLAZA LLC –
HEARING NO. 10-0313**

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5250 S. Virginia Street, 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, 15 pages.

On behalf of the Petitioner, no one was present.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He recommended that the taxable improvement value be reduced in the form of economic obsolescence and noted the Petitioner was in agreement.

With regard to Parcel No. 025-372-37, 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 \$4,649,933, resulting in a total taxable value of \$7,034,033 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.

**10-0771E PARCEL NO. 040-961-02– RENO CP LLC –
HEARING NO. 10-0339**

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5345 Kietzke 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, 13 pages.

On behalf of the Petitioner, no one was present.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He recommended that the taxable improvement value be reduced in the form of economic obsolescence and noted the Petitioner was in agreement.

With regard to Parcel No. 040-961-02, 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 \$687,300, resulting in a total taxable value of \$998,000 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.

**10-0772E PARCEL NO. 040-972-18 – SANDHILL INVESTMENT PROP LLC
HEARING NO. 10-0341**

A Petition for Review of Assessed Valuation was received protesting the 2010/11 taxable valuation on land and improvements located at 5555 Kietzke lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 7 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.

On behalf of the Assessor and having been previously sworn, Michael Gonzales, Appraiser III, oriented the Board as to the location of the subject property. He recommended that the taxable improvement value be reduced in the form of economic obsolescence and noted the Petitioner was in agreement.

With regard to Parcel No. 040-972-18, 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 \$1,076,890, resulting in a total taxable value of \$1,396,590 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.

BOARD MEMBER COMMENTS

There were no Board member comments.

PUBLIC COMMENT

There was no response to the call for public comment.

* * * * *

4:50 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:
Stacy Gonzales, Deputy Clerk*