

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

THURSDAY

9:00 A.M.

FEBRUARY 17, 2011

PRESENT:

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

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

The Board of Equalization convened at 9:01 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:

11-0520E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing:

| Assessor's Parcel No. | Petitioner | Hearing No. |
|------------------------------|-------------------------------|--------------------|
| 021-455-14 | Quail Vista LLC | 11-0414A |
| 021-870-04 | Quail Vista LLC | 11-0414B |
| 021-890-07 | Quail Point Business Park LLC | 11-0418 |
| 021-890-06 | Quail Point Business Park LLC | 11-0425 |
| 025-470-20 | Ribeiro, Johnny A Jr., et al | 11-0427 |
| 025-470-31 | 5401 Longley LLC | 11-0430 |
| 034-132-09 | 745/755 E Greg Street LLC | 11-0440 |
| 034-300-14 | Seaton, Jean M et al | 11-0442 |
| 034-342-05 | Cal Linda Freeport LLC | 11-0446 |
| 040-880-02 | Quail Medical II LLC | 11-0453 |
| 040-880-01 | Quail Medical III LLC | 11-0454 |
| 040-880-13 | Quail Medical I LLC | 11-0455 |

11-0521E REQUEST FOR CONTINUANCE

There were no requests for continuance.

CONSOLIDATION OF HEARINGS

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

11-0522E **PARCEL NO. 014-203-32 – PLUMAS QUAIL LLC –**
HEARING NO. 11-0415

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 1875 Plumas Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 7 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 24 pages.

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau reviewed the subject's features and discussed the income and expenses, rents and vacancy percentages associated with the property. He said pursuant to the income analysis and redaction of the interest and depreciation, the net income for the subject was \$295,041. Applying a 9 percent cap rate to the net income resulted in a value of \$3,278,233. The Assessor's Office valuation of the property was \$3,715,945. He said the appellant was seeking a reduction of \$437,712. He said he did not believe a 16 percent vacancy rate was abnormal in this market and the income approach accurately reflected the value for the property. He commented rent concessions for the subject were \$11,000, which had to be given to maintain tenants.

Appraiser Lambert referred to page 3 of Exhibit I stating she used market data to determine the income approach, which equated to \$84 per square foot. She noted after reviewing the additional information she received from the appellant, the income approach determined a rent value of \$1.54 per square foot with a 17 percent vacancy loss, 3 percent in operating expenses, and 9 percent cap rate, for a total value of \$165 per square foot. She referred to page 2 of Exhibit I stating the land sales supported the

subject's taxable land value of \$7.65 per square foot. The income and expense data provided by the appellant indicated the subject was receiving above-market rents. The subject's value at \$99 per square foot fell within the range of the comparable sales and the income analysis. She stated it was the Assessor's Office recommendation to uphold the current value.

Chairman Covert stated the improved sales were over a year old and he was not sure they were comparable.

In rebuttal, Mr. Croteau stated the Assessor's Office income analysis was pretty close. He commented the Appraiser stated the subject was receiving above-market rents and should receive a premium. He said the actual numbers demonstrated they were only doing a little better than the income analysis she provided and he did not understand why their value was \$600,000 more than his calculation. He referred to the improved sales (IS) as evidenced by the Assessor's Office noting usage and values. He believed IS #1 was the only building somewhat comparable, based on size and use; however, it was newer and shown at \$98 per square foot. He believed the income approach was the proper analysis, not the sales approach. He concurred the subject was receiving a little higher market rents than most, but their expenses were higher. He said they were asking for something better than the income approach, but substantially less than the approach adopted by the Assessor's Office because he did not believe it equalized the property. He said the appellant was requesting a reduction in the amount of \$437,712, based on their income approach.

Member Green stated IS #2 was behind Meadow Wood Mall and he did not consider it to be a prime bank location. He concurred the sale was last year and an older, smaller building. He said the Assessor's Office tried their best to arrive at a value that was not more than actual cash value. To do that, they had to look at many different issues. He believed IS #2 was a very good comparable. Chairman Covert stated he thought IS #3 was not a good comparable.

Member Green stated the Petitioner's evidence showed an expense of \$29,000 for remodel and he inquired what had been done. Mr. Croteau said that expense was for tenant improvements.

Member Krolick stated the property was valued over \$1 million less than last year, which he thought took into account some of the appellant's concerns.

Member Brown stated he was not impressed with the improved sales provided. Chairman Covert stated he thought there should be some type of adjustment due to economic conditions.

With regard to Parcel No. 014-203-32, pursuant to NRS 361.357, 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 by

\$200,000 in the form of obsolescence to \$2,186,344, resulting in a total taxable value of \$3,515,945 for tax year 2011-12. 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.

**11-0523E PARCEL NO. 021-890-02 – KING, WILLIAM B & NANCY L TTEE
ET AL – HEARING NO. 11-0416**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4591 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 3 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 3 pages.

Exhibit C: Common evidence, Master list of comparables, 22 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau described the subject's square footage, vacancy, usage and rent roll. He said the current income for the subject was \$131,291; the expenses were \$88,757, which produced a net income of \$42,534. Using that analysis with a 9 percent cap rate demonstrated a value of \$472,000. The Assessor's Office had the subject valued at almost \$1 million more.

Mr. Croteau thought the subject qualified for some relief under the income approach. He stated utilizing the Assessor's Office figures, the value should be \$1,132,000, not \$1,429,000. He said the sales comparison approach determined a value of \$1,725,000. He reviewed the comparable sales used by the Assessor's Office noting the differences between age, size and type of product.

Member Green stated the appellant listed an expense for association dues and he wondered what the association did for \$23,000 per year. Mr. Croteau stated he believed that expense covered grounds maintenance. Member Green stated he thought that expense was steep. Mr. Croteau explained they were expenses relating to property

maintenance to attract customers. He said full cash value represented, in his opinion, what someone was willing to pay for the property. He believed no one was going to pay more for commercial property than it would cash flow. He stated he was not 100 percent certain the dues were for grounds maintenance. Member Green stated he knew Mr. Ribeiro's properties were well maintained, but if he was looking at purchasing the property, that type of expense would be a deterrent.

Mr. Croteau referred to Exhibit C noting a recent sale in November 2010 at 5005 Longley Lane for \$41.16 per square foot. The income approach utilized by the Assessor's Office for the subject was \$63 per square foot and the taxable value was \$80 per square foot. He acquiesced they were not identical properties, but felt those sales were the competition. The building was much larger, but it was a recent sale and not far from the subject property. He referred to two other comparable sales within two miles of the property (650 Rock Blvd. and 4980 Joule Street) noting their size, age and value per square foot. Mr. Croteau emphasized the value of the sales were 50 percent less than what the Assessor's Office valued the subject. He felt the income approach should have merit and thought the market would bear \$41 a square foot as the value. After redacting the expenses discussed earlier the value would be close to \$800,000, or \$44.66 per square foot, not \$80 per square foot. He continued by reviewing other comparable sales as listed in Exhibit C.

Appraiser Clement read from page 3 of the Assessor's Hearing Evidence Packet (HEP), noting the income approach to value. He reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He noted Improved Sale #4 was inferior in location and size and was sold with no interior finish or heating. He said the income approach to value indicated a value of \$63 per square foot and equal weight was given to both the income and sales approach. It was his opinion the subject was equalized at \$80 per square foot.

Appraiser Clement stated he knew it was a difficult market and rents were down, but he believed an investor would not be interested in what rents were for one or two year leases. He thought the comparable sales showed what investors were willing to pay. Chairman Covert stated his concern was that no one knew when the downturn was going to end. Appraiser Clement stated he believed an investor would look at a 10 year holding-period on these types of buildings. Appraiser Clement stated he reviewed the market and was out in the neighborhoods everyday and believed he picked the best comparable sales. He thought for the appellant to put (Exhibit C) in front of the Board when they did not know what the buildings were was totally misleading and put doubt in the Board's mind.

Member Woodland said she noticed the same information on Exhibit C that the Appraiser referred to, especially the year built. She felt the comparable listed could not compare to the subject, which was built in 2003. Appraiser Clement also noted the comparables (Exhibit C) were warehouses and were receiving rent at 25 to 30 cents per square foot and were not comparable from an income standpoint.

Chairman Covert stated he did not think there was any conspiracy involved in presenting that evidence (Exhibit C) to the Board. Member Krolick stated if a building had good exposure to high traffic, it would attract a tenant who was willing to pay a premium for that frontage location.

Chairman Covert asked what would be the highest quality class for this type of warehouse building. Appraiser Clement responded the quality class on Industrial/Flex was based on the amount of interior office finish and retail finish. He said if the subject had 5 to 10 percent finish, it would be a quality class of 1 to 1.5, which would reflect the costing. He said a quality class of 2 to 2.5 would see approximately 15 to 20 percent office space. The subject was at a higher quality class due to the amount of office/retail finish. Appraiser Clement clarified if the building was a lower quality class flex building, it would have more warehouse space and lower rent. Ron Sauer, Sr. Appraiser, informed the Board the highest quality class on flex buildings was 4.0, but there were some minimum standard requirements to identify the class based on finish. He wanted it noted for the record the class was not based only on finish.

Mr. Croteau said he did not think the Assessor's Office had the basis to pontificate what the future intent of investors would be in the market place. He did not think he had the basis to do that, but if he did, University of Nevada Las Vegas produced a bunch of studies recently about what they expected for the next 10 years. He did not believe they held out the Appraiser's optimism. He said industrial commerce and commercial real estate was expected to be in a downturn for the next 10 years along with residential. He said he thought the income approach should be utilized in most cases unless there was an anomaly with the building that would dictate otherwise.

Mr. Croteau stated 5005 Longley Lane was built in 2009. The property was classed industrial-manufacturing and sold for \$41 per square foot, nearly \$39 a square foot less than the subject. He was not saying it was identical property, because that was difficult to find. He said it did not matter how the math was done, but the income approach showed a value of \$800,000, not \$1.4 million.

Chairman Covert stated if he was looking to purchase commercial property he would look for the lowest price and best future benefit he could find. He would look for a distressed seller and buy it at or below market even if he planned to improve it. He said he would not pay more for it on the premise he might be able to make \$1 million in 10 years.

Member Green stated there would have to be a lot extrapolated out of the sale for 5005 Longley Lane to consider it a comparable sale. He noted the subject property's value had only come down about \$9,000 from last year. He felt the market was not as strong as it was a year ago and some adjustment should be made to the property. Chairman Covert recommended the value be reduced to \$75 per square foot, which would equate to \$1,036,753 for the improvements and a total taxable value of \$1,348,125.

With regard to Parcel No. 021-890-02, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$81,750 in the form of obsolescence to \$1,036,753, resulting in a total taxable value of \$1,348,125 for tax year 2011-12. 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.

11-0524E PARCEL NO. 021-890-05 – KING FAMILY TRUST –
HEARING NO. 11-0417

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4583 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 3 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 3 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau described the subject's square footage, income and expenses, vacancy rate, usage and rent roll. He testified the subject did not have frontage. He said the Board reduced the property for the previous hearing to \$75 per square foot, which was \$2 less per square foot than the appraised value of the subject, but that did not take into account its lack of accessibility and frontage. He felt there should be some adjustment for that.

Appraiser Clement read from page 3 of the Assessor's Hearing Evidence Packet (HEP) illustrating the income approach. He reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He said the income approach to value indicated a value of \$52 per square foot; therefore, the taxable value did not exceed full cash value.

Chairman Covert inquired if it was a fair assumption that the smaller the building, the higher the price would be per square foot. Appraiser Clement stated that was correct.

Member Green stated page 4 of the HEP demonstrated in 2009 the improvement value was \$407,939, but in 2010 it was \$312,719. He wondered if the reduction was based on a decision by the Board of Equalization. Appraiser Clement stated the Board reduced the subject last year. He explained all property owners who receive obsolescence were sent a letter to submit their income and expense statement. He testified the owner did not submit any data. At reappraisal time, he collected the data that he had available and had to determine whether the subject was over market value and eligible to retain the obsolescence, or to remove the obsolescence. He said the current data proved the subject was not over market value, so he removed the obsolescence. Member Green inquired if there were improvements to the property and Appraiser Clement responded that he did not know of any.

In rebuttal, Mr. Croteau stated the subject was valued at \$77 per square foot and was only 12 percent finished, as opposed to the previous hearing which was equalized at \$75 per square foot and was 47 percent finished. He said it (the subject) was inferior in location, behind another building, no frontage and no visibility to the street and was only \$3 less per square foot than the property in front of it had. He said he agreed that a 138,000 square foot project was different than the subject; however, that project, even if there were no interior finishes whatsoever, was not much better than compared to a 12 percent finished on a 6,600 square foot building. He thought there was a requirement to equalize the subject.

Chairman Covert stated he was concerned when there was such a large difference between the comparable sales approach and the income approach by percentage.

Appraiser Clement stated when the interior finish was less than the quality class for these types of buildings he would make an adjustment for lack of finish. The adjustment for lack of finish was based on the \$57,065 it would cost to put in the office space. Chairman Covert asked if the subject was the same quality class as the building in front of it. Appraiser Clement stated that was correct. Chairman Covert stated it would still have the quality class of 3.0 if the improvements were never done. Appraiser Clement responded yes, and it would have an adjustment for lack of finish for the amount of office finish that would be allowed for that quality class. He said the same formula would apply if there was more office finish than what was allowed in that quality class, they would add for the additional office.

Member Green stated he thought a reduction to \$70 per square foot would be appropriate, because the Board saw a reason to reduce the subject last year. He said the subject was not visible, had less finished area and a tremendous amount of difference in the income approach and the sales approach. He believed if the building in the front

was equalized at \$75 per square foot, then the subject should be reduced to \$70 per square foot.

With regard to Parcel No. 021-890-05, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$47,564 in the form of obsolescence to \$324,912, resulting in a total taxable value of \$464,940 for tax year 2011-12. 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.

11-0525E PARCEL NO. 021-455-12 – QUAIL VISTA LLC –
HEARING NO. 11-0419

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4690 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales, 2 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 6 pages.

Exhibit C: Copy of hearing notice, copy of Petition and rent roll data, 9 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau informed the Board his client used the income approach for the entire property, which encompassed six parcels and he would like to present all of them as a package appeal. He reviewed the total square footage and the amount utilized for office space and warehouse space. He noted there was approximately 15,000 square feet of unrented warehouse space.

Member Woodland called for a point of order. She asked that the Clerk call all of the parcels since Mr. Croteau was providing evidence for all six parcels at this

time. Mr. Croteau stated whatever management did with one parcel would be identical with the next one and so on. He said there may be some small variation with regard to finish, but it was the same product.

Chairman Covert inquired if the Board could hear all the evidence now and then refer to the evidence when each additional parcel was heard. Herb Kaplan, Deputy District Attorney, responded to call all of the hearings, because if the Petitioner appealed to the State Board of Equalization, they would only have the ability to consider evidence that pertained to a specific hearing. He suggested allowing for the presentation of the evidence and then having individual motions for each parcel.

Ron Sauer, Sr. Appraiser, stated the Assessor's Office was not prepared to consolidate all the hearings together as they were valued individually. Mr. Kaplan stated if the same evidence was presented for each hearing, the Clerk could mark that evidence as presented for each hearing.

Mr. Croteau presented the subject was a 25,248 square foot building and the economic evidence indicated a cap value of \$7,576,298 for the entire block. The income approach valued the entire block at \$3,728,422. He discussed the overall income and expenses leaving a net income of \$335,558. He said a value of \$3,728,422 was reached after applying a 9 percent cap rate. He said the Assessor's Office value for all six parcels came to \$7,576,298. He referred to his evidence which showed a breakdown of the rent roll for the properties as rented and an income statement covering all properties.

Mr. Croteau said the Assessor's Office described the subject as poor property and a poor example. He said it must not be a poor example because it was valued at \$42 per square foot based on the taxable approach; \$51 per square foot based on the sales approach; and, \$45 per square foot based on the income approach. He was not sure how the Assessor's Office arrived at that value, because the appellant's numbers indicated something substantially different. He said the Appraiser had umbrage with the property that was listed at 5005 Longley Lane, which was 138,000 square feet, built in 2009 and valued at \$41 per square foot. Mr. Croteau reviewed the features of the subject noting the doors were on the ground and rolled up and there were no dock bays. He commented the Board gave relief to the subject last year because the parcel was landlocked and not visible from any roads.

Appraiser Clement read from page 3 of the Assessor's Hearing Evidence Packet (HEP) relating to the subject's income information. He clarified the subject was a low quality Industrial/Flex building and not poor quality. He reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He said based on their analysis the taxable value did not exceed full cash value and was equalized with similarly situated properties.

Appraiser Clement responded to the appellant's focus on the sale at 5005 Longley Lane by stating it was a corner mini-warehouse and it was not a valid sale. It

was a transfer from the owner to the same owner under a different limited corporation (LLC).

In rebuttal, Mr. Croteau stated it was relevant because the subject property had no finish, it was simply a warehouse classed as Industrial/Flex. He said the whole area was 85.9 percent rented and 14 percent vacant, which he thought was the norm. He might agree that the income approach did not apply, but his client would sell them all if a willing buyer could be found. He reiterated the subject was classed as a category 1 with no improvements, no finish, and was land-locked. He thought the income approach was very clear that a 50 percent reduction was appropriate.

Member Woodland inquired about the vacancy rate for the subject only. Mr. Croteau stated he had no break down of the subject regarding income and expenses but the total vacancy rate for all six parcels was 14 percent. Member Brown wondered what the problem was with regard to the income approach from the Assessor's Office. Mr. Croteau responded it was factually incorrect and the assumption for rent was incorrect.

Mr. Croteau stated they were reporting 86 percent occupied throughout the whole area (six parcels). He reported his client noted 29 to 30 percent was office and the rest was classified as warehouse. He testified the rent for the back was 30 cents per square foot and the front was getting 60 cents per square foot and it was still generating only \$1 million in gross revenue.

Chairman Covert stated he picked three listings from the Petitioner's submitted rent roll, which showed a low of 58 cents per square foot and a high of \$1.04 per square foot. He noted the Assessor's Office was granting 20 percent vacancy, but the evidence stated 14 percent and the expenses may be a little higher. Chairman Covert stated he did not have a problem with the income approach.

Member Krolick stated the subject was a storage structure and the expenses were coming from the other structures that were being blended in with this hearing and he did not think that was the appropriate way for the appellant to manage or breakdown his property. Mr. Croteau responded the properties were commonly owned by the same LLC and had the same land and same parking lot. Member Krolick stated those would be considered common area and the evidence presented did not help the appeal.

Member Green stated there was a demand for these small type units. He thought the Assessor's Office was being very fair and did not see a reason for a reduction on the subject based on the sales approach or the income approach.

With regard to Parcel No. 021-455-12, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the

Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

10:34 a.m. The Board took a brief recess.

10:46 a.m. The Board reconvened with all members present.

11-0526E PARCEL NO. 021-455-13 – QUAIL VISTA LLC – HEARING NO. 11-0420

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4690 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales, 2 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 6 pages.

Exhibit C: Copy of hearing notice, copy of Petition and rent roll data, 9 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau went through the same evidence as presented for the previous hearing stating the financial analysis encompassed the six parcels appealed as referenced earlier. He said the net income (total) was \$335,558, which demonstrated a value of \$3,728,422 using the 9 percent cap rate. The value placed on the subject by the Assessor's Office was \$575,121 and the appellant believed the value should be \$287,560 based on income approach. He thought \$45 per square foot was too much for a triple-land bound building. Chairman Covert inquired where the access was for the subject. Mr. Croteau responded access was off Longley Lane, or at both ends of the building.

Appraiser Clement read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property. He said based on the analysis, taxable value did not exceed full cash value and the property was equalized with similarly situated properties. He noted the

previous hearing demonstrated that parcel was valued at \$42 per square foot and the subject was valued at \$45 per square foot.

Chairman Covert stated the subject was identical to the previous hearing except for the size. Mr. Croteau stated that was the only difference he could see.

Member Green stated he thought the value should be reduced to \$42 per square foot and Chairman Covert agreed.

With regard to Parcel No. 021-455-13, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$36,219 in the form of obsolescence to \$364,047 (\$45 a square foot to \$42 a square foot), resulting in a total taxable value of \$538,902 for tax year 2011-12. 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.

11-0527E PARCEL NO. 021-870-03 – QUAIL VISTA LLC –
HEARING NO. 11-0421

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4690 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

- Exhibit A:** Comparable sales, 2 pages.
- Exhibit B:** Copy of Hearing Notice, Tenant Rent Roll and letter, 6 pages.
- Exhibit C:** Copy of hearing notice, copy of Petition and rent roll data, 9 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau stated the overall income approach demonstrated a value of approximately \$3.728 million, as opposed to the Assessor's Office value at \$7.576

million. The appellant was requesting the value be reduced to \$2.1 million. He said the Board already equalized the properties on Longley Lane to \$75 per square foot and the subject was currently valued at \$85 per square foot. He said he did not think the subject's quality and custom were better than those other properties. He said the Assessor's Office gave the subject a quality class of 3.5 and used 59 percent for the finished area, which was inconsistent. He stated he did not know why the Assessor's Office did not use sales from Longley Lane as comparable sales. He thought 4583 Longley Lane was very similar based on frontage, size, and interior finish. He did not know why the subject was classed at a 3.5 because it was not finished any more than the others. He suggested the subject be equalized.

Chairman Covert inquired about the difference between a concrete tilt-up and a concrete precast building. Appraiser Clement responded a concrete tilt-up was less expensive to build. He stated a concrete precast happened when forms were poured somewhere else, shipped in and then installed. Ron Sauer, Sr. Appraiser, stated from a market standpoint he did not believe there was any difference.

Appraiser Clement read from the Assessor's Hearing Evidence Packet and reviewed the features, comparable sales, and range of values associated with the subject property. He stated, based on the analyses, taxable value did not exceed full cash value and the subject was equalized with similarly situated properties. Appraiser Clement stated the subject was more of a neighborhood shopping center with a lot more retail, whereby the other parcels were more Industrial/Flex. He said there should be a difference in the price per square foot for the subject and the others.

In rebuttal, Mr. Croteau said the Assessor's Office was not addressing the percentage of utilization of the land. He reviewed the comparable sales with regard to price per square footage, land to building ratios, excess parking and no opportunities to expand, which he thought was inerrant in the cost of the land and buildings. He did not believe the subject was that dissimilar and did not believe the utilization would demand a \$10 per square foot difference between the subject and the property that was just down the street.

Appraiser Clement responded to Mr. Croteau regarding the coverage issue stating parking areas were considered a common area parcel with no value as it contributed to the actual parcels, and the other sales included parking areas.

Member Green stated he thought the subject was a nice shopping area and discussed quality class and size. He believed some relief should be granted.

With regard to Parcel No. 021-870-03, pursuant to NRS 361.357, 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 Green voting "no", it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

11-0528E PARCEL NO. 021-880-02 – QUAIL VISTA LLC –
HEARING NO. 11-0422

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4690 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales, 2 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 6 pages.

Exhibit C: Copy of hearing notice, copy of Petition and rent roll data, 9 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau stated the subject was valued at \$85 per square foot and all of the distinctions were the same as the previous hearings. He said the subject was classed at 3.5 and disclosed the Assessor's Office was using different comparable sales. Chairman Covert inquired what the building was being used for. Mr. Croteau stated he did not know, but that it was 85.6 percent rented. Member Green inquired what Ashlar Stone meant when referred to the construction type. Appraiser Clement stated it was the façade (decorative stone) on the front of the building.

Mr. Croteau discussed the comparable sales used by the Assessor's Office and said the market approach demonstrated a different value from the assessed value. He suggested \$75 per square foot to be consistent with 4583 Longley Lane. He stated he used the income approach and recalculated the figures using the association fees, which brought the overall valuation down from \$7.5 million to \$5.5 million.

Appraiser Clement reviewed the features, comparable sales, and range of values associated with the subject property as shown in the Assessor's Hearing Evidence Packet. He stated he believed the comparable sales used demonstrated a value of \$95 to \$97 per square foot. He testified he used different comparables because of the size of the

subject property. He said his opinion of value was \$88 per square foot, based on the analyses.

Member Green stated he felt the Board needed to be consistent. He noted he did not believe the subject property was as good a location as the property in the previous hearing. He felt the value should be \$80 per square foot.

With regard to Parcel No. 021-880-02, pursuant to NRS 361.357, 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 by \$36,224 in the form of obsolescence (\$85 a square foot to \$80 a square foot) to \$389,896, resulting in a total taxable value of \$531,520 for tax year 2011-12. 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.

11-0529E PARCEL NO. 021-880-03 – QUAIL VISTA LLC –
HEARING NO. 11-0423

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4690 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales, 2 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 6 pages.

Exhibit C: Copy of hearing notice, copy of Petition and rent roll data, 9 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau said pursuant to the appellant's previous analysis and the economics provided, he was respectfully requesting a reduction of \$92,547. He said the issues were the same, the evidence was the same and the appellant would like it equalized with the properties next door.

Appraiser Clement reviewed the features, comparable sales, and range of values associated with the subject property as shown in the Assessor's Hearing Evidence Packet. He noted the Board applied \$129,654 in obsolescence last year to equalize the subject property. He said the improved sales indicated a value of \$100 per square foot and the income approach to value indicated a value of \$75 per square foot. He said his opinion of value was \$88 per square foot, taxable value did not exceed full cash value, and the subject was equalized with similarly situated properties. It was the Assessor's Office recommendation to uphold the current value.

Member Brown asked if it was the Appraiser's opinion that the finished area and the age of the subject were evened out when compared to the improved sales. Appraiser Clement stated the subject had a lot more potential than the comparable sales on Joule Street because it was on a major thoroughfare. He stated there was no over-market depreciation on the Ribeiro properties, and the age was a minor factor.

Chairman Covert asked why the subject was at \$86 per square foot and the property next door was at \$85 per square foot. Appraiser Clement clarified the reason the value was different, was because the Board was looking at the taxable value, which was based upon the replacement cost new, less 1.5 percent depreciation per year. Member Green stated the previous hearing showed "nothing" under finished area. Appraiser Clement stated it was 100 percent finished. Chairman Covert stated the Board should be consistent with like properties and adjust the subject to \$80 per square foot as was done in the previous hearing.

With regard to Parcel No. 021-880-03, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Chairman Covert, which motion duly carried with Members Woodland and Green voting "no", it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$24,809 in the form of obsolescence (\$86 a square foot to \$80 a square foot) to \$240,206, resulting in a total taxable value of \$325,760 for tax year 2011-12. 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.

11-0530E PARCEL NO. 021-880-07 – QUAIL VISTA LLC –
HEARING NO. 11-0424

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4690 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Parcel summary reports, 2 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 6 pages.

Exhibit C: Copy of hearing notice, copy of Petition and rent roll data, 9 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau stated the appellant believed the subject should be valued significantly less than \$86 per square foot. He said the subject was Industrial/Flex and 27 percent finished. Chairman Covert inquired what was in the building. Mr. Croteau stated he did not know.

Appraiser Clement reviewed the features, comparable sales, and range of values associated with the subject property as shown in the Assessor's Hearing Evidence Packet. He stated his opinion of value was \$88 per square foot and the taxable value did not exceed full cash value.

With regard to Parcel No. 021-880-07, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Chairman Covert, which motion duly carried with Members Woodland and Green voting "no", it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$61,828 in the form of obsolescence (\$86 a square foot to \$80 a square foot) to \$673,680, resulting in a total taxable value of \$857,280 for tax year 2011-12. 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.

11-0531E PARCEL NO. 025-470-28 – 5325 LOUIS LANE, LLC – HEARING NO. 11-0428

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 5325 Louie Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 5 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 3 pages..

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 17 pages.

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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 read from page 1 of the Assessor's Hearing Evidence Packet stating it was the Assessor's Office recommendation to reduce the total taxable value to \$1,063,373 due to obsolescence. Mr. Croteau stated the appellant was in agreement.

With regard to Parcel No. 025-470-28, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$690,719, due to obsolescence, resulting in a total taxable value of \$1,063,373 for tax year 2011-12. 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.

11-0532E PARCEL NO. 025-470-19 – 5301 LONGLEY E, LLC – HEARING NO. 11-0429

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 5301 Longley Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 5 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 3 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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 stated it was the Assessor's Office recommendation to reduce the total taxable value to \$1,230,566. Mr. Croteau stated the appellant was in agreement.

With regard to Parcel No. 025-470-19, pursuant to NRS 361.357, 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 by \$184,581 in the form of obsolescence to \$894,686, resulting in a total taxable value of \$1,230,566 for tax year 2011-12. 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.

11-0533E PARCEL NO. 034-091-03 – 1320-1350 FREEPORT LLC –
HEARING NO. 11-0439

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 1350 Freeport Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 4 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 19 pages.

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau reviewed the subject's square footage, usage, age, vacancy, quality, frontage and finish. He noted there were two buildings on the property. One building was inferior to the other and there were issues in terms of accessibility. He felt the income approach was clear and they were overvalued by about \$600,000. The Assessor's Office had them valued at \$51 per square foot and the appellant believed it should be \$45 per square foot. He said his client was doing better on market rent than the Assessor's Office used in his analysis, but they were still not attracting tenants. He noted the vacancy rate was 41 percent and thought it was "ripe" for obsolescence.

Appraiser Clement read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He noted the income approach to value indicated a value of \$51 per square foot and, based on his analysis, the taxable value did not exceed full cash value and was equalized with similarly situated properties. He said people who would rent these types of flex buildings would rent them for a different reason than the Longley Lane flex buildings, where they could have a mix of uses.

In rebuttal, Mr. Croteau stated part of the analysis showed the appellant had to give back almost \$20,000 in rent concessions last year to keep the current tenants. He said expenses were higher on the subject than they normally would be if the place was rented, but they were absorbing approximately 45 percent carrying cost for the two buildings. He said the appellant was asking to akin it more to comparable sale #3 at \$45 per square foot and apply the income approach, which would demonstrate \$39 per square foot. He understood the Board may not want to go that low, but the Assessor's Office had it valued at \$51 per square foot. He thought somewhere in between would make it akin to the Joule Street sale, which was valued at \$45 per square foot.

Member Green stated comparable sale #3 only had 6 percent finished area as opposed to 28 percent finished area in one building and 38 percent finished area in the other building. He said he did not support the request for \$45 per square foot. Chairman Covert stated he also did some refiguring based on the income approach and he did not feel \$45 per square foot could be supported.

With regard to Parcel No. 034-091-03, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Krolick, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

11-0534E PARCEL NO. 034-300-10 – MANOUKIAN FAMILY TRUST, NOEL C – HEARING NO. 11-0441

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 105 Cal Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 5 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 17 pages.

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau said the property consisted of 11,415 square feet and was substantially difficult to rent because it was a 1974 vintage property. He reported it was currently vacant with no income and had no obsolescence applied. He said his client had a long-term tenant who breached the lease and vacated the property. He noted the rent roll reflected the lessee had been renting since 1992. He testified the property was going to require substantial enhancements to make it marketable. Given the subject's age, he requested some obsolescence, because there was no revenue and costs of \$35,000 a year for management and operation of the building.

Appraiser Clement read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He noted the income approach to value indicated a value of \$31 per square foot. He stated his opinion of value was \$38 per square foot, giving equal weight to the comparable sales approach and income to value approach. He said based on his analyses, the taxable value did not exceed full cash value and was equalized with similarly situated properties. He noted the subject was given an adjustment in the amount of \$75,000 for obsolescence last year. He said based on the comparable sales he had clear evidence that the subject was not over market, so the obsolescence was removed.

With regard to Parcel No. 034-300-10, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Green, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

12:02 p.m. The Board took a lunch recess.

12:45 p.m. The Board reconvened with Member Krolick temporarily absent.

11-0535E PARCEL NO. 034-300-15 – CAL LINDA FREEPORT LLC –
HEARING NO. 11-0444

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 250 Cal Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 3 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 7 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 17 pages.

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau stated the subject and the parcel identified as Hearing No. 11-0448 were combined on the financial statements. He acknowledged they would not be consolidated, but wanted to point it out to the Board. He said the subject was fully utilized and fully leased. Chairman Covert inquired if the two parcels were similar in size. Mr. Croteau responded one was 29,167 square feet and the other was 28,873 square feet and both were storage warehouses.

12:50 p.m. Member Krolick arrived at the meeting.

Mr. Croteau explained the Assessor's Office assessed a value of \$27 per square foot. He believed the income approach to value would be the appropriate method of valuation since the subject was fully leased. The gross revenue for the combined parcels was \$302,145 and the total expenses were \$171,538, which left \$130,607 as net income, and at a 9 percent cap rate, indicated a value of \$1,451,188. The appellant was seeking an \$80,000 reduction pursuant to the income approach for both parcels.

Appraiser Clement read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He informed the Board he had to reconcile the information submitted by the appellant. He noted the income approach to value indicated

a value of \$37 per square foot. He said based on his analyses, the taxable value did not exceed full cash value and was equalized with similarly situated properties.

Chairman Covert asked the Appraiser to clarify zoning of MURL and MUSV. Appraiser Clement respond the City of Reno set their zone definitions in Reno as "MU" mixed-use and then the remaining two letters defined the area. He clarified the subject was mixed-use industrial.

In rebuttal, Mr. Croteau stated the Assessor's Office used the appellant's actual numbers and rent roll, but estimated the expenses. He thought that it should be done one way or the other. He thought the overall valuation demonstrated the buildings were very close in size and the expenses showed \$25 per square foot value for both properties (034-300-15 and 034-353-02). He stated the Assessor's Office used 100 percent of the rent, with nothing for vacancy, and when he added in the correct expenses, came up with \$720,000. He thought that demonstrated the Assessor's Office should use actual numbers and actual expenses. The appellant was requesting \$25 per square foot on both properties, which was more accurate based on the income approach.

Chairman Covert said he had an issue with the income approach because there could be two identical buildings next to each other, same age, same use, etc. and one of them could have a long-term lease higher than the current market rate and the other might be full but rented at market or below market. He was not sure that made one building less valuable than the other.

Mr. Croteau stated terms of leases were not looked at on any of the other analyses used. Chairman Covert stated the leases were looked at indirectly by the Board to determine if the rates per square foot reflected market versus non-current market conditions. Mr. Croteau stated he understood. He described the current leases for parcel 034-300-15 and parcel 034-353-02 stating all leases would mature no later than 2014. He said it was not a single-unit property and he thought it was market representative. He was not alleging that the Appraiser's revenue estimations were wrong, but suggested he use the real expenses and the real property analysis and see what the real value was.

Member Green stated he saw an expense for parking lot repairs of \$29,000 and believed that would not be an annual expense. Mr. Croteau stated that was correct, but they may do some interior repairs to the building next year. Chairman Covert challenged those would not be considered property expenses. Appraiser Clement added how he amortized the parking lots and annualized the leasing commissions.

With regard to Parcel No. 034-300-15, pursuant to NRS 361.357, 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 Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

11-0536E **PARCEL NO. 034-353-02 – CAL LINDA FREEPORT LLC – HEARING NO. 11-0448**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 1080 Linda Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 3 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 7 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 17 pages.

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau stated he discussed all of his arguments on the previous hearing (034-300-15) and had nothing new to add.

Appraiser Clement summarized his testimony from the Assessor's Hearing Evidence Packet stating it was the Assessor's Office recommendation to uphold the current value.

With regard to Parcel No. 034-353-02, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

11-0537E **PARCEL NO. 034-342-04 – CAL LINDA FREEPORT LLC – HEARING NO. 11-0445**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 240 Freeport Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 4 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 7 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 19 pages.

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau reviewed the subject's square footage, usage, age, vacancy, quality, frontage and finish. He noted all of the office space was rented and all of the warehouse space was rented except for 1,700 square feet. He believed the income approach to value must be used, which demonstrated a value of \$757,544. The Assessor's Office value was \$1,303,000, which was over \$500,000 more. He noted the last two hearings were valued at \$27 per square foot and the subject was valued at \$31 per square foot and he did not know why. He noted the only expense that could be challenged was the \$14,000 related to the parking lot. He said if the \$14,000 expense was added back in, the value would be \$919,889, which was still off by \$400,000 from the Assessor's Office value. He believed the subject should be valued at \$21 to \$22 per square foot.

Appraiser Clement read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He discussed his amortization and reconciliation process for the subject and noted the income approach to value indicated a value of \$32 per square foot. Chairman Covert inquired if the Appraiser felt the appellant's income approach represented the current market. Appraiser Clement responded his reconciled income approach to value was valid. He said based on his analyses it was his opinion that taxable value did not exceed full cash value and the subject was equalized with similarly situated properties. Chairman Covert asked if the two buildings recently sold across the street, with the exception of age, would be interchangeable as far as use goes. Appraiser Clement stated that was correct and there was nothing in those buildings that would make them more or less valuable than the subject, other than a low vacancy rate.

In rebuttal, Mr. Croteau stated if he sold the building at 100 percent occupancy, the buyer would only pay the cap rate. He believed whether or not to amortize out the rental payments and the commission payments depended on the terms of the leases. He noted that most of the leases related to parcel number 034-342-04, were for one or two years. He believed it was not appropriate to amortize those, but treat them as a

current expense. He explained there was no longevity in the leases for the subject. He still believed \$31 per square foot was too much and he thought the appropriate value would be around \$20 to \$24 per square foot.

Chairman Covert stated the only argument that was valid was the Assessor's Office analysis of the appellant's actual numbers and that the expenses for cleaning were not amortizable. He thought any adjustment should not bring the value lower than \$1,102,811. Member Green stated by using the Petitioner's actual numbers the value came to \$26 per square foot. He noted weight had to be given to the most comparable. Chairman Covert agreed.

With regard to Parcel No. 034-342-04, pursuant to NRS 361.357, 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 by \$120,736 in the form of obsolescence to \$811,592, resulting in a total taxable value of \$1,182,720 for tax year 2011-12. 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.

11-0538E PARCEL NO. 034-342-07 – CAL LINDA FREEPORT LLC – HEARING NO. 11-0447

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 360 Freeport Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and comparable sales, 4 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll and letter, 7 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 19 pages.

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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

Mr. Croteau stated the subject was currently at 65 percent occupancy. He reviewed the square footage, usage, vacancy, income and expense. He requested the

subject be equalized to \$28 per square foot. He noted the property was old and in need of a significant amount of sprucing and brightening to get it rented.

Appraiser Clement read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He said more weight was given to the comparable sales approach and his opinion of value was \$40 per square foot. He remarked that if the Assessor's Office used the actual numbers given, there would be huge variations for the price per square foot and he explained why he used market vacancy, reasonable rents and reasonable expenses.

In rebuttal, Mr. Croteau stated the expenses were actually 51 percent, not 40 percent. He stated he did not disagree that property with frontage might do better on a rental basis, but he believed that was inherent in the revenue. There might be higher rent, but the expenses for that property were also higher. He reiterated the appellant's request was to equalize the subject t \$28 per square foot.

Member Green commented the Board valued the property next door at \$28 per square foot, but he did not believe the Board should go below that because the occupancy rate could be remedied. Chairman Covert concurred the Board had to go to \$28 per square foot for equalization.

With regard to Parcel No. 034-342-07, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$178,430 in the form of obsolescence to \$726,868, resulting in a total taxable value of \$1,108,800 for tax year 2011-12. 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.

11-0539E PARCEL NO. 040-880-05 – SIERRA QUAIL LTD LIABILITY CO – HEARING NO. 11-0456

A Petition for Review of Assessed Valuation was received protesting the 2011-12 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: Income statement and comparable sales, 7 pages.

Exhibit B: Copy of Hearing Notice, Tenant Rent Roll, and letter 3 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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 he was aware of the recommendation to reduce; however, the appellant was not in agreement. He reviewed the subject's rent roll, leases and vacancy rate. He said the properties were vacant last year, but this was the year they incurred expenses for those vacancies. He noted he redacted the parking lot repair expense, but the value was demonstrated at a cap rate of 9 percent to be close to \$1.4 million. He said rental concessions should not go any longer than the amortization (three to five years), depending on the terms of the new lease. He appreciated the reduction to \$3,597,637; however, it was not remotely consistent with what the numbers reflected for the property. The breakdown showed 72 percent was office space, 22 percent was medical space and 6 percent was dental space. He further explained that only 4,800 square feet, out of 30,486 square feet, was rented for medical purposes. The rest of the space reflected non-medical related rents. Mr. Croteau discussed rents for dental offices versus straight offices. He reviewed the net expenses and square footage and determined a net income of \$137,528, coupled with a 9 percent cap rate, equated to \$1,528,088, which was \$2 million less from what was achieved by the Assessor's Office. He said the appellant appreciated the proposed reduction, he just did not feel it was enough.

Chairman Covert stated he understood when space was rented for medical the rents were high, but if the medical was not there, then it was more difficult to rent. Mr. Croteau stated that was correct. He stated the building was 16 years old, but medical space was something that had to be consistently maintained and well-presented, which was reflected in their expenses.

Appraiser Gonzales read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He testified the income approach to value indicated a value of \$119 per square foot; however, the current taxable value was \$137 per square foot. He stated the subject was currently receiving \$100,000 in obsolescence and, based on the performance of the buildings, it was recommended to add \$553,258 in additional obsolescence. He said the subject received the lowest rents out of all the other appeals heard in the area. He thought the appellant's request of \$1.5 million was way below what the value should be on the subject.

Chairman Covert stated Improved Sale (IS) #3 showed the property as office and bank and he thought a bank would not require as much cost for upkeep as medical, but it required something other than office. He wondered what the

improvements would be for a bank-type property. Appraiser Gonzales said the medical space would need more electrical hook-ups, interior build-out with regard to their exam rooms and utilities to support all the medical equipment. Bank property's higher costs were associated with vaults, finishing, and nice lobbies with built-in security. Chairman Covert asked if medical space was ranked a 1, would a bank be rated 0.5 or 0.7 as far as increased costs to the owner. Appraiser Gonzales stated based on *Marshall and Swift* costing, he thought if a medical office was rated 1 then a bank would be rated 0.7 or 0.8.

Member Green stated he noticed some improvements in 2009 for \$128,000 and he wondered what those improvements were. Appraiser Gonzales stated on October 9, 2009 a building permit was procured and he assumed it was for an interior remodel for tenant improvements.

In rebuttal, Mr. Croteau suggested \$90 per square foot would be appropriate for the subject. He said the front building had frontage, but the building in the back was office space and difficult to get to. He said it was also difficult to get tenants for the back buildings. Chairman Covert inquired what was in the middle and Mr. Croteau responded it was a courtyard.

Member Green asked when the present owner purchased the subject. Mr. Croteau thought Mr. Ribeiro was the original owner. Ron Sauer, Sr. Appraiser, stated Mr. Ribeiro purchased the land in 1994 and then built the building in 1998-1999.

With regard to Parcel No. 040-880-05, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$2,456,437 due to obsolescence, resulting in a total taxable value of \$3,597,637 for tax year 2011-12. 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.

11-0540E PARCEL NO. 040-951-01 – MCCARRAN QUAIL PK BL A B C
LLC – HEARING NO. 11-0483

A Petition for Review of Assessed Valuation was received protesting the 2011-12 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: Supporting documentation, 3 pages.

Exhibit B: Copy of hearing notice, tenant rent roll and letter, 3 pages.

Exhibit C: Copy of hearing notice, copy of Petition, Tenant Rent Roll and income statement, 6 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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 his evidence had the financial information combined for two properties (040-951-01, 11-0483 and 040-951-06, 11-0487). He noted the subject had 25,314 square feet and 11-0487 consisted of 16,176 square feet. He said the subject had 85 percent office space and 15 percent dental space. The value per square foot was \$140 for the sales comparison approach and \$116 based on the income approach. He said he believed the rent roll for the subject did not demonstrate the success the valuation represented. He said they showed an average vacancy rate of 18.4 percent for the two properties. He noted the gross income was \$756,995 and the net income was \$210,777 after expenses. Applying a cap rate of 9 percent for the two properties resulted in a value of \$2,341,966 and the Assessor's Office valued the properties at \$4.8 million. He said the rental rolls (Exhibit B) for both properties indicated a total of 41,490 square feet and 7,623 square feet not rented. Mr. Croteau discussed the terms of the leases for the two properties noting they had some longevity for the property. As a result of that, he felt the rent roll numbers were stable, but the expenses and operation of the buildings could be higher than the estimated numbers the appellant was showing.

Chairman Covert inquired if that might have to do with the age of the building. Mr. Croteau stated that was possible, but it was hard to say. He said a lot of the leases would expire next year. He said Exhibit C showed expenses for remodel and parking lot repairs in the amount of approximately \$37,000, but beyond that there were really no anomalies. He reviewed the property's expenses, indirect expenses, interest expenses and other expenses, noting the gross income to be \$246,000. He showed the gross income with a 9 percent cap rate to be valued at \$2.7 million. He reminded the Board those were consolidated figures for both properties. He did not believe the property was worth \$125 per square foot, but closer to \$90 per square foot.

Mr. Croteau next reviewed the comparable sales used for the subject stating those were sales associated with properties that were newer and occurred over a year ago. He said last year the Board told him the downturn had not hit yet, and would expect to see it reflected in the income statements for the next year (2011). He said those numbers were there, but when sales from 2009 were being used, he thought it was a misrepresentation of the market for today.

Appraiser Gonzales read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He informed the Board he did not receive any

income or expense data for the subject before he prepared his market data, which was shown on page 3 of Exhibit I. After receiving information from the appellant, he recalculated and determined the income approach to value indicated a value of \$125 per square foot, which fell within the range of the comparable sales and income analysis. He said it was the Assessor's Office recommendation to uphold the current value and the subject property was equalized with similarly situated properties.

In rebuttal, Mr. Croteau stated he thought financial information had been provided to the Assessor's Office. He said the appellant was reporting accurate numbers for income. He said the income reported showed \$1.86 per square foot, which included common area maintenance. He said the rental roll and income statement showed a line item for miscellaneous income and miscellaneous expense reimbursement which added to the gross income. He reviewed the expenses the appellant submitted and challenged the Assessor's Office used the appellant's income figures but disregarded their expenses. He asserted the income approach to value demonstrated \$90 per square foot.

Member Green asked if the common area maintenance was included in the income and then taken out in the expenses. Mr. Croteau stated that was correct. Member Green inquired if the operating expense reimbursement for \$24,000 was for the common area maintenance. Mr. Croteau stated that was correct but explained there were true-ups at the end of the year and either the customer received a debit or credit. Member Green clarified the common area maintenance was included in the rental income of \$719,000 and Mr. Croteau responded that was correct. Member Green reviewed the expenses clarifying which expenses were included in the common area maintenance and which were not.

Chairman Covert reviewed the comparable sales and thought \$115 per square foot was appropriate for the subject.

With regard to Parcel No. 040-951-01, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$248,403 in the form of obsolescence to \$1,865,148, resulting in a total taxable value of \$2,911,110 for tax year 2011-12. 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.

11-0541E PARCEL NO. 040-951-06 – MCCARRAN QUAIL PK BL A B C
LLC – HEARING NO. 11-0487

A Petition for Review of Assessed Valuation was received protesting the 2011-12 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: Comparable sales, 2 pages.

Exhibit B: Copy of hearing notice, tenant rent roll and letter, 3 pages.

Exhibit C: Copy of hearing notice, copy of Petition and income statement, 6 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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 he would like to incorporate all his arguments and evidence from the previous hearing for the subject. He said the Board reduced the front building by 7.26 percent and if that was done for the subject, it would equate to \$97.38 per square foot.

Appraiser Gonzales read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He concluded it was the Assessor's Office recommendation to uphold the current value.

Member Green stated the expenses were listed at \$6 per square foot and he wondered what that equated to in percentage of expenses. Appraiser Gonzales responded 37 percent.

In rebuttal, Mr. Croteau stated the appellant was not getting \$1.80 per square foot for the back building as it was straight office. He said the Board just reduced the property for the prior hearing by 7.26 percent and he requested the subject be reduced the same for equalization.

Chairman Cover stated the Board equalized the previous property to \$115 per square foot and that property had a blended use which the subject did not. He stated he did not believe the Board could make the same adjustment for the subject. Member Woodland and Member Green agreed.

With regard to Parcel No. 040-951-06, pursuant to NRS 361.357, 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 Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

11-0542E PARCEL NO. 040-951-02 – 6490 MCCARRAN F LLC –
HEARING NO. 11-0484

A Petition for Review of Assessed Valuation was received protesting the 2011-12 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: Comparable sales, 5 pages.

Exhibit B: Copy of hearing notice, tenant rent roll and letter, 3 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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 appellant was aware of the Assessor's Office recommendation for a reduction and was in agreement.

Appraiser Gonzales read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP.

With regard to Parcel No. 040-951-02, pursuant to NRS 361.357, 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 by \$56,189 in the form of obsolescence to \$906,145, resulting in a total taxable value of \$1,299,985 for tax year 2011-12. 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.

11-0543E PARCEL NO. 040-951-03 – MCCARRAN QUAIL PARK BLDG E LLC – HEARING NO. 11-0485

A Petition for Review of Assessed Valuation was received protesting the 2011-12 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: Income statement and comparable sales, 5 pages.

Exhibit B: Copy of hearing notice, tenant rent roll and letter, 3 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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 was identical to the property appealed in the previous hearing, they were located side-by-side, both office spaces; however, the subject was a little older.

Appraiser Gonzales stated there was a big difference between the subject and the previous hearing (11-0484). The subject was 100 percent occupied and the building heard under 11-0484 was almost 35 percent vacant. He read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He emphasized the building was fully occupied and had been performing well. He said the subject property's taxable value was \$117 per square foot which fell within the range of the comparable sales and income analysis. He stated it was the Assessor's Office recommendation to uphold the current value.

Chairman Covert stated he took out 16 percent for vacancy and collection loss and determined a value of \$1,225,000, which was close to the Assessor's Office value.

In rebuttal, Mr. Croteau responded the subject was not the same product as the previous hearing. He said 7,400 square feet was occupied by office, not 10,000 square feet. He said part of the 2,600 square feet utilized for storage was being used as his client's office. He said the Board just equalized an office building of 11,000 square feet

at \$115 per square foot. He said because it was an owner-occupied building did not mean it was less rentable. He reviewed the income approach, expenses and the appellant's opinion of value. He did not believe the credit of \$44,000 in expenses was correct and he did not believe the Assessor's Office should assess storage space at \$117 per square foot.

Appraiser Gonzales stated the Assessor's Office recognized the subject as a 74 percent office building with 26 percent storage. He noted the storage area was weighted, which created a lower cost and the office portion was higher. He said the building was 100 percent occupied and owner-occupied, which usually meant they sold for a higher price.

Chairman Covert stated he did not believe the owner using part of the storage for his own use made a difference in the value of the storage space. Mr. Croteau thought the value should be \$40 per square foot for basic storage. Chairman Covert stated the \$117 per square foot was a blended rate for the two types of usage. Appraiser Gonzales stated that was correct. Mr. Croteau stated that did not make sense because that meant the rentable portion (office) was more than \$117 per square foot. He said there was nothing that demonstrated \$120 per square foot for the office space. He said the previous hearing was reduced to \$115 per square foot. Appraiser Gonzales emphasized the reduction was based on the building as being "under performing."

Member Green stated the Board had to put some weight on the comparable sales. He said he agreed with the Petitioner that the Board acknowledged the building for the previous hearing had some problems but it was all office space and the Board went to \$115 per square foot. He did not believe the subject could be reduced to \$95 per square foot, but thought it should be reduced to \$105 per square foot in recognition of the amount of storage space. He felt the subject had its own problems by being located right next door to a restaurant.

Chairman Covert stated he did not totally agree with Member Green because the previous hearing evidenced some distress due to low occupancy, which did not apply to the subject. He stated if the value was reduced to \$105 per square foot it would be out of equalization.

With regard to Parcel No. 040-951-03, pursuant to NRS 361.357, 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 with Member Green voting "no", it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

11-0544E PARCEL NO. 040-951-05 – 6490 MCCARRAN D1 & D2 LLC –
HEARING NO. 11-0486

A Petition for Review of Assessed Valuation was received protesting the 2011-12 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: Income statement and comparable sales, 7 pages.

Exhibit B: Copy of hearing notice, tenant rent roll and letter, 3 pages.

Assessor

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

On behalf of the Petitioner, and having been previously sworn, Roger Croteau offered testimony.

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 referred to the bank building that had been used as a comparable sale on a previous hearing. He said the subject was less desirable and had no road frontage. He stated the Assessor's Office valued the subject at \$3.129 million, which was about \$700,000 different from the owner's opinion of value. He discussed the leases associated with the property, stating they were all non-medical and would mature before 2013. He reviewed square footage, vacancy, utilization, income and expenses associated with the property. He noted their expenses were higher than what was used by the Assessor's Office and he inquired why that occurred. He explained the owner put a lot of expenses into property to attract tenants. He believed obsolescence should be applied to the property to bring the value down to \$100 per square foot.

Member Woodland inquired about access to the subject property. Mr. Croteau replied access was off of McCarran Boulevard.

Ron Sauer, Sr. Appraiser, stated he wanted to make a few comments on behalf of Assessor Josh Wilson. He stated the Assessor's Office attempted to complete their reappraisal by October 1st of each year. As of October 2010, the Assessor's Office had a dialogue going with management from Ribeiro properties. He noted they had asked the owners for income and expense statements. The Assessor's Office believed that information would be provided and the properties could be valued and establish whether the taxable value exceeded market value. That dialogue continued through December when Mr. Ribeiro stated he would not provide the financial information. He said if the

appellant would have provided that data to the Assessor's Office, they would have been able to determine a value and most of the appeals heard today would not have occurred. He reiterated it would be very helpful for the Assessor's Office to receive the appellant's financial information before December 2011 and hopefully diminish the potential for hearings next year.

Appraiser Gonzales read from the Assessor's Hearing Evidence Packet (HEP) and reviewed the features, comparable sales, and range of values associated with the subject property as shown in the HEP. He said the income approach to value indicated a value of \$113 per square foot. He stated it was the Assessor's Office recommendation to uphold the current value.

In rebuttal, Mr. Croteau discussed the appellant's income approach. He said the only way to get to \$113 per square foot was by using the income and not using the expenses, which was wrong. The appellant was requesting \$100 to \$105 per square foot for the subject.

Chairman Covert commented the owner increased his maintenance expenses based on his belief that if the property was more appealing he would be able to attract clients. He said he felt the owner did that at his own volition and he was not sure that had anything to do with the income approach. Chairman Covert thought that was one of the fallacies in the appellant's argument; they were not normal expenses and the owner chose to incur those expenses. Even though it might be for a noble cause, he did not think it worked in this market and he was not in favor of making an adjustment to the value.

With regard to Parcel No. 040-951-05, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property.

11-0545E BOARD MEMBER COMMENTS

There were no Board member comments.

11-0546E PUBLIC COMMENT

There was no one present to offer public comment.

* * * * *

3:14 p.m. There being no further hearings or business to come before the Board, on motion by Member Woodland, seconded by Member Brown, 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
Jaime Deller, Deputy Clerk*