

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

TUESDAY

9:00 A.M.

FEBRUARY 18, 2014

PRESENT:

James Covert, Chairman
John Krolick, Vice Chairman
James Brown, Member
Gary Kizziah, Member

Nancy Parent, Clerk
Peter Simeoni, Deputy District Attorney

ABSENT:

Philip Horan, Member

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

14-173E PUBLIC COMMENT

There was no response to the call for public comment.

14-174E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing: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.
071-110-01	UNITED STATES GYPSUM CO	14-0098A
071-110-02	UNITED STATES GYPSUM CO	14-0098B
071-110-03	UNITED STATES GYPSUM CO	14-0098C
071-110-17	UNITED STATES GYPSUM CO	14-0098D
071-110-18	UNITED STATES GYPSUM CO	14-0098E
071-110-19	UNITED STATES GYPSUM CO	14-0098F
071-120-03	UNITED STATES GYPSUM CO	14-0098H
071-120-06	UNITED STATES GYPSUM CO	14-0098I
071-120-07	UNITED STATES GYPSUM CO	14-0098J
071-120-14	UNITED STATES GYPSUM CO	14-0098K

14-175E CONTINUANCES

On motion by Member Kizziah, seconded by Member Brown, which motion duly carried with Member Horan absent, it was ordered that the following petitions scheduled on today's agenda be granted a continuance to February 27, 2014:

Assessor's Parcel No.	Petitioner	Hearing No.
049-360-17	FOUR SEASONS RV PARK	14-0239A
049-360-18	FOUR SEASONS RV PARK	14-0239B

14-176E CONSOLIDATION OF HEARINGS

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

**14-177E PARCEL NO. 004-130-02 – TAMPA INC –
HEARING NO. 14-0170**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 1995 Tampa Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessor's quick info for adjacent properties, 8 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, Kathleen Mehlhaff was sworn in by County Clerk Nancy Parent.

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

Ms. Mehlhaff stated she appealed this same property last year and was granted a reduction. She noted Exhibit A reflected that only the subject went up in value, but all the neighboring properties stayed the same. She spoke with the Appraiser who told her that an appeal had to be filed each year if she did not agree with the assessment. She said the subject was an owner-occupied business and was zoned for industrial use. She stated the University of Nevada Reno (UNR) changed their zoning regional plan to residential, which surrounded the subject property. She was told that if she wanted to sell the business, it would have to revert to residential and that would restrict the use and value of the building. She said the building could only be used for industrial, welding and

manufacturing machinery. She explained the second story was not used for anything other than storage and was not heated.

Chairman Covert asked the Appellant if she was only petitioning the land value. Ms. Mehlhaff stated that was correct. She was told by the Appraiser that there was not an opportunity to dispute the improvement value because it was valued on replacement cost.

Appraiser Johns stated there was some validity to the Appellant's complaints initially. He sat down with Reno City Planner Nathan Gilbert in January to discuss the Appellant's complaints regarding the tenants being turned down for business licenses because of the zoning. The Appellant felt the property had little value as a result, and that it could only be used for residential use and not industrial use if they were to sell the property. Mr. Gilbert told him there was some validity to that back in 2012, but as a result of complaints from other property owners, the City looked at the situation and changed the zoning to allow for additional uses. He was told by Mr. Gilbert that the property had undergone a significant up-zoning and it could now be used for high commercial, industrial and multi-family. He did not believe the value of the subject would be impacted by being included in the UNR Regional Plan and would not have to be used for multi-family if the Appellant sold it.

Appraiser Johns referred to page 10 of Exhibit I which showed comparable sales in the neighborhood that were being used or offered for multi-family use and explained their features and range of values. He noted the three comparables were all located within the UNR Plan. He said based on those comparables he did not believe the subject was negatively impacted by the UNR Plan.

Chairman Covert asked if the Appellant would be allowed to sell the business under the current zoning rules. Appraiser Johns stated he understood they would be able to. Member Kizziah asked if there was anything in this particular area that would justify a market value increase that would get rid of the obsolescence. Appraiser Johns replied he looked at the property to determine if it was exceeding market value, and he concluded it was not; therefore, he removed the obsolescence. Member Kizziah asked him if he looked at the six or seven comparables listed in Exhibit A. Appraiser Johns stated they appeared to be all in the same neighborhood and noted there was a break on the land value for the smaller parcels, but they all basically had the same base value for land. He also believed all the comparables were within the UNR Plan.

Appraiser Johns stated the subject was valued as it was currently being used; 50 percent material storage and 50 percent light industrial. He acknowledged that the 1550 Evans Avenue sale, which was a land sale, had a large concrete warehouse on the property and the value of \$14.36 per square foot included the property and demolition and removal of the property.

Appraiser Johns read from pages 2 and 3 of Exhibit I and reviewed the features, comparable sales, and range of values associated with the subject property. He noted the subject was similar to a Quonset-type building.

Chairman Covert asked what the rest of the parcel was used for that the building was not on. Appraiser Johns stated it appeared to be used for outdoor storage. He reviewed the subject's income and expense information and capitalization rates listed on page 4 of Exhibit I.

Member Krolick asked the Appraiser to address the comparable provided by the Petitioner, specifically 2001 Timber Way (page 7 of Exhibit A). Appraiser Johns stated the parcel was smaller than the subject and was given a 10 percent adjustment for size because he felt it was relatively small compared to other industrial properties.

In rebuttal, Ms. Mehlhaff stated she would like to address land sale (LS) #1, which she did not feel was comparable to the subject because it took up a whole block and was located right across the street from UNR. She said she was not familiar with any zoning changes referenced by the Appraiser, although she knew about the complaints. She was not sure if the additional allowance for light industrial zoning would encompass the current business on the subject. She affirmed that most of the subject's land was used for storage and acknowledged that if they decided to sell, they would have to tear the building down which was caused by the UNR Plan.

Chairman Covert brought the discussion back to the Board. Member Kizziah thought the comparables were reasonable and the lot value of \$2.50 per square foot was justified.

With regard to Parcel No. 004-130-02, 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 Kizziah, which motion duly carried with Member Horan absent, it was ordered that the Assessor's taxable values be upheld and 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 in the current assessment year.

14-178E ROLL NO. 2488007 – USG NEVADA LLC –
HEARING NO. 14-0123PP

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement, mining appraisal and record card, 3 pages.

Exhibit B: Fax and letter dated February 12, 2014 with 2 enclosures: (1) Schlumberger Business consulting, *Improving the economics of*

geothermal development through and oil and gas industry approach, and (2) Excerpts from Energy Sector Management Assistance Program, Technical Report 002/12, 31 pages.

Exhibit C: Geothermal Science, Inc. historical and projected production temperature graphs, 2 pages.

State Department of Taxation

Exhibit I: Supporting documentation regarding valuing the subject, 245 pages.

On behalf of the Petitioner, Jonathan Zurkoff, and Edwin Eijcklehof were sworn in by County Clerk Nancy Parent.

On behalf of the Department of Taxation, Janet Kelly was sworn in by County Clerk Nancy Parent and oriented the Board as to the location of the subject property.

Scott Scherer, Attorney for the Petitioner, stated financial statements had been provided to the Board (Exhibit A). He noted an updated financial statement for 2013 had been provided to the Department of Taxation with audited financial statements for 2012, which included 2011 figures. He said those were provided under the provisions of the Nevada Revised Statutes (NRS) 360.247 and 361.044 which provided for confidentiality. He said they planned to enter those documents as evidence today, but the District Attorney's Office ruling was that if those were submitted as evidence, they would not be confidential. His view was they should be confidential and only the titles of the exhibits would be made public record. He said NRS 241.035 only required the minutes to be produced and not the exhibits. He wanted this information on the record, because the initial draft financial statement had been updated and they would have to rely on the testimony by Mr. Zurkoff for operating information. He asked that the draft financial statement be stricken from the record, because it was confidential. He explained this was a public-traded company and they did not report detailed financial information for each project; they only provided consolidated financial statements to the public.

Mr. Scherer stated the substance of the appeal was based on three primary points: 1) the taxable value exceeded the full cash value; 2) applicable statutes and regulations specifically authorized the taxpayer to present evidence of income for purposes of determining the valuation of property and require a person determining the value to consider such evidence in valuation; and, 3) apply an income approach. He said NRS 361.227(5) specifically provided that in determining if the taxable value exceeded the full cash value, or whether obsolescence was a factor in valuation, a person may consider capitalization of the fair economic income expectancy or fair economic rent, or an analysis of a discounted cash flow. Mr. Scherer continued to quote the statute and NAC 361.631.

Mr. Zurkoff explained his experience and educational background. He stated USG Nevada reported a loss of \$465,885 for 2011; a loss of \$606,888 for 2012 and

in 2013 they showed a positive gain of \$651,674. He said the average income for the three years was a loss of \$140,366. He explained there were no interest payments in 2011 or 2012 and in 2013 their interest expense was \$1,742,800. When they added back the debt interest, the income for 2013 was a gain of \$2,392,740, which made the average of \$438,128. He stated they had a project loan from Prudential Capitol on this project at 6.75 percent. He said a typical geothermal company would pay between 20 to 35 percent for the cost of equity. He noted this project had a debt ratio of about 65 percent of the capital structure, leaving 35 percent of equity in the project.

Mr. Zurkoff stated the cost of equity was high because geothermal was a risky endeavor due to the risks associated with drilling. He said the wells were much bigger in diameter and more expensive to drill than an oil or gas well and the rate of success was much lower. He noted they were considering building a second plant on this project; however, the geologist told them there were two sources to the north and they spent \$3.3 million to find that both those areas were dry. He said the company had some of the best geologists and the highest rate of success, yet they did find dry holes on every project.

Chairman Covert asked if there were any federal subsidies for geothermal operations. Mr. Zurkoff stated there had been in the past and this project had received a 1603 Cash Grant, which gave 30 percent of the capital costs back to them.

Mr. Zurkoff stated they acquired the old and poorly maintained power plant in 2008, which was then shut down and rebuilt. The resource had been in existence for over 18 years and every year, on average, the temperature of the geothermal brine that was pumped into the power plant went down by 1.5 degrees. He explained the temperature of the brine was a measure of how much energy there was. The plant would produce less megawatt hours due to that decline and therefore generate less revenue every year. Member Kizziah asked what the temperature was now. Mr. Zurkoff said approximately 278 degrees. Member Kizziah asked at what level it became unprofitable to operate the plant. Mr. Zurkoff said around 250 degrees. He said though the temperature and the revenue was declining each year, the expenses stayed the same or could go up as the plant became older and required more maintenance. Member Kizziah stated that could be compared to depletion more so than taxable depreciation. Mr. Zurkoff said they did have to pay mineral taxes on the geothermal part, but this appeal was based on the personal property.

Mr. Scherer testified there was no operation in 2011, about eight months of operation in 2012 and 2013 showed a full year of operation. He said the capitalization rate was 6.75 percent, but that was typical in the geothermal industry and the typical equity rates were 20 to 30 percent. He explained the project's equity, debt and average past earnings. He believed the valuation should be close to \$2,847,447. If they applied 25 percent in equity, that would equate to \$3,334,942, and if they used 30 percent in equity that would give them a valuation of \$2,942,925. He said if they used only the 2013 net operating income at \$2,392,740 and disregarded the losses in 2011 and 2012, that would

yield a valuation of \$16,072,141. If they applied a capitalization rate of 14.8875 percent to that, it would equate a valuation of \$23,146,215.

Mr. Scherer discussed the definition of full cash value under NRS 361.025. He said the going concern for geothermal facilities was that they were frequently valued as a multiple Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). The EBITDA for the subject was approximately \$3.8 million in 2013.

Mr. Scherer quoted NAC 361.126(2) regarding obsolescence. He said the net operating income may rise slightly over the next few years; however, there would be a slow and steady decline throughout the remaining life of the plant. He believed in this case there was clearly obsolescence, or deterioration or depletion in the value of the property justifying a lower valuation. In conclusion, he said whether the full cash value of the property exceeded taxable value, the statutes required that any person determining the value, shall reduce it to the full cash value. He said the facts presented warranting such a reduction included the amount derived from the capitalization of fair economic income, which showed the taxable value exceeded the full cash value. He said they demonstrated the net operating income for 2013 was not an aberration, but rather an accurate reflection of the value of the property under the circumstances with the temperature of the resources declining and the projected power and revenue productions expected to decline over the long term.

Chairman Covert clarified the Appellant was asking for a value of \$7.5 million. Mr. Scherer replied that was their initial calculation; however, after looking at all the different rates, the Appellant felt the valuation should not exceed \$23,146,215. He said that amount utilized the lowest of the equity capitalization rates and the highest number for the net operating income.

Member Kizziah asked if the Appellant withdrew the income statement from the evidence (Exhibit A). Mr. Scherer stated the income statement had been updated and he was prepared to offer it to the Board as evidence; however, because the statement could not be kept confidential they were not submitting it. Member Kizziah then asked if what the Board had was a "draft." Mr. Scherer stated that draft income statement should be stricken as submitted evidence and the Board should rely on the testimony of Mr. Zurkoff. Member Kizziah asked if the Board could present follow up questions on the "draft" statement now that it had been withdrawn. Pete Simeoni, Legal Counsel, stated if an Appellant provided information to the Board and intended to rely on that information for their presentation and then withdrew it; it would no longer be part of the record. He clarified that if the Board wanted to rely on it and ask questions based on it, then it would be part of the record. He said the Appellant could not submit it, then withdraw it and then ask questions based on it without it becoming part of the record. Member Kizziah stated he saw a difference between the draft originally submitted and the testimony from Mr. Zurkoff regarding the net final amount. Mr. Scherer stated they would answer Member Kizziah's question regarding the net operating income; they were only concerned about the breakdown of the expenses they did not want to be made public. Mr. Simeoni said he

understood the Appellant provided information to the Board that they wanted to classify as confidential. Mr. Scherer stated they submitted a “draft” income statement (Exhibit A) with the initial appeal, then they submitted an updated financial statement for 2013 to the Department of Taxation, but it was not submitted as an exhibit to this Board. He said Mr. Zurkoff testified to the net operating income and amount of debt interest and they would answer any questions regarding those dollar amounts. Mr. Simeoni said if there was information provided to the Board, it was no longer confidential and proprietary. He said Mr. Scherer referenced NRS 241.035 as identifying only the titles to a particular exhibit would be public; but what preceded that sentence were the requirements outlined for the minutes, which was to include the substance of what was provided, as well as any documents that were provided to the Board. He continued by citing statutes with regard to the Board of Equalization having the authority to close a public hearing or define certain documents as confidential and not subject to a public records request.

Member Kizziah asked if the Income Statement (Exhibit A) was based on a calendar year. Mr. Zurkoff stated that was correct. Member Kizziah said he understood the Assessor’s calculation added back the depreciation, amortization and interest expense to derive a net income value for capitalization purposes. Appraiser Johns said NAC 361.423(1) stated that the capitalized income approach would consist of deducting from the normalized and annualized gross operating income any direct and indirect normalized and annualized operating expenses specifically related to the normalized and annualized gross operating income, including any annualized book depreciation.

Janet Kelley, Department of Taxation, informed the Board that the Department did the assessment on behalf of the County for mining properties, and geothermal projects were considered mines. She said the Appellant gave a great deal of testimony with regard to the financial aspect of the appeal, but she was going to provide information regarding the cost approach. She said the purchase price was their primary question to the Appellant. In 2012-13 the assessed value was \$49,323,777 and at that time, their appeal stated the purchase price was \$45,156,777. This year the assessed value was higher, but the purchase price on the appeal form said \$37,714,131. She asked for clarification of the purchase price, but the response was there was no contract of sale because the assets were purchased piece-meal over time. She said if they assumed the purchase price was \$37 million, the operators and new owners had invested in excess of \$6 million over the last year and were in phase 2 of their expansion.

Ms. Kelley said they were willing to agree the temperature of the brine would decline, but she understood even though they were anticipating that for the next few years, they would have not only adequate production, but were currently exceeding what was required by the purchase power agreement they had with NV Energy. She believed that agreement had been extended for 25 years. She said the \$89 per megawatt hour they would receive was at the top of the range. The Department had been operating on the assumption the Appellant’s request was for \$7,500,000 value, when they were aware they paid considerably more than that and invested considerably more than that and had a 25-year new power purchase agreement to sell all the energy they produced.

She stated if the Appellant was asking for a smaller reduction in value, she would be happy to entertain that offer.

Chairman Covert said the Department determined the taxable value was \$52,784,667. Ms. Kelley stated that was correct. Member Kizziah asked if the additional investment made by the Appellant was in capital goods. Ms. Kelley said that was correct and during the most recent reporting period, they showed new transmission lines, new wells drilled and had refurbished the plant in the amount of \$6,218,872. Member Kizziah asked if Ms. Kelley would clarify how they could entertain the Appellant's new request. Ms. Kelley stated they often had stipulated agreements with Appellants; however, she thought the Board should have input regarding the value.

Member Krolick asked if the Department was valuing the minerals, the lines or the heat in the ground. Ms. Kelley stated the value of the minerals in the ground, or the steam which was their fuel source, would be taxed under NRS 362. Member Krolick stated that was not under dispute, but the breakdown of the actual plant and the personal property associated with it. Ms. Kelley confirmed that was correct. Member Krolick stated going back to acquisition of the plant and applying depreciation to it, how could they determine the purchase price. Ms. Kelley replied they would do a physical inspection. She said the most recent inspection was in 2011 and her lack of clarity came from the Appellant's reports. If one of their reports stated they purchased it for \$45+ million and the next one reported \$37+ million with no explanation of why there was a difference, she had to base it on the dollars it cost them to put those assets on the ground.

Member Kizziah stated the Department had a list of the assets and a statutory methodology of how to value those assets and depreciate them. Ms. Kelley stated yes, and all of the assets on the ground for the subject were on their list by age of acquisition and cost of acquisition and then those were depreciated. She said the asset list was not included in Exhibit I. Member Kizziah asked what the final cost approach came to. Ms. Kelley replied the total cost was \$59,599,761, which gave them a taxable value of \$52,784,667.

Member Brown referred to page 2 of Exhibit I wherein it stated the taxpayer's opinion of value was based on one year of revenue and he wondered what that statement implied. Ms. Kelley said one year of revenue in this case was an average of a loss for 2011, a loss for 2012, and a gain for 2013. She said that averaged-income was lower than what she expected them to see in the next couple of years.

Member Kizziah asked if the Department did an income approach analysis. Ms. Kelley said they had and used different capitalization rates based on a study done by the Department. She said they did not have a long history, but she added this was a very robust industry and they had a future. Their power purchase agreement was new, but it would extend through the life of their resource. She thought one year of income was not reflective of the total value. Member Kizziah asked what capitalization rate the Department used in the analysis. Ms. Kelley replied they used 10.5 percent.

Chairman Covert asked the Appellant to clarify the value they were requesting and the difference between the purchase price numbers they used. Mr. Scherer stated the \$37,714,131 purchase price amount listed on the appeal was only put there to get the appeal on file and was based on the fixed assets reflected in the financial statement given to him. He said the \$45 million purchase price figure used previously included money that was spent out of the cash grant, and some of the costs associated with the dry holes drilled equaled the difference. He said to value this property based on all of the costs put into attempting to improve the property was not an actual reflection of the value of the property. He noted the Department said they had to start with a cost approach, which they did, but NRS 361.227 stated if the taxable value was greater than the full cash value they must reduce the value. He said the full cash value was well under the taxable value. He said by using the 10.5 percent capitalization rate it came to a valuation of approximately \$26.67 million. He pointed out the Appellant did clarify the difference in the purchase prices to the Department; however, he understood the person that information was given to no longer was with the Department.

Mr. Scherer said NRS 361.408(2)(a) stated for those industry groups whose annual earnings were stable, the most recent year's earnings may be capitalized. He believed that gave them ruling to use one year's earnings in the income approach. He said the net operating income was likely to decline over time with their resources declining and their expenses increasing. He noted 2013 was a full year of operation, while they only operated eight months in 2012.

Chairman Covert asked the Appellant to specify what they wished the Board to do. Mr. Scherer stated he thought the value should be \$23,146,215. Member Kizziah asked if that was using a capitalization rate of 10.5 percent. Mr. Scherer stated that was correct. Chairman Covert asked Ms. Kelley to specify what the Department wished the Board to do. Ms. Kelley replied she would like to have the Board's input as to what they would consider the value to be, based on additional information from the Appellant. Chairman Covert stated he did not believe that was the charter of the Board. Ms. Kelley stated she would like the Board to uphold their value of \$52,784,667.

Chairman Covert brought the discussion back to the Board. Member Krolick stated he believed the cost approach did not apply in this case. Member Krolick stated what was in the ground could be highly corrosive to the point where the equipment would diminish a lot faster than anticipated. He said he concurred with the Appellant's request and use of the income approach. Chairman Covert concurred. Member Kizziah stated he believed a 25 percent capitalization was not appropriate and agreed with Member Krolick.

With regard to Roll No. 2488007, pursuant to NRS 361.355, based on the evidence presented by the Department of Taxation and the Petitioner, on motion by Member Kizziah, seconded by Member Krolick, which motion duly carried with Member Horan absent, it was ordered that the personal property be reduced to \$23,146,215, resulting in a total taxable value of \$23,146,215 for the 2013-14 Unsecured Roll Year. The reduction was based on an income approach analysis. With this adjustment, it was

found that the personal property was valued correctly and the total taxable value does not exceed full cash value.

10:30 a.m. The Board recessed.

10:40 a.m. The Board reconvened with Member Horan absent.

14-179E **PARCEL NO. 019-140-21 – HEAVEN BOUND LIFESTYLE CENTER – HEARING NO. 14-0004**

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 2010 W. Moana Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Articles of Incorporation and financial documentation supporting exemption, 45 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 019-140-21, pursuant to NRS 361.345 and 361.155 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Kizziah, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the exemption of 100 percent be granted for the tax year 2013-14. 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.

14-180E **ROLL NO. 2308010 – BALLY TECHNOLOGIES – HEARING NO. 14-0007PP**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on land and improvements located at 900 Sandhill Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 34 pages

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Roll No. 2308010, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Krolick, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the personal property value be reduced to \$1,265,738, resulting in a total taxable value of \$1,265,738 for tax year 2010-11. With that adjustment, it was found that the personal property was valued correctly and the total taxable value does not exceed full cash value.

14-181E **ROLL NO. 5600324 – KAJANS, FRED –**
HEARING NO. 14-0009PP

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at Military Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Roll No. 5600324, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Krolick, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the personal property value be reduced to \$24,000, resulting in a total taxable value of \$24,000 for tax year 2013-14. With that adjustment, it was found that the personal property was valued correctly and the total taxable value does not exceed full cash value.

**14-182E PARCEL NO. 013-321-04 – THREE L`S BUILDING COMPANY –
HEARING NO. 14-0175**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 2920 Mill Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 013-321-04, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Kizziah, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$523,410, resulting in a total taxable value of \$790,000 for tax year 2014-15. 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.

**14-183E PARCEL NO. 049-360-06 – J E E INC –
HEARING NO. 14-0196**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 12725 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 049-360-06, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Kizziah, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$33,859, resulting in a total taxable value of \$473,959 for tax year 2014-15. 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.

14-184E PARCEL NO. 006-262-06 – MANKEL, DENNIS L –
HEARING NO. 14-0005

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 2050 Stardust Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including Exemption request, NRS and appraisal records, 5 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Ivy Diezel, Support Systems Analyst, oriented the Board as to the location of the subject property. She said the Assessor's Office received the exemption application on time and it was applied to the real property roll. She had not been able to reach Mr. Menkel to determine why he filed the appeal. She reported that there would still be a small balance owed on the tax bill by the Petitioner after the exemption was applied.

With regard to Parcel No. 006-262-06, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Kizziah, which motion duly carried with Member Horan absent, it was ordered that the Petitioner be granted exemption for property taxes for tax year 2013-14 in the amount of \$24,600, pursuant to NRS 361.091.

14-185E PARCEL NO. 085-081-01 – VANASSCHE, SIDNEY T –
HEARING NO. 14-0075

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 5245 Honey Bear Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including Exemption request, NRS and appraisal records, 3 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Ivy Diezel, Support Systems Analyst, oriented the Board as to the location of the subject property. She said the Petitioner failed to meet the deadline for filing an exemption. She noted his exemption had been used through the Department of Motor Vehicles in the past; however, he was switching it to his real property which was recently purchased.

With regard to Parcel No. 085-081-01, 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 with Member Horan absent, it was ordered that the Petitioner be granted exemption for property taxes for tax year 2013-14 in the amount of \$18,450, pursuant to NRS 361.091.

14-186E ROLL NO. 2985030 – UNITED STATES GYPSUM –
HEARING NO. 14-0098PP

A Petition for Review of Assessed Valuation was received protesting the 2013-14 taxable valuation on land and improvements located at 215 2nd Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

State Department of Taxation

Exhibit I: Taxable Value Change Stipulation, 3 pages.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Roll No. 2985030, pursuant to NRS 361.345 based on the stipulation signed by the Nevada Department of Taxation and the Petitioner, on motion by Member Brown, seconded by Member Krolick, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the personal property value be reduced to \$0.00, resulting in a total taxable value of \$0.00 for tax year 2013-14. With that adjustment, it was found that the personal property was valued correctly and the total taxable value does not exceed full cash value.

14-187E PARCEL NO. 025-620-03 – THREE L`S BUILDING COMPANY – HEARING NO. 14-0176

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 4050 S. Mc Carran Blvd., Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 025-620-03, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Kizziah, seconded by Member Krolick, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$563,776, resulting in a total taxable value of \$787,422 for tax year 2014-15. 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.

14-188E PARCEL NO. 025-620-12 – THREE L`S BUILDING COMPANY – HEARING NO. 14-0177

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 4090 Louie Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor.

With regard to Parcel No. 025-620-12, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Kizziah, seconded by Member Krolick, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$454,934, resulting in a total taxable value of \$675,902 for tax year 2014-15. 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.

**14-189E PARCEL NO. 034-162-08 – HPT PSC PROPERTIES TRUST –
HEARING NO. 14-0304**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 1950 E. Greg Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including Exemption request, NRS and appraisal records, 52 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Mark Stafford, Appraiser, oriented the Board as to the location of the subject property. Appraiser Stafford said it was the Assessor's Office recommendation to uphold the current value.

Member Kizziah asked if the Appraiser had received the requested income information from the Appellant. Appraiser Stafford stated he had not.

With regard to Parcel No. 034-162-08, 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 with Member Horan absent, it was ordered that the Assessor's taxable values be upheld and 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 in the current assessment year.

**14-190E PARCEL NO. 034-162-11 – HPT PSC PROPERTIES TRUST –
HEARING NO. 14-0305**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 1450 Hulda Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Steve Clement, Appraiser, oriented the Board as to the location of the subject property. He said it was the Assessor's Office recommendation to uphold the current value.

Chairman Covert noted there was no evidence submitted by the Appellant to substantiate their request for a reduction.

With regard to Parcel No. 034-162-11, 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 with Member Horan absent, it was ordered that the Assessor's taxable values be upheld and 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 in the current assessment year.

**14-191E PARCEL NO. 012-420-22 – BOTTLING GROUP LLC –
HEARING NO. 14-0306**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 355 Edison Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 26 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Steve Clement, Appraiser, oriented the Board as to the location of the subject property. He said all of their information was submitted to the CPA of the business, but he never heard back from them.

With regard to Parcel No. 012-420-22, 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 Kizziah, which motion duly carried with Member Horan absent, it was ordered that the Assessor's taxable values be upheld and 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 in the current assessment year.

**14-192E PARCEL NO. 163-102-12 – WILLIAMS ELECTRONICS GAMES
INC – HEARING NO. 14-0315**

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 887 Trademark Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 20 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Howard Stockton, Appraiser, oriented the Board as to the location of the subject property. He said he spoke with the Petitioner and he said he was in agreement with the current taxable value.

With regard to Parcel No. 163-102-12, 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 Kizziah, which motion duly carried with Member Horan absent, it was ordered that the Assessor's taxable values be upheld and 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 in the current assessment year.

14-193E PARCEL NO. 071-120-01 – UNITED STATES GYPSUM CO –
HEARING NO. 14-0098G

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including Taxable Value Change Stipulation and notice of withdrawal, 2 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Ivy Diezel, Support Systems Analyst, said the subject consisted of both locally and centrally assessed property. She noted there was a stipulation agreement with the State Department of Taxation for the portion of the real property that was centrally assessed, but there was no stipulation agreement for the locally assessed value. She said Exhibit I contained a summary of the values, both locally and centrally assessed before and after the stipulation was signed. She said it was the Assessor's Office recommendation to uphold the current locally assessed values for the land and improvements and to agree to the stipulation on the centrally assessed real property, the centrally assessed pollution control exemption and uphold their centrally assessed secured personal property.

Pete Simeoni, Legal Counsel, asked if the Petitioner was still disputing the Assessor's valuation. Chairman Covert referred to page 2 of Exhibit I whereby it stated they agreed to withdraw their concerns regarding the value of the land and/or non-centrally assessed portions of the subject.

With regard to Parcel No. 071-120-01, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Kizziah, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the locally assessed taxable land and improvement values be upheld, and that the centrally assessed

real property be reduced to \$6,606,352, the centrally assessed personal property value be upheld and the centrally assessed pollution control be reduced to \$(123,489), resulting in a total taxable value of \$11,079,577 for tax year 2014-15. 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.

14-194E PARCEL NO. 163-160-09 – WEAKLAND FAMILY TRUST, KIRK & ANNA – HEARING NO. 14-0133

A Petition for Review of Assessed Valuation was received protesting the 2014-15 taxable valuation on land and improvements located at 152 Gallian Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Reason for appeal continued from petition, comparable property assessments and photos, 9 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor's Office.

With regard to Parcel No. 163-160-09, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Kizziah, which motion duly carried with Member Horan absent, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$35,000, resulting in a total taxable value of \$35,000 for tax year 2014-15. With that adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

14-195E ROLL CHANGE REQUEST – PERSONAL PROPERTY

Agenda Item: “DECREASE – For consideration of and action to approve or deny on RCR Nos. PP14025, PP14026, PP14027, PP14028, PP14029, PP14030, PP14031, PP14032, PP14033, PP14034, PP14035, PP14036, PP14037, PP14038, PP14039, PP14040, PP14041, PP14042, PP14043, PP14044, PP14045, PP14046, PP14047, PP14048, PP14049, PP14050, PP14051, PP14052, PP14053.”

Petitioner

None.

Assessor

Exhibit I: Assessor's Roll Change Requests for Personal Property on the 2013-14 Unsecured Roll, 2 pages.

Pursuant to NRS 361.345, on motion by Member Brown, seconded by Member Krolick, which motion duly carried with Member Horan absent, it was ordered that corrections to valuations for the 2013-14 Unsecured Roll Change Requests (RCR) (Exhibit I) numbers listed below be approved. With those adjustments, it was found that the personal property is valued correctly and the total taxable value does not exceed full cash value.

2171555	GREINER, JILL	PP14025
2207209	YOU PARK AND SELL	PP14026
2212384	BLIND ONION PIZZA & PUB	PP14027
5101220	TAYLOR, GARY J	PP14028
3214273	WELLS FARGO	PP14029
2211857	ANGELICAS ITALIAN & MEXICAN RESTAURANT	PP14030
2124689	BEST CLEANING, THE	PP14031
2109375	GOLDEN STATE CONSTRUCTION	PP14032
2039065	VILLAGE AT IRON BLOSSOM II	PP14033
2960116	MANNING, LINDLEY	PP14034
2153373	SAINT MARYS HEALTHFIRST	PP14035
5101194	AERIAL CONSULTANTS LLC	PP14036
5101154	RENO FLYING SERVICE	PP14037
2680966	LIVE TV LLC	PP14038
2202711	CARNICERIA LOS REYES LLC	PP14039
2201493	BENGAL FOOD DISCOUNT CENTER	PP14040
2202050	CINNABON # 106	PP14041
2680250	PENTHOUSE CLUB	PP14042
2134064	FUTURA CAR WASH	PP14043
2922376	HIGHLAND CAPITAL CORPORATION	PP14044
2206345	MICHAEL KORS RETAIL INC	PP14045
2204322	BLU BOUTIQUE	PP14046
2462330	FLOORWORKS	PP14047
2469042	CHOQUES CONSTRUCTION LLC	PP14048
2300227	BRIGGS & STRATTON POWER PRODUCTS GR	PP14049
2141029	DENNIS MAINTENANCE	PP14050
2122818	PLATINUM MOBILE CAR WASH N DETAIL	PP14051
5600854	GIPSON ROBIN L	PP14052
3103098	BROWN, DARREN & JOAN	PP14053

14-196E ROLL CHANGE REQUEST – RCR NO. 5 – HILLCREST ESTATES

Agenda Item: “DECREASE – For consideration of and action to approve or deny on RCR No. 5 – Hillcrest Estates (RCR 5-1 THROUGH 5-28).”

Petitioner

None.

Assessor

Exhibit I: Assessor’s Roll Change Requests for 2014-15 RCR 5-1 through 5-28, 2 pages.

On behalf of the Assessor and having been previously sworn, John Thompson, Appraiser, stated based on a review of sales in the Hillcrest Estates neighborhood it was determined that the taxable value exceeded full cash value for improved parcels less than 1,854 square feet. He said according to Nevada Revised Statutes (NRS) 361.227(5) the computed taxable value of any property must not exceed its full cash value. Therefore, he noted that 27 percent obsolescence should be applied to those parcels, which would prevent all taxable values from exceeding full cash value.

Pursuant to NRS 361.345, on motion by Member Brown, seconded by Member Krolick, which motion duly carried with Member Horan absent, it was ordered that 27 percent in obsolescence be applied to improved parcels less than 1,854 square feet within the Hillcrest Estates neighborhood for the 2014-15 tax year, as recommended on Assessor’s Roll Change Request Nos. 5-1 through 5-28. With those adjustments, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

570-101-05	NISHIGUCHI, STEVEN R	5-1
570-101-06	TARTAGLIA, HAROLD M & NOREEN F	5-2
570-101-07	JACKSON, GEORGE D	5-3
570-102-10	BARANOWSKI LIVING TRUST	5-4
570-102-11	RIOS, KAREN E	5-5
570-102-12	HAHN , VINCE	5-6
570-102-15	CONTRERAS, MARIA L	5-7
570-102-16	HOFFMAN, MICHAEL	5-8
570-102-19	NEELY, SEAN	5-9
570-102-20	BELL, HOWARD W & JOANNE L	5-10
570-102-23	GAGNON, CHUANPIT	5-11
570-102-24	HARRIS LIVING TRUST, ROY & LORRAINE	5-12
570-102-27	DOROUGH, KENNETH B & SON O	5-13
570-103-01	SODERMAN FAMILY TRUST, JANET S	5-14
570-103-10	BHATIA, VIVEK T & RITU	5-15
570-103-11	TRUJILLO, MARTIN D & ROSA M	5-16
570-103-15	NGUYEN, TUOI V	5-17

570-103-16	CONNELLY, NICOLE L	5-18
570-111-05	TAYLOR, TODD	5-19
570-111-06	LEMUS, STEPHEN A & COLLEEN E	5-20
570-111-08	HERNANDEZ, MARINO & DOMITILA	5-21
570-111-12	REEDE, CHRISTOPHER & MICHON	5-22
570-111-15	BADANO FAMILY TRUST	5-23
570-112-05	GARCIA-LOPEZ, JESUS	5-24
570-112-06	CHUONG, JEFFREY & CRYSTAL L	5-25
570-112-08	MARTINEZ, ROBERTO R	5-26
570-112-09	MEDINA, RUDOLFO & CRISTINA G	5-27
570-112-16	PREET, SURINDER	5-28

14-197E BOARD MEMBER COMMENTS

There were no Board member comments.

14-198E PUBLIC COMMENT

There was no response to the call for public comment.

* * * * * * * * * *

11:40 a.m. There being no further hearings or business to come before the Board, on motion by Member Kizziah, seconded by Member Krolick, which motion duly carried with Member Horan absent, the meeting was adjourned.

JAMES COVERT, Chairman
Washoe County Board of Equalization

ATTEST:

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

*Minutes prepared by
Jaime Deller, Deputy Clerk*