

**BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA**

THURSDAY

9:00 A.M.

FEBRUARY 21, 2019

PRESENT:

Philip Horan, Chair
Eugenia Larmore, Vice Chair
James Ainsworth, Member
Barbara “Bobbi” Lazzarone, Member
James Richards, Member

Jan Galassini, Chief Deputy County Clerk
Jennifer Gustafson, Deputy District Attorney

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

19-078E PUBLIC COMMENTS

There was no response to the call for public comment.

19-079E SWEARING IN

Nancy Parent, County Clerk, swore in the appraisal staff.

19-080E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing: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. |
|------------------------------|---------------------------------|--------------------|
| 037-031-06 | Lowes Home Centers LLC | 19-0032 |
| 040-951-08 | Lowes Home Centers LLC | 19-0033 |
| 025-570-01 | Realty Income Properties 16 LLC | 19-0043 |
| 026-031-42 | Home Depot USA Inc | 19-0044 |
| 212-010-08 | HD Development of Maryland Inc | 19-0045 |
| 510-481-06 | HD Development of Maryland Inc | 19-0046 |
| 049-731-10 | Raley's Family of Stores | 19-0083 |

19-081E CONTINUANCES

There were no requests for continuances.

19-082E CONSOLIDATION OF HEARINGS

There were no hearings consolidated during this item.

19-083E PARCEL NO. 043-281-04 – US BANK NA – HEARING NO. 19-0020

A Petition for Review of Assessed Valuation was received protesting the 2019-20 taxable valuation on land and improvements located at 7111 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 21 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

On behalf of the Petitioner, no one was sworn in by County Clerk Nancy Parent.

On behalf of the Assessor, no one oriented the Board as to the location of the subject property.

With regard to Parcel No. 043-281-04 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Member Ainsworth, which motion duly carried, 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 \$1,791,761, resulting in a total taxable value of \$4,280,000 for tax year 2019-20. 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.

19-084E PARCEL NO. 038-341-24 – BRADLEY FAMILY TRUST, THOMAS R – HEARING NO. 19-0008

A Petition for Review of Assessed Valuation was received protesting the 2019-20 taxable valuation on land and improvements located at 15 Zane Grey Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Photographs and hydrologist report summary, 25 pages.

Assessor

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

Exhibit II: Map and reduction recommendation letter, 2 pages.

On behalf of the Petitioner, Thomas Bradley was sworn in by Chief Deputy County Clerk Jan Galassini.

Appraiser Pete Kinne asked the Board to consolidate hearing numbers 19-0008 and 19-0021 since the parcels were adjacent and the owners had the same issues. It was determined the discussion would be consolidated but separate motions would be made for each hearing.

On motion by Member Lazzarone, seconded by Member Ainsworth, which motion duly carried, it was ordered that the discussion for hearings 19-0008 and 19-0021 be consolidated.

Mr. Kinne provided additional evidence to the Clerk, which was marked as Assessor's Exhibit II. He oriented the Board as to the location of the subject properties.

Ms. Galassini indicated Mr. Bradley provided evidence to her, which was marked as Petitioner's Exhibit A. She distributed this and Assessor's Exhibit II to the Board, noting Mr. Eugene Elliot's Exhibit A for hearing 19-0021 would come shortly.

Mr. Bradley indicated he and Mr. Elliott had appealed before the Board the two prior years and, since the last time, their properties had flooded five more times: on March 22, 2018, January 16 and 17, 2019, January 20, 2019, and February 14, 2019. He noted Appraiser Kinne and Appraiser Chris Sarman visited his property during the most recent flooding incident to see the water that came from both the Shepphird's and the Powning's properties. He reviewed page 1 of Exhibit A and answered Chair Horan's question that the retention pond pictured was located on southeast corner of the Powning's property.

Citing the photo on page 2, Mr. Bradley noted the owners installed a pipe to fill up the retention pond; the sediment in the picture was accumulated from a single episode of flooding. He reviewed pages 3 and 4, remarking the photos were taken five days apart and the pond had not shrunk much in that time even though there had been no rain. The photo on page 5, taken facing the pond, showed the flooding on his property that resulted from one night of rain after the photo on page 4.

Mr. Bradley reviewed the photos on pages 6 through 8. Chair Horan asked about the change in elevation between the fence dividing the Powning's property and Mr. Bradley's house, which Mr. Bradley estimated to be around 12 to 14 feet downhill.

Mr. Bradley mentioned the photos on page 10 were part of Appraiser Kinne's presentation in 2018 and he contrasted the packed dirt from 2018 with the eroded dirt in the photo on page 8. He indicated the next few pages were information about a hydrologist they hired. He explained the hydrologist produced a 47-page report about the drainage in Truckee Canyon Estates and it cost more than \$6,000 to obtain the report. He read portions of the conclusion from pages 13 through 15. He stated the original plan called for a road where part of his property was but that was changed to make the lots bigger; the County did not catch that there were no easements in the plan. He noted the hydrologist discovered many of his findings in the County's own records.

Mr. Bradley reviewed page 16 and reiterated there were no easements in the plan nor was there existing drainage. He indicated Mr. Elliott utilized sandbags when it rained to protect his house. Referring to page 17, he noted there was a barn that was not indicated on the map but all buildings were supposed to be denoted. He claimed the designer did not have a permit when he began the project in March of 2017, but the permit was issued in two weeks. The photo on page 18 indicated his well was only 30 feet from the fence but the plan stated there were supposed to be no wells within 200 feet of a property line. As such the well was very close to the catch basin.

Mr. Bradley reviewed pages 19 through 22 and emphasized the Health Department warned against standing water because it attracted mosquitos. He reviewed pages 23 and 24. He said he spoke with former County employee Mr. Kimble Corbridge in January of 2017 who informed the petitioners they could not sue the building department. Two months later the permit was approved despite not having easements and having property too close to his well. He added the pond was filling with more and more sediment.

Mr. Bradley played a recording on his phone of Division Director of Engineering and Capital Projects Dwayne Smith in which the Director asked Mr. Bradley to call him back to discuss his concerns. In the message Mr. Smith said he had no issues with the permit given to the neighbor's project. Mr. Bradley contrasted that thought with the hydrologist's report which showed there were drainage issues. He summarized this was their third year before the Board because their properties flooded each year.

Chair Horan asked legal counsel whether the Board should consider things like grading permits and the inclusion of easements. Deputy District Attorney Jennifer Gustafson responded the Board considered the assessed valuation of the property and the Board had no jurisdiction over things the Washoe County Building Department did. When asked by Chair Horan how much of the petitioners' thoughts about this the Board should take into account, Ms. Gustafson replied it should consider all evidence presented by the petitioners, but it was up to the Board to determine what weight to give that evidence. Chair Horan asked whether the Board should consider the impact of the evidence that was presented, to which Ms. Gustafson replied yes.

Chair Horan asked whether the petitioners had initiated any legal action. Mr. Bradley answered they had and their attorney was the one who hired the hydrologist.

Nothing had been settled yet. He confirmed they obtained a court order to fix a different catch basin and they were in the process of legal action.

Ms. Gustafson suggested the Board allow Mr. Elliott to make his presentation.

On behalf of the Petitioner, Eugene Elliott was sworn in by Ms. Galassini, who then distributed Mr. Elliott's evidence to the Board.

Mr. Elliott remarked the Pownings built a recreational vehicle garage and dirt from this construction washed onto his property; he had shown photos of this to the Board the two prior years. He indicated the Pownings were getting more aggressive with their landscaping. He reviewed page 1 of his Exhibit B and stated 472 yards of dirt had been brought in. He reviewed photo 2 and said the gutter drain pipe went underground and, during the winter of 2016-17, it ran full of water. He said it was removed when the attorneys toured the property but it was now in place again.

Mr. Elliott reviewed pictures 3 and 4 which demonstrated that the horse corral sloped towards his house. He said the catch basin caught a small amount of water which then flowed to Mr. Bradley's property and then to his. He reviewed photo 6 and said the Pownings used fences to act as retaining walls. He then reviewed photos 7 through 11. He expressed concern that his home's low proximity might leave it exposed to water entering the house; it might have in 2016-17 had he not been home. He reviewed photos 12 and 13, noting the sidewalk was only an inch above the ground and there was a significant downward slope towards his garage. He indicated he could not get his classic cars out of his auxiliary garage and estimated it would cost nearly \$11,000 to build a dirt driveway.

Appraiser Kinne pointed out the hearing was not about the total taxable value exceeding market value. The appeal was about flooding and drainage issues. He asked the Board to help him value the properties in a fair and equitable way, reminding them it was the third time the appeal was before them.

Appraiser Kinne drew the Board's attention to the map included in Assessor Exhibit II for hearing number 19-0008. He commented he and Appraiser Sarman visited the subject properties on February 14 during a rain and snow event and saw firsthand some of Mr. Bradley's concerns including ponding and the retention basin overflowing. He made a recommendation to reduce Mr. Bradley's value by an additional 10 percent, for a total downward land adjustment of 40 percent. He felt that, based on his inspection, Mr. Elliott's property did not warrant as big an adjustment and he thought the 20 percent flood adjustment on that property was fair.

Chair Horan asked what the Board did last year. Appraiser Kinne reminded them a 40 percent adjustment was given to both properties. During 2019's reappraisal, Appraiser Kinne changed the flood reduction to 20 percent for both

properties. Chair Horan asked what the petitioners were requesting but Appraiser Kinne replied he was not sure.

Member Ainsworth asked for clarification about the recommendation of the Assessor's Office (AO) and Appraiser Kinne confirmed the recommendation was to reduce the Mr. Bradley's value but leave Mr. Elliott's the way it was appraised.

Member Ainsworth asked for clarification about Mr. Elliott's adjustments. Appraiser Kinne replied Mr. Elliott had a 15 percent upward adjustment for the size of his parcel, which was an acre larger than the typical lot in his area. There was an additional 20 percent downward adjustment for flooding, resulting in a net adjustment of -5 percent. He confirmed the upward adjustment existed prior to this year and had not been changed.

Appraiser Kinne explained he recommended a 40 percent downward adjustment for Mr. Bradley, of which 10 percent was due to traffic and noise and 30 percent was for flooding. He confirmed Chair Horan's assertion that this was the same as last year. In response to Member Lazzarone's further request for clarification, Appraiser Kinne said he recommended reducing the land value to \$63,000. He clarified the additional evidence he provided showed the recommendation of that adjusted value, which was the same reduction as the previous year.

Member Larmore mentioned the petitioners were also requesting a building adjustment and she recalled they spoke in 2018 and the Board thought the adjustment was more appropriate for the land because the buildings had not been impacted.

Chair Horan asked the petitioners what they were requesting. Mr. Bradley agreed he was requesting a total land reduction of 40 percent, which was what Mr. Kinne was recommending. He requested an additional 20 percent reduction off the building because the cost of replacing his well and hooking up to city water would be \$30,000 to \$40,000. He lauded Appraiser Kinne's work on the land valuation but he said his house could not exist without water.

Mr. Elliott said he requested the same thing and expressed concern about his house. Chair Horan asked whether Mr. Elliott would be satisfied if he received the same reductions as he did in 2018, to which Mr. Elliott replied he would. The petitioner felt the value of his house had gone down because prospective buyers would see the flooding danger.

Ms. Galassini corrected her earlier statement to indicate that Mr. Elliott's exhibit was Exhibit B, not Exhibit A.

There was no response to the call for public comment. Chair Horan closed the public hearing.

Chair Horan said he thought it was early to make a reduction to the value of the building though that could be reconsidered later if necessary. He said he would be satisfied to keep the adjustments where they were in 2018.

Member Lazzarone felt the drainage and flooding issues affected both the use of the land and the value of the building. She felt it would be a concern for prospective buyers. Member Richards agreed.

Member Ainsworth indicated he was inclined to heed the advice of Appraiser Kinne. He clarified he thought the reductions should be left as they had been the prior year. Member Larmore concurred, saying there could be impacts to the buildings in the future but that was currently speculative. She conceded there were impacts to the land.

Member Ainsworth felt that, based on the evidence presented, the petitioners would have a good case against their neighbor and he felt they could get the issue resolved properly. He added the AO did a good job.

In response to Chair Horan asking for help in deciding the proper motion to be made, Chief Deputy Assessor Cori Burke asked whether the Board wanted the same percentage adjustment on the parcels as 2018 or the same land values as 2018. Chair Horan thought the land value should be the same as 2018. Member Larmore pointed out the land value could have increased but the land value should be reduced by 30 percent.

Appraiser Kinne stated Mr. Bradley's land value would be \$63,000 with the 40 percent adjustment. There followed a discussion as to which motion language would be appropriate.

Member Ainsworth moved to uphold the AO's recommendation but did not specify anything about a reduction. Ms. Gustafson asked for him to move that the Board was upholding the Assessor's recommendation to reduce the value, not the original assessment.

With regard to Parcel No. 038-341-24, which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Ainsworth, seconded by Member Richards, which motion duly carried, it was ordered that the Assessor's taxable values as illustrated on Assessor's Exhibit II, dated February 22, 2019 be upheld, and it was found that the Petitioner failed to meet his 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.

19-085E **PARCEL NO. 038-341-22 – ELLIOTT, EUGENE V – HEARING
NO. 19-0021**

A Petition for Review of Assessed Valuation was received protesting the 2019-20 taxable valuation on land and improvements located at 10 Zane Grey Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 4 pages.

Exhibit B: Photographs, 5 pages.

Assessor

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

The discussion for this hearing was consolidated with the discussion hearing 19-0008 for Mr. Thomas Bradley's property. For the discussion that took place on these hearings, see Agenda Item 19-084E.

Chair Horan mentioned unlike the prior hearing they were making a change to the original assessment. Appraiser Pete Kinne stated it was his understanding the Board wished to equalize Mr. Gene Elliott with the flood adjustment given to Mr. Bradley. He stated that would impose a 30 percent downward flood adjustment in addition to the 15 percent upward size adjustment, resulting in a net 15 percent downward adjustment. He calculated the new land value would be \$89,250.

Member Lazzarone moved to uphold the Assessor's valuation and Member Larmore seconded the motion, but the motion did not address these adjustments. Appraiser Kinne stated that was an incorrect motion as the Board was not upholding the value, they were making a reduction to the value.

There was a brief discussion where it was determined what the correct motion should be.

With regard to Parcel No. 038-341-22, which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Member Larmore, which motion duly carried, it was ordered that the taxable land value be reduced to \$89,250 and the taxable improvement value be upheld, resulting in a total taxable value of \$216,105 for tax year 2019-20. The reduction was based on a 30 percent downward flood adjustment. 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.

Chair Horan stated the petitioners had a right to appeal to the State if they were unhappy with the decision.

Mr. Elliott asked for clarity about the adjustments and received clarification from the Board that the adjustments were the same as they had been in 2018. Mr. Elliott thanked Appraiser Kinne for visiting the properties during a hard rainstorm. Chair Horan said all appraisers strove to consider all the facts.

19-086E PARCEL NOS. 040-162-51 & 040-162-53 – CROSSING SC LLC – HEARING NOS. 19-0026R18 and 19-0028R18

Petitions for Review of Assessed Valuation were received protesting the 2018-19 taxable valuation on land and improvements located at 6451 and 6405 S. Virginia Street, Washoe County, Nevada, respectively.

The following exhibits were submitted into evidence:

Petitioner

None

Assessor

Exhibit I (19-0026R18): Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 21 pages.

Exhibit I (19-0028R18): Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 22 pages.

On behalf of the Petitioner, no one was sworn in by County Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Jane Tung, Appraiser, requested several consolidations with regard to the remaining hearings. She noted one owner represented all parcels. She requested a consolidation of hearing numbers 19-0026R18 and 19-0028R18 since both dealt with the same issue of signage. She requested the remaining four hearings also be consolidated, though there would be two separate motions since she had a different recommendation for one of those hearings.

On motion by Member Lazzarone, seconded by Member Larmore, which motion duly carried, it was ordered that hearings 19-0026R18 and 19-0028R18 be consolidated.

Appraiser Tung oriented the Board as to the location of the subject properties. She said the petitioner's issue for both properties was related to signage. She reviewed the comparable sales approach, the land sale approach, and the income approach and stated each supported the value given to these properties.

Chair Horan asked whether the petitioner provided any evidence. Appraiser Tung said the petitioner raised his concerns in verbal communication when discussions began after the reappraisal in 2018. She said the appellant thought he paid less for the signage than what was valued by the Assessor's Office (AO) according to Marshall and Swift. She said they visited the site and determined the appellant did pay less so the AO agreed to a reduction; this was reflected in the documentation. This dropped the cost from the middle of Marshall and Swift's range to the lower end. She indicated there was some confusion as to whether the petitioner knew about the reduction, but now he understood the AO's stance. She thought the issue was addressed and, though the appellant was not present, she felt he was satisfied with the value. She recommended upholding the values given by the AO.

There was no response to the call for public comment.

Member Ainsworth said he did not realize Marshall and Swift utilized ranges. Appraiser Tung pointed him to page 13 of the packet for hearing 19-0026R18 which illustrated the ranges.

Member Lazzarone moved to uphold the Assessor's values. Deputy District Attorney asked whether her motion included hearing number 19-0026R18, APN 040-162-51, as well as hearing number 19-0028R18, APN 040-12-53. Member Lazzarone confirmed it did.

Chair Horan stated the AO had conversations with the petitioner and explained to him the change in their assessment of the signage. He stated the petitioner had the ability to appeal the decision if he desired.

With regard to Parcel Nos. 040-162-51 and 040-162-53, which petitions were brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Member Larmore, which motion duly carried, 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 properties are less than the taxable value computed for the properties for the 2018-19 tax year.

**19-087E PARCEL NO. 040-162-52 – VIRGINIA STREET PROPERTIES
LLC – HEARING NO. 19-0027**

A Petition for Review of Assessed Valuation was received protesting the 2019-20 taxable valuation on land and improvements located at 6407 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner
None

Assessor

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

On behalf of the Petitioner, no one was sworn in by County Clerk Nancy Parent.

On motion by Member Larmore, seconded by Member Richards, which motion duly carried, it was ordered that hearings 19-0025, 19-0026, 19-0027, and 19-0028 be consolidated for discussion purposes.

On behalf of the Assessor and having been previously sworn, Jane Tung, Appraiser, stated the petitioner had the same issue with each of these four properties; he felt like the land value increased from 2018 to 2019. She reviewed the information found in the exhibit and declared the assigned values of between \$69 and \$100 per square foot were substantially lower than the comparable sale values of between \$150 and \$294 per square foot. In fact the petitioner bought three of the parcels in 2014 at \$114 per square foot.

Appraiser Tung indicated additional land sales in 2018 ranged from \$11 to \$23 per square foot. One sale at \$11 per square foot was a lot with limited accessibility and visibility from South Virginia Street. She thought the sales price, the income approach, and recent land sales all supported the land valuation for 2019. She recommended upholding the values for hearing numbers 19-0025, 19-0026, and 19-0028.

Regarding hearing 19-0027, Appraiser Tung said an error on the square footage of was discovered during a meeting with the petitioner. The reduction in square footage changed the size of the building from 34,000 square feet to 31,300. She recommended a reduction in improvement value to \$1,430,941, for a total taxable value of \$2,731,416.

There was no response to the call for public comment.

Chair Horan noted the petitioner had discussions with the Assessor's Office and he could appeal the decision if he desired.

With regard to Parcel No. 040-162-52, which petition was brought pursuant to NRS 361.355, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Larmore, seconded by Member Ainsworth, which motion duly carried, it was ordered that the taxable improvement value be reduced to \$1,430,941 and the taxable land value be upheld, resulting in a total taxable value of \$2,731,416 for tax year 2019-20. The reduction was based on a square footage adjustment. 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.

19-088E CONSOLIDATED HEARING FOR:

| Assessor's Parcel No. | Petitioner | Hearing No. |
|------------------------------|-------------------|--------------------|
| 040-162-50 | CROSSING SC LLC | 19-0025 |
| 040-162-51 | CROSSING SC LLC | 19-0026 |
| 040-162-53 | CROSSING SC LLC | 19-0028 |

Petitions for Review of Assessed Valuation were received protesting the 2019-20 taxable valuation on land and improvements located at 6419, 6451, and 6405, S. Virginia Street, Washoe County, Nevada, respectively.

The following exhibits were submitted into evidence:

Petitioner

None

Assessor

Exhibit I (19-0025): Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 20 pages.

Exhibit I (19-0026): Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 18 pages.

Exhibit I (19-0028): Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 19 pages.

The discussion for this hearing was consolidated with hearing 19-0027 for Assessor's Parcel Number 040-162-52. For the discussion that took place on all four of these hearings, see Agenda Item 19-087E.

Chair Horan noted the petitioner had discussions with the Assessor's Office and he could appeal the decision if he desired.

With regard to Parcel Nos. 040-162-50, 040-162-51, and 040-162-53, which petitions were brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Member Ainsworth, which motion duly carried, 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.

Chair Horan noted the County Clerk would send out appeal forms when they sent out the notifications of decision.

19-089E BOARD MEMBER COMMENTS

There were no Board member comments.

19-090E PUBLIC COMMENT

There was no response to the call for public comment.

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10:21 a.m. There being no further hearings or business to come before the Board, on motion by Member Ainsworth, seconded by Member Richards, which motion duly carried, the meeting was adjourned.

PHILIP HORAN, Chairman
Washoe County Board of Equalization

ATTEST:

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

*Minutes prepared by
Derek Sonderfan, Deputy Clerk*