

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

THURSDAY

9:00 A.M.

FEBRUARY 24, 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 9:00 a.m. in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Chairperson Covert called the meeting to order, the Clerk called the roll and the Board conducted the following business:

11-0705E WITHDRAWALS

The following petitions were withdrawn by Garth Elliott, the Petitioners' representative:

Assessor's Parcel No.	Petitioner	Hearing No.
088-220-27	Zap Holdings LLC	11-0204A
033-053-04	Leckie, Darlene	11-0304A
088-220-28	Pfennig, Eugene	11-0205A

CONSOLIDATION OF HEARINGS

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

11-0706E PARCEL NO. 050-303-09 – CEGLIA, A WILLIAM
– HEARING NO. 11-0218

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 3720 Poco Lena Court, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Attachment to Petition, 1 page.

Exhibit B: Letter and supporting documentation, 3 pages.

Assessor

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

On behalf of the Petitioner, A. William Ceglia was sworn in by Chief Deputy Clerk Nancy Parent.

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

Mr. Ceglia indicated he was appealing the taxable land value on his property. He reviewed the information provided in Exhibit B. He noted there was a taxable land value of \$140,000 on all of the 5-acre lots within the Parkview Estates in Washoe Valley. He pointed out a comparable land sale at \$71,000 in January 2010 for a 5-acre parcel at 4875 Grays Starlight Court. He stated the lot was highly desirable, overlooked a State park, and had a panoramic view of Washoe Lake and the surrounding mountains. He indicated the Board had recently granted a reduction from \$140,000 to \$100,000 in taxable land value to his neighbor at 3775 Poco Lena Court.

Appraiser Stockton outlined the comparable improved sales and land sales provided in Exhibit I. He identified IS-1 as the closest comparable for the subject property. He observed all of the land sales were taken from the subject neighborhood. He stated little weight was given to LS-4 at 4875 Grays Starlight Court because it was a bank liquidation sale. He noted the LS-4 property had subsequently been listed at an asking price of \$199,000 with Realty Executives. He indicated the subject's taxable land value was well supported by the market data.

***9:10 a.m.** Member Krolick arrived at the meeting.

Member Green asked about the reason for the neighbor's reduction. He wondered if it had been based on any detriments to the land. Appraiser Stockton said he did not recall the reason. He stated the neighbor's property had extensive horse amenities with a very large stable and corrals. He was not aware of any detriments.

Chairperson Covert asked the Petitioner if he had spoken to his neighbor. Mr. Ceglia related that his neighbor's primary argument to the Board had been based on the land sale at Grays Starlight. He suggested the closed sale at \$71,000 was relevant as a comparable but the current listing price of \$199,000 was not relevant. He noted the presentation by the Assessor's Office had not addressed his neighbor's reduction in taxable land value. He stated there were currently about 70 or 80 parcels with a \$140,000 taxable land value.

Chairperson Covert said the Board did not generally consider bank sales as arm's length transactions if there was other evidence available.

Member Krolick recalled previous Board discussion that the \$71,000 foreclosure sale was too low, and that the Assessor's land value of \$140,000 was not representative of the current market. Member Green observed there were three 2010 land sales in the neighborhood to support the Assessor's base lot value. He wondered if there had been some other reason for the neighbor's reduction, such as view, access or drainage issues. Member Krolick pointed out the neighbor's parcel on the map and observed it had considerably more improvements than the subject property.

Josh Wilson, County Assessor, wondered when the hearing had taken place. Mr. Ceglia believed it was heard on January 31, 2011. Based on his notes, Senior Appraiser Rigo Lopez stated there had been a recommendation by the Assessor's Office to uphold the neighbor's land value and apply additional obsolescence to the improvements. He did not have anything in his notes about the Board's reason for the reduced land value. He noted there had been four other appeals on neighboring properties in which the Assessor's land values were upheld. He clarified for Chairperson Covert that the Assessor's Office had used the same comparable sales for all of the appeals. Mr. Wilson read from the neighbor's Notice of Decision, but the letter was not specific as to the reason for the reduced land value.

Mr. Ceglia pointed out his neighbor's parcel was only about 50 feet from his property. He questioned the argument that there might be some differences in the view or other factors.

Member Krolick noted the neighbor's parcel was located on an arterial access road and might be less desirable because of traffic flow when compared to the subject's location in a cul-de-sac. He said it did not make sense to reduce the subject's taxable land value to \$100,000, but he would consider a reduction to \$120,000 based on equalization with the other property. Chairperson Covert observed no two properties were congruent. Mr. Ceglia identified the main arterial road as Douglas Drive. He explained the neighbor had two driveways that provided access from Douglas Drive and Poco Lena Court. Chairperson Covert said he could support Member Krolick's suggestion.

Member Green indicated the Board must have had a reason for the reduction, especially in light of the Assessor's comparable sales. He noted the subject parcel was not on Douglas Drive and did not seem to be negatively impacted in any way. He stated the Assessor's values should be upheld. Chairperson Covert reasoned there had to have been some other factor. He said \$100,000 seemed like an excessive reduction based on the same comparables. Member Woodland agreed that the Board did not just arbitrarily reduce land values.

Member Brown moved to reduce the subject's taxable land value to \$120,000 and to uphold the taxable improvement value. Member Krolick seconded the motion.

Member Green observed there would be several other parcels out of equalization if the motion were to pass. He said he felt the land had been valued correctly

by the Assessor. Member Brown suggested it was reasonable to split the difference between the \$71,000 sale and the Assessor's value. Herb Kaplan, Legal Counsel, advised Member Brown to clarify whether the reduction was based on the Board's prior action or on evidence presented for the subject property. Member Brown indicated his motion was based on land sale LS-4 (Exhibit I) as well as on the Board's previous decision.

On call for the question, the motion failed on a vote of 2 to 3, with Chairperson Covert, Member Green and Member Woodland voting "no."

Member Krolick asked the Assessor's Office to address the taxable land value of \$133,000 on land sale LS-1 (Exhibit I). Appraiser Stockton said the parcel was adjacent to Eastlake Boulevard and was receiving a 5 percent downward adjustment for traffic.

With regard to Parcel No. 050-303-09, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Green, which motion carried on a 4-1 vote with Member Brown 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 land and improvements were valued higher than another property whose use is identical and whose location is comparable.

**CONSOLIDATION AND DISCUSSION – PARCEL NOS. 038-111-02
& 038-830-01 – WEST MEADOWS INVESTMENTS LLC
– HEARING NOS. 11-0271 & 11-0272**

Appraiser Steve Clement and Petitioner Robert Fitzgerald indicated they were not opposed to consolidating the two parcels to one hearing.

On behalf of the Petitioner, Robert Fitzgerald and John Wolf were sworn in by Chief Deputy Clerk Nancy Parent.

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

Chairperson Covert asked if the smaller parcel was residential property (Parcel No. 038-111-02). Appraiser Clement stated Parcel No. 038-111-02 was vacant land. He indicated the large parcel (Parcel No. 038-830-01) was considered single family residential property because it had an old ranch house and some outbuildings on it.

Mr. Fitzgerald noted the vacant parcel had topography that was probably "90 percent straight up and down." The topography layer was added to the overhead map display, and he pointed out the location of a major drainage way on the east side of the large parcel that continued down through the vacant parcel. He said the vacant parcel was almost totally unusable and there was also considerable topography on the large parcel. He disagreed with the Assessor's description of the topography as "gently sloping," but

acknowledged that was true of some portions of the land. He stated the subject properties were not bought at foreclosure, but were purchased from a bank that owned both parcels and marketed them for seven months. He noted there had been numerous offers over \$1 million that had fallen out of escrow before he bought the parcels. Mr. Fitzgerald characterized the purchase as an arm's length transaction. He said the most accurate measure of value involved a seasoned property that had been out in the marketplace, was exposed to the community at large, and was purchased by a willing buyer from a willing seller. He explained the sales transaction included 103.7 acre feet of banked Truckee River water rights that were not appurtenant to the land. As noted on page 4 of Exhibit B (Section 1), he suggested the taxable land value equated to about \$403,000 after deducting the value of the water rights.

Member Krolick asked if there was a receipt for the sale of the water rights. Mr. Fitzgerald referred to pages 41 through 73 of Exhibit B (Section 5), which contained documents related to water rights transactions. He noted the largest sale at \$8,000 per acre foot had been excluded before the Petitioner calculated the value of the water rights.

Mr. Fitzgerald discussed each of the land sales used by the Assessor to establish value (see pages 96 through 97 or Section 13 of Exhibit B). He pointed out that LS-1 and LS-2 in Somersett would benefit from tens of millions of dollars in improvements, as well as full entitlements and access to utilities. He said the parcels were not comparable because the subject had no such amenities or improvements. He estimated the cost of bringing water to the corner of the subject property at \$3.7 million. He objected to the use of LS-3 on the basis that it was a listing rather than a sale. He suggested LS-6, known as the Mortensen Ranch, was most comparable to the subject if a listing was to be used (page 94 or Section 12 of Exhibit B). He said the Mortensen Ranch property was recently up for auction at \$995,000 but had not sold. He indicated the listing included 1,000 acres of land, 40 acre feet of water rights, and development rights for over 600 lots. Mr. Fitzgerald stated LS-4 was a very large parcel in south Reno near Montreux and ArrowCreek. It was originally planned and partially improved to be a golf course community with over 250 lots. He said the sale included some entitlements and 250 acre feet of ground water rights that could be valued at \$10,000 to \$15,000 per acre foot. He indicated the water rights were banked with Washoe County. He estimated a purchase price of \$2,500 per acre for LS-4 after deducting the value of the water rights. In terms of topography, he noted the land was almost totally usable. He said the Petitioner looked at purchasing LS-4 but could not come up with the money to do so. He indicated LS-5 was a fully improved single lot on the Truckee River that was ready to develop. He stated it was not comparable to the subject. He noted it was still uncertain whether the improvements on the subject property would be torn down or rehabilitated, but they were not occupied and could not be occupied.

Mr. Fitzgerald pointed out the subject's frontage along the Truckee River was designated as open space (pages 78 through 79 or Section 7 of Exhibit B). The Petitioner would be required to create a public park if and when the subject property was developed. He observed high voltage power lines criss-crossed the subject property. He

referenced several easements that would impact the property's development potential (page 75 through 76 or Section 6 of Exhibit B).

Chairperson Covert clarified with Mr. Fitzgerald that the Petitioner was asking for a reduction to \$492,000 in the taxable land value and \$52,000 in the taxable improvement value.

Appraiser Clement explained the subject property had been the proposed site for 159 Reynen and Bardis homes in 2003. The OREO Corporation, a wholly owned subsidiary of Key Bank, foreclosed on the property in 2008. The Appellant purchased the property from Key Bank in a 2010 foreclosure sale. He reviewed the land sales provided in Exhibit I. He described LS-1 as inferior to the subject in terms of location and development potential. He stated LS-2 was inferior in size with much less development potential. Although the sale was not final, he indicated there was an accepted offer on LS-3 that provided an indication of value. Appraiser Clement said LS-4 was a foreclosure sale. He acknowledged LS-5 was not directly comparable to the subject, but said it was included to provide a point of comparison. He pointed out the Petitioner requested a value of \$544,000 for 199 acres with Truckee River frontage, but LS-5 recently sold at \$235,000 for one acre on the River. He stated LS-1 and LS-2 provided the best comparisons to the subject and represented normal market sale transactions. He characterized LS-4 and the subject as low indicators of value because they were purchased from the bank. He said Key Bank's motivation as the seller was less than what would be found in a normal transaction for the area. He disagreed with the Petitioner's comment that the purchase was an arm's length transaction.

Chairperson Covert asked if there were any topography adjustments on the subject property. Appraiser Clement replied the property was valued as raw acreage. Chairperson Covert questioned how improvements could be justified if the property was valued as raw acreage. Appraiser Clement indicated there were some improvements on the large parcel but the Assessor's office believed the parcels were purchased for their development potential. He stated no topography adjustment was given because the topography was removed from valuation. He referenced the appraisal record cards beginning on page 3 of Exhibit I. He explained 131 acres on the large parcel were valued at \$6,975 per acre and approximately 52.3 acres on the upper portion of the parcel were valued as open space at \$800 per acre. He noted the smaller parcel had 3 acres valued at \$6,975 per acre and about 12.53 acres valued at \$800 per acre. He said the valuation was based on the development potential of the lower sloping area of the parcels. Chairperson Covert wondered if an appraiser had been out to look at the subject property. Appraiser Clement indicated he drove by there quite a lot. He stated the old ranch house was boarded up and there were also some old barn improvements. Chairperson Covert asked if he agreed the improvements were unusable. Appraiser Clement said there was some work going on at one point, but the Assessor's Office had not known whether the Appellant was rehabilitating the structures. He observed there was a well and power on the large parcel, but no tentative map. He suggested it was feasible to do a parcel map for four 50-acre estate home sites at a value of \$250,000 to \$300,000 each. Chairperson Covert commented the Board was to examine the property's current state rather than

what it could be. Assessor Clement agreed that would be the case if the property was looked at as a home site, but it had been valued based on its development potential. He pointed out he was not using comparable improved sales to justify the value and there was approximately 200 acres between the two parcels.

Appraiser Clement referenced land sales LS-1 and LS-2 in Somerset. He stated they were not in a premier location and their development potential was very low.

Chairperson Covert wondered if the land on the subject parcel sloped heavily up from the Truckee River. Appraiser Clement agreed that it did. He said there was a bank that rose out of the flood zone. He pointed out a parcel on the overhead map display that was located in the Riverdale Subdivision. He noted the Board previously upheld the parcel's taxable land value of \$260,000 based on a 2.5-acre home site. He indicated a \$500,000 value on the subject parcel would create huge inequities throughout the Verdi area. He said he was not sure if building 159 homes was a good use for the subject given the amount of vacant land available for single family home sites in the region. He suggested three or four estate home sites with Truckee River frontage might be the highest and best use for the property.

Member Brown asked if both parcels had Truckee River frontage. Appraiser Clement stated only the large parcel fronted the River. He pointed out the small parcel had a minimal \$30,949 taxable land value.

Chairperson Covert questioned whether there were any undeveloped roads where people rode motorcycles and off-road vehicles. Appraiser Clement replied there was a dirt road. Mr. Fitzgerald said the property was criss-crossed with motorcycle trails.

Josh Wilson, County Assessor, observed the large parcel had A-1 zoning that allowed for more than one home site. He indicated the Assessor's value on the home site for the old ranch house was \$800 per acre for 52 acres, or roughly \$142,000. The remainder of the vacant land was valued by the Assessor's Office according to its highest and best use, which was consistent with NRS 361.227.

Member Green observed there was a tentative map on pages 75 and 76 of Exhibit B. He inquired as to whether it had ever been approved. Appraiser Clement said he believed it had been approved but was not sure if it was ever recorded. Mr. Fitzgerald indicated the tentative map was no longer in existence. Based on the tentative map, Member Green noted there was room for about 152 lots after land was taken away for common areas and a County park. He wondered what the total elevation change was from US 40 to the back property line. Appraiser Clement estimated about 60 feet up to the developmental area, although he was not sure of the distance involved. Mr. Fitzgerald indicated it was about 1,000 feet. Member Green observed that was not a huge elevation change.

Member Green asked how far the sewer line had been taken out to Verdi. Appraiser Clement pointed out a bridge on the overhead map display where the sewer interceptor ended.

Mr. Fitzgerald stated the development argument used by the Assessor's Office would lead him to request a land value of nothing. He indicated it would cost him approximately \$70,000 to \$80,000 per unit to improve the property for 159 lots. In the current economy, he said he could buy fully improved lots in Somerset for \$30,000 to \$35,000 each, fully improved lots with assessments in ArrowCreek for \$40,000 to \$60,000 each, lots with foundations and permits in Montreux for \$90,000 each, and unimproved lots in Montreux for \$55,000 each. He noted he would have to bring the sewer line out to the subject property. In the meantime, it was a raw unimproved piece of property without utilities. He said he was looking for a raw land valuation based on his purchase and on a purchase of similar property during a similar time that had a higher value. He reiterated his arguments related to the Assessor's comparables and to his purchase of the subject in an arm's length transaction. He stated the property was purchased for its future appreciation because the Petitioner believed the market would come back some day.

Chairperson Covert asked how the appraiser arrived at a value of \$6,975 per acre. Appraiser Clement replied the value was developed from the sales transaction for the subject parcel and from the other land sales in Exhibit I. He indicated the subject had been listed at over \$2.5 million before the sales transaction went through. The listing of the Mortensen Ranch property had several appraisals from the bank at \$2.5 to \$3 million and the bank's minimum reserve of \$2 million was not met when it went up for auction. He said he used all the evidence he had to value the subject parcel. Chairperson Covert commented that everything was all over the board in the current market.

Appraiser Clement displayed LS-1 on an overhead map. He pointed out three nearby parcels that had also sold. He clarified for Chairperson Covert the combined parcels amounted to 167 acres and had more topography than the subject. He pointed out how steep the three parcels were in comparison to the subject.

Member Brown wondered if there was anything driving the high development costs in addition to the easements and the topography. Mr. Fitzgerald replied the costs were primarily driven by the lack of access to utilities. He noted the subject property had drainage ways that were also wetlands, so he would have to deal with the Army Corps of Engineers. He indicated it would cost him \$50 million to do what had been done in Somerset.

Member Green remarked that the Board recently thought \$25,000 per acre was a reasonable value for undeveloped residential land off of the Pyramid Highway with no utilities, no topography, and no detriments. He noted \$5,000 per acre on the subject property would amount to a \$995,000 taxable land value. He stated a house in Verdi was very desirable and would bring more than a house in Somerset. He suggested the water

rights had softened the blow for the developer's holding time. He said he was in favor of upholding the Assessor's values.

Chairperson Covert commented that the Assessor's value was not that far off, but he did not like the value on the improvements. He indicated he was willing to reduce the improvements to about \$20,000, but would not go lower than \$6,000 per acre on the developable portion of the subject property. Member Krolick said he thought the land was valued appropriately compared to other properties the Board had looked at.

Chairperson Covert requested a breakdown of the values on each parcel. Appraiser Clement clarified there were 131 acres on Parcel No. 038-111-02 and 3 acres on Parcel No. 038-830-01 that were valued at \$6,975 per acre. He stated all of the improvements were on the large parcel (Parcel No. 038-830-01).

Although the structure on the large parcel was not habitable, Member Krolick observed there was some value in the utilities to the site and structure. Chairperson Covert recommended reducing the improvement value.

Please see 11-0707E and 11-0708E below for the details concerning the petition, exhibits and decision related to each of the properties in the consolidated hearing.

**11-0707E PARCEL NO. 038-111-02 – WEST MEADOWS INVESTMENTS LLC
– HEARING NO. 11-0271**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 2505 US 40, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Owner's opinion of value and supporting documentation, 83 pages.

Exhibit B: Updated owner's opinion of value and supporting documentation, 97 pages.

Assessor

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

Robert Fitzgerald and John Wolf were present to provide testimony on behalf of the Petitioner.

Appraiser Steve Clement and County Assessor Josh Wilson provided testimony on behalf of the Assessor's Office.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – PARCEL NOS. 038-111-02 & 038-830-01 – WEST MEADOWS INVESTMENTS LLC – HEARING NOS. 11-0271 & 11-0272.

With regard to Parcel No. 038-111-02, 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 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.

**11-0708E PARCEL NO. 038-830-01 – WEST MEADOWS INVESTMENTS LLC
– HEARING NO. 11-0272**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 1850 US 40, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Owner's opinion of value and supporting documentation, 83 pages.

Exhibit B: Updated owner's opinion of value and supporting documentation, 97 pages.

Assessor

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

Robert Fitzgerald and John Wolf were present to provide testimony on behalf of the Petitioner.

Appraiser Steve Clement and County Assessor Josh Wilson provided testimony on behalf of the Assessor's Office.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – PARCEL NOS. 038-111-02 & 038-830-01 – WEST MEADOWS INVESTMENTS LLC – HEARING NOS. 11-0271 & 11-0272.

With regard to Parcel No. 038-830-01, 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 to \$20,000, resulting in a total taxable value of \$975,749 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.

10:32 a.m. Chairperson Covert declared a brief recess.

10:42 a.m. The Board reconvened with all members present.

**CONSOLIDATION AND DISCUSSION – ACCOUNT NOS. 5101085
& 5101054 – DESERT OUTDOOR ADVERTISING INC –
HEARING NOS. 11-0017PP & 11-0016PP**

On behalf of the Petitioner, Frank Gilmore and Jeff Herson were sworn in by Chief Deputy Clerk Nancy Parent.

Having been previously sworn, Appraiser Mark Stafford explained the hearings had been continued from January 24, 2011. The hearings concerned the following aircraft:

Hearing No.	Identifier No.	Make & Model	Tail No.
11-0016PP	5101054	1977 Mooney M20J	201qc
11-0017PP	5101085	2006 Mooney M20TN	201qp

Mr. Gilmore stated the Appellant had been directed to provide supplemental evidence as to where the two aircraft were domiciled. He indicated the information provided in Exhibit B applied only to Hearing No. 11-0017PP (the “Papa” aircraft). He referenced a letter from the Medford Air Service, a fixed base operator (FBO) at KMFR Airport, indicating the Papa aircraft was based out of Medford, Oregon (page 1 of Exhibit B). He noted there was a hangar sublease agreement shown on pages 2 through 7 of Exhibit B. The agreement was signed by Mr. Herson on behalf of Desert Outdoor Advertising in late November 2007 and was still in effect. He said the Papa aircraft had been in Nevada for less than five days during the tax year under consideration. It was currently being serviced and painted in California. He stated the airplane was registered in Oregon, had hangar space in Oregon, and was therefore not subject to assessment in Washoe County.

As to Hearing No. 11-0016PP (the “Charlie” aircraft), Mr. Gilmore recalled testimony at the first hearing on January 24, 2011 that the plane was for sale on a consignment basis in Hayward, California, and had been located there since the Papa aircraft was purchased. He noted the plane had not been sold and had not been in the State of Nevada since early 2009.

Appraiser Stafford wondered if the Petitioner had a copy of the sales listing for the Charlie aircraft.

Chairperson Covert suggested the Board deal with the Papa aircraft first. He commented that the evidence looked prima facie to him. Appraiser Stafford recalled

testimony from the hearing on January 24, 2011 that there were no payments for a hangar lease because the hangar was owned by Mr. Herson's friend. He said the Board requested a note from the owner of the hangar to indicate the plane was located there. Chairperson Covert asked the appraiser if he had any trouble with the letter from the Medford Air Service. Appraiser Stafford pointed out the letter was dated February 23, 2011 but did not specify the date when the aircraft first became based there. Chairperson Covert questioned what evidence the Assessor's Office had to show the aircraft was based in Reno. Appraiser Stafford said there had been discussion about tie-down reports from Sierra Air during the previous hearing. The Assessor's Office believed the aircraft was moved to Atlantic Aviation when Sierra Air shut down. The Treasurer's Office visited Atlantic Aviation while attempting to seize the Petitioner's assets in the fall of 2010, but could not find the aircraft. Chairperson Covert inquired as to what the seizure had been based on. Appraiser Stafford indicated it was for nonpayment of taxes. He pointed out the taxpayer had refused to provide the Assessor's Office with a declaration as required under NRS 361.265, so the Assessor's Office continued to assess the aircraft based on prior evidence that it was based at the Sierra Air FBO at the Reno-Tahoe Airport.

Member Krolick said he thought the letter from the FBO in Medford was pretty vague. He wondered if the Appellant could produce cancelled checks or bank statements to support the hangar lease of \$265 per month. Mr. Herson indicated he had not been asked to do that at the previous hearing. He clarified the Charlie aircraft was the one that did not have a hangar lease in Medford, Oregon because the plane was currently in Hayward, California to be sold. He pointed out the Assessor's Office had no proof to show the Papa aircraft was domiciled in the State of Nevada or that it had been in Nevada for the tax year under consideration.

Chairperson Covert asked if there was a clause to extend the hangar lease from year to year after its initial expiration date of May 24, 2008. Mr. Herson said he had no idea. He stated it was clear the airplane had not been in Nevada. He indicated he had not turned in the required declaration because it was sent to the wrong address. Chairperson Covert read an "evergreen" clause that extended the hangar lease unless one party gave notice to the other.

Member Green recalled testimony that the aircraft had been stored in a friend's hangar and there was no rent paid. Mr. Herson replied there was such an arrangement for the older Charlie aircraft.

Chairperson Covert commented that the Appellant was asked to provide a hangar lease agreement and had done so for the Papa aircraft. Member Green asked if the Assessor had anything from Sierra Air indicating the plane had been parked there. Appraiser Stafford referenced the e-mail correspondence that was presented in Exhibit I. Member Green wondered how long the airplane would have to be parked at Sierra Air before it was considered to be based in Washoe County. In determining situs, Appraiser Stafford said the Assessor's Office would ask if an airplane was renting hangar space or tie-downs in Washoe County, or whether it was being taxed in another jurisdiction. He noted there were no tax receipts to show that either of the airplanes was being taxed in

another jurisdiction. Chairperson Covert observed that Oregon did not tax aircraft. Appraiser Stafford agreed. He stated the Charlie aircraft was reported to be in California all of the time and California was quite diligent in making aircraft assessments. He referenced the e-mail correspondence with Sierra Air that was shown in Exhibit I. He stated the Assessor's Office had no verification from any FBO that the Papa aircraft was in Washoe County on July 1, 2010, although the Appellant had presented some gas receipts and other evidence suggesting it had been in Reno.

Mr. Gilmore observed Desert Outdoor had not entered any tie-down agreements with any FBO in Washoe County or in the State of Nevada since Sierra Air had gone out of business. He explained the gas receipts and overnight tie-down receipt were presented to show the Appellant was paying overnight rates and did not have a permanent tie-down at the Reno-Tahoe Airport. He noted it was far more expensive to pay overnight rates than to pay for a monthly tie-down agreement, even if an airplane spent five nights a month at the Reno-Tahoe Airport. He pointed out the e-mail correspondence provided by the Assessor's Office was from 2007 and there was no recent correspondence.

Appraiser Stafford identified the Charlie aircraft as a 1977 Mooney. He said there was previous evidence showing that the aircraft was based at Sierra Air and the Appellant had failed to return declarations for approximately five years. Chairperson Covert asked when Sierra Air had ceased to be an FBO. Appraiser Stafford replied July 1, 2010. Chairperson Covert inquired if there was any correspondence with Sierra Air for the current tax year. Appraiser Stafford indicated the last correspondence was from prior years.

Mr. Gilmore stated the Charlie aircraft had not been utilized by Desert Outdoor Advertising for any business purpose since the Papa aircraft was purchased. Chairperson Covert observed utilization was not the issue. Mr. Gilmore noted the aircraft had been for sale on consignment for at least the last two tax years. Mr. Herson identified the consignment broker as International Aircraft Sales of Hayward, California. Chairperson Covert wondered if there was a consignment agreement. Mr. Gilmore said he had no documentation to provide to the Board. He noted the most recent correspondence provided by the Assessor's Office was a 2007 e-mail. He indicated the Charlie aircraft had not recently been in Nevada, not even on a transient basis. Mr. Herson observed the Assessor's Office provided documentation from Flight Aware, which showed the aircraft was in Reno in 2009. He said that had been the airplane's last flight before it was brought to Hayward, California to be sold.

Member Woodland questioned how the aircraft could get on the tax roll if it was never in Washoe County. Chairperson Covert clarified the airplane was not in Washoe County during the current tax year, but had been in Reno prior to that.

Chairperson Covert inquired how long the Charlie aircraft had been out of service. Mr. Herson said it had not even had an annual inspection for two years, so it did not meet Federal Aviation Administration requirements and he could not fly the airplane.

Chairperson Covert stated it was his opinion the Assessor's information was old. Although it would be nice to have a copy of the consignment agreement, he indicated the Appellant had testified under oath. Member Green remarked the hearing would not have been necessary if the Appellant had corresponded with the Assessor in a reasonable time. Chairperson Covert said that did not mean the plane was or was not in Washoe County. He observed the plane had been out of service for two years.

Please see 11-0709E and 11-0710E below for the details concerning the petition, exhibits and decision related to each of the properties in the consolidated hearing.

**11-0709E PARCEL NO. 5101085 – DESERT OUTDOOR ADVERTISING INC
– HEARING NO. 11-0017PP**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on personal property located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 17 pages.

Exhibit B: Letter and hangar lease from Medord Air Service, 7 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet, 21 pages.

Frank Gilmore and Jeff Herson were present to provide testimony on behalf of the Petitioner.

Senior Appraiser Mark Stafford provided testimony on behalf of the Assessor's Office.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – ACCOUNT NOS. 5101085 & 5101054 – DESERT OUTDOOR ADVERTISING INC – HEARING NOS. 11-0017PP & 11-0016PP.

With regard to Roll No. 5101085, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion carried on a 4-1 vote with Member Krolick voting "no," it was ordered that the aircraft be dropped from the tax rolls for the 2010-11 Unsecured Roll Year because it was not located in Washoe County.

**11-0710E PARCEL NO. 5101054 – DESERT OUTDOOR ADVERTISING INC
– HEARING NO. 11-0016PP**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on personal property located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 17 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet, 19 pages.

Frank Gilmore and Jeff Herson were present to provide testimony on behalf of the Petitioner.

Senior Appraiser Mark Stafford provided testimony on behalf of the Assessor's Office.

For the discussion that took place on this hearing, see CONSOLIDATION AND DISCUSSION – ACCOUNT NOS. 5101085 & 5101054 – DESERT OUTDOOR ADVERTISING INC – HEARING NOS. 11-0017PP & 11-0016PP.

With regard to Roll No. 5101054, 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 aircraft be dropped from the tax rolls for the 2010-11 Unsecured Roll Year because it was not located in Washoe County.

**11-0711E PARCEL NO. 011-122-09 – GRAND SIENA LLC
– HEARING NO. 11-0680**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 111 Mill Street (also known as 1 South Lake Street), Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and copy of appeal instructions, 3 pages.

Exhibit B: Transcript of U.S. Bankruptcy Court auction proceedings, 42 pages.

Exhibit C: Documents related to sales transaction, 61 pages.

Exhibit D: PowerPoint presentation, 7 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, Leif Reid was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Mark Stafford, Senior Appraiser, oriented the Board as to the location of the subject property. He clarified for Chairperson Covert that the Siena Hotel-Casino had closed its doors in November 2010 and was not currently in operation.

Mr. Reid conducted a PowerPoint presentation, which was entered into evidence as Exhibit D. He explained the previous owner of the Siena closed the business in October 2010. The Grand Siena LLC subsequently purchased the subject property for \$3.9 million through a U.S. Bankruptcy Court auction. He noted the Assessor's total taxable value of \$7.5 million equated to \$35,000 per room for 214 hotel rooms (\$6,375,000 for real property and \$1,125,000 for personal property).

Mr. Reid referenced the comparable sales provided by the Assessor's Office on page 4 of Exhibit I. He said it was indicated to the Petitioner that three of the comparables were used to develop the per room valuation on the subject property – the Grand Sierra Resort (HC-1), Fitzgerald's Hotel-Casino (HC-3), and the Carson Valley Inn & RV Park (HC-6). He pointed out the first two comparables were very dated sales.

Chairperson Covert asked if the Grand Sierra Resort was in financial distress. Mr. Reid said the property had been sold out of foreclosure during the previous week but he was not sure of the sales terms.

Mr. Reid stated the Grand Sierra Resort had very different characteristics from the subject property; most notably, it was surrounded by 140 acres of land and its gaming floor was substantially larger. He indicated the limited size of its gaming floor was one of the reasons the Siena had gone into bankruptcy. He said the Fitzgerald's Hotel-Casino was comparable in terms of lot size but also had a significantly larger gaming floor, and the sale occurred during a market that no longer existed. He pointed out the Carson Valley Inn & RV Park had a larger gaming space and more acreage. He noted some of the acreage was used as mobile home rental space.

Mr. Reid indicated the subject property's taxable value exceeded its full cash value and was therefore inequitable (NRS 361.345 and 361.025). He suggested the circumstances in which the Petitioner acquired the property were indicative of a competitive market. He said the Siena property was marketed throughout the bankruptcy proceedings, there had been a process in place to whittle down qualified buyers, and the process ultimately yielded three active bidders on the property. He stated no one was allowed to purchase the property at a fire sale price and the purchase price during the

bankruptcy auction had to be enough to satisfy the debts on the property. He quoted Judge Gregg Zive of the Bankruptcy Court regarding the conditions of the sale (see page 6 of Exhibit C). He proposed a total taxable value of \$3.9 million based on the Petitioner's purchase price (\$2,925,000 for real property and \$975,000 for personal property).

Appraiser Stafford discussed the history of the subject property. He noted the building had been stripped down to the original frame of the former Holiday Hotel. Significant additions were built to the east and to the south for the Siena Casino and Spa. He said he had visited the property during its construction phase and it was in very good condition. He pointed out approximately \$54 million had been spent before the Siena opened in August 2001. The building was above average in quality, finish and materials. He indicated the developer wanted an upscale boutique hotel to appeal to more affluent travelers, but marketing plans backfired somewhat. The Siena property went into Chapter 11 bankruptcy and subsequently closed in the fall of 2010.

Appraiser Stafford reviewed the comparable sales provided on page 4 of Exhibit I. He noted the Grand Sierra Resort had gone back to the bank and a pending sale was apparently about to be consummated. Chairperson Covert asked if he knew any of the sales terms. Appraiser Stafford said he had been advised in confidence as to the expected sales price. He acknowledged the Grand Sierra Resort had the largest casino floor in the Reno-Sparks area. He stated the Fitzgerald's Casino was currently closed and was inferior to the subject property in terms of its physical characteristics. He identified the Carson Valley Inn & RV Park as a 60-space RV park on 24 acres. He indicated it sold for \$51,000 per room. Chairperson Covert wondered if the sale was strictly an arm's length transaction. Appraiser Stafford replied that it was. He believed one of the buyers was also a partner in the El Dorado. Since purchase, more than \$7 million had been spent to remodel the Carson Valley property. Even allowing for more acreage and an RV Park, he said the subject property was in better condition than the Carson Valley Inn. He contrasted the downtown Reno area with the location in Minden.

Appraiser Stafford reviewed calculations for the sales comparison and income approaches to value that were provided on page 5 of Exhibit I. He discussed the indicated values using various calculations, which included: price per room, price per square foot, price per square foot of casino floor, and the income approach to value. He stated all approaches supported the Assessor's total taxable value of \$7.5 million.

Chairperson Covert questioned whether there were any flood issues based on the subject property's proximity to the Truckee River. Appraiser Stafford said he was not aware of any, although the basement area had most likely been affected by some of the historic floods. Member Green observed the property was located on the high side of the River. Mr. Reid indicated the Petitioner paid regular flood insurance.

Member Green asked who had done the valuation for the Silver Club in Sparks. Appraiser Stafford stated he had done the valuation and recommended a total taxable value of \$5 million. Member Green wondered how many hotel rooms there were.

Appraiser Stafford estimated about 206 rooms. Member Green noted the subject had almost the same number of rooms. Appraiser Stafford indicated the Silver Club was an inferior property. Member Green said he agreed with respect to its condition. He commented it was a matter of opinion as to what was the best location.

Member Krolick observed the comparables were operational casinos that transferred a gaming license at the time of sale. He inquired whether a non-operational property had the right to get a gaming license after a sale. Appraiser Stafford indicated the gaming license was granted to an operator. Member Krolick wondered if there was a value for the gaming license. Appraiser Stafford said there was, but there was also value attributed to the property as it was designed, constructed, and built to operate as a hotel-casino. He noted the subject was physically able to perform the gaming function, although a licensee approved by the Gaming Control Board would be required to do so. Member Krolick commented that the comparables might have had a slight advantage in that they were able to get a gaming license before the sales were concluded. Appraiser Stafford suggested it was the reverse. He explained a typical hotel-casino would be marketed for one to two years, and would have an escrow period of seven to twelve months to allow for due diligence. A new operator was required to go before the Gaming Control Board and obtain a license before a sale could be completed. He noted the subject property had the advantage of a one-day sale through bankruptcy court. Member Krolick asked if the Petitioner had a gaming license. Appraiser Stafford said he was not aware of one.

Chairperson Covert said the discussion assumed operation of the subject property as a gaming facility. Appraiser Stafford stated it could be operated as just a hotel. He pointed out the subject's previous income history exceeded the gaming abstract on a per room basis, but the casino had not done so well. Chairperson Covert wondered how the Siena Hotel had compared with Harrah's. Appraiser Stafford did not know. He indicated the revenue per available room (RevPAR) had been at \$65, whereas the gaming abstract was at \$49 per room. He stated the quality and features of the hotel rooms were very good.

Member Brown pointed out the Court transcript on page 25 of Exhibit C, in which bidders were reminded before the auction began that a gaming license was not included.

Appraiser Stafford talked about the one-day auction of the subject property that was announced one week before it occurred. Chairperson Covert suggested the financial distress of the property had been known and the vultures were probably circling long before the auction was announced. Appraiser Stafford agreed the subject was already in Chapter 11 in October 2010 and subsequently went into Chapter 7 when an investor could not be found. He stated the formal announcement had taken place one week before the auction. He read the following definition of a liquidation sale: "The termination or conclusion of a business or real estate operation by converting its assets into cash." He noted the following definition of full cash value from NRS 361.025: "The most probable price a property will bring in a competitive and open market under all

conditions requisite to a fair sale.” He stated one of the conditions of a fair sale was that the buyer and seller were typically motivated. He indicated that was not the situation in a court-ordered sale and a one-day auction to convert assets to cash to satisfy secured and unsecured creditors.

Chairperson Covert wondered if the \$3.9 million sales price had been more than the liabilities on the property. Appraiser Stafford recalled reading in the Court findings that there had been no proceeds left for distribution to the principals. He doubted that the sales price had been enough to cover the creditors.

Appraiser Stafford described a sales verification letter received by the Assessor’s Office after the Petitioner’s appeal was filed. He indicated it was signed by one of the principals in the Grand Siena LLC. Question 3 asked if the buyer or seller was unduly compelled in the sale. The response was ‘yes,’ and bankruptcy was given as the reason. Appraiser Stafford stated a transaction could not meet the requirement of fair market value if the seller was under undue influence to sell. He pointed out “a sale at public auction under court order” was one of the conditions of a forced sale, and “a reasonable time allowed for exposure in the open market” was another condition requisite to a fair sale. He defined marketing time or marketing period as: “The anticipated time required to expose a property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by current market conditions.” He noted the prospective buyers of the subject property were prohibited at auction from obtaining any kind of financing from a third source. He characterized the purchase price for the subject property as a liquidation price and a forced price. He indicated his analysis of the comparable sales with different units of comparison supported the Assessor’s taxable values.

Mr. Reid stated the sale of a property that had closed its doors because it was bankrupt could not be compared to the sales used as comparables by the Assessor’s Office. He noted the comparables were ongoing business operations that continued to be in operation during the escrow period. He indicated the Petitioner did not have a gaming license and it was not currently possible for the property to be open for business to collect gaming revenues. He pointed out most of the gaming equipment had been seized during the bankruptcy proceedings, and the gaming machines still left on the premises were roped off. He suggested the income approach and other approaches presented by the Assessor’s Office involved calculations that were not reflective of the current market or of the subject’s current operation. He indicated the five times multiplier on earnings before interest, taxes, depreciation, and amortization (EBITDA) that was used in Exhibit I was very speculative and did not reflect reality. He said the current EBITDA on any gaming property in Reno was negative. He acknowledged the Carson Valley was one of the rare areas where there had been positive gaming revenues for the most recent period. He stated the subject’s actual value was the value that had come out of the auction process. He observed all of the bidders had been qualified and there had been a lengthy bankruptcy process that was well documented in the press. He observed the subject property could not be sold in its existing condition for the \$7.5 million valuation that was placed on it.

Member Brown asked if the Siena and the Grand Siena were separate entities. Mr. Reid indicated there was some intention by the new owners to continue utilizing the Siena name, but there was no relationship between the prior owner and the Petitioner. He stated it was not a collusive sale.

Member Green agreed the subject’s gaming operation was “in the bucket.” As a hotel, he said it might not come up to the Assessor’s value of \$35,000 per room but it would bring more than the Petitioner was requesting. Although the Silver Club was not quite representative of the subject property, he pointed out a value of \$5 million was determined for a closed casino that was having difficulty getting open again. He suggested a total taxable value in the neighborhood of \$7 million for the subject property.

Chairperson Covert commented that the buyer of an ongoing operation was not necessarily buying the property but was buying the business. He observed the Petitioner bought something that was not an operational business. He acknowledged the Assessor’s Office had a tough problem in that the comparisons were more like oranges and tangerines than oranges and oranges. From a business standpoint, he did not agree with the Petitioner that the property was worth only \$3.9 million. He suggested it could be opened as a first class hotel. He said he not been in the rooms and did not know how it compared to Harrah’s, but he had been in the previous owner’s gaming facility and the dining facilities were first class. Member Green stated he had some friends who had stayed there and the rooms were probably as nice as anything in Reno. He remarked that the restaurant sat right on the Truckee River. Although he did not know about the gaming facility, he agreed the property could be successfully operated as a boutique hotel.

With regard to Parcel No. 011-122-09, 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.

11:58 a.m. Chairperson Covert declared a brief recess.

12:46 p.m. The Board reconvened with all members present.

11-0712E WITHDRAWALS

Following some discussion, the following appeals related to personal property were withdrawn by Gary Schmidt, the Petitioner’s representative:

Petitioner	Assessor’s Account No.	Hearing No.
Leckie, Darlene	3216113	11-0304PPA
	3216855	11-0304PPB
	3200290	11-0304PPC

Petitioner	Assessor's Account No.	Hearing No.
Darlene Leckie	3214117	11-0304PPD
	3210850	11-0304PPE
	3200198	11-0304PPF
	3200366	11-0304PPG
	3218370	11-0304PPH

11-0713E CONSOLIDATION AND DISCUSSION – SUN VALLEY PARCELS

Several Petitions for Review of Assessed Valuation were received protesting the 2011-12 taxable valuations on land and improvements located in the Sun Valley area of Washoe County, Nevada.

Having been previously sworn, Gary Schmidt was present to offer testimony on behalf of the Petitioners. Garth Elliott was sworn in by Chief Deputy Clerk Nancy Parent.

Having been previously sworn, County Assessor Josh Wilson, Appraiser Jana Spoor, and Senior Appraiser Cori DelGiudice offered testimony on behalf of the Assessor's Office.

Member Woodland disclosed that she was a Sun Valley resident and sat on a board with Mr. Elliott. She said she did not believe her decision making would be affected by the relationship.

Mr. Schmidt requested consolidation of several Sun Valley parcels that were appealed on the basis that their base lot values were greater than market values. He asked to withdraw any appeals related to the improvement values. Chairperson Covert indicated the Board could uphold the improvement values and then deal with the base land values based on the arguments presented.

Josh Wilson, County Assessor, said it was very atypical to separate the land and the improvements during an appeal. He noted the majority of the appeals were brought under NRS 361.357 to challenge the base land value with respect to the full cash value. He stated it was his opinion the Board had a responsibility to look at both components and determine if the total taxable value exceeded the full cash value. He pointed out the Assessor's Office had already applied significant obsolescence to many of the properties.

Herb Kaplan, Legal Counsel, requested that Mr. Schmidt elaborate as to the basis for the petitions. Mr. Schmidt said all of the parcels had the same base land value of \$30,000, although some had adjustments for exceptional conditions such as a flag lot or a flood zone. He indicated there was no intent to challenge any of the adjustments. He suggested a preponderance of the evidence would show all of the parcels should have a \$20,000 base land value. Chairperson Covert asked whether all of the

adjustments would remain on the parcels if the Board changed the base land values. Jana Spoor, Appraiser, confirmed the adjustments would remain.

Mr. Schmidt asked to incorporate all of the hearings conducted in 2011 by reference. He indicated petitioners had always had the opportunity to appeal their land values. Mr. Wilson did not disagree, but said he wanted to respond to the request to withdraw the portion of each appeal that dealt with the total taxable value. He stated every evidence packet the Assessor’s Office had ever given to the Board provided support for the total taxable value, which did not diminish the fact that the Board looked at both components. Chairperson Covert agreed and said he would not withdraw half of an appeal. Mr. Schmidt referenced the two ways in which taxpayers could appeal – based on equalization and on full cash value. He indicated he just wanted it clear that all of the appeals were on the basis that the land was appraised at a value greater than its market value. He noted the parcels all had the same base land value. Although appeal of the improvements would not be withdrawn, Chairperson Covert indicated the improvements would not be discussed if the Petitioners were not disputing them.

Ms. Parent called the following hearings to be included in the consolidation (please see the complete list of Assessor’s Parcel Numbers that follows the Board’s motion):

Petitioner	Hearing No.
Zap Holdings LLC	11-0203A through 11-0203C1 (29 parcels)
Zap Holdings LLC	11-0204B
Pfennig, Eugene	11-0205B
Leckie, Darlene	11-0304B through 11-0304E2 (56 parcels)
Landes, David B	11-0364
Elliott, Garth T & Linda \$	11-0365
Wibben, Pauline	11-0528
Courtney, Steve & Dianna L	11-0534
Krause, Ruth L	11-0535
Mary Theresa Family Trust	11-0551A through 11-0551C (3 parcels)

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: E-mailed responses to Assessor’s analyses (Petitioner labeled Exhibits 1 through 6), 16 pages.

Exhibit B: Updated responses to Assessor’s analyses (Petitioner labeled Exhibits 1 through 8), 17 pages.

Exhibit C: Public records request form and NRS 361.357, 2 pages.

Exhibit D: Public records request form and sales verification records, 44 pages.

Exhibit E: County Board Record from 2010, 93 pages.

Exhibit F: Real estate listing information, 1 page.

Exhibit G: Appraisal record information for parcels used in Assessor's abstracted land value analysis (see page 11 of Exhibit B), 38 pages.

Exhibit H: Appraisal record card for 5889 Yukon Drive, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 10 to 15 pages *for each of 95 parcels*.

Exhibit II: Recent land sales data, 14 pages.

Exhibit III: NRS 645C.260, 1 page.

Member Green referenced the bottom paragraph on page 9 of Exhibit A, which indicated a sales date of November 10, 2011 for 460 Leopard Court. Mr. Schmidt clarified the correct sales date was November 10, 2010.

Appraiser Spoor oriented the Board as to the location and general description of the Sun Valley parcels.

Mr. Schmidt referenced pages 14 and 15 of Exhibit B. He read paragraph 3 from NRS 361.357: "If the county board of equalization finds that the full cash value of the property on January 1 immediately preceding the fiscal year for which the taxes are levied is less than the taxable value computed for the property, the board shall correct the land value or fix a percentage of obsolescence." He emphasized the statute was worded as "shall" and not "may." He indicated Exhibit C contained a public records request that he submitted to the Assessor's Office for "any and all documents that proclaim and/or support the alleged restriction from using any comp sales beyond December 31/January 1 as evidence in an appeal hearing." He stated there was no prohibition in the law for using comparables beyond January 1, although there was a demand in the law that the Board must set values as of January 1. He suggested a sale that was one or two days beyond January 1 was just as valid as a sale one or two days before January 1. Chairperson Covert said the Board would agree. Member Green said he did not agree.

Mr. Schmidt talked about the graph on page 14 of Exhibit B, which showed values for his Sun Valley property from 1999 to the current time. He described his parcel as a typical parcel. He explained the red line indicated the Assessor's base land values over time for a typical Sun Valley lot. He highlighted the 2010-11 values that were upheld by the County Board of Equalization and the State Board of Equalization. The graph suggested the \$49,000 base land value as of June 30, 2009 remained flat and was still \$49,000 on January 1, 2010. He noted the Assessor subsequently reduced the value to \$30,000 as of June 30, 2010, which was several months prior to the Appellant's 2010-11 hearing before the State Board. If the County Board were to uphold the Assessor's assertion that the base land value in Sun Valley as of January 1, 2011 was still \$30,000, he stated there would have to be a finding of fact that the lots had not decreased in value

over the intervening six-month period. He commented the marketplace did not work that way. He read from NAC 361.720 (page 15 of Exhibit B):

“The Board may take official notice of the following matters:

1. Rules, regulations, official reports, decisions and orders of the Commission, the Board, or any agency of the State.
2. Matters of common knowledge and technical or scientific facts of established character.”

Mr. Schmidt interpreted the NAC as permission for the Board to use commonly accepted hearsay knowledge. He indicated it was commonly known that land values in Washoe County and throughout most of the State had consistently continued to drop on a month-to-month basis over the last four years. He suggested the Assessor’s base land value as of January 1, 2011 flew in the face of any common knowledge about the area’s real estate market. Chairperson Covert observed that NAC 361.720 said the Board “may” take official notice but not that it “must” do so. Mr. Schmidt said the Board members had to set the value as of January 1, 2011, and had to make a finding of fact based on their knowledge and on the evidence presented. If the Assessor’s \$30,000 base land value was upheld, he suggested the Board’s finding would be that the value on January 1, 2011 was the same as it had been on July 1, 2010. In addition to lowering the base land value, he acknowledged the Assessor had lowered the value of the utility hookups from \$8,313 for 2010-11 to less than \$4,000 for 2011-12. He referenced Exhibit E, which contained the evidence presented to the State Board of Equalization for the 2010-11 hearing related to the Sun Valley parcels. He requested that the County Board include a finding of fact regarding the value as of January 1, 2011 in their 2011-12 motion.

Mr. Schmidt referred to the Assessor’s sales verification form for Parcel No. 085-081-32 at 5220 Solar Court (page 6 of Exhibit B). He stated the sale should not be used in the Assessor’s abstraction analysis because favorable financing had influenced the sales price. Member Green pointed out the notation on the verification form that the \$60,000 sales price was for the lot only. He questioned whether there was any abstraction. Mr. Schmidt indicated there were improvements involved. He said the sales price had been affected by other factors that he would talk about later. He noted his public records request for sales verification documents from the Assessor’s Office (Exhibit D). He said the Assessor’s Office responded with only one sales verification form and most of the documents provided were recorded Declaration of Value forms from title companies. He emphasized that seller financing was extremely important in the Sun Valley market because the majority of the properties contained “pre-HUD” trailers that did not qualify for bank financing. It was typical in Sun Valley listings to see statements like “land sale only, trailer on site of no value, goes with the sale.” He said such statements meant the seller did not want to warranty the trailer, not that the improvements had no value.

Mr. Schmidt indicated the spreadsheet on page 11 of Petitioner’s Exhibit B showed comparable sales from November 2010, December 2010, and January 2011

that were identified from real estate listings and confirmed using the Assessor's records. He said the base land value for that three-month period was demonstrated to be \$19,000 after the improvement values were abstracted. He noted the improvement values from the Assessor's records were used to do the abstraction.

Member Green admonished Mr. Schmidt for bringing only a single copy of his exhibits to the hearing. He observed Mr. Schmidt had arrived earlier in the morning and could have asked the Assessor's Office to make copies for each Board member. He pointed out Mr. Schmidt previously served on the Board and knew how difficult it was for the Board members to give a fair and balanced hearing without being able to look at each exhibit as it was presented. Mr. Schmidt stated much of the information had developed at the last minute and he had hoped to reach an agreement with the Assessor's Office before getting to the Board. He said he did not think the Assessor was going to challenge his sales. Member Green recalled previous hearings where Mr. Schmidt accused the Assessor of cherry-picking the sales. He asked Mr. Schmidt if he had cherry-picked the sales he was presenting to the Board. Mr. Schmidt replied that he had not.

Mr. Schmidt referenced the Assessor's comparable land sales on page 1 of Exhibit I, as well as the three charts provided on pages 4 and 5 of Exhibit I. He said he would demonstrate that the Assessor's analyses contained transactions that were either not at arm's length, contained errors in the data, or contained errors in the abstraction. He asserted there was a low statistical confidence factor in the Assessor's methodology. He pointed out there were no sales provided by the Assessor for November 2010, December 2010, or January 2011.

Mr. Schmidt pointed out sales at \$45,000 and below had been used for abstraction in Exhibit B. Member Green questioned why all of the November, December and January sales for Sun Valley had not been used. Mr. Schmidt explained there were sufficient sales under \$45,000 and it was commonly accepted practice when doing abstraction to use sales that had the least amount of improvement value. Member Green suggested all of the documentation should be presented so the Board could make the decision as to what would be a fair abstraction. Mr. Schmidt indicated it would take about three days to bring in all of the data. Chairperson Covert disagreed. Mr. Schmidt stated proper abstraction would require him to visit each property, photograph the improvements, and determine the value of the improvements in the market. He said there was sufficient evidence provided by the Petitioner to establish a \$20,000 base land value. He noted the Assessor's records of depreciated improvement values were accepted by the Petitioner, although they did not represent the full market value. He observed the Assessor's improvement values did not include a category for landscaping. He indicated use of the depreciated values was a shortcut and was not the appropriate way to do abstraction.

Mr. Schmidt outlined the Petitioner's abstraction analysis that was presented on pages 1 and 2 of Exhibit B. He indicated the 32 improved sales from the Assessor's data on page 4 of Exhibit I were divided into three groups based on sales price, and analyzed to determine the median for each group. He explained the statistical

confidence factor was indicated by the range between the highest and lowest figures in each group. A bigger spread or difference between the high and low values suggested a lower confidence level. He suggested the group of sales over \$60,000 was statistically distorted because the spread was larger than the median. Based on his analysis, Mr. Schmidt stated the base land value should have been approximately \$25,000 as of July 1, 2010.

Member Krolick asked if it was actually possible to purchase a vacant parcel for \$19,000 based on current listings. Mr. Schmidt replied he would get to that after he was finished debunking the Assessor's abstraction.

Member Krolick wondered if there were any deed restrictions that would affect the use of the Sun Valley parcels. Mr. Schmidt indicated the parcels were zoned for mobile homes, either on or off the foundation. He said he knew of no deed restrictions.

Mr. Schmidt reviewed the information provided on pages 4 through 6 of Exhibit B. He challenged the Assessor's comparable land sales from July 1, 2009 through June 30, 2010, (see LS-1 through LS-8 on page 4 of Exhibit I). He provided various reasons the comparables should be rejected, particularly for transactions that involved special financing.

Member Krolick suggested seller financing might represent the market norm going forward, as it had in the 1980's. Mr. Schmidt stated the textbook indication of market value was a property sold for cash between a willing buyer and a willing seller after a reasonable exposure to the market.

Mr. Schmidt indicated he had done a similar analysis for the 24 comparable improved sales provided by the Assessor's Office on page 5 of Exhibit I for July, August and September 2010. He noted the analysis had not made it into his evidence packet but demonstrated similar results. He stated most of the sales were too old. He said he had grouped the sales by month. He discussed a listing at 262 Quartz Lane (page 7 of Exhibit B). He observed the property had been on the market for five months at \$22,500 and had not sold. He indicated there were other listings at \$40,000 and \$50,000 that were not selling. He said the only appropriate use for a listing was to determine the uppermost value that a property might sell for.

Mr. Elliott highlighted the information provided on pages 8 through 10 of Exhibit B regarding a sale at 460 Leopard Lilly Court. He talked about special circumstances surrounding the sale that were confirmed through a discussion with the buyer. He stated the sale was not an arm's length transaction because the buyer was under pressure to alleviate a bad situation. Mr. Schmidt observed the abstracted land value on the transaction was less than \$25,000 in spite of the special circumstances.

Mr. Schmidt stated the median abstracted land value was \$19,000 for the November 2010, December 2010 and January 2011 sales he had compiled (see page 11 of Exhibit B). He discussed some of the sales and abstractions shown in the spreadsheet.

He suggested the values used for hookup fees created a distortion in all of the Assessor's abstractions. He noted the Assessor had reduced the replacement value for the physical hookups from \$8,000 in previous years to \$3,400 for the 2011-12 tax year. The Assessor's hookup costs were further reduced to as little as \$1,700 after statutory depreciation was applied, but the actual market cost was much greater. For example, he explained there was a cost of \$1,500 just to tap into a live gas line. Although abstraction was not completed for the last two properties on the spreadsheet, he said any livable mobile home in Sun Valley had at least a \$10,000 market value.

Mr. Schmidt made some observations about investors and the dynamics of the Sun Valley market (see page 12 of Exhibit B). He stated the rental market was strong and everything being sold was going to investors. He indicated the banks were not financing anything and there was very little owner financing. As outlined on page 13 of Exhibit B, Mr. Schmidt suggested the abstractions done by the Assessor's Office had underestimated the Sun Valley improvement values. He pointed out the depreciated value did not equate to full market value and there was no allowance for landscaping. He stated there was a cost ranging from \$8,000 to \$20,000 to move and set up a mobile home on a vacant lot. Consequently, he indicated a mobile home that was already in place had more market value than one that was new or that had to be moved from one lot to another. He said sellers were not getting \$65,000 to \$70,000 in the Sun Valley market unless the property had a really nice double wide on a foundation as well as amenities such as fencing, landscaping, a cement driveway, and a garage.

2:58 p.m. Chairperson Covert declared a brief recess.

3:10 p.m. The Board reconvened with all members present.

Appraiser Spoor referred to three sales charts provided on pages 4 and 5 of Exhibit I that were used in the reappraisal analysis. She stated two primary methods were utilized to determine the Sun Valley land values – vacant land sales and the land abstraction method. She indicated a median of \$50,650 was calculated based on the range of values for eight vacant land sales that occurred between July 1, 2009 and June 30, 2010. She noted all of the sales were verified and all land sales were considered to be arm's length transactions. The land abstraction method was used by the Assessor's Office after a review of 32 improved sales between April 1 and June 30, 2010 showed that a base land value of \$50,000 might be high for the market. She said a median of \$30,590 was indicated by the abstraction analysis of the 32 sales. As a double check of the market values, 24 improved sales that occurred after July 1 were abstracted and a median land value of \$31,281 was obtained. She said a base land value of \$30,000 was chosen for Sun Valley due to the continuing downward trend.

Appraiser Spoor explained the projected base land value of \$30,000 was added to the improvement values and compared to the improved sales in both charts. Based on the analysis of sales before and after July 1, 2010, it was determined that obsolescence of 65 percent should be applied to the improvement value of the real

property manufactured homes in Sun Valley. She stated the obsolescence reduced the total taxable value so that it did not exceed the full cash value.

Appraiser Spoor said she reviewed the sales that occurred from October to December 2010, although she had not yet driven by the properties. She observed there were 38 sales with a median value of \$58,950 based on a range from \$20,000 to \$85,000 in sales prices. She concluded the median was very similar to the land sales chart that had already been analyzed. She indicated it was her belief that the base land value of \$30,000 was below the market value for the most current sales. She offered three additional land sales that had occurred more recently (Exhibit II). Cori DelGiudice, Senior Appraiser, said the Assessor's Office would provide additional copies of the recent sales data.

Chairperson Covert asked the appraiser to discuss whether the abstraction method was allowed under Nevada Revised Statutes (NRS), whether the NRS specified exactly how it was to be done, and whether the Assessor's Office was following the applicable rules. Appraiser Spoor pointed out the abstraction method was allowed under the Nevada Administrative Code (NAC). Josh Wilson, County Assessor, indicated NAC 361.119 allowed abstraction and specified that the full contributory value of the improvements was to be deducted from the sales price to render an indication of land value. Chairperson Covert wondered if the NAC specified how the Assessor's Office was to do that. Mr. Wilson stated it did not. He said it was up to the Assessor to determine how it was done. He remarked that Mr. Schmidt might disagree with how it had been done, but the method had been applied consistency throughout the Sun Valley area and provided an indication of the contributory improvement value.

Mr. Wilson read from NAC 361.119: "Land: Alternate methods to sales comparison approach. If the county assessor is not able to use the sales comparison approach for vacant land pursuant to NAC 361.118 because sufficient sales of comparable properties which were vacant at the time of sale are not available, the count assessor may determine valuation through any of the following methods: (a) Abstraction method." Chairperson Covert questioned whether the four other methods that were listed would apply to the Sun Valley parcels. Mr. Wilson explained the land residual technique and capitalization of ground rents were more appropriate for income producing properties. The cost of development methods was appropriate for property in its development stages. He pointed out the allocation method was used significantly throughout the region for single family tract homes. He stated the other alternative methods did not work as well as the abstraction method combined with consideration of the comparable land sales that were available. Chairperson Covert asked if it was the Assessor's opinion that the abstraction method was a fair and equitable method for valuing the Sun Valley properties. Mr. Wilson replied it certainly was as long as the land sales were also considered.

Member Green inquired whether there were enough land sales to make a determination for the Sun Valley parcels. Mr. Wilson recalled the appraiser's testimony that the comparable land sales indicated a value of \$52,000, and that improved sales were

also considered and then abstracted to alter the Assessor's final value estimate for the Sun Valley market area.

Chairperson Covert wondered if either the NRS or the NAC defined an arm's length transaction? Member Green observed it probably defined it somewhere because there were some sales transactions that did not require payment of the real property transfer tax. Herb Kaplan, Legal Counsel, agreed there were some transactions that were statutorily exempt from the transfer tax. However, he stated he did not know that the NAC necessarily defined what an arm's length transaction might be. He indicated there might be transfers the Board would consider not to be at arm's length that were still subject to the transfer tax. Mr. Wilson said he was not certain there was a specific definition of an arm's length transaction in the NAC, but there was a definition of full cash value. He read from paragraph 2 of NAC 361.118:

“In determining whether the sale price of each comparable property is representative of the full cash value of the subject property, the county assessor must acquire sufficient sales data concerning the comparable property. The sales data may include, without limitation, the total amount paid for the property and the terms of sale, the names and the contact information of the buyer and seller, the relationship of the buyer and seller, the legal description, address and parcel identifier of the property, information concerning the type of transfer that is sufficient to enable the county assessor to determine whether the transfer was arm's length, the length of the time on the market, the extent of the interest transferred to the buyer, the nature of the non-realty items, and the date of the transfer.”

Mr. Wilson noted there was no definition of an arm's length transaction in the NRS or the NAC, but said one could certainly be provided through the appraisal of real estate literature. Chairperson Covert stated his definition would be non-related parties, a willing buyer and a willing seller; unless there were special circumstances such as bankruptcy, courthouse sales, or things of that nature that may not represent the actual market. He observed a motivated buyer or a motivated seller did not necessarily disqualify the sale from being arm's length. Mr. Wilson agreed.

3:28 p.m. Chairperson Covert declared a brief recess while additional copies of Exhibit II were provided by the Assessor's Office.

3:38 p.m. The Board reconvened with all members present.

Member Green asked the Assessor's Office to throw out the high and low comparable sales, and to provide him with the resulting median. Appraiser Spoor responded that the median would be the same. She noted the three recent land sales in Exhibit II produced a median value that was similar to the medians for the two other sales charts that were presented in Exhibit I. She reviewed each of the three sales. Chairperson

Covert asked if she knew the first sale to be an arm's length transaction. Appraiser Spoor said she had not yet verified the sale to that extent. She stated she had reviewed the Declaration of Value form and there did not appear to be any family relationship. She noted a verification form from the second sale at 181 East First Avenue indicated the buyer owned the land only and not the mobile home on it. She said she spoke to the owner of the third property located at 5889 Yukon Drive. She concluded the three land sales showed the \$30,000 base land value to be below the market value.

Appraiser Spoor stated she had reviewed current real estate listings. She noted the land listing at 262 Quartz Lane that was presented by Mr. Schmidt was only accessible via the parcel in front of it at 260 Court Lane. She indicated the Court Lane parcel was also listed for sale. She noted the seller was motivated and wanted to sell both lots to the same person. The two lots combined to equal 0.889 acres. Member Green wondered what the asking price was for the Court Lane parcel. Appraiser Spoor replied it was \$45,000 for Court Lane, or \$75,800 for both lots combined. She pointed out several other listings ranging from \$45,000 to \$99,900 for Sun Valley lots with mobile homes on them.

Member Green asked if the appraiser felt comfortable with the \$30,000 base land value. Appraiser Spoor stated she had been appraising property and working with the data in Sun Valley for five years. She indicated she was using all of the sales that were available to her. She had driven by each of the lots to look at the condition of the mobile homes and to look at the improvements. She indicated she was very comfortable with the \$30,000 base land value.

Mr. Schmidt objected and said he had not had adequate time to review the Assessor's additional documents.

Mr. Wilson read from paragraph 1 of NRS 645C.260: "Any person who engages in the business of, acts in the capacity of, advertises or assumes to act as: (a) An appraiser without first obtaining the appropriate certificate, license or permit pursuant to this chapter; or (b) An intern without first obtaining a registration card pursuant to this chapter, is guilty of a misdemeanor." He stated any taxpayer had the right to come and render an opinion as to their property valuation or why the valuation might be excessive or inappropriate. However, he questioned whether it was a violation of NRS 645C.260 or NRS 361.221 when somebody solicited property owners to represent properties that were not their own.

Chairperson Covert observed there had been many attorneys and representatives for various properties. Mr. Wilson indicated the distinction was that most representatives would say 'the owner believes' or 'the owner feels.' He suggested the situation under consideration was different in that someone was advocating for a position other than the owner's opinion.

Mr. Schmidt clarified he was not a licensed appraiser and had never claimed to be one. He noted there was a short dissertation in the record regarding his

background. He stated the key words in the statute were “engages in the business.” He noted business was when one charged for something, but he was not being paid for his representation of the Petitioners.

Mr. Schmidt reviewed the most recent land sales submitted by the Assessor’s Office in Exhibit II. He noted the property on Leopard Lilly Court had substantial improvements that were not included in the Assessor’s abstraction analysis. He agreed the law did not specify the methodology for abstraction other than to say the contributory value of the improvements was to be removed. He indicated the law did not say to remove the depreciated value that was provided on the Assessor’s record sheets. He stated that contributory value was market value. He observed the Assessor’s Office had abstracted \$2,400 in improvement value, and it was obvious the fencing and other improvements on the property were worth more than that. Although the Assessor’s Office claimed the land sale on 181 East First Street occurred on September 30, 2010, he indicated the document submitted on page 6 of Exhibit II was signed on April 20, 2010. He suggested the improvements shown on the appraisal record sheet would total about \$14,000, but the Assessor’s Office had taken out \$3,590 for the property’s contributory value. He reiterated a similar argument for the property at 5889 Yukon Drive. He stated his associate, Mr. Elliott, had lived in Sun Valley for 38 years and did maintenance on mobile homes. He asked the Board to consider that the Assessor’s Office was not truly abstracting the contributory value of the improvements as stated by the law. He submitted the appraisal record card for 5889 Yukon Drive as Exhibit H. He pointed out the notation on page 2 that the transaction on August 13, 2010 was “between spouses.”

Mr. Schmidt summarized the issues addressed in the Petitioner’s exhibits. He emphasized he had not looked at older sales dating back to April, May or June 2010. He reiterated that many of the Assessor’s comparables were not arm’s length transactions. He stated the Quartz Lane land listing was not an unusually poor listing just because its access was through another property. He indicated a high percentage of Sun Valley properties were located behind other properties. He noted the abstracted land value for Quartz Lane came out to \$22,900 after using the Assessor’s data, removing 5 percent for access behind another property, another 5 percent for a dirt road access, and adding the hookups back in. He suggested the appraiser’s testimony regarding the recent listings in Exhibit II provided no new information and even supported the Petitioner’s arguments.

Mr. Elliott said he had talked to all of the real estate people in Sun Valley, and they were telling him prices were \$20,000 to \$22,000 for a one-third acre lot. He observed there was always some special circumstance involved with the properties brought up by the Assessor’s Office that had high sales figures. He suggested the Assessor’s Office was consistently underestimating improvement costs when doing abstraction. He remarked that he was tired of seeing the community that could least afford it being consistently overtaxed.

Member Green commented that special considerations were a cost of doing business. Although a buyer who bought the property next door to him had been highly motivated, it could not be denied that he had paid the higher price for the property.

Chairperson Covert observed the Appellant was indicating it was illegal to use the abstraction method as the Assessor was using it. In his opinion, he said it was up to the lawyers to decide and not up to the Board. He pointed out the Assessor had applied the methodology consistently. He indicated he was not prepared to discuss the issue of abstraction. Member Green agreed. He stated it was somewhat subjective because everything had a different value to different people. He acknowledged that Mr. Schmidt gave some fantastic arguments and was certainly committed to what he was doing. He noted the Assessor had provided some good sales to support the \$30,000 base land value. He commented the number might bottom out in another six months.

Member Krolick also supported the \$30,000 base land value. Based on market conditions, he stated it would probably change by the next tax year.

Member Woodland observed the base land value had gone from \$49,000 in 2010-11 to \$30,000 in 2011-12. She stated the Appellant would be back next year for a lower value if the Board reduced the land value further. She said she lived in Sun Valley and understood that it was a more depressed area than many other places. She remarked that many people had worked hard to gain a sense of pride in their property. She suggested it needed to stop somewhere so that homeowners could begin to build back up again; not just in Sun Valley but everywhere. Member Krolick commented that the Board did not control the market, but had to base its decision on the market and on the evidence. Chairperson Covert observed that all of Washoe County was a distressed market.

Ms. Parent identified the parcels to which the Board's motion would apply.

With regard to the parcels listed below, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioners, on motion by Member Brown, seconded by Member Green, which motion carried on a 4-1 vote with Member Woodland voting "no," it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. It was found that the Petitioners failed to meet their burden to show that the full cash value of each property is less than the taxable value computed for each property.

11-0713E - CONSOLIDATED SUN VALLEY PARCELS		
Assessor's Parcel No.	Petitioner	Hearing No.
083-505-05	ZAP HOLDINGS LLC	11-0203A
085-131-42	ZAP HOLDINGS LLC	11-0203B
085-131-52	ZAP HOLDINGS LLC	11-0203C
085-131-53	ZAP HOLDINGS LLC	11-0203D
085-142-14	ZAP HOLDINGS LLC	11-0203E
085-143-01	ZAP HOLDINGS LLC	11-0203F
085-143-05	ZAP HOLDINGS LLC	11-0203G

11-0713E - CONSOLIDATED SUN VALLEY PARCELS		
Assessor's Parcel No.	Petitioner	Hearing No.
085-173-15	ZAP HOLDINGS LLC	11-0203H
085-272-08	ZAP HOLDINGS LLC	11-0203I
085-442-20	ZAP HOLDINGS LLC	11-0203J
085-570-51	ZAP HOLDINGS LLC	11-0203K
085-570-52	ZAP HOLDINGS LLC	11-0203L
085-570-53	ZAP HOLDINGS LLC	11-0203M
085-570-54	ZAP HOLDINGS LLC	11-0203N
085-570-55	ZAP HOLDINGS LLC	11-0203O
085-570-56	ZAP HOLDINGS LLC	11-0203P
085-721-16	ZAP HOLDINGS LLC	11-0203Q
085-721-17	ZAP HOLDINGS LLC	11-0203R
085-770-41	ZAP HOLDINGS LLC	11-0203S
085-770-49	ZAP HOLDINGS LLC	11-0203T
085-780-21	ZAP HOLDINGS LLC	11-0203U
504-042-07	ZAP HOLDINGS LLC	11-0203V
504-042-08	ZAP HOLDINGS LLC	11-0203W
504-042-09	ZAP HOLDINGS LLC	11-0203X
506-030-19	ZAP HOLDINGS LLC	11-0203Y
506-030-20	ZAP HOLDINGS LLC	11-0203Z
506-030-21	ZAP HOLDINGS LLC	11-0203A1
506-050-10	ZAP HOLDINGS LLC	11-0203B1
508-091-02	ZAP HOLDINGS LLC	11-0203C1
088-220-29	ZAP HOLDINGS LLC	11-0204B
088-220-30	PFENNIG, EUEGENE	11-0205B
035-103-06	LECKIE, DARLENE	11-0304B
085-022-28	LECKIE, DARLENE	11-0304C
085-022-29	LECKIE, DARLENE	11-0304D
085-022-30	LECKIE, DARLENE	11-0304E
085-043-64	LECKIE, DARLENE	11-0304F
085-043-65	LECKIE, DARLENE	11-0304G
085-043-66	LECKIE, DARLENE	11-0304H
085-043-67	LECKIE, DARLENE	11-0304I
085-043-68	LECKIE, DARLENE	11-0304J
085-043-69	LECKIE, DARLENE	11-0304K
085-090-08	LECKIE, DARLENE	11-0304L
085-152-25	LECKIE, DARLENE	11-0304M
085-152-26	LECKIE, DARLENE	11-0304N
085-152-27	LECKIE, DARLENE	11-0304O

11-0713E - CONSOLIDATED SUN VALLEY PARCELS		
Assessor's Parcel No.	Petitioner	Hearing No.
085-155-25	LECKIE, DARLENE	11-0304P
085-155-26	LECKIE, DARLENE	11-0304Q
085-472-10	LECKIE, DARLENE	11-0304R
085-481-26	LECKIE, DARLENE	11-0304S
085-552-22	LECKIE, DARLENE	11-0304T
085-552-23	LECKIE, DARLENE	11-0304U
085-552-24	LECKIE, DARLENE	11-0304V
085-600-40	LECKIE, DARLENE	11-0304W
085-600-41	LECKIE, DARLENE	11-0304X
085-600-42	LECKIE, DARLENE	11-0304Y
085-690-08	LECKIE, DARLENE	11-0304Z
085-690-09	LECKIE, DARLENE	11-0304A1
085-690-10	LECKIE, DARLENE	11-0304B1
085-711-13	LECKIE, DARLENE	11-0304C1
085-711-14	LECKIE, DARLENE	11-0304D1
085-711-15	LECKIE, DARLENE	11-0304E1
085-722-20	LECKIE, DARLENE	11-0304F1
085-722-21	LECKIE, DARLENE	11-0304G1
085-722-22	LECKIE, DARLENE	11-0304H1
085-750-34	LECKIE, DARLENE	11-0304I1
085-851-09	LECKIE, DARLENE	11-0304J1
085-851-10	LECKIE, DARLENE	11-0304K1
085-851-11	LECKIE, DARLENE	11-0304L1
085-851-12	LECKIE, DARLENE	11-0304M1
085-851-13	LECKIE, DARLENE	11-0304N1
085-851-14	LECKIE, DARLENE	11-0304O1
504-041-04	LECKIE, DARLENE	11-0304P1
504-041-07	LECKIE, DARLENE	11-0304Q1
504-041-08	LECKIE, DARLENE	11-0304R1
504-041-09	LECKIE, DARLENE	11-0304S1
504-042-10	LECKIE, DARLENE	11-0304T1
504-042-11	LECKIE, DARLENE	11-0304U1
504-042-22	LECKIE, DARLENE	11-0304V1
504-052-22	LECKIE, DARLENE	11-0304W1
504-052-23	LECKIE, DARLENE	11-0304X1
504-052-24	LECKIE, DARLENE	11-0304Y1
506-010-05	LECKIE, DARLENE	11-0304Z1
506-010-06	LECKIE, DARLENE	11-0304A2

11-0713E - CONSOLIDATED SUN VALLEY PARCELS		
Assessor's Parcel No.	Petitioner	Hearing No.
506-010-07	LECKIE, DARLENE	11-0304B2
506-010-08	LECKIE, DARLENE	11-0304C2
506-010-09	LECKIE, DARLENE	11-0304D2
506-010-10	LECKIE, DARLENE	11-0304E2
506-030-03	LANDES, DAVID B	11-0364
508-043-05	ELLIOTT, GARTH T & LINDA R	11-0365
085-381-05	WIBBEN, PAULINE	11-0528
506-050-04	COURTNEY, STEVE & DIANNA L	11-0534
506-050-12	KRAUSE, RUTH L	11-0535
506-050-01	MARY THERESA FAMILY TRUST	11-0551A
506-050-47	MARY THERESA FAMILY TRUST	11-0551B
506-050-48	MARY THERESA FAMILY TRUST	11-0551C

4:27 p.m. Chairperson Covert declared a brief recess.

4:39 p.m. The Board reconvened with Member Woodland having left the meeting and all other members present.

11-0714E **PARCEL NO. 508-094-12 – SIERRA NEVADA HOLDING CO**
– HEARING NO. 11-0407

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 5991 Amargosa Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: County Board Record from 2010, pages 14, 15, 16, 35, and 36.

Assessor

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

Having been previously sworn, Gary Schmidt was present to offer testimony on behalf of the Petitioner.

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

Mr. Schmidt referenced five pages from the evidence packet for the subject property's 2010-11 hearing before the State Board of Equalization. He said he had appealed on the basis of what was defined as an improvement value versus a land value. He pointed out there was a hookup fee charged by the Sun Valley General Improvement District (SVGID) for sewer and water. He noted the Assessor's Office included the fee as part of the land value because the hookup fee could not be removed and taken somewhere else. He indicated any building permit or fee for the construction of an improvement was a soft cost that was valued as the cost of replacement new minus depreciation of 1.5 percent per year. He stated a proper application of the law would be to value the hookup fee in the same manner as a building permit (page SBE-36 of Exhibit A). Mr. Schmidt explained many people had received free hookups when individual well and septic systems were shut down and the community was transitioned to municipal systems through the SVGID. He observed the Assessor's taxable improvement value for the physical hookup fees had been reduced from \$8,313 for the 2010-11 tax year to \$3,400 for the 2011-12 tax year. He said he was not complaining about the tax reduction for the community, but the issue was that the Assessor should operate by the law in terms of what was attributable to the land value and what was attributable to the improvements.

Josh Wilson, County Assessor, said he believed Mr. Schmidt was specifically talking about the fee for tapping into the municipal water system. He indicated he had previously given Mr. Schmidt the page from *Marshall & Swift* that explained what was included in a per square foot improvement value for a single family residence. The value included fees for building permits, but did not include the fee for tapping into a municipal water system. He noted every other improvement could be removed from a parcel but the hookup fee was never paid more than once for the right to access water. He stated it was his opinion the fee went with the land and was more a component of the land value than of the improvement value. He said it was his understanding the Assessor's Office was recognizing a deduction in the land value for those few parcels in Sun Valley that never paid the hookup fee. He pointed out the value of the fee would only appreciate because the actual cost of hooking up to the SVGID would increase over time. He characterized it as a right that did not wear out, whereas things that were depreciated were usually things that would wear out.

Member Green asked if the Assessor's Office depreciated the sewer hookup fee. Mr. Wilson indicated he did would have to verify in *Marshall & Swift*, but he did not believe so. He noted only the physical items that brought water in or took sewage out were depreciated.

Chairperson Covert inquired as to what improvements were on the subject parcel. Appraiser Spoor said the improvements included 500 square feet of flat work concrete, mobile home hookups for water, sewer, electric, and gas, and two yard improvements (fencing and retaining walls). Chairperson Covert wondered if the building in the photograph on page 3 of Exhibit I was part of the property. Appraiser Spoor identified it as a single wide trailer that was on the property.

Appraiser Spoor noted the subject's base land value of \$30,000 was identical to the other Sun Valley parcels previously heard by the Board. She requested that her previous testimony be included in the record for the subject property (please see Minute Item No. 11-0713E above).

Chairperson Covert asked if there were any positive or negative adjustments to the subject's land value. Appraiser Spoor replied there were none.

Mr. Schmidt indicated the appraiser's arguments were not at issue. He observed there were things of value that escaped taxation and things that went into the improvements but could not really be removed from the property. He cited the piers at Lake Tahoe as one example. He noted the contributory value of the piers was several times the cost of replacement new because they could not be built anymore. It was no longer possible to get a permit and a pier could not be moved from one property to another. He stated a community well was another example. He said the general improvement districts were unique creatures. He acknowledged that the cost of putting in power lines and utilities for a new subdivision could not be depreciated, became inherent in the land, and was part of the land value. Mr. Schmidt indicated the cost of putting in a community well to serve several houses in a neighborhood was an improvement. He used an example of five houses getting together to drill a community well after their domestic wells failed. The cost of putting in the well would be divided up between the five parcels. The well might be put in for \$100,000 and it might cost \$200,000 to replace the well in ten years. The homeowners had a community interest and would pay taxes on the cost of replacement new minus depreciation. He stated everyone in Sun Valley had a community interest in the lines underneath the ground for sewer and water. Mr. Schmidt indicated he wanted to move forward to make his case before the State Board of Equalization because it would take three or four hours to make his arguments. He noted he had placed his evidence on the record.

With regard to Parcel No. 508-094-12, 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 Green, which motion duly carried with Member Woodland absent, 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.

**DISCUSSION AND CONSOLIDATION – PARCEL NOS. 048-081-03
& 048-082-05 – SCHMIDT, GARY R – HEARING NOS. 11-0399 &
11-0401**

Having been previously sworn, Gary Schmidt was present to offer testimony on behalf of the Petitioner. He requested consolidation of his four remaining parcels to one hearing (Parcel Nos. 048-081-03, 048-082-05, 048-081-02 & 048-070-10; Hearing Nos. 11-0399, 11-0401, 11-0398 & 11-0400).

On behalf of the Assessor's Office and having been previously sworn, Appraiser John Thompson disagreed. He suggested two of the vacant parcels could be consolidated (Parcel Nos. 048-081-03 & 048-082-05; Hearing Nos. 11-0399 & 11-0401).

Appraiser Thompson located the properties. Chairperson Covert asked if the two parcels were adjacent to each other. Appraiser Thompson stated they were not adjacent, but were located on opposite sides of Sunridge Drive.

Mr. Schmidt said he had brought single copies of the Assessor's appraisal record sheets for several comparable properties (Exhibits A through D). He referenced a parcel map of the subject properties on the overhead display. He requested that his comments and evidence be entered into the record for all four of the aforementioned parcels.

Mr. Schmidt suggested his parcels should be viewed as one single business use. He stated Parcel No. 048-081-03, Hearing No. 11-0399 was a vacant parcel adjacent to the Reindeer Lodge (Parcel -03). He identified Parcel No. 048-082-05, Hearing No. 11-0401 as the Reindeer Lodge located on the Mount Rose Hwy (Reindeer Lodge parcel). He indicated the Parcel -03 was used as an athletic field, for some snowmobiling, and had infrastructure improvements such as propane tanks and water lines that benefited the Reindeer Lodge. He described the Reindeer Lodge parcel as his outdoor museum. He pointed out an easement for snowmobiles and pedestrians that was used to access a national forest. He said Parcel No. 048-082-05, Hearing No. 11-0401 (Parcel -05) had been the parking lot for the former Tannenbaum Ski area (Parcel No. 048-070-10, Hearing No. 11-0400). Parcel -05 was currently used in conjunction with the Reindeer Lodge business operation. He requested the two parcels be appraised as a single unit.

Mr. Schmidt acknowledged it was difficult to find comparables for the subject properties. He said he did not think the Assessor's comparables were relevant. He noted one of them was a 1.5-acre parcel at the top of Mount Rose that was purchased by the Nevada Land Conservancy and donated for public space. He indicated it was not an arm's length transaction and the Land Conservancy paid way too much for the parcel. He said the other comparables were not in snow country and were close to a population base.

Mr. Schmidt stated the Reindeer Lodge and Parcel -03 functioned as a bar/tavern/grill/recreational facility. The parcels had some advantage for snowmobiling but the snow was a disadvantage for other operations. Mr. Schmidt commented the County had no zoning or use category for Highway-Commercial, which would be appropriate for his parcels. He explained he had problems with the Reindeer Lodge building. The building was built from cargo containers used as army barracks during World War I that became surplus after World War II. The containers were moved onto the parcel and set on a railroad tie foundation with a roof built over the top of them. He stated there was nothing similar in *Marshall & Swift*. The buildings were in bad shape and it would cost a lot to remove them. He suggested the buildings were a detriment with respect to the highest and best use for the property. He noted the Assessor's Office was

justifying the taxable value based on comparables that sold for \$2.00 to \$3.00 per square foot.

Mr. Schmidt reviewed properties that he believed to be more comparable (Exhibits A through D). Exhibit A was a 55,000 square foot commercial parcel in Gerlach that was valued at about \$0.28 per square foot. He described its use as similar in that it was used for excess parking and storage when combined with another parcel that had a gas station on it. He indicated it was his position that all three of his vacant parcels were surplus property to the Reindeer Lodge. They were not all used for parking but had minimal use in conjunction with the bar and grill use. He noted Exhibit B was 4.6 acres, was formerly used as a hot springs, and was located just north of Gerlach. He described it as a dilapidated recreational property that was not unlike the Reindeer Lodge. He presented a third property in Gerlach that was 29,000 square feet and was zoned residential with some minor improvements on it (Exhibit C). He noted a commercial use was grandfathered in and the parcel was used as a storage facility by a propane company. With respect to equalization, he stated it was his belief the comparable properties he had presented were properly assessed based on their use and location. He observed his properties were closer to Reno, but the comparables did not have snow problems or access problems and were not located on a horseshoe turn. He said they all had more active commercial operations than any of his properties. He discussed Exhibit D, which was the recently reopened Wadsworth Inn. He indicated it was operated as a bar and tavern, and also had some room rentals. He stated the Reindeer Lodge had rooms that were not currently occupied because it cost more to clear snow than he could get for room rentals in the winter. He occasionally rented rooms on a weekly basis during the summer months. He observed the Wadsworth Inn was on a smaller parcel and had a smaller building, but functioned much the same as the Reindeer Lodge building.

Mr. Schmidt discussed dangerous access to the Reindeer Lodge property. He said it was located on the inside of a dangerous hairpin curve and had really poor access. He stated many accidents occurred in his front driveway. They were not necessarily caused by someone coming or going from his property, but were usually single car accidents caused by the nature of the curve. He noted the homes located across the street also had dangerous access. He said the Reindeer Lodge parcel was located down in a hole and snow from the Mount Rose Highway was thrown onto his property or melted onto his property. Snow from the Sunridge Subdivision also melted directly onto his property. He suggested a 5 percent downward adjustment for access and a 5 percent downward adjustment for drainage. He commented that he had a lake on his parcel for one to three months every spring. He acknowledged the Assessor's Office had agreed to meet with him to consider those issues when the snow melted.

Member Green recalled there was water service in the area of the Sunridge Subdivision but no one could hook up to it because it was over-utilized. He asked if water could be brought to either of the two vacant parcels. Mr. Schmidt replied water was available in the street through a private water company. He noted there was adequate capacity but he would have to pay to dedicate water rights. He stated sewer service was also available on the other side of the Mount Rose Highway. He had paid the sewer fees

in advance for the Reindeer Lodge, but would have to drill underneath the highway and install a pumping station in order to hook up. He indicated there was gravity flow to the sewer system on the Tannenbaum side of the Mount Rose Highway.

Member Green wondered what the Petitioner's plans were for Parcel -05. Mr. Schmidt said he was not entirely sure but was requesting it be appraised for its current use as part of a single business that was barely functioning and not profitable. He stated it was no longer possible to make his property profitable as a bar-restaurant, but it was ultimately a good location for a small general store and some extended stay lodging. He indicated the property adjoined a County park.

Member Brown wondered if the Petitioner was disputing the property's land use designation or commercial zoning. Mr. Schmidt said he was disputing the concept of appraising his property as separate parcels because they were all used jointly as part of a single business license. Although he had not had a major event at the Reindeer Lodge for several years, he previously used the parcels for excess parking.

Member Krolick inquired as to what the Petitioner was asking for. Mr. Schmidt requested a 5 percent adjustment for access and a 5 percent adjustment for drainage on all except the Tannenbaum parcel. He said he was also looking to see substantial obsolescence on the Reindeer Lodge building when he met with the Assessor's Office in the spring. He noted there was a road between Parcel -03 and Parcel -05, but no vehicular access from the road. Parcel -03 could be accessed through the Reindeer Lodge parcel.

Appraiser Thompson indicated the subject parcels were vacant commercial land located on the Mount Rose Highway. He stated there had been no sales of commercial land in the neighborhood for ten years. He noted the parcels had the lowest commercial land valuation in Washoe County with the exception of commercial lots along I-80 near Wadsworth and those with dirt road access along US 395 on North Virginia. He discussed the comparable land sales and range of sales prices that were provided in Exhibit I. He said the comparable sales supported the \$1.00 per square foot value on the subject parcels. Based on the analysis, he said the taxable values did not exceed market values and the subjects were equalized with similarly situated parcels in Washoe County.

Member Green said he was inclined to go along with the Petitioner's request for a 5 percent drainage adjustment but was not sure about the requested access adjustment. Appraiser Thompson pointed out that all of the parcels in the area had shared characteristics that were included in the base value. The shared characteristics included the remote location, access issues, and drainage issues. He stated the Mount Rose Highway was a winding two-lane highway with no center lane available to make turns. He commented there were puddles on all of the parcels when the snow melted each year. He noted the subject parcels were discounted below the low commercial sales and their base value already accounted for any adjustments.

Appraiser Thompson talked about the valuation of the Petitioner's parcels as a single business unit. He indicated they had always been valued as separate parcels, but he previously had a conversation with the Petitioner in which he agreed to consider the issue for the next year's reappraisal. Chairperson Covert observed there was a process to combine multiple parcels into one. Appraiser Thompson agreed that was correct. Mr. Schmidt said he concurred with the appraiser's statement and would work with him, but wanted the issues on the record. He suggested the Board could make adjustments if it saw fit. He noted the Tannenbaum property across the highway had no drainage issues and was assessed at \$0.60 per square foot. He pointed out his testimony under oath that the parcels were operated as one business. He suggested the Board could at least change the value of the excess parcels to \$0.60 per square foot. He disagreed with respect to drainage and indicated most of the parcels in the area did not have the same issue. He stated the Sunridge Subdivision was put in with drainage ditches and culverts that sent water onto his property. He said he had successfully sued the County and a culvert was put in as part of the settlement. He pointed out the only other nearby property that had a pool in the spring was one referred to as Hidden Lake or Black Lake, which was on public land.

Members Krolick and Green said they could agree with the drainage issue. Chairperson Covert pointed out the appraiser's statement that the value was already reduced for drainage. Member Krolick indicated the Petitioner's property was impacted more than other properties, but agreed they all had the same access issues.

Please see 11-0715E and 11-0716E below for the details concerning the petition, exhibits and decision related to each of the two parcels in the consolidated hearing.

11-0715E PARCEL NO. 048-081-03 – SCHMIDT, GARY R
– HEARING NO. 11-0399

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land located at 10 Sunridge Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable property information, 1 page.

Exhibit B: Comparable property information, 3 pages.

Exhibit C: Comparable property information, 1 page.

Exhibit D: Comparable property information, 1 page.

Assessor

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

Having been previously sworn, Gary Schmidt was present to offer testimony on behalf of the Petitioner.

Appraiser John Thompson offered testimony on behalf of the Assessor's Office.

For the discussion that took place on this hearing, please see DISCUSSION AND CONSOLIDATION – PARCEL NOS. 048-081-03 & 048-082-05 – SCHMIDT, GARY R – HEARING NOS. 11-0399 & 11-0401.

With regard to Parcel No. 048-081-03, 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 Green, which motion carried on a 3-1 vote with Member Woodland absent and Member Krolick 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.

11-0716E PARCEL NO. 048-082-05 – SCHMIDT, GARY R
– HEARING NO. 11-0401

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land located at 5 Sunridge Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable property information, 1 page.

Exhibit B: Comparable property information, 3 pages.

Exhibit C: Comparable property information, 1 page.

Exhibit D: Comparable property information, 1 page.

Assessor

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

Having been previously sworn, Gary Schmidt was present to offer testimony on behalf of the Petitioner.

Appraiser John Thompson offered testimony on behalf of the Assessor's Office.

For the discussion that took place on this hearing, please see DISCUSSION AND CONSOLIDATION – PARCEL NOS. 048-081-03 & 048-082-05 – SCHMIDT, GARY R – HEARING NOS. 11-0399 & 11-0401.

With regard to Parcel No. 048-082-05, 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 Green, which motion carried on a 3-1 vote with Member Woodland absent and Member Krolick 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.

11-0717E PARCEL NO. 048-081-02 – SCHMIDT, GARY R
– HEARING NO. 11-0398

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 9000 Mount Rose Highway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable property information, 1 page.

Exhibit B: Comparable property information, 3 pages.

Exhibit C: Comparable property information, 1 page.

Exhibit D: Comparable property information, 1 page.

Assessor

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

Having been previously sworn, Gary Schmidt was present to offer testimony on behalf of the Petitioner.

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

Mr. Schmidt said he would stand on his testimony and exhibits from the previous consolidated hearing (see the discussion and consolidation above as well as Minute Item Nos. 11-0715E and 11-0716E).

Chairperson Covert asked the appraiser if the issues were the same as those in the consolidated hearing. Appraiser Thompson did not believe they were. He indicated the land issues were the same but the Reindeer Lodge was an improved property. He reviewed the comparable sales and income approaches that were provided in Exhibit I. He recommended the Assessor's values be upheld.

Mr. Schmidt remarked that he could present testimony based on the income approach that the Treasurer would owe him money. Chairperson Covert observed

the appraiser had discounted the income approach. Mr. Schmidt stated the triple net leases typically used in the income approach were unavailable for the subject parcel.

With regard to Parcel No. 048-081-02, 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 Green, which motion carried on a 3-1 vote with Member Woodland absent and Member Krolick 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.

11-0718E PARCEL NO. 048-070-10 – SCHMIDT, GARY R
– HEARING NO. 11-0400

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land located at 0 Mount Rose Highway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable property information, 1 page.

Exhibit B: Comparable property information, 3 pages.

Exhibit C: Comparable property information, 1 page.

Exhibit D: Comparable property information, 1 page.

Assessor

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

Having been previously sworn, Gary Schmidt was present to offer testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, John Thompson, Appraiser, oriented the Board as to the location of the subject property. He identified the vacant parcel as the former Tannenbaum Ski Resort.

Mr. Schmidt said he would stand on his testimony and exhibits from the previous consolidated hearing (see the discussion and consolidation above as well as Minute Item Nos. 11-0715E and 11-0716E). He indicated his main argument was that the parcels should be taxed as an individual business.

With regard to Parcel No. 048-070-10, 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 Woodland absent, 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.

**11-0719E PARCEL NO. 2121221 – ROBERTS FAMILY TRUST
– HEARING NO. 11-0010PP**

A Petition for Review of Assessed Valuation was received protesting the 2010-11 taxable valuation on personal property for a home-based business located in Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Assessor's notice and list of assets, 4 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet, 4 pages.

No one was present to offer testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Cori DelGiudice, Senior Appraiser, oriented the Board as to the location of the subject property. She indicated the Petitioner was in agreement with the recommendation of the Assessor's Office to reduce the personal property taxable value to zero for the 2010-11 tax year. She explained the equipment was used more than 50 percent of the time for home personal use and should not be assessed.

With regard to Roll No. 2121221, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Green, which motion duly carried with Member Woodland absent, it was ordered that the taxable personal property value be reduced to zero, resulting in a total taxable value of zero for the 2010-11 Unsecured Roll Year. The reduction was made because more than 50 percent of the owner's usage of the home office equipment is for personal use. With this adjustment, it was found that the personal property was valued correctly and the total taxable value does not exceed full cash value.

**11-0720E PARCEL NO. 041-640-02 – MOSSER, PIERRE JR & PATRICIA
– HEARING NO. 11-0153**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 1488 West Green Ranch Road, 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, 14 pages.

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

No one was present to offer testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Cori DelGiudice, Senior Appraiser, oriented the Board as to the location of the subject property. She stated there was a recommendation by the Assessor's Office to reduce the taxable value based on an appraisal submitted by the Petitioner. The appraisal indicated the house was not yet 100 percent complete.

With regard to Parcel No. 041-640-02, 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 Green, which motion duly carried with Member Woodland absent, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$271,890, resulting in a total taxable value of \$350,740 for tax year 2011-12. The reduction was based on the recommendation of the Assessor's Office. 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.

11-0721E BOARD MEMBER COMMENTS

There were no Board member comments.

11-0722E PUBLIC COMMENT

There was no response to the call for public comment.

* * * * *

5:54 p.m. There being no further hearings or business to come before the Board, on motion by Member Green, seconded by Member Krolick, which motion duly carried with Member Woodland absent, the meeting was adjourned.

JAMES COVERT, Chairperson
Washoe County Board of Equalization

ATTEST:

AMY HARVEY, County Clerk
and Clerk of the Washoe County
Board of Equalization

*Minutes prepared by
Lisa McNeill, Deputy Clerk*