

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

WEDNESDAY

9:00 A.M.

FEBRUARY 29, 2012

PRESENT:

James Covert, Chairman
John Krolick, Vice Chairman
James Brown, Member
Philip Horan, Member
Linda Woodland, 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. Chairman Covert called the meeting to order, the Chief Deputy Clerk called the roll and the Board conducted the following business:

12-0619E PUBLIC COMMENTS

There were no public comments.

12-0620E WITHDRAWALS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing:

Assessor's Parcel No.	Petitioner	Hearing No.
088-201-51	RALEY'S FAMILY OF STORES	12-0487
140-213-18	HOME DEPOT USA INC	12-0543
026-031-24	HOME DEPOT USA INC	12-0570
026-031-42	HOME DEPOT USA INC	12-0571
532-031-12	HCRI NEVADA PROPERTIES INC	12-0601

12-0621E CONSOLIDATION OF HEARINGS

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

12-0622E PARCEL NO. 006-166-01 – EASYMARK LLC –
HEARING NO. 12-0168

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 1275 Stardust Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 21 pages.

Exhibit II: Assessor's Hearing Evidence Packet with a revised recommendation, 4 pages.

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

On behalf of the Assessor and having been previously sworn, Ginny Sutherland, Appraiser, oriented the Board as to the location of the subject property. She said she believed the Petitioner was in agreement with the Assessor's recommendation. Mr. Baylocq replied he was in agreement with the Assessor's new total taxable value of \$1,058,231.

With regard to Parcel No. 006-166-01, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$551,881, resulting in a total taxable value of \$1,058,231 for tax year 2012-13. The reduction was based on obsolescence. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

12-0623E PARCEL NO. 402-392-20 – PASCHALL FAMILY TRUST – HEARING NO. 12-0046

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 2656 Tuscan Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales, 4 pages.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Paul Oliphint, Appraiser, oriented the Board as to the location of the subject property. He advised the subject did have frontage on the D'Andrea Golf Course.

Mr. Paschall said he spent time with the Assessor's staff regarding his property taxes continuing to go up while his property value declined, and he believed he finally understood the Assessor's ratios and formulas. He said his home was refinanced slightly over a year ago and had an assessed value of just over \$380,000. He stated there were a couple of short-sales across the street from the subject, which recently sold for \$260,000. He said the problem was his taxable value did not take into account the short-sales, and he felt the valuation was incorrect because his taxes continued to go up while values continued to go down.

Chairman Covert said the Petitioner indicated on his petition that he felt the subject was worth \$268,000. Mr. Paschall replied that was based on the most recent short-sale. Chairman Covert said the Assessor's recommendation was to reduce the total taxable value to \$261,211. Mr. Paschall stated he agreed with the recommendation, but he would be back next year if values continued to go down. He stated he would be happier if it was around \$250,000. Chairman Covert asked if the Petitioner would accept this year's total taxable value of \$261,211. Mr. Paschall said that would be okay.

Cori DelGiudice, Sr. Appraiser, previously sworn, explained the Assessor's Office did annual reappraisals during which the current sales would be looked at. She stated if the sales continued to go down, that fact would be taken into account for the Petitioner's values for next year.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 402-392-20, 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 Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$227,411, resulting in a total taxable value of \$261,211 for tax year 2012-13. The reduction was based on additional obsolescence of \$30,322. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

12-0624E PARCEL NO. 034-162-02 – SWIFT TRANSPORTATION CO INC –
HEARING NO. 12-0567A

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 1555 Kleppe Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Maps and comparable sales, 27 pages.

Assessor

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

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

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

Mr. Wagner said this parcel and the parcel in Hearing No. 12-0567B were owned by the same company and should be consolidated. Appraiser Clement said the parcels had separate entrances and different uses and should be heard separately. Chairman Covert agreed with the Assessor's Office.

Mr. Wagner stated the sales he provided indicated the subject's value should be reduced. He said the subject parcel was owner-occupied and no rents were being received. He advised the Assessor's presentation would show they used two different rents, which he believed was incorrect. He said when he looked at the Assessor's income using the lower rent, the 17 percent vacancy rate, the 15 percent allowance for expenses, and an 8 percent cap rate; the taxable value would be \$3,392,633. He advised he was requesting the \$3,392,633 taxable value be applied to this parcel and to Parcel No. 034-162-16. He said currently the Assessor's taxable value on Parcel No. 034-162-16 was \$1,721,041, the value for this parcel was \$1,917,602, and the total taxable value for both parcels was \$3,638,634.

Chairman Covert asked if Mr. Wagner had broken out the taxable value for this hearing. Mr. Wagner stated he would be happy if the Assessor's Office made any reduction to this parcel. Chairman Covert asked if the Petitioner was asking for a \$246,010 reduction. Mr. Wagner said that was correct.

Appraiser Clement read the information regarding the Assessor's income approach on page 3, the description of the subject on page 1, and the comments on page 2 of Exhibit I. He stated the improved sales indicated a taxable value of \$2.6 million and the income approach indicated a taxable value of \$2,536,500. Based on those analyses, the subject's taxable value did not exceed full cash value and was equalized with similarly situated properties.

Member Krolick asked if the 2009 sales were time adjusted. Appraiser Clement said even looking at the 2009 sales, improved sale IS-4 sold for \$2 million and

IS-3 sold for \$5 million. He stated the Assessor's value was less than half of IS-3's sales price. He said the two more recent sales demonstrated there had not been that kind of price drop in transit-warehouse sales. He stated there were not a lot of transit-warehouses in Sparks because they took up a large amount of land in desirable locations, which meant supply and demand did not work with transit-warehouses.

Appraiser Clement said regarding the Petitioner's comparables, the first was a title transfer and was not a sale. The second sale was a 5,000 square foot flex-condominium, which was not being given any weight, and the third sale was a garage, which was his improved sale IS-4 for the property in Hearing No. 12-0567B. He said the fourth sale was 19 years older than the subject and the fifth sale was a service-repair garage on a small inferior lot. He said both of those sales would be used for the next hearing. He said the sixth sale was his IS-2, the seventh sale was a title transfer, and the eighth sale was his IS-2 for the next hearing. He advised some of the comparables were sales, but they should be used to compare apples-to-apples on each individual hearing. He stated some of the comparables were not valid, and to put them in to try and wash out the per square foot value for the two properties as a whole was totally incorrect.

Mr. Wagner said he had nothing further to add.

Chairman Covert brought the discussion back to the Board.

Member Brown felt the Petitioner's comparables were anemic.

With regard to Parcel No. 034-162-02, 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 Woodland, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0625E PARCEL NO. 034-162-16 – SWIFT TRANSPORTATION CO INC – HEARING NO. 12-0567B

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 1455 Hulda Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Maps and comparable sales, 27 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 21 pages.

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

On behalf of the Assessor and having been previously sworn, Steven Clement, Appraiser, oriented the Board as to the location of the subject property. He noted there was an adjustment for the parcel's shape.

Mr. Wagner advised the subject parcel and the parcel in Hearing No. 12-0567A were used together and should be considered together. He noted the Assessor used \$27.74 for the rent and a 10 percent vacancy rate for Hearing No. 12-0567A, and for the subject he used \$19.58 per square foot and a 17 percent vacancy rate. The Assessor also used 5 percent for expenses for both hearings. He stated he disagreed with using 5 percent for the expenses because the expenses would go up if a 10 or a 17 percent vacancy rate was used, which would make the expenses at least 15 percent, resulting in a total value of \$3,392,633. He said he did not understand why two different rates were used, and the sales he provided justified a reduction.

Appraiser Clement read the comments on page 4 of Exhibit I regarding the income approach.

Chairman Covert asked about the parcel's use. Appraiser Clement replied it was a service-repair garage and the front of the building contained offices, which was why it had two vacancy rates.

Appraiser Clement read the comments on page 3 regarding the comparable sales and the conclusions on page 1 of Exhibit I. He noted the recommendation was to uphold the Assessor's valuation.

Chairman Covert believed the section of the parcel that jutted out was usable. Appraiser Clement stated it was paved and could be used to park trucks. Chairman Covert stated they could not be parked too far back. Appraiser Clement advised the parcel was given 5 percent off for its shape. Chairman Covert said he was not sure if that was enough. Appraiser Clement stated the comparable land sales provided strong evidence it was. Chairman Covert said he would agree if there was another parcel with exactly that same shape. After viewing something projected on the screen, he indicated he felt 5 percent was enough of a reduction for shape.

Member Horan stated it appeared the parcels would be able to operate independently, so it would be logical to apply two different utilizations for them.

Member Krolick said regarding the 5 percent operating expense, it seemed the expenses would be higher when dealing with fuel pumps and general maintenance on that type of property. Appraiser Clement said it was a true triple-net lease with all of the expenses being passed to the tenant. He stated a higher vacancy rate was used on the subject because there were more service repair garages in the County than there were

transit terminals, resulting in more competition. He said the subject would either be 100 percent occupied or 100 percent empty. He stated the overall industrial vacancy rate for the Sparks submarket was used, which was extremely generous.

Member Brown asked for an example of an excess improvement for the subject. Appraiser Clement said it was a much larger paved parcel, which was lighted and had fueling stations. He said that was in addition to what was found on the comparable sales and was why the higher side of those sales was looked at.

Mr. Wagner said he had nothing to add.

Chairman Covert brought the discussion back to the Board.

Member Horan said he would support the Assessor's valuation.

With regard to Parcel No. 034-162-16, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0626E PARCEL NO. 090-030-25 – IMELDA RENO LLC –
HEARING NO. 12-0520

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 9175 Moya Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Financial information, 3 pages.

Assessor

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

Exhibit II: Income and rent comparisons, 7 pages.

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

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

Mr. Wagner said he failed to understand why the Assessor's Office had not reduced the subject, but instead increased its valuation for this year. He stated he supplied the Assessor's Office with the current rent roll, and he noted the subject was 100 percent occupied. He said the fact that two of the leases were renewed in 2011 at 20 percent less than what the lessees had been paying before was not reflected in the Assessor's valuation. He stated the renewed leases were at \$2.40 and \$2.65 per square foot. He said the third lease was up for renewal in 2012 and would go for approximately \$2.50 per square foot. He stated there had been a loss in rental income that would affect 2012.

Mr. Wagner said he used a rental of \$2.50 per square foot, which was the average of the two renewed leases. He stated the gross income would be \$657,850 less a 5 percent vacancy rate, which he felt was below the actual market. He stated he used expenses of 15 percent because there were management expenses and tenant improvements required to renew the leases and the 5 percent only covered management expenses. He said there were replacement reserves and other expenses the owner could not pass on to the tenants. He stated that cumulated in a net operating income of \$531,213, which he capitalized at 8.5 percent for a total taxable value of \$6,249,575. He said the problem was the 2011 leases were 20 percent less, and he did not see how the Assessor's Office could raise the value instead of recommending a reduction.

Appraiser Sarman said the subject's current taxable value was \$9,025,874 or \$34 per square foot, and he was recommending upholding that value, which was supported by both the sales and income approaches. He noted earlier in the month he made a presentation regarding the industrial market in the area and how the market had improved over the last year. He stated the subject was a Class A mega-warehouse and was a desirable property.

Appraiser Sarman said the motivation for the reduction in the rents was unknown, and they might be teaser rates. Chairman Covert believed the owner would not reduce the rates just because he was a nice guy. Appraiser Sarman said the \$.26 per square foot per month was based on the market data and on the affective rent of the subject. He stated even though the leases might have been signed for \$.20 or \$.24 per square foot per month, the question was what would be the future escalation of those rents over a five-year period.

Appraiser Sarman said Exhibit II was a side-by-side comparison of the differences in the Assessor's and the Petitioner's income approaches.

Chairman Covert asked how sensitive the calculated rates were to the location. Appraiser Sarman stated the market rents were all Class A's and were for the North Valleys, which meant they were in close proximity to the subject. He said Exhibit II also provided recently contracted and asking rents and a Class A warehouse vacancy summary. He noted tenants were moving to better properties. Chairman Covert felt because they probably were getting similar rates. Appraiser Sarman said the Assessor's market rent data showed \$.27 as median rent, which was down from previous years.

Appraiser Sarman said the Assessor's Office had accumulated data regarding fully occupied buildings and their expense rates and, additionally, testimony from previous hearings indicated the expense rate was 5 to 7.5 percent. He believed the Petitioner's 15 percent expense rate was high. He stated he used a rent of \$.26 per square foot per month based on the data. He understood the property had some low rents, but the affective rate was a little higher. He said he used 10 percent for the vacancy rate and the Petitioner used 5 percent, while he used 10 percent for expenses and the Petitioner used 15 percent. He felt that was high for a triple-net lease because the cap rate data showed fully occupied properties were selling for less than 7 percent, and he used 7 percent. He said there was a big difference in the cap rates used, and his industrial cap rate analysis was provided on page 7 of Exhibit I. He said his income approach indicated a value of \$9,453,900 or \$36 per square foot and the appellant's income approach indicated a value of \$24 per square foot. He stated his sales analysis indicated that equated to the bottom of the barrel improved sale IS-6, which was a 1968 vacant property with complete physical depreciation, while the subject was a new, fully occupied building.

Appraiser Sarman reviewed the comparable sales on page 1 of Exhibit I. He said the most recent improved sale, IS-5, occurred in October 2011 at the Tahoe Reno Industrial Center, which he felt was a very comparable area to the Stead submarket. He said IS-6 was the sale he mentioned earlier regarding the Appellant's \$24 per square foot value. He stated based on the Assessor's income and sales comparison approaches and reconciling between the two, it was recommended the value on the subject property be upheld.

In rebuttal, Mr. Wagner felt the key issue was he was not looking at hypothetical rents, but at actual 2011 rents, which were indicative of what was happening in the industrial market in Reno and probably across the country. He stated rents were down, which was proven by the two new leases. He said the remaining lease would expire in 2012, and the owner felt it would rent for \$2.50 per square foot. He said if the market rents were looked at for the subject since January 1, 2011, he could not see how anyone could say it was over \$2.50 per square foot.

Mr. Wagner stated he used 5 percent for the vacancy and the Assessor's Office stated the vacancy average was 17 percent, which he felt was excessive when the property was 100 percent occupied. He believed his 15 percent for expenses was realistic because there were other expenses besides management expenses that were not passed on to the tenant. He said the cap rate used was 7 percent, while 9 percent was used as the industrial average in Hearing No. 12-0567A. He stated this was an industrial warehouse and he used 8.5 percent, which was reasonable because the rents went down 20 percent and the other rent would go down close to 40 percent when renewed. He implored the Board to use his income approach, which would result in a realistic value of \$6,249,000 and reflected what was happening with the subject. He said when looking at what the Assessor's Office presented for sales comparisons, he saw no adjustment for the decline in rents affecting the subject.

Chairman Covert brought the discussion back to the Board.

Chairman Covert said he agreed with the Petitioner's income approach, but the comparable sales did not support it. He felt if the Petitioner's rents were going down, he would assume everybody else's would go down too, but that was not reflected in the sale prices for the recent sales.

Member Brown asked if Chairman Covert was okay with the cap rate. Chairman Covert said the cap rate was immaterial when looking at the comparable sales. He said he did a sensitivity analysis on cap rates to see what would happen to the Assessor's value using 8 percent and 9 percent, which brought the value down to \$8.2 million and \$7.3 million respectively, but his issue was the recent sales did not support the reduction in rents on a square footage basis.

Member Horan felt the Assessor's arguments were sound.

Chairman Covert said if there were income and sales comparison approaches that were very close together, that would make the decision easy. He stated taxable value could not exceed the full cash value of the property and all of the recent sales were above it except for the one that was much older.

With regard to Parcel No. 090-030-25, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0627E PARCEL NO. 034-351-05 – NBS-RENO INDUSTRIAL OPCO LLC – HEARING NO. 12-0588

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 1285 Southern Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Rent Roll, 1 page.

Assessor

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

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

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

Chairman Covert asked if Hearing No's 12-0588 and 12-0589 were for one building on different parcels. Appraiser Clement replied they were. Chairman Covert asked if they could be consolidated. Appraiser Clement said the Assessor's Hearing Evidence Packets were prepared separately because one building was a mega-warehouse and the other was a storage-warehouse, and he felt it would be clearer if they were heard separately.

Mr. Wagner said the subject was 61 percent vacant. Member Horan asked what it was being used for. Appraiser Clement stated it was the storage-warehouse.

Mr. Wagner stated he submitted the rent rolls to the Assessor's Office, but he did not do an income approach because he was not sure how much should be allowed for the vacancy. He said the subject had been vacant for two to three years and, if it rented, it would be at \$2.50 per square foot, which was a current 2011 rent. He said the Assessor's Office did not allow anything for obsolescence, which was certainly there in some fashion because the building was vacant. He believed the Assessor's Office would say the owner was asking too much at \$3.50 per square foot and indeed, the owner had come to the realization that it should be lower, but he would take what he could get. He said both the subject and the property in Hearing No. 12-0589 had massive vacancies, but one was valued at \$24 per square foot and one was valued at \$17 per square foot. He stated he did not agree with \$24 per square foot value because it did not reflect any obsolescence.

Appraiser Clement read the comments regarding the income approach on page 4, the comments on the sales comparison approach on page 3, and the conclusions on page 1 of Exhibit I.

Member Horan asked if the building spanning the two parcels was considered to be one building. Appraiser Clement replied it was, but it was built at two different times. Member Horan asked why they were being looked at separately if they could not be sold separately. Appraiser Clement replied they could because there was an interior wall separating them. Chairman Covert understood the uses were different. Appraiser Clement advised the uses were the same, but the Assessor's Office would look at a mega-warehouse as being anything over 200,000 square feet. Member Horan said he was struggling with looking at this as two separate pieces. Appraiser Clement said they could be looked at as one piece, but they had two different taxable values. He stated the Assessor's Office was not valuing them at market value, but was trying to provide evidence they did not exceed market value. He said it could be said the taxable value for both buildings was \$23 per square foot, but then it needed to be compared to what the taxable value was on each parcel. Member Horan said he was just trying to understand whether the two parcels were one or two. Appraiser Clement stated that was why the comparable sales would be similar, and was why he was only using \$.01 more for the

front rent because the front building had the exposure on Greg Street. He said the analysis were the same and he would be using the same comparable sales. Chairman Covert asked if this was the building on Greg Street. Appraiser Clement stated it was on the corner of Southern Way and Greg Street and the main entrance to the office was on Greg Street.

Appraiser Clement said this type of property was selling for more than what a single year's income would dictate because buyers were not just looking at what the current rent rolls would produce. He said owners would make their income and expense statement as lean as possible to show a lower cap rate and a higher property value when selling a property. He stated the same could be shown by using short-term current leases for a building, and was why the sales comparison and the income approach to value needed to be looked at. He stated the Assessor's Office looked at the vacancy rate in the different sub-markets and for the different types of buildings. He said they would not use the same vacancy rate for different uses, but would use the best data available. He stated regarding cap rates, they would be reflective of the risk, age, and location of the property, which was why there was a variation in the different rates. Chairman Covert asked if the property was for sale. Appraiser Clement replied not that he was aware of.

Chairman Covert asked if Mr. Wagner had anything further to add. Mr. Wagner replied he would wait until the next hearing.

Chairman Covert brought the discussion back to the Board.

Mr. Wagner said he wanted to discuss this hearing further. Chairman Covert reopened the hearing.

Mr. Wagner said the subject was valued at \$23 per square foot, and he was requesting a reduction to \$17 per square foot or \$2,080,800, which would make the subject and the building in Hearing No. 12-0589 equal.

Chairman Covert said there had to be a reason why the vacancy rate had been so high for three years. He stated using a 30 percent vacancy rate would bring the value down to \$2,142,000. Member Krolick said he could support that reduction.

With regard to Parcel No. 034-351-05, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$1,415,596, resulting in a total taxable value of \$2,142,000 for tax year 2012-13. The reduction was based on obsolescence of \$706,787. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

12-0628E **PARCEL NO. 034-351-06 – NBS-RENO INDUSTRIAL OPCO LLC – HEARING NO. 12-0589**

A Petition for Review of Assessed Valuation was received protesting the taxable valuation on land and improvements located at 905 Southern Way, Washoe County, Nevada.

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

Mr. Wagner withdrew the appeal for Hearing No. 12-0589.

10:20 a.m. The Board recessed.

10:30 a.m. The Board reconvened with all members present.

12-0629E **PARCEL NO. 148-061-47 – WILLARD TRUST – HEARING NO. 12-0132**

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 5885 Chambery Circle, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparable sales, 6 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

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

On behalf of the Assessor, no one testified.

With regard to Parcel No. 148-061-47, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$961,690, resulting in a total taxable value of \$1,081,690 for tax year 2012-13. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

12-0630E **PARCEL NO. 011-172-14 – U. S. BANCORP –**
HEARING NO. 12-0581

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 300 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

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

On behalf of the Assessor, no one testified.

With regard to Parcel No. 011-172-14, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$3,970,900, resulting in a total taxable value of \$5,000,000 for tax year 2012-13. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

12-0631E **PARCEL NO. 140-213-16 – RYDER-DUDA VENTURES LTD –**
HEARING NO. 12-0518

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 985 Damonte Ranch Pkwy, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Reconciliation and final estimate of value, income statement, photos and sales comparisons, 13 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 25 pages.

Exhibit II: Taxable Value Change Stipulation, 2 pages.

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

On behalf of the Assessor, no one testified.

With regard to Parcel No. 140-213-16, pursuant to NRS 361.345 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$4,811,153, resulting in a total taxable value of \$5,750,000 for tax year 2012-13. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

12-0632E PARCEL NO. 041-091-02 – SCHENK, MICHAEL K. –
HEARING NO. 12-0011

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 3445 Frost Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Patricia Regan, Appraiser, oriented the Board as to the location of the subject property. She said she would stand on the written record in Exhibit I. She noted the Petitioner had not provided any additional data and all of the comparable sales supported the Assessor's taxable value. She said she had explained the process to the Petitioner, and she was not surprised he was not present today.

With regard to Parcel No. 041-091-02, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0633E PARCEL NO. 125-221-05 – STEINBERG, PAUL –
HEARING NO. 12-0037

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 811 Colleen Court, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Patricia Regan, Appraiser, oriented the Board as to the location of the subject property. She stated the comparable sales in Exhibit I supported the Assessor's taxable value for the subject parcel, and the recommendation was to uphold.

Member Horan noted the Petitioner supplied no evidence. Chairman Covert said the Petitioner's opinion of value was \$740,000 and Assessor's value was \$824,000.

Member Brown stated improved sale IS-3 was for \$699,000. Appraiser Regan explained it was a much smaller home. She said the price per square foot for IS-3 was \$225 compared to the subject at \$219.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 125-221-05, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the

Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0634E PARCEL NO. 125-245-06 – PAVESE, ROBERT R. –
HEARING NO. 12-0138

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 809 Randall Avenue, 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, 10 pages.

Exhibit II: Assessor's response to *Marshall and Swift* cost increase dated February 1, 2012, 49 pages.

Exhibit III: Letter from State of Nevada, Department of Taxation to Mr. Galloway dated January 24, 2012 and Notice of Decision, 6 pages.

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

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

Chairman Covert noted the Petitioner presented no evidence for the \$950,000 total property value indicated on the petition.

Appraiser Regan said the Assessor's Office stood on its written record. She advised the comparable sales more than adequately supported the taxable value of the subject parcel, and asked that the Assessor's value be upheld.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 125-245-06, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0635E **PARCEL NO. 125-502-10 – PROPERTY SAVERS INC –**
HEARING NO. 12-0139

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 693 Tumbleweed Circle, 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, 10 pages.

Exhibit II: Assessor's response to *Marshall and Swift* cost increase dated February 1, 2012, 49 pages.

Exhibit III: Letter from State of Nevada, Department of Taxation to Mr. Galloway dated January 24, 2012 and Notice of Decision, 6 pages.

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

On behalf of the Assessor and having been previously sworn, Patricia Regan, Appraiser, oriented the Board as to the location of the subject property. She said she stood on her written record in Exhibit I, and all of the comparable sales supported the Assessor's taxable value.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 125-502-10, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0636E **PARCEL NO. 124-082-17 – ZUCKERMAN FAMILY TRUST –**
HEARING NO. 12-0182

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 857 College Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 7 pages.

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

On behalf of the Assessor and having been previously sworn, Patricia Regan, Appraiser, oriented the Board as to the location of the subject property. She said this was one of three homes recently constructed by the same developer. She stated it was a spec home, which went back to the bank and sold. She said improved sale IS-1 was the subject. She stated the Assessor's Office stood on the written record in Exhibit I and the recommendation was to uphold the Assessor's value.

With regard to Parcel No. 124-082-17, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Woodland, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0637E PARCEL NO. 125-511-12 – GALLAGHER, THOMAS E & MARY K
– HEARING NO. 12-0183

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 592 Tyner Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Realtor listing, 1 page.

Exhibit B: Letter to Board of Equalization, 2 pages.

Assessor

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

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

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

Chairman Covert asked the Assessor's Office to comment on the Petitioner's evidence. Appraiser Regan said the subject parcel was over an acre and the Assessor's Office rated it as having an average view. She stated the Petitioner's petition and Exhibit B rated the view as a panoramic view. She said the Petitioner's comparable sale at 722 Tyner Way was the Assessor's improved sale IS-1, which was smaller, had a much smaller garage, and an inferior quality class to the subject. She said the Petitioner referenced the age of the home in Exhibit B, but the original age of home was not being used. She said the permits were worked for the construction of the additions, and the home reflected a weighted average year of 1992, which was shown for IS-1 on page 2 of Exhibit I. She stated the Petitioner disputed the fact that his oversize lot had any significance, but she disagreed because it provided privacy for the subject from the other homes around it. She said the size of the parcel also equated to the coverage and the size of the home that could be built in Incline Village, which made the size of the parcel truly significant. She felt the Assessor's comparable sales supported the taxable value of the subject, and she asked the Assessor's value be upheld.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 125-511-12, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0638E PARCEL NO. 142-241-36 – DICKERSON, KAREN R. –
HEARING NO. 12-0248

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 14000 Raider Run 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, 11 pages.

Exhibit II: Assessor's response to *Marshall and Swift* cost increase dated February 1, 2012, 49 pages.

Exhibit III: Letter from State of Nevada, Department of Taxation to Mr. Galloway dated January 24, 2012 and Notice of Decision, 6 pages.

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

On behalf of the Assessor and having been previously sworn, Craig Anacker, Appraiser, oriented the Board as to the location of the subject property. He said Hearing 12-0480 was upheld, and it had a similar house only 700 feet away from the subject property. He noted improved sale IS-1 was on one acre, was approximately 1,000 square feet smaller, was three-fifths of a mile away from the subject, and sold on December 23, 2011 for \$440,000. He said the recommendation was to uphold the Assessor's total taxable value.

Appraiser Anacker placed Exhibits II and III into evidence. Chairman Covert said the Petitioner was not appealing based on the building costs. Appraiser Anacker stated the appeal was mostly due to the change in the building portion of the value. He said he explained to the Petitioner that the costing tables, depreciation, and an adjustment in the economic obsolescence would cause the building value to fluctuate every year. He advised the Petitioner did not mention specifically the building costing tables changed, but did mention the building cost went up, which was more a result of the obsolescence being adjusted due to the indicated market value.

With regard to Parcel No. 142-241-36, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0639E PARCEL NO. 055-180-01 – BAILEY, CAROL –
HEARING NO. 12-0197

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 6995 Franktown Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: CMA Summary Report and Photos, 7 pages.

Assessor

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

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

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

On behalf of the Assessor and having been previously sworn, Ken Johns, Appraiser, oriented the Board as to the location of the subject property. He stated there was a recommendation to reduce the improvement value due to a physical inspection, which found several discrepancies on the Residential Record Card. He reviewed the changes reflected on corrected pages 6 and 7 of Exhibit II. Chairman Covert asked if the subject was a horse property. Appraiser Johnson replied it was. He stated the Petitioner was in agreement with the changes and the new taxable value.

With regard to Parcel No. 055-180-01, 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 Horan, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$278,256, resulting in a total taxable value of \$407,985 for tax year 2012-13. The reduction was based on a correction to the Residential Record Card as shown on pages 6 and 7 in Assessor's Exhibit II. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

12-0640E PARCEL NO. 019-341-02 – WINDSOR WEST VENTURES LLC –
HEARING NO. 12-0137

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 745 W. Moana Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Joe Johnson, Appraiser, oriented the Board as to the location of the subject property. He said the improved comparable sales on page 2 of Exhibit I indicated a value range of \$98 to \$117 per square foot and the income approach on page 3 of Exhibit I indicated a value of \$108 per square foot. He stated the subject's value was supported by the income approach,

which fell at the lower end of the market approach. Therefore, it was recommended the subject's taxable value be upheld.

Member Horan asked what tenants occupied the building. Appraiser Johnson said the tenants were Mohave Family Services (extension of the University of Nevada, Reno), Big Brothers Big Sisters, Nevada Bell, and Ray Morgan (accountant). Member Horan interrupted Appraiser Johnson and said that was a good enough listing. Appraiser Johnson said the subject had a good occupancy rate.

Chairman Covert brought the discussion back to the Board. He said there was no evidence from the Petitioner whatsoever. He recommended upholding the Assessor's valuation.

With regard to Parcel No. 019-341-02, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

**12-0641E PARCEL NO. 010-234-21 – RALEY'S FAMILY/BERGMANN,
ROGER A – HEARING NO. 12-0483**

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 1445 Mayberry Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparables for Raley's Store #103, 18 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, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser, oriented the Board as to the location of the subject property. He said the subject had limited competition because the Raley's was located in a neighborhood and not in a retail area. Member Horan stated it was an island.

Appraiser Ettinger said the evidence provided by the Petitioner in Exhibit A was comprised of comparable rentals of vacant somewhat distressed properties. He

said they were a significant indication of value for the subject property because it was occupied with Raley's as the tenant.

Appraiser Ettinger said the comparable sales on page 2 of Exhibit I indicated a sales price range of \$222 to \$371 per square foot, and the subject's taxable value per square foot was \$90. He reviewed the Assessor's income approach on page 4 of Exhibit I. He noted the 20 percent vacancy rate was in excess of what was typical for the market, but the generous rate was used to demonstrate the Assessor's Office was under market. He said the market derived components generated a net operating income of \$414,804. A cap rate of 7.5 was applied for an estimated value of \$4,530,715 by the income approach. He stated the income approach was reconciled with the sales comparison approach, and the most emphasis was placed on the income approach. He said the Assessor's total taxable value was \$3,025,793 for the subject, which did not exceed full cash value.

Chairman Covert brought the discussion back to the Board.

Member Horan said the value was in the subject being owner-occupied and, if Raley's abandoned the building, it would become a distressed property, which it was not currently. Chairman Covert agreed and said he assumed Raley's was there because they could make a buck.

With regard to Parcel No. 010-234-21, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0642E PARCEL NO. 010-430-18 – RALEYS FAMILY/BERTRAND
LIVING TRUST – HEARING NO. 12-0484

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 1400 Mayberry Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser, oriented the Board as to the location of the subject property. He noted this was a parking-lot parcel leased to the Raley's, which was the subject of Hearing No. 12-0483. He stated the parking lot was being used for employee overflow parking. Chairman Covert asked if the employees had to cross the street to get to work. Appraiser Ettinger replied they did. Chairman Covert asked if the parcel contained a building. Appraiser Ettinger replied it only contained the parking lot improvements, such as asphalt and lighting, which was shown as the building value on the petition.

Appraiser Ettinger said the vacant land sales on page 1 of Exhibit I indicated a sales price per square foot of \$7.90 to \$14.92, and the subject's taxable value was \$8 per square foot. He stated since that was at the very low end of the sales range, taxable value did not exceed full cash value.

Member Horan noted the petition referenced additional material would be submitted at the hearing. Ms. Parent stated nothing else had been received.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 010-430-18, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0643E PARCEL NO. 027-520-01 – RALEYS/SPARKS MERCANTILE LP – HEARING NO. 12-0485

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 2895 N. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparables for Raley's Store #102, 28 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, no one was sworn in by Chief Deputy Clerk Nancy Parent.

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

Appraiser Ettinger said the comparable rentals in Petitioner's Exhibit A were the same as those referred to in Hearing No. 12-0483. He stated they were all vacant distressed properties, which were not relevant to the occupied Raley's.

Chairman Covert said the Petitioner's income analysis in Exhibit A indicated the value was \$5,730,000, which was considerably above what the Petitioner was asking for on the petition. Appraiser Ettinger confirmed \$5,730,000 was what he saw. Chairman Covert said the Petitioner then tried to convince the Board it was only worth \$3,415,071.

Appraiser Ettinger said it appeared the only difference in the Raley's hearings was a different square footage was being applied, but the same comparables were being used for the income analysis.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 027-520-01, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0644E PARCEL NO. 049-731-10 – RALEY'S/GALENA JUNCTION SC LP
– HEARING NO. 12-0486

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 18144 Wedge Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparables for Raley's Store #108 - Galena Junction, 28 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, no one was sworn in by Chief Deputy Clerk Nancy Parent.

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

Chairman Covert said it looked like the same evidence was provided by the Petitioner. Appraiser Ettinger said the same comparable rentals were used to estimate a value. Chairman Covert said the income approach was \$5.51 million, but the petition was asking for \$3.4 million.

Appraiser Ettinger said the Assessor's analysis indicated a total value of \$10,500,000 with the most emphasis being placed on the income approach. He stated the subject's taxable value was \$6,979,247, and he asked the Board to uphold the property's taxable value because it did not exceed full cash value.

Member Brown asked what the Petitioner was basing his cap rate on because they were always different than the Assessor's. Appraiser Ettinger said he would have to speculate that the Petitioner was basing the cap rate on a different market. He explained the Assessor's cap rates were taken from the local market's evidence, which could be seen in the Retail Capitalization Rate Summary. He said the summary could be found on page 5 of Exhibit I for this hearing.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 049-731-10, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

**12-0645E PARCEL NO. 202-052-09 – RALEY'S/MCQUEEN CROSSINGS SC
LP – HEARING NO. 12-0488**

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 1690 Robb Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparables for Raley's Store #105 and Aisle 1 #155,
28 pages.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Michael Bozman, Appraiser, oriented the Board as to the location of the subject property. He said he had not received a copy of Exhibit A.

Chairman Covert said the Petitioner's income approach suggested the value was \$9,047,100. Appraiser Bozman stated the subject property was a convenience store with gas pumps, which were traditionally owner-occupied so an income approach was not done. He stated the sales comparison approach on page 2 of Exhibit I more than supported the valuation of the subject property and the recommendation was to uphold the valuation.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 202-052-09, 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 Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0646E PARCEL NO. 202-052-15 – RALEY'S/MCQUEEN CROSSINGS SC
LP – HEARING NO. 12-0489

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 1630 Robb Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparables for Raley's Store #105 and Aisle 1 #155, 28 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, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser, oriented the Board as to the location of the subject property. He said the Assessor's analysis indicated a market value for the subject of approximately \$11 million and the total taxable value was \$9,200,857. The recommendation was the Assessor's value be upheld because it did not exceed full cash value.

Chairman Covert asked if there was any additional evidence. Ms. Parent said it was the same evidence, Exhibit A, as provided for Hearing No. 12-488. Chairman Covert said after reviewing Exhibit A, the Petitioner's income approach of \$9,047,100 made sense when compared to the Assessor's Office \$9.2 million valuation.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 202-052-15, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Krolick, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0647E PARCEL NO. 528-321-04 – RALEY'S/DONAHUE SCHRIBER
REALTY GRP LP ET AL – HEARING NO. 12-0490

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 2433 Wingfield Hills Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparables for Raley's Store #110 and Aisle 1 #160, 28 pages.

Assessor

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

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

On behalf of the Assessor and having been previously sworn, Michael Bozman, Appraiser, oriented the Board as to the location of the subject property. He said the subject was a convenience store, which also sold gas and had a car wash. He stated the traditional business model was owner-occupied, so only the sales comparison

approach shown on page 2 of Exhibit I was done. He said it more than supported the Assessor's valuation for the subject property, and the recommendation was to uphold.

Member Woodland noted the Petitioner's valuation was \$7.5 million. Appraiser Bozman believed the Petitioner was doing both the convenience store and the Raley's together. He said if an income approach was run, the rental rate for them was usually around \$40 per square foot, and they let it slip it was \$41.25 per square foot. He said that would make just the convenience store's value around \$11 million.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 528-321-04, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0648E PARCEL NO. 528-321-06 – RALEY'S/DONAHUE SCHRIBER
REALTY GRP LP ET AL – HEARING NO. 12-0491

A Petition for Review of Assessed Valuation was received protesting the 2012-13 taxable valuation on land and improvements located at 2389 Wingfield Hills Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Comparables for Raley's Store #110 and Aisle 1 #160, 28 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, no one was sworn in by Chief Deputy Clerk Nancy Parent.

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser, oriented the Board as to the location of the subject property. He said the Assessor's analysis on the subject, with the most weight being placed on the income approach, resulted in a value of \$10 million. He stated the total taxable value was \$8,124,355, which did not exceed the full cash value. The recommendation was to uphold the Assessor's taxable value.

Chairman Covert brought the discussion back to the Board.

With regard to Parcel No. 528-321-06, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Horan, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2012-13. It was found that the Petitioner failed to meet his/her burden to show that the land and improvements are valued incorrectly or that the total taxable value exceeded full cash value.

12-0649E BOARD MEMBER COMMENTS

Member Horan said he wanted to acknowledge the support of the Clerk's Office during this year's hearings. He stated they were always very professional and well prepared and made the lives of the Board members much easier. He also complimented Josh Wilson, Assessor, and his staff for conducting the hearings in a very professional manner. He said there were disagreements, but that was to be expected and they handled themselves very professionally, were on time, and made life reasonably proficient. Member Woodland said ditto. Chairman Covert said he could certainly second that.

Member Woodland commented there should be a way to limit continuances when the Petitioners did not show up. Chairman Covert said he agreed with Member Woodland's philosophy, but there was no requirement the Petitioners show up and the hearing was held based on the evidence at hand.

Chairman Covert thanked his fellow Board Members for being very supportive, which helped him considerably.

12-0650E PUBLIC COMMENT

Josh Wilson, Assessor, thanked the Clerk's staff for being great to work with, and he felt this year had been the smoothest running yet. He thanked Ivy Diezel, System Support Analyst, and her staff for the tremendous amount of work they put into the agendas. He said he appreciated all of the assistance the District Attorney's Office provided to this Board and to the Assessor's Office. He thanked Ron Sauer, Chief Property Appraiser, and the appraisal staff for being as professional as ever. He said the number of stipulations and recommendations proved staff really tried hard to work with the taxpayers, because reaching an agreement was better for everybody. He also thanked the Board for being very professional. He said he might not always agree with their decisions, but the Board members did a great job. He believed this Board, as was traditional, had put in more time and effort than any other Board of Equalization in the State of Nevada, including Clark County. He commended this Board for meeting five days a week when possible, to ensure all of the work could be handled in a timely manner. He thanked the Board members for their service and hoped to see them again.

Member Woodland said she was on the Board for three more years.

Member Brown asked if Mr. Wilson had any comment on the State Supreme Court ruling in yesterday's paper. Mr. Wilson said it was directed at the State

Board of Equalization's inaction to conduct a public hearing on the equalization process for the State of Nevada and related back to the 2003 values. He stated it would be interesting to see how things proceed.

Nancy Parent thanked Mr. Wilson's staff, who were indispensable this year in getting the Assessor's packets to the Clerk's Office, in the way everything was scanned, and all of the paperless programs Ms. Diezel put into place. She said that was really appreciated by the Clerk's staff of three people. She thanked the Board and noted this year had been nicer because there had not been too much pressure. She also thanked Herb Kaplan, Deputy District Attorney.

Chairman Covert thanked the Assessor and his staff. He said they were always a pleasure to work with and they were always very professional.

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12:31 p.m. There being no further hearings or business to come before the Board, on motion by Chairman Covert, seconded by Member Krolick, which motion duly carried, the meeting was adjourned.

JAMES COVERT, Chairman
Washoe County Board of Equalization

ATTEST:

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

*Minutes prepared by
Jan Frazzetta, Deputy Clerk*