

**BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA**

THURSDAY

9:00 A.M.

FEBRUARY 20, 2020

PRESENT:

Eugenia Larmore, Chair
James Ainsworth, Vice Chair
Barbara “Bobbi” Lazzarone, Member
Daren McDonald, Member
James Richards, Member

Jan Galassini, Chief Deputy County Clerk
Michael Large, 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. Chair Larmore called the meeting to order, the Clerk called the roll and the Board conducted the following business:

20-087E PUBLIC COMMENT

There was no response to the call for public comment.

20-088E SWEARING IN

There was no appraisal staff to be sworn in.

20-089E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda were withdrawn by the Petitioners prior to the hearing:

Assessor's Parcel No.	Petitioner	Hearing No.
034-163-12	NBFRE 23 LLC	20-0053A
034-163-13	NBFRE 23 LLC	20-0053B

20-090E CONTINUANCES

There were no requests for continuances.

20-091E **PARCEL NO. 040-951-08 – RS EAGLE FEDERAL WAY LLC –**
HEARING NO. 20-0082

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 5075 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 5 pages.

Exhibit B: Supporting documentation, 4 pages.

Exhibit C: Supporting documents, 10 pages.

Assessor

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

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

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

Ms. Galassini distributed Petitioner's Exhibits B and C to the Board.

Mr. Nelson stated the building was a Lowe's location that was previously an Eagle Building Materials. He said approximately one third of the building was lumber storage where customers could drive up to select materials before going into the store to pay. He indicated Lowe's stores built in the last 20 years did not have this type of space; another Lowe's store in the area had the same type of space, but that store had closed. He said the cost approach was appropriate for valuing the property rather than the sales approach because the sales ranged extensively. He stated the prior sales of dark stores affected the valuation based on the sales approach. He mentioned the International Association of Assessing Officers frowned on the practice of using stores that were part of portfolio sales or sale-leasebacks, which he believed the County included in the sales information they provided.

Mr. Nelson said the Petitioner used the Marshall & Swift (MS) cost approach but he thought the County used a state-mandated cost approach. He reviewed the valuation outlined in Petitioner's Exhibit B based on MS guidelines. He clarified the canopy area listed under site improvements included the 57,350 square feet of lumber storage and other canopies attached to the store at a cost rate of \$20.16. A cost rate of \$17.28 was used for other non-enclosed structures. He noted a depreciation rate of 1.5 percent per year was used as mandated by the State, although MS guidelines

recommended a higher rate for a store of that age. He was unsure of the accuracy of the \$116.24 amount listed as the value per square foot.

Mr. Nelon summarized he requested the total value be reduced to \$13,690,000. He provided a list of comparable sales including a Lowe's store which was sold in January 2016. He noted sales prices could be quite low when sale-leaseback rents were removed from the comparison calculations. He indicated the value of this store would be approximately \$6.5 million based on the sales comparison approach. He reiterated the request was for a value of \$13,690,000.

Appraiser Tung said she spoke with Mr. Nelon prior to the meeting and it appeared he no longer disagreed with the land value. She noted the property was currently in operation and had been occupied at 100 percent for some time. She stated the stores used as comparable sales had similar characteristics including physical characteristics and current use. She read from Assessor's Exhibit I and reviewed the features, comparable sales, and range of values associated with the subject property. She indicated financial records were requested but not provided by Lowe's, so the valuation was based on research and available data. She summarized both the sales and income analyses supported the assigned taxable value.

Appraiser Tung noted four of the five sales comparisons used by the Appellant were closed stores which had lower income and value. The Assessor's value was based on stores with 100 percent occupancy to provide a more commensurate comparison. She wondered why the Appellant had not included the Home Depot on their sales comparison. She mentioned the Appellant spoke of the drive-thru lumber yard as something which was not designed for Lowe's stores, but an office survey indicated it was viewed as a desirable amenity. She discussed the service cost valuation, noting the Petitioner classified the building as low quality, but the Assessor's valuation was based on low to average quality. She indicated the major difference between the two valuations were the values assigned to extra features such as the canopy, parking lot lighting, and the greenhouse. She noted a commercial greenhouse would be valued between \$500,000 and \$1 million depending on the square footage. She summarized differences in valuations were due to the Petitioner's exclusion of a number of extra features in his cost per square foot valuation, and it was the Assessor's recommendation to uphold the value.

Mr. Nelon noted the Home Depot was not included in the comparables list because it was a sale-leaseback. He said the Petitioner's requested value was not based on the sales approach or the income approach, but rather the cost approach. He stated the Petitioner's valuation tried to account for the extra features. He said the property would sell for much less than what was indicated in the cost approach and the Petitioner thought the requested reduction was fair.

Vice Chair Ainsworth asked Mr. Nelon how the garden center was accounted for in the petition. Mr. Nelon believed the garden center was included in the 12,173 square feet listed as "Other Area" under site improvements. Member McDonald

noted the rate assigned to that area could account for some of the difference mentioned by Appraiser Tung.

Mr. Nelon stated there was a calculation error at the bottom of the cost approach valuation schedule. It listed the value per square foot as \$116.24, which was based on the store only. He said the value should be \$78.17 for the gross building area.

Member McDonald said Appraiser Tung mentioned four of the five sales comparables provided by the Petitioner were closed stores. He asked Mr. Nelon which one was open. Mr. Nelon responded he was unsure. Appraiser Tung said it was the fifth comparable, which was the Dollar Tree.

Vice Chair Ainsworth commented the Assessor's exhibit listed Cabela's as a comparable sale, but it was a completely different type of structure. He noted Whole Foods was also significantly different. The finishes for both were above those of a warehouse store. He was aware of the downward adjustments on those values, but he believed that did not account for the difference.

There was no response to the call for public comment.

Chair Larmore noted the issue was the cost approach, not the sales or income approaches. The cost approach made assumptions regarding the types and values of improvements. Member McDonald agreed and noted the extra improvements were the source of the valuation differences. He mentioned the store seemed to be in good condition.

With regard to Parcel No. 040-951-08, which petition was brought pursuant to NRS 361.356 and 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member McDonald, seconded by Vice Chair Ainsworth, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

20-092E PARCEL NO. 037-031-06 – LOWE'S HIW INC –
HEARING NO. 20-0081

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 1355 Scheels Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 5 pages.

Exhibit B: Supporting documents, 4 pages.

Exhibit C: Supporting documentation, 10 pages.

Assessor

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

On behalf of the Petitioner, Mr. Blake Nelon was previously sworn in by Chief Deputy County Clerk Jan Galassini.

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

Mr. Nelon stated the cost approach was the same as for Hearing 20-0082. The differences were the age and size of the building, but most other parameters were the same. He noted the values for the extra features were slightly higher than the other store. He said the total value requested in the petition was \$11,720,000, which included the County's land value. He noted the sales comparables were included for Board review, adding the Petitioner disagreed with the Assessor's comparables.

Appraiser Tung said the sales comparables were the same as those for Hearing 20-0082. The first comparable was a Home Depot store, which she clarified was not a sale-leaseback but a fair market sale. She stated the adjusted square foot rates ranged from \$99 to \$177, which supported the \$118 per square foot rate used for the subject property. She reviewed the income rate valuation outlined in the Assessor's hearing evidence packet. She pointed out the building was 100 percent occupied. She noted the Appellant used a low-quality classification while the Assessor used a low to average classification. She noted the building was smaller, newer, and had a better exterior finish than the store in Hearing 20-0082, which resulted in a higher base cost. The substantial difference was in the extra features listed in site improvements in the Appellant's packet. The subject store had a garden center, parking area, parking lot lighting, and landscaping. There was a substantial difference in the Petitioner's and Assessor's valuation of the canopy and the garden center. She summarized the overall taxable value was supported by both the sales and income approaches, and the Assessor's recommendation was to uphold the value.

Chair Larmore asked whether the values used by the Assessor's Office were obtained from Marshall & Swift. Appraiser Tung replied yes.

Member McDonald asked whether the subject property had a lumber yard. Mr. Nelon replied no.

There was no response to the call for public comment.

With regard to Parcel No. 037-031-06, which petition was brought pursuant to NRS 361.356 and 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Vice Chair Ainsworth, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

20-093E PARCEL NO. 024-055-52 – SAMS REAL ESTATE BUSINESS TRUST – HEARING NO. 20-0075

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 4835 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 27 pages.

Assessor

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

On behalf of the Petitioner, Ms. Donna Sanders was sworn in by Chief Deputy County Clerk Jan Galassini.

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

Ms. Sanders spoke about the cost approach valuation. She noted the Petitioner did not subscribe to the Marshall & Swift (MS) service because MS data was not updated in a timely manner, nor was it a completely accurate representation of values. She said the cost approach was generally considered the least reliable approach for valuation due to the difficulty in calculating obsolescence; it was more accurate when valuing a newer store. She noted the subject stores were older, so the cost approach was not used. She reviewed the sales analysis on page 3 of Petitioner's Exhibit A. She indicated all of the stores under appeal were similar in nature, so the sales analysis was the same for each.

Ms. Sanders indicated finding comparables for a big box store was difficult. She included the Kohl's store because she believed Mr. Stockton would include it in his valuation. She noted Exhibit A included supporting documents for the sales analysis. She mentioned Walmart sold approximately 100 stores nationwide since 2010. She stated many stores were sold in the western region with average sale prices between \$25 and \$35 per square foot. She said dark stores were a theory because stores were sold

empty. As an example, she pointed out houses were sold empty rather than with personal assets included. She stated Walmart used sales as a benchmark of what the market would pay for a store when they appealed assessed value, although they were not asking for those very low values. She spoke about Walmart properties listed on walmartrealty.com. She reviewed the properties for sale in the immediate area, listed on pages 13 through 17 of Petitioner's Exhibit A, and properties for lease on pages 18 through 20. She stated the band of investment cap rate was 8.31 percent based on parameters outlined on page 21, and she reviewed the income approach valuation on page 23.

Appraiser Stockton read from Assessor's Exhibit I and reviewed the features, comparable sales, and range of values associated with the subject property. He noted IS-1 was adjusted because Assessor's Office staff felt the lease signed by Home Depot exceeded the Reno market rent. He indicated comparable IS-3 was not an ideal sale but big box sales comparables were difficult to find. He stated the sale appeared to be an arm's length transaction, but the investors had not responded to the Assessor's letters to confirm. He summarized the appraised values were approximately \$15 million using the comparison sales approach and \$14.5 million using the income approach. Both valuation approaches supported the total taxable value of \$13 million. He noted the subject property was a fully-functioning building serving its highest and best use as designed by the owner without underutilization, functional obsolescence, or observable deferred maintenance.

Appraiser Stockton referred to Petitioner's Exhibit A and said the first comparable property was a closed store listed as a warehouse space, so it had a different highest and best use than functioning Walmart stores. Comparable 2 was a health club building which he thought was not comparable to the subject property, although he acknowledged it was difficult to find comparable properties. He noted comparable 3 was a transaction for a parking lot where apartments were planned, and the self-storage facility was a separate transaction. He believed the transaction information for that comparable was incorrect in the CoStar listing. He agreed with the listing of comparable 4 because it was a single-tenant, big box retailer, and a second-generation space that was sold after years of being leased. He was unfamiliar with the property in comparable 5 but, based on the status of Sears department stores, he believed it would soon be a vacant store. He stated there were some differences in the income approach, the largest of which was the income capitalization rate. He said the Petitioner used a band of investment calculation for the cap rate. The band of investment was contingent on loan rates, down payment, and credit rating. There were a number of variables and he thought the 10 percent equity rate seemed high. He stated the Petitioner used a valid technique but a cap rate of 8.31 percent did not make sense for a big box store.

Ms. Sanders clarified that vacancy rates were not specific to the location, but for the immediate area. She stated the Assessor's use of a zero percent vacancy rate for the area in the income approach valuation was incorrect because there were many empty buildings in the area. In response to Appraiser Stockton's comment about the lack of deferred maintenance, underutilization, and functional obsolescence, she mentioned the buildings were more than 12 years old and some had significant obsolescence and

deferred maintenance. She noted the wide aisles in the stores were the result of a reduction of product due to internet sales. Widening the isles was a marketing technique to make customers feel as though the store was well stocked, but the store was not operating the same as in the past. She mentioned the Walmart sales report indicated internet sales were up by 35 percent for the year while in-store sales were sluggish. She commented Walmart closed almost 100 stores the prior year and might close more because the future of brick and mortar big box stores was unclear.

Ms. Sanders said Washoe County had some of the highest values in the west. She had appealed the stores in the County for the last three years based on an analysis of values in the state. She asserted the high values were an issue and Walmart would continue to appeal. She said outside appraisers might be required to provide more accurate values and Walmart would invest money in that if necessary. She stated she wanted to work with the County but she was unable to work with Appraiser Stockton on any type of resolution. She pointed out the valuation included many leased fee sales which were not an accurate indication of the market because a fee simple market was not comprised of all leased fee sales. She indicated leased fee sales would result in the highest values. She noted the visibility of the Sam's Club and the adjacent Walmart were not great because they were located on the second tier of the complex and not visible from the highway or the road. She asserted there were many issues with the store, including obsolescence, and it should not be valued the way it was. She stated she spent a significant amount of time reviewing comparables of big box stores without sale-leasebacks or portfolio sales. Many comparables were part of portfolio sales because they could not be sold unless they were grouped together. She urged the Board to work with her on adjusting the values.

Member McDonald referred to page 5 of Assessor's Exhibit I and asked why the taxable value of the land had declined. Appraiser Stockton prefaced he was not the appraiser for that area, but he appraised Walmart stores. He thought the decline was due to a change in the unit type and to mandate consistency. He noted the unit price for the prior year was \$11 and it was given a 10 percent size adjustment, which resulted in the lower value for the current year. He stated the Assessor's Office worked with Walmart in the past by visiting the sites and making changes to the records when appropriate. He expressed a desire to work with Walmart whenever they could but the parties had differences in philosophy. He said Nevada Revised Statute 361.227 required appraisers to value in-use and they had to look at properties as they existed on the lien date. The stores were not vacant, boarded up, or blighted. He noted many of the stores were in good locations in areas of growth.

Senior Appraiser Steve Clement mentioned he supervised the appraiser for the subject area. He said land was valued at market value every year and sales were adjusted for size or traffic as appropriate. He stated land values for the area were adjusted slightly after a new appraiser reviewed individual sales and compared them to the market. The adjustment was representative of the market. He noted the Assessor's Office evaluated many parcels by performing mass appraisals and did not evaluate individual

parcels. By performing mass appraisals, staff determined a dollar per square foot value and adjusted it for the square footage of the subject parcel.

Member McDonald indicated the explanation from staff clarified the decline in land value. He noted the value of land was the reason for most increases reviewed by the Board, so seeing a reduction in land value for the subject property confused him.

Member McDonald thought most of the focus needed to be on the income approach method, which was the low measure. He asked what supported a 6.5 percent cap rate for the subject property as opposed to a higher rate. Appraiser Stockton noted Assessor's Exhibit I included a retail capitalization rate chart that encompassed the two sales for which a cap rate was available. He said the major retail sales which occurred in the market demonstrated a capitalization rate between 5.84 percent and 7.85 percent. The cap rate varied slightly based on risk, and the capitalization rate for the subject property was based on single-tenant big box store sales.

Chair Larmore clarified that the \$86 per square foot value would justify a cap rate of 7.3 percent if the other assumptions remained the same in the Assessor's income approach valuation.

Member McDonald noted the Petitioner disagreed with the vacancy rate which was typical for big box retailers. He summarized the only issue was whether the cap rate was appropriate. Chair Larmore felt the cap rate of 7.3 percent was supported by the calculations on page 9 of Assessor's Exhibit I.

There was no response to the call for public comment.

With regard to Parcel No. 024-055-52, which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Member Richards, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

20-094E PARCEL NO. 024-055-53 – WAL-MART REAL ESTATE
BUSINESS TRUST – HEARING NO. 20-0076

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 4855 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 27 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 22 pages.

On behalf of the Petitioner, Ms. Donna Sanders was previously sworn in by Chief Deputy County Clerk Jan Galassini.

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

Ms. Sanders stated the comparables and supporting documentation were the same as for Hearing 20-0075. She noted the stores adjacent to and in front of the subject property were closed. She said three other stores in that shopping center had been vacant for the past two years. She suggested the reduced land value might be due to the location being a blighted area. She acknowledged she was told the area was under restoration, but she said it was not rehabilitated yet. She appealed the property assessment for the three prior years without adjustments, and the assessment increased yearly despite there being significant vacancy in the location. She said the vacancy rate was indicative of an issue. She asserted the subject property was not functioning at the highest and best use as indicated by Appraiser Stockton. She stated she performed a sales analysis when valuing stores rather than evaluating store sales information, which Walmart did not provide. She noted there were no new retail facilities at the subject location. She indicated the store size was larger than the size of newer Walmart stores, so there was obsolescence.

In response to Appraiser Stockton's previous reference to Nevada Revised Statute about valuing in-use, Ms. Sanders said the use of a building was the retail portion. She expressed vexation because it appeared the valuation was for Walmart rather than the retail building. Member Lazzarone asked for clarification of Ms. Sanders' statement. Ms. Sanders explained two adjacent retail buildings needed to be valued in-use without consideration of the tenant occupying one of the buildings. She believed Mr. Stockton thought the business was included in the valuation because he only presented leased fee comparables. She noted leased fee sales were investments, they were not fee simple transactions. She said her comparables included only one leased fee transaction.

Appraiser Stockton said the comparables and the income approach for the subject property were very similar to the previous presentation. He indicated no adjustments were made by the Assessor's Office based on whether the store was a Walmart. The value was determined by the cost approach using Marshall & Swift guidelines as required by Statute. The land was valued on mass and Walmart stores were not singled out. He stated the debate was whether to value the stores as functioning or closed and vacant. He thought Statute made it clear the stores needed to be valued as they existed.

Member Lazzarone asked whether consideration was given when a Walmart store was adjacent to a vacant building and how it would affect land value. She thought it might affect traffic into the store. Appraiser Stockton replied that vacancy could impact valuation of the land. He indicated the vacant buildings on the north end of the parcel map had been vacant for some time. He was unsure whether those buildings needed improvements to attract a tenant, but he pointed out there was good freeway access and it was still a high-traffic area. He thought an adjustment might be needed if the shopping center continued to decline.

Member McDonald referred to parcel 024-055-52, which was located very close to the subject property, and noted the potential gross income per square foot per month was \$0.55 when using the income approach. He asked why that figure was higher for the subject property although they were in close proximity. Appraiser Stockton replied the difference was due to the interior finish of the stores. He said Sam's Club was similar to Costco on the inside. He said the subject property had a grocery store, a Wendy's restaurant, a bank branch, and a vision shop. The additional uses and finish constituted a higher rent than a bulk discount food store.

There was no response to the call for public comment.

With regard to Parcel No. 024-055-53 which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Vice Chair Ainsworth, seconded by Member Lazzarone, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

20-095E PARCEL NO. 039-051-08 – WAL-MART STORES INC # 3254 –
HEARING NO. 20-0077

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 5260 W. 7th Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 27 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 22 pages.

On behalf of the Petitioner, Ms. Donna Sanders was previously sworn in by Chief Deputy County Clerk Jan Galassini.

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

Ms. Sanders directed the Board to page 25 of Petitioner's Exhibit A. She used \$5 for rent per square foot because it was the average rent the Petitioner paid for a discount warehouse store of over 200,000 square feet. She used the same vacancy, a combination of management and operating expenses, and a capitalization rate of 8.31 percent. Addressing Appraiser Stockton's earlier comment about not valuing the stores as vacant, she stated page 3 of Petitioner's Exhibit A showed comparable properties ranging from \$27 to \$99 per square foot for the Kohl's store. If the Kohl's store was removed because it was the outlier, the average comparable was \$45 per square foot. She noted her appeal requested adjustments from \$60 to \$65 per square foot depending on the store. She raised the requests to between \$70 and \$75 per square foot because the County's values were high and she hoped to reach a compromise. She said the comparables used were the same as the prior two parcels.

Appraiser Stockton indicated his presentation was the same as the prior two parcels.

Member McDonald mentioned the parcel's tax history on page 5 of Assessor's Exhibit I showed the land tax remained nearly the same, meaning valuation was predominantly based on the improvements. He noted the previous two parcels were assessed at \$86 and \$83 per square foot while the subject property was assessed at \$92 per square foot. He asked what constituted the difference since the three parcels were essentially valued against each other and other big box stores. Appraiser Stockton replied the valuations included the land, building, and parking lot improvements. He said the Sam's Club building was valued at \$45 per square foot including depreciation but excluding the land and improvements. He stated the Kietzke Lane Walmart was valued at \$42.51 per square foot and the 7th Street Walmart was valued at \$45.53 per square foot for the building alone. The building values were similar when the value of the land and parking lot improvements were subtracted. He noted the depreciation rate of 1.5 percent per year was another factor in the building value. He summarized the different variables unique to each store resulted in different building values. He stated all Walmart stores were valued within a close range, excluding the store in Lemmon Valley which was newer and smaller than the rest.

There was no response to the call for public comment.

With regard to Parcel No. 039-051-08, which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Vice Chair Ainsworth, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

20-096E **PARCEL NO. 086-380-32 – WAL-MART REAL ESTATE
BUSINESS TRUST – HEARING NO. 20-0078**

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 250 Vista Knoll Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 27 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 23 pages.

On behalf of the Petitioner, Ms. Donna Sanders was previously sworn in by Chief Deputy County Clerk Jan Galassini.

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

Ms. Sanders directed the Board to page 22 of Petitioner's Exhibit I. She noted the subject store had a smaller format which was in keeping with newer stores. She used a \$6 per square foot rent which was typical for the store model. She said the vacancy, management, and expenses were the same used for the previous three parcels. The resulting value was approximately \$10 million, or \$64.98 per square foot. She noted the appeal requested a range of \$70 to \$75 per square foot.

Appraiser Stockton stated the same comparables used for the previous three hearings were used to value the subject parcel. He said it was the newest store being appealed and the value reflected the smaller store size.

There was no response to the call for public comment.

With regard to Parcel No. 086-380-32, which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Vice Chair Ainsworth, seconded by Member Richards, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

20-097E **PARCEL NO. 160-791-03 – SOUTHTOWNE CROSSING LLC –**
HEARING NO. 20-0079

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 155 Damonte Ranch Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentation, 27 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 22 pages.

On behalf of the Petitioner, Ms. Donna Sanders was previously sworn in by Chief Deputy County Clerk Jan Galassini.

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

Ms. Sanders directed the Board to page 26 of Petitioner's Exhibit I and said it was a 205,721 square foot store. She used a \$5 per square foot rent for the valuation. The vacancy, management, operating expenses, and capitalization rate were all the same as the prior hearings, resulting in a value of \$11,140,126, or \$54.15 per square foot.

Appraiser Stockton said the same comparables used for the previous Walmart parcels were used to value the subject parcel.

There was no response to the call for public comment.

With regard to Parcel No. 160-791-03, which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Vice Chair Ainsworth, seconded by Member Lazzarone, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

20-098E

**PARCEL NO. 510-381-01 – WAL-MART REAL ESTATE
BUSINESS TRUST – HEARING NO. 20-0080**

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 5065 Pyramid Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Supporting documentations, 27 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 22 pages.

On behalf of the Petitioner, Ms. Donna Sanders was previously sworn in by Chief Deputy County Clerk Jan Galassini.

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

Ms. Sanders directed the Board to page 27 of Petitioner's Exhibit I and indicated the store had a square footage slightly less than 200,000, which warranted the use of \$5 per square foot rent. She said all of the other variables in the income approach valuation were the same, resulting in a value of \$10,676,480, or \$54 per square foot. The petition was for a value of \$70 to \$75 per square foot.

Appraiser Stockton stated the same comparables used for the previous Walmart parcels were used to value the subject parcel.

There was no response to the call for public comment.

With regard to Parcel No. 510-381-01, which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Vice Chair Ainsworth, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

20-099E **PARCEL NO. 055-382-15 – DGD DEVELOPMENT LIMITED PTSP**
– HEARING NO. 20-0054

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 7320 Franktown Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

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

With regard to Parcel No. 055-382-15 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Vice Chair Ainsworth, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld and the taxable improvement value be reduced to \$1,602,127, resulting in a total taxable value of \$1,762,127 for tax year 2020-21. 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.

20-100E **PARCEL NO. 046-080-38 – WASHOE RANCH PROPERTIES LLC**
– HEARING NO. 20-0058

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 0 Joy Lake Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

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

With regard to Parcel No. 046-080-38 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Lazzarone, seconded by Vice Chair Ainsworth, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be reduced to \$280,000, and the taxable improvement value be upheld resulting in a total taxable value of \$282,980 for tax year 2020-21. 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.

20-101E PARCEL NO. 074-082-02 – JAMES J BREARTON –
HEARING NO. 20-0030

A Petition for Review of Assessed Valuation was received protesting the 2020-21 taxable valuation on land and improvements located at 0 Marina Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 3 pages.

Assessor

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

No one offered testimony on behalf of the Petitioner.

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

Appraiser Moses stated the recommendation to uphold the assessed value was supported by the sales comparison analysis provided on pages 2 and 3 of Assessor's Exhibit I. He said the sales analysis reflected a range in price from \$12,000 to \$22,000 based on sales which occurred within the last year in the same sub-market, and all were located within a mile of the subject property. He noted the comparables were listed in pages 6 through 10 of Assessor's Exhibit I. He stated the comparables were adjusted upwards because they were smaller than the subject. He believed sale 1 was the most comparable because it was the closest in size to the subject. He summarized the taxable value did not exceed the full cash value based on the sales analysis.

Vice Chair Ainsworth asked whether the same parcel was appealed the prior year. Assessor Moses said he believed it was not.

Member McDonald asked whether the property was landlocked as indicated in the Petitioner's letter. Assessor Moses said page 1 of Assessor's Exhibit I outlined the roads from the parcel. He said there was a County-maintained road that lead to the access roads connected to the parcel.

Chair Larmore stated the Petitioner's letter indicated he believed the land value should increase closer to the inflation rate, which was not how properties were valued. She noted the letter was the only evidence provided by the Petitioner.

There was no response to the call for public comment.

With regard to Parcel No. 074-082-02, which petition was brought pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Vice Chair Ainsworth, seconded by Member Richards, which motion duly carried, it was ordered that the Assessor's taxable values be upheld and it was found that the Petitioner failed to meet his/her burden to show that the full cash value of the property is less than the taxable value computed for the property in the current assessment year.

20-102E BOARD MEMBER COMMENTS

Vice Chair Ainsworth thanked staff for making the process easier for the Board. Chair Larmore agreed with the sentiment.

20-103E PUBLIC COMMENT

There was no response to the call for public comment.

* * * * * * * * * *

11:23 p.m. There being no further hearings or business to come before the Board, the meeting was adjourned.

EUGENIA LARMORE, Chair
Washoe County Board of Equalization

ATTEST:

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

*Minutes prepared by
Carolina Stickle, Deputy Clerk*