

**BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA**

MONDAY

9:00 A.M.

FEBRUARY 22, 2021

PRESENT:

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

Janis Galassini, County Clerk
Jennifer Gustafson, Deputy District Attorney

ABSENT:

Dennis George, Member

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

21-073E PUBLIC COMMENT

There was no response to the call for public comment.

21-074E SWEARING IN

Jan Galassini, County Clerk, swore in the appraisal staff.

21-075E WITHDRAWN PETITIONS

The following petitions scheduled on this agenda were withdrawn by the Petitioners prior to the hearing:

Assessor's Parcel No.	Petitioner	Hearing No.
031-012-28	PARADISE RETAIL I LLC	21-0070A
031-012-29	PARADISE RETAIL I LLC	21-0070B
031-012-31	PARADISE RETAIL I LLC	21-0070C
031-012-35	PARADISE RETAIL I LLC	21-0070D
031-012-37	PARADISE RETAIL I LLC	21-0070F
031-012-39	PARADISE RETAIL I LLC	21-0070G
031-012-40	PARADISE RETAIL I LLC	21-0070H
031-012-41	PARADISE RETAIL I LLC	21-0070I
031-012-42	PARADISE RETAIL I LLC	21-0070J
031-012-43	PARADISE RETAIL I LLC	21-0070K

510-082-42	SPARKS GALLERIA REH LLC	21-0071A
510-083-03	SPARKS GALLERIA REH LLC	21-0071B
510-083-04	SPARKS GALLERIA REH LLC	21-0071C
510-083-09	SPARKS GALLERIA REH LLC	21-0071E
510-481-04	SPARKS GALLERIA REH LLC	21-0071F
510-481-08	SPARKS GALLERIA REH LLC	21-0071G
510-482-01	SPARKS GALLERIA REH LLC	21-0071H
510-482-02	SPARKS GALLERIA REH LLC	21-0071I
510-482-07	SPARKS GALLERIA REH LLC	21-0071J
510-483-01	SPARKS GALLERIA REH LLC	21-0071K
510-483-02	SPARKS GALLERIA REH LLC	21-0071L
034-257-20	PARAGON INDUSTRIES II INC/BEDROSIANS	21-0072
164-333-02	PARAGON INDUSTRIES II INC/BEDROSIANS	21-0073
033-221-25	KCP RE LLC	21-0078

21-076E CONTINUANCES

There were no requests for continuances.

21-077E PARCEL NO. 011-440-01 – CTO16 RENO LLC C/O CINEMARK – HEARING NO. 21-0067

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 11 N. Sierra Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 21 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

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.

There was no response to the call for public comment.

With regard to Parcel No. 011-440-01 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 \$4,738,940, resulting in a total taxable value of \$6,000,000 for tax year 2021-22. 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.

**21-078E PARCEL NO. 163-160-08 – FINDLAY-SHACK PROPERTIES LLC
– HEARING NO. 21-0075**

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 150 Gallian Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

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

There was no response to the call for public comment.

With regard to Parcel No. 163-160-08 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 \$186,606, resulting in a total taxable value of \$186,606 for tax year 2021-22. With that adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

**21-079E PARCEL NO. 163-160-13 – FINDLAY-SHACK PROPERTIES LLC –
HEARING NO. 21-0076A**

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 9150 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

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

There was no response to the call for public comment.

With regard to Parcel No. 163-160-13 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 \$2,013,583, resulting in a total taxable value of \$3,223,813 for tax year 2021-22. 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.

**21-080E PARCEL NO. 163-160-14 – FINDLAY-SHACK PROPERTIES LLC
– HEARING NO. 21-0076B**

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 9190 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

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

There was no response to the call for public comment.

With regard to Parcel No. 163-160-14 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 \$2,302,303, resulting in a total taxable value of \$4,126,430 for tax year 2021-22. 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.

**21-081E PARCEL NO. 163-160-15 – FINDLAY-SHACK PROPERTIES LLC
– HEARING NO. 21-0077**

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 152 Gallian Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

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

There was no response to the call for public comment.

With regard to Parcel No. 163-160-15 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 reduced to \$248,920, resulting in a total taxable value of \$248,920 for tax year 2021-22. With that adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

**21-082E PARCEL NO. 140-213-20 – R C WILLEY HOME FURNISHINGS –
HEARING NO. 21-0079**

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 1201 Steamboat Parkway, 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.

There was no response to the call for public comment.

With regard to Parcel No. 140-213-20 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 \$10,844,360, resulting in a total taxable value of \$15,100,000 for tax year 2021-22. 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.

21-083E PARCEL NO. 031-012-36 – PARADISE RETAIL I LLC – HEARING NO. 21-0070E

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 2125 Oddie Boulevard, 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.

There was no response to the call for public comment.

With regard to Parcel No. 031-012-36 based on the stipulation signed 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 stipulation be adopted and confirmed and that the taxable land value be upheld, and the taxable improvement value be reduced to \$741,742, resulting in a total taxable value of \$2,355,640 for tax year 2021-22. 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.

21-084E PARCEL NO. 510-083-08 – SPARKS GALLERIA REH LLC –
HEARING NO. 21-0071D

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 175 Disc Drive, 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.

There was no response to the call for public comment.

With regard to Parcel No. 510-083-08 based on the stipulation signed 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 stipulation be adopted and confirmed and that the taxable land value be upheld, and the taxable improvement value be reduced to \$310,933, resulting in a total taxable value of \$1,000,000 for tax year 2021-22. 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.

* * * * *

County Clerk Jan Galassini said the next three hearings were represented by Ms. Donna Sanders. Ms. Galassini distributed Petitioner's Exhibits A and B to the Board and noted copies would be placed on the record.

21-085E

**PARCEL NO. 024-055-53 – WAL-MART REAL ESTATE
BUSINESS TRUST – HEARING NO. 21-0052**

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 4855 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 28 pages.

Exhibit B: Letter and supporting documentation, 8 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 28 pages.

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

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

Ms. Sanders said she provided a Marshall & Swift (MS) estimate for this location. She referred to Petitioner's Exhibit A and reviewed the store features, noting the total replacement cost would be \$13,664,229. She said the replacement cost would have to be depreciated by \$7,105,400 based on the age of the store. She stated the land costs she used were exactly what the County presented. The final total depreciated cost for this location would be \$13,663,856. She reviewed the income approach valuation included in Exhibit A which resulted in an indicated market value of \$14,170,778. She referred to the RealtyRates.com estimate in Exhibit B. She used an average cap rate of 7.83, which was the current average standard in the United States for freestanding retail properties. She noted she used a slightly lower cap rate of 7.20 for her income approach valuation.

Ms. Sanders referred to the CoStar sales comps map and list report included in Exhibit B. She said she tried to primarily use comparables located in Reno although some were outside the area, but she included them because they were comparable buildings. She stated the average cap rate for the nine comparable properties was 7.9, with an average sales price of \$62 per square foot. She spoke about the comparable properties, most of which were freestanding properties in Nevada. She mentioned one of the comparable properties was a Kohl's in Reno, which was designated as a department store although the Assessor's Office (AO) listed it as a discount retail location, which she believed was an error. She noted comparables 8 and 9 were significantly smaller in size, but she used them because the AO used a number of smaller properties as comparables.

Mr. Kinne read from page 15 of Assessor's Exhibit I which compared the appellant's cost approach valuation to the AO's valuation. He stated the chart would clarify the differences. Chair Larmore asked about the difference in the depreciation rate used by the appellant. Mr. Kinne replied the AO was bound by Nevada Revised Statutes to use 1.5 percent depreciation per year. He was unsure how Ms. Sanders arrived at a depreciation rate of 48 percent, which he thought was greatly overstated for this type of building.

Mr. Kinne reviewed the income approach comparison on page 16 of Exhibit I. He said the most significant difference was the rental rate used in the valuation. He referred to the rental survey on page 13 which he used to determine his rental rate. He placed more emphasis on properties 8 and 9 which were a Kohl's and a Home Depot. He believed his rate of \$0.60 per square foot was well supported by the rental survey. He reviewed the sales comparison approach valuation on pages 2 through 5 of the exhibit. He noted Walmart had appealed their assessment for the past several years. This Walmart property and the Sam's Club were appealed at the State level the prior year; the State Board of Equalization reduced the land value during their hearing in October due to the inferior location of the subject property. The AO retained the land value for the 2021/22 reappraisal because the State hearing took place in October. He acknowledged the location of the subject property was inferior, but he believed the land adjustment made by the State accounted for the inferior location.

Mr. Kinne acknowledged 2020 was a difficult year and many essential businesses, including Walmart, had done their part to make a difference during the early stages of the COVID-19 (C19) pandemic. He said Walmart remained open during the pandemic and provided many shopping options including in-store, curbside pickup, and online home delivery. He noted Walmart continued to use their stores at their highest and best use despite the pandemic. He asked for the taxable value to be upheld as it was fully supported by the sales comparison approach and the income approach. He reviewed the sales comparables provided by Ms. Sanders, noting comparables 1 and 2 were located in Las Vegas, comparable 4 was in Henderson, and comparable 5 was in Elko. He did not think the real estate market in those areas was comparable to Reno. Comparable 3 was the old Super K-mart, which sold vacant and was not a good comparable for Walmart. He stated comparable 6 was a Kohl's which he believed was a good comparable, but sales 8 and 9 were not good comparables.

Ms. Sanders said she listed the store's wall height as 18 feet because that was an average of the measurement of the front of the store and the back of the store; the store walls sloped significantly toward the rear. She expressed confusion about the AO's quality rating of 2.5, saying she used the standard MS rating of 2.0, which was class C. She said she did not segregate each portion of the property when performing an MS valuation, she simply included the entire square footage. She noted the depreciation percentage in her valuation was calculated by the MS program. She stated CoreLogic recently updated their depreciation tables and their percentages were based on zip codes. She admitted the rental rates used were significantly different in the income approach valuations. She said retailers would not pay more than \$5.50 to \$6 per square foot for a store larger than 200,000 square feet. She acknowledged Walmart stores were able to remain open during the C19

pandemic, but that came at a cost. She used a 7 percent expense rate because expenses were higher, Walmart had to hire extra people, pay higher wages, and suppliers charged more for goods because of shortages. She felt the 7 percent rate was appropriate and supported by Walmart's fourth quarter financial report, which showed increased expenses. She pointed out the comparables in the AO's valuation were all leased fee sales. She noted IS2 was a Kohl's which Mr. Kinne classified as a discount store. She asserted it was a department store which would cost much higher than a discount warehouse store like Walmart. She said IS3 was a Cabela's store which was not comparable to a Walmart because of the inside features. She summarized Kohl's seemed to be the one property that all Walmart stores were measured against in the County. She thought the two stores were completely different and should be classified differently.

In regard to Ms. Sanders' comment about the different quality rating, Member McDonald asked for an explanation about the effect of that difference on the valuation. Mr. Kinne replied the quality rating was determined by the building itself and the interior finishes. He said all Walmart stores had the same quality rating in northern Nevada with the exception of the Sam's Club, which was assigned a lower rating because its interior finishes were inferior to Walmart's. With regard to the wall height, he stated he would be available to go to the subject property to measure the wall height and correct the AO's record if it was incorrect.

Member McDonald asked what difference wall height would have on the valuation. Mr. Stockton replied wall height was an important component of the overall cost; a taller wall was more expensive to build. He stated he personally measured the subject property wall heights several years prior and made adjustments to the record. He expressed willingness to recheck those measurements. Member McDonald asked whether there was a methodology difference to how the walls were measured as suggested by the appellant. Mr. Stockton said the AO took an average wall height because the building did slope for various reasons. He believed the previous measurements were an average of the wall height. Vice Chair Ainsworth asked whether Mr. Stockton thought remeasuring was necessary if the measurement was done six or seven years prior. Mr. Stockton thought it was not. He said the AO worked with Walmart at the time, and they had agreed with the measurement changes.

Member Lazzarone referred to Ms. Sanders' statement about the maximum rental rate that might be expected for this type of building. She asked why the AO used a rental rate of \$7.20 per square foot. Mr. Kinne responded the AO conducted a rental survey of big-box retail store rents, which ranged from \$0.50 to \$1.04 per square foot monthly. He said the rental survey used only local rents in the Reno area. He believed the \$0.60 rate was a fair rental rate for the area.

There was no response to the call for public comment.

Member McDonald thought the construction calculation was the best indicator of value when comparing the various calculations. He noted the primary difference in that calculation was the depreciation rate. Chair Larmore said the Board was

required to use a statutory depreciation rate of 1.5 percent per year. Member McDonald was encouraged that the State board reduced the land value for the subject property because that area continued to have a very high vacancy rate.

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 McDonald, 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 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.

21-086E PARCEL NO. 039-051-08 – WAL-MART STORES INC # 3254 – HEARING NO. 21-0053

A Petition for Review of Assessed Valuation was received protesting the 2021-22 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: Letter and supporting documentation, 28 pages.

Exhibit B: Letter and supporting documentation, 8 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 27 pages.

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

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

Ms. Sanders referred to Petitioner's Exhibit A and reviewed the Marshall & Swift valuation. She said she assigned a quality rating of 2.0 and expressed interest in an explanation of the 2.5 quality rating used by the Assessor's Office (AO). She said she used the same sales comparisons she reviewed in the previous hearing. She acknowledged the last two comparables were not good comparables, but she included them because they were freestanding properties in Reno and because the AO also used many comparables with small square footage in their report.

Mr. Kinne reviewed the cost approach comparison on page 15 of Assessor's Exhibit I. He noted the Petitioner's valuation and the AO's valuation were very close when using the cost approach. He asked whether the Board wanted an explanation of the quality

rating. Chair Larmore replied yes and asked whether it was a quality rating used for other comparable stores. She asked how the 2.5 rating was applied throughout the County. Mr. Kinne replied all Walmart stores had a 2.5 quality rating. He said the AO looked at the design of the stores, the layout, the interior and exterior finishes, and the parapets on top of the building.

Mr. Kinne reviewed the income approach comparison on page 16. He noted the rental rate was the primary difference in the appellant's valuation. He said he used a zero percent vacancy rate for the subject property because vacancy rates were at zero percent for big-box retail stores in the northwest part of Reno. He noted the cap rate was adjusted down to 6.5 percent based on the location of the store. He said it was one of the best Walmart stores in northern Nevada. He reviewed the sales comparison valuation starting on page 2 of the exhibit. He asked for the taxable value to be upheld.

Member McDonald asked Mr. Kinne why the Board should consider a 6.5 capitalization rate since it appeared to be outside the range of other properties reviewed by the Board. Mr. Kinne referred to page 12 of Assessor's Exhibit I, noting big-box retail stores were trading at a capitalization rate of between 4.76 and 7.85. He believed the location of the subject property involved minimal risk, so he made the downward adjustment to a 6.5 cap rate.

Ms. Sanders said the AO warned her she could not use an industrial flex facility in her comparison, but Mr. Kinne used CR-1, which was that type of facility, in his capitalization chart. She thought CR-1 was not a good comparable to a Walmart store; although this Walmart store was large, it was not an industrial warehouse or a flex-use facility. She discussed the process for determining the average cap rate for an area. She reiterated her confusion about the 2.5 quality rating used by the AO.

There was no response to the call for public comment.

Member McDonald said he put more weight on the cost approach valuation. He noted the base construction cost seemed more favorable, although the appellant expressed some discontent about the difference in quality rating. It appeared the depreciation differences were the predominant concern, but the cost differences were very close. He said the cost approach would uphold the assessor's value. Chair Larmore agreed.

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 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.

21-087E

**PARCEL NO. 510-381-01 – WAL-MART REAL ESTATE
BUSINESS TRUST – HEARING NO. 21-0054**

A Petition for Review of Assessed Valuation was received protesting the 2021-22 taxable valuation on land and improvements located at 5065 Pyramid Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 28 pages.

Exhibit B: Letter and supporting documentation, 8 pages.

Assessor

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

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

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

Ms. Sanders stated she did not have a Marshall & Swift (MS) valuation for the subject location. She said the income approach valuation was basically the same as the last two properties. The square footage was slightly less than 200,000 square feet, she used a rental rate of \$5.25 per square foot, and she used the same calculations as the previous two properties. She used the same sales comparables she presented for the other stores. She pointed out valuations should include both leased fee and fee simple sales, so she included both in her comparables. She noted the Assessor only used leased fee sales in his valuation.

Mr. Kinne reviewed the income approach comparison chart on page 15 of Assessor's Exhibit I. He referred to the sales comparison approach on page 2, noting the most emphasis was placed on IS1 and IS2.

Chair Larmore asked Mr. Kinne to address the appellant's statement about leased fee sales. Mr. Kinne said rental rates were considered when evaluating a leased fee property. If the rents a tenant paid were equal to market rents, she explained, the leased fee was considered equal to the fee simple. He referred to page 2 and pointed out the asterisk by the sales price for IS1. That sale had been adjusted downwards by over \$1 million because the rent the tenant was paying exceeded the market.

There was no response to the call for public comment.

Member McDonald thought the focus would be on the cost approach valuation. He noted the income approach would result in a higher valuation than the cost

approach, even with 7 percent operating expenses and a 7.2 capitalization rate. The cost approach would result in the lowest valuation.

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 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 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.

21-088E BOARD MEMBER COMMENTS

Chair Larmore thanked Assessor's Office and Clerk's Office staff for their efforts in making the Board's job easier. She thanked Assessor's Office staff for their research and presentations, which helped make the Board's decisions easier.

21-089E PUBLIC COMMENT

There was no response to the call for public comment.

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10:25 a.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:

JANIS GALASSINI, County Clerk
and Clerk of the Washoe County
Board of Equalization

*Minutes prepared by
Carolina Stickley, Deputy Clerk*