

**BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA**

WEDNESDAY

9:00 A.M.

FEBRUARY 22, 2023

PRESENT:

Eugenia Larmore, Chair
James Ainsworth, Vice Chair
Daren McDonald, Member*
Dennis George, Member
Rob Pierce, Member

Janis Galassini, County Clerk
Trenton Ross, Deputy District Attorney

The Board of Equalization convened at 9:01 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:

23-093E PUBLIC COMMENT

There was no response to the call for public comment.

23-094E SWEARING IN

There was no appraisal staff to be sworn in.

23-095E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing:

Assessor's Parcel No.	Petitioner	Hearing No.
015-291-09	MAIDSTONE ASSOCIATES	23-0030
015-303-14	LITHIA REAL ESTATE INC	23-0032
033-221-25	KCP RE LLC	23-0033
034-021-48	LITHIA REAL ESTATE INC	23-0034
140-213-48	RC WILLEY HOME FURNISHINGS	23-0036
163-160-06	FINDLAY-SHACK PROPERTIES LLC	23-0037
163-160-08	FINDLAY-SHACK PROPERTIES LLC	23-0038
163-160-13	FINDLAY-SHACK PROPERTIES LLC	23-0039A
163-160-14	FINDLAY-SHACK PROPERTIES LLC	23-0039B
163-160-15	FINDLAY-SHACK PROPERTIES LLC	23-0040
034-257-20	PARAGON INDUSTRIES II INC	23-0041
164-333-02	PARAGON INDUSTRIES II INC	23-0042

031-012-31	PARADISE RETAIL I LLC	23-0043C
031-012-35	PARADISE RETAIL I LLC	23-0043D
031-012-36	PARADISE RETAIL I LLC	23-0043E
031-012-37	PARADISE RETAIL I LLC	23-0043F
031-012-39	PARADISE RETAIL I LLC	23-0043G
031-012-40	PARADISE RETAIL I LLC	23-0043H
031-012-41	PARADISE RETAIL I LLC	23-0043I
031-012-42	PARADISE RETAIL I LLC	23-0043J
510-082-42	SPARKS RETAIL ASSOCIATES LLC	23-0044A
510-083-03	SPARKS RETAIL ASSOCIATES LLC	23-0044B
510-083-04	SPARKS RETAIL ASSOCIATES LLC	23-0044C
510-083-08	SPARKS RETAIL ASSOCIATES LLC	23-0044D
510-083-09	SPARKS RETAIL ASSOCIATES LLC	23-0044E
510-481-04	SPARKS RETAIL ASSOCIATES LLC	23-0044F
510-481-08	SPARKS RETAIL ASSOCIATES LLC	23-0044G
510-482-01	SPARKS RETAIL ASSOCIATES LLC	23-0044H
510-482-02	SPARKS RETAIL ASSOCIATES LLC	23-0044I
510-482-07	SPARKS RETAIL ASSOCIATES LLC	23-0044J
510-483-01	SPARKS RETAIL ASSOCIATES LLC	23-0044K
510-483-02	SPARKS RETAIL ASSOCIATES LLC	23-0044L
510-483-03	SPARKS RETAIL ASSOCIATES LLC	23-0044M
150-012-08	GARDEN COURT INVESTMENT COMPANY LLC	23-0045

23-096E CONTINUANCES

There were no requests for continuances.

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County Clerk Jan Galassini indicated both parcels 015-301-36 and 015-301-38 would be heard together.

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23-097E PARCEL NO. 015-301-36 – LITHIA REAL ESTATE INC – HEARING NO. 23-0031A

A Petition for Review of Assessed Valuation was received protesting the 2023-24 taxable valuation on land and improvements located at 2270 Kietzke Lane, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Schedule A, 1 page.

Exhibit B: Letter and supporting documentation, 31 pages.

Assessor

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

Exhibit II: Letter and supporting documentation, 4 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Wendy Jauregui-Jackins, Appraiser, oriented the Board as to the location of the subject property.

County Clerk Jan Galassini advised the Board that it had been provided with the new evidence at the start of the meeting, including Petitioner Exhibit (PE) B and Assessor Exhibit (AE) II.

Ms. Jauregui-Jackins described the two subject parcels: 015-301-36 and 015-301-38. She indicated the two parcels comprised the Lithia Subaru car dealership. She mentioned one of the buildings was remodeled and had an effective age of 1996 and the other was built in 2002. She reviewed the improved sales (IS) comparables on page 2 of AE-I, stating the three IS properties were current and very comparable automobile dealership sales. She indicated the IS comparison supported the Assessor's Office (AO) taxable value of \$163 per square foot. She spoke about the three land sales (LS) comparables on page 2 of AE-I, noting they were all large acreage sales and in similar locations as the subject property. She said the LS comparison supported the AO's taxable value of \$16 per square foot. She spoke about the income approach outlined on page 3 of AE-I. She referred to the rent survey on page 4 of AE-I and indicated the AO used a market rent of \$1.50 per square foot. She concluded the income analysis suggested a market value of \$13,022,242 or \$250 per square foot which supported the AO's total taxable value of \$168 per square foot.

***9:58 a.m.** **Member McDonald arrived.**

Chair Larmore noted the petitioner requested an almost 50 percent reduction for a total taxable value of \$3.9 million.

Ms. Jauregui-Jackins said the petitioner submitted two packets, but she believed the only differences between PE-A and PE-B were pages 4 and 5. She indicated both the AO and the appellant used the Marshall & Swift valuation manuals to determine replacement costs, but the AO's costs were composed of many detailed building attributes which affected the building's replacement costs. Some examples of building attributes were building occupancy codes, quality of the building, ceiling heights, type of framing, and exterior walls. The AO applied a statutory depreciation rate of 1.5 percent per year. The appellant's cost analysis on page 12 of PE-B used different occupancy codes and redistributed the square footage to those occupancy codes. She observed the appellant was aware of statutory depreciation used in the State of Nevada but continued to apply the age life tables from Marshall & Swift in calculations of depreciation. She said the cost analysis had based the costs from the cost tables which did not take specific building quality and

attributes into account. She stated the cost would be affected by anything not included in the base cost of the building, noting the extra features for the two parcels would add approximately \$500,000 to the depreciated replacement costs. She summarized the AO could not give any weight to the appellant's cost analysis due to the incorrect and missing details. She referred to the LS comparables provided by the appellant on page 19 of PE-B. She indicated she reviewed the appellant's LS properties and determined they were not comparable to the subject property. She said LS-1 was heavily deed-restricted, LS-2 was not a recorded sale, and LS-3 consisted of 105 condominium townhome units. She stated that no weight was given to the appellant's LS comparables.

Ms. Jauregui-Jackins mentioned she received a call from the appellant the prior day asking if the AO could make a reduction based on the sale of the subject property in 2020. She noted the subject was appealed the prior year and the sale of the subject was reviewed at that time. She read her notes from the prior year stating she personally verified the transaction on June 15, 2020. She informed that Lithia Motors had leased the property for approximately 20 years, the lease was amended in December 2015 with an option to buy for \$6 million, so the purchase price was set in 2015 and was not representative of the 2020 real estate market. She mentioned the property underwent a full remodel in 2018 including the addition of 6,400 square feet. The sales price set in 2015 did not reflect the remodel and addition to the building. She asserted the improved sale was not used as a sales comparison because it was not representative of the market value for 2020 nor was it representative of the 2023 market. She concluded the AO valued land at market value and the replacement cost of improvements using Marshall & Swift taking every building attribute into account as set forth in statute. The AO looked at comparable sales and the income approach to value to ensure the market value was not exceeded. She summarized that both the sales comparison approach and the income approach indicated a value of \$250 per square foot, which fully supported the \$163 per square foot total taxable value. The total taxable value did not exceed full cash value and the AO recommended that the total taxable value be upheld.

Chair Larmore observed the petitioner provided both the replacement cost and sales price analyses. She said she was comfortable with the AO's analysis and her own review of the evidence. She remembered the depreciation issue from the prior year and noted reflecting depreciation in the calculation could make a significant impact on the valuation.

There was no response to the call for public comment.

With regard to Parcel No. 015-301-36, 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 Pierce, 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.

**PARCEL NO. 015-301-38 – LITHIA REAL ESTATE INC –
HEARING NO. 23-0031B**

A Petition for Review of Assessed Valuation was received protesting the 2023-24 taxable valuation on land and improvements located at 657 E Grove Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Schedule A, 1 page.

Exhibit B: Letter and supporting documentation, 31 pages.

Assessor

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

Exhibit II: Letter and supporting documentation, 4 pages.

No one offered testimony on behalf of the Petitioner.

On behalf of the Assessor and having been previously sworn, Wendy Jauregui-Jackins, Appraiser, 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. 015-301-38, 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 Pierce, 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.

23-098E **APPROVAL OF MINUTES** Approval of minutes for the County Board of Equalization meeting of January 18, 2023.

There was no response to the call for public comment.

On motion by Member George, seconded by Member Pierce, which motion duly carried, it was ordered that the minutes of January 18, 2023, be approved.

23-099E **BOARD MEMBER COMMENTS**

Member McDonald apologized for his late arrival to the meeting.

Member George noted the motions directed the presenter of the motion to refer to themselves in the first person. He conjectured whether using first person was appropriate versus using “we” when making motions. Vice Chair Ainsworth thought the person making the motion used “I” and the Board vote made it “we.” Member George observed that referring to oneself in the first person was seldom done in most public forums.

23-100E PUBLIC COMMENT

There was no response to the call for public comment.

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9:22 a.m. There being no further hearings or business to come before the Board, the meeting was adjourned without objection.

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 County Clerk*