

**BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA**

TUESDAY

9:00 A.M

FEBRUARY 8, 2005

PRESENT:

**Steven Sparks, Chairman**  
**Gary Schmidt, Vice Chairman**  
**William Brush, Member**  
**Thomas Koziol, Member**  
**John Krolick, Member**

**Nancy Parent, Chief Deputy Clerk**  
**Peter Simeoni, Deputy District Attorney**  
**Ernie McNeill, Senior Appraiser**

The Board met pursuant to a recess taken on February 7, 2005, in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. The meeting was called to order by Chairman Sparks, the Clerk called the roll, and the Board conducted the following business:

**9:00 A.M. - BLOCK 1**

**SWEARING IN WITNESSES**

Chief Deputy Clerk Nancy Parent administered the Oath to Appraiser Mark Stafford.

**CONSOLIDATION OF HEARINGS**

On motion by Member Koziol, seconded by Member Brush, which motion duly carried, Chairman Sparks ordered that the typical consolidation procedures of hearing appeals together that assert the same or similar issues where no petitioners are present be adopted for this day's hearings, although it was noted that will probably not be the case in today's hearings.

**05-31E**      **HEARING NOS. 16A THROUGH 16U - HARRAH'S CLUB**  
**PARCEL NOS. 011-071-26, 011-052-32, -33, -35, -36, -37, -38, -39, 40,**  
**-41, -42, -43, -44, -45, -46, -47, -48, 011-071-09, 011-071-25 AND 011-**  
**370-50**

A petition for Review of Assessed Valuation received from Harrah's Club, protesting the taxable valuation on land and improvements located at 200 North Center Street, Reno, Washoe County, Nevada, was set for consideration at this time. The property is zoned HCD and CB and designated casino, hotel-casino.

Mark Stafford, Appraiser, duly sworn, oriented the Board as to the location of subject property.

The Petitioner was not present but had submitted the following documents into evidence:

Exhibit A, Financial Statements.

Appraiser Stafford submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps, financial analyses, and subject's appraisal record, pages 1 through 80.

Appraiser Stafford advised that the Assessor is recommending a total taxable value of \$105,000,000 for the subject property based on an analysis of the financial statements submitted by the petitioner. In response to Chairman Sparks, Appraiser Stafford reviewed the financial statements and his analysis of the same. He also responded to questions from Board members.

The Chairman closed the hearing.

Based on the FINDINGS that economic obsolescence in the amount of \$12,963,182 should be applied to the subject parcels, as evidenced by the Assessor's and Petitioner's Exhibits, on motion by Member Schmidt, seconded by Member Koziol, which motion duly carried, it was ordered that the total taxable value of the land, improvements and personal property for Harrah's Club be set at \$105,000,000.00 by applying the obsolescence to the improvement value of Assessor's Parcel No. 011-071-26. The Board also made the finding that, with this adjustment, the land and improvements are valued correctly and the total taxable value does not exceed full cash value. The values by parcel are as follows:

PARCEL	LAND	IMPROVEMENTS	PERS PPTY	TOTAL
011-071-26	\$ 5,957,250	\$23,618,895	\$8,554,869	\$ 38,131,014
011-052-32	1,074,900	1,056,718		\$ 2,131,618
011-052-33	985,800	3,113,629		\$ 4,099,429
011-052-35	450,000	536,907		\$ 986,907
011-052-36	825,320	16,543,292		\$ 17,368,612
011-052-37	275,000			\$ 275,000
011-052-38	550,000			\$ 550,000
011-052-39	275,000			\$ 275,000
011-052-40	275,000	9,950		\$ 284,950
011-052-41	412,500	11,015		\$ 423,515
011-052-42	412,500	16,882		\$ 429,382
011-052-43	1,100,000	556,783		\$ 1,656,783
011-052-44	3,478,000	27,019,672		\$ 30,497,672
011-052-45	705,000			\$ 705,000

011-052-46	256,800			\$ 256,800
011-052-47	763,200			\$ 763,200
011-052-48	900,000	238,737		\$ 1,138,737
011-071-09	538,125	1,993,908		\$ 2,532,033
011-071-25	643,500	1,850,408		\$ 2,493,908
011-370-50	500			\$ 500
TOTALS	\$19,878,395	\$76,566,736	\$8,554,869	\$105,000,000

**05-32E      HEARING NO. 55 - ONE SOUTH LAKE STREET, LLC (SIENA)  
PARCEL NO. 011-122-09**

A petition for Review of Assessed Valuation received from One South Lake Street, LLC, protesting the taxable valuation on land, buildings and personal property located at One South Lake Street, Reno, Washoe County, Nevada, was set for consideration at this time. The property is zoned TRD and designated casino/hotel.

Mark Stafford, Appraiser, duly sworn, oriented the Board as to the location of subject property.

Mike Bosma of Grant, Thornton, LLP, representing the Petitioner, was sworn and submitted the following documents into evidence:

Exhibit A, Summary Report of a Complete Appraisal prepared by William G. Kimmel & Associates.

Mr. Bosma testified that William Kimmel did a complete reconciliation of value on the subject property and arrived at a total value range of \$12.8- to \$14.9-million. He drew the Board's attention to several pages within the summary report detailing the subject's financial history. Mr. Bosma then responded to questions from Board members providing more detailed information on the revenue and expenses.

Appraiser Stafford submitted the following documents into evidence:

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps, financial analyses, and subject's appraisal record, pages 1 through 67.

Appraiser Stafford reviewed his analysis of the subject property's financial statements, stating the property is under performing in the gaming area, but their hotel and food/beverage operations are doing well. He further testified that he is in agreement that the correct value for the subject property should be \$15,000,000. Appraiser Stafford then answered questions of the Board members.

In rebuttal, Mr. Bosma provided additional information concerning the operations of the subject property.

The Chairman closed the hearing.

Based on the FINDINGS that additional economic obsolescence in the amount of \$5,000,334 should be applied to the subject property as evidenced by the Assessor's and Petitioner's Exhibits, on motion by Member Schmidt, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable value of the improvements on Parcel No. 011-122-09 be reduced to \$6,738,137, and the taxable value of the land and personal property be upheld, for a total taxable value of \$15,000,000. The Board also made the finding that, with this adjustment, the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**05-33E            HEARING NO. 50 - PONDEROSA HOTEL, INC.**  
**PARCEL NO. 011-226-34**

A petition for Review of Assessed Valuation received from the Ponderosa Hotel, protesting the taxable valuation on land and improvements located at 515 South Virginia Street, Reno, Washoe County, Nevada, was set for consideration at this time. The property is zoned CB, 43/COMM and designated hotel.

Mark Stafford, Appraiser, duly sworn, oriented the Board as to the location of subject property.

The Petitioner was not present.

Appraiser Stafford submitted the following documents into evidence

Exhibit I, Assessor's Fact Sheet(s) including comparable sales, maps, income analyses and subject's appraisal record, pages 1 through 32.

Appraiser Stafford testified that the subject property is operated as two businesses, one of which is a 165-room hotel with weekly rentals, and the other is a nightclub. He reviewed his analysis of the subject's revenue and expenses. Appraiser Stafford further stated he met with the owner and did consider the repairs that the owner indicated needed to be done. He said the subject is in the 2005 reappraisal area and the Assessor had been carrying some obsolescence on it. Appraiser Stafford said the property is making some good revenue and he believes the Assessor's value is correct.

The Chairman closed the hearing.

Based on the FINDINGS that the land and improvements are valued correctly and the total taxable value does not exceed full cash value, as evidenced by the Assessor's Exhibits, on motion by Member Schmidt, seconded by Member Krolick, which motion duly carried, it was ordered that the taxable value of the land, improvements and personal property on Parcel No. 011-226-34 be upheld.

**05-34E**

**HEARING NOS. 51A THROUGH I - PNK, (RENO) LLC**  
**PARCEL NOS. 038-120-08, -14, 038-430-02, -03, -04, -22, -24, -28,**  
**AND PERSONAL PROPERTY I.D. NO. 2/283-003**

A petition for Review of Assessed Valuation received from PNK (Reno) LLC, (Boomtown) protesting the taxable valuation on land, improvements and personal property located at 2100 Interstate 80 West (at Garson Road), Verdi, Washoe County, Nevada, was set for consideration at this time. The property is zoned HC and designated hotel/casino and ancillary operations.

Mark Stafford, Appraiser, duly sworn, oriented the Board as to the location of subject property.

The Petitioner was not present.

Appraiser Stafford advised there was some confusion on the original petition as to whether the property owner was appealing for 2004 or 2005 and that he would only be addressing 2005. Chairman Sparks noted that on the petition documents the Board received there is an "X" across the column for 2/283-003. He asked to see the original of this document. Chief Deputy Clerk Nancy Parent provided Chairman Sparks the original document, and he noted the "X" was in red, so it could not have been done by the petitioner. The Board agreed to separate this hearing and only hear the 2005 secured roll value at this time.

Appraiser Stafford began reviewing his analysis of the subject property's financial statements. Chairman Sparks noted a letter from the petitioner wherein they indicate their willingness to provide additional information to Appraiser Stafford. Mr. Stafford responded that there were e-mails and faxes going back and forth over the previous weekend between himself and the petitioner's representative. Chairman Sparks stated he would like to see those reports and review the information.

On motion by Member Schmidt, seconded by Member Brush, which motion duly carried, it was ordered that Hearing Nos. 0051A through 0051I for PNK (Reno) LLC, (Boomtown) be continued to Friday, February 18, 2005 to consider both the secured property for 2005 and the unsecured property for 2004; that the Clerk so notify the petitioner; and that the petitioner and the Assessor be advised that they need to get any and all information to the Board through the County Clerk's Office prior to the hearing.

Member Schmidt commented this is a good reflection of the issue he has raised in the past regarding where petitions should be filed. In this case, the petitioner, in all good faith, derived the information from somewhere that he could pass his information for his appeal to the Board of Equalization through the Assessor's office; but the information did not get to the Board.

**BOARD MEMBER COMMENTS**

Member Schmidt stated there was a difference of opinion on a parcel considered the previous day and read a portion of NRS 361.227, concerning appraising vacant and improved land, into the record.

He stated he would like to request a future agenda item, noting it was his recollection that the Board previously decided that any Board member could place an item on an agenda; and he believes there is some confusion at the Clerk's Office where they are either unwilling to do so or are concerned about the process. He requested the Board discuss this further and said, in the meantime, he would submit his items in writing to Chairman Sparks.

Member Schmidt stated one item he would like placed on a future agenda as soon as possible is consideration of the seating arrangement for the Board, as he would like to have Legal Counsel sit off the podium and away from the Board.

Chairman Sparks advised that he would have to leave the February 9, 2005 meeting by 5:15 p.m. and he would leave it up to the other Board members whether to have an alternate member sit in if they feel the meeting is going to go late.

**PUBLIC COMMENTS**

Gary Schmidt, Washoe County resident, discussed the bill draft by the County to the State Legislature to modify the compensation of the individual Board members. He said the bill could accommodate other statutory changes in the manner in which the Board functions; and he will be lobbying for a change to extend the February 28<sup>th</sup> deadline to the end of March in any year when there are more than 400 appeals filed. He urged the Board members and citizens to weigh in with the County Commissioners and State Legislators in regard to these issues as well as other issues regarding the County Board of Equalization.

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**10:55 a.m.** There being no further hearings or business to come before the Board, the Board recessed until February 9, 2005, at 9:00 a.m.

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**STEVEN SPARKS**, Chairman  
Washoe County Board of Equalization

ATTEST:

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

*Minutes prepared by  
Sharon Gotchy, Deputy Clerk*