

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

TUESDAY

9:00 A.M.

JANUARY 25, 2011

PRESENT:

James Covert, Chairperson
John Krolick, Vice Chairperson
Benjamin Green, Member
Linda Woodland, Member
James Brown, Member

Nancy Parent, Chief Deputy Clerk
Herb Kaplan, Deputy District Attorney

The Board of Equalization convened at 9:03 a.m. in the Health Department Conference rooms A and B, Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Chairman Covert called the meeting to order, the Clerk called the roll and the Board conducted the following business:

11-0035E SWEARING IN

Nancy Parent, Chief Deputy Clerk, swore in the following members of the Assessor's staff who would be presenting testimony for the 2011 Board of Equalization hearings: Gary Warren and Mike Churchfield.

11-0036E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing: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.
011-532-04	WNG HOLDING CO LLC	11-0035
084-550-02	FOOTHILLS AT WINGFIELD LLC	11-0036
084-550-07	FOOTHILLS AT WINGFIELD LLC	11-0037
084-550-08	FOOTHILLS AT WINGFIELD LLC	11-0038
142-361-07	WNG HOLDING CO LLC	11-0039
161-312-02	WNG HOLDING CO LLC	11-0040
520-351-05	WNG HOLDING CO LLC	11-0045
522-010-80	RED HAWK LAND CO LLC	11-0049
522-121-20	WNG MANAGEMENT CO LLC	11-0060
522-793-01	RED HAWK LAND CO LLC	11-0061
522-912-17	WNG HOLDING CO LLC	11-0063
528-020-05	RED HAWK LAND CO LLC	11-0065

11-0037E CONSOLIDATION OF HEARINGS

There were no requests for continuance.

11-0038E CONSOLIDATION OF HEARINGS

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

Chairperson Covert asked if any Petitioners had signed in. Nancy Parent, Chief Deputy Clerk, indicated Steve Polikalas had signed in, but she did not know when he did so because he was not currently present.

Josh Wilson, Assessor, said he understood Mr. Polikalas represented all of the parcels listed on today's agenda. He stated he would call Mr. Polikalas to let him know the Board was ready to hear the appeals.

9:06 a.m. The Board recessed so Mr. Polikalas could be contacted.

9:08 a.m. Mr. Polikalas arrived and the Board reconvened with all members present.

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

**11-0039E PARCEL NO. 522-030-08 – RED HAWK LAND CO LLC –
HEARING NO. 11-0055**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6550 N. Wingfield Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

On behalf of the Petitioner, Steve Polikalas was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Churchfield, Appraiser, oriented the Board as to the location of the subject property. He advised there was a recommendation on page 1 of Exhibit I. Mr. Polikalas stated the appellant had communicated with the Assessor's Office and agreed with the Assessor's recommendation.

With regard to Parcel No. 522-030-08, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced to \$141,353, resulting in a total taxable value of \$195,403 for tax year 2011-12. 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.

11-0040E PARCEL NO. 522-030-09 – RED HAWK LAND CO LLC –
HEARING NO. 11-0056

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6540 N. Wingfield Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

On behalf of the Petitioner, Steve Polikalas was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Churchfield, Appraiser, oriented the Board as to the location of the subject property. He stated the Assessor's Office had a recommendation on page 1 of Exhibit I to apply \$100,000 in obsolescence. Mr. Polikalas stated the appellant agreed with the Assessor's recommendation.

With regard to Parcel No. 522-030-09, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$100,000 in obsolescence to \$131,353, resulting in a total taxable value of \$185,403 for tax year 2011-12. 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.

11-0041E PARCEL NO. 522-030-10 – RED HAWK LAND CO LLC –
HEARING NO. 11-0057

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6530 N. Wingfield Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

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

On behalf of the Petitioner, Steve Polikalas was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Churchfield, Appraiser, oriented the Board as to the location of the subject property and noted there was a recommendation on page 1 of Exhibit I to apply \$90,000 in obsolescence. Mr. Polikalas stated the appellant agreed with the Assessor's recommendation.

Member Brown noted the land value had gone up from \$42,300. Appraiser Churchfield said his math was incorrect in the recommendation and the land would remain at \$42,300 for a total taxable value of \$219,291.

With regard to Parcel No. 522-030-10, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$90,000 in obsolescence to \$176,991, resulting in a total taxable value of \$219,291 for tax year 2011-12. 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.

DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044,
11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062,
AND 11-0064

On behalf of the Petitioner, Steve Polikalas was previously sworn.

On behalf of the Assessor and having been previously sworn, Stacy Ettinger, Appraiser, stated there was an issue regarding the ownership of these parcels. He noted nine of the eleven parcels were still registered to Loeb Enterprises LLC and two were registered to Red Hawk Land Co. LLC, which Mr. Polikalas was representing. He

said the Assessor's Office found no record of any transfers taking place, which placed into question Mr. Polikalas' representing the parcels registered to Loeb Enterprises LLC. Chairperson Covert agreed the ownership needed to be cleared up before hearing testimony regarding the parcels.

Mr. Polikalas stated he had the Amendment to the Articles of Organization for Loeb Enterprises LLC indicating the company's name was now Red Hawk Land Co. LLC. Chairperson Covert asked if the Amendment satisfied the Assessor's concerns. Josh Wilson, Assessor, stated a transfer of ownership would be recorded through the Recorder's Office, which would generally be in the form of a deed. He said he was questioning this because he wanted to make sure the Assessor's data was correct. He noted he had no concerns with Mr. Polikalas representing the parcels, but did have a concern with the Amendment being dated November 5, 2004.

Chairperson Covert said the name change appeared to be a paper transfer and not a physical transfer of ownership. Mr. Polikalas replied it was a name change. Mr. Wilson said the Amendment was filed with the Secretary of State. Mr. Polikalas stated he delivered a Letter of Authorization or Representation to the Assessor's Office. Mr. Wilson confirmed he had received it. He said Mr. Polikalas was bound by ethical standards, so he would take him at his word and would not object to proceeding with the hearings. Ms. Parent confirmed the Letter of Authorization was part of the record for the hearings.

Appraiser Ettinger oriented the Board to the location of the subject properties. He said based on the fee appraisal provided for last year's hearings, all of the parcels had a total value of \$7,945,000 due to approximately \$8 million in obsolescence. He noted the recommendation was for a total value of \$7,400,000 based on additional obsolescence of \$545,000. He advised this was the first time the appellant was hearing the recommendation. Chairperson suggested Appraiser Ettinger and the appellant get together before moving forward with the hearings.

9:33 a.m. The Board recessed.

9:43 a.m. The Board reconvened with all members present.

Mr. Polikalas said this appeal pertained to the Red Hawk Golf Course located in Wingfield Springs. He reviewed his issues with the Assessor's values as detailed on pages 1-3 of Exhibit B. He stated the problem with Appraiser Ettinger's conclusion was the data he used was incorrect. He advised a \$7 million sales price for the Arrowcreek Golf Course was used, even though the buyers stated it actually sold for \$200,000 and an assumption of \$1.6 million in liability in the form of a negative cash flow and member lawsuits.

Chairperson Covert asked if the Arrowcreek sale was a distressed sale. Mr. Polikalas replied it was and distressed sales helped set the market. He stated the value of a golf course could not be overstated by its contributing to a developer's larger

development plans. He said the golf course must be valued as an operating concern in a mature development. He discussed the sales shown on page 2 of Exhibit B. He noted the Dayton Valley Golf Course was an Arnold Palmer designed course, which sold for \$680,000. He said that sale and the Arrowcreek sale must be looked at when trying to value Red Hawk, which would drastically drive down Red Hawk's valuation.

Mr. Polikalas stated another issue with the Assessor's value was a lot of it was driven by the improvements. He said \$545,000 in obsolescence was not enough, because there was another club house sitting vacant. He stated the club house had no value and should not be used to construct a higher than real taxable value. He noted page 10 provided a recent listing of a golf course in Florida, which was an indication of what golf course sales were nationwide. He said with the sales of golf courses located here establishing the market, Red Hawk's value should be \$2.5 million.

Appraiser Ettinger discussed Red Hawk's amenities as shown on page 1 of Exhibit II. He said the golf course sales summary was on page 59 of Exhibit I. He stated the comparables sales were all over the map, depending on the property's performance, so he used the four that were most recent and the most comparable to the subject. He said the sales prices ranged from \$4,860,000 to \$13,250,000 and the sales price per hole ranged from \$270,000 to \$368,055. He stated the subject's taxable value per hole was \$220,694.

Appraiser Ettinger stated the large disparity in the sales prices directly related to the amount of income being generated. He explained the income was derived from membership dues, daily fees, green fees, and restaurant and pro shop operations. He said the higher sales were for those courses operating more efficiently and making a profit. He said Arrowcreek was a fire sale because of its large negative cash flow.

Chairperson Covert asked how many holes the Arrowcreek Golf Course had. Appraiser Ettinger replied it had two 18-hole courses, so the number of holes was the same as Red Hawk. He said part of Arrowcreek's low sales price was due to the litigation by Arrowcreek's members. He stated the \$7 million sale Mr. Polikalas mentioned fell through because of the litigation while it was in escrow. He noted Arrowcreek almost went into bankruptcy before it was purchased at a good price.

Appraiser Ettinger advised the Dayton Valley Golf Course was not located within Washoe County. He understood it was operating at an approximate \$1 million per year negative cash flow, which was anticipated to take a long time to turn around, and was why the sales price was so low.

Appraiser Ettinger stated he never received the requested income and expense numbers from Red Hawk's General Manager, so he used those provided in last year's MAI appraisal. He advised the income approach was on page 60 of Exhibit I. He said Mr. Polikalas referenced the subject's low income, but the first year projected income had a major flaw requiring a correction to the cost of goods sold. He stated typical operating expenses for cost of goods sold were 80 percent for the golf shop and 35

percent for food and beverage. He noted those numbers were negative in the fee appraisal, which meant the cost of goods sold was costing more than the goods themselves. He understood there were a lot of complementary items being given out because of the way the golf course was being operated. He said correcting the cost of goods sold lead to a correction in the operating income, which resulted in a total value of \$7,405,278 and was the Assessor's recommended value for the property.

Member Krolick asked how the 9 percent cap rate was determined. Appraiser Ettinger said it was determined after a review by the Assessor's Office and after consulting with a nationally recognized MAI golf course appraiser who used the same cap rate on two or three of his appraisals in this area.

Mr. Wilson stated last year the Assessor's Office went with the MAI appraised value of \$7.5 million. He stated now the owner's analysis seemed to be making a substitution of a sale in the MAI conducted appraisal, which was trying to be used as a basis to reduce the taxable value for the subsequent year without a new appraisal or without any verification from the appraiser who did the work. He indicated he was very cautious of that type of analysis. He said he did not want this to be viewed as an appraisal by Mr. Polikalas, because there would be ramifications in doing that.

In rebuttal, Mr. Polikalas said he did not perform an appraisal nor was there an update to the appraisal performed by the MAI appraiser. He said it became clear when he reviewed the appraisal what the true trading price was for golf courses in this region. He stated the Arrowcreek Golf Course was comparable to Red Hawk Golf Course in the number of holes, the date built, and its amenities. He stated the Assessor was correct in stating a golf course's value could be increased due to its level of efficiency, but the point was larger unused amenities and buildings did nothing for the efficiency or profitability of the golf course. He stated Red Hawk had too many unused buildings due to a mature development no longer needing administrative and sales offices. He also advised Red Hawk had \$6.5 million in member liability.

Mr. Polikalas felt there was no relevance to the Assessor's Office using a potential \$7 million sale of Arrowcreek that fell through as a comparable to support the value of Red Hawk. He said sales data in Reno and Sparks for 2004 and in Las Vegas for 2007 should not be used to establish a value of a golf course in a remote northeastern area of Sparks. He advised that real estate market was gone and would not be coming back. He said the most recent sales in the region that should be used to establish the subject's value were those for the Arrowcreek and the Dayton Valley golf courses.

Mr. Polikalas also felt for the Appraiser to substitute his perception of what the cost of goods would be instead of using the data supplied by the owner, was an inappropriate metric to determine the income approach to value. He stated the cost of goods went down last year compared to the data supplied in the appraisal, but not by that much. He said the Appraiser used \$5 million in gross income and then presumed there was an inflated cost of goods to arrive at a net operating income of \$666,000. He stated the net operating income was \$45,000. He said the income approach in the MAI appraisal

of \$2.3 million was a valid metric, as was the comparable sale of a golf course in this region at \$1.8 million. He stated anything else would be pure speculation. He said the request was to reduce the taxable value of Red Hawk to \$2.5 million.

Chairperson Covert said his concern was last year's numbers were requested, but not provided. Mr. Polikalas stated he just provided them to Appraiser Ettinger. He said they were better numbers because the efficiency of the golf course increased. He explained he presumed the numbers in the Board's materials came from Appraiser Ettinger, which showed a net operating loss of \$996,000 for 2008; the year before the loss was \$1.4 million, and the year before that it was \$2.2 million. He said golf courses generally operate at a loss to start, but ideally over time they would begin making money. He noted the amount of money Red Hawk made and the amount of time it would have to be held onto would determine what its true value was currently. He advised he represented the bank that now owned the Red Hawk Golf Course and the market dictated its value if the bank wanted to liquidate this asset.

Member Woodland said Mr. Polikalas stated he represented the bank. Mr. Polikalas said for all intents and purposes the owner of this golf course was the lender, because they took the property back.

Member Krolick asked Appraiser Ettinger to address the appellant's statements regarding the income approach. Appraiser Ettinger stated the only difference between the numbers he used and the numbers in the appraisal was in the cost of goods sold, which was a negative number in the MAI appraisal. He noted his income approach used industry standards to adjust the cost of goods sold. He stated he had been advised using 80 percent for the golf shop and 35 percent for food and beverage were the industry standards for the cost of goods sold for a typical operating course. He said the total operating expenses compared to total revenue was 69.61 percent, which was also normal for a decently run golf course.

Member Brown asked Appraiser Ettinger to address the appellant's issue on page 2 of Exhibit B, which questioned the improvement value of \$1,442,747 for the golf shop and the maintenance area even though the improvements were vacant. Appraiser Ettinger replied that was purely a function of the cost approach where the improvements were valued based on costs minus depreciation. He stated half of the total replacement costs for the golf course were on the rolls now with approximately \$8 million in obsolescence.

Member Green stated the Red Hawk Golf Course was the crown jewel of the Reno area golf courses. He said there was no comparison to the Arrowcreek Golf Course where the wind was awful and the place was poorly managed. He noted the Dayton Valley Golf Course was a nice course, but it had tremendous competition from the golf courses in Carson City and it was a long drive to Dayton Valley. He noted Wolf Run was an average course and D'Andrea was a nice course, but it only had 18 holes. He stated surveys indicated none of the courses compared with Red Hawk. He said Red Hawk had the only restaurant/bar in the development and it received good patronage

from the people living in the community. He advised he supported the Assessor's recommendation.

Member Brown noted the Lakeridge Golf Course sold in 2005 for \$8.3 million, and he asked if Member Green had any idea what it would go for today. Member Green said 2005 was a different time. He stated Lakeridge was built out, so it relied on the income from its restaurant and golf course. He believed there was probably some liability that had carried over at Red Hawk, because the purchase of a lot included approximately 10 free rounds of golf a year.

Chairperson Covert said the Dayton Valley Golf Course was not comparable due to its number of holes and neither was the Arrowcreek Golf Course because of the legal liability that had been going on for years. He noted any reasonable buyer would not touch it with a ten foot pole because legal costs could be very expensive. He advised he could not support a total taxable value of \$2 million for the Red Hawk Golf Course.

Appraiser Ettinger said Parcel No. 522-010-82 had a recommendation to apply additional obsolescence as shown on page 1 of Exhibit II, while the other parcels would remain the same.

Member Krolick said he had no reason to believe from testimony the income approach was not accurate. He favored going with the Assessor's recommendation.

See 11-0042E through 11-0052E below for details concerning the petition, exhibits and decisions related to each of the properties in the consolidated group.

**11-0042E PARCEL NO. 520-020-54 – RED HAWK LAND CO LLC –
HEARING NO. 11-0042**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 0 Wingfield Hills Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 520-020-54, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

**11-0043E PARCEL NO. 520-020-56 – RED HAWK LAND CO LLC –
HEARING NO. 11-0043**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at Wingfield Hills Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 520-020-56, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

**11-0044E PARCEL NO. 520-020-58 – RED HAWK LAND CO LLC –
HEARING NO. 11-0044**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at Wingfield Hills Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 520-020-58, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

11-0045E PARCEL NO. 520-420-01 – RED HAWK LAND CO LLC – HEARING NO. 11-0046

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at Spanish Springs Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 520-420-01, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

**11-0046E PARCEL NO. 520-420-05 – RED HAWK LAND CO LLC –
HEARING NO. 11-0047**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at Spanish Springs Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 520-420-05, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

**11-0047E PARCEL NO. 522-010-44 – RED HAWK LAND CO LLC –
HEARING NO. 11-0048**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at Wingfield Springs Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 522-010-44, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

**11-0048E PARCEL NO. 522-030-14 – REDHAWK LAND CO LLC –
HEARING NO. 11-0058**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at N. Wingfield Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 522-030-14, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

**11-0049E PARCEL NO. 522-110-12 – RED HAWK LAND CO LLC –
HEARING NO. 11-0059**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at Wingfield Springs Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 522-110-12, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

**11-0050E PARCEL NO. 522-793-04 – RED HAWK LAND CO LLC –
HEARING NO. 11-0062**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6220 Wingfield Springs Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 522-793-04, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

11-0051E PARCEL NO. 526-010-04 – RED HAWK LAND CO LLC – HEARING NO. 11-0064

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at La Posada Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 526-010-04, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the Assessor's taxable values be upheld for tax year 2011-12. 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.

11-0052E **PARCEL NO. 522-010-82 – RED HAWK LAND CO LLC –
HEARING NO. 11-0050**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6600 N. Wingfield Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Amended Articles of Incorporation, 1 page.

Exhibit B: Presentation of Value, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 69 pages.

Exhibit II: Recommendation, 3 pages.

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0042 THROUGH 11-0044, 11-0046 THROUGH 11-0048, 11-0050, 11-0058, 11-0059, 11-0062, AND 11-0064 above.

With regard to Parcel No. 522-010-82, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by obsolescence to \$1,118,139, resulting in a total taxable value of \$1,547,248 for tax year 2011-12. 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.

11-0053E **PARCEL NO. 162-141-19 – WNG HOLDING CO LLC –
HEARING NO. 11-0041**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land located at 11275 Boulder Glen Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Presentation of Value, 10 pages.

Assessor

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

On behalf of the Petitioner, Steve Polikalas was previously sworn.

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

Mr. Polikalas stated the subject property was located in a gated community called Pecetti Ranch Estates, but the Assessor's comparables were not located in a gated community. He said that was an issue because the community had design standards that had to be met and very high homeowners' association (HOA) dues. He stated the Assessor's comparables had slightly larger lots, were closer to the City of Reno, and did not have an HOA. He also did not believe there were any design standards that had to be met when building those houses. He stated his three comparables were located in Arrowcreek, which was more appropriate because Arrowcreek was a gated community. He reviewed the three comparables on pages 5 through 10 in Exhibit A. He stated the appellant was requesting the taxable land value be reduced to \$65,000.

Appraiser Lopez reviewed the comparable land sales and the listings on page 1 of Exhibit I. He noted the subject was in a very exclusive neighborhood with 36 custom lots, while Arrowcreek had 511 custom lots and many other semi-custom lots. He said there was a huge difference between the two locations. He stated the sale of the subject in February 2007 was the last land sale in the subject's neighborhood. He said there were two listings in the subject's neighborhood and page 5 showed their location in relation to the subject. He believed the three sales supported the subject's taxable value even considering their lack of an HOA. He agreed Arrowcreek had been hard hit by the economic downturn and the appellant's comparable sales were a true representation of the sales occurring in the Arrowcreek area. He stated neither foreclosures nor short sales had been happening in the subject's neighborhood, so Arrowcreek was not comparable at all, and the recommendation was to uphold the Assessor's value.

Chairperson Covert asked if having a high HOA fee would be an impediment or an advantage to a sale. Appraiser Lopez said it would depend on what the buyer felt the HOA provided. He said the subject's community was gated and there were some common-area parcels that were well landscaped. He stated there were also only 36 lots and half had residences on them.

Member Krolick asked if there was a difference in the HOA dues for vacant land versus developed land. Appraiser Lopez replied he understood the dues were the same.

Member Brown asked how long the Assessor's listings had been on the market. Appraiser Lopez replied they had been on the market for 155-190 days.

Member Green asked if Pecetti Ranch Estates was the development on a hill. Appraiser Lopez replied it was and some parcels had some city views, but the subject did not have a city view. Member Green felt paying over \$4,000 a year in HOA dues, while not having a view, was a terrible amount. He agreed Arrowcreek was a

different community than southwest suburban. He said the time the two listings had been on the market might indicate the asking price was too much and might also indicate the listings were not good comparables.

Member Krolick noted LS-1 was fairly recent. Appraiser Lopez said page 4 showed the location of LS-1 relative to the subject. Member Krolick said it did not look like it would have an HOA, and how would that compare to the subject. Appraiser Lopez said the decision would go back to the buyer and their preference of having a gated exclusive community with an HOA or having open space.

Member Green asked if any of the properties in Pecetti Ranch Estates had a base-lot value of less than \$300,000. Appraiser Lopez stated they all had a base-lot value of \$300,000. Member Green noted there had not been a land sale in Pecetti Ranch Estates since 2007. Appraiser Lopez replied that was correct.

Member Brown asked what remained unsold. Appraiser Lopez advised 17 of the 36 parcels were still vacant, and he was not sure how many were still owned by the developer.

Josh Wilson, Assessor, discussed the ethics class he took where training was provided to the Assessor's on what constituted an appraisal. He said the class was held because a lot of appraisals had been going to the State Board of Equalization. He advised he asked if an attorney could express an opinion of value or would that be in conflict with the unlicensed appraiser policy in statute. He stated it was made very clear that an attorney could only represent the owner's opinion of value. He said Mr. Polikalas going and finding his own comparables would be similar to his going into a court of law and filing a brief. He stated both professions had licensing provisions, and he wanted to make sure that was clear. He understood the issue was more prevalent in Clark County where unlicensed representatives were expressing an opinion of value.

Mr. Wilson said when looking at this property, which sold in 2007 for \$500,000 compared to Arrowcreek selling at around \$300,000 then, it clearly demonstrated Pecetti Ranch Estates traditionally sold for higher prices than Arrowcreek.

In rebuttal, Mr. Polikalas stated he represented the owner's opinion of value and the owner appealed the parcels that were clearly overvalued by the Assessor's Office. He said the Assessor's 2007 sale was a very old sale of the subject, and the local real estate market had changed since then. He said the HOA dues of \$340 a month, 50 percent of the lots still unsold, and lots on the market for 155-190 days showed the subject was overvalued. He stated there was not a huge market for residential lots in Northern Nevada. He reiterated the Assessor's comparables were not in subdivisions with design standards or high HOA dues, but were ranch properties in a totally different area. He stated all of those things affected the true value of the property.

Member Green felt this lot was entitled to a reduction, but not down to \$65,000. He stated he would consider a reduction to \$250,000, which was 50 percent of

the purchase price. Member Krolick asked why that amount. Member Green believed \$300,000 was too much for the subject property and the comparable sales were too different. Member Krolick agreed the comparable sales were too different.

With regard to Parcel No. 162-141-19, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Brown, seconded by Member Green, which motion duly carried, it was ordered that the taxable land value be reduced to \$250,000, resulting in a total taxable value of \$250,000 for tax year 2011-12. With that adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

DISCUSSION FOR HEARING NO'S 11-0051 THROUGH 11-0054

On behalf of the Petitioner, Steve Polikalas was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Churchfield, Appraiser, oriented the Board as to the location of the subject properties.

Mr. Polikalas said the Assessor's Office relied on a few sales and the allowance in the Development Handbook of 14 units per acre to value these parcels. He stated the owner felt it would be impossible to develop 14 units per acre in this market, because it would require constructing a three-story building. He said the cost of a three-story building was estimated at \$110 per square foot plus other associated development costs. He said those costs along with the high land value would make the rent revenue stream unachievable, even if the units could be absorbed by the market.

Mr. Polikalas stated one of the Assessor's comparables was over four years old and one was almost four years old. He said the comparables were from another place and time, which was completely disassociated with today's local real estate market. He stated the owner's opinion of value for the parcels would be \$25,000 per acre if compared to a townhome type product. He said Exhibit A contained a Colliers International report, which showed similar pricing for that type of product in 2010 locally.

Appraiser Churchfield said the parcels were 14.36 acres collectively, and the Development Handbook allowed 14 units per acre. He acknowledged the apartment land sales were dated, but they were the only such transactions that occurred. He stated multi-family development was the only facet of the commercial market that had a vacancy rate below 25 percent. He said the subject's value was \$5,928 per unit, and a similarly situated property on Rolling Meadows was approximately \$10,500 per unit. He confirmed they had infrastructure, but they did not have the amenity of having a golf course view. He said the zoning on the subject parcels did allow for building up, which even if the owner did not do so, that did not mean someone else would not build apartments or a timeshare. Chairperson Covert believed that would not happen in the foreseeable future. Appraiser Churchfield said the data indicated the apartment market was improving slightly. He noted rents were starting to creep up a little because

concessions were being dropped. He stated he looked for apartment complex sales of 60 or more units, and there had been one sale in the last two years. He said that sale was a fractional ownership of a condominium project.

In rebuttal, Mr. Polikalas said there might be a market for apartments, but the Assessor's last sale was over four years old. He stated that showed there was no market for developing apartments from the ground up. He explained land at Wingfield Hills was assessed at \$25,000 per acre, which justified the owner's opinion of value at \$25,000 per acre for the subject properties.

Member Woodland asked if the parcels had water rights. Mr. Polikalas stated he was not sure; but he noted they were part of the master planned Wingfield Springs/Red Hawk development, so he believed there was sufficient water to develop the units. Chairperson Covert guessed water would have to be available to file a master plan. Mr. Polikalas said he understood it had to be demonstrated there was sufficient water to obtain the Development Handbook.

Member Krolick felt the Assessor's value was appropriate due to its being 52 percent of the 2005 purchase price. Chairperson Covert said he had an issue with the land being zoned for multi-family.

Member Green said there were several new apartment complexes in Sparks, so some apartments were being built; however, the market was saturated with what had been built already. He believed a three-story apartment building would not make sense in that area. He indicated he also had a hard time comparing sales that were four-years old with the current market. He felt \$83,000 per acre value was too high, but he was not sure what the reduction should be.

Member Green stated the parcels were near the new park, which would enhance the value of the apartments when they were finally built. Appraiser Churchfield confirmed the parcels were approximately one-half mile from the park.

Appraiser Churchfield clarified the comparable on Rolling Meadows was developed and was a brand new three-story complex. He said Member Green was correct in stating building was occurring in that area.

Member Green reiterated he believed the \$83,000 per acre land value was too high and suggested \$70,000 per acre. Member Woodland stated the \$25,000 per acre land value was too low and suggested \$75,000 per acre instead.

Chairperson Covert said each parcel would need to be reduced individually. Appraiser Churchfield agreed and provided the numbers for each parcel based on a reduction to \$75,000 per acre.

See 11-0054E through 11-0057E below for details concerning the petition, exhibits and decisions related to each of the properties in the consolidated group.

11-0054E **PARCEL NO. 522-030-01 – RED HAWK LAND CO LLC –**
HEARING NO. 11-0051

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6360 Wingfield Springs Road, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Presentation of Value, 8 pages.

Assessor

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

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0051 THROUGH 11-0054 above.

With regard to Parcel No. 522-030-01, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be reduced to \$189,600 and the taxable improvement value be upheld, resulting in a total taxable value of \$338,459 for tax year 2011-12. 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.

11-0055E **PARCEL NO. 522-030-02 – RED HAWK LAND CO LLC –**
HEARING NO. 11-0052

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6360 Wayland Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Presentation of Value, 8 pages.

Assessor

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

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0051 THROUGH 11-0054 above.

With regard to Parcel No. 522-030-02, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be reduced to \$242,325 and the taxable improvement value be upheld, resulting in a total taxable value of \$242,403 for tax year 2011-12. 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.

**11-0056E PARCEL NO. 522-030-03 – RED HAWK LAND CO LLC –
HEARING NO. 11-0053**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6251 Wayland Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Presentation of Value, 8 pages.

Assessor

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

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0051 THROUGH 11-0054 above.

With regard to Parcel No. 522-030-03, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be reduced to \$239,325 and the taxable improvement value be upheld, resulting in a total taxable value of \$239,403 for tax year 2011-12. 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.

**11-0057E PARCEL NO. 522-030-04 – RED HAWK LAND CO LLC –
HEARING NO. 11-0054**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6000 Wayland Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Presentation of Value, 8 pages.

Assessor

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

For the discussion that took place for this hearing, see DISCUSSION FOR HEARING NO'S 11-0051 THROUGH 11-0054 above.

With regard to Parcel No. 522-030-04, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, it was ordered that the taxable land value be reduced to \$405,675 and the taxable improvement value be upheld, resulting in a total taxable value of \$405,753 for tax year 2011-12. 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.

**11-0058E PARCEL NO. 528-020-06 – RED HAWK LAND CO LLC –
HEARING NO. 11-0066**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land located at Pyramid Way, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Presentation of Value, 2 pages.

Assessor

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

On behalf of the Petitioner, Steve Polikalas was previously sworn.

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

Mr. Polikalas said the subject was the proposed Lazy 8 Casino site. He discussed all of the hurdles in building a casino. He stated based on the \$3.9 million sale of the Sienna in downtown Reno, it was apparent there was not a market for this type of property. He said the premium the Assessor's Office put on this site was not justified just because it was designated a casino site in the Development Handbook. He felt the value should be reduced to \$3.00 per square foot to equalize it with Parcel No. 528-020-05, which was valued at \$3.00 per square foot.

Chairperson Covert asked what the developer would do with the property if the casino was not built. Mr. Polikalas said there was currently no development plan for the property. He stated ground-up development of any type of property these days was more speculative an undertaking than ever.

Member Green asked if the construction of the casino was approved by the City of Sparks. Mr. Polikalas said it was regarding its being a casino site, but whether there was a license that could be applied to this property to build a casino that did not have 200 rooms was still the subject of some controversy. He said he did not know the current status of the litigation, the Gaming Commission approval, or the approvals by the City of Sparks. Member Green noted the original plans for Wingfield Springs had a hotel/casino as part of the project. He felt the Wingfield Springs hotel/casino had been moved over to Pyramid Highway. He advised he was disappointed it would not be built in Wingfield Springs because it would have been a nice development for the area. Mr. Polikalas also believed that was the entitlement they moved to this site. Member Green asked what was envisioned for the site if commercial went in. Mr. Polikalas stated it was difficult to forecast any type of significant commercial development happening in the region. He noted that was especially true because the Legends in Sparks was a Star-Bond subsidized mega-retail development with approval for a casino. He explained it was hard to pencil out a development that could be absorbed in this market. Member Green commented the Galleria had many vacant stores, including two big box stores. Mr. Polikalas said those vacancies would have to be absorbed before building any more commercial space in the area.

Appraiser Churchfield stated historically there had been a premium placed on casino land. He reviewed the 2009 comparable sales on page 1 of Exhibit I, which supported the Assessor's value. He acknowledged it was hard to determine the value of the casino site without like sales.

Member Brown stated LS-2 was twice the size of the subject and another comparable was six times larger. He asked if there was a discount for the larger square footage. Appraiser Churchfield stated theoretically the price would go down for the larger square footage. Member Brown asked if the subject was being valued as a casino site. Appraiser Churchfield replied it was valued based on its designation in the Development Handbook.

In rebuttal, Mr. Polikalas said being designated a casino site in the Development Handbook was also a detriment. He said doing an industrial comparison was not an appropriate way to determine the subject's value. He stated a reduction was being requested based on the commercial realities, and it was felt the comparables were not truly indicative of what this property was worth or what it could be developed for now or in the foreseeable future.

Member Green stated he would be surprised if the subject was developed as a casino, especially with the Silver Club in the City of Sparks still sitting vacant. He said since it was valued as a casino based on the Development Handbook, the Board

should look at it to see if the value should be reduced. Chairperson Covert felt the Assessor's Office did the right thing in arriving at its value because there was nothing else to go by, but he tended to agree in today's market the value being based on its being a casino site was not realistic. Member Brown agreed that he did not foresee it being developed as casino property.

Chairperson Covert suggested dropping it to \$4.00 per square foot. Member Green said he was looking at LS-2 as a possible comparable at \$3.50 per square foot even though it was a smaller parcel. Appraiser Churchfield noted the sales price was \$4.25 per square foot and \$3.50 per square foot was its taxable value.

With regard to Parcel No. 528-020-06, pursuant to NRS 361.357, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Woodland, seconded by Chairperson Covert, which motion duly carried with Member Brown voting "no," it was ordered that the taxable land value be reduced to \$4.00 per square foot for a total land value of \$3,126,039, resulting in a total taxable value of \$3,126,039 for tax year 2011-12. With that adjustment, it was found that the land is valued correctly and the total taxable value does not exceed full cash value.

11-0059E BOARD MEMBER COMMENTS

There were no Board Member comments.

11-0060E PUBLIC COMMENT

There were no public comments.

* * * * * * * * *

11:48 a.m. There being no further hearings or business to come before the Board, on motion by Member Woodland, seconded by Member Brown, which motion duly carried, the meeting was adjourned.

JAMES COVERT, Chairperson
Washoe County Board of Equalization

ATTEST:

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

Minutes prepared by Jan Frazzetta, Deputy Clerk