

BOARD OF EQUALIZATION, WASHOE COUNTY, NEVADA

WEDNESDAY

9:00 A.M.

FEBRUARY 16, 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 9:00 a.m. in the Commission Chambers of the 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:

11-490E WITHDRAWN PETITIONS

The following petitions scheduled on today's agenda had been withdrawn by the Petitioners prior to the hearing: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.
040-941-41	QUAIL CORNERS SOUTH LLC	11-0412A
040-942-02	QUAIL CORNERS SOUTH LLC	11-0412B
025-620-10	QUAIL CREEK BUSINESS PARK LLC	11-0437
043-332-09	QUAIL COUNTRY ESTATES LLC	11-0451
040-942-33	SIERRA ROSE DRIVE LLC	11-0468
040-942-29	QUAIL CORNERS SOUTH-PH 3 LLC	11-0478
040-941-05	689 SIERRA ROSE LLC	11-0466
040-941-13	QUAIL CORNERS SOUTH LLC	11-0470
040-942-24	QUAIL CORNERS SOUTH PHASE III LLC	11-0476
040-943-02	JOHN & JOHN LLC	11-0480
040-943-04	EWING ROBERT K II DO LLC	11-0481

11-0491E REQUESTS FOR CONTINUANCE

The following petition was continued to February 25, 2011:

Assessor's Parcel No.	Petitioner	Hearing No.
020-201-73	020-201-73	11-0394

11-0492E CONSOLIDATION OF HEARINGS

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

11-0493E PARCEL NO. 025-330-39 – 7300 S VIRGINIA STREET LLC – HEARING NO. 11-0426

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 7300 S. Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 3 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 15 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau advised the Assessor's Office and the appellant were close regarding the values. He said an income analysis and the financials were provided for the subject property, and its actual income was the most relevant factor. He noted the subject property was fully rented, which meant there would not be any additional income beyond the \$279,832 reported. He stated there was a \$194,749 profit after adjusting for non-building related expenses and, after applying the same assumptions the Appraiser applied during their the income analysis and using a 9 percent cap rate, the value should be \$2,163,877. He believed a 9 percent cap rate was reasonable under the circumstances.

Appraiser Gonzales discussed the sales comparables on page 2 and the income approach on page 3 of Exhibit I. He said income and expense data was provided, but the appellant did not provide a rent roll or income analysis. He advised he received the rent roll on Monday. Chairperson Covert asked how the numbers used compared with the actual numbers provided by the appellant. Appraiser Gonzales replied the rents were less than those actually being received. He stated he based the rents on a triple-net lease, which was being used for most retail spaces, and because he did not have the appellant's information at the time he conducted his analysis. Chairperson Covert stated the rents supported the Assessor's position. Appraiser Gonzales said using the appellant's actual

rents and expenses would arrive at a value of \$2.31 million, which was higher than Mr. Croteau's \$2.16 million indication of value. He believed the difference was the appellant's numbers included the loan interest, which he noted was not a proper expense to account for. He reviewed the conclusions on page 1 of Exhibit I, which supported the Assessor's recommendation to uphold.

Chairperson Covert noted his concern was the comparable sales were less than half the size of subject, and he was not sure that was an apples-to-apples comparison. Appraiser Gonzales said the subject was a larger facility, but the smaller units would have a higher cost per square foot. He believed even with taking that into consideration, it would still support \$131 per square foot.

In rebuttal, Mr. Croteau stated he did not use the loan interest in the cap rate. He said the Ribeiro Companies' properties in general used a triple-net modified-gross lease. He explained their properties also had significant expenses beyond those generally allowed by the Assessor's Office, which was one of the areas of contention. He stated the Assessor had operating expenses of 5 percent but, if the interest expense was removed, expenses would be approximately 36 percent. He felt the income approach was the most applicable approach because there were actual numbers, it was fully rented, and the higher rent was reflected in the expenses. He said he supplied actual income numbers but, even with applying the Assessor's analysis, the number should be lower based on the Assessor's assumptions. He stated if a property was for sale, it would reflect what the income approach would be, because no one would pay more than what the return on investments would be. Chairperson Covert said the Assessor was placing a much heavier emphasis on the income approach, because the sales approach value was close to \$4 million.

Josh Wilson, Assessor, stated he was having trouble understanding the Petitioner's \$2,163,877 total taxable value, because he had not seen the income analysis that rendered the Petitioner's number. Mr. Croteau said the income and expenses were provided. He noted the interest and the depreciation expenses were redacted as non-building related expenses. He said the net income was divided by the Assessor's 9 percent cap rate, which was how he arrived at the \$2,163,877 total taxable value. He did not believe he needed to supply a document that identified the math, because he applied a straight income approach from the financials, which were on page 1 of Exhibit A.

Chairperson Covert asked if the Appraiser had the numbers Mr. Croteau discussed. Appraiser Gonzales said he received the rent roll on Monday, which he used in his calculation. He stated he came up with an expense of \$4.24 per square foot and kept the cap rate at 9 percent for a total taxable value of \$2.31 million. Chairperson Covert asked if Mr. Croteau's income numbers were used. Appraiser Gonzales replied they were and the interest was subtracted from the expenses. Mr. Croteau noted the income information was provided some time ago, but the rent roll was supplied recently to show the property was fully occupied. He felt it would not be appropriate to apply the higher rent demonstrated, because there were higher expenses to go with the higher rent.

Chairperson Covert asked if the Assessor's Office disallowed any other expenses. Appraiser Gonzales believed only the interest on the loan was disallowed.

Member Krolick stated there was a difference of opinion regarding the expenses. Chairperson Covert said the difference between the Assessor and the appellant was \$69,959, which would make the improvements \$1,497,517 due to obsolescence.

With regard to Parcel No. 025-330-39, 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 Green voting "no," it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$69,959 in obsolescence to \$1,497,517, resulting in a total taxable value of \$2,163,877 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.

11-0494E PARCEL NO. 025-620-09 – QUAIL CREEK BUSINESS PARK LLC
– HEARING NO. 11-0436

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 4098 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 6 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 14 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau stated the subject property had a 59 percent vacancy rate, which was located more on warehouse portion of the subject. He requested applying the income approach for a \$792,310 total taxable value.

Appraiser Gonzales reviewed the comparable sales on page 2 and the income approach on page 3 of Exhibit I. He discussed the conclusions on page 1. He noted it appeared the subject was receiving higher than market rents based on the

information received on Monday, and he also had not been aware of the vacancy rate until he received the rent roll. He said the recommendation was to uphold.

In rebuttal, Mr. Croteau said the subject was experiencing a high vacancy rate. He said last year the Board applied \$80,411 in obsolescence, which recognized the continuing inability to rent the property. He said a 20 percent vacancy rate was calculated in the Assessor's income approach, when it was actually closer to 59 percent. He agreed 30 percent was close to what the expenses were when operating under the assumptions in the income approach. He reiterated the appellant was asking for some assistance on the valuation of the property simply from an obsolescence point of view. He said bringing the taxable value down to at least the Assessor's income approach would be relatively significant, even though it substantially overstated the property's income.

Mr. Croteau acknowledged the subject property was getting higher than market rents, which was due to the office space being rented and the warehouse space being vacant.

Member Krolick asked what the vacancy numbers were last year. Appraiser Gonzales stated he did not recall, but the overall value was the same as last year. Josh Wilson, Assessor, said he heard the Petitioner say the Board granted a reduction due to obsolescence last year and maintained the same total value for this year. Mr. Croteau stated he did not have vacancy numbers with him. He noted the building value last year was \$695,760, while this year it was \$723,084.

Chairperson Covert said page 1 of Exhibit I showed \$80,411 in obsolescence, which would be zero if it had been taken off this year. Mr. Wilson stated the \$80,411 in obsolescence was included in the \$723,084 value of the building, which was shown on page 4 under the BLDG COST SUMMARY heading. Covert said he understood the obsolescence was removed and that was why the building value went up. Appraiser Gonzales replied the obsolescence was not removed, but was adjusted to maintain the total taxable value. Appraiser Gonzales stated the Assessor's Office was required to review obsolescence every year and that was why they sent out letters requesting updated income and expense information. If that information was not received, the appraiser had to decide whether to maintain the obsolescence or not.

Mr. Croteau said because the land went down, it should be recognized the property value would go down. He said the Assessor's Office should not be able to offset a decrease in land value by increasing the price of the real estate. Chairperson Covert commented it seemed it was being taken out of one pocket and put in another. Mr. Croteau said that was his point. Appraiser Gonzales said part of the reason the Assessor's Office had to review obsolescence every year was to determine if the value was exceeding market.

Chairperson Covert noted the comparable sales were pretty current. Member Green agreed. Chairperson Covert stated IS-2 and IS-3 were indicative but not comparable because they were much smaller units, which was reflected in the price per

square foot. Member Green stated he would like to uphold the Assessor's value. Member Woodland agreed.

With regard to Parcel No. 025-620-09, 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 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.

**11-0495E PARCEL NO. 043-332-06 – 110 HUFFAKER LANE LLC –
HEARING NO. 11-0443**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 110 Country Estates Circle, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 5 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau stated the subject property was 100 percent rented. He advised the appellant was asking the income approach be used for valuation due to the disparity between the different analyses.

Appraiser Gonzales reviewed the comparable sales on page 2 and the income approach on page 3 of Exhibit I. He noted the appellant supplied income and expense data, but the rent roll was not provided until this week. He discussed the conclusions on page 1 and noted the recommendation was to uphold. Chairperson Covert asked if the income analysis used the actual numbers. Appraiser Gonzales replied he did not get a chance to do that. Chairperson Covert said the appellant's rents were higher than what was on the Assessor's income analysis, and he asked about the expenses. Mr. Croteau indicated the difference in the expenses was roughly 10 percent, and the Petitioner's actuals were higher than the Assessor's estimate. Chairperson Covert asked if there was anything unusual in the expenses. Appraiser Gonzales said there was nothing

unusual, but he explained why the appellant's calculation was incorrect. Mr. Croteau disagreed. Appraiser Gonzales said the expense ratio was arrived at using the operating expenses divided by the affected gross income, which equated to 33 percent. Chairperson Covert said in this case the vacancy and collection loss were two different items and this property was fully rented. Appraiser Gonzales indicated that was correct. Chairperson Covert stated there was no way of knowing what the appellant's risk of collection loss was.

Chairperson Covert asked if the Petitioner had any further testimony. Mr. Croteau replied he did not.

Member Green stated the property appeared to be well managed, had above market rents, and had no vacancies at the present time. He wondered if the income approach would be more appropriate to use for this property. He said \$5 a square foot for operating expenses was not a bad number. Chairperson Covert asked if there was a single tenant. Mr. Croteau replied there were three tenants.

Member Brown felt IS-1 was a good comparable. Chairperson Covert said it appeared the Assessor's value leaned more towards the income approach. Member Green stated IS-3 was a recent sale and was very comparable.

With regard to Parcel No. 043-332-06, 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 Woodland, 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.

11-0496E PARCEL NO. 043-331-01 – QUAIL COUNTRY ESTATES LLC –
HEARING NO. 11-0449

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 161 Country Estates Circle, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Parcel QuickInfo, 2 pages.

Exhibit B: Tenant Rent Roll, 4 pages.

Exhibit C: Tenant Rent Roll and Income Information, 7 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau stated 36 percent of the building was finished as office space and had tenants, but the remainder was a shell. He said providing an economic analysis was difficult because of the condition of the subject property and because the financials were combined with another property. He reviewed the income and expenses on page 6 of Exhibit C.

Chairperson Covert asked what the appellant was asking for. Mr. Croteau replied they were requesting obsolescence of 30 percent, or approximately \$36,000. He discussed the Assessor's numbers and indicated the value of \$130 per square foot, based on the sales comparison approach, was hard to believe because of the subject property's current condition.

Appraiser Gonzales reviewed the comparable sales on page 2 and the conclusions on page 1 of Exhibit I. He stated two-thirds of the building's value was removed and the occupancy code shown on page 4 indicated it was being costed as a shell. He said the \$109,429 adjustment for the lack of floor finish recognized the condition of the building. He stated the recommendation was to uphold.

Member Brown asked how far IS-1 was located from the subject. Appraiser Gonzales said he estimated it was 2.5 miles to the south. Josh Wilson, Assessor, said a map on page 6 showed the relationship.

Mr. Wilson said this property was heard before this Board last year and that value was maintained. He thought the valuation should be closer to \$130 per square foot based on a current sale because the Assessor's value was half of that for the taxable value.

In rebuttal, Mr. Croteau commented the building had a dirt floor, walls and a roof, but no plumbing, which put into perspective what was being dealt with.

Member Green noted the building was built in 2004 and was never sold. Mr. Croteau replied that was correct. Member Green asked what was being asked for the property. Mr. Wilson said he was curious also, because he was not aware of the property ever being listed. Chairperson Covert asked if anyone knew if it was for sale. Appraiser Gonzales indicated he last looked on LoopNet a month ago to see if the property was listed and it was not. Mr. Croteau said he was sure if an offer was made, it would be presented for sale. He stated it was possible that it was removed from LoopNet for a period of time, so it would not have a four-year taint to it. He advised it had been continuously for sale.

Chairperson Covert said he believed the \$56 per square foot compensated for the unfinished condition of the building. Member Woodland said she favored upholding the Assessor's valuation.

With regard to Parcel No. 043-331-01, 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 Krolick, 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.

**11-0497E PARCEL NO. 043-332-05 – QUAIL COUNTRY ESTATES LLC –
HEARING NO. 11-0450**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 160 Country Estates Circle, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Parcel QuickInfo, 2 pages.

Exhibit B: Tenant Rent Roll, 4 pages.

Exhibit C: Tenant Rent Roll and Income Information, 7 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Rigo Lopez, Sr. Appraiser, discussed the administrative procedures the Assessor's office was required to follow each year in verifying whether the obsolescence being applied to a property was still warranted. He stated that information was not obtained from the appellant. He said the appellant had every right to appeal the property every year, but as had been stated to Mr. Croteau and others, if that information was obtained by the Assessor's Office earlier, they could sit with the appellant and try to resolve any issues prior to the hearings before this Board taking place.

Mr. Croteau explained his representation started at the beginning of the appeal process on January 18, 2011. He said the appellant's financials were not available to him until the end of January or early February. He stated he had to go through this process so the appellant could take them to the State Board of Equalization if necessary.

Chairperson Covert advised any information, even if it was somewhat incomplete, that could be provided in November would help. Mr. Croteau noted he just received the packages from the Assessor's Office. Chairperson Covert stated the Assessor's Office had the same problem. Mr. Croteau said he understood and respected that. Chairperson Covert said everyone would do the best they could with what they had.

Appraiser Gonzales reviewed the comparable sales on page 2 and the income approach on page 3 of Exhibit I. He stated he had no income information at the time of the initial filing, and he just received the rent roll on Monday, so market rents and vacancy rates were used. He discussed the conclusions on page 1 and advised the recommendation was to uphold the Assessor's value.

Chairperson Covert said it looked like the falling rates per square foot were indicative of the market for the comparable sales. He believed not much weight would be put on the 2009 sales when there was a very comparable 2010 sale. Appraiser Gonzales said he agreed with that to the extent that the market continued to decline, but part of his analysis showed medical office space sold for higher prices than just office space. Chairperson Covert said he agreed.

Member Green asked if the difference between office and medical space were the parking requirements. Appraiser Gonzales said it was because a medical office required more plumbing and electrical. He said he was not sure about any additional parking requirements. Member Green indicated he knew more patient parking was required, but he did not know what the number was other than it was based on the number of physicians.

Mr. Croteau said the property was a combination of medical and general office with the medical portion being rented. He said the one financial record provided was for this property and the shell building from the previous hearing. He said the carrying cost of a shell would not make up much of the expenses except for the property taxes, and the primary expenses on the income statement related to the subject property. He stated the gross income represented the rental for the medical side of the building because the general office space, which comprised 51 percent of the total space, was not rented. He said the net income was \$11,266. He noted part of the problem in discussing what the appropriate price per square foot would be, was the amount of tenant improvements varied only slightly for regular offices, but varied widely for medical offices due to tenant requirements. He said that made it hard to look at medical offices because there had to be an in-depth analysis of what was being looked at when comparing properties. He stated the appellant was requesting some obsolescence with regard to the 51 percent vacancy. He said the Assessor's Office valued the building at \$890,000 and the income approach had a value of \$810,000, so it would be an adjustment of \$80,000 if the income approach was used. He stated the Assessor's income approach showed a 16 percent vacancy when it was actually 51 percent. Chairperson Covert asked what type of medical was it. Mr. Croteau replied it was an arthritis consultant.

Member Woodland noted the property was already reduced over \$45,000 this year. Chairperson Covert asked if the Assessor's Office had the actual rental rates. Appraiser Gonzales replied it was \$1.65 per square foot. Chairperson Covert said it was right between what the Assessor used as office versus medical, and the medical space was what was rented. Mr. Croteau replied that was correct.

Member Green noted IS-1 was newer than the subject, but it was all office space. Chairperson Covert asked if IS-1 was fully occupied. Appraiser Gonzales replied he did not know.

With regard to Parcel No. 043-332-05, 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 Green, 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.

11-0498E PARCEL NO. 040-880-20 – QUAIL COURT LLC –
HEARING NO. 11-0457

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6770 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 5 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Exhibit C: Tenant Rent Roll and Income Information, 6 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 14 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. He advised there was a recommendation. Mr. Croteau advised he was aware of the recommendation, and he would be submitting what was on the record on that basis.

With regard to Parcel No. 040-880-20, 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 Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by

\$237,861 in obsolescence to \$1,073,378, resulting in a total taxable value of \$1,258,780 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.

10:28 a.m. The Board recessed.

10:42 a.m. The Board reconvened with all members present.

11-0499E PARCEL NO. 040-880-21 – QUAIL COURT-RIBEIRO MORENO LLC – HEARING NO. 11-0458

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6774 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 3 pages.

Exhibit B: Tenant Rent Roll, 4 pages.

Exhibit C: Corrected Income Statement, 1 page.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Chairperson Covert asked if Mr. Croteau agreed with the Assessor's recommendation to apply total obsolescence of just under \$300,000. Mr. Croteau asked if the obsolescence was being increased from \$216,000 to \$299,000 by essentially adopting the income approach as presented. Appraiser Gonzales replied that was correct.

Mr. Croteau stated the subject property had a 35 percent vacancy rate. He said the decrease in the total taxable value to \$1,105,067 was appreciated, but the appellant believed it was not enough. He asserted the appellant's income approach would generate a significantly lower number but, based on how the Board looked at this issue today, he would submit what was on the record with that argument.

Appraiser Gonzales advised the most emphasis was placed on the income approach. He stated the office condominium struggled to obtain tenants since its completion. He said the recommendation would bring the total obsolescence to \$299,814 and would reduce the total taxable value to \$1,105,067. Chairperson Covert asked why

the building consistently had rental problems. Appraiser Gonzales said the buildings were nice, but the issue could be their location within the long parcel.

With regard to Parcel No. 040-880-21, 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 \$299,814 in total obsolescence to \$941,181, resulting in a total taxable value of \$1,105,067 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.

**11-0500E PARCEL NO. 040-880-22 – QUAIL COURT-RIBEIRO MORENO
LLC – HEARING NO. 11-0459**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6778 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 3 pages.

Exhibit B: Tenant Rent Roll, 4 pages.

Exhibit C: Corrected Income Statement, 1 page.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 12 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Chairperson Covert noted there was a recommendation and asked if the appellant agreed with it. Mr. Croteau said he was aware of it. He noted the building was empty, which was a matter of desirability of the location because the building was in the back, and the front building rented better. He stated he appreciated the obsolescence, but the appellant was paying \$45,000 a year to maintain the building without receiving any revenue. He understood it was a problem from the income approach point of view. He said he would submit what was on the record based upon the recommendation.

Chairperson Covert asked how long the property had been vacant. Mr. Croteau replied since it was built in 2004.

Appraiser Gonzales said he recalled the second floor being rented at some point. He said page 5 of Exhibit I showed the bottom floor of the building had an adjustment for being unfinished. He reviewed the conclusions on page 1 and advised the most emphasis was placed on the income analysis. He noted the recommendation was to reduce the total taxable value to \$877,185.

Chairperson Covert asked if Mr. Croteau had anything else for the record. Mr. Croteau replied he did not.

With regard to Parcel No. 040-880-22, 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 Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$571,823 in total obsolescence for a taxable improvement value of \$711,828, resulting in a total taxable value of \$877,185 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.

**11-0501E PARCEL NO. 040-920-01 – QUAIL CORNERS I LTD LIAB CO –
HEARING NO. 11-0460**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6520 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Parcel QuickInfo, 4 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Exhibit C: Tenant Rent Roll and Income Information, 6 pages.

Assessor

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

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. He noted there was a recommendation on page 1 of Exhibit I. Mr. Croteau indicated the appellant was willing to accept the recommendation.

With regard to Parcel No. 040-920-01, 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 Woodland, which motion duly carried, it was ordered that

the taxable land value be upheld and the taxable improvement value be reduced by obsolescence to \$1,157,037, resulting in a total taxable value of \$1,723,731 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.

11-0502E PARCEL NO. 040-920-02 – QUAIL CORNERS II LLC –
HEARING NO. 11-0461

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6512 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 5 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau indicated the subject property was fully rented. He advised he was submitting the evidence on the record for the Board to make a ruling.

With regard to Parcel No. 040-920-02, 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 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.

11-0503E PARCEL NO. 040-920-03 – QUAIL CORNERS III LLC –
HEARING NO. 11-0462

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6502 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 5 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 14 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau advised he was submitting the evidence on the record for the Board to make a ruling.

With regard to Parcel No. 040-920-03, 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 Krolick, 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.

11-0504E PARCEL NO. 040-920-11 – 6554 SOUTH MCCARRAN LLC – HEARING NO. 11-0463

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6554 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Parcel QuickInfo, 2 pages.

Exhibit B: Letter, 2 pages.

Exhibit C: Profit and Loss Statement, 5 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau stated the subject property was 34 percent vacant and the portion that was rented was medical office space, which the Assessor's Office had allocated at 50 percent. He said the tenant occupied 66 percent of the building. He noted the property's expenses were rather high, and it only had a net income of \$10,000. He said the interest was another \$50,000, which would bring the value somewhere within the \$700,000 range.

Appraiser Gonzales said if the records were incorrect regarding the mix of general-office and medical-office space, the error could be corrected by conducting an inspection. He reviewed the comparable sales on page 2 and the income analysis on page 3 of Exhibit I. He advised he did not receive any income or expense data on the subject property when the appeal was filed. He stated IS-2 was the sale of the subject property in October 2009. He discussed the conclusions on page 1 and noted the recommendation was to uphold.

Member Green noticed the expenses were raised approximately 30 percent. Appraiser Gonzales advised that was because of the medical office space.

Mr. Croteau stated he had nothing else for the record.

With regard to Parcel No. 040-920-11, 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.

11-0505E PARCEL NO. 040-920-34 – RUBISSOW, GEORGE J –
HEARING NO. 11-0464

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6580 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 5 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. He noted there was a recommendation, which he reviewed from page 1 of Exhibit I. Mr. Croteau stated he had no opposition to the recommendation.

With regard to Parcel No. 040-920-34, 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 Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by obsolescence to \$161,394, resulting in a total taxable value of \$240,928 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.

11-0506E PARCEL NO. 040-920-27 – RUBISSOW, GEORGE J –
HEARING NO. 11-0465

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 6580 S. McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Tenant Rent Roll, 3 pages.

Exhibit B: Parcel QuickInfo, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including the subject's appraisal records, 3 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

Mr. Croteau stated this was identified as a closed parcel.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, explained Parcel No. 040-920-27 was closed on November 25, 2009 and split into two condominium office parcels.

Chairperson Covert asked for a definition of closed. Appraiser Gonzales replied the parcel no longer existed and two new parcels were created.

Chairperson Covert asked if Mr. Croteau was withdrawing the Petition. Mr. Croteau applied he was because there was nothing to appeal.

**11-0507E PARCEL NO. 040-942-28 – 660 SIERRA ROSE LLC –
HEARING NO. 11-0467**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 660 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 5 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 14 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. Appraiser Gonzales noted there was a recommendation on page 1 of Exhibit I. Mr. Croteau stated he agreed with the recommendation.

With regard to Parcel No. 040-942-28, 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 Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by obsolescence to \$543,094, resulting in a total taxable value of \$810,728 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.

**11-0508E PARCEL NO. 040-941-04 – QUAIL CORNERS SOUTH LLC –
HEARING NO. 11-0469**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 691 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 5 pages.

Exhibit B: Tenant Rent Roll, 4 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 14 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau said the subject property had a 34 percent vacancy rate and the appellant was requesting the income approach be used. He stated the improvements had no obsolescence, and the building was built in 2000. He noted it was an office building without any medical offices.

Appraiser Gonzales reviewed the sales comparisons on page 2 and the income approach on page 3 of Exhibit I. He noted he did not have the current rent roll when he put his analysis together. He also reviewed the conclusions on page 1 of Exhibit I and noted the recommendation was to uphold.

In rebuttal, Mr. Croteau said the appellant was looking for some type of obsolescence in recognition of the 34 percent vacancy rate and for the total taxable value of \$710,000 indicated by the income approach.

With regard to Parcel No. 040-941-04, 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 Woodland, 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.

11-0509E PARCEL NO. 040-941-17 – QUAIL CORNERS SOUTH LLC –
HEARING NO. 11-0471

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 649 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income Information, 2 pages.

Exhibit B: Letter, 2 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 11 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. He said the property was used by Ribeiro Companies as a storage/maintenance garage.

Mr. Croteau said the building was a glorified garage, which was not accessible to others and was only used for the general maintenance of the property. He stated the analysis indicated it looked like flex space, which it was not. He said it only had a small office used by Ribeiro to manage their gardening equipment and vehicles, and it had heat, water and a bathroom. He indicated the valuation at \$60 per square foot was too much and \$50 per square foot would be more appropriate.

Appraiser Gonzales reviewed the comparable sales on page 2 of Exhibit I. He said he viewed the building as being storage/warehouse, but he had an industrial flex comparable because the building was small for storage/warehouse. He said the value was that it was owner occupied. He noted there was quite a bit of maintenance required in the area for the Ribeiro Companies' properties due to the extensive landscaping and wrought iron fencing. He said an income approach was not performed on the subject, because the building would not be rented. Chairperson Covert asked if the improved sales were for rent. Appraiser Gonzales replied he did not know. He stated the recommendation was to uphold.

In rebuttal, Mr. Croteau noted the location was not accessible by any road, because it was intended to be out of the way. He said the comparables used were storage spaces and storage/warehouses of significant size. He reiterated a \$50 per square foot valuation would be more appropriate for a standalone garage.

Member Green said an assessed value of \$201,000 for storage was steep. He believed the Petitioner's request of \$50 per square foot was reasonable. Chairperson Covert agreed.

With regard to Parcel No. 040-941-17, 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 Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by obsolescence to \$100,920, resulting in a total taxable value of \$168,200 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.

**11-0510E PARCEL NO. 040-941-32 – QUAIL CORNERS SOUTH LLC –
HEARING NO. 11-0472**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 615 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 3 pages.

Exhibit B: Tenant Rent Roll, 5 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. He stated there was a recommendation.

Mr. Croteau said he was aware of the recommendation, but he was requesting a further reduction because the property was 27 percent vacant. He stated the gross income was \$219,517 and the total expenses were \$92,944. He said that left \$126,573 as the total income. He stated applying a 9 percent cap rate would demonstrate a valuation of \$1,406,366. He noted he appreciated the recommendation, but he believed the \$1,406,366 was more appropriate based on actual income numbers being experienced. Chairperson Covert said his calculation generated a \$1,410,811 value.

Appraiser Gonzales reviewed the sales comparables on page 2 and the income approach on page 3 of Exhibit I. He advised the appellant had supplied income and expense data, but he used the market rents in his analysis because he only received the rent roll recently. He discussed his recommendation on page 1. He noted the appellant stated the vacancy rate was 27 percent, but the actual rent was much higher than the market rents. He said doing a calculation using the actual vacancy rate, the current market rent, and maintaining the 9 percent cap rate generated a value of approximately \$1.65 million. He stated if the Board considered the actuals, they should also consider the rent being received. He advised the most weight was placed on the income analysis and it was recommended the total taxable value be reduced to \$1,582,745 due to obsolescence.

In rebuttal, Mr. Croteau stated the actual 27 percent vacancy rate generated a little higher rent, but it also generated higher expenses. He said the Assessor's and the appellant's operating income figures were close and the issue was

what number the cap rate should be applied to. He stated the net income was \$126,573 if the appellant was given the benefit of his actual income, expenses and vacancy rate.

With regard to Parcel No. 040-941-32, 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 \$210,451 to \$1,116,257, resulting in a total taxable value of \$1,582,745 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.

**11-0511E PARCEL NO. 040-941-35 – QUAIL CORNERS SOUTH LLC –
HEARING NO. 11-0473**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 609 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 3 pages.

Exhibit B: Tenant Rent Roll, 5 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. He said there was a recommendation.

Mr. Croteau stated he appreciated the recommendation, but the reality was the vacancy rate was 34 percent for the office portion of the property. He reviewed the income and expense figures and concluded a total taxable value of \$859,366 would more accurately reflect reality. Chairperson Covert asked if higher rents were being received for the medical space. Mr. Croteau indicated he did not have that breakdown.

Appraiser Gonzales reviewed the comparable sales on page 2 and the income approach on page 3 of Exhibit I. He stated he used market rents when the evidence packet was prepared. He also reviewed his conclusion on page 1, and noted his analysis indicated a total taxable value of \$1,175,043 with a total obsolescence of \$204,207.

Mr. Croteau stated he would stand on his previous testimony.

With regard to Parcel No. 040-941-35, 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 Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by obsolescence to \$829,319, resulting in a total taxable value of \$1,175,043 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.

11-0512E PARCEL NO. 040-941-36 – QUAIL CORNERS SOUTH LLC –
HEARING NO. 11-0474

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 601 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 3 pages.

Exhibit B: Tenant Rent Roll, 5 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. He noted there was a recommendation.

Mr. Croteau said the appellant was appreciative of the recommendation, but the property's vacancy rate was 37.5 percent. He reviewed the income and expense data on page 1 of Exhibit A. He stated the net operating income was \$186,890 and applying a 9 percent cap rate would show a valuation of \$2,076,555, which was below the Assessor's recommended value of \$2,451,921.

Appraiser Gonzales reviewed the comparable sales on page 2 and the income approach on page 3 of Exhibit I. He stated the rent roll was received this week, so he used market rents in preparing the evidence packet. He noted the appellant's information indicated the vacancy rate was 38 percent, but the rents were higher than market rents. He said the most weight was placed on the income analysis and the recommendation was the total taxable value be reduced to \$2,451,921 due to applying \$329,914 in obsolescence.

Member Green asked if there was any correlation in two-story buildings being less desirable rentals. Appraiser Gonzales replied he had not come across that when looking at asking rents.

In rebuttal, Mr. Croteau said older leases commanded higher market rents. He said most of the space was rented by a dialysis center and laboratory, but there was a significant expense ratio on the property. Chairperson Covert asked if the lease rate was more favorable to the tenant, which made the expenses higher. Mr. Croteau replied that was part of it, but also more maintenance was required for medical-office space. He stated additionally all of the offices had more green space surrounding them, which increased maintenance costs. He said this was about the math and the appellant was requesting the value go lower than the Assessor's recommendation.

Chairperson Covert asked if there was any information indicating tenants were requesting a lower rate or they would leave. Mr. Croteau noted this property did not have any rent concessions but, if a property did, it would be shown in the last category in the financials as an expense. He said the appellant had been adjusting rents for tenants to keep them, because having a vacant building was not a good business move. He said medical tenants were generally steadier tenants once they established their practice.

With regard to Parcel No. 040-941-36, 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 Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$329,914 in obsolescence to \$1,951,613, resulting in a total taxable value of \$2,451,921 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.

**11-0513E PARCEL NO. 040-942-21 – QUAIL CORNERS SOUTH-PHASE III
LLC – HEARING NO. 11-0475**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 630 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 3 pages.

Exhibit B: Tenant Rent Roll, 5 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 14 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. He noted the Assessor's Office had a recommendation.

Mr. Croteau said the subject property was fully rented. He discussed the income and expenses as shown on page 1 of Exhibit A. He said there was a net profit of \$37,600 and applying a 9 percent cap rate demonstrated a valuation of \$417,777. He requested at least a \$600,000 total taxable value.

Appraiser Gonzales reviewed the comparable sales on page 2 and the income analysis on page 3 of Exhibit I. He noted the rent roll was received recently, so market rents were used in preparing the evidence packet. He noted the recommendation on page 2 was to reduce the total taxable to \$791,608. He felt the expenses used to come up with the appellant's recommended value were high, especially when compared to other buildings in the surrounding area. He believed reducing the subject to the appellant's recommendation would be excessive.

In rebuttal, Mr. Croteau stated the property was 100 percent rented, but the newer tenants wanted reduced rents and would not pay market rents. He said the tenant who had been in the building since 2003 paid a higher rent. Chairperson Covert asked about the terms of the new leases. Mr. Croteau replied one lease was for two years and the other was for three years.

Chairperson Covert said the Assessor's Office was recommending a 16 percent reduction and the appellant wanted 55 percent. He felt the appellant's request was unrealistic and the Assessor's Office did a good job on this appeal.

With regard to Parcel No. 040-942-21, 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 Krolick, which motion duly carried with Member Green voting "no," it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by obsolescence to \$563,836, resulting in a total taxable value of \$791,608 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.

11-0514E PARCEL NO. 040-942-25 – QUAIL CORNERS SOUTH-PHASE III
LLC – HEARING NO. 11-0477

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 670 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 5 pages.

Exhibit B: Tenant Rent Roll, 5 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 14 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

On behalf of the Assessor and having been previously sworn, Mike Gonzales, Appraiser, oriented the Board as to the location of the subject property. He noted there was a recommendation.

Mr. Croteau stated the subject property was vacant except for January and part of February and a \$7,000 to \$8,000 loss was incurred. He said the appellant appreciated the reduction, but was hoping for a further reduction based on more obsolescence.

Appraiser Gonzales said the rent roll showed the building was fully occupied. He reviewed the sales comparables on page 2 and the income analysis on page 3 of Exhibit I. He stated the total recommended land value was being corrected to \$272,346 and the obsolescence would be \$212,513, which would reduce the improvement value to \$552,654, resulting in a total taxable value of \$825,000.

In rebuttal, Mr. Croteau indicated there were no tenants and no income had been generated since last February. He said the tenant on the rent roll moved out early. Appraiser Gonzales said the rent roll did not show the lease was terminated, but it did show a move-out date of June 30, 2010. Mr. Croteau indicated it showed vacant underneath. Appraiser Gonzales said he stood corrected. Chairperson Covert asked if that would change his presentation. Appraiser Gonzales replied it would not since he applied market rents.

With regard to Parcel No. 040-942-25, 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 corrected to \$272,346 and the taxable improvement value be reduced by \$212,513 in obsolescence to \$552,654, resulting in a total taxable value of \$825,000 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.

11-0515E PARCEL NO. 040-943-05 – QUAIL CORNERS S BLDG N 104-106
LLC – HEARING NO. 11-0482

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 645 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Parcel QuickInfo and income statement, 4 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau stated the subject property's current vacancy rate was 68.4 percent because most of the tenants moved when their leases were up. He discussed the income and expenses as shown on page 4 of Exhibit A. He said the property had a net income of \$61,279 to which a 9 percent cap rate was applied for a total value of \$680,899. He noted the Assessor had the property valued at \$1,053,469. He stated the property was fully occupied for a predominant portion of 2010 with the occupancy tapering off during the year until the current vacancy rate of 68.4 percent was reached. He said the appellant was asking for a value of \$680,899 based on the income approach.

Appraiser Gonzales reviewed the sales comparisons on page 2 and the income analysis on page 3 of Exhibit I. He noted the rent roll was received this week, but his analysis was based on the prior income and expense data provided, which showed rental income through December 2010. He stated the recommendation was to uphold.

In rebuttal, Mr. Croteau said the Assessor's valuation used assumptions and the appellant used actual numbers.

Member Green noted the further away a building was from the street, the harder it was to find a specific address, so he felt the subject did not have an ideal location. He said income was indicated through the end of the year, so he would like to use the Assessor's income approach to arrive at the value.

With regard to Parcel No. 040-943-05, pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Chairperson Covert, seconded by Member Woodland, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$178,055 in obsolescence to \$607,362, resulting in a total taxable value of \$875,414 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.

12:40 p.m. The Board recessed.

12:48 p.m. The Board reconvened with all members present.

11-0516E **PARCEL NO. 040-943-03 – QUAIL CORNERS SOUTH BLDG N LLC – HEARING NO. 11-0479**

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 645 Sierra Rose Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Income statement and Parcel QuickInfo, 4 pages.

Exhibit B: Tenant Rent Roll, 3 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, Roger Croteau was previously sworn.

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

Mr. Croteau said he and the Assessor's staff were trying to decipher the financial information because of the way the records were put together. He said he was submitting what was on the record for the Board's decision.

Appraiser Gonzales reviewed the comparable sales on page 2, the income analysis on page 3, and the conclusions on page 1 of Exhibit I. He noted the conclusions lead to a recommendation to uphold.

Mr. Croteau stated he had no further testimony.

Chairperson Covert asked if the subject had a high vacancy rate. Appraiser Gonzales said that was one of the things he and the appellant were trying to figure out, but it appeared it did not. Mr. Croteau clarified the financials were a conglomeration of what appeared to be half of the building and this particular unit was a single unit in that half of the building. He stated he was unable to discern whether or not the unit was rented. He said it was all one structure, but contained condominium units.

With regard to Parcel No. 040-943-03, 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 Krolick, 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.

11-0517E PARCEL NO. 034-101-08 – AREA RENO HOTEL LLC –
HEARING NO. 11-0292

A Petition for Review of Assessed Valuation was received protesting the 2011-12 taxable valuation on land and improvements located at 55 E. Nugget Avenue, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and supporting documentation, 90 pages.

Exhibit B: Letter and supporting documentation, 115 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet including comparable sales, maps and subject's appraisal records, 13 pages.

On behalf of the Petitioner, no one was sworn in by Chief Deputy Clerk Nancy Parent.

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. He noted the Assessor's Office had a recommendation, which based on the income analysis in the appellant's appraisal. He advised the appellant was in agreement with the recommendation.

With regard to Parcel No. 034-101-08, 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 Krolick, which motion duly carried, it was ordered that the taxable land value be upheld and the taxable improvement value be reduced by \$1,407,456 in total obsolescence to \$3,451,686, resulting in a total taxable value of \$4,060,000 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.

BOARD MEMBER COMMENTS

There were no Board Member comments.

PUBLIC COMMENT

There were no public comments.

* * * * *

12:57 p.m. There being no further hearings or business to come before the Board, on motion by Member Woodland, seconded by Member Krolick, 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*