

CARSON CITY BOARD OF EQUALIZATION

Minutes of the February 9, 2010 Meeting

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A regular meeting of the Carson City Board of Equalization was scheduled for 10:00 a.m. on Tuesday, February 9, 2010 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Mary Sanada
Member Ron Allen
Member Jed Block
Member Denise Gillott
Member Martin Jones

STAFF: Dave Dawley, Assessor
Steve Walker, Chief Property Appraiser
Kimberly Adams, Appraiser
Joel Benton, Deputy District Attorney
Tim Clark, Appraiser
Jano Barnhurst, Recording Secretary

NOTE: A recording of these proceedings, the board's agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record. These materials are on file in the Clerk-Recorder's Office, and available for review during regular business hours.

A. CALL TO ORDER AND DETERMINATION OF QUORUM (9:59:08) - Chairperson Sanada called the meeting to order at 9:59 a.m. Roll was called; a quorum was present.

B. MODIFICATION OF AGENDA (9:59:32) - None.

C. ACTION ON APPROVAL OF MINUTES (9:59:55) - Member Jones moved to approve the January 19, 2010 meeting minutes. Member Allen seconded the motion. Motion carried 5-0.

D. DISCUSSION AND POSSIBLE ACTION ON PETITIONS FOR REVIEW OF ASSESSED VALUATION:

D-1. HANSER INVESTMENTS LLC, PORTION OF SECTION 19 T.15 N. R.20 E. W2 SE 4, PORTION OF SECTION 19 T.15 N. R.20 E. S2 SE4, CARSON CITY, NEVADA, APN 009-031-07 and 009-031-29 (10:00:36) - Chairperson Sanada introduced the item. Petitioner, Keith Serpa introduced himself. Mr. Walker advised that the parcels were sold at public auction on January 21, Mr. Serpa no longer has jurisdiction and requested that the appeal be dismissed. In response to a question, Mr. Serpa replied that he is trying to show good faith to the lender by keeping property taxes down as there will be a deficiency judgment against him on the property. In response to another question, he acknowledged that he does not have authorization from the owner. In response to a question, Mr. Benton advised that the BOE could hear Mr. Serpa's testimony if he had authorization to proceed at the time of filing and still has a minor interest. Chairperson Sanada suggested hearing the appeal if the Board did not object. Mr. Serpa advised that when it was foreclosed, the bidding opened at \$784,000 but no bids were received. He added that the assessed value is \$2,500,000, and believed it to be worth \$500,000, but had no comparables. In response to a question, he reiterated that the bid opened at \$784,000 but substantially more was owed on the property.

Ms. Adams presented background information on the item, reviewed the application materials which are incorporated into the record and advised that the Assessor's Office had no recommendation. In response to a question, she replied that the listings are single family 12,000 with no improvements and size of the

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parcels is the biggest difference. Mr. Dawley explained that the offer of \$784,000 is not indicative of the market value. Ms. Adams added that taxes are not based on the values set on the properties and if lowered, there may or may not be an effect on next year's tax amount. In response to a question, she acknowledged that the 8 percent cap applies as it is not an occupied residence. In response to another question, she replied that it is difficult to determine whether to lower the value with a lack of comparable sales.

Ms. Adams pointed out that land values were reduced 30 percent from last year to \$35,000 per acre. In response to a question, Mr. Walker replied that market values vary depending on location. He explained that some have had little drop while others have dropped 30 to 50 percent and this was given a higher value percentage because it was undeveloped. He advised that he met with Mr. Serpa last year and they informally agreed that \$35,000 per acre would be adequate for both parties. There was discussion among the BOE members regarding a \$1 million property sale in Washoe Valley and Member Gillott opined that the area on Rhodes is more desirable. In response to a question, Mr. Walker explained that the tax cap on the property is extremely low and no matter how much the land is reduced, it will have no impact on taxes. Chairperson Sanada entertained a motion. **Member Allen moved to deny the application for Hanser Investments LLC, Portion of Section 19 T.15 N. R.20 E. W2 SE 4, Portion of Section 19 T.15 N. R.20 E. S2 SE4, Carson City, Nevada, APN 009-031-07 and 009-031-29.** Member Jones seconded the motion. Motion carried 5-0.

D-2. SERPA, KEITH B., 5387 and 5364 SIERRA HIGHLANDS DRIVE, CARSON CITY, NEVADA, APN 007-051-65 and 007-051-66 (10:22:37) - Chairperson Sanada introduced the item and Mr. Serpa expressed agreement with the Assessor's recommendation.

Mr. Clark gave background information and reviewed the application materials which are incorporated into the record. He advised that this was an arms length transaction and recommended that the land value be lowered to \$100,000 each and the improvement value remain unchanged. In response to a question, he knew of no sales or listings in the area and explained how the \$200,000 figure was reached. He advised that the parcels are located on Highway 50 and other parcels in the area have a wide range. Mr. Walker discussed another five acre parcel adjacent to Highway 50 and recommended that it also be lowered to \$100,000. In response to a question, he replied that because they are close to the highway, their values may be declined from the other properties. Chairperson Sanada called for comments. **Member Allen moved to reduce the land values on Keith B. Serpa, 5387 and 5364 Sierra Highlands Drive, Carson City, Nevada APN 007-051-65 and 007-051-66, and in addition, include APN 007-042-30 to the \$100,000 per lot value as recommended and agreed to by the homeowner.** Member Block seconded the motion. Motion carried 5-0.

D-3. JET CONSTRUCTION, LOT 36 SIGSTROM DRIVE/DANIELLE DRIVE, 2689 DANIELLE DRIVE, 2668 DANIELLE DRIVE, 2662 DANIELLE DRIVE, 2656 DANIELLE DRIVE, CARSON CITY, NEVADA, APN 008-814-05, 008-814-06, 008-814-07, 008-814-08, 008-814-09 (10:29:08) - Chairperson Sanada introduced the item and Mr. Serpa advised that the land value is \$75,000 an acre but the Assessor valued it at \$125,000 and \$250,000 for the structure.

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Ms. Adams presented background information and reviewed the application materials which are incorporated into the record. She explained that the vacant land taxable value is below suggested market value, recommended the taxable value remain as is, and that the taxable value remain as is on the single family home parcel. Chairperson Sanada called for questions. In response to a question, Ms. Adams advised of a \$450,000 appraisal on the property. Member Gillott opined that the value seemed fair and in an area with no comparables, an appraisal serves as a market value indicator. Mr. Serpa pointed out that it was a third party transaction but not a foreclosure. Member Gillott explained that bank owned properties occur in this area, but they aren't driving the market and are not a true indicator of market value. Mr. Serpa explained that Washoe County takes everything into consideration on their appeals. In response to a question, he replied that the current asking price is \$599,000 and all the parcels were bought and developed to be sold; the price could be dropped but didn't think they will sell. Member Allen pointed out that the value per square foot is higher than the Assessor's value. Ms. Adams noted that land values decreased 28 percent from last year and values were dropped from \$175,000 to \$125,000 per acre. Chairperson Sanada called for comments. **Member Allen moved to not make the reduction for Jet Construction, Lot 36 Sigstrom Drive/Danielle Drive, 2689 Danielle Drive, 2668 Danielle Drive, 2662 Danielle Drive, 2656 Danielle Drive, Carson City, Nevada, APN 008-814-05, 008-814-06, 008-814-07, 008-814-08, 008-814-09 as we were provided with no tangible evidence that values are too high. Member Jones seconded the motion. Motion carried 5-0.**

D-4. THOMPSON, JOHN, 2622 DANIELLE DRIVE, CARSON CITY, NEVADA, APN 008-814-13 (10:43:12) - Chairperson Sanada introduced the item and Mr. Serpa advised that a comparable sale at \$370,000 is legitimate.

Ms. Adams presented background information and reviewed the application materials which are incorporated into the record. She advised that the taxable value is below suggested market value and recommended that it remain as is. Chairperson Sanada called for questions. Mr. Serpa advised that the property is in foreclosure. Chairperson Sanada opined that the property is not different from the previous item and saw no evidence of foreclosure sales driving the market area. **Member Jones moved to deny the appeal for John Thompson, 2622 Danielle Drive, Carson City, Nevada, APN 008-814-13 as we have not seen additional data to support it. Member Gillott seconded the motion. Motion carried 5-0.**

D-5. SERPA, JOHN C. SR., 1213 FAIRVIEW DRIVE, CARSON CITY, NEVADA, APN 009-552-03 (10:48:47) - Chairperson Sanada introduced the item and Mr. Serpa advised that the Assessor has improvements valued at over \$40 per foot. He explained that the buildings are metal and should be \$25 per foot. He added that the entire property is not being utilized and has a fairly high vacancy rate.

Mr. Walker presented background information and reviewed the application materials which are incorporated into the record. He explained the differences in land values on Fairview indicating they are highest when closer to Carson Street and decline eastward. He noted that the surrounding vacant parcel received a 38 percent economic discount and the parcel to the east experienced 100 percent vacancy so an adjustment was made to equalize that area. He explained that the freeway extension improved Fairview so land sales should be raised. He explained how he arrived at the land values for this property and that

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he was “looking for a happy medium to make a transitional value on the land.” He noted that mini storages on Fifth Street were valued at \$43 per square foot; \$62 per square foot on Old Clear Creek Road; and \$75 per square foot at U-Haul. He advised that the Assessor’s Office made no recommendations due to lack of sales and values in the area. In response to a question, Mr. Serpa acknowledged that the price of metal buildings is based on Marshall & Swift and were built in the last two years. In response to a comment, he acknowledged that he would be willing to provide financial information. In response to a question, he replied that he brought rent rolls but did not have time to compile the financial information. Mr. Walker noted that the information was previously requested and it would be considered if the income/loss statements were provided. He explained the issue with the full calendar noting that if information was provided at this late date, the BOE meetings may have to be extended. In response to a question, he acknowledged that if the information was provided, it would come back before the BOE but could be adjusted for next year. Member Jones noted that the information was requested on January 20. **Member Jones moved to deny the petition of John C. Serpa, Sr., 1213 Fairview Drive, Carson City, Nevada, APN 009-552-03 and urged getting the information to the Assessor for next year. Member Block seconded the motion. Motion carried 5-0.**

D-6. TECH PARK LLC, 4010, 4034, 4048, 4022 TECHNOLOGY WAY, CARSON CITY, NEVADA, APN 005-051-15 (11:03:35) - Chairperson Sanada introduced the item and Mr. Serpa advised that the property has a 73 percent vacancy and is losing money every month.

Mr. Walker presented background information, reviewed the application materials which are incorporated into the record, and explained that information requested from the applicant was not provided. He compared two area properties which sold for an average of \$90 per square foot and advised that at \$41, the property is indicative of the 50 percent economic obsolescence they are receiving. He recommended the value stay as is. In response to a question, he explained that the 50 percent economic obsolescence has been a long standing policy and if they were approached by a property owner with a high vacancy rate, they would apply the standard without reviewing all financial information. He explained that they have been trying to depart from the “one size fits all” and request financial statements to validate a reduction. In response to a comment, he reiterated that 50 percent has been an applied standard but if they are provided with substantiation, it would be considered. In response to a question, Mr. Serpa replied that he did not have time to compile the financial information. In response to a comment, Mr. Walker replied that additional obsolescence could be given depending on financial information. In response to a question, Mr. Serpa replied that the property consists of four buildings next to the former Harley Davidson building. Chairperson Sanada called for further questions but seeing none, entertained a motion. **Member Block moved to deny Tech Park LLC, 4010, 4034, 4048, 4022 Technology Way, Carson City, Nevada, APN 005-051-15 based on the fact that 50 percent has already been given and the lack of financials to show any different haven’t been shown, but get those in for next year and see if they can make a recommendation. Member Jones seconded the motion. Motion carried 5-0.**

E. PUBLIC COMMENTS (11:11:56) - None.

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F. DISCUSSION AND POSSIBLE ACTION REGARDING NEXT MEETING DATE (11:12:09)

- Mr. Dawley advised that the next meeting will be February 16 at 10:00 a.m., with four petitions being heard.

G. ACTION ON ADJOURNMENT (11:12:48) - Chairperson Sanada entertained a motion to adjourn at 11:12 a.m. **Member Allen so moved. Member Block seconded the motion and it carried unanimously.**

The Minutes of the February 9, 2010 Carson City Board of Equalization meeting are so approved this 23rd day of February, 2010.

Mary Sanada, Chair