



(9:04:40) – Carson City Assessor’s Office Property Appraiser Donald Massow introduced the subject property. Judy Sheldrew, Esq. introduced herself as the attorney representing JVRS Enterprises, LLC, and distributed an information packet, incorporated into the record, in the form of appellant evidence, noting that some of the information was already enclosed in the agenda materials and some included corrected information. Richard Sheldrew introduced himself as the manager of JVRS Enterprises and walked the Board through the appellant’s evidence, incorporated into the record, which included a slide presentation.

(9:43:28) – Mr. Massow noted a correction on page 24 of the Assessor’s Evidence (corrected in the packet) and presented the Assessor’s Evidence which is incorporated into the record. Mr. Dawley clarified that Mr. and Mrs. Sheldrew had requested the zoning to be changed from residential to commercial in 2011; however, it was assessed as a residential property until 2015 due to the lack of a communication process between the Planning Department and the Assessor’s Office. He also explained that the entire septic system is not on said property; therefore “we have to decide which property is benefiting from the use of that septic” and taxed appropriately without the split among both properties. Ms. Fralick suggested giving the appellant an opportunity for rebuttal.

(9:56:54) – Mr. Sheldrew explained that the property “has been in the family since 1949” and noted that they had been following the [Nevada] statutes. He expressed his frustration and added that the house could not function without the septic system. Mr. Sheldrew believed that the property would not be considered vacant due to the improvement on the property via the septic system. He also informed Chairperson Block that the home was occupied by a family member at this point. Discussion ensued regarding the age of a well on the property. In response to a question by Member Semmens regarding the property being listed for sale as two commercial properties for \$3,000,000, Mr. Sheldrew noted that although the property was zoned as commercial; its usage was residential and believed that “the laws talk about usage”. Member Wilson wished to understand how the septic system will be assessed should the larger of the two parcels sell and the option of an easement was discussed. Mr. Sheldrew believed that for purposes of this discussion the two parcels are considered as one.

Chairperson Block wished to understand how a septic system could be considered an improvement. He also questioned how the property could be considered residential when the zoning had changed to commercial. Ms. Sheldrew believed that “the issue of what the property is zoned as is a red herring” which she believed would lead the Board to make an incorrect decision, adding that the statutes cited in Exhibit 8 required that “the taxable value of real property shall appraise improved lands consistent with the use to which improvements are being put”. She also considered the septic system a residential improvement since it supported the residential home on the adjacent property. Further discussion ensued regarding the zoning of the property and the definition of improvements. Chairperson Block requested clarification regarding different percentage tax caps between commercial and residential properties and Mr. Dawley explained that vacant properties would receive a higher cap and owner-occupied property would receive the three percent cap.

Member Wilson suggested doing a professional land survey to understand the exact location of the septic system; however Mr. Sheldrew believed “the burden of proof is not on me”. Member Rasner reminded Mr. Sheldrew that the burden of proof was on him and he agreed. She also believed that the Department of Health would have accurate information and permit information regarding the placement of the septic system. Mr. Dawley reiterated that the issue at hand was the fact that the septic system encroached on another property and “we have to tax it as one property”. Mr. Sheldrew expressed confidence on the location of the septic system, adding that if it were wrong, he would reimburse the City the “back taxes”.

Mr. Massow clarified that both properties had water and sewer lines; therefore, should the septic system get “cut off”, “it does not remove the non-conforming use of the parcel”. He also noted that the “highest and best” property use must be “permitted under local administrative regulations such as zoning”. He also questioned whether a fence on a vacant parcel would change the use of that parcel. Mr. Sheldrew read from page 23 of the Assessor’s Evidence regarding the sewage disposal system, noting that they had demonstrated proper cause in this case. Chairperson Block believed that it was allowable under a Special Use Permit. Ms. Sheldrew disputed the latter comment by citing NRS 361.227, adding that “the location of the septic system is causing it to function with the adjoining parcel to provide sewage treatment services for the residents on the adjoining parcel”. Ms. Sheldrew also iterated her comment that “we’re not using it as a commercial [property]”. Ms. Fralick suggested that the Chair “methodically go through your steps in determining how you come to your conclusion...either way”, suggesting that it be determined whether the property “is...or isn’t a vacant land”, “are these improvements? Yes or no”, and deliberate whether it is an improved land to clarify for the record, in case of an appeal.

(10:39:46) – Mr. Dawley explained that they use appraisals to come up with a market value, and in this case he believed that “this property is over assessed...and we were using other commercial properties outside the area”, adding that at the next meeting, they would be requesting that the Board lower all the commercial property values “in this general area”. Chairperson Block received confirmation that if the Board determines a lower value for this property, then the rest of the commercial properties would be “equalized” in the next meeting. Member Semmens calculated that a ruling by the Board for this property would bring the taxable value from \$931,751 to \$828,289. Member Wilson indicated that she had contacted the sellers of the comparable property and believed that the price was “a little bit high”. Mr. Dawley noted that listing information is included based on a request by the State Board of Equalization. Discussion ensued regarding the residential taxes paid by Mr. Sheldrew. Member Wilson believed that “the septic system is an improvement; however, I don’t think that we can determine what lot it’s on”. She believed that the septic system should be valued as part of APN 007-531-06 and an encroachment to APN 007-31-05 (based on [Nevada Administrative Code] NAC [Chapter] 444). Member Semmens wished to understand why the zoning change from residential to commercial was established and Mr. Dawley clarified that the appellants were basing their arguments on use and not intent. Member Wilson believed that the property valuation should be closer to \$575,000 or \$550,000 per acre, which, using the latter valuation, would bring the taxable value to approximately \$759,000 and approximately \$793,000 for the former valuation which she believed was appropriate. Chairperson Block entertained a motion.

**(10:52:30) – Member Semmens moved to recommend that APN-007-531-05 be reduced from \$931,751 to \$828,289 assessed value. The motion was seconded by Member Rasner. Chairperson Block entertained discussion. (10:53:22) – Member Wilson requested that the motion be amended to reflect a taxable value of \$793,500 based on \$575,000 price per acre. The amendment was seconded by Member Rasner.**

<b>RESULT:</b>	<b>APPROVED (5-0-0)</b>
<b>MOVER:</b>	Wilson
<b>SECONDER:</b>	Rasner
<b>AYES:</b>	Block, McFadden, Rasner, Semmens, Wilson
<b>NAYS:</b>	None
<b>ABSTENTIONS</b>	None
<b>ABSENT:</b>	None

(10:54:13) – Chairperson Block reminded the appellants that the deadline to appeal this decision to the Nevada State Board of Equalization was March 10, 2017. He also thanked the Sheldrews for attending the meeting. Ms. Sheldrew requested a transcript of the meeting and was informed that the audio, video, and the minutes of the meeting would be posted on the Carson City website under the Government tab.

(10:55:56) – Chairperson Block recessed the meeting at 10:55 a.m. and reconvened at 11:03 a.m. A quorum was still present.

**E. For Possible Action: PETITION FOR REVIEW OF TAXABLE VALUATION OF FRANK E. HUBLOU 1988 TRUST (FRANK HUBLOU, TRUSTEE), KOONTZ LANE, APN 009-131-04.**

(11:03:28) – Chairperson Block introduced the item. Frank Hublou presented the appellant’s evidence which is incorporated into the record. Mr. Hublou also noted that he would appeal to the State Board of Equalization should this Board deny his appeal of reduced taxable value. He also stated that the comparables, in order to be valid, must be in a flood zone, one acre in size, and must not allow horses. Mr. Hublou also presented several photographs, incorporated into the record, which depicted flooding in the area. He concluded with the request to “send the taxable value back to \$65,000 as the State Board did”.

(11:25:51) – Denise Gillott, Chief Property Appraiser, presented the Assessor’s Evidence, also incorporated into the record. She noted that the subject parcel is “truly not different than any other parcel on Koontz Lane” and stated that they had received confirmation that the property could have horses on it. Mr. Dawley calculated that the replacement cost would be at \$116 per foot and clarified that the previous year’s State Board of Equalization decrease to \$65,000 of total taxable value was for that year only and disputed Mr. Hublou’s claim of “raging torrents” and showed photographs which depicted that [Mr. Hublou’s property] was no worse than any of the surrounding properties. Ms. Gillott believed that a 10 percent market value discount is being given to Mr. Hublou until “he can come in and get those items rectified”.

(11:35:08) – Chairperson Block was informed that the “vaults” on the property were uncovered after Mr. Hublou’s purchase, who believed that one of the four vaults was a septic tank and the others were used as catch basins. Mr. Hublou disputed that the flood zone did not continue towards Edmonds Drive. In response to a question regarding the title transfer process of the nearby property being discussed, Mr. Hublou believed that the transfer was irrelevant and independent of the actual sale. Discussion continued regarding the flooding on Mr. Hublou’s property and Member Semmens recalled hearing the item last year and expressed concern over the vaults and to whom they belong. Mr. Dawley suggested making any discount conditional upon remaining there until the vaults are removed. Chairperson Block entertained additional comments and when none were forthcoming, a motion.

**(11:43:01) – Member Wilson Moved to place a discount on the taxable value of APN 009-131-04 until the time that the underground debris and miscellaneous concrete is removed, in the amount of 10 percent which will reduce total taxable value to \$82,905 for this year.** Mr. Dawley requested clarification on the discount and after discussion, Member Wilson clarified that the discount was for the improvements and for the land value. **The motion was seconded by Member McFadden.**

<b>RESULT:</b>	<b>APPROVED (5-0-0)</b>
<b>MOVER:</b>	Wilson
<b>SECONDER:</b>	McFadden
<b>AYES:</b>	Block, McFadden, Rasner, Semmens, Wilson
<b>NAYS:</b>	None
<b>ABSTENTIONS</b>	None
<b>ABSENT:</b>	None

(11:44:43) – Chairperson Block reminded Mr. Hublou that the deadline for appeal to the State Board of Equalization was March 10, 2017.

**F. For Possible Action: APPROVAL OF STIPULATION AGREEMENT FOR HARLEY-DAVIDSON CREDIT CORP., 3850 ARROWHEAD DRIVE, APN 005-051-21.**

(11:44:54) – Chairperson Block introduced the item. Ms. Gillott presented the Assessor’s Evidence, adding that they had received the income statement from Harley-Davidson Credit Corp. after the deadline, and were able to reach an agreement for a stipulated total taxable value of \$12,884,000. Ms. Gillott noted that this value included a taxable land value of \$980,100 and an improvement value of \$11,903,900. Member Rasner recommended having the appellant sign and date income approach documents and Ms. Gillott believed it was “a good idea”. Chairperson Block entertained a motion.

(11:47:49) – Member McFadden moved to agree with the Assessor’s [Office] regarding APN 005-051-21, that the stipulated [total] taxable value of Harley-Davidson [Credit Corp.] of \$11,903,900. The motion was seconded by Member Semmens. Chairperson Block entertained discussion. Member McFadden amended her motion to read that Parcel Number 005-051-21 should have a stipulated total taxable value of \$12,884,000 which included a taxable land value of \$980,100 and an improvement value of \$11,903,900. Member Semmens seconded the amendment.

<b>RESULT:</b>	<b>APPROVED (5-0-0)</b>
<b>MOVER:</b>	McFadden
<b>SECONDER:</b>	Semmens
<b>AYES:</b>	Block, McFadden, Rasner, Semmens, Wilson
<b>NAYS:</b>	None
<b>ABSTENTIONS</b>	None
<b>ABSENT:</b>	None

**G. For Possible Action: APPROVAL OF STIPULATION AGREEMENT FOR LITTLEHORN PROPERTIES, LLC; EMERSON DRIVE; APN 008-123-38.**

(11:50:50) – Chairperson Block introduced the item. Mr. Massow presented the Assessor’s Evidence and announced that the Assessor’s Office had reached an agreement with the property owner to a stipulated total

taxable value of \$108,800 for the 2017/18 fiscal year and a stipulated total taxable value of \$90,000 for the 2016/17 year. Mr. Massow indicated that the agreement was reached on February 7, 2017. Mr. Dawley clarified that the previous values were based on a Tourist Commercial zoning; however, the property was now zoned as Single Family 6,000. Chairperson Block entertained comments and when none were forthcoming, a motion.

**(11:55:20) – Member Rasner moved, regarding Parcel Number 008-123-38, to agree with the Assessor’s stipulated value of \$108,800 for the 2017/18 fiscal year and a stipulated value of \$90,000 for the 2016/17 year, land only [in both cases]. The motion was seconded by Member Semmens.**

<b>RESULT:</b>	<b>APPROVED (5-0-0)</b>
<b>MOVER:</b>	Rasner
<b>SECONDER:</b>	Semmens
<b>AYES:</b>	Block, McFadden, Rasner, Semmens, Wilson
<b>NAYS:</b>	None
<b>ABSTENTIONS</b>	None
<b>ABSENT:</b>	None

**H. For Possible Action: DISCUSSION AND POSSIBLE ACTION REGARDING NEXT BOARD OF EQUALIZATION MEETING DATE.**

(11:56:34) – Chairperson Block introduced the item. Mr. Dawley proposed having the next Board of Equalization meeting on February 28, 2017.

**(11:57:02) – Member Semmens moved to have the next Board of Equalization meeting on Tuesday, February 28, 2017, at 9:00 a.m. [in the Sierra Room]. The motion was seconded by Member McFadden. Motion carried 5-0-0.**

**I. PUBLIC COMMENT.**

(11:57:33) – Chairperson Block entertained public comments; however, none were forthcoming.

**J. FOR POSSIBLE ACTION: ADJOURNMENT**

**MOTION: (11:57:55) – Member Wilson moved to adjourn. The motion was seconded by Member Rasner. The meeting was adjourned at 11:58 a.m.**

The Minutes of the February 14, 2017 Carson City Board of Equalization meeting are so approved this 28<sup>th</sup> day of February, 2017.

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JED BLOCK, Chair