

III. APPROVAL OF MINUTES:

MOTION: Board Member Kelly Buckner moved to approve the minutes for the Board of Equalization meeting held on February 17, 2009. Board Member Al Plank seconded the motion. The motion was passed unanimously.

Kristin McQueary arrived at 8:09 a.m.
Appraiser Kristin Birdzell arrived at 8:11 am.

IV. APPROVAL OF RE-OPENED ROLL CHANGE LOGS:

Katrinka Russell stated the withdrawals were contained in the re-opened roll changes logs so they can approve all changes to the roll.

TAPE 1A POINT 21

MOTION: Board Member Wes Bowlen moved that they accept the roll change logs as presented by the Assessor. Board Member Kelly Buckner seconded the motion.

The motion carried the following vote:

Voting Aye:	Chairman	Walter Leberski
	Member	Wes Bowlen
	Member	Al Plank
	Member	Kelly Buckner
Voting Nay:		None
Abstaining:		None
Absent:	Member	James Winer

V. DISCUSSION ON REVISION OF COUNTY BOARD OF EQUALIZATION GUIDELINES:

Katrinka Russell requested that when they were doing the motion they clarify if it was upon the taxable value or the appraised value rather than on the assessed value.

Katrinka Russell gave an overview of the hearing guidelines sent by the State Department of Taxation. She noted there may be a confidential issue because their materials were kept confidential. Board Member Kelly Buckner inquired about the privacy issue if Petitioners had submitted documents do they become a public record.

Kristin McQueary agreed with the intent of the Assessor's Office but if challenged not everything would hold up as being confidential. If the taxpayer wanted to make sure that it was confidential they need to notify the Assessor's Office or by writing that boldly on the documents submitted to the Assessor's Office. Kristin McQueary stated that some patented or some financials may or may not be withheld as confidential.

VI. COMMENTS BY THE GENERAL PUBLIC:

In accordance with the Open Meeting Law, Chairman Leberski asked for any public comments that members of the audience might have.

Katrinka Russell recommended they tentatively set their meeting date for next year. The board agreed to tentatively meet on Wednesday, February 23, 2011.

The Board recessed at 8:45 a.m. The meeting was reconvened at 9:00 a.m.

VII. ACTION TO BE TAKEN ON THE FOLLOWING APPEALS:

Chairman Walt Leberski explained the procedure for the hearing under the Nevada Revised Statutes and the Nevada Administrative Code.

TAPE 1B POINT 6.6

HARRY WISEMAN

SUSAN WISEMAN

Case Nos. 10-036

Parcel No. 036 014 008

Hearing Date: February 24, 2010

SUBJECT MATTER:

Subject property 3731 Osage Avenue is located in Meadow Valley Ranchos Unit #4, Lot 8, Block 14, Section 19, in Township 35 North, Range 56 East.

The parcel consists of a converted mobile home and other small improvements on 2.06 acres of land. Petitioners' protest was upon the cost of the well, they believed they will never have to re-drill or pay \$23,000 to fix the well.

DOCUMENTS SUBMITTED BY PETITIONER:

None

DOCUMENTS SUBMITTED BY ASSESSOR FOR THE RECORD:

1. Letter to Board

EXHIBITS SUBMITTED BY ASSESSOR'S OFFICE:

- A. Petition Summary, Discovery, Assessor's Recommendation, Taxpayers' Petition, Maps and Photos.

APPRAISER, PREVIOUSLY SWORN IN: KRISTIN BIRDZELL

SUMMARY:

Assessor's Office appraised the parcel pursuant to NRS 361.227. To determine the replacement cost of a mobile home hookup three independent drilling companies were contacted with regards to current costs of installing, drilling and all necessary components. The costs were averaged to determine the final cost of \$23,898. The

Assessor's Office consulted the Assessor's Handbook of Rural Building Costs for 2010-11 which provided general costs for the state as a whole. The costs were found generally higher for Elko County when compared to the rest of the State.

ASSESSOR'S RECOMMENDATION:

The Assessor recommended lowering all County hookup costs to reflect the lower statewide costs as opposed to following Elko County specific costs. This would benefit all Elko County taxpayers with this type of improvement on their land.

The full taxable value of the hookup would decrease from \$23,898 to \$16,195.

Petitioners' taxable value would decrease from \$20,313 to \$13,675 when accounting for depreciation of 15 percent.

PETITIONER'S REPRESENTATIVE SWORN IN: HARRY WISEMAN

DISCUSSION:

Taxpayer noted for the record that they had lowered the value on the well since he filed his Petition. He argued the water well was a necessity and therefore should not be taxed. Taxpayer voiced concern that they received no county assistance whatsoever specifically on roads. He requested them to look at their economy because the market value of their houses was less but their taxes were not reduced. Board Member Wes Bowlen commented that if Taxpayer did not have the well on the property, the property would be worth less. Taxpayer agreed the property value would be less without the well. Kristin McQueary stated for the audience's information the advalorem taxes do not go to the road fund; gas taxes fund the road fund.

Board Member Kelly Buckner asked if any parcel of property in the County that has a well on it is assessed the taxable value based upon NRS 361.227 as an improvement to the property, and was taxed accordingly. He further inquired if it varied from location to location or was it a set value assessed across the county. Appraiser Birdzell explained the hookup cost may vary due to location but the standard well cost would not change. The standard well was at a depth of 250' with a storage tank of 120 gallons, a one horsepower pump, and hookup for the full taxable value of \$16,195. Board Member Wes Bowlen noted Taxpayer had been talking about the well itself. He inquired if they have a bare piece of property but drilled a well ahead time, do they get taxed for the well, the hookup and septic. Appraiser Birdzell stated they tax them for what was there on the property. They would be taxed according to the new Assessor's recommendation. If they were aware of the difference of depth or horsepower from the standard, the replacement cost would be adjusted.

Chairman Leberski noted the statute spoke upon the improvements to the land and believed that a well was an improvement. He commented that this Board had no jurisdiction over the County services, including the roads. Taxpayer argued there should be a fair tax on everyone with a well and a house and everybody should be charged one price in that location.

TAPE 1B POINT 34.5
HARRY WISEMAN
SUSAN WISEMAN
Case Nos. 10-036
Parcel No. 036 014 008

DECISION:

MOTION: Board Member Kelly Buckner moved to accept the Assessor’s taxable value on the well and hookups on parcel number 036 014 008 of \$13,675.

Board Member Wes Bowlen seconded the motion.

Kristin McQueary inquired if that was based upon the Assessor’s reasoning. Board Member Kelly Buckner replied affirmatively.

Board Member Kelly Buckner amended his motion that it was based on the Assessor’s reasoning on pages 3 and 4 of packet that was presented to the Board. Board Member Wes Bowlen seconded the amendment to the motion.

The motion carried the following vote:

**Voting Aye: Chairman Walter Leberski
Member Wes Bowlen
Member Al Plank
Member Kelly Buckner
Voting Nay: None
Abstaining: None
Absent: Member James Winer**

Chairman Leberski noted that Mr. Wiseman left before he could be informed that he could appeal to the State Board of Equalization. James Hatten stated he would inform him because he lived next to Mr. Wiseman. Dennis de Arrieta submitted an appeal form to Mr. Hatten to be given to Mr. Wiseman.

TAPE 1B POINT 37.3
JAMES HATTEN
KAREN HATTEN
Case Nos. 10-034
Parcel No. 036 010 007

Hearing Date: February 24, 2010

SUBJECT MATTER:

Subject property 4651 Shield Street is located in Meadow Valley Ranchos. The parcel consists of a mobile home, billed on unsecured roll, and other small improvements on 2.27 acres of land. Petitioners protested being taxed for the cost of a new well to be drilled at the cost of \$23,000 when Petitioners have an existing well. Petitioners claim the County does nothing, no road maintenance, street signs, etc.

DOCUMENTS SUBMITTED BY PETITIONER:

None

DOCUMENTS SUBMITTED BY ASSESSOR FOR THE RECORD:

1. Letter to Board

EXHIBITS SUBMITTED BY ASSESSOR'S OFFICE:

- A. Petition, Summary, Discovery, Assessor's Recommendation, Maps and Photos.

APPRAISER, PREVIOUSLY SWORN IN: KRISTIN BIRDZELL

SUMMARY:

Assessor's Office appraised the parcel pursuant to NRS 361.227. To determine the replacement cost of a mobile home hookup, three independent drilling companies were contacted with regards to current costs of installing, drilling and all necessary components. The costs were averaged to determine the final cost of \$23,898. The Assessor's Office consulted the Assessor's Handbook of Rural Building Costs for 2010-2011 which provided general costs for the state as a whole. The costs were found generally higher for Elko County when compared to the rest of the State.

ASSESSOR'S RECOMMENDATION:

The Assessor recommended lowering all county hookup costs to reflect the lower statewide costs as opposed to following Elko County specific costs. This would benefit all Elko County taxpayers with this type of improvement on their land.

The full taxable value of the hookup would decrease from \$23,898 to \$16,195.

Petitioners' taxable value would decrease to \$11,579 when accounted for depreciation of fifteen percent (Appraiser corrected the depreciation to 28.5 percent on this parcel).

PETITIONER'S REPRESENTATIVE SWORN IN: JAMES HATTEN

DISCUSSION:

Taxpayer understood the wells were an improvement but argued they have no County amenities. Taxpayer expressed concern for the health, welfare and safety of the people in the area due to lack of street signs to guide the Sheriff's Department, Ambulance and Fire Departments. Chairman Leberski stated this board does not have any authority on those matters. Kristin McQueary informed the Taxpayer some neighborhoods had gone before the RTC for street signs and suggested they contact the County Manager's Office. Board Member Wes Bowlen recommended the Taxpayer contact the County Road Supervisor. Taxpayer reported they also have problems at the bus stop at the intersection of White Rock Road and Idaho of people parking in the middle of the road and underage drivers. Chairman Leberski noted this Board had no authority over that matter. Kristin McQueary stated for additional information the County had a Road Advisory Board and their next meeting would be March 11th at 5:30 p.m. Taxpayer commented that they also have problems with fences and understood Nevada was considered as open range. Taxpayer inquired who they should speak to about the cows running through his fence. Chairman Leberski stated this board had no authority over that matter. The Assessor suggested that he come in with the brand and they could identify the rancher for them. Kristin McQueary stated the County in the past had worked with ranchers and neighbors cooperative agreements such as in Osino and Midas wherein everyone contributed because Nevada was fence out state. She suggested the Taxpayer contact Commissioner Eklund-Brown who had organized other fencing community efforts. Kristin McQueary commented that this Board could only address the tax issues.

TAPE 2A POINT 4.6

JAMES HATTEN

KAREN HATTEN

Case Nos. 10-034

Parcel No. 036 010 007

DECISION:

MOTION: Board Member Kelly Buckner moved to accept the Assessor's recommendation as presented on page 4 of the packet

regarding parcel number 036 010 007 which places the taxable value on the well and well improvements of \$11,579.
Board Member Wes Bowlen seconded the motion.

The motion carried the following vote:

Voting Aye:	Chairman	Walter Leberski
	Member	Wes Bowlen
	Member	Al Plank
	Member	Kelly Buckner
Voting Nay:		None
Abstaining:		None
Absent:	Member	James Winer

Chairman Leberski informed Taxpayer that he could appeal the value to the State. Taxpayer stated he would not appeal but asked when he would receive the revised appraisal cards. Assessor responded she would submit him one later. Chairman Leberski explained that they would not know what his taxes would be until the County accepted the tax rate. Taxpayer was submitted a State appeal form.

TAPE 2A POINT 7.5
MANUEL DE LEON
MARTHA DE LEON
Case Nos. 10-035
Parcel No. 036 014 007

Hearing Date: February 24, 2010

SUBJECT MATTER:

Subject property 4543 Nez Perce Street is located in Meadow Valley Ranchos. The parcel consists of a mobile home, billed on the secured roll, and other small improvements on 2.27 acres. The Petitioners opposed being taxed on their well.

DOCUMENTS SUBMITTED BY PETITIONER:

None

DOCUMENTS SUBMITTED BY ASSESSOR FOR THE RECORD:

1. Letter to Board

EXHIBITS SUBMITTED BY ASSESSOR'S OFFICE:

- A. Petition Summary, Discovery, Assessor's Recommendation, Taxpayer's Petition, Maps and Photos.

APPRAISER, PREVIOUSLY SWORN IN: KRISTIN BIRDZELL

SUMMARY:

Assessor's Office appraised the parcel pursuant to NRS 361.227. To determine the replacement cost of a mobile home hookup three independent drilling companies were contacted with regards to current costs of installing, drilling and all necessary components. The costs were averaged to determine the final cost of \$23,898. The Assessor's Office consulted the Assessor's Handbook of Rural Building Costs for 2010-2011 which provided general costs for the state as a whole. The costs were found generally higher for Elko County when compared to the rest of the state.

ASSESSOR'S RECOMMENDATION:

The Assessor recommended lowering all county hookup costs to reflect the lower statewide costs as opposed to following Elko County specific costs. This would benefit all Elko County taxpayers with this type of improvement on their land.

The full taxable value of the hookup would decrease from \$23,898 to \$16,195.

Petitioners' taxable value would decrease from \$19,955 to \$13,523 when accounting for depreciation of 16.5 percent.

PETITIONER NOT PRESENT.

DISCUSSION:

TAPE 2A POINT 9

MANUEL DE LEON

MARTHA DE LEON

Case Nos. 10-035

Parcel No. 036 014 007

DECISION:

MOTION: Board Member Kelly Buckner moved that they accept the Assessor's taxable value on parcel number 036 014 007 and the recommendation on page 4 of the packet provided to the Board of Equalization.

Board Member Al Plank seconded the motion.

The motion carried the following vote:

Voting Aye: Chairman Walter Leberski
Member Wes Bowlen
Member Al Plank

Member Kelly Buckner
Voting Nay: None
Abstaining: None
Absent: Member James Winer

TAPE 2A POINT 10.1

THE POINTE at RUBY VIEW LLC

JAMES Q. WINER, Managing Member

Case Nos. 10-038

Parcel No. 001 566 005, 001 566 006, 001 566 012, 001 566 013, 001 566 017
001 566 018, 001 566 019, 001 566 020, 001 566 021, 001 566 022, 001
566 023, 001 566 026, 001 566 027, 001 566 028, and 001 566 029

Hearing Date: February 24, 2010

SUBJECT MATTER:

Nineteen (19) parcels located north of Ruby View Estates subdivision. This subdivision had 29 lots of various sizes of which 10 have been sold to private parties. Appraisal Report done by William M. Tessler for Nevada State Bank dated July 24, 2009 was submitted by Petitioner to establish current market value and has requested that the Assessor's Office take this under review.

DOCUMENTS SUBMITTED BY PETITIONER:

- I. Appraisal Report by William Tessler

DOCUMENTS SUBMITTED BY ASSESSOR FOR THE RECORD:

1. Letter to Board

EXHIBITS SUBMITTED BY ASSESSOR'S OFFICE:

- A. Statutes and Regulations
- B. Elko County Sales & Values
- C. Legals, Maps & Title
- D. Pointe at Ruby View Sales Brochures

APPRAISER, PREVIOUSLY SWORN IN: KATRINKA RUSSELL

SUMMARY:

Upon review of sales brochures listing the prices in September 2007 and after doing comparables of other neighborhoods on the other side of the golf course, the

Assessor made the decision to wait on setting these land values. Between October 2007 and May 2008 sales in this subdivision and in the Ruby View Estates became available for analysis. The Assessor set the land values per NRS 361.227(5)(a) comparatives sales based on prices paid in market transactions. In September of 2008, the developer of the subdivision submitted information in order to qualify for the Developer's Discount and qualified for a 30% reduction. A strike off was made for the 2009-2009 fiscal year and the discount carried over into the FY 2009-2010.

ASSESSOR'S RECOMMENDATION:

The Assessor's Office is in agreement with the current market values indicted on page 99 of the Appraisal Report but comparable sales are a true indicator of the values set on these parcels. The Assessor's Office requests that the Board apply the reduction as market obsolescence.

The Assessor's Office found that the absorption period was indicated as one to two years in the appraisal and requested the board to reduce the amount of the Developer's Discount from 30% to 20% as indicated by NAC 361.1295. This discount would be in addition to the market obsolescence applied.

The Assessor's Office final recommendation was to reduce the values of the neighboring subdivision Ruby View Estates who are currently receiving a Developer's Discount of 30% to 20% and to apply market obsolescence (an equal percentage to be calculated) to maintain uniformity and equity.

PETITIONER'S REPRESENTATIVE SWORN IN: GARY MANSOUR

DISCUSSION:

Gary Mansour, part owner of the subdivision, stated that on behalf of the partners they accept the County Assessor's recommendation on the reduction of that property tax on that subdivision. He noted there was a reduction on the value of the lots at 44% after the appraisal came back. He reported that the value of the lots went down because of the sale of the last two lots that were sold which reduced the value of that subdivision.

Board Member Kelly Buckner requested clarification on market obsolescence. The Assessor explained that if the value set on those parcels were set based on sales. If they reduce the land value on those parcels, they need to call it marketable obsolescence so that if the market goes back up and they begin selling those lots for the full value then she could put it back up to full value without it being capped.

Chairman Leberski understood the owners would accept the new assessed valuation. Gary Mansour agreed and they would also take into consideration the developer discount from 30% to 20%.

Chairman Leberski asked what the taxable values would be. The Assessor stated the listings were on Tab 2 page 2 and also on page 99 of the Appraisal Report.

Board member Kelly Buckner asked how the appraised value compared to the previous appraised value. The Assessor stated on tab 2 was the taxable and appraised value, as an example on Parcel 1 they would be lowering it from \$110,000 to \$75,600 which was a 44% reduction. Board Member Kelly Buckner asked what percentages or value did they use for market absorption and received the reply of 20%. The Assessor explained in the NAC there was a formula of taking the cost of the entire development and the absorption period, how many lots were remaining. She noted they have to have ten or more to qualify for the developer's discount. Gary Mansour stated on lot 15 they paid \$165,000 for the lot and about six months ago Lot 14 sold for \$89,000. The person who owns Lot 14 was paying \$1,936 property tax which was 20% on the property tax. They were not attracting potential buyers because they were looking at the higher property tax. Chairman Leberski inquired if they were going to consider in this decision all of the lots that were still owned or were they going to do them separately. The Assessor stated the case number specified all the parcels. Dennis de Arrieta clarified all the lots would receive the market obsolescence but only the lots now owned by Ruby View LLC would receive the 20% developer discount. Board Member Wes Bowlen understood they wanted to keep the uniformity and inquired if they would include the other side of the golf course. The Assessor stated this discount would lower this subdivision down to what they were on the other side of the golf course. Board Member Kelly Buckner noted that this was determined after the packet was prepared. The Assessor explained it was a series of calculations and after they make their decision they would have to go back and apply the market obsolescence and the 20% developer discount. She noted the market value was on page 99 of the Appraisal Report. The Assessor clarified they recommended a developer's discount of 20% on both subdivisions.

Board Member Al Plank asked about the geographic difference between the two subdivisions, if it was the elevation. Gary Mansour replied yes, the subdivisions were near the golf course, the lot sizes were close and the listing prices were the same. Chairman Leberski asked when the developer discounts go away. The Assessor replied when they were below 10 lots. Gary Mansour stated they have 15 lots left. The Assessor clarified when they sell a lot to a private individual the developer discount was removed at that time, the following fiscal year the new owner would be taxed at the full value.

TAPE 2A POINT 33.0

THE POINTE at RUBY VIEW LLC

JAMES Q. WINER, Managing Member

Case Nos. 10-038

Parcel No. 001 566 005, 001 566 006, 001 566 012, 001 566 013, 001 566 017
001 566 018, 001 566 019, 001 566 020, 001 566 021, 001 566 022, 001 566 023,
001 566 026, 001 566 027, 001 566 028, and 001 566 029

DECISION:

MOTION: Board Member Kelly Buckner moved on all parcels listed in Case No 10-038 that we take the Assessor’s recommendation as found on page 4: 1) *Current market values indicted on page 99 of the Appraisal Report and apply the reduction as market obsolescence;* 2) *Reduce the amount of the Developer’s Discount from 30% to 20% as indicated in NAC 361.1295. This discount would be in addition to the market obsolescence applied;* 3) *Reduce the values of the neighboring subdivision Ruby View Estates to apply market obsolescence (an equal percentage to be calculated) to maintain uniformity and equity and reduce the Developer’s Discount to 20 percent.*

Board Member Wes Bowlen seconded the motion.

Board Member Kelly Buckner inquired if the Ruby View Estates were listed in the case. The Assessor replied in the affirmative.

The motion carried the following vote:

Voting Aye:	Chairman	Walter Leberski
	Member	Wes Bowlen
	Member	Al Plank
	Member	Kelly Buckner
Voting Nay:		None
Abstaining:		None
Absent:		Member James Winer

Chairman Leberski asked that they notify the Petitioner that in the event they want to appeal this decision they can pick up the Petition at the Assessor’s Office to appeal to the State Board of Equalization.

TAPE 2A POINT 37

COMMENTS BY THE BOARD:

Board Member Kelly Buckner inquired if they anticipated people who purchased lots from the Pointe to be in here next year asking for a reduction in their taxable

value and would the Assessor be required to lower it, not giving it the developer discount but to the other value they had placed on the adjoining lots. Assessor Russell stated they would look at the sales and if there was an increase they would adjust accordingly but all those lots would be reduced in the subdivision.

TAPE 2A POINT 40
ALVIN R KACIN, III
RAQUEL R. GUERRERO
Case Nos. 10-026
Parcel No. 001-01C-024

Hearing Date: February 24, 2010

SUBJECT MATTER:

Property located at 3083 LaNae Drive, Elko, Nevada. Mr. Kacin questioned the 33% increase to his improvement value last year. He requested the taxes to remain at the 2009-2010 values.

DOCUMENTS SUBMITTED BY PETITIONER:

None

DOCUMENTS SUBMITTED BY ASSESSOR FOR THE RECORD:

1. Letter to Board

EXHIBITS SUBMITTED BY ASSESSOR'S OFFICE:

- A. Petition, Assessor Recommendation, Legal Description, Market Sales Info, Current Replacement Costs, Subdivision Map, Subject Photo, Subject Sketch, Subdivision Photo and Improvement Factors.

APPRAISER, PREVIOUSLY SWORN IN: DENNIS DE ARRIETA

SUMMARY:

It was discovered during review of subject property that the house was 1910 square feet and not 1726 square feet. The property adjustment was made resulting in the majority of the increase. The improvements were valued uniformly and equally with the rest of the neighborhood. The home is classified as a 2.5 fair to average quality and is a split level home.

ASSESSOR’S RECOMMENDATION:

In viewing neighborhood sales the subject property is deemed being well below market value. Market value for like properties is \$287,740. The Assessor recommends that the parcel continue to be based on the replacement cost new, less depreciation, value of \$170,940.

PETITIONER WAS NOT PRESENT:

DISCUSSION:

Board Member Al Plank clarified that they started with the market value and were applying depreciation. Dennis de Arrieta stated they had to base it on replacement costs also. The original value was \$170,940 so they saw no need to make a change because the market value was higher than replacement cost value.

TAPE 2A POINT 45.8
ALVIN R KACIN, III
RAQUEL R. GUERRERO
Case Nos. 10-026
Parcel No. 001-01C-024

DECISION:

MOTION: Board Member Al Plank moved that they accept the Assessor’s valuation based on the cost approach on Case No. 10-026 of \$170,940.

Board Member Wes Bowlen seconded the motion.

The motion carried the following vote:

Voting Aye: Chairman Walter Leberski
Member Wes Bowlen
Member Al Plank
Member Kelly Buckner
Voting Nay: None
Abstaining: None
Absent: Member James Winer

Chairman Leberski noted the Assessor would inform the Petitioner of his ability to appeal to the State Board of Equalization.

TAPE 2A POINT 47.8

P K SALES LLC

Case Nos. 10-012 thru 10-019

**Parcel Nos. 001 660 0AD, 001 660 036, 001 660 037, 001 660 045,
001 660 048, 001 660 049, 001 660 050, 001 660 094**

Hearing Date: February 24, 2010

SUBJECT MATTER:

Eight parcels in the Elko Junction Shopping Center located at 2525 Mountain City Hwy, Elko Nevada. The parcels are known as Raley's and the attached buildings, Mattie's and attached buildings, Cinema Theater, Coffee Mug, Blockbuster Video, Builder's Mart and two vacant parcels in the vicinity.

DOCUMENTS SUBMITTED BY PETITIONER:

None

PETITIONER REPRESENTED BY: THE SAGE TAX GROUP

DOCUMENTS SUBMITTED BY ASSESSOR FOR THE RECORD:

1. Letter to Board

EXHIBITS SUBMITTED BY ASSESSOR'S OFFICE:

- A. Petition & Attachments
- B. Reasons for Appeals, Values, Recommendations, Legals, Title
- C. Evidence (Calculations)
- D. Sales Worksheet
- E. Appraisal Info/Map

APPRAISER, PREVIOUSLY SWORN IN: DENNIS DE ARRIETA

SUMMARY:

Petitioner requested a reduction in their value to \$10,050,000 based on income. The properties sold on January 20, 2010 for \$8,450,000. The petition was transferred over to the new owners MP Elko LLC.

DISCOVERY:

PK Sales LLC purchased all the parcels in February of 2007 for \$12,686,840. The parcels are all currently occupied w/tenants with the exception of the Mattie's building which has 3 vacancies in the 7 unit building and Blockbusters which recently

closed. Market rental per square feet varies from parcel to parcel. Anomalies are as follows: the Cinema Theater (9,712 sq ft) sits on a 10.49 acre parcel and occupies 1.72 acres; the Builder's Mart (48,700 sq f.) sits on 6.26 acre piece with asphalt parking lot on majority of parcel; the Coffee Mug (3,660 sq ft) sits on a 1.16 acre also with asphalt parking lot on the majority. Land values based on \$90,000 per acre or \$130,000 per acre pending location from sales in prior years. Buildings were appraised based on Marshall & Swift Commercial Manual and was capitalized at 11.8% cap rate because of insufficient per unit income information.

PETITIONER'S REPRESENTATIVE NOT PRESENT.

ASSESSOR'S RECOMMENDATION:

The 2010-11 total appraised value of all parcels is \$13,650,794. Based on the review of income information submitted, it is our recommendation that figure be reduced to reflect the income approach figure of \$11,539,737.

TAPE 2B

DISCUSSION:

Board Member Kelly Buckner disclosed that he was employed by the Elko Federal Credit Union and the building he worked in was located within the vicinity and adjacent to these properties. He did not feel that was a conflict.

The Assessor acknowledged they do have a sales price of \$8,450,000 but she could not reduce it to that amount based upon the 2009 income which supported the 11.5 million dollars. Board Member Wes Bowlen inquired if they were obligated to accept the market price established by what the sale was as a value or can they take the income as a value. Chairman Leberski stated they do not know if it was an arm's length sale, the Board accepted the income approach last year. Board Member Kelly Buckner inquired if the 11.8% cap rate was applied consistently to like properties in the area. The Assessor noted Smith's was like property and they would hear that case later. Board Member Al Plank noted there was a 33% drop in valuation if they based it on the 2007 and the 2010 purchase prices. He inquired if that was consistent with other evaluations they have viewed and questioned if it was an arm's length transaction. The Assessor explained PK Sales was a subsidiary of an international real estate company and questioned if it was bought on speculation. The Assessor stated they could not use the nationwide tax rate because of the better economy in Elko. Dennis de Arrieta explained the components which make up the capitalization rate.

Board member Kelly Buckner believed income was the most effective way to value because within the development of this property they had to address Adobe Creek running through the property and it was difficult to appraise bundled property.

TAPE 2B POINT 18.6

P K SALE LLC

Case Nos. 10-012 thru 10-019

**Parcel Nos. 001 660 0AD, 001 660 036, 001 660 037, 001 660 045,
001 660 048, 001 660 049, 001 660 050, 001 660 094**

DECISION:

MOTION: Board Member Al Plank moved to accept the Assessor’s value of \$11,539,737 based upon the income approach for Case Nos. 10-12 through 10-19.

Board Member Wes Bowlen seconded the motion.

Board Member Al Plank noted that Board Member Kelly Buckner’s comments supporting the income approach was the rationale because the property as bundled would be very difficult to value other than the income method.

Board Member Al Plank amended his motion that a bundle of property would be difficult to value other than by the income approach. Board Member Wes Bowlen seconded the amendment.

The motion carried the following vote:

Voting Aye:	Member	Walter Leberski
	Member	Wes Bowlen
	Member	Al Plank
	Member	Kelly Buckner
Abstaining:	None	
Absent:	Member	James Winer

TAPE 2B POINT 20.5

SMITH’S FOOD & DRUG CENTERS, INC

Case Nos. 10-011

Parcel No. 001 660 074

Hearing Date: February 24, 2010

SUBJECT MATTER:

Property located south of Interstate 80 Exhibit 303 across from the Elko City Airport, Smith’s Food and Drug-Elko at 1740 Mountain City Highway, Elko, Nevada.

DOCUMENTS SUBMITTED BY PETITIONER:

- I. Petition, Agent Authorization, Notice of Assessed Valuation, and Comparative sales.

PETITIONER'S REPRESENTATIVE NICKEL & COMPANY LLC. NOT PRESENT.

DOCUMENTS SUBMITTED BY ASSESSOR FOR THE RECORD:

1. Letter to Board

EXHIBITS SUBMITTED BY ASSESSOR'S OFFICE:

- A. Petition appeal, Assessor Letter to Board
- B. Legal Description, Chain of Title, Parcel Map, BLA Map Assessment History, Adjustment to Bldg size, Dimension Drawing, Cost Details, Area Sales, Subject Photo
- C. Maps

APPRAISER, PREVIOUSLY SWORN IN: JANET IRIBARNE

SUMMARY: Petitioner believes the appraised value of subject parcel (Smith's Food and Drug-Elko) exceeds market value based on the overall economic climate. The petitioner makes reference to a smaller business, on the opposite side of town, which in 2006 leased for \$6 per square foot and the Petitioner's agent also provided the Assessor with sales for "Big Box" properties in western Nevada as comparables.

DISCOVERY: The Assessor's Office attempted to apply the three methods of appraisal: cost, market, and income approaches. A request was made to Subject's acting agent for the 2009 profits and loss statements in order to apply the capitalization of income for a value based on net operating income but the agent declined based on matters of confidentiality from their competitors. The Assessor's presentation was based on cost and market approaches to value this property and not the income approach. During subject property review, a discrepancy was found in the building's size of 200 square feet. With correction to the building size, the RCNLD for the 53,947 square foot Smith's building is \$3,200,943; the parking lot RCNLD is \$621,280; the market value for the land is \$709,800 which is an overall property taxable value of \$4,532,023.

ASSESSOR'S RECOMMENDATION:

The Assessor recommends that the property values for the Subject Property remain the same with exception to the 200 square foot size adjustment/correction. The economic turmoil that may be felt in some communities is not a reflection to our

situation here in Elko County. Other big box properties in the vicinity have not protested their assessments based on low economic deterioration. In addition, the property's land valuation has been in place since 1996 and the building components have not been altered since the building was constructed in 1995.

DISCUSSION:

Chairman Leberski noted they used comparable sales in the last exhibit and came up with a taxable value of \$4,532,031. He noted that previous value was \$4,532,023. Appraiser Iribarne stated that the \$4,532,023 was due to the rounding and would be the correct value. She noted that the Petitioner said he had provided the income information but he had not. Board Member Kelly Buckner clarified the Assessor used the cost approach because they were not given any income data.

Board Member Al Plank requested clarification that on page 14, Raley's was \$84 overall cost per square foot; Albertsons was \$85 and Smith's was \$84.00. Appraiser Iribarne stated those were the comparisons, taking into consideration the building, parking lot and acreage. Board Member Kelly Buckner inquired if the Assessor would typically use the comparable sales submitted by the Petitioner for taxable value. Appraiser Iribarne stated they could be looked at but there would be lots of adjustments for the location, size and felt it would be a huge adjustment for east and west of Nevada. Board Member Kelly Buckner inquired if the economic conditions would be part of the analysis. Appraiser Iribarne stated that was possible. Chairman Leberski noted that the economic conditions were different in Reno and Carson from Elko.

TAPE 2A POINT 31.1

SMITH'S FOOD & DRUG CENTERS, INC

Case Nos. 10-011

Parcel No. 001 660 074

DECISION:

MOTION: Board Member Kelly Buckner moved in Case No. 10-011, Parcel No. 001 660 074 that the Board accept the Assessor's recommendation of value \$4,532,023 for this parcel based upon the information provided by the Assessor on pages 1 and 2 of their report.

Board Member Al Plank seconded the motion.

The motion carried the following vote:

Voting Aye: Chairman Walter Leberski

	Member	Wes Bowlen
	Member	Al Plank
	Member	Kelly Buckner
Voting Nay:		None
Abstaining:		None
Absent:	Member	James Winer

VIII. ADJOURNMENT:

There being no further business to come before the Board, Chairman Leberski adjourned the meeting at 11:02 a.m.

APPROVED,

WALTER LEBERSKI, Chairman

ATTEST:

MARILYN TIPTON, Deputy County Clerk