

CARSON CITY BOARD OF EQUALIZATION
Minutes of the January 25, 2000 Meeting
Page 1

A regular meeting of the Carson City Board of Equalization was held at 10:00 a.m. on Tuesday, January 25, 2000 in the City Hall Capitol Conference Room, 201 North Carson Street, Carson City, Nevada.

PRESENT: Chairperson Darrel Cauch
Vice Chairperson John Allen
Mary Keating
Chuck Saulisberry
Kevin Vukota

STAFF: Kit Weaver, Assessor
Scott Loff, Chief Property Appraiser
Steve Walker, Property Appraiser I
Melanie Bruketta, Deputy District Attorney
Kathleen King, Recording Secretary
(BOE 01/25/00; Tape 1-0001)

NOTE: Unless indicated otherwise, each item was introduced by Chairperson Cauch. A tape recording of these proceedings is on file in the Clerk-Recorder's Office and is available for review and inspection during regular business hours.

A. CALL TO ORDER, ROLL CALL AND DETERMINATION OF A QUORUM (1-0002) - Chairperson Cauch called the meeting to order at 10:00 a.m. Roll call was taken; a quorum was present.

B. APPROVAL OF MINUTES (1-0007) - Member Saulisberry moved to approve the minutes of the January 18, 2000 meeting. Vice Chairperson Allen seconded the motion. Motion carried 5-0.

C. DISCUSSION AND POSSIBLE ACTION ON PETITION FOR REVIEW OF ASSESSED VALUATION

1. ROBERT W. MATTOX, BOEING WAY, CARSON CITY, NV, APNs 8-682-16; 8-682-17 (1-0020) - Mr. Weaver advised that the Deputy District Attorney was en route to the meeting. Chairperson Cauch recessed the meeting at 10:02 a.m., and reconvened the meeting at 10:07 a.m. He explained the review process to the petitioner's representative, Patrick Flanagan. Mr. Loff described the property, its location, and read the parcel numbers into the record. Mr. Flanagan provided background information on Mr. Mattox's business and business practices, and discussed his future plans for the subject properties. He advised that the properties were purchased approximately one year ago for \$140,000, with \$5,000 in "extra costs." The assessment of \$200,000 is \$60,000 higher than the purchase price and, although adjacent parcels have been selling at a higher value, Boeing Way is a lengthy, undeveloped road. When Mr. Mattox begins to develop the property, curb and gutter will be required and, with the exception of electrical lines from the adjacent highway, there are no utilities on the property. In addition, the noise from the Carson City Airport could be a factor in the future value of the property. Mr. Flanagan requested that the valuation of the property be reconsidered based upon the purchase price of \$145,000.

Mr. Loff advised of researching the reason for the low selling price. He has been unable to reach Mr. Kaiser, the seller, and the title company staff did not recall the transaction. In addition, there has been no involvement by real estate agents or appraisers. When the sale came through the Assessor's Office, it was classified as a "B sale" because it was so much lower than the selling prices of other parcels in the same area. When reappraisal for the 98/99 year was conducted in the area, prices were approximately \$100,000 per acre and the value was set at \$95,000 per acre. Assessor's Office staff was aware that the owner of these parcels would eventually be required to pave the adjacent street, so the parcels were discounted to \$80,000 per acre. This amounts to a \$37,950 discount compared to adjacent parcels with paved streets. With regard to improvements, Mr. Loff advised that the City will defer curb and gutter through a development agreement.

CARSON CITY BOARD OF EQUALIZATION
Minutes of the January 25, 2000 Meeting
Page 2

There is a sewer line extension requirement as well. In response to a question, Mr. Loff explained that the entire width of the street would have to be paved, and the property owner across the street would be requested to pay for half at some time in the future. Since the street has already been graded in, pavement is all that is needed to complete it. Mr. Loff acknowledged that Mr. Mattox would not be required to pave the entire length of the street; only that which is adjacent to the subject parcels. Discussion regarding the sewer line extension followed, and Mr. Loff acknowledged that adjacent property owners have the same requirements. Member Saulisberry requested information as to the reason for the low selling price, and Mr. Loff explained that this was the reason he had been trying to contact Mr. Kaiser. Member Keating commented that it was Mr. Kaiser's choice to sell the property for under market value and that this should have no bearing on the Board's decision. Mr. Loff acknowledged that all the public record information from Community Development and Public Works indicates that there is nothing wrong with these parcels.

Mr. Flanagan explained that Mr. Mattox and Mr. Kaiser, both long-time residents of Nevada, understand "realistic values of property and real estate" in Carson City. He discussed the issue of real estate speculation and expressed the opinion that this is not a prudent approach to City development and encouragement of industry. There were no third parties involved in this sale and both gentlemen have Carson City's community development interests at heart. Mr. Flanagan clarified that the petitioner is not "asking for favors." He wants to responsibly pay his taxes, but believes the property appraisal at \$60,000 higher than the purchase price is excessive. When asked if Mr. Mattox was aware of the assessed value of adjacent properties at the time of purchase, Mr. Flanagan stated that this had not entered into the mind of Mr. Mattox. His intent was to expand his business and he needed property to do so. The subject parcels are adjacent to Mr. Mattox's current business location thus making future expansion easier and cheaper.

Mr. Loff provided further information, including that the property was purchased by Mr. Mattox in 1999 at which time market values were \$120,000 per acre and rising. The original assessment was done in 1997, and there will be no reappraisal until 2003-04. Mr. Loff provided an example of 7.5 acres which were purchased in an area off of Conestoga Drive for \$530,000. The owner developed the street, divided the acreage into four parcels, and is currently selling each parcel for \$130,500 per acre. The cost of developing streets, sewer, water, laterals, any required clean outs, etc. is approximately \$30,000 per acre. Mr. Loff acknowledged Assessor's Office staff believes that the value is more than reasonable and that Mr. Mattox "got a very good deal on his property." **Member Keating moved that the Board deny the request based upon the information provided. Member Vukota seconded the motion. Chairperson Cauch requested a roll call vote, the results of which are as follows: Chairperson Cauch, Vice Chairperson Allen, Members Keating and Vukota - Aye; Member Saulisberry - Naye. Motion carried 4-1.** Chairperson Cauch advised Mr. Flanagan of the petitioner's right to appeal to the State Board of Equalization. Mr. Flanagan thanked the Board members for their time.

D. DISCUSSION REGARDING NEW PETITIONS FOR REVIEW OF ASSESSED VALUATION AND ACTION ON DETERMINATION OF NEXT MEETING DATE (1-0374) - Mr. Weaver advised of receiving petitions for Broadleaf Manor and Sagewood Manor apartments. He attempted to contact the petitioner's representative by telephone and by fax to schedule the appeal; however, he did not receive any response. The petitions are scheduled to be heard Tuesday, February 1, 2000 at 10:00 a.m. Certified letters were sent on Friday, January 21, 2000; however, the receipts have not yet been returned. In response to a question, Mr. Weaver advised that the petitioners must be present to make their appeal. Deputy District Attorney Bruketta acknowledged that the meeting can be canceled if the petitioners withdraw their appeal. Mr. Weaver advised that Price Waterhouse Coopers is representing the petitioners.

E. REVIEW AND APPROVAL OF TAXABLE AND ASSESSED VALUES FOR 2000/2001 ORMSBY HOUSE ASSESSMENT, APNs 3-092-01; 3-093-05; 3-094-01; 3-096-01; AND 4-061-02 (1-0460) - Mr. Loff distributed a table indicating the deduction taken as a result of the action at the last meeting. He explained the process, and discussed the reason for applying the deduction to the parking garage parcel.

CARSON CITY BOARD OF EQUALIZATION
Minutes of the January 25, 2000 Meeting
Page 3

F. PUBLIC COMMENTS (1-0492) - None.

G. MEMBER COMMENTS (1-0493) - None.

H. STAFF COMMENTS (1-0495) - None.

I. ADJOURNMENT (1-0498) - Vice Chairperson Allen moved to adjourn the meeting at 10:33 a.m. Member Keating seconded the motion. Motion carried 5-0.

The Minutes of the January 25, 2000 meeting of the Carson City Board of Equalization are so approved this 1st day of February, 2000.

DARREL CAUCH, Chairperson