

CARSON CITY BOARD OF EQUALIZATION

Minutes of the February 5, 2008 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 5, 2008 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Ron Allen
Vice Chairperson Roy Semmens
Marilyn Koschella
William Lewis
Mary Sanada

STAFF: Dave Dawley, Assessor
Steve Walker, Chief Property Appraiser
Kimberly Adams, Appraiser
Tim Clark, Appraiser
Joel Benton, Senior Deputy District Attorney
Kathleen King, 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, on file in the Clerk-Recorder's Office. These materials are available for review during regular business hours.

A. CALL TO ORDER AND DETERMINATION OF QUORUM (10:01:07) - Chairperson Allen called the meeting to order at 10:01 a.m. Roll was called; a quorum was present.

B. MODIFICATION OF AGENDA (10:01:35) - Mr. Walker advised that the petition, which is the subject of item F-2, had been withdrawn by the petitioner. At Mr. Walker's request, Chairperson Allen modified the agenda to address item F-1 prior to item E-1.

C. ACTION TO ELECT 2008 BOARD OF EQUALIZATION CHAIR AND VICE CHAIR (10:02:40) - Chairperson Allen introduced this item and entertained nominations. **Member Semmens moved to retain Chairperson Allen. Member Koschella seconded the motion. Member Lewis moved to elect Roy Semmens as vice chair. Member Koschella seconded the motion. Motion carried 5-0.**

D. ACTION ON APPROVAL OF MINUTES - January 22, 2008 (10:03:55) - Member Sanada moved approval of the minutes, as written. Member Lewis seconded the motion. Motion carried 5-0.

E. DISCUSSION AND POSSIBLE ACTION ON ASSESSOR'S RECOMMENDED CORRECTIONS TO THE CARSON CITY ASSESSMENT ROLL

E-1. THE SEASONS LIMITED PARTNERSHIP, 1150 EAST LONG STREET, APN 002-121-18 (10:09:10) - Chairperson Allen introduced this item. Mr. Walker referred to the board's action on item F-1, and noted the applicability of NRS 361.175(k) to the subject parcel.

(10:10:11) In response to a question, Mr. Clausen advised that no petition was ever filed for the subject parcel. He expressed support for the Assessor's recommendation.

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Chairperson Allen entertained a motion. **Member Lewis moved to accept the Assessor's recommendation, eliminating the land assessment and for the improvement value to remain the same. Vice Chairperson Semmens seconded the motion. Motion carried 5-0.** Chairperson Allen thanked Mr. Clausen for his attendance and participation.

F. DISCUSSION AND ACTION ON PETITIONS FOR REVIEW OF ASSESSED VALUATION

F-1. THE SEASONS LIMITED PARTNERSHIP, 1101 BEVERLY DRIVE, APN 002-121-15 (10:04:39) - Chairperson Allen introduced this item. Mr. Walker oriented the board members to the location of the subject property and provided a description of the same. He advised that the property is leased by The Seasons Limited Partnership from Carson City.

(10:05:53) Attorney Tim Clausen, of Hale Lane, advised he was representing The Seasons Limited Partnership. He explained that the Petition for Review of Assessed Valuation was filed "based on the ... belief that the income approach was inappropriate and over ... the actual, assessed value." After reviewing the Assessor's recommendation, Mr. Clausen requested the Board to take action on said recommendation and advised that the petition would be withdrawn. In response to a question, he clarified that the petition would be withdrawn "if the zero assessment recommended by the Assessor is approved by the board." Mr. Clausen acknowledged the understanding that the zero value recommendation would apply only to the land, based on the Assessor's description. Mr. Walker acknowledged that all improvement values would remain the same. He read NRS 361.157(k) into the record, and recommended dropping the land value to zero.

Chairperson Allen entertained additional questions of the board members. Mr. Clausen acknowledged a separate matter before the Board of Supervisors. Chairperson Allen entertained a motion. **Member Sanada moved to approve the Assessor's recommendation to remove the land as part of the value on APN 002-121-15. Vice Chairperson Semmens seconded the motion.** At Chairperson Allen's request, **Member Sanada amended her motion to indicate that the improvement values remain the same. Vice Chairperson Semmens continued his second. Motion carried 5-0.**

F-2. LAKE TAHOE SECRET HARBOR CORPORATION, 2190 HIGHWAY 28, APN 007-011-01 - Withdrawn by the petitioner.

G. DISCUSSION AND POSSIBLE ACTION REGARDING ORMSBY HOUSE VALUATION,

600 SOUTH CARSON STREET, APN 003-092-03 (10:11:23) - Chairperson Allen introduced this item and advised that he had requested staff to agendize it. Mr. Clark provided historic information on the ownership and valuation of the property, as outlined in the agenda materials. He reviewed that portion of the staff report relating to a recent site visit conducted by himself and Mr. Walker, together with property owner Don Lehr and Cubix Ormsby LLC Assistant General Manager Craig Fir. He advised that the structure "is still in a state of renovation." Extensive demolition and some reconstruction of the interior has taken place. Work continues on the building exterior. Mr. Clark advised of having contacted General Contractor Tom Metcalf and City Building Division representatives, who informed him that plans for interior reconstruction were anticipated to be submitted the week of January 28th. Mr. Clark advised of having subsequently confirmed with Building Division representatives that the plans were, in fact, submitted. He expressed the understanding that plan details are being worked out. He advised that Mr. Lehr had informed Assessor's Office staff, once the plans are approved, construction is anticipated to take approximately one year.

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Chairperson Allen noted there were no Ormsby House representatives present in the meeting room. In response to a question, Mr. Clark advised of having provided the agenda materials to Cubix Ormsby LLC representatives. Vice Chairperson Semmens reviewed the various valuations, as listed in the agenda materials. He expressed the opinion that the current valuation “is still too low for what they’ve done.” In response to a comment, Mr. Clark reiterated that the “entire interior is virtually non-existent ... The exterior is not quite completed ...” Landscape and parking improvements to serve the main building are also incomplete. Mr. Clark noted steady increases in the land and improvements values from “the time the property, in 01/02, was adjusted downward.” He further noted that the improvements have increased approximately \$900,000 since 2001/02, and that the land has stayed at market value with steady increases.

Mr. Dawley advised that new construction is added to the tax rolls as it is completed. He noted the Winchester Club, as an example. He explained the requirement to assess tax “as it is right now.” Vice Chairperson Semmens expressed opposition to the original “three-year extension” becoming “eight years.” He reviewed various portions of the project which have been completed. Mr. Dawley expressed understanding for Vice Chairperson Semmens’ frustration, but explained that the Assessor’s Office is bound by the state statute. He committed to continuing to monitor the situation.

In response to a question, Mr. Dawley explained the market value and replacement cost method by which the Ormsby House is assessed since no business is yet being conducted. He advised that downtown commercial values were increased 40 percent this year, and that the same increase was applied to the Ormsby House. He noted the property tax cap as a factor, but advised that new construction is outside the property tax cap. He acknowledged that once the Ormsby House is open for business, the new tax valuation could be based on income. He clarified that a three-year income history would first have to be established. Member Lewis noted the significant sums being invested into the Ormsby House project, and the difficulty in sending “a higher tax bill when they aren’t making buck one.”

Mr. Walker referred to the original presentation made by Ormsby House representatives, at which a “short-term outlook on when they’d be completed” was provided. He noted “huge losses” associated with unforeseen construction problems in the interim. He advised of having conducted a reappraisal of the property for the 2005/06 tax year, and of having visited the site at the time. The demolition process had left “a giant warehouse,” empty from the ground floor to the eleventh floor. Mr. Walker acknowledged the slow progress, but pointed out that reconstruction of the Ormsby House is taking place, as originally represented by the property owner. “The only difference from now and then is the time frame.” Mr. Walker noted the Assessor’s Office had provided no recommendation with regard to this item. Chairperson Allen suggested the structure is “still basically a warehouse.”

Chairperson Allen entertained additional questions or comments and, when none were forthcoming, a motion. **Member Lewis moved leave the value, as assessed, for an additional twelve months. Member Sanada seconded the motion.** Member Lewis acknowledged the intent to agendize review of the Ormsby House valuation in January 2009. Chairperson Allen called for additional discussion and, when none was forthcoming, a vote on the pending motion. **Motion carried 5-0.**

H. PUBLIC COMMENTS (10:25:53) - None.

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I. DISCUSSION AND POSSIBLE ACTION REGARDING NEXT MEETING DATE (10:26:00)

- Mr. Dawley advised that an office correction would be agendized for the February 12th meeting. Member Lewis advised he would be absent from the next meeting.

J. ACTION ON ADJOURNMENT (10:27:07) - Vice Chairperson Semmens moved to adjourn the

meeting at 10:27 a.m. Member Lewis seconded the motion. Motion carried 5-0.

The Minutes of the February 5, 2008 Carson City Board of Equalization meeting are so approved this 19th day of February, 2008.

RONALD J. ALLEN, Chair