

CARSON CITY BOARD OF EQUALIZATION

Minutes of the January 25, 2005 Meeting

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A regular meeting of the Carson City Board of Equalization was scheduled for 10:00 a.m. on Tuesday, January 25, 2005 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Chuck Saulisberry
Vice Chairperson Roy Semmens
Ronald Allen
Mary Keating
William Lewis

STAFF: Dave Dawley, Assessor
Scott Loff, Chief Property Appraiser
Steve Walker, Property Appraiser
Mary-Margaret Madden, Deputy District Attorney
Kathleen King, Recording Secretary

NOTE: A tape recording of these proceedings is on file in the Clerk-Recorder's Office, and is available for review during regular business hours.

A. CALL TO ORDER, ROLL CALL AND DETERMINATION OF QUORUM (1-0007) - Chairperson Saulisberry called the meeting to order at 10:05 a.m. Roll was called; a quorum was present.

B. ACTION ON APPROVAL OF MINUTES - January 11, 2005 (1-0015) - Vice Chairperson Semmens moved to accept the minutes. Member Allen seconded the motion. Motion carried 4-0.

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

C-1. LEGRAND AND LAUREL TERRY; APN 007-072-17; 3949 KINGS CANYON ROAD, CARSON CITY, NEVADA (1-0031) - Mr. Walker introduced this item. Mr. Terry thanked the Board members and the Assessor's Office staff. He described the location of his residence at 3949 Kings Canyon Road, and advised that three homes "right above" and two homes "just below" his were destroyed in the Waterfall Fire. He further advised that most everything on the south side of his property, including fencing, trees, and shrubbery, was also destroyed. He expressed the opinion that the increase in the appraised value of his property is unusual "given the enormity of the destruction in the area." He expressed doubt that any of the residents of Kings Canyon Road will be able to sell their homes within the next five years "for what they're worth given the destruction." He requested the Board members to reject the increase in appraised value of his property.

In response to a question regarding the market value indicated on the Petition for Review of Assessed Valuation, Mr. Terry explained that he based the figure on the sale of a neighbor's home a few years ago. Mr. Terry acknowledged the recent sale of parcel 7, and advised that the parcel is located "significantly below" his property and "did not have the destruction from the fire." He responded to questions regarding the proximity of U.S. Forest Service and Carson City lands adjacent to his property and neighboring properties. He speculated that neighboring property owners have similar feelings about the effect of the fire on the value of their properties. Mr. Terry acknowledged the \$400 increase in property value between last year and this year. Vice Chairperson Semmens expressed the opinion that there should be no problem

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considering Mr. Terry's valuation of his property at \$475,000 and the Assessor's Office valuation at \$322,774. Mr. Terry responded to questions regarding the loss of trees along the western and southern exposures of his property.

In response to a question, Mr. Walker advised that an improvement factor was added to all the properties in Carson City which were not in the reappraisal area. He acknowledged that values were the same this year as last year, except for adding the improvement factor which is a mandatory State requirement. Member Keating expressed sympathy for Mr. Terry's situation, but advised that she anticipated a substantial increase in property taxes prior to the fire. She expressed difficulty with decreasing the property value when the assessed value is already lower than Mr. Terry's "lowest number."

Mr. Terry acknowledged having lost several dozen large pine, aspen, and willow trees, as well as the fencing between his property and an adjacent property. In response to a question, Mr. Walker advised that all the lots shown on the parcel map, included in the agenda materials, had homes on them prior to the Waterfall Fire. Vice Chairperson Semmens pointed out that Mr. Terry's 3.2 acres of land were valued at \$100,000. He expressed the opinion that it would be impossible to purchase one acre of land for \$100,000 in Carson City. Mr. Terry pointed out that market value and assessed value are different. In response to a question, Mr. Walker advised that January 18th was the deadline for submitting Petitions for Review of Assessed Valuation. He acknowledged that the Assessor's Office received no other appeals from property owners in the area. In response to a further question, Mr. Walker advised that the homes which burned were provided a reduction in property value, in that the improvements were removed.

Mr. Walker explained the method by which assessments are conducted and, in response to a question, explained that the Assessor's Office was in the process of increasing property values in the area by 50% prior to the Waterfall Fire. After the fire, the State Department of Taxation encouraged the Assessor's office to continue with the 50% increase. Mr. Walker reviewed the Waterfall Fire report and related documentation included in the agenda materials. He advised that the Assessor's Office staff was surprised to learn that the Waterfall Fire didn't affect the market value of properties in the burn area. He acknowledged that Assessor's Office staff increases land values to market values each time an area is reappraised, and that improvements are valued using the Marshall & Swift Cost Index. He further acknowledged that there was a purposeful decision not to do so in the area defined by the Waterfall Fire, and that the land values were left as they were. He acknowledged no correlation between market and assessment values. In response to a concern raised by Mr. Terry, Mr. Walker advised that the Assessor's Office attempts to carry land values as close to market value as possible. If the values fall behind, a land factor is added.

In response to a question, Mr. Walker advised that the homes listed in the post-fire sales data included in the agenda materials had no fire damage, but the homes were listed in what was classified as the burn area. The fire burned right to the doorstep of some homes; and damaged portions of land on other properties. Mr. Walker discussed the difficulty in appraising properties where the fire burned right to the doorstep of the structure, and others which lost the entire home. He acknowledged the damage and the loss of visual beauty in the area. He advised that the Assessor's Office was offering no recommendation on this Petition.

Mr. Walker acknowledged there were no changes in the land values; just the improvement values. Mr. Dawley clarified that Mr. Terry opposed the 2% factor added to the value of the improvements, and the resulting increase in assessed valuation from last year to this year. He acknowledged that this increase was

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mandated by the State Department of Taxation, and explained the same. In response to a further question, he expressed the opinion that the Assessor's Office had no discretion in the 2% increase.

Vice Chairperson Semmens moved to leave APN 007-072-17 the same as appraised by the City Assessor's Office. Member Allen seconded the motion. In response to a question, Vice Chairperson Semmens explained the wording of his motion to indicate that there was no change in the land valuation. Mr. Dawley advised that a 2% factor was added to all improvements which affected every single structure involved in the Waterfall Fire. Chairperson Saulisberry called for a vote on the pending motion; **motion carried 5-0.** Chairperson Saulisberry advised Mr. Terry of his right to appeal this Board's action to the State Board of Equalization.

C-2. H. AND GLADYCE M. JESSE, TRUSTEES, JESSE LIVING TRUST; APN 007-142-14; 4630 WAGON WHEEL ROAD, CARSON CITY, NEVADA (1-0514) - Herb Jesse introduced himself for the record, and Mr. Walker introduced the item. Mr. Jesse reviewed a December 2, 2004 letter which was included in the agenda materials, and acknowledged his estimated market value of \$330,000. He referred to the photographs included in the agenda materials, and circulated additional photographs taken prior to the Waterfall Fire. He expressed the opinion that using the value of a property sold "four or five blocks removed" from his, as a comparison, is not a fair assessment "because they were not affected" by the fire.

Mr. Jesse acknowledged that the land to the north and west of his property is federally owned, and that the fence depicted in the photographs is that which he replaced. He noted the easterly view depicted in the photographs as an example of the appearance of the other three directional views prior to the Waterfall Fire. Member Keating expressed the opinion that the Assessor's Office clearly agreed the entire area was damaged and, without specific data to the contrary, left the values as previously assessed. She explained the methodology used by Assessor's Office staff to determine land value. In response to a question, Mr. Jesse suggested the Assessor's Office use an independent real estate appraiser to assess the area. Member Keating reiterated agreement that the area was damaged in the fire, and noted that appraisal is different from insurance, which compensates for damage. Mr. Jesse acknowledged that the Assessor's Office staff would evaluate from a quantitative standpoint, and advised that his claim was from a qualitative standpoint. He guessed that a \$60,000 to \$75,000 reduction in value was "a fair number." Member Keating expressed the opinion that the Assessor's Office staff had done all they could in holding the line and taking a "wait and see" approach. She noted that the sales information provided by the Assessor's Office did not support a decrease in land values. Mr. Walker responded to questions regarding recent sales in the area, both prior to and following the Waterfall Fire. In response to a question, Mr. Jesse speculated that his neighbors to the north were similarly affected by the fire.

On behalf of the Assessor's Office staff, Mr. Walker expressed condolences to all victims of the fire and acknowledged that things are not as they were. He explained that the Assessor's Office uses market value to determine consideration for decreasing the assessment ratio. He reviewed the staff report included in the agenda materials. Vice Chairperson Semmens pointed out that the taxable value determined by the Assessor's Office is below what Mr. Jesse paid for his home over five years ago. **Vice Chairperson Semmens moved that APN 007-142-14 at 4630 Wagon Wheel Road, Carson City, Nevada be left at the current appraised value. Member Keating seconded the motion. Motion carried 5-0.** Chairperson Saulisberry thanked Mr. Jesse for his presentation, and advised him of his right to appeal this Board's decision to the State Board of Equalization.

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C-3. JOHN W. ROBBINS, JOHN W. ROBBINS 1987 FAMILY TRUST; APN 008-882-07; 1736 ROCK COURT, CARSON CITY, NEVADA (1-0937) - Chairperson Saulisberry introduced the item. Mr. Robbins referred to the plat map, included in the agenda materials, and advised that his presentation related to adjacent parcels not shown on the plat map which he pointed out. He reviewed his written appeal which was also included in the agenda materials. In response to a question, Mr. Robbins pointed out on the plat map the relationship between the casino parking lot, Gordon Street, and his property. He responded to additional questions regarding the extent of the casino building, the associated parking lots and lighting, and the child care center with its external perimeter lighting. In response to a further question, Mr. Robbins discussed a traffic study conducted by the Regional Transportation Commission to evaluate the need for a sound wall extending from Highway 50 to Butti Way. He advised that the Regional Transportation Commission supported the concept of a sound wall; however, it has been assigned a low priority with regard to funding. He acknowledged that the sound wall was proposed for the east side of Graves Lane, and pointed out the proposed location along the utility easement. He further acknowledged that the sound wall would not have addressed the light spill issue from the casino and child care center. He advised of not fully supporting the sound wall “because they are notoriously inefficient relative to the price.” He had suggested to the Regional Transportation Commission that reducing the speed limit would be a better way to reduce street noise. Mr. Robbins acknowledged that the neighbors on lots 1, 2, 3, 4, 5, and 6 experience the same problems.

Mr. Robbins acknowledged having protested the lighting proposed for the casino and child care center during the special use permit process. Member Keating suggested inquiring at the Planning and Community Development Department to ensure that the casino and child care properties are in compliance with City codes with regard to signage, lighting, etc. She further suggested lodging a complaint with the appropriate City department regarding the neighbors’ activities which Mr. Robbins believes are detrimental to his property. Mr. Robbins expressed a concern with regard to alienating his neighbors.

Member Keating pointed out that the Assessor’s Office valued Mr. Robbins’ home lower than the adjacent comparable properties. Using the average of the comparable properties, the value would be assessed at \$153 per square foot. Mr. Robbins’ property was assessed at \$105 per square foot. Member Keating further pointed out that Mr. Robbins’ lot was provided a busy street discount. In response to a question, Mr. Robbins expressed the opinion that the value of his home, if sold, would be less than \$105 per square foot. He expressed the further opinion that the factors identified would be negative to a prospective buyer. He expressed objection to the 40% increase from the previous year. In response to an additional question, he advised of having purchased the property in 1998. He acknowledged having inquired into future plans for Graves Lane prior to purchasing his property, and that the casino was located on the corner of Highway 50 and Graves Lane. The casino tripled in size subsequent to his purchase. The second casino on Gordon Street was previously a dairy that was remodeled and converted to a 24-hour operation two or three years ago.

Member Allen advised of a recent sale along Graves Lane, on Truckee Drive, for \$142 per square foot. Mr. Robbins expressed the opinion that the parcel is not comparable to his own, as his is “100-300 feet from these two 24-hour casinos and having the benefit of a spot light from a child care center.” He expressed the opinion that the property on Truckee Drive “is far enough away, it doesn’t suffer those inconveniences.” Chairperson Saulisberry expressed concern with regard to the fact that none of Mr. Robbins’ neighbors, who experience the same conditions with their properties, had filed Petitions for Review of Assessed Valuation. Mr. Robbins discussed various reasons for his neighbors not having filed

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their own petitions. Vice Chairperson Semmens requested Mr. Robbins to consider that the Assessor's Office had valued his home at \$33 per square foot below the "lowest house" in the area. Mr. Robbins advised that his appeal was based strictly upon the land valuation. He expressed the opinion that the Assessor should re-evaluate all the properties based on the issues presented in his Petition.

Mr. Walker acknowledged that all the properties which border Graves Lane are provided a busy street discount. He advised there had been no zoning change of the property across the street, specifically the location of the casinos, during the period of time Mr. Robbins has owned his property. Mr. Walker reviewed the staff report, and advised that the land values at River Knolls had not been increased since 1998. He explained that the Assessor's Office is working to raise land values slightly each year in order to keep from getting behind. He acknowledged there is no provision to adjust the value of a property because of neighbors who don't keep their properties as well as others. A neighborhood which runs down sufficiently will be reflected in the resale of the homes.

Mr. Walker acknowledged that the properties which border Graves Lane have each received a \$2,000 reduction on their land values. In response to a question, Mr. Loff advised that \$2,000 has been the standard busy street discount for many, many years. He further advised that the Assessor's Office is eliminating the busy street discount, during reappraisal cycles, because a market study has shown there is no decrease in the sales prices of properties adjacent to busy streets. Mr. Walker acknowledged that the \$2,000 busy street discount has been standard throughout the City. He further acknowledged that a 40% increase was applied to all land values in Book 8. In response to a question, Mr. Dawley advised of having spoken with Mr. Robbins regarding the methodologies used to determine land value.

Vice Chairperson Semmens moved that APN 008-882-07, 1736 Rock Court, Carson City, Nevada, property owner, the John W. Robbins Family Trust 1987, the tax roll stay as the Assessor has appraised at this time. Member Lewis seconded the motion. Motion carried 5-0. Chairperson Saulisberry advised Mr. Robbins of his right to appeal this Board's decision to the State Board of Equalization. In response to a question, Mr. Dawley offered to provide the appropriate forms to Mr. Robbins.

D. PUBLIC COMMENT (1-1630) - Mr. Dawley thanked the Board of Equalization members for their service.

E. DISCUSSION AND POSSIBLE ACTION REGARDING NEXT MEETING DATE (1-1624) - In response to a question, Mr. Walker advised there would be no additional appeals for this year.

F. ACTION ON ADJOURNMENT (1-1663) - Vice Chairperson Semmens moved to adjourn the meeting at 11:43 a.m. Member Allen seconded the motion. Motion carried 5-0.

Respectfully submitted this _____ day of March, 2005.

ALAN GLOVER, Clerk-Recorder

By:

Kathleen M. King, Deputy Clerk / Recording Secretary