

NEVADA COUNTY ASSESSMENT APPEALS BOARD MEETING
MINUTES
MARCH 18, 2019

REGULAR MEETING: 9:00 a.m.

Call to order:

ACTION TAKEN: Chair Bushore called the meeting to order at 9:00 a.m.

The following Board Members present:

Gerald Bushore (Chair)
James Rees (Vice-Chair)
James Dal Bon

Pledge of Allegiance.

ACTION TAKEN: Pledge of allegiance held.

Corrections and/or deletions to the agenda.

ACTION TAKEN: Ms. Julie Patterson Hunter, Clerk of the Board, reported that staff has not received the original 2-Year Waivers for Agenda Items #1, #2, and #3, so the Board should approve them 'pending receipt of original Waivers'; the Agent Authorization for Agenda Item #5 states that the agent is authorized to 'sign and file the application for the 2017 calendar year,' it also appears to cover the application to the end of the appeal process; and Agenda Item #6 should be corrected to state that Findings of Fact were not requested.

Public Comment:

ACTION TAKEN: None.

CONSENT CALENDAR

1. 17/18 Regular Assessment #17-022: CVS-Caremark - Investment Department, Applicant. Ryan, LLC, Agent. APN 35-400-52 (updated APN 035-400-052). Property located on Sutton Way, Grass Valley. Applicant's opinion of value: \$1,500,000. Assessor's value: \$3,560,000. Findings of Fact not requested. Hearing postponed from the January 28, 2019 meeting at the Applicant's request. Hearing for approval of two-year waiver agreement continued from February 25, 2019 at the Chair's request due to out of date Agent Authorization.

Requested Action: Approval of Two-Year Waiver Agreement (pending receipt of the original), pending receipt of a current Agent Authorization.

2. 17/18 Regular Assessment #17-023: Longs Drug Stores California LLC, Applicant. Ryan, LLC, Agent. APN 18-740-15 (updated APN 018-740-015). Property located on Deerfield Drive, Truckee. Applicant's opinion of value: \$4,249,000. Assessor's value: \$8,497,763. Findings of Fact not requested. Hearing postponed from the January 28, 2019 meeting at the Applicant's request. Hearing for approval of two-year waiver agreement continued from February 25, 2019 at the Chair's request due to out of date Agent Authorization.

Requested Action: Approval of Two-Year Waiver Agreement (pending receipt of the original), pending receipt of a current Agent Authorization.

3. 17/18 Regular Assessment #17-024: Longs Drug Stores California LLC, Applicant. Ryan, LLC, Agent. APN 57-260-18 (updated APN 057-260-018). Property located on Combie Road, Auburn. Applicant's opinion of value: \$3,999,000. Assessor's value: \$8,293,348. Findings of Fact not requested. Hearing postponed from the January 28, 2019 meeting at the Applicant's request. Hearing for approval of two-year waiver agreement continued from February 25, 2019 at the Chair's request due to out of date Agent Authorization.

Requested Action: Approval of Two-Year Waiver Agreement (pending receipt of the original), pending receipt of a current Agent Authorization.

4. 17/18 Regular Assessment #17-005: Creekside Partners, Applicant. PROTAX LLC, Agent. APN 09-262-12 (updated APN 009-262-012). Property located on Bennett Street, Grass Valley. Assessor's current value on the roll: \$2,180,809. Request for a written stipulation between the Assessor and Applicant for a new stipulated value: \$450,000 land, \$1,650,000 for improvements, for a total value of \$2,100,000. Findings of Fact not requested. Appeal hearing for approval of stipulation continued from February 25, 2019 at the Chair's request due to suspended license of Agent. Agent's license is now in Active status.

Requested Action: Approval of Stipulation. (Pulled from consent by Mr. Rees.)

5. 17/18 Regular Assessment #17-026: Kirpha, Inc., Applicant. PROTAX LLC, Agent. APN 35-400-14 (updated APN 035-400-014). Property located on Nevada City Highway, Grass Valley. Assessor's current value on the roll: \$2,248,188. Request for a written stipulation between the Assessor and Applicant for a new stipulated value: \$816,000 land, \$1,300,000 for improvements, for a total value of \$2,116,000. Findings of Fact not requested. Appeal hearing for approval of stipulation continued from February 25, 2019 at the Chair's request due to suspended license of Agent. Agent's license now in Active status.

Requested Action: Approval of Stipulation. (Pulled from consent by Mr. Rees.)

6. 17/18 Regular Assessment #17-008: Thomas Potter, Applicant. APN 36-130-33 (updated APN 036-130-033). Property located on 12331 Willow Creek Lane, Nevada City. Assessor's current value on the roll: \$841,000. Request for a written stipulation between the Assessor and Applicant for a new stipulated value: \$160,000 land, \$540,000 for improvements, for a total value of \$700,000. Findings of Fact are not requested.

Requested Action: Approval of Stipulation, pending receipt of the signed stipulation document from the Applicant. (Pulled from consent by Mr. Rees.)

7. Acceptance of minutes for February 25, 2019.

ACTION TAKEN: Chair Bushore introduced the consent calendar, and Mr. Rees requested Agenda Items #4, #5, and #6 be pulled from consent for discussion.

MOTION: Motion made by Mr. Rees, seconded by Mr. Dal Bon, to approve the consent calendar less Agenda items #4, #5, and #6. On a roll call vote, the motion passed unanimously.

Items pulled from the Consent Calendar:

4. 17/18 Regular Assessment #17-005: Creekside Partners, Applicant. PROTAX LLC, Agent. APN 09-262-12 (updated APN 009-262-012). Property located on Bennett Street, Grass Valley. Assessor's current value on the roll: \$2,180,809. Request for a written stipulation between the Assessor and Applicant for a new stipulated value: \$450,000 land, \$1,650,000 for improvements, for a total value of \$2,100,000. Findings of Fact not requested. Appeal hearing for approval of stipulation continued from February 25, 2019 at the Chair's request due to suspended license of Agent. Agent's license is now in Active status.

Requested Action: Approval of Stipulation.

ACTION TAKEN: Chair Bushore introduced the agenda item and read the title into the record.

Mr. Rees pulled the item because he had a question regarding the sales comparison approach. The cap rate used to arrive at the value was 6.61%, but the sales comparison approach has a much lower cap rate. He asked how the Assessor's office arrived at that cap rate.

Mr. Ernie Thompson, Chief Appraiser, responded that the cap rate that is derived from the comparable sales does not include a component for the taxes, so it has to be added in.

Mr. Rees asked if the Assessor used a 5.0% cap rate and then added the property tax. Mr. Thompson concurred that Mr. Rees was correct.

MOTION: Motion made by Mr. Rees, seconded by Mr. Dal Bon, to approve the Stipulation, for a new stipulated value of \$450,000 land, \$1,650,000 for improvements, for a total value of \$2,100,000. On a roll call vote, the motion passed unanimously.

5. 17/18 Regular Assessment #17-026: Kirpha, Inc., Applicant. PROTAX LLC, Agent. APN 35-400-14 (updated APN 035-400-014). Property located on Nevada City Highway, Grass Valley. Assessor's current value on the roll: \$2,248,188. Request for a written stipulation between the Assessor and Applicant for a new stipulated value: \$816,000 land, \$1,300,000 for improvements, for a total value of \$2,116,000. Findings of Fact not requested. Appeal hearing for approval of stipulation continued from February 25, 2019 at the Chair's request due to suspended license of Agent. Agent's license now in Active status.

Requested Action: Approval of Stipulation.

ACTION TAKEN: Chair Bushore introduced the agenda item and read the title into the record.

Mr. Rees noted that the subject property is virtually new, and he wondered about the age of the comparables as opposed to the subject.

Mr. Ernie Thompson, Chief Appraiser, explained that the majority of comparables were built since 2000, so they are all fairly new. He added that they all have the same look from the outside and appear to be new, and they are all located in an area with a larger population than the subject property.

MOTION: Motion made by Mr. Dal Bon, seconded by Mr. Rees, to approve the Stipulation, for a new stipulated value of \$816,000 land, \$1,300,000 for improvements, for a total value of \$2,116,000. On a roll call vote, the motion passed unanimously.

6. 17/18 Regular Assessment #17-008: Thomas Potter, Applicant. APN 36-130-33 (updated APN 036-130-033). Property located on 12331 Willow Creek Lane, Nevada City. Assessor's current value on the roll: \$841,000. Request for a written stipulation between the Assessor and Applicant for a new stipulated value: \$160,000 land, \$540,000 for improvements, for a total value of \$700,000. Findings of Fact are requested.

Requested Action: Approval of Stipulation, pending receipt of the signed stipulation document from the Applicant.

ACTION TAKEN: Chair Bushore introduced the agenda item and read the title into the record.

Mr. Rees asked about the construction costs on the subject property.

Mr. Ernie Thompson, Chief Appraiser, responded that as soon as construction was complete the property transferred ownership, so the Assessor's office did not enroll the construction costs. Mr. Rees suggested that the construction costs were high, relative to the proposed stipulated value. He noted that the 2017/18 base year value is over \$1 million.

Mr. Dal Bon thought that it could be possible that the market has not restored itself to the level of the original purchase price. Mr. Thompson thought the cost looked high to him, and he explained that it went on the Proposition (Prop) 8 in 2010 along with the other properties. Even though the value is indexing up, the numbers appear high as compared to other properties at that time. Mr. Dal Bon suggested that the particular value-strata has not quite restored itself as lower values have. Mr. Thompson reported that the Assessor's office would likely leave it at the same value for Fiscal Year 2018/19 and then review the value in Fiscal Year 2019/20.

Board questioning and discussion ensued.

MOTION: Motion made by Mr. Dal Bon, seconded by Mr. Rees, to approve the Stipulation between the Assessor and Applicant for a new stipulated value of \$160,000 land, \$540,000 for improvements, for a total value of \$700,000. On a roll call vote, the motion passed unanimously.

Mr. Rees commented that it would have been helpful to have a picture of the subject property.

ADJOURNMENT:

ACTION TAKEN: There being no further business, Chair Bushore adjourned the meeting at 9:18 a.m.

Dave R. Bushore

Chair of the Assessment Appeals Board

ATTEST:

By: *Julie Patterson Hunter*
Julie Patterson Hunter, Clerk of the Board