

**BOARD OF EQUALIZATION
WASHOE COUNTY, NEVADA**

WEDNESDAY

9:00 A.M.

FEBRUARY 18, 2026

PRESENT:

Eugenia Bonnenfant, Vice Chair
Erin Albright, Member
Robert Lissner, Member
Corinthia Yancey, Alternate Member

Janis Galassini, County Clerk
Cobi Burnett, Deputy District Attorney

ABSENT:

Savita Shukla, Member
Daren McDonald, Chair

The Board of Equalization convened at 9:04 a.m. in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Vice Chair Bonnenfant called the meeting to order, the Clerk called the roll, and the Board conducted the following business:

26-030E PUBLIC COMMENT

There was no response to the call for public comment.

26-031E SWEARING IN

County Clerk Jan Galassini swore in the appraisal staff.

26-032E WITHDRAWN PETITIONS

The following petitions scheduled on the agenda were withdrawn by the Petitioners prior to the hearing:

Assessor's Parcel No.	Petitioner	Hearing No.
024-055-52	SAMS REAL ESTATE BUSINESS TRUST	26-0048
024-055-53	WAL-MART REAL ESTATE BUSINESS TRUST	26-0049

There was no response to the call for public comment.

On motion by Member Albright, seconded by Member Lissner, which motion duly carried, it was ordered that the hearings be withdrawn.

26-033E CONTINUANCES

There were no continuances.

**26-034E ROLL NO. 2618009 – PRIME HEALTHCARE SERVICES LLC –
HEARING NO. 26-0009P25**

A Petition for Review of Assessed Valuation was received protesting the 2025-26 taxable valuation on personal property located at 235 WEST 6th STREET, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter and invoices, 10 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 3 page(s).

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor's Office (AO).

There was no response to the call for public comment.

With regard to Roll No. 2618009 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Yancey, seconded by Member Albright, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable personal property value be reduced to \$16,310,354, resulting in a total taxable value of \$16,310,354 for tax year 2025-26. With that adjustment, it was found that the personal property value is valued correctly and the total taxable value does not exceed full cash value.

**26-035E PARCEL NO. 011-061-03 – VIRGINIAN 143 BUILDING LLC –
HEARING NO. 26-0005**

A Petition for Review of Assessed Valuation was received protesting the 2026-27 taxable valuation on land and improvements located at 141 North Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor's Office (AO).

There was no response to the call for public comment.

With regard to Parcel No. 011-061-03 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Albright, seconded by Member Yancey, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld, and the taxable improvement value be reduced to \$336,814, resulting in a total taxable value of \$653,214 for tax year 2026-27. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**26-036E PARCEL NO. 040-880-24 – RENO LAKERIDGE LLC – HEARING
NO. 26-0011**

A Petition for Review of Assessed Valuation was received protesting the 2026-27 taxable valuation on land and improvements located at 6990 South McCarran Boulevard, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Property Summary, Photos, Maps, Rent Roll, Reports, and Supporting documentation, 61 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor's Office (AO).

There was no response to the call for public comment.

With regard to Parcel No. 040-880-24 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Albright, seconded by Member Yancey, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld, and the taxable improvement value be reduced to \$15,084,922, resulting in a total taxable value of \$17,800,000 for tax year 2026-27. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

26-037E **PARCEL NO. 212-010-08 – HD DEVELOPMENT OF MARYLAND
INC – HEARING NO. 26-0018**

A Petition for Review of Assessed Valuation was received protesting the 2026-27 taxable valuation on land and improvements located at 5125 Summit Ridge Court, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Real Property Tax Valuation Package, 6 pages.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor's Office (AO).

There was no response to the call for public comment.

With regard to Parcel No. 212-010-08 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Albright, seconded by Member Yancey, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld, and the taxable improvement value be reduced to \$6,582,743, resulting in a total taxable value of \$11,133,243 for tax year 2026-27. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

26-038E **PARCEL NO. 015-220-65 – PL 1A GL OWNER LLC – HEARING
NO. 26-0024**

A Petition for Review of Assessed Valuation was received protesting the 2026-27 taxable valuation on land and improvements located at 2020 Red Drive, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor's Office (AO).

There was no response to the call for public comment.

With regard to Parcel No. 015-220-65 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Albright, seconded by Member Yancey, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld, and the taxable improvement value be reduced to \$68,356,348, resulting in a total taxable value of \$71,357,371 for tax year 2026-27. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

26-039E **PARCEL NO. 019-360-25 – SARAONIC INVESTMENTS LLC – HEARING NO. 26-0068**

A Petition for Review of Assessed Valuation was received protesting the 2026-27 taxable valuation on land and improvements located at 3131 South Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Taxable Value Change Stipulation, 1 page.

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor's Office (AO).

There was no response to the call for public comment.

With regard to Parcel No. 019-360-25 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Albright, seconded by Member Yancey, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld, and the taxable improvement value be reduced to \$699,541, resulting in a total taxable value of \$2,852,296 for tax year 2026-27. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

26-040E **PARCEL NO. 039-051-08 – WAL-MART STORES INC #3254 – HEARING NO. 26-0050**

A Petition for Review of Assessed Valuation was received protesting the 2026-27 taxable valuation on land and improvements located at 5260 West 7th Street,

Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet (HEP) including comparable sales, maps and subject's appraisal records, 210 page(s).

Exhibit II: Taxable Value Change Stipulation, 1 page

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor's Office (AO).

There was no response to the call for public comment.

With regard to Parcel No. 039-051-08 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Albright, seconded by Member Yancey, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld, and the taxable improvement value be reduced to \$12,571,592, resulting in a total taxable value of \$22,250,000 for tax year 2026-27. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

**26-041E PARCEL NO. 086-380-32 – WAL-MART REAL ESTATE
BUSINESS TRUST – HEARING NO. 26-0051**

A Petition for Review of Assessed Valuation was received protesting the 2026-27 taxable valuation on land and improvements located at 250 Vista Knoll Parkway, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

None.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet (HEP) including comparable sales, maps and subject's appraisal records, 211 page(s).

Exhibit II: Taxable Value Change Stipulation, 1 page

No one offered testimony on behalf of the Petitioner.

No one offered testimony on behalf of the Assessor's Office (AO).

There was no response to the call for public comment.

With regard to Parcel No. 086-380-32 based on the stipulation signed by the Assessor's Office and the Petitioner, on motion by Member Albright, seconded by Member Yancey, which motion duly carried, it was ordered that the stipulation be adopted and confirmed and that the taxable land value be upheld, and the taxable improvement value be reduced to \$12,102,071, resulting in a total taxable value of \$18,100,000 for tax year 2026-27. With that adjustment, it was found that the land and improvements are valued correctly and the total taxable value does not exceed full cash value.

26-042E PARCEL NO. 040-162-52 – CROSSING LLC – HEARING NO. 26-0044R25

A Petition for Review of Assessed Valuation was received protesting the 2025-26 taxable valuation on land and improvements located at 6407 S Virginia Street, Washoe County, Nevada.

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter, 1 page.

Exhibit B: Comparables with photos and maps, 10 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet (HEP), including comparable sales, maps, and subject's appraisal records, 47 pages.

On behalf of the Petitioner, Mike Churchfield was sworn in by County Clerk Jan Galassini.

Vice Chair Bonnenfant acknowledged that Mr. Churchfield was familiar with the process and she noted that after the Assessor located the parcel, the Petitioner and Assessor would both have 20 minutes to present their evidence, and then the Petitioner would have 10 minutes to respond.

Ms. Galassini distributed documents to the Board and placed them on file as Petitioner's Exhibit B.

On behalf of the Assessor's Office (AO) and having been previously sworn, Diana Arias, Appraiser, oriented the Board as to the location of the subject of the property. She indicated that the appeal was to reopen the 2025 tax year. She described the subject property as a 31,301 square-foot (sq ft) discount store built in 1989 and a 3,928 sq ft fast-food restaurant built in 2023. She said the property was located on South Virginia Street and Neil Road in the Meadowood area and added that the property's location could be found on pages 19 and 20 of the HEP.

Mr. Churchfield noted that the subject property, located at 6407 South Virginia Street, was previously known as the CompUSA Center, located directly across the street from Whole Foods. He indicated that the property was currently classified as quality class 2.0. He stated that the Petitioner believed the property was out of equalization when compared to other superior located properties and superior quality class properties. He explained that there appeared to be an equalization issue affecting both land value and quality class. He added that when the Petitioner initially filed the appeal, his assistant, a real estate professional, mistakenly checked the market value box. He said the first comparable property was the TJ Maxx and HomeGoods located in the Firecreek Crossing retail center, which he described as one of the two premier retail centers in that area. He added that Firecreek Crossing included tenants such as TJ Maxx, Ross, Office Depot, Floor & Decor, Ulta Beauty, and Starbucks. He mentioned that, according to the appraiser, both TJ Maxx and HomeGoods were quality class 1.5, while the subject property was quality class 2.0. He shared that the Petitioner believed that the comparables included in Petitioner's Exhibit B were arguably superior to the subject property. He described the comparable property as having a drop ceiling, extensive retail build-out, and parapets with a tile roof, as shown in the photographs of the Ross and Office Depot buildings at Firecreek Crossing. He added that the building had tall ceilings and that the land value was \$11 per sq ft, compared to \$19 per sq ft for the subject property. He stated that he was a licensed real estate broker and that, if he were listing the two properties, he would not be able to justify such a large price difference between the former CompUSA Center and the Firecreek Crossing property. He indicated that Firecreek Crossing was built specifically for retail use, with the intent of attracting high-net-worth tenants. He noted that the area was anchored by Walmart and Sam's Club, which generated significant traffic, and included national corporate tenants such as TJ Maxx, Ross, and Office Depot. He mentioned that the first comparable's land value was nearly half of the subject property's. He advised that the tenants at Firecreek Crossing had dock doors and dock levelers to facilitate the unloading of merchandise. He explained that semi-truck access at the comparable property was convenient and pointed out that TJ Maxx had two signalized access points. In contrast, he alleged that access to the subject property was more difficult because there was no direct access or direct turn lane due to the median. He compared the subject property's access to TJ Maxx, which had direct access from two traffic signals and sufficient space to accommodate semi-truck loading and maneuvering.

Mr. Churchfield stated that Ross and Office Depot were a 1.5 quality class. He noted that the Firecreek Crossing shopping center had previously appealed before the Board of Equalization (BOE) and that its quality classification had remained unchanged through multiple reappraisal cycles. He said that the Petitioner believed the subject property's quality class should be reduced from 2.0 to 1.5 due to differences in ingress, egress, ceiling heights, and dock access. He detailed that the tenant, Ski Pro, was a small-scale, owner-operated business with locations only in Arizona and Nevada and was not a major chain store. He explained that the Ski Pro build-out featured open ceilings and a large heating, ventilation, and air conditioning (HVAC) system that ran through the center of the space, which was not visually appealing and appeared dated because the ductwork had not been rerun. He argued that the Petitioner had only updated the facade of the space and felt there was no justification for a 2.0 quality class. He indicated that the back of the

Ski Pro building could not be modified and had only a single dock door. He said that Trek Bicycle Reno had only a drive-in door, which could not accommodate semi-trucks for unloading pallets. He explained that there was no partitioned area to receive merchandise, so shipments had to be moved on the same day as they were received. He compared the subject property to the TJ Maxx and HomeGoods building, which featured a dedicated warehouse area in the back, partitioned and not visible to the public due to a more expansive build-out.

Mr. Churchfield mentioned a second comparable, as listed in Petitioner's Exhibit B, located in the Firecreek Crossing shopping center at 4811 Kietzke Lane. He said that the building measured 43,476 sq ft, had two dock accesses, and was valued at \$11 per sq ft. He noted that the building was currently vacant due to its specialized use and restrictions imposed by surrounding businesses. He shared that he had attempted to purchase the building with a group of investors but was unsuccessful because of the facility's intended use. He stated that the building was ultimately sold in 2024 for \$46,375,000. He opined that the subject property would not sell for that amount because it lacked corporate-backed leases. He explained that the comparable featured two dock accesses, drop ceilings, tall ceilings, and a build-out designed as a sports store to a higher standard than Ski Pro.

Mr. Churchfield mentioned that the third comparable was located at 6590 South Virginia Street and was specifically constructed as a Home Depot. He said that, although the building lacked retail finishes, it included additions such as a nursery, four dock doors with levelers, and access throughout the building to move large materials. He added that the property was a 1.5 quality class. He stated that all the comparables he mentioned were in close proximity to the subject property and were all quality class 1.5. He explained that the land value for the Home Depot, directly across the street from the subject property, was \$12 per sq ft with two points of access, while the small outparcels were \$13.60 per sq ft, compared to \$19 per sq ft for the subject property. He suggested that the AO valued the subject property at \$19 per sq ft due to its freeway frontage. He believed that the Petitioner did not significantly benefit from the freeway frontage and could ultimately not change the constraints on the small parking lot, ingress and egress, and the ceiling-height build-out of the buildings, unless the buildings were torn down and rebuilt. He said that the property itself had challenges with ingress and egress, which was why the Petitioner felt the property was out of equalization compared to the comparables presented to the Board. He noted that the Petitioner requested a reduction in the quality class from 2.0 to 1.5 and a decrease in the land value to \$12 per sq ft, similar to the Home Depot across the street.

Mr. Churchfield stated that the Petitioner's Exhibit B included other comparables, such as Nordstrom Rack at the Redfield Promenade. He said the parcel was similar to the subject property, priced at \$16 per sq ft, and had freeway frontage and signalized access. He explained that if he were a leasing agent, he would ask a higher lease rate for the Nordstrom Rack property than for the subject property, given its superior ingress and egress, which made it easier for patrons to access. Mr. Churchfield mentioned he was a coin collector, and although a coin store was located on the subject property, he

often preferred visiting a coin dealer at a different shopping center because ingress and egress were much easier. Based on that experience, he suggested that the subject property's ingress and egress should be considered.

Ms. Arias explained that the sales comparison approach was shown on Page 2 of the HEP. She noted that Improved Sales (ISs) 1 and 4 were discount stores, and ISs 2 and 3 were fast food restaurants. She indicated that the discount store property sales ranged from \$150 to \$235 per sq ft, and the fast food restaurant property sales ranged from \$1,240 to \$1,466 per sq ft. She mentioned that, because there were two occupancies on the parcel, consideration would be applied for both. She stated that the ISs supported valuing the subject property at \$136 per sq ft, which was well below the comparables.

Ms. Arias mentioned that Land Sale (LS) 1 was located on Virginia Street, across from the SouthTowne Crossing shopping center in South Reno, and was the most similar to the subject property. She said that the sale occurred on December 20, 2024, at a price of \$27.16 per sq ft. She stated that, overall, LSs 1 through 3 supported a range of \$16 to \$27.16 per sq ft, which she believed supported the subject property's land value of \$17 per sq ft.

Ms. Arias explained that page 4 of the HEP showed the income approach analysis. She indicated that income and expense information was requested from the Appellant, but none was provided, and therefore, market data was considered. She stated that the rent chart was included on pages 5 and 6 of the HEP. She explained that rents ranged from \$0.50 to \$2.75 per sq ft, depending on occupancy. She noted that the HEP included a rent comparison, gathered through CoStar, on the rent chart for the subject property's discount store, which was signed in 2023, at \$1.42 per sq ft. She said that, as a conservative approach and given other market rents, \$1 per sq ft was used for the discount store occupancy. She cited that \$2.75 per sq ft was used for the Panera fast-food occupancy. She mentioned that, according to market reports, when discount stores and fast-food restaurants were fully occupied, the Reno retail submarket vacancy rate was 4.1 percent. She said that for the analysis, a 5 percent vacancy was used. She advised that the 5 percent expense ratio was used in the analysis and that, based on local and market reports, cap rates ranged from 6 to 7.9 percent, with a median of 6.5 percent, as shown on pages 7 through 9 of the HEP. She indicated that a 7.5 percent cap rate was used in the analysis to be conservative. She summarized that overall, the income approach resulted in a value of \$6.1 million, or \$173 per sq ft, which supported the 2025-26 value of \$4,944,646, or \$136 per sq ft. She concluded that the subject property's taxable value was supported and recommended that it be upheld.

Ms. Arias said that staff had previously communicated with Petitioner Jim Kaplan's assistant regarding the increase in value and taxes in 2025 and January 2026. She indicated that the increase was primarily due to the construction value added by the new Panera building. She informed that the income and expense information for the subject property was requested but not provided. She stated that an appraisal was conducted, but the results were not shared with the AO, and there had been no further communication with Mr. Kaplan's assistant after January 28, 2026. She noted that Mr. Churchfield contacted

the AO on February 4, 2026, to inform them that he was representing Mr. Kaplan and to express concerns about the land's value.

Ms. Arias reviewed the Petitioner's Exhibit B and stated that the 4827 Kietzke Lane property, located in Firecreek Crossing, was not directly on South Virginia Street and was significantly larger than the subject parcel. She acknowledged the large difference between the subject property and the comparable but stated that the AO's value was warranted. She believed that the LSs she presented, specifically the one directly on South Virginia Street that sold for \$27 per sq ft, supported a higher land value for properties on South Virginia Street.

Ms. Arias shared that the AO visited the subject property and noticed signage on the back of the building, visible from the freeway, which she believed the Petitioner benefited from. She addressed accessibility off the freeway and stated that when traveling north, the subject property could be easily accessed. She added that there was not enough market data to suggest that the access issues affected the value. She indicated that tenants, such as fast-food restaurants, typically would consider those characteristics when determining a location. She clarified that Panera and Taco Bell were not owned by the same owner. She pointed out that a traffic study prepared by the Nevada Department of Transportation (NDOT) was located on page 40 of the HEP, which showed increased traffic on the west side of South Virginia, where the subject property was located. She addressed Mr. Churchfield's previous comments regarding parcels on the east side of South Virginia and noted a significant difference in traffic counts.

Ms. Arias acknowledged that the Petitioner was concerned about the discount store's quality class. She shared that page 21 of the HEP included pictures of the subject property and noted that the facade was updated in 2024, but the quality class was not changed. She indicated that the property had previously been at a quality class of 2.0. She said that she provided a Marshall & Swift quality class guideline for the discount store occupancy on page 38 of the HEP. She noted that the subject property was of average quality for a quality class of 2.0 and, after review, she felt the classification was appropriate. She mentioned that the subject property had a slightly angled entrance and more ornamentation, such as different exterior wall types and metal canopies, than other buildings with a quality class of 1.5. She felt that the quality class of 2.0 was well supported.

Vice Chair Bonnenfant asked how the quality class would affect a property's value. Ms. Arias replied that quality class was determined by various factors, but she was uncertain about the impact of a .5 difference on value and could provide that information when determined. Vice Chair Bonnenfant stated that the quality class would affect the improvement value used for the Marshall & Swift method. Ms. Arias confirmed that statement was correct.

Member Lissner asked the AO for the square footage of the Panera building. Ms. Arias replied that it was 3,928 sq ft. Member Lissner inquired about the amount added due to the new value. Ms. Arias stated that the new construction value was approximately

\$900,000. Vice Chair Bonnenfant questioned whether that construction value applied only to the Panera building. Ms. Arias confirmed that the construction value was strictly for the Panera building.

Member Yancey questioned whether the land's physical characteristics were considered in the valuation, noting that she believed buildable, stable, and flat land was typically more valuable. Ms. Arias replied that if a property was located on a hill or was more costly to develop, the land value would reflect such factors, and any detriment would be considered. Vice Chair Bonnenfant added that access and visibility were also important for commercial properties. Ms. Arias mentioned that adjustments would be made if specific characteristics could be clearly determined.

Member Lissner asked how long the tenant space had been vacant and suggested it had been approximately three years. Ms. Arias remarked that she would need to verify that information and provide it later to avoid misspeaking. Member Lissner questioned whether there was a current tenant. Ms. Arias confirmed that the tenants were Ski Pro and Trek Bicycle Reno. Vice Chair Bonnenfant shared that there would be an opportunity to ask additional questions at a later time.

Ms. Galassini stated that the added Petitioners Exhibit would be Exhibit B.

Mr. Churchfield said that although the AO had LS comparisons, the appeal was based on equalization. He noted that the AO referenced SouthTowne Crossing, which had a Walmart, and he was unsure whether the site was a pad site and whether it had utilities. He indicated that all the sites he compared had horizontal development complete, meaning storm drain infrastructure, parking, building pads, with power and utilities delivered to those sites. He emphasized that the appeal was due to equalization. He mentioned that he was a real estate broker, had worked with various agencies, and could not understand how the land value could be roughly half at Firecreek Crossing, which was built as the premier center in 1996. He added that there had been wonderful tenants in that shopping center and likely everyone, at one time or another, had shopped at TJ Maxx. He mentioned that the AO had described the angle at the front of the subject property and wondered about the drop ceilings and multiple docks, noting the subject property did not have the same benefits as TJ Maxx to achieve a similar corporate tenant. He commented that TJ Maxx had been a tenant since the shopping center's inception and added that Firecreek Crossing was actively leasing a building specifically built out for a grocery store.

Mr. Churchfield explained that Whole Foods and the traffic at the Neil Road location were superior to those at Firecreek Crossing. He thought the Board would recall that, prior to housing Whole Foods, that location was Shopko. He stated that after Shopko left, the building sat vacant for an extended period until Whole Foods moved in. He noted that Whole Foods had signed a lease at Bob's Furniture in Redfield Promenade, where Nordstrom Rack currently was, and explained that the vacancy was not due to the property being unable to attract a tenant. He opined that Redfield Promenade and Firecreek Crossing were superior properties, from a leasing perspective. He believed that the Petitioner was well-founded in seeking to equalize the quality class of his property with that of TJ Maxx

and Ross, which had full drop ceilings, build-outs, dressing rooms, and private bathrooms. He compared those locations to Ski Pro, which had open ceilings where the roof insulation was visible. He noted that Trek Bicycle Reno had concrete floors, the ceiling insulation spray-painted black, a bathroom in the middle of the store, and the warehouse space was not partitioned. He said it was unclear how the AO could state that there was insufficient data to equalize the values with TJ Maxx priced at \$11 per sq ft and Home Depot at \$12 per sq ft, when the subject property was \$19 per sq ft and equivalent to Whole Foods. He suggested that Whole Foods and Raising Cane's had expansive parking lots and were signalized to facilitate ease of ingress and egress, which helped attract tenants. He commented that, prior to Whole Foods becoming a tenant, the shopping center had to undertake extensive modifications, including a complete new facade and building out of the kitchen space specifically for Whole Foods' use. He alleged that the subject property lacked those features and had limited parking. He emphasized the difficulty of accessing the stores on the subject property, especially around the holidays, when accessibility was nearly impossible. He mentioned that he had previously represented Sierra Marketplace, the center that abuts the Atlantis Casino, and that it remained vacant for many years, which he believed was intentional. He stated that the franchisee that put the Panera in the Petitioner's shopping center initially wanted to be located in the Sierra Marketplace center, which had no tenants, because they were so focused on South Virginia access and were not as concerned with freeway frontage and visibility. He reiterated that TJ Maxx and Ross had dock doors and signs on the back of their buildings. He indicated that he did not believe there was data to support the claim that signage increased land value by \$8 per sq ft. He noted that the appeal was due to an equalization, not about market value. He argued the larger issue was that Nordstrom's Rack, which he considered superior, was at \$16 per sq ft, \$3 less than the subject property, and had better ingress and egress, and could attract a quality national tenant, unlike the subject property, which could not.

Member Lissner asked how much the building owner paid for the remodeling completed over the past year. Mr. Churchfield stated that he did not have that information available.

Vice Chair Bonnenfant asked Ms. Arias for more information on the quality class between the comparables and the subject property. She acknowledged that the information from the Petitioner was received at the meeting, but said she would appreciate details on drop ceilings and interior remodels. Ms. Arias said that, upon reviewing the comparables presented by Mr. Churchfield, the exteriors appeared outdated. She recognized that the attributes mentioned tall ceilings and loading docks, and remarked that the ceiling height would be considered. She shared that loading docks, dock levelers, and truck wells would be costed separately in the extra features section and not only weighted into the quality class factor. She indicated that the large parking lot mentioned in the attributes would be costed in the land size, at \$1 per sq ft. She stated that she had not visited all of the comparables in person and would not be able to speak to the comparability of their interiors. She added that she included her comparables for the quality class beginning on page 44 of the HEP. She noted that there were some discount store occupancies similar to the subject property which also had a quality class of 2.0, such as CVS Pharmacy and Hobby Lobby. She described that the HEP included an IS comparable discount store

occupancy with a quality class of 1.5, which was inferior to the subject, with a boxier shape, lower ornamentation, no angles, and a flat roof line. She believed that the quality class of 2.0 for the subject property was well supported.

Vice Chair Bonnenfant stated that it appeared the appellant had checked Nevada Revised Statutes (NRS) 361.357 and that, according to Mr. Churchfield, it should instead reference NRS 361.356 because the appeal involved equalization rather than a market-value issue. She then assumed the motion would be brought under the appellant's preferred provision, NRS 361.356, which Deputy District Attorney (DDA) Cobi Burnett confirmed was correct.

There was no response to the call for public comment.

Member Lissner said he sympathized with the land value issue. He explained that he had reviewed various locations and acknowledged that the subject property was valued at \$19 per sq ft. He shared that Meadowood was the lowest at \$10 per sq ft, Dillard's was \$12 per sq ft, and Smithridge Plaza was \$15 per sq ft. He opined that the subject property was an older, struggling neighborhood shopping center with no major draw and that he favored the Petitioner's request to set the land value at \$12 per sq ft. He stated that he did not yet have an opinion on the building valuation. Vice Chair Bonnenfant shared that her issues were the freeway visibility and Whole Foods was being valued at \$19 per sq ft. She acknowledged that her statement might be subjective regarding the quality of the class and access, but shared that she disliked going to Whole Foods because of the accessibility issues. She felt that Whole Foods had similar freeway visibility and similar issues regarding travel egress and ingress as the subject property. She noted that both were valued at the same amount, and she agreed with the land value. Member Lissner thought that Whole Foods generated an enormous amount of traffic, and the subject property did not. He believed that the stores were not of the same caliber as Whole Foods. Vice Chair Bonnenfant suggested that Member Lissner's concerns were not so much about the location as they were about the tenants. She specified that the land was valued based on its potential, not the tenant.

Member Albright asked whether the AO considered both the tenants and land quality when assigning a quality class. Senior Appraiser Alasdair Holwill explained that the income approach would be used when reviewing the rents for those occupiers and added that the capitalization rate would reflect factors such as tenant strength. Ms. Arias clarified that the land value was determined as though the property were vacant land.

Member Lissner said that he looked to the senior members of the Board for guidance. Vice Chair Bonnenfant explained that the purpose of the Board discussion was to address any questions regarding the item. She stated that if a motion were made and approved by a majority of the Board, the motion would carry. She emphasized the importance of understanding what the motion would decide and added that, if further discussion were necessary, there was no time limit on Board discussion.

Member Lissner motioned to change the quality class to 1.5 and to reduce the land value to \$12 per sq ft. Vice Chair Bonnenfant reviewed the available motions and suggested that the motion would be number nine. She recalled that a motion could ask for a reduction by various amounts and could be adjusted to what Member Lissner suggested to lower the quality class and the cost per sq ft. She added that the AO would need to adjust its figures based on that information because the Board would not know what the value would be adjusted to by changing the quality class to 1.5. Ms. Galassini believed that the motion could be approved or not, but deferred to the DDA to confirm. DDA Burnett said that was correct. Member Lissner said he was prepared to make a motion but asked whether there could be further discussion before a formal motion was made. Member Albright explained that she shared Member Lissner's concerns about how frequently people shopped at the subject property versus at Whole Foods. She acknowledged that the Petitioner had updated the property but questioned whether the quality class should be lowered to 1.5 based on the evidence the AO presented and if a reduction was supported. She shared her concern regarding the \$19 per sq ft and her experiences with both shopping centers. Vice Chair Bonnenfant noted that there were two separate issues that the Board needed to consider. The first was to lower the quality class from 2.0 to 1.5, and the second was the current land value of \$19 per sq ft. Member Albright asked whether it was required to lower the quality class to reduce the land value price per sq ft. Vice Chair Bonnenfant clarified that the two items were completely separate. Ms. Arias confirmed that the quality class would impact the improvement value, and the land value was valued separately.

Chief Property Appraiser Howard Stockton noted that the hearing was for 2025 and that the land value for 2025 was \$17 per sq ft. Vice Chair Bonnenfant mentioned that the Board was reviewing the 2025 value at the current hearing, while the subsequent hearing would address the 2026 value. She confirmed that the land value for 2025 was \$17 per sq ft.

Regarding the quality class, Member Lissner said there was a new Panera store, and he thought the Ski Pro store had been completely remodeled, with the remainder of the shopping center being older. DDA Burnett explained that the Board could make two separate motions if necessary, one for the quality class and another for the land value. Mr. Churchfield noted that the 2025 appeal was specific to the Ski Pro, Trek Bicycle Reno, and Panera. He added that the other three buildings owned by the Petitioner would be included in a separate appeal. Vice Chair Bonnenfant clarified that the current hearing was only for those specific buildings. Member Lissner asked if Ski Pro was the only tenant in that building or if there were multiple tenants. Mr. Churchfield noted that there was the Ski Pro and the local authorized bike dealer, Trek Bicycle Reno. Member Lissner indicated that, with that clarification, he wanted to leave the quality class at 2.0. Vice Chair Bonnenfant said she supported leaving the quality class at 2.0.

Member Albright questioned the land value of the Whole Foods shopping center. Vice Chair Bonnenfant noted that the previous year's overall value was being calculated. Ms. Arias stated that the Whole Foods parcel for fiscal year (FY) 2025-26 was valued at \$16.15 per sq ft, and the base lot was valued at \$17 per sq ft. She mentioned that, due to its size, it was much larger than the subject, so it received a 5 percent downward

adjustment. Vice Chair Bonnenfant asked for the land value of the Nordstrom Rack. Ms. Arias shared that the Nordstrom Rack for FY 2025-26 was valued at \$14.50 per sq ft, located in the Redfield Promenade, and was also valued as one economic unit with the other parcels.

Vice Chair Bonnenfant shared that her issue with the land values was visibility. After reviewing traffic counts on Virginia Street and Neil Road, she found that the subject property had freeway visibility, unlike Firecreek Crossing, which was behind Virginia Street. She clarified that the Board should consider the properties as vacant land and added that, according to the traffic study, those properties benefited from a large volume of traffic. She felt that the land value was justified. Member Albright asked if the value could be adjusted or if it had to be \$12 per sq ft. DDA Burnett replied that the value was up to the Board's discretion. Vice Chair Bonnenfant indicated that a motion could be made to uphold the quality class value and adjust the land to whatever the Board decided. Member Lissner wondered what amount could be selected. Vice Chair Bonnenfant indicated that any figure could be selected, provided it could be supported. DDA Burnett said that as long as the discussion continued and a motion was clearly defined with its terms, it would be at the Board's discretion. Member Lissner noted that the Smithridge Plaza was valued at \$15 per sq ft and asked whether the Board would consider that a compromise. Vice Chair Bonnenfant asked for clarification regarding the location of Smithridge Plaza. Member Albright explained that Smithridge Plaza included tenants such as Chuck E. Cheese, Chili's, and Trader Joe's.

Member Yancey asked whether the agreed-upon dollar amount would apply to the upcoming year. Mr. Churchfield explained that the current appeal pertained to 2025, and the next appeal would address 2026-27. Member Albright asked for clarification on whether the Board was reviewing 2025. Vice Chair Bonnenfant stated that the next hearing would consider the 2026-27 value and raised legal questions about whether lowering the 2025 value would directly impact 2026-27 or require a separate decision. DDA Burnett confirmed that each year would be considered separately. Vice Chair Bonnenfant noted that the Smithridge Plaza had freeway visibility.

* * * * *

Member Lissner began making a motion, and Mr. Stockton interjected to state the land value as \$1,773,375, based on \$15 per sq ft. Mr. Holwill corrected the figure given and stated that the land value based on \$15 per sq ft was \$1,773,330. In the motion below, Member Lissner inadvertently stated \$1,775,375 instead of the correct figure of \$1,773,330.

* * * * *

With regard to Parcel No. 040-162-52, which petition was brought pursuant to NRS 361.356, based on the evidence presented by the Assessor’s Office and the Petitioner, on motion by Member Lissner, seconded by Member Albright, which motion duly carried, it was ordered that the taxable land value be reduced to \$15 per sq ft and the taxable improvement value be upheld, resulting in a total taxable land value of \$1,773,330 for tax year 2025-26. The reduction was based on inequity. With that adjustment, it was found that the land and improvements are valued correctly, and the total taxable value does not exceed full cash value.

Vice Chair Bonnenfant clarified the total taxable value in the motion was for land only.

26-043E PARCEL NO. 040-162-50 THROUGH 040-162-53 – CROSSING SC LLC – HEARING NOS. 26-0042 THROUGH 26-0046 EXCLUDING 26-0044R25

A Petition for Review of Assessed Valuation was received protesting the 2026-27 taxable valuation on land and improvements located at 6419 South Virginia Street, 6451 South Virginia Street, 6407 South Virginia Street, and 6405 South Virginia Street, Washoe County, Nevada.

Assessor’s Parcel No.	Petitioner	Hearing No.
040-162-50	Crossing SC LLC	26-0042
040-162-51	Crossing SC LLC	26-0043
040-162-52	Crossing LLC	26-0045
040-162-53	Crossing SC LLC	26-0046

The following exhibits were submitted into evidence:

Petitioner

Exhibit A: Letter, 1 page.

Exhibit B: Comparables with photos and maps, 10 pages.

Exhibit C: Comparables with photos and maps, 11 pages.

Assessor

Exhibit I: Assessor's Hearing Evidence Packet (HEP) including comparable sales, maps and subject's appraisal records, 76 page(s).

Exhibit II: color-coded map of land values along the South Virginia Street corridor, 1 page.

On behalf of the Petitioner, Mike Churchfield was previously sworn in by County Clerk Jan Galassini.

On behalf of the Assessor’s Office (AO) and having been previously sworn, Diana Arias, Appraiser, oriented the Board as to the location of the subject of the property. She said that the subject property consisted of four parcels, which would be heard together. She noted that the occupancies included a neighborhood shopping center, a veterinary

hospital, a discount store, and a fast-food restaurant. She indicated that the buildings ranged in age from 1972 to 2023, and that the total gross building area for all buildings was 67,533 square feet (sq ft). She mentioned that the property was located on South Virginia Street and Neil Road in the Meadowood area and added that the maps were located on pages 37 and 38 of the HEP.

Ms. Galassini commented that the Petitioner's Exhibit B, which Mr. Churchfield distributed for the prior hearing, would also be used for the current hearing and would be Petitioner's Exhibit B.

10:18 a.m. **The Board recessed.**

10:27 a.m. **The Board reconvened with all members present.**

* * * * *

Although no Agent Authorization Form was submitted for APN 040-162-53, hearing # 26-0046, the representative, Mr. Churchfield, acknowledged verbally that he was the agent for all four parcels listed.

* * * * *

Mr. Churchfield noted that the hearing was specifically for Assessor's Parcel Number (APN) 040-162-52. Vice Chair Bonnenfant clarified that she believed the hearing was for the entire shopping center and included all four APNs. Ms. Galassini stated that APN 040-162-52 had already been heard. Mr. Churchfield explained that there were two appeals, one for APN 040-162-52, and the other for the parcels filed under a separate appeal because they were the line space. Chief Property Appraiser Howard Stockton mentioned that, as the agenda read, the 2025 appeal was specific to APN 040-162-52, whereas the 2026 hearing included multiple APNs 040-162-50, 51, 52, and 53. He clarified that the previous appeal was for APN 040-162-52 and the current appeal was for the entire shopping center. Vice Chair Bonnenfant asked Mr. Churchfield if there was an issue with hearing all four parcels together. Mr. Churchfield replied that when the Appellant filed the appeals, he filed the line-space as one appeal and the anchor as a separate appeal because different Limited Liability Companies (LLCs) owned the property. He noted that APN 040-162-52 was owned by Crossing LLC, and APNs 040-162-50, 51, and 53 were owned by Crossing SC LLC. He shared his confusion about how a motion could be made for two entities with different owners. Mr. Stockton mentioned that he did not foresee any issues and added that it was clear that Mr. Churchfield represented the entire center. He indicated that the 2026 rulings would be for APNs 040-162-50, 51, 52, and 53.

Mr. Churchfield indicated that he had two separate Petitioner's Exhibits. Ms. Galassini asked Mr. Churchfield whether the second package contained different information, and he confirmed it did. A second Petitioner's exhibit was submitted and referred to as Petitioner's Exhibit C. Mr. Stockton emphasized the difficulty for staff in reviewing additional evidence received at the hearing. He shared that if the Board had any

questions regarding the newly presented information, the AO's comments would be based on staff's general knowledge. He mentioned that the appeal had been outstanding since January 15, 2026, and receiving the additional information at the last minute did not allow the AO staff to make as many comments. Vice Chair Bonnenfant agreed that receiving additional evidence during the hearing was also difficult for the Board. Mr. Churchfield apologized for the delay in providing the documentation and said that he had only begun working on the appeal in February. He noted that he was also working on 1,200 appeals in Las Vegas and had limited time to prepare his evidence for the Board at the last minute. Vice Chair Bonnenfant stated that, since the Board had two evidence packets, Mr. Churchfield needed to be specific when referring to both.

Mr. Churchfield explained that the AO valued Ski Pro and Trek Bicycle Reno, APN 040-162-52, for the 2026-27 tax year, at \$19 per sq ft. He noted that as a licensed real estate broker, he would not list the two properties from Home Depot at \$12 per sq ft and the two very small outparcels, referenced in Petitioner's Exhibit C, at \$13.60 per sq ft and were much smaller than the subject properties. He emphasized that the Petitioner believed the land's value was too high. He acknowledged that the motion at the previous hearing would help compensate for some of the ingress and egress issues the subject property faced. He explained that the alley was extremely narrow behind the building, making it difficult for a semi-truck to deliver merchandise. He speculated that those details should be considered when determining the property's quality class. He said that although dock doors and levelers would be costed out separately, adding that functionality would cost money, but could attract retail tenants. He stated that the front façade of the Ski Pro and Trek Bicycle Reno building was renovated, with a parapet added, but he believed the roof remained unchanged and flat. He said that the ducting was not changed and the building remained an open shell, as noted on page 1 of the Petitioner's Exhibit B.

Member Lissner explained that he was new to the Board and wondered if since the Board had already received extensive details for APN 040-162-52 Mr. Churchfield could limit his remarks to comparing the other two buildings and how the Board should consider them, as well as any differences from APN 040-162-52. He asked for significant differences between the various parcels. Mr. Churchfield explained that he needed the information put on the record in the event of an appeal to the State Board of Equalization (SBOE), and he directed the Board to APN 040-162-52, which showed the back of that building, as it pertained to his comment regarding line space. He referred to Petitioner's Exhibit C and stated that it discussed the quality classes of the line space buildings, with APN 040-162-50 as quality class 1.5, APN 040-162-51 as quality class 2.0, and APN 040-162-53 as quality class 1.5. He indicated that none of the buildings had drive-in dock doors because they were line-space buildings. He mentioned that there had been no significant improvements to the inside of the structures other than what the tenants had done on their own, and the buildings remained dated. He said he was not familiar with the interior of the Ocean Spa and Nails site but noted that Nevada Fitness, which sold treadmills, had a minimal build-out. He explained that any deliveries would need to go through the front door because the rear access doors were single-man doors. He believed that the difficulty of getting merchandise in and out demonstrated its effect on the property.

He acknowledged that values were taken into account as if the land were vacant, but the reality was that the property was a very compact site, and if the Petitioner were to demolish all the buildings, the structures would likely not be configured the same way. He explained that his understanding of Nevada law was that property was valued in use, and he was valuing the property with the current improvements. Deputy District Attorney (DDA) Cobi Burnett shared that the overhead was available if Mr. Churchfield needed to display any information.

Mr. Churchfield thought that there was a discrepancy in the quality class within the centers. He stated that APN 040-162-53 had no rear access and added that, although there was a small driveway in the back, all tenants had to bring merchandise through their front doors because there was no other delivery access point. He felt the buildings were burdened by a small parking lot and were dated, despite having received a new façade, which he believed was a very minor component of the building. He compared the updates made by the Petitioner to putting a Ferrari body kit on a Pontiac Fiero, and added that while the appearance might suggest something more, the underlying performance and value were not comparable. He indicated that the Petitioner made minor façade updates to make the center appear more modern, but the interiors had not been updated. He shared that the Reno Gold Exchange store, APN 040-162-50, was dated on the inside and lacked a public restroom.

Regarding the comparables, Mr. Churchfield noted that the Thai Lotus restaurant had a 1.5 quality class and was valued at \$13.60 per sq ft, and added that the parcel was located directly across South Virginia Street from the subject property, on a small pad within the Home Depot shopping center. He said that Home Depot was valued at \$12 per sq ft. He noted that the parcel was much smaller, so the value was increased to \$13.60 per sq ft, which was significantly less than the line space, currently being assessed on APNs 040-162-50, 51, and 53, which were \$19.52 per sq ft. He noted that was higher than the \$19 per sq ft for APN 040-162-52 and higher than Whole Foods and the Nordstrom Rack at \$16 per sq ft. He indicated that the Thai Lotus had a full kitchen build-out, including a hood required for food preparation. He said that since those improvements cost money, they were included in the overall quality class of the building.

Mr. Churchfield explained that the second comparable was located at 6450 South Virginia Street and was a 10,364 sq ft retail building on a 52,969 sq ft parcel, initially constructed as Tower Records but subsequently renovated for Double Edge Fitness. He said the renovation was an extensive build-out tailored to that business with showers, locker rooms, and retail space, and was assessed at a 1.5 quality class. He felt that the various build-outs and angles in the interior made it superior to the subject property.

Mr. Churchfield noted that the most significant comparable was 4827 Kietzke Lane, where Ulta Beauty and Mattress Land were located. He said that the property was currently a 1.5 quality class, had dock doors in the back, and allowed merchandise deliveries without blocking the parking lot. He indicated that it would be problematic for the line space in the Petitioner's shopping center because semi-trucks would need to block the parking lot when making deliveries. He indicated that deliveries could be made at the

rear of 4827 Kietzke Lane without interfering with business. He noted that although the AO had not reviewed the comparable, he believed most were familiar with Ulta Beauty. He described the facility as a nice building with newer construction, high ceilings, a drop ceiling at the front with lighted entry tile, glass storefront doors, and a parapet. He said he was unclear about the differences and questioned why the AO classified Ulta Beauty at a lower-quality class than the subject property. He emphasized his disagreement with the angles as the reason Ulta Beauty was a 1.5 quality class, while the subject property was a 2.0 quality class. He opined that the subject property was very dated line space, which he thought Member Lissner's feedback supported. He believed that the Petitioner's shopping center was dated and that minor façade updates were required in order to fill tenant vacancies. He felt that the exterior updates were not able to attract new corporate-backed tenants and indicated that all current tenants were smaller due to the small parking lot and accessibility issues. He acknowledged the freeway visibility, but as a long-standing leasing agent, he could not justify significant lease-rate differences from one side of the street to the other unless there was large, very bright, backlit freeway signage that would benefit the tenant.

Mr. Churchfield emphasized that the Petitioner believed the land should be valued at \$12 per sq ft, based on the Ulta Beauty comparable, and equalized with the line space buildings. He shared his confusion that two of the line space buildings were a 1.5 and a 2.0 quality class. He argued that all three should be equalized to 1.5 since the only difference was the front façade. He reiterated that the interiors of those spaces were much more dated than Ulta Beauty's and had lower ceiling heights. He believed that there were things that were functionally obsolete in the Petitioner's building that a facade could not fix. Mr. Churchfield stated that Ulta Beauty was a quality class 1.5 and added that Starbucks, Ulta Beauty, and Ross were at \$11 per sq ft. He said the prior Tower Records building and the Save Mart on McCarran Boulevard, with frontage were \$13.60 per sq ft, and the Nordstrom Rack was \$16 per sq ft. He mentioned that the Petitioner asked for equalization based on the comparables presented to the Board.

Member Lissner asked the AO for information on the cost of the building improvements. Ms. Arias asked whether Member Lissner was referring to the new Panera building. Member Lissner clarified that he was inquiring about the facades. Ms. Arias replied that no information regarding the façade had been provided. Member Lissner stated that he assumed the updates were very expensive.

Ms. Arias discussed the sales comparison on page 2 of the HEP. She explained that because the hearing involved four parcels, the Improved Sales (IS) differed from those in the prior hearing. She stated that the comparable sales selected were discount stores and shopping centers, since the subject was used cohesively as a shopping center called Crossings at Meadowood Square. She explained that IS 1 through 4 were shopping centers in the Reno area and ranged from \$144 to \$292 per sq ft, which supported the 2026-27 total taxable value.

Ms. Arias mentioned that Land Sale (LS) 1 was located on South Virginia Street and was closest and most comparable to the subject property, as shown on the map

on page 38 of the HEP. She noted that the property sold for \$49 per sq ft on August 22, 2025. She said that LS 2, located on South Virginia Street, sold at \$27 per sq ft and \$16 per sq ft. She noted that LSs 1 and 2 were the best indicators of land value in comparison to the subject property. She stated that the subject's land values of \$19 per sq ft and \$21 per sq ft for the parcel with frontage on South Virginia Street was supported by the recent LSs.

Ms. Arias mentioned that page 4 of the HEP showed an income approach analysis that was performed. She shared that income and expense information was requested from the Appellant, but no information was provided, so market data was considered. She noted that rent charts were provided on pages 5 and 6 of the HEP. She detailed that rents ranged from \$0.50 to \$3 per sq ft, depending on the occupancy. She said that the AO had a rent comparison on the rent chart for the subject's discount store, Ski Pro, and noted that it was signed in 2023 for \$1.42 per sq ft. For the analysis, the discount-store rent used was \$1 per sq ft to be conservative, fast-food occupancy was \$2.75 per sq ft, retail occupancy was \$1.50 per sq ft, and veterinary hospital rent used was \$2 per sq ft. She explained that a vacancy of 5 percent was used, and noted the entire shopping center was fully occupied. She noted that an expense ratio of 5 percent was used. Based on local cap rates and market report cap rates, those rates ranged from 6 to 7.9 percent, with a median of 6.5 percent. To be conservative, a cap rate of 7.5 percent was used in the analysis. She said that overall, the income approach resulted in a value of \$13.7 million, or \$203 per sq ft, which supported the 2026-27 value of \$8,981,267, or \$133 per sq ft. She concluded that the subject's taxable value was supported and recommended that it be upheld.

Ms. Arias addressed the Petitioner's concerns regarding the lower land value for parcels on Neil Road, east of South Virginia Street, including Thai Lotus and Double Edge Fitness. She explained that those parcels had different visibility and accessibility from the subject property and emphasized that LSs 1 and 2 were both located on South Virginia Street, with the same zoning and similar frontage as the subject property. She noted that the previously mentioned comparables, Firecreek Crossing and Redfield Promenade, were larger shopping centers with over 10 acres, which represented a significant difference in size and economies of scale compared to the subject property. She noted Firecreek Crossing was over 30 acres.

Ms. Arias explained that during the prior hearing, the shopping center was reviewed as a quality class of 2.0. She stated that, for the current appeal, there were two parcels with a quality class of 1.5. She said that the parcel with Ocean Spa and Nails had its facade and quality class updated in 2016. She mentioned the quality classes had not been updated for a recent 2024 permit to update the exterior of the frontage parcel and the parcel next to Ski Pro. She noted those parcels would be reviewed for reappraisal. She reiterated that the quality class for Ski Pro and Trek Bicycle Reno had not been updated and were currently at a 2.0. She referred to pages 44 through 47 of the HEP, which depicted the exterior before the facade update. She mentioned that page 76 of the HEP showed two of the properties mentioned by Mr. Churchfield, which included the Thai Lotus restaurant with a quality class of 1.5. She noted that Thai Lotus had a sit down restaurant occupancy. She pointed out that there was a significant difference in the exterior of Thai

Lotus, which was a box shape with very little canopy and inferior ornamentation, compared to the subject property, which had a metal canopy. She stated that Double Edge Fitness had a health club occupancy with a 1.5 quality class. She explained that the characteristics Mr. Churchfield mentioned, such as interior finishes, locker rooms, and rubber mat flooring, were accounted for with the occupancy.

Mr. Stockton displayed Assessor's Exhibit II, a color-coded map of land values along the South Virginia Street corridor.

Member Lissner mentioned the rent for the animal hospital, and asked whether rent rolls were available for all of the buildings. Ms. Arias replied that income information had not been provided. Member Lissner expressed concern and noted that he owned a commercial building and was expected to provide that information. Ms. Arias stated that the information was requested multiple times but was never received.

Vice Chair Bonnenfant indicated that the other parcels classified as a quality class 1.5 had not been reassessed following the exterior improvements. She questioned whether those parcels could be changed to a 2.0 quality class and equalized across the shopping center. Ms. Arias confirmed that during the reappraisal, those features would be reviewed.

Mr. Stockton explained that Assessor's Exhibit II, shown in orange, indicated the smaller pad site parcels that fronted South Virginia Street, with a base value of \$21 per sq ft. He noted that, because of economies of scale, a larger parcel would cost less per sq ft and that, due to their size, the larger parcels that fronted South Virginia Street were valued at \$19 per sq ft. He noted that those larger parcels were shown in gray on Assessor's Exhibit II. He pointed out the subject property on Assessor's Exhibit II and explained that the parcels off South Virginia Street were all valued at \$19 per sq ft, and the parcels that fronted South Virginia Street were orange and valued at \$21 per sq ft. He said that the parcel across the street from the subject parcel, at the corner of Neil Road and South Virginia Street, was valued at \$21 per sq ft. He indicated that the AO felt the properties off South Virginia Street, heading east on Neil Road, needed a reduction because traffic dropped off significantly. He indicated that the Thai Lotus restaurant and Double Edge Fitness, which were adjacent to the Nevada (NV) Energy campus, were color-coded yellow and had a base value of \$14 per sq ft. He added that some parcels may have an additional adjustment. He noted that Home Depot, a large parcel with South Virginia Street frontage, was indicated in green on Assessor's Exhibit II and valued at \$12 per sq ft. He said that Assessor's Exhibit II reflected how the AO approached land values. He noted that the smaller pad sites that fronted South Virginia Street were \$21 per sq ft, the larger sites and combination sites on South Virginia Street were \$19 per sq ft, and the larger sites were \$12 per sq ft. He mentioned that the parcels in red showed Meadowood Mall and explained that the entire 100-plus-acre site was valued as a single parcel, with lower land values and economies of scale. Member Lissner discerned that the Assessor's Exhibit II conveyed a great deal of information. He questioned whether the price per sq ft on South Virginia Street was \$14. Mr. Stockton explained that the orange color was \$21 per sq ft, and the yellow parcels off South Virginia Street were \$14 per sq ft.

County Assessor Chris Sarman agreed that Assessor's Exhibit II was impactful. He acknowledged there was some confusion regarding the costing and explained that the AO used Marshall & Swift for costing. He noted that the land was valued as though vacant, then the improvement value was added using Marshall & Swift cost indexing. He advised that the costing began with occupancy, which could change, and that different costs would be associated with each occupancy. He said that comparing occupancies was incorrect and that, in an equalization comparison, the AO would consider quality classes as another major valuation component. He mentioned that a 2.0 quality class was average and added that he could not recall a building built with below-average materials. He said it was also important to consider the age of the improvements. He stated that what was considered average when the buildings were constructed may no longer be average, but when the buildings were put on the record, they were likely considered average. He suggested that comparing older buildings to newer buildings might be incorrect. He emphasized the importance of considering that older buildings with a quality class of 2.0 likely had significant depreciation built in. He detailed that extra features that were included in the costs, such as the docks, asphalt, and other components of the properties, were being added to the record card but not as building types.

Mr. Churchfield felt that the number of AO staff who had spoken proved that his argument was valid. He shared his concern that one parcel could be adjacent to another and that the price could go from \$21 to \$13.60 per sq ft. He said he did not think the sales prices would accurately reflect a single line difference. He explained that the subject location was not on the Las Vegas Strip, where front-foot values mattered because of pedestrian traffic, and high-end store names on the front of buildings made a store more noticeable. He believed that Reno was not a pedestrian-friendly town, but a commuter town. He commented that there was signage on all the parcels and the businesses were well-advertised. He recognized that the AO had a difficult job to do when conducting a mass appraisal. He detailed his concern that there was a permit for two buildings in 2024 and the AO did not feel the need to increase the quality classes from 1.5 to 2.0 at that time. He surmised that the decision to increase the quality class after the fact rather than during the reappraisal cycle felt punitive, and questioned whether the permit had been closed out. Ms. Arias noted that the permit had already been worked and modifications would be updated as a correction.

Mr. Churchfield was concerned that the properties would have been left at a 1.5 quality class if the Petitioner had not reached out to the AO. He suggested that, if a taxpayer felt aggrieved or felt that their property was out of equalization, there should not be the punitive result of retroactively increasing the quality classes. He argued that if the AO felt that the permit justified an increase in quality class, they should have updated the quality class when they worked through the permit. He was uncertain why the issue would be addressed during the hearing. He mentioned that if most properties were considered average, then it was not clear to him how the appraisal for Firecreek Crossing and Ulta Beauty could be reviewed annually and maintain the same quality class of 1.5. He stated that the Petitioner would not be able to get an Ulta Beauty in his center because there was insufficient space and ceiling height to accommodate it. He cautioned against valuing the tenant or the personal property and speculated that if rubber mats were installed in a facility,

they would become real property and transfer to the next tenant, whether the next tenant wanted them or not. He suggested that anything affixed to the building was considered an improvement. He noted that Anytime Fitness Centers were often found in shopping centers. He thought that the Petitioner was well-founded in seeking a 1.5 quality class, given that permits had been worked on for two of the buildings. He said it would not be appropriate to be punitive and penalize the owner, and added that the properties should be equalized or maintained. He believed the Board of Equalization's (BOE's) responsibility was not to increase anything. He reiterated that the AO previously worked the permit procedurally and then closed it out. He referred to Petitioner's Exhibit C, which reflected that the building with the most frontage on the line spaces had a quality class of 1.5 and a higher land value than the building with a 2.0 quality class and freeway frontage. He mentioned that, based on the Assessor's Exhibit II, he could not verify that a higher value was assigned to the freeway frontage properties, but instead was added to properties along South Virginia Street. He speculated that Panera wanted to be located on South Virginia Street. He mentioned that the Nordstrom Rack was at \$16 per sq ft and added that the Redfield Promenade was visible from the freeway. He emphasized that the Petitioner felt the building was old and that he had only made updates to the facade. He restated that the Petitioner was unable to secure quality tenants with major corporate-backed leases, except for FedEx, which was a print shop with essentially no retail build-out. He stated that the Petitioner asked that the quality classes be maintained on APNs 040-162-50 and 040-162-53. He said that because the hearing was for an equalization appeal, the Petitioner asked that APN 040-162-51 be reduced to a 1.5 quality class, as he did not feel the Assessor could explain the differences among all of the parcels. He reiterated that the permit was worked, the property was looked at, the permit was closed out, and the quality class was maintained, which he believed made the readdress due to the appeal feel punitive. He commented that the Petitioner also requested that the land be reduced to \$12 per sq ft, based on the comparables and the shopping center's difficult ingress and egress. He believed that if the Petitioner could not secure corporate tenants due to the small parking lot and difficult ingress and egress, he would suffer with smaller tenants in perpetuity.

Member Lissner asked the AO to explain how they calculated the \$19 value for the entire length of South Virginia Street. He advised that his request was not specific to the subject property and said he assumed the AO had a sales basis to substantiate \$19 per sq ft. Ms. Arias directed the Board to page 2 of the HEP, which showed the sales comparison approach for the LSs, two of which were on South Virginia Street. She indicated that LS1 was for 6870 South Virginia Street, which sold for \$49 per sq ft. She shared that there was also an aerial map on page 38 of the HEP that showed the LSs. Member Lissner asked the appraiser to clarify the address. Ms. Arias replied that the address was 6870 South Virginia Street, and sold for \$49 per sq ft, and it was located .6 miles away from the subject property. The AO displayed the Washoe Regional Mapping System (WRMS), which showed the proximity of the subject property and LS 1. Ms. Arias said that LS 2 was 12325 South Virginia Street and sold for \$27.16 per sq ft, although the parcel was further south, on Virginia Street. Member Lissner questioned the significance of the first comparable that supported \$49 per sq ft. Ms. Arias replied that the property was planned for a car wash and was a 42,253 sq ft, level, rectangular lot, ready for construction.

Member Yancey asked whether the Board was considering the land's potential. Ms. Arias stated that when the AO reviewed the LSs, they thoroughly verified the LSs, but valued the land as though it were vacant. Member Yancey questioned whether the Board should consider the land's overall potential. Ms. Arias responded that the AO considered the zoning. Member Yancey clarified whether that consideration included factors such as location, zoning, and property type. Ms. Arias said that the sales prices would reflect the location and frontage, which was preferred, and would be reflected in the sale price.

Member Lissner noted that on the first comparable, he could see structures on the site, but no value was attributed to them. Ms. Arias explained that the image was older aerial imagery and confirmed that there were no improvements on the parcel. She commented that the improvements had been removed before the sale, and that the parcel was sold as vacant land. She noted that the photographs of the LSs were in the Assessor's HEP. Member Lissner asked whether the sale was an arm's-length transaction. Ms. Arias confirmed that it was and added that the broker had been contacted and that the sale had been verified.

Member Yancey asked whether the land value was based on potential rather than the current state. Ms. Arias stated that the land was valued in use and noted that LS 1 was a vacant parcel. She mentioned that the value would be updated once the improvements were added. She stated that all parcels in Assessor's Exhibit II with frontage were valued at \$21 per sq ft, and clarified that the AO would not differentiate based on neighboring uses such as a car wash or a restaurant. Vice Chair Bonnenfant mentioned that, as in the previous appeal, there were two separate issues, land value and quality class. She indicated that the improvements were being made from the ground up and that any discussion of dollar amounts referred strictly to land value. Ms. Arias confirmed that parcels with frontage were valued at \$21 per sq ft, while secondary parcels were valued at \$19 per sq ft.

Member Lissner acknowledged that the Petitioner could appeal to the SBOE, and asked if the AO could also appeal. Mr. Stockton confirmed that while the AO typically did not appeal, they could do so if a decision was egregious, though most often the AO upheld the Board's decision. Vice Chair Bonnenfant suggested that during the upcoming reassessment cycles, the properties could be reassessed at different values. Mr. Stockton confirmed that the entire county was reappraised each year. He shared that at the previous hearing for 2025, the AO had valued the parcel's land at \$17 per sq ft, and for fiscal year (FY) 2026-27, the value was increased to \$19 per sq ft after reviewing sales over the past year. He stated that the AO conducted a mass appraisal because doing fee appraisals on all 190,000 parcels would be impossible. He added that areas were grouped together to analyze the sales in that region.

Vice Chair Bonnenfant mentioned that, based on previous discussions, the Board should consider the hearing as two separate items. She explained that the quality class would affect the improvement value and, in turn, the land value. She shared that the quality class was similar to the improvements made to the exterior. She referenced the improvements to the parcel discussed at the previous hearing, and noted the Board found

that 2.0 was an appropriate quality class. She reiterated Mr. Sarman's comment that some of the buildings were older, but that was included in depreciation. She indicated that those older buildings paid less property tax (p-tax), and depreciation was accounted for based on age. She agreed with the current quality class and recognized that there was a difference among all the parcels. She explained that it was not uncommon for the AO to address parcels during the hearing that had been overlooked or not properly valued previously. Member Albright expressed agreement with the quality class.

Member Lissner said that he wished the Assessor's Exhibit II had been presented earlier and confirmed his agreement with the current land values. Member Albright expressed agreement with the current land values. Vice Chair Bonnenfant stated that Assessor's Exhibit II would be helpful for future hearings. Mr. Stockton acknowledged the Board's comments.

Member Lissner believed that there had been very few improvements made over the past ten years. He thought the depreciation was not factored in, but could produce a lower value, and that the value was based on an overall income approach. He questioned whether the Board was considering the income approach for the overall value of the properties. Vice Chair Bonnenfant indicated that the Board should consider the improvements. She added that the Board also reviewed the replacement cost approach, with the income approach as a secondary backup. She acknowledged that when the Board considered the class level, depreciation was not part of that discussion and would be added later. She mentioned that class allowed the correct number to be generated from Marshall & Swift, which was then depreciated. Mr. Stockton confirmed that when the AO generated a total taxable value, it was the land plus the Marshall & Swift costing and the State-mandated depreciation rate of 1.5 percent per year up to 50 years. He indicated that when the AO received an appeal that suggested that the total taxable value, which was the land plus improvements, exceeded market value, then staff would conduct an income approach to determine if it exceeded market value. He indicated that market value had not been discussed during the hearing. Vice Chair Bonnenfant said that, for the current hearing, the Board should focus on replacement value and added that market value would be used for the land. She stated that if a motion to uphold the value were made, it would be motion 2. Member Albright questioned whether the motion would apply to all of the parcels outlined. Vice Chair Bonnenfant stated that the motion would include all the listed parcels.

There was no response to the call for public comment.

With regard to Parcel Nos. 040-162-50, 040-162-51, 040-162-52, and 040-162-53, which petitions were brought pursuant to NRS 361.356, based on the evidence presented by the Assessor's Office and the Petitioner, on motion by Member Albright, seconded by Member Yancey, which motion duly carried, it was ordered that the Assessor's appraisal of the subject property be upheld and it was found that the Petitioner has failed to meet his/her burden to show that the land and improvements are valued higher than another property whose use is identical and whose location is comparable. With that, it was found that the land and improvements are valued correctly, and the total taxable value does not exceed the full cash value.

Vice Chair Bonnenfant noted that Mr. Churchill was familiar with the SBOE appeal process.

26-044E ROLL CHANGE REQUEST – DECREASES

DECREASE – consideration of and action to approve or deny Roll Change Request (RCR) number 4226F25.

Assessor's Parcel No.	Property Owner	RCR No.
079-150-59	SIERRA PACIFIC POWER COMPANY	4226F25

There was no response to the call for public comment.

On motion by Member Lissner, seconded by Member Albright, which motion duly carried, it was ordered to approve the recommendation of the Assessor's Office to decrease the values for RCR No. 4226F25. With those adjustments, it was found that the subject property was valued correctly and the total taxable value did not exceed full cash value.

26-045E ROLL CHANGE REQUEST – DECREASES

DECREASE – consideration of and action to approve or deny Roll Change Request (RCR) numbers 4296F24 and 4296F25.

Assessor's Parcel No.	Property Owner	RCR No.
538-141-20	DP INDUSTRIAL PARK LLC	4296F24
538-141-20	DP INDUSTRIAL PARK LLC	4296F25

There was no response to the call for public comment.

On motion by Member Lissner, seconded by Member Yancey, which motion duly carried, it was ordered to approve the recommendation of the Assessor's Office to decrease the values for RCR Nos. 4296F24 and 4296F25. With those adjustments, it was found that the subject properties were valued correctly and the total taxable value did not exceed full cash value.

25-046E BOARD MEMBER COMMENTS

Vice Chair Bonnenfant thanked the Board and acknowledged the new Members' growth and learning opportunities. She said the hearings were very complicated and that many petitioners' evidence was presented during the meeting. She shared her appreciation for the questions, discussion, and input, which she believed made for a clean record.

25-047E PUBLIC COMMENT

There was no response to the call for public comment.

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11:34 a.m. There being no further hearings or business to come before the Board, with no objection the meeting was adjourned.

DAREN MCDONALD, Chair
Washoe County Board of Equalization

ATTEST:

JANIS GALASSINI, County Clerk
and Clerk of the Washoe County
Board of Equalization

*Minutes prepared by
Jessica Melka, Deputy County Clerk*