



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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CHRISTOPHER G.
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Secretary

In the Matter of

United Insurance Co. of America
APN: 178-03-411-037
Clark County, Nevada
PETITIONER

Michele Shafe
Clark County Assessor
RESPONDENT

Case No. 13-342

And Cross-Appeal of

Michele Shafe
Clark County Assessor
PETITIONER

United Insurance Co. of America
APN: 178-03-411-037
Clark County, Nevada
RESPONDENT

Case No. 13-239

Appeal of the Decision of the
CLARK COUNTY
BOARD OF EQUALIZATION

NOTICE OF DECISION

Appearances

Michael P. Killion appeared on behalf of Rhodes Design and Development Corporation (Taxpayer).

Bob Costello, Maryanne Weidner, and Gary Relyea appeared on behalf of the Clark County Assessor's Office (Assessor).

Summary

The matter of the Taxpayer's petition for review of property valuations for the 2013-14 Secured Roll within Clark County, Nevada, came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada, on July 10, 2013 after due notice to the Taxpayer and the Assessor.

The Assessor offered new evidence consisting of a revised capitalization summary. The State Board admitted the new evidence into the record. *See Tr., 7-10-13, p. 13, l. 15 through p. 15, l. 5; NAC 361.739.*

The State Board, having considered all evidence, documents and testimony pertaining to the valuation of the property in accordance with NRS 361.227, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

FINDINGS OF FACT

- 1) The State Board is an administrative body created pursuant to NRS 361.375.
- 2) The State Board is mandated to hear all appeals of property tax assessments pursuant to NRS 361.360 and NRS 361.400.
- 3) The Taxpayer and the Assessor were given adequate, proper and legal notice of the time and place of the hearing before the State Board, and the matter was properly noticed pursuant to the Open Meeting Law at NRS 241.020.
- 4) The subject property consists of two buildings, the first building containing 77,643 square foot and the second building containing 135,000 square foot; along with a parking garage with 127,224 square foot, built in 1999, and located on 9.06 acres at 400 and 450 North Stephanie in Las Vegas, Clark County, Nevada. *See Record, Case No. 13-342, SBE pages 100; Tr., 7-10-13, p. 15, l. 24 through p. 16, l. 23.*
- 5) The Clark County Board of Equalization (County Board) ordered the total taxable value for the subject properties of \$30,556,105 be reduced to \$21,526,573 for the 2013-2014 secured roll. *See Record, SBE pages 10 and 102.*
- 6) The Assessor appealed the value established by the County Board, requesting the value originally established of \$30,556,105 be restored. The Taxpayer cross-appealed, requesting the value established by the County Board be further reduced to \$19,500,000. *See Record, Case 13-342, SBE page 1; Record, case 13-239, SBE page 2.*
- 7) The Taxpayer presented sufficient evidence to support a value different from that established by the County Board. The State Board found the vacancy / rent loss used by the Assessor of 22% was too low, estimating that the overall occupancy rate for both buildings was about 33%. Based on the high vacancy rate, the unfinished condition of the second building, and to recognize the higher risk associated with the long-term nature of the vacancy, the State Board found that the net operating income used by the Assessor to capitalize into a value was too high and the capitalization rate too low. *See Tr., 7-10-13, p. 55, l. 5 through p. 56, l. 3*
- 8) The State Board found the taxable value of the subject property should be reduced to \$19,764,542 or \$85.57 per square foot, using an income indicator of value based on an adjusted net operating income and an 11% capitalization rate. The State Board further found

the reduction in value should be applied to the improvements, keeping the value of the land the same. See *Tr.*, 7-10-13, p. 55, ll. 9-25; p. 59, ll. 17-18; and p. 61, l. 18 through p. 62, l. 5.

- 9) The assessed value as adjusted by the State Board is 35% of taxable value.
- 10) Any finding of fact above construed to constitute a conclusion of law is adopted as such to the same extent as if originally so denominated.

CONCLUSIONS OF LAW

- 1) The Taxpayer timely filed a notice of appeal, and the State Board accepted jurisdiction to determine this matter.
- 2) The Taxpayer and the Assessor are subject to the jurisdiction of the State Board.
- 3) The State Board has the authority to determine the taxable values in the State.
- 4) The subject property is appraised, as adjusted, at the proper taxable value in accordance with NRS 361.227.
- 5) Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so denominated.

DECISION

The Petition of the Taxpayer is granted based on the above Findings of Fact and Conclusions of Law. The Clark County Comptroller is instructed to correct the assessment roll by adjusting the assessed valuation of the subject property as follows:

2013-2014 Secured Roll

Parcel Number	Taxable Value		Assessed Value	
	Established by County Board of Equalization	Revised By State Board	Established by County Board of Equalization	Revised by State Board
Land	\$2,683,646	\$2,683,646	\$939,276	\$939,276
Improvements	18,842,927	\$17,080,896	\$6,595,024	\$5,978,314
TOTAL	\$21,526,573	\$19,764,542	\$7,534,300	\$6,917,590

The Clark County Comptroller is instructed to certify the assessment roll of the county consistent with this decision.

BY THE STATE BOARD OF EQUALIZATION THIS 16th DAY OF AUGUST, 2013.


Christopher G. Nielsen, Secretary
CGN/ter