



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

BRIAN SANDOVAL
Governor

1550 College Parkway, Suite 115
Carson City, Nevada 89706-7921
Telephone (775) 684-2160
Fax (775) 684-2020

CHRISTOPHER G.
NIELSEN
Secretary

In the Matter of

Harsch Investment Properties-NV, LLC
APN: 177-03-613-007, 177-03-613-008,
APN: 177-03-613-009
Clark County, Nevada
PETITIONER

Case No. 13-346

Michele Shafe
Clark County Assessor
RESPONDENT

Appeal of the Decision of the
CLARK COUNTY
BOARD OF EQUALIZATION

NOTICE OF DECISION

Appearances

Paul Bancroft, Esq., and Anthony Hama of Macero Tax Services appeared on behalf of Harsch Investment Properties-NV, LLC (Taxpayer).

Brian Lemons 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, originally came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada, on September 16, 2013 after due notice to the Taxpayer and the Assessor. The matter was continued for hearing in Las Vegas to October 2, 2013.

The Assessor offered new evidence consisting of a capitalization of income indicator of value. The Taxpayer did not object to the submission of the new evidence. The State Board admitted the new evidence into the record. *See Tr., 10-2-13, p.42, ll. 5-12; 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. *See Record, SBE page 60.*
- 4) The subject property consists of three tilt-up office/warehouse buildings known as "Palms (Paradise) Airport Center", constructed in 1989, 1990 and 1992, containing 194,421 gross square feet; and located on 9.86 acres near McCarran Airport on Paradise Road just south of Sunset Road in Clark County, Nevada. *See Record, SBE pages 45-48; Tr., 10-2-13, p. 39, ll. 11-21.*
- 5) The Clark County Board of Equalization (County Board) ordered the total taxable value for the subject property of \$8,498,886 be upheld for the 2013-2014 secured roll. *See Record, SBE pages 20 and 51.*
- 6) The Taxpayer presented sufficient evidence to support a value different from that established by the County Board. The State Board found the subject property negatively experienced a high rate of vacancy. The State Board also found higher investment risk due to functional obsolescence associated with the size and nature of the property, and the difficulty in restructuring the property to suit new tenants. *See Tr., 10-2-13, p. 65, l. 9 through p. 70, l. 6.*
- 7) The State Board found the taxable value of the subject property should be reduced to \$7,810,703 the value requested by the Taxpayer. The revised taxable value was supported based on testing an income indicator of value using a net operating income (NOI) of \$774,726 and a capitalization rate of 10%. The NOI was derived by using .29 cents per square foot rental rate, 30 percent vacancy, and five percent expenses. *See Tr., 10-2-13, p. 72, l. 21 through p. 75, l. 13.*
- 8) The assessed value as adjusted by the State Board is 35% of taxable value.
- 9) 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	1,932,760	\$1,932,760	\$676,466	\$676,466
Improvements	\$6,566,129	\$5,878,023	\$2,298,145	\$2,057,308
TOTAL	\$8,498,889	\$7,810,783	\$2,974,611	\$2,733,774

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 27th DAY OF NOVEMBER, 2013.


Christopher G. Nielsen, Secretary
CGN/ter