



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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CHRISTOPHER G.
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Secretary

In the Matter of

Harsch Investment Properties-NV, LLC
APN: 177-03-613-001, 177-03-613-002,
APN: 177-03-613-005, 177-03-613-006,
APN: 177-03-613-010
Clark County, Nevada
PETITIONER

Michele Shafe
Clark County Assessor
RESPONDENT

Appeal of the Decision of the
CLARK COUNTY
BOARD OF EQUALIZATION

Case No. 13-348

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 and Mary Ann Weidner 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 State Board incorporated the testimony from Case No. 13-346, Harsch Investment Properties, into the record of the current case. See *Tr.*, 10-2-13, p. 76, ll. 21-24.

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 104.*
- 4) The subject property consists of five tilt-up office/warehouse buildings known as "Palms (Paradise) Airport Center", constructed in 1991, 1994 and 1997 and located on 9.96 acres near McCarran Airport on Paradise Road just south of Sunset Road in Clark County, Nevada. *See Record, SBE pages 47, 92-94; Tr., 10-2-13, p. 77, ll. 1-6.*
- 5) The Clark County Board of Equalization (County Board) ordered the total taxable value for the subject property of \$8,531,052 be upheld for the 2013-2014 secured roll. *See Record, SBE pages 22 and 98.*
- 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 \$7,737,906 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 \$696,412 and a capitalization rate of 9%. *See Tr., 10-2-13, p. 93, l. 4 through p. 95, l. 2.*
- 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	\$1,952,366	\$1,952,366	\$683,328	\$683,328
Improvements	\$6,578,691	\$5,785,540	\$2,302,542	\$2,024,939
TOTAL	\$8,531,057	\$7,737,906	\$2,985,870	\$2,708,267

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