



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

ABS NV-O, LLC  
APN: 179-18-517-002  
Clark County, Nevada  
PETITIONER

Michele Shafe  
Clark County Assessor  
RESPONDENT

Appeal of the Decision of the  
CLARK COUNTY  
BOARD OF EQUALIZATION

Case No. 14-190

**NOTICE OF DECISION**

***Appearances***

Bretta Ferrie appeared on behalf of ABS NV-O, LLC (Taxpayer).

Lisa Wilson and Jeff Payson 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 2014-15 Secured Roll within Clark County, Nevada, originally came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada, on June 23, 2014 after due notice to the Taxpayer and the Assessor.

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.<sup>1</sup>
- 4) The subject property consists of an Albertson's, containing a 55,278 square foot supermarket constructed in 2005, situated on one 5.55 acre parcel and located at 190 North Boulder Highway, on the north corner of Boulder Highway and East Lake Mead in Clark County, Nevada.<sup>2</sup>
- 5) The Clark City Board of Equalization (County Board) ordered the total taxable value for the subject property, APN 179-18-517-002 of \$4,207,174 be upheld on the 2014-2015 secured roll.<sup>3</sup>
- 6) The State Board found the Taxpayer presented sufficient evidence to support values different from that established by the County Board. The State Board found the first 6 sales listed on page 160 of the record relating to CVS and Walgreens were less reliable sales. The average price per square foot of the remaining 16 sales was \$64.31 per square foot. The State Board further found that vacant "big box" stores experience high cost to re-brand or change the use. Based on the sales, the State Board found the taxable value was supported at \$70 per square foot, or \$3,869,460. In addition, the State Board found that the sale of the subject as part of a bulk sale of \$3 billion did not meet the definition of market value. The State Board further tested the taxable value using the income approach by first estimating a net operating income (NOI) of \$329,345, based on a \$0.60 rental rate per square foot; an 8% vacancy and collection loss rate; and a 10% expense rate. The NOI was then capitalized using an 8.5% capitalization rate, and resulted in an indicated value of \$3,877,000.<sup>4</sup>

<sup>1</sup> See Record, SBE page 182, Receipt of Certified Mail.

<sup>2</sup> See Record, SBE pages 149-151, Maps; and 157, Capitalization Summary. See also Tr, 6-23-14, p. 254, ll. 14-20: 14 MS. WILSON: Lisa Wilson for the Clark County 15 Assessor's office. The subject property is the 16 Albertson's located at 190 North Boulder Highway on 17 the north corner of Boulder Highway and Lake Mead. 18 It's a 55,278 square foot supermarket constructed in 19 2005, situated on 1558 parcel. That map can be 20 found on SBE 178 and 179 areal photo.

<sup>3</sup> See Record, SBE page 11, CBE decision letter; and SBE 180, CBE Minutes.

<sup>4</sup> See Tr., 6-23-14, p. 269, l. 7 through p. 270, l. 24; p. 272, l. 24 through p. 275, l. 9:

7 MEMBER HARPER: CVS and Walgreens, gone. The 8 other 16 -- and I know in my world as a real estate 9 appraiser, I'm about to use a word that that 10 distinguished appraiser next to me is probably going 11 to -- his head will explode. Average. 12 CHAIRMAN MESERVY: That's an accounting word, 13 I know. 14 MEMBER HARPER: So I have to be careful, 15 because I know this is on the record, but if you 16 take the other 16 sales which I think are better 17 sales, the average comes out to be \$64.31 a square 18 square foot. You know, the issue with these big box 19 stores -- and I know we discussed this up north at 20 the last hearing, is they are difficult to value and 21 appraise, because if they do go vacant, put on the 22 market, it takes such a significant amount of money 23 to re-brand them or change their use, cut them up 24 into smaller spaces or whatever the case may be. 25 And I think that we all have seen that these things Page 270 1 can sit vacant for a long period of time. I know 2 before everybody jumps up and starts saying it's not 3 vacant, I realize that. But just from a market 4 value viewpoint, I just -- I don't know that you can 5 lease this property, this location on Boulder 6 Highway for .65 cents. 7 CHAIRMAN MESERVY: Sixty-five what? 8 MEMBER HARPER: Sixty-five cents a square foot 9 is what the Assessor's office used. And I tend to 10 kind of fall back on these other 16 sales that they 11 did a very good job of providing to us. So I'm just 12 having a little bit of trouble getting to the 13 Assessor's values or value. 14 MEMBER JOHNSON: My comments are going to be 15 first the primary thing talked about by the 16 petitioner was the sale of the subject. I don't 17 know how that would be probative of the value of the 18 subject individually. That includes the 170 odd 19 properties for \$3 billion. Clearly, if I want to 20 buy one Albertson's location, I am not going to be 21 the same buyer that is going to buy in bulk \$3 22 billion most likely. And so it doesn't meet my 23 definition of market value, willing seller, willing 24 buyer, typical terms offered individually for sale. Page 272 24 MEMBER HARPER: I just am having a hard time 25 getting to this \$76 a foot for this location. It's Page 273 1 55,000 square feet. 2 CHAIRMAN MESERVY: That's my looking at the 3 analysis, I'm looking at more in the 60's, but I 4 don't know where it is. 5 MEMBER HARPER: I've calculated it based on 6 \$65 a square foot which is \$3,593,070. At \$70 a 7 square foot, \$3,869,460. Kind of run some income 8 approaches and coming kind of in that range as well, 9 using .60 cents a square foot rent. 10 CHAIRMAN MESERVY: Where did you come into 11 that? 12 MEMBER HARPER: I've wiped it out. I'm using 13 their eight percent vacancy, 10 percent taxes -- 14 even at eight and a half cap rate. I obviously 15 didn't do it right. 16 MEMBER JOHNSON: I dropped just a low end of 17 the range a little bit, because I felt that the 18 Assessor might be basing that indication on the 19 upper end of the range. I went 50 to 75 bucks a 20 square foot and went in the middle at 62 and a half, 21 and that comes in at 3.45 million. I did the same 22 thing with the rent where I said .65 cents, I 23 figured use the range of .50 to .65 cents and use 24 .57 and a half cents a square foot as the rent, and 25 then you come in as 3.52 million. So I get that Page 274 1 range on the other side of 3.5. I think your 2 numbers were a little bit higher. 3 MEMBER HARPER: Okay. Using .60 cents a 4 square foot rent, eight percent vacancy and 5 collection loss, 10 percent expenses, and eight and 6 a half percent cap rate, or those parameters, I get 7 a NOI of \$329,345. Eight and a half percent cap 8 rate is \$3,877,000. 9 CHAIRMAN MESERVY:



- 7) The State Board adjusted the decision of the County Board by reducing the value from \$4,207,174 to \$3,869,460.<sup>5</sup>
- 8) 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 at the property taxable value as adjusted, 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:

**2014-2015 Secured Roll**

Parcel Number 179-18-517-002	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	\$967,031	\$967,031	\$338,461	\$338,461
Improvements	\$3,240,143	\$2,902,429	\$1,134,050	\$1,015,850
<b>TOTAL</b>	<b>\$4,207,174</b>	<b>\$3,869,460</b>	<b>\$1,472,511</b>	<b>\$1,354,311</b>

That is close to your \$70 a 10 square foot. 11 MEMBER HARPER: Which is \$70.14 a square foot. 12 And that .60 cents is -- it's not the actual rent, 13 because these are owner occupied. I'm basing that 14 kind of going towards the low end of the range, 15 indicated the market data presented by the 16 assessor's office. So, and I obviously what I've 17 seen in the market and, again, the assessor's 18 office, thank you. You did an excellent job of 19 providing us data. Because I just again kind of 20 step back on this the location, and I think all of 21 us that have lived here for a while see that. Like 22 I said, when one of these, you know, these big 23 boxes, it's just difficult to keep them leased or 24 occupied. And I realize this isn't -- this is a 25 newer property for this section of Boulder highway Page 275 1 being built in 2005, but I just think the market 2 data and specifically that average taking out the 3 drugstores, I feel pretty comfortable around that 4 \$70 a square foot which, again, is \$3,869,460. I'll 5 double check my math. Yeah. That is 55,278 gross 6 square feet of building area times \$70 a square 7 foot, you know, which again is within \$10,000 of my 8 adjusted income approach based on the market data 9 provided by the assessor's office.

<sup>5</sup> See Tr., 6-23-14, p. 276, ll. 9-18: 9 MEMBER HARPER: I'll make a motion in Case 10 14-190 that the taxable value be adjusted to 11 \$3,869,460 based on the market data and information 12 supplied within the case itself from the county 13 board.

14 MEMBER JOHNSON: I will second that. 15 CHAIRMAN MESERVY: Any more comments? All in 16 favor? 17 THE BOARD PANEL: Aye. 18 CHAIRMAN MESERVY: Any opposed? It's 19 unanimous. Okay. Call the next case.

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 30<sup>th</sup> DAY OF SEPTEMBER, 2014.

  
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Christopher G. Nielsen, Secretary  
CGN/ter