



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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In the Matter of

ABS NV-O, LLC
APN: 177-02-817-022
Clark County, Nevada
PETITIONER

Michele Shafe
Clark County Assessor
RESPONDENT

Appeal of the Decision of the
CLARK COUNTY
BOARD OF EQUALIZATION

Case No. 14-200

NOTICE OF DECISION

Appearances

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

Lisa Wilson 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 24, 2014 after due notice to the Taxpayer and the Assessor.

The State Board incorporated by reference the record of case 14-190 through 14-199 into the current case.¹

¹ See Tr., 6-24-14, p. 54, l. 2 through p. 55, l. 12: 2 So what I would like to do, Mr. Chairman, with 3 your blessing, is Cases 14-190 through -- all the 4 Albertsons -- through 14-203 -- and I guess it does also 5 include, then, 14-235, 14-265, and 14-241 -- I would 6 like to incorporate by reference the comments that were 7 made in all of these cases, so there's outstanding 8 incorporation by reference to any of those cases listed 9 to the other cases and discussions we've had herein, so 10 we don't have to keep doing it, and that way someone can 11 go back and pick up one case and say, Keith wasn't -- 12 didn't consider X, Y, or Z, or Ben was sounding like an 13 idiot again. 14 CHAIRMAN MESERVY: Well, my only concern there 15 is you're talking about cases we haven't even heard yet. 16 Don't try to incorporate it when we haven't taken a 17 stance on those. 18 MS. WILSON: I would actually like to also point 19 out that 235, 241, and 265, I don't believe are subject 20 to the service transaction, so neither of those comments 21 would be relevant. 22 CHAIRMAN MESERVY: I think we should make it 23 more all the cases that we've heard prior to the case in 24 numerical sequence. 25 MR. JOHNSON: Or we can do it again in 203, Page 55 1 because she is correct that the last three didn't 2 include that service transaction. And that's just based 3 on -- I'm reading the case files that were all 4 similar -- very similar issues and similar presentation 5 and data. 6

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 241.020.²
- 4) The subject property consists of an Albertsons and CVS retail stores, containing a 60,418 square foot supermarket and a 16,480 square foot discount store, both constructed in 1995, situated on a 7.31 acre parcel located at 7271 South Eastern on the northwest corner of Eastern and Warm Springs in Clark County, Nevada.³
- 5) The Clark City Board of Equalization (County Board) ordered the total taxable value for the subject property, APN 177-02-817-022 of \$5,392,074 be upheld on the 2014-2015 secured roll.⁴
- 6) The State Board found the Taxpayer did not present sufficient evidence to support values different from that established by the County Board. The State Board found the Assessor's taxable value was well-supported by market data. The State Board further tested whether the taxable value exceeded full cash value by using the income approach. The State Board capitalized a net operating income based on \$0.80 a square foot market rent for the discount store and \$0.65 per square foot market rent for the supermarket with a 9-1/2% cap rate. The resulting income indicator of \$5,486,315 supported the taxable value established by the County Board.⁵

CHAIRMAN MESERVY: Well, we have reviewed those 7 cases, so I guess I have no problem with that. 8 Do you have any objection, either party? 9 MS. FERRIE: No. 10 CHAIRMAN MESERVY: The Assessors have now -- 11 MR. JOHNSON: And that would apply at 14-190 12 through 14-203

² See Record, SBE page 185, Receipt of Certified Mail.

³ See Record, SBE pages 147-149, Maps; and 155, Capitalization Summary; Tr., 6-24-14, p. 85, ll. 7-14: 7 MS. WILSON: The subject property is an 8 Albertsons and CVS store located at 7271 South Eastern 9 on the northwest corner of Eastern and Warm Springs. 10 This property consists of a 60,418 square-foot 11 supermarket and a 15,480 square-foot discount store, 12 both constructed in 1985, and is situated on one 13 7.31-acre parcel. A map and aerial photo are on 14 Pages SBE 181 and 182.

⁴ See Record, SBE page 11, CBE Decision Letter; and SBE page 183, CBE Minutes.

⁵ See Tr., 6-24-14, p. 88, l. 24 through p.90, l. 18: 24 MR. JOHNSON: Year built, 1995, I believe, is 25 going to be why the Assessor went higher. I think Page 89 1 that's appropriate to go higher based on an older 2 structure. It's also larger, but it is multi-tenant. 3 One of the -- what I did here is I did go \$0.65 4 a square foot for the supermarket. I think the \$0.80 a 5 square for the discount store based to the sale -- or 6 based on the comparable rents that were presented looks 7 reasonable. I would like to hear Keith's thoughts on 8 that because he is more knowledgeable there than I am. 9 And I used 9 1/2 percent cap rate due the older 10 age, so I went up a little bit. And I came to a value 11 based on \$0.65 for the supermarket lease, \$0.80 a square 12 foot for the discount store, and 8 percent vacancy and 13 credit loss, 10 percent non-reimbursable expenses, 14 9 1/2 percent capitalization rate; I come to a value 15 conclusion of \$5,486,315. 16 CHAIRMAN MESERVY: And that's more than the 17 amount that there is, the 5,392,074? 18 MR. JOHNSON: Correct. 19 CHAIRMAN MESERVY: So a year above that, is what 20 you're saying? 21 MR. JOHNSON: Correct, I am. And I want to hear 22 what Keith says because if he feels the discount store 23 lease is too high, he's more knowledgeable there and he 24 might be able to enlighten us. 25 MR. HARPER: No, I think \$0.80 is probably the Page 90 1 fair-market rent. I'm just having a hard time picturing 2 this property. I know where it is and I know where the 3 location is. I think it's one of those Albertsons that 4 has a CVS; they have, like, a common wall between them, 5 but they are two separate operations. 6 So I really don't have any problem with anything 7 that -- to distinguish what Mr. Johnson just went 8 through, as far as rental rates and the cap rate of 9 9 1/2. I think there is some risk -- a little bit 10 higher risk because of the age. 11 And we are starting to see some drugstore 12 issues. Walgreens has closed their first store in the 13 Valley, and I think they've got some other planned 14 closings soon, from what I hear. So I think there is 15 some risk there to justify the 9 1/2 percent cap rate. 16 But like Mr. Johnson's calculations show, it's 17 basically the same I had. It supports the Assessor's 18 value of 5,392,074.

- 7) The State Board affirmed the County Board's decision of \$5,392,074.⁶
- 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 without further adjustment, 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 denied based on the above Findings of Fact and Conclusions of Law. 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 30th DAY OF SEPTEMBER, 2014.



Christopher G. Nielsen, Secretary
CGN/ter

⁶ See Tr., 6-24-14, p. 91, ll. 2-13: 2 14 -- Case 14-200, I recommend holding the 3 taxable value at \$5,392,074. 4 CHAIRMAN MESERVY: Do we have a second? 5 MR. JOHNSON: Second. 6 CHAIRMAN MESERVY: Any other comments? 7 (No response.) 8 CHAIRMAN MESERVY: All in favor. 9 MR. JOHNSON: Aye. 10 MR. HARPER: Aye. 11 CHAIRMAN MESERVY: Any opposed? 12 (No response.) 13 CHAIRMAN MESERVY: It passed unanimously.