



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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DEONNE CONTINE
Secretary

In the Matter of

BR Summerlin Property, LLC
APN: 137-36-413-005
Clark County, Nevada
PETITIONER

Michele Shafe
Clark County Assessor
RESPONDENT

Appeal of the Decision of the
CLARK COUNTY
BOARD OF EQUALIZATION

Case No. 15-149

NOTICE OF DECISION

Appearances

Guy McCollum appeared on behalf of BR Summerlin Property, LLC (Taxpayer).

Leon Maj 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 2015-16 Secured Roll within Clark County, Nevada, came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada, on July 18, 2016 after due notice to the Taxpayer and the Assessor.

This matter was originally heard by the State Board on July 20, 2015. The original question before the State Board was whether the Clark County Board of Equalization ("County Board") had a preponderance of the evidence before it to support its decision to not accept jurisdiction. The State Board found there was not a preponderance of evidence before the County Board to support the decision it made. The State Board found the County Board's decision should be reversed and remanded for further consideration. The County Board re-heard the matter on October 14, 2015. The matter currently before the State Board is an appeal of the County Board's October 14, 2015 decision.

The Taxpayer offered new evidence consisting of an affidavit and income analysis, cost analysis, a list of comparable assessments, an article entitled "Valuation of Real estate within Senior

Living facilities" from Seniors Housing and Care Journal (2011) and pictures. The State Board did not admit the new evidence into the record. However, this evidence was already in the original record. See *Tr.*, 7-18-16, p. 86, *ll.* 1-18.

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. The Department provided evidence to show the Taxpayer received notice of the hearing. See *Record*, *SBE* page 216.
- 4) The subject property is skilled nursing facility known as the Heights of Summerlin. The property was constructed in 2001 and covers 90,794 square feet of building area, with a 190-bed occupancy. The property sits on a 4.01 acre parcel located on Park Run Drive in Las Vegas, Clark County, Nevada. See *Record*, *SBE* pages 178 and 207; *Maps*, pages 203-205; *Tr.*, 7-18-16, p. 79, *ll.* 10-20.
- 5) The Clark County Board of Equalization (County Board) ordered the total taxable value for the subject property of \$12,896,415 including common element of \$526, be upheld for the 2015-2016 secured roll. See *Record*, *SBE* pages 119, 179, and 211.
- 6) The Taxpayer presented sufficient evidence to support a value different from that established by the County Board. Based on the testimony of the Taxpayer and the Assessor, the State Board found the cost approach indicator to be a more reliable indicator of value than the income indicator due to the unusually high expense ratio experienced by the property. See *Tr.*, 7-18-16, p. 90, *l.* 16 through p.96, *l.* 10; p. 109, *ll.* 18-20; p. 111, *l.* 4 through p. 113, *l.* 13. .
- 7) The State Board found the cost approach based on Marshall Swift costing service provided by the Taxpayer was appropriate to establish the value, modified to reflect the correct rate of statutory depreciation of 21% (14 years times 1-1/2%). See *Tr.*, 7-18-16, p. 110, *ll.* 9-14; p. 114, *ll.* 6-23. The resulting depreciation of \$2,443,614 is subtracted from the total replacement cost. The resulting replacement cost new less depreciation of \$9,192,242 is added to the Assessor's land value of \$1,572,083 for a total cost indicator of value of \$10,764,725. See *Tr.*, 7-18-16, p. 116, *l.* 15 through p. 118, *l.* 11.
- 8) The State Board found the total taxable value of the subject property should be reduced to \$10,764,725 with the taxable value of the land remaining the same and the obsolescence applied to the improvements, plus common element. See *Tr.*, 7-18-16, p. 116, *l.* 15 through p. 119, *l.* 5.
- 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. The assessed value is 35% of taxable value.
- 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:

2016-2017 Secured Roll

Parcel Number 137-36-413-005	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	\$1,572,083	\$1,572,083	\$550,229	\$550,229
Improvements	\$11,323,806	\$9,192,242	\$3,963,332	\$3,217,285
Common element	\$526	\$526	\$184	\$184
TOTAL	\$12,896,415	\$10,764,851	\$4,513,746	\$3,767,698

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 27 DAY OF SEPTEMBER, 2016.

Deonne E. Contine

Deonne Contine, Secretary
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