



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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Governor

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SHELLIE HUGHES
Secretary

In the Matter of)	
)	Case No. 21-159
APN: 177-05-510-002)	
)	
SRMF Town Square Owner, LLC,)	
PETITIONER)	
)	
v.)	
)	
Clark County Assessor,)	
RESPONDENT)	
)	
Appeal from Decision of the Clark County)	
Board of Equalization)	
)	

NOTICE OF DECISION

Appearances

Carol Hughett with Paradigm Tax Group appeared on behalf of the Petitioner, SRMF Town Square Owner, LLC (Taxpayer).

Carolanne Doherty appeared on behalf of the Respondent, Clark County Assessor (Assessor).

Summary

The matter of the Taxpayer's petition for review of property valuation for real property on the 2021-2022 secured roll came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada on July 19, 2021. The Clark County Board of Equalization (County Board) heard Taxpayer's property tax appeal on February 22, 2021. The County Board accepted the Assessor's taxable value of \$322,580,237. The subject property is an upscale lifestyle development.

The State Board, having considered all evidence, documents and testimony pertaining to the taxable value of the subject property, 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. Taxpayer and 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.

4. Taxpayer has the burden of proof pursuant to NAC 361.741.

5. Taxpayer presented income approach analysis based on 2020 financials with a capitalization rate of 9%.

6. A 9% capitalization rate is not reasonable when applying lower income from the 2020 financials.

7. Assessor presented income approach analysis using a net operating income of \$30,146,144 and applying a capitalization rate of 8% (SBE 99), and comparable sales.

8. The date of value is January 1, 2021.

9. While Assessor's method of testing the taxable value using a stabilized net operating income and applying a reasonable capitalization rate is sound, Assessor's stabilized income for the subject property is overestimated based on the 2018 and 2019 financials provided by Taxpayer.

10. The net operating income should be \$23,300,000 with a capitalization rate of 8% and reductions for stabilization costs calculated by Assessor.

11. 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. Taxpayer and Assessor are subject to the jurisdiction of the State Board.

2. The State Board has the authority to determine the taxable values in the State.

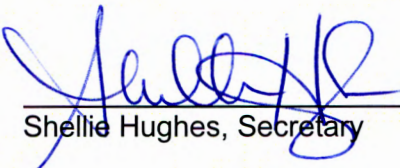
3. Assessor's taxable value for the subject property exceeds fair market value using income approach analysis.

4. 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

Based on the above Findings of Fact and Conclusions of Law and a preponderance of the evidence, the State Board decided by a unanimous vote to reduce the taxable value to \$288,570,733; with the reduction applied as obsolescence of the improvements. The Petition is granted and the 2021-2022 secured roll shall be amended to reflect this change to the taxable value for the subject property.

BY THE STATE BOARD OF EQUALIZATION THIS 29th DAY OF September, 2021.



Shellie Hughes, Secretary