



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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In the Matter of)

ABS NV-O, LLC)
APN: 163-17-813-005)
Clark County, Nevada)
PETITIONER)

Case No. 14-193

Michele Shafe)
Clark County Assessor)
RESPONDENT)

Appeal of the Decision of the)
CLARK COUNTY)
BOARD OF EQUALIZATION)

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

The State Board incorporated by reference the record and testimony provided in case numbers 14-190, 14-191, and 14-192 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.

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 Albertson's store, containing 59,374 square feet constructed in 2002, and situated on a 5.04 acre parcel located at 4055 South Durango on the northwest corner of Flamingo and Durango, in Clark County, Nevada.³
- 5) The Clark City Board of Equalization (County Board) ordered the total taxable value for the subject property, APN 163-17-813-005 of \$4,549,774 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 tested the taxable value using the income approach in several different scenarios and found that each test resulted in an indicated value above the taxable value established by the Assessor. As a result, the State Board found the Assessor's taxable value was supported by the market.⁵

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 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 181-182, Maps and 157, Capitalization summary; Tr., 6-24-14, p. 38, ll. 20-25; 20 MS. WILSON: Thank you. The subject property is 21 the Albertsons store located at 4055 South Durango on 22 the northwest corner of Flamingo and Durango. It is a 23 59,374 square-foot supermarket constructed in 2002 and 24 situated on a 5.04-acre parcel. There's a map and 25 aerial photo on Page 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. 41, l. 9 through p. 42, l.15. 9 MR. HARPER: That's true. Or going home. 10 That being said, I think there is probably a 11 little more risk, but the Assessor's Office does have 12 it -- did use a higher cap rate and did use -- and has 13 it as a lower value overall on the price per square 14 foot. 15 I've run some various scenarios using the 16 Assessor's Office -- the projected net operating income 17 of \$442,456, and using a cap rate of 9 percent comes to 18 4,916,178. Using that same NOI with a 9 1/2 percent cap 19 rate comes to 4,656,432. 20 If I go back and adjust the market rents to 21 \$0.70 a square foot, which I actually think is probably 22 more appropriate for this location, and still the 23 8 percent vacancy, 10 percent expenses, gets me to an 24 NOI of \$4,112,958, and capping that at 9 percent still 25 is above the Assessor's recommendation of taxable value. Page 42 1 That NOI capped at 9 percent is \$4,588,423. 2 Long-winded, a lot of numbers, to basically say I think 3 their taxable value, the Assessor's taxable value, is 4 4,549,774 is supported in the market. 5 CHAIRMAN MESERVY: And then to even add more to 6 it, it's the same number as the prior year, like with 7 the same decision we made on the last one from the prior 8 year; it's not going up. 9 Ben? 10 MR. JOHNSON: I agree with what you said, Keith, 11 right, is where I have a little bit of an issue. It 12 looks strong. But bringing the numbers a little bit 13 lower using a 9 cap and we're still above it, I think 14 that what the Assessor came to here is completely 15 reasonable and should be upheld.

- 7) The State Board affirmed the decision of the County Board.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. 42, l. 16 through p. 43, l. 7: 16 And therefore in case 14-193, I make a motion 17 that we uphold the Assessor's opinion of taxable value 18 of \$4,549,774, based on our review of the comparable 19 sales and our -- or our capitalization rate approaches 20 that we considered here. 21 CHAIRMAN MESERVY: Second? 22 MR. HARPER: Second. 23 CHAIRMAN MESERVY: Any other comments? 24 Conversation? Comments? 25 (No response.) Page 43 1 CHAIRMAN MESERVY: All in favor? 2 MR. HARPER: Aye. 3 MR. JOHNSON: Aye. 4 CHAIRMAN MESERVY: Any opposed? 5 (No response.) 6 CHAIRMAN MESERVY: So it's passed 100 percent 7 unanimous.