



STATE OF NEVADA  
STATE BOARD OF EQUALIZATION

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In the Matter of

ABS NV-O, LLC  
APN: 140-23-315-002  
Clark County, Nevada  
PETITIONER

Michele Shafe  
Clark County Assessor  
RESPONDENT

Appeal of the Decision of the  
CLARK COUNTY  
BOARD OF EQUALIZATION

Case No. 14-195

NOTICE OF DECISION

**Appearances**

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

Michelle Hanrahan 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 4 2014 after due notice to the Taxpayer and the Assessor.

The State Board incorporated by reference the record of cases 14-190 through 14-194 into the current case.<sup>1</sup>

<sup>1</sup> 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.<sup>2</sup>
- 4) The subject property consists of an Albertson's supermarket, containing a 56,318 square foot supermarket constructed in 1999, situated on one 7.88 acre parcel and located at 6885 E Lake Mead Blvd at Hollywood Blvd in Clark County, Nevada.<sup>3</sup>
- 5) The Clark City Board of Equalization (County Board) ordered the total taxable value for the subject property, APN 140-23-315-002 of \$4,142,897 be upheld on the 2014-2015 secured roll.<sup>4</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 Assessor used an 8% capitalization rate (cap rate) in the income approach. However, the State Board found the cap rate did not sufficiently reflect the amount of risk associated with possible vacancy and lack of alternative uses for a "big box" retail store. The State Board tested the taxable value using the income approach by applying a capitalization rate of 9 per cent to the net operating income (NOI) of \$363,724 developed by using \$0.65 rent per square foot and using the same vacancy loss and expense ratios estimated by the Assessor, which resulted in an indicated value of \$4,041,380. The State Board found the use of \$0.65 rent per square foot was still within market parameters and reflected the age of the property. The State Board found the 9% capitalization rate better reflected the investment risk in this type of property.<sup>5</sup>
- 7) The State Board adjusted the decision of the County Board by reducing the value from \$4,142,897 to \$4,041,380.<sup>6</sup>

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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

<sup>2</sup> See Record, SBE page 129, Receipt of Certified Mail.

<sup>3</sup> See Record, SBE pages 98-100, Maps; and 105, Capitalization Summary; Tr., 6-24-14, p. 51, ll. 7-10: 7 The subject is Albertsons located at 3010 West 8 Ann Road and Simmons, situated on 5.31 acres, consisting 9 of 56,251 square feet, constructed in 2005. The 10 Assessor does recommended holding value at 4,361,511.

<sup>4</sup> See Record, SBE page 11, CBE decision letter; and SBE page 127, CBE minutes.

<sup>5</sup> See Tr., 6-24-14, p. 58, l. 21 through p. 59, l. 6: 21 MR. HARPER: I swung and missed. At a 22 \$0.65 rent, 8 percent vacancy, 10 percent expenses, I 23 come to an NOI of \$363,724, which I think Mr. Johnson 24 concurs with -- thank you -- and a 9 percent cap rate 25 comes to a value of \$4,041,380, which is \$71.76 per Page 59 1 square foot. 2 MR. JOHNSON: And I concur fully with 3 Mr. Harper's conclusion. I think the \$70 a square foot 4 says we're about at comparable sales. I also think the 5 rent is well supported given the age of the store. I 6 think it's credible and supportable.

<sup>6</sup> See Tr., 6-24-14, p.59, l. 8 through p. 60, l. 19: 8 MR. HARPER: In case 14-195, I make the motion 9 to revise the taxable value to \$4,041,380 with a slight 10 difference coming off the improvements. And that's 11 supported by the market data and all the information 12 provided by both the petitioner and respondent. 13 CHAIRMAN MESERVY: Do we have a second? 14 MR. JOHNSON: Second. 15 CHAIRMAN MESERVY: My only comment -- and I 16 think it's 378 -- is it 378 or -80? 17 MR. JOHNSON: We used precise math here and we 18 got to -80. It's actually 379.68, and you've got to -- 19 you've got to carry the decimals out all the way 20 through.

- 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 <b>140-23-315-002</b>	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	\$1,029,760	\$1,029,760	\$360,416	\$360,416
Improvements	\$3,113,137	\$3,011,620	\$1,089,598	\$1,054,067
<b>TOTAL</b>	<b>\$4,142,897</b>	<b>\$4,041,380</b>	<b>\$1,450,014</b>	<b>\$1,414,483</b>

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.



Christopher G. Nielsen, Secretary  
CGN/ter

21 CHAIRMAN MESERVY: I just took the NOI of 22 363,724 divided that into -- you didn't round that as 23 the end on the NOI? You took it longer? 24 MR. JOHNSON: Yeah, we took it longer. So 25 that's all. It's a rounding difference. And Keith Page 60 I already went up to 380, which technically yours would 2 round to a very generous accountant. 3 CHAIRMAN MESERVY: This is the way we normally 4 do this, and they hadn't been rounding off of that. 5 MR. JOHNSON: No, that's fine. And you're 6 correct in that, Keith. 7 CHAIRMAN MESERVY: I don't need the money. Send 8 it to the State or the County. 9 MR. JOHNSON: That was his whole pay for the 10 day. 11 CHAIRMAN MESERVY: So that's my comment. Any 12 other comment? 13 (No response.) 14 CHAIRMAN MESERVY: All in favor? 15 MR. JOHNSON: Aye. 16 MR. HARPER: Aye. 17 CHAIRMAN MESERVY: Any opposed? 18 (No response.) 19 CHAIRMAN MESERVY: So it's unanimous.