STATE OF NEVADA
STATE BOARD OF EQUALIZATION
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BRIAN SANDOVAL
*Governor*

DEONNE CONTINE
*Secretary*

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| **In the Matter of** | ) | |
| | ) | |
| **The Shops at Summerlin North, LP and** | ) | |
| **The Shops at Summerlin South, LP** | ) | |
| **APN: 164-01-210-006, 164-01-210-007** | ) | |
| **APN: 164-01-311-010 through 164-01-31-016** | ) | |
| **APN: 164-01-311-020, 164-02-618-005** | ) | |
| **APN: 164-02-716-008, 164-02-716-009** | ) | |
| **APN: 164-02-814-004, 164-02-814-005** | ) | |
| **APN: 164-02-814-007, 164-02-814-008** | ) | **Case No. 16-282 and** |
| **Clark County, Nevada** | ) | **Case No. 16-283** |
| **PETITIONER** | ) | |
| | ) | |
| **Michele Shafe** | ) | |
| **Clark County Assessor** | ) | |
| **RESPONDENT** | ) | |
| | ) | |
| **Appeal of the Decision of the** | ) | |
| **CLARK COUNTY** | ) | |
| **BOARD OF EQUALIZATION** | ) | |

# NOTICE OF DECISION

## *Appearances*

Paul Bancroft of Fennemore Craig, P.C., appeared on behalf of The Shops at Summerlin North, LP and The Shops at Summerlin South, LP (Taxpayer).

Frederick Van Dover 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 2016-17 Secured Roll (Case No. 16-282) and the 2015-2016 Supplemental Roll (Case No. 16-283) within Clark County, Nevada, came before the State Board of Equalization (State Board) for hearing in Las Vegas, Nevada, on May 2, 2016 after due notice to the Taxpayer and the Assessor. The matter was continued to May 3, 2016.

The State Board consolidated Case No. 16-282 and Case No. 16-283, as both involve the same property but the tax rolls from two different years. *See Tr., 5-3-16, p. 297, ll. 6-18.*

The Assessor offered new evidence in Case No. 16-282 and 16-283 consisting of a news article dated March 1, 2016 about prices per acre for the Summerlin area; the 2015 Howard Hughes Annual Review; and a photo of the Summerlin Farmers Market. The State Board admitted the new evidence into the record, except the last article regarding the Summerlin Farmer's Market dated January 1, 2016 from the internet was not admitted. *See Tr., 5-2-16, p. 295, ll. 3-25.*

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, Case No. 16-282, SBE page 416 and Case No. 16-283, SBE page 418.*

4) The subject property consists of the private streets located within the commercial development known as Downtown Summerlin and used for access to the Shops at Summerlin . The development is approximately 105 acres in total size. The private streets consist of 17 separate parcels with a total land area of approximately 11.45 acres in Summerlin, Clark County, Nevada. *See Record, Case No. 16-282, SBE pages 3, 7, and 15; Maps, 378-380; Tr., 5-2-16, p. 296, ll. 5-23.*

5) In Case No. 16-282, the Clark County Board of Equalization (County Board) ordered the total taxable value for the subject property of $6,134,206 including common element of $8,619 be upheld for the 2016-2017 secured roll. *See Record, Case No. 16-282, SBE pages 23 and 413; Tr. 5-2-16, p. 296, l. 24 through p. 297, l. 5.*

6) In Case No. 16-283, the Clark County Board of Equalization (County Board) ordered the total taxable value for the subject property of $4,637,209 including common element of $8,619 be upheld for the 2015-2016 supplemental roll. *See Record, Case No. 16-282, SBE pages 23 and 405; Tr. 5-2-16, p. 296, l. 24 through p. 297, l. 5.*

7) The State Board discussed in detail whether the subject property was treated in the same manner as other similarly situated properties. *See Tr., 5-3-16, pp. 83-86.* The State Board relied on NRS 361.227(2)(c) which provides that the unit of appraisal must be a single parcel unless in the professional judgment of the person determining the taxable value, the parcel is one of a group of parcels which should be valued as a collective unit. The State Board found that the parcels were part of one economic unit consisting of the overall 105 acre subject parcel. *See Tr., 5-3-16, p. 86, l. 19 through p. 88, l. 10.* The State Board found the parcels were valued correctly from an equalization viewpoint because there was evidence in the record that the Assessor's office had valued similarly situated properties in the same manner, as one economic unit. *See Tr, 5-3-16, p. 92, l. 19 through p. 93, l. 19.* The State Board found the overall

collective unit has a taxable value consistent with market conditions at $12 per square foot. *See Tr., 5-3-16, p. 86, ll. 4-15.* Although there was also evidence in the record that other similarly situated properties had been valued as single parcels rather than as a collective unit, the fact that the law provides for a choice of methodology based on the Assessor's judgment; that other similarly situated properties had been valued using similar methodology; and that ultimately the taxable value was consistent with market conditions, the State Board found the properties were equalized with other similarly situated properties. *See Tr., 5-3-16, p. 96, l 5 through p. 97, l. 24; p. 99, ll. 14-18.*

8) The State Board affirmed the decision of the County Board on a majority vote, three to two. *See Tr., 5-3-16, p. 99, l. 14 through p. 102, l.3.*

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) Equalization by the State Board means to "ensure that the property in this State is assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law. *NAC 361.652.* The State Board found the method of appraisal was authorized and applied to similarly situated properties; and the value so derived did not exceed full cash value. *See Finding of Fact #7.*

5) The unit of appraisal must be a single parcel unless, in the professional judgment of the person determining the taxable value, the parcel is one of a group of parcels which should be valued as a collective unit. *NRS 361.227(2)(c).*

6) The subject property is appraised at the proper taxable value as previously determined by the County Board in accordance with NRS 361.227 for the 2015-2016 and 2016-2017 tax years. The assessed value is 35% of taxable value.

7 ~~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 JUNE, 2016.

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Deonne Contine, Secretary
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