

**Minutes of the Meeting
STATE BOARD OF
EQUALIZATION May 2-3, 2016
8:00 a.m.**

The meeting was held at the Grant Sawyer Building, 555 East Washington Avenue, Suite 4401, Las Vegas Nevada.

STATE BOARD MEMBERS PRESENT:

Dennis Meservy, Chairman
Benjamin Johnson
Keith Harper
Robert Schiffmacher
Al Plank

COUNSEL TO BOARD

Dawn Buoncristiani, Deputy Attorney General

DEPT OF TAXATION STAFF PRESENT:

Terry Rubald
Anita Moore

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
Doug Scott,	Clark County Assessor
Tina Poff,	Clark County Assessor
Max Couvillier,	Faith Community Lutheran Church
Lisa Logsdon,	Clark County District Attorney
Mary Ann Weidner,	Clark County Assessor
Michael Lane,	Clark County Assessor
Camille Montoya,	Clark County Assessor
Robert Conte,	Sunset Palms Park Apartments
Brian Lemmons,	Clark County Assessor
John Weisler,	Flamingo Spencer Garden LLC
Huan Quan Mai,	Flamingo Spencer Garden LLC
Rose Livingston,	Clark County Assessor
Jill Wood,	Clark County Assessor
Catherine Kuo,	Kuo Commercial LLC
Julia Kuo,	Kuo Commercial LLC
Carolanne Doherty,	Clark County Assessor
Jeff Payson,	Clark County Assessor
Benjamin Donel,	Sunset Equity Partners LLC
Scott Anderle,	Clark County Assessor
Terry English,	Westwood, Inc.
Fred Vandover,	Clark County Assessor
Wayne Tannenbaum,	Pivotal Tax
Tom Verheyen,	Clark County Assessor
Suki Peterson,	Clark County Assessor

Action on May 2, 2016:

The Chairman made opening remarks and introduced board members Al Plank, Bob Schiffmacher, Keith Harper, and Benjamin Johnson, as well as Attorney General Dawn Buoncristiani. He directed Terry Rubald to introduce her staff, and she introduced Anita Moore, State Board Coordinator.

The Chairman called for Public Comment. There was none. Ms. Buoncristiani then swore in witnesses. The Chairman explained the procedures for appeals before the State Board.

Agenda Item A:

For Possible Action: APPEALS FROM ACTION OF A COUNTY BOARD OF EQUALIZATION PURSUANT TO NRS 361.400, TAX YEAR 2016-17 Secured Roll, Appeals of County board decisions not to accept jurisdiction

16	241	Zieba Family Trust	Vacant Land	Clark County Assessor
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Doug Scott appeared on behalf of Clark County Assessor's Office (Assessor). No one appeared on behalf of Tony J. and Leslie A. Zieba (Taxpayer).

The State Board found the County Board decision was supported by a preponderance of evidence before it to support the decision it made. The State Board found the appeal form was filed late. The State Board found the County Board had not erred in its decision.

The State Board affirmed the decision of the County Board.

Agenda Item B:

For Possible Action: APPEALS FROM ACTION OF A COUNTY BOARD OF EQUALIZATION PURSUANT TO NRS 361.400, TAX YEAR 2016-17, Secured Roll , Grant of Exemption

16	129	Clark County Assessor	Exemption	Faith Community Lutheran Church
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Ms. Poff appeared on behalf of on behalf of Clark County Assessor's Office (Assessor). Max Couvillier, Attorney, appeared on behalf of the Office for Faith Community Lutheran Church (Taxpayer).

Ms. Buoncristiani mentioned the late filing issue, and whether or not Mr. Couvillier was prepared to address the late filing issue or if he would like a continuance. Mr. Couvillier consulted with his client and requested a continuance to prepare a brief to properly address the late filing issue.

The hearing was closed. Mr. Johnson motioned to continue to a future date, Mr. Harper seconded the motion. The vote was unanimous and the motion carried.

Agenda Item C:

For Possible Action: APPEALS FROM ACTION OF A COUNTY BOARD OF EQUALIZATION PURSUANT TO NRS 361.400, TAX YEAR 2015-16, Denial of Exemption

Ms. Rubald announced which cases in Agenda Items C through F were withdrawn (Case Nos. 16-231, 16-232, 16-300, 16-301, 16-250, 16-265, 16-193, 16-205, 16-194, 16-206, 16-218, 16-219, 16-221, 16-223, 16-235, 16-240, 16-243, 16-244)

16	231	PC Henderson Manor, LLC	Exemption	Clark County Assessor
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Case was withdrawn.

Agenda Item D:

For Possible Action: APPEALS FROM ACTION OF A COUNTY BOARD OF EQUALIZATION PURSUANT TO NRS 361.400, TAX YEAR 2016-17, Secured Roll , 2015-16 Unsecured Roll, or 2015-16 Unsecured Supplemental Roll

16	232	Desert Inn Office Center LLC	Commercial	Clark County Assessor
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Case was withdrawn.

16	139	WFO REO 2015-02 LLC c/o Keybank Nat'l Assn	Multi-family Residential	Clark County Assessor
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Michael Lane appeared on behalf of the Clark County Assessor's Office (Assessor). No one appeared on behalf of WFO REO 2015-02 LLC c/o Keybank National Association (Taxpayer).

The State Board found the Taxpayer did not present sufficient evidence to support values different from that established by the County Board and did not overcome the presumption that the Assessor's valuation is correct.

The State Board affirmed the decision of the County Board

16	140	Sunset Palms Park Apartments	Multi-family Residential	Clark County Assessor
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Camille Montoya appeared on behalf of the Clark County Assessor's Office (Assessor). Robert Conte appeared on behalf of Sunset Palms Park Apartments, LLC (Taxpayer).

The State Board found the Taxpayer presented sufficient evidence to support a value different from that established by the County Board. The State Board found the cap rate should be established at 7.5% to reflect the lack of future appreciation in the potential income stream but also the durability of the income stream. The State Board tested the taxable value by capitalizing a net operating income stream of \$130,530 based on the information in the rent rolls. The test resulted in a taxable value of \$1,693,333 or \$35,280 per unit.

The State Board found the taxable value of the subject property should be reduced to \$1,693,330 with the taxable value of the land remaining the same and the obsolescence applied to the improvements.

16 141 Sunset Palms Park Apartments LLC Multi-family Residential Clark County Assessor

Camille Montoya appeared on behalf of the Clark County Assessor's Office (Assessor). Robert Conte appeared on behalf of Sunset Palms Park Apartments, LLC(Taxpayer).

The State Board found the Taxpayer presented sufficient evidence to support a value different from that established by the County Board. The State Board found the cap rate should be established at 7.5% to reflect the lack of future appreciation in the potential income stream but also the durability of the income stream. The State Board tested the taxable value by capitalizing a net operating income stream of \$130,530 based on the information in the rent rolls. The test resulted in a taxable value of \$1,693,333 or \$35,280 per unit.

The State Board found the taxable value of the subject property should be reduced to \$1,975,555 with the taxable value of the land remaining the same and the obsolescence applied to the improvements.

16 177 Flamingo Spencer Garden LLC Commercial Clark County Assessor

Rose Livingston appeared on behalf of the Clark County Assessor's Office (Assessor). Huan Quan Mai and John Weisler appeared on behalf of Flamingo Spencer Garden LLC (Taxpayer).

The State Board found the Taxpayer did not present sufficient evidence to support values different from that established by the County Board. The price per square foot established by the County Board of \$46.78 was the strongest evidence provided because it is consistent with general market conditions.

The State Board affirmed the decision of the County Board.

16 124 Kuo Commercial LLC Commercial Clark County Assessor

Jill Wood and Mary Ann Weidner appeared on behalf of the Clark County Assessor's Office (Assessor). Julia Kuo appeared on behalf of Kuo Commercial LLC (Taxpayer). Julia Kuo and Katherine Kuo appeared on behalf of Kuo Commercial, LLC (Taxpayer).

The State Board found the taxable value of the subject property should be reduced to \$973,615 which equates to \$58.70 per square foot, a value which is within the range of comparable sales. The reduction represents the obsolescence of the improvements, and no change to the taxable value of the land.

16 239 Sunset Equity Partners LLC Commercial Clark County Assessor

Carolanne Doherty and Jeff Payson appeared on behalf of the Clark County Assessor's Office (Assessor). Benjamin Donel, Managing Member, appeared on behalf of Sunset Equity Partners, LLC (Taxpayer).

The State Board found the Taxpayer has met the burden of proving the existence of contamination and provided the cost of remediation. The State Board further found the price paid for the subject property is the best indicator of value. The State Board also found the Taxpayer's income approach indicator of value of \$1,945,886 was a reasonable indication of value.

The State Board found the taxable value of the subject property should be reduced to \$1,945,886 which equates to \$53.69 per square foot with the taxable value of the land remaining the same and the obsolescence applied to the improvements.

16 256 GY Rainbow Holdings, LLC Commercial Clark County Assessor

Michael Lane appeared on behalf of the Clark County Assessor's Office (Assessor). No one appeared on behalf of GY Rainbow Holdings, LLC (Taxpayer).

The State Board found the Taxpayer did not present sufficient evidence to support values different from that established by the County Board and did not overcome the presumption that the Assessor's valuation is correct. The evidence with regard to the income approach provided by the Assessor at page 34 of the record supports the taxable value.

The State Board affirmed the decision of the County Board.

16 302 PKII Valley Town & Country, LLC c/o KIMCO Commercial Clark County Assessor

Scott Anderle appeared on behalf of the Clark County Assessor's Office (Assessor). No one appeared on behalf of PK II Green Valley Town and Country, LLC (Taxpayer).

The State Board found the Taxpayer did not present sufficient evidence to support values different from that established by the County Board and did not overcome the presumption that the Assessor's valuation is correct. The taxable value was well supported by evidence of market information and the sales and income approach indicators in the record.

The State Board affirmed the decision of the County Board.

16 276 D2801 Westwood, Inc. Commercial Clark County Assessor
16 277 D2753, LLC Commercial Clark County Assessor

Ms. Buoncristiani swore in a potential witness.

Scott Anderle appeared on behalf of the Clark County Assessor's Office (Assessor). Terry English appeared on behalf of D2801 Westwood, Inc., case no 16-277; (Taxpayer).

Mr. English and Mr. Anderle agreed to consolidating these two properties. Mr. Johnson moved to consolidate these properties, Mr. Harper seconded the motion. The vote was unanimous, and the motion was carried.

The Taxpayer did not present sufficient evidence to support a value different from that established by the County Board. The State Board found the value of \$217.05 per square foot based on a combined value of \$4,970,125 for the two parcels is well supported by market information on comparable properties.

The State Board affirmed the decision of the County Board

16 284 D2765, LLC Commercial Clark County Assessor

Brian Lemons appeared on behalf of the Clark County Assessor's Office (Assessor). Terry English appeared on behalf of D2765, LLC (Taxpayer).

The Taxpayer did not present sufficient evidence to support a value different from that established by the County Board. The State Board found the value per square foot of \$8.93 for the improvements and land is fair and well supported and does not exceed full cash value.

The State Board affirmed the decision of the County Board.

16 285 D3355 Procyon, LLC Commercial Clark County Assessor

Scott Anderle appeared on behalf of the Clark County Assessor's Office (Assessor). Terry English appeared on behalf of D2765, LLC. (Taxpayer).

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 found the value of \$30.66 per square foot for the improvements is similar to comparable properties and the property does not exceed full cash value.

The State Board affirmed the decision of the County Board.

16	282	The Shops at Summerlin North LP	Commercial	Clark County Assessor
16	283	The Shops at Summerlin North LP	Commercial	Clark County Assessor

Frederick Van Dover and Jeff Payson appeared on behalf of the Clark County Assessor’s Office (Assessor). 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). Continued.

May 3, 2016

This matter was continued from the previous day.

The Chairman introduced the board members Al Plank, Bob Schiffmacher, Keith Harper, and Benjamin Johnson, as well as Attorney General Dawn Buoncristiani. He directed Terry Rubald to introduce her staff, and she introduced Anita Moore, State Board Coordinator.

Ms. Buoncristiani then swore in witnesses.

The State Board discussed in detail whether the subject property was treated in the same manner as other similarly situated properties. The State Board found that the parcels were part of one economic unit consisting of the overall 105 acre subject parcel. 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. The State Board found the overall collective unit has a taxable value consistent with market conditions at \$12 per square foot. 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.

The State Board affirmed the decision of the County Board on a majority vote, three to two.

16	300	Park Flamingo LP	Commercial	Clark County Assessor
16	301	Omninet 3300 Sahara LLC	Commercial	Clark County Assessor

Cases 16-300 and 16-301 were withdrawn.

Agenda Item E:

For Possible Action: RECOMMENDATIONS BY THE SECRETARY TO DISMISS TAXPAYERS’ APPEALS PURSUANT TO NAC 361.7014, Untimely Filed Appeals for Tax Years 2016-17 Determination of Jurisdiction of State Board. See Note (1)

16	250	Bixby Land Company	Commercial	Clark County Assessor
16	265	Pacifica Sagebrush, LLC	Commercial	Clark County Assessor

Cases 16-250 and 16-265 were withdrawn.

Agenda Item F:

For Possible Action: APPEALS FROM ACTION OF A COUNTY BOARD OF EQUALIZATION PURSUANT TO NRS 361.400, TAX YEAR 2016-17, Secured Roll , 2015-16 Unsecured Roll, or 2015-16 Supplemental Unsecured Roll

16	193	B E Uno, LLC	Commercial	Clark County Assessor
16	205	Eastgate, LLC	Commercial	Clark County Assessor
16	194	Bixby Land Company	Commercial	Clark County Assessor
16	206	Bixby Land Company	Commercial	Clark County Assessor
16	208	Ellen 5, LLC	Commercial	Clark County Assessor

Cases 16-193, 16- 205, 16-194, 16-206, 16-208 were withdrawn.

16	209	Evergreen II JJJ, LLC	Commercial	Clark County Assessor
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Brian Lemons and Mary Ann Weidner appeared on behalf of the Clark County Assessor’s Office (Assessor). Wayne Tannenbaum of Pivotal Tax Solutions appeared on behalf of Evergreen II JJJ, LLC (Taxpayer).

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 found the Assessor used conservative rental rates in the income approach to value. The State Board also found the sales information provided by the Taxpayer and the Assessor indicates the taxable value does not exceed full cash value, including accounting for excess land.

The State Board affirmed the decision of the County Board.

16	214	Fresh Investments, LLC	Commercial	Clark County Assessor
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Tom Verheyen, Brian Lemons and Mary Ann Weidner appeared on behalf of the Clark County Assessor’s Office (Assessor). Wayne Tannenbaum of Pivotal Tax Solutions appeared on behalf of Fresh Investments, LLC (Taxpayer).

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 reviewed the components of the income approach used by the Assessor and found the 8% cap rate was conservative and the monthly rent of 75 cents per square foot was reasonable. The imputed value of \$95.18 per square foot is also conservative compared to other properties in the neighborhood considering the airport submarket is very strong and given that the Taxpayer did not supply any information about the percentage of the building devoted to cold storage. Even though there are few sales for cold storage facilities, the State Board found there have been a number of sales of non-cold storage office warehouse facilities that support values over \$100 per square foot. The State Board found the taxable value established by the County Board does not exceed market value.

The State Board affirmed the decision of the County Board.

16	218	Pacifica Dolce LLC	Commercial	Clark County Assessor
16	219	Pacifica Henderson Suites, LLC	Commercial	Clark County Assessor

Cases 16-218 and 16-219 were withdrawn.

16	220	Pacifica Henderson Hotel, LLC	Commercial	Clark County Assessor
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Jill Wood appeared on behalf of the Clark County Assessor’s Office (Assessor). Wayne Tannenbaum of Pivotal Tax Solutions appeared on behalf of Pacifica Henderson Hotel, LLC (Taxpayer).

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 reviewed the components of the income approach used by the Assessor and found the \$85 average daily rate and 70% expense ratio used to develop the

income stream, as well as the 10% cap rate used by the Assessor to capitalize the income stream are conservative. The taxable value does not exceed market value based on Mr. Harper's knowledge of the market. The State Board also found the comparable sales also support the Assessor's taxable value on a per-unit basis.

The State Board affirmed the decision of the County Board.

16	221	Pacifica North Vegas, LLC	Commercial	Clark County Assessor
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Case 16-221 was withdrawn.

16	222	Pacifica Sky Court, LLC	Commercial	Clark County Assessor
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Suki Peterson, Brian Lemons, and Mary Ann Weidner appeared on behalf of the Clark County Assessor's Office (Assessor). Wayne Tannenbaum of Pivotal Tax Solutions appeared on behalf of Pacifica Sky Court, LLC (Taxpayer).

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 reviewed the components of the income approach employed by the Assessor and found the Assessor's use of a 7-1/2% cap rate is conservative and adequately accounts for the risk associated with capital expenditures and cost of curing the furniture, fixtures, and equipment within the units. The State Board also found the imputed value per unit of \$68,619 is comparable to the market, and the taxable value does not exceed full cash value.

The State Board affirmed the decision of the County Board.

16	223	Pacifica Spring Valley, LLC	Commercial	Clark County Assessor
16	235	RC Wiley Furnishings	Commercial	Clark County Assessor
16	236	Silverado Center, LLC	Commercial	Clark County Assessor
16	240	Tropicana East Shopping Center	Commercial	Clark County Assessor
16	243	Capital XI, LLC	Commercial	Clark County Assessor
16	244	CAJOFI, Inc.	Commercial	Clark County Assessor

Cases 16-223, 16-235, 16-236, 16-240, 16-243, 16-244 were withdrawn.

Agenda Item G:

Staff overview of LCB File No. R097-15, amendments to State Board regulations of practice and procedure
For Possible Action: Proposed Adoption Hearing Date

Ms. Rubald briefly discussed LCB File Number R097-15 for the Boards review. Adoption hearing scheduled for June 16, 2016.

Agenda item H:

Briefing to and from the Board and the Secretary and Staff
For Possible Action: Proposed Hearing Schedules and Docket Management

Ms. Rubald confirmed the next session dates of June 15, 16 and 17 in Las Vegas, as well as June 29, and 30th in Carson City. The last scheduled session is the third week in July, also in Las Vegas.

Agenda Item I:

State Board of Equalization Comments

There were no comments from the Board.

AGENDA ITEM J: PUBLIC COMMENT

The chairman called for public comment. There was none.

AGENDA ITEM K: Adjournment

The proceedings were adjourned at 1:07 p.m. May 3, 2016.