



STATE OF NEVADA
STATE BOARD OF EQUALIZATION

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Governor

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SHELLIE HUGHES
Secretary

In the Matter of:

Dillard International, Inc.

PETITIONER

vs.

Washoe County Assessor,

RESPONDENT

Case No. 23-122

NOTICE OF DECISION

Appearances

Jill Tate appeared on behalf of Dillard International, Inc. (Taxpayer).

Ken Johns and Steve Clement appeared on behalf of the Washoe County Assessor (Assessor).

Summary

The matter of Taxpayer's appeal regarding real property valuation on the 2023-2024 secured tax roll came before the State Board of Equalization (Board) for hearing on September 28, 2023, in Carson City, Nevada and via zoom. The property is located in Washoe County, Nevada.

Taxpayer sought to introduce new evidence that was not presented before the County Board of Equalization. The evidence was not presented at the County level due to the Taxpayer marking the information as "Confidential". Accordingly, the Board determined the evidence could not be presented or added to the record at this proceeding.

The Board, having considered all evidence, documents and testimony pertaining to the jurisdiction of the Board, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

FINDINGS OF FACT

1. The Board is an administrative body created pursuant to NRS 361.375.
2. The 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 Board, and the matter was properly noticed pursuant to the Nevada Open Meeting Law.
4. Taxpayer has the burden of proof pursuant to NAC 361.741.
5. The Assessor set the taxable value for the property at \$8,543,750.00, or \$41.00 per square foot.
6. The property is a 206,000 square foot anchor retail store located in an upscale shopping center in Reno, Nevada.
7. The Taxpayer argued that flat sales, combined with the current state of the retail market, the size and shape of the store, and other factors did not support the Assessor's valuation. The Taxpayer utilized a 9% capitalization rate.
8. The Assessor indicated that the property's \$41.00 per square foot value was established by taking the gross store sales and applying an industry accepted factor for percentage in sales, a vacancy and collection loss, expenses, and a capitalization rate of 7.4% related to an anchor store. The Assessor also presented evidence that the property had received a \$22,000,000.00 obsolescence reduction from the \$30.6 million dollar taxable value. The Assessor utilized four comparable sales to determine the assessed value.
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 designated.

CONCLUSIONS OF LAW

10. Taxpayer and Assessor are subject to the jurisdiction of the Board.
11. The Board has the authority to determine the taxable values in the State.
12. Taxpayer met its burden in showing the County Board of Equalization's decision was in error regarding the 7.4% cap rate that was utilized by the Assessor.
13. Based on the evidence presented, the Board determined that an 8% cap rate was better suited for the property given the risk associated with this type of use and that an adjustment to the taxable value was necessary and proper.
14. Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so designated.

DECISION

Based on the above Findings of Fact and Conclusions of Law and a preponderance of the evidence, the Board unanimously voted to reduce the taxable value from \$8,543,750.00 to \$7,422,000.00 based on a capitalization rate of 8%. The 8% capitalization rate is supported by the risk associated with the type of use. Taxpayer's petition is granted.

BY THE STATE BOARD OF EQUALIZATION THIS 15 DAY OF December, 2023.



Shellie Hughes, Secretary