

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # **19-0033**
Hearing Date **02/21/2019**
Tax Year **2019**

APN: 040-951-08

Owner of Record: RS EAGLE FEDERAL WAY LLC et al

Property Address: 5075 KIETZKE LN

Property Type: DISCOUNT WAREHOUSE STORE 67% MATERIAL STORAGE BUILDING 33%

Gross Building Area: 175,120

Year Built: 1999

Parcel Size: 14.91 Acre

Description / Location: The subject property is a Discount Warehouse Store that was built as a home improvement store and lumber yard. Its location, design and overall utility is still being capitalized upon by Lowe's. Please note that a much smaller local Home Depot was recently purchased by an investor on 4/26/18 for \$15,980,000.

2019/20 Taxable Value:	Land:	\$6,789,334
	Improvements:	\$8,292,700
	Total:	<hr/> \$15,082,034
	Taxable Value / SF	\$86.12

Sales Comparison Approach:	Indicated Value	\$21,890,000
	Indicated Value / SF	\$125

Income Approach:	Indicated Value	\$22,240,240
	Indicated Value / SF	\$127

Conclusions: Taxable value does not exceed full cash value. Please refer to the analysis within for foundational support of this conclusion.



WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE \$/SF GBA	HEARING: 19-0033
LAND:	\$6,789,334	\$2,376,267		DATE: 02/21/2019
IMPROVEMENTS:	\$8,292,700	\$2,902,445	\$86.12	
TOTAL:	\$15,082,034	\$5,278,712		TAX YEAR: 2019
OWNER: RS EAGLE FEDERAL WAY LLC et al			TAXABLE \$/SF Land \$10.45	SEE LAND SALES

SUBJECT													
BLDG#	APN	Location (Occupancy)	Use %	Total GBA (GBA)	Construction Type Exterior Walls	QC	Finish Area	Age(WAY) Height	Land (SF) %Coverage Zoning	Sale Price Sale Date	Sale Price/GBA	EGI GIM OER	NOI OAR
1	040-951-08	5075 KIETZKE LN		175,120					649,697				
		MATERIAL STORAGE BUILDING	33%	175,120	MASONRY BRNG	C15		1999	27%				
		DISCOUNT WAREHOUSE STORE	67%		CONC TILT-UP			27	PUD				
IMPROVED SALES													
IS-1	025-570-01	6590 S VIRGINIA ST		102,832					435,382	\$15,980,000	\$155		\$933,660
		DISCOUNT WAREHOUSE STORE	100%	102,832	MASONRY BRNG	C15		1993	24%	04/26/2018	see note		5.84%
		HOME DEPOT			CONC TILT-UP			25	MUSV				
IS-2	039-750-13	5150 MAE ANNE AVE		94,213					395,743	\$9,350,000	\$99		\$636,250
		DISCOUNT STORE	100%	94,213	MASONRY BRNG	C20		1990	24%	09/12/2017			6.80%
		KOHL'S			CONCRETE BLK			24	AC				
IS-3	040-141-42	6139 S VIRGINIA ST		81,838					240,016	\$24,100,000	\$294		\$1,145,146
	10, 12, 20, 22	SUPERMARKET	62%	81,838	MASONRY BRNG	C25		1993	34%	07/24/2017	see note		4.75%
		DISCOUNT STORE	38%		CONCRETE BLK			24	AC				
		WHOLE FOODS & SIERRA TRADING POST											
ADD'L INFO	ATTACHMENT B - Compilation of eight sales. Sales reflect Home Depot and Lowes properties from the Western Region. Sales date, price, \$/SF, NOI and Cap rate herein is the median reflected in the attached table. MEDIAN SIZE = 127,400sf									MEDIANS =	\$14,700,477	\$128.00	5.93%

COMMENTS:

The subject property is a well maintained, fully functioning and performing Lowe's. The subject includes a drive-through lumber yard. The recent sale of a smaller and local Home Depot (IS-1) indicates that the taxable value does not exceed full cash value.												
IS-1: Sale of a Home Depot property that is 20 years older; Sold with 100% occupancy at a 5.84% cap rate. Current rent noted at \$81,900/mth and/or \$0.80/sf/mth. The option for lease renewal is 8/31/24. A review of the rent found that excess rent may in fact exist. Discounting the excess rent and adjusting the sales price results in a ~\$1M reduction and/or equates to an adjusted market value of ~\$14,980,000 and/or \$146/sf. Please refer to Attachment "A" for additional information.												
IS-2: Sale of a big box property with Kohl's as tenant; Property is a co-anchor with other big box retailers. Sold with 100% occupancy at a 6.8% cap rate. The lease has 8yrs. remaining. Five year options are available.												
IS-3: Sale of a big box property w/Whole Food and Sierra Trading Post as tenants; Sold w/ 100% Occupancy at an est. 4.75% cap rate. Rent analysis not performed but strong rent is assumed. Sale is considered superior due to its large use as a supermarket which includes additional finish and partitioning. Based on the superiority, a 40% downward adjustment is being applied. This adjustment is based solely on the difference in costing the occupancy's in relation to the comparable and the subject. The result of the adjustment is \$177/sf.												
ADDITIONAL INFORMATION: A review of sales within the western region of the US was compiled. Sales include properties with Home Depot and Lowe's as tenants. Please refer to Attachment "B" for additional information of each sale. The median was taken and added to the table above. The results of this compilation illustrate a median sales price of \$14,700,477 and/or \$128/sf. Based on this result, the compilation is added evidence illustrating, as an indicator of value, that taxable value does not exceed full cash value.												
ADJUSTED SALES PRICES RANGE; \$100 to \$177/sf.												
MARKET VALUE: Estimated at \$148/sf. for the retail store portion (117,770sf) and \$80/sf for the storage portion (57,350sf) - see Attachment E. This results in an overall value of \$22,017,960 and/or \$125/sf.												
CONCLUSION = Taxable value does not exceed full cash value.												

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING:	19-0033
	\$5,239,740	\$1,833,909	\$/SF Land \$10.45	DATE:	02/21/2019
				TAX YEAR:	2019

OWNER: HOME DEPOT USA INC

LAND SALES

Sale #	APN	Location	Sale Date	Sale Price	Size(ac)	Size(sf)	\$/sf	Zoning	Comments
LS-1	040-900-19&20	DEL MONTE LN	05/03/2018	\$11,142,640	12.22	532,085	\$20	PUD	Monte Ln and Kietzke Ln is a part of the Rancharrah development project. One of the buyers is Tolles Development Co, a commercial real estate developer in the area. Offices, retail and restaurants are to be built as Village at Rancharrah per Reno Land Inc's master plan. The land price per SF in this sale is \$20.01.
LS-2	163-061-06 (now 12&13)	537 & 597 SOUTH MEADOWS PKWY	08/30/16	\$5,921,345	9.24	402,526	\$15	PUD	SVL verified arms length sale. Property was not on the market, however the owner was accepting offers and decided to sell to the buying party since they had a fair market offer. The new buyers purchased the land to construct a Sprout's Farmers Market and retail center.
LS-3	160-040-26	SOUTH MEADOWS PKWY	07/20/16	\$4,628,680	5.18	225,641	\$21	PUD	SVL verified arms length transaction. Property was not on the open market, however the seller was open to offers and accepted the buyer's market value offer. Property is going to be developed as a hotel.
LS-4	037-412-03 037-422-06	LEGENDS - 1425 GEORGE FERRIS DR & 1370 BIG FISH DR	08/07/17	\$6,748,617	6.50	283,082	\$24	NUD	The sale was for 2 parcels totaling 283,082 sf. The buyer was Big Shopping Centers that is an equity investor that purchases a portion or all of the property from developers to free up cash for the developer to use for improvements or other projects. They bought an 80% interest in these 2 vacant parcels , and the total purchase was computed using the sales price.
LS-5	400-040-15	1405 SKY MOUNTAIN	08/11/17	\$4,525,000	10.61	461,997	\$10	CC	Previously portion of APN 400-040-07 "The Great Western Marketplace" has been split into two parcels and was sold to two different parties. This lot is formerly the parking area.

COMMENTS:

Land sales herein represent large parcels that are located at premier locations throughout Reno/Sparks. Attributes affiliated with these superior locations include high traffic counts and excellent visibility from major arterial roads. Sales range in value from \$10/sf to \$24/sf. Based on the subjects superior location and the comparable sales, the subjects taxable land value is below market value.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

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IMPROVEMENTS:	\$8,292,700	\$2,902,445	\$86.12	
TOTAL:	\$15,082,034	\$5,278,712		TAX YEAR: 2019

APN: 040-951-08

OWNER: RS EAGLE FEDERAL WAY LLC et al

Income Approach

Potential Gross Income	117,770 sq ft. @	\$0.65 /mo =	\$76,551	
	57,350 sq ft. @	\$0.45 /mo =	\$25,808	
	sq ft. @	/mo =	\$0	
			\$102,358	
	x 12 months =		12	
			\$1,228,296	
- Vacancy & Collection loss		0%	\$0	
= Effective Gross Income			\$1,228,296	
- Operating Expenses		5%	\$61,414.80	
= Net Operating Income			\$1,166,881	
Divided by Overall Capitalization Rate		5.25%		
			\$22,226,309	
		Rounded		\$127 /sf GBA

Subject Income Information: The building is leased and occupied by Lowe's and is comprised of 117,770sf of discount warehouse store and a drive through lumberyard at 57,350sf. Income information was neither attained nor provided. A inferior sale of a local Home Depot was recently purchased by an investor. The components of income that were affiliated with that sale was reviewed. In addition, an agreement with regards to the lease at the time of sale of the subject in 2005 sale was reviewed.

Potential Gross Income: The property is leased by Lowe's. Contract rent based on the lease agreement established in 2005 indicates a base rent of \$0.66 originally existed. With adjustments occurring in 2007 and 2012, and tied to CPI, it is estimated that current rent is maxed at \$0.81/sf. It's also important to note that a lease renewal is being negotiated this year, and that information has not been provided. A review of market rent was therefore required. Please refer to Attachments "B" and "C" for the market rent analysis. Results from local rental data indicates that market rent for the subject, with consideration for subjects premium location and building (a first generation build to suit), is \$0.65. Applying this rent to the subject's rentable store area and a discounted rent of \$0.45 to the warehouse portion (see Attachment F) reflects a PGI of \$1,228,296.

Effective Gross Income: The property has had zero to minimal vacancy since its construction. Moreover, vacancy for comparable big box properties at superior locations remains stable at 0%. Therefore, a 0% stabilized vacancy rate was utilized. The application results in a EGI that is equal to PGI.

Net Operating Income: The property is leased on a NNN basis by which the tenant is responsible for all expenses. However, management fees and the costs in relation to capital reserves and replacement should be, and is, herein considered. Expenses estimated at 5%. Estimated NOI is \$1,166,881.

Capitalization Rate Analysis: Properties reflecting strong real estate fundamentals in primary locations remain in high demand amongst institutional investors. The subject property is a sought after investment that has been well maintained with a national credit tenant, has had zero vacancy, and has a premium location. Therefore, the overall investment risk is considered low. The cap rate on the sale of the local Home Depot was 5.84%. However, given the lower rents that were used in this analysis in relation to the contract rent that exists, overall risk is reduced.

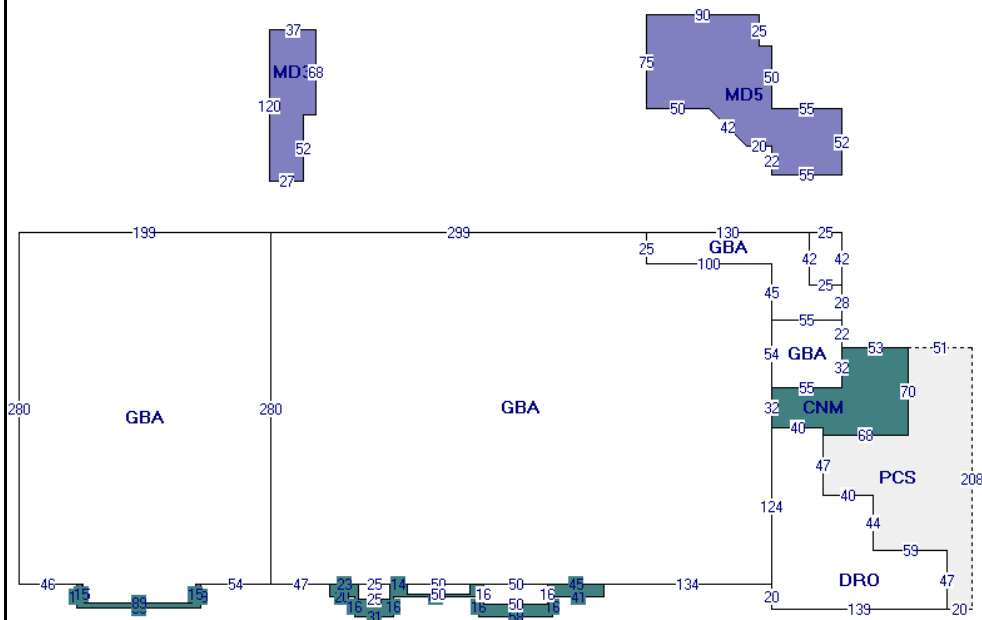
For a summary of cap rates in relation to big box retail, please refer to Attachments "B" & "D". Cap rates attained at the local level suggest a range of 4.75% to 6.8% with 5.84% as the median. Rates from the Western Region level indicated a range of 5% to 6.25% and a median of 5.93%. The cap rate used in this equation was 5.25% and again is reflective of the lower rents used within the equation and its and superior location.

Indicated Value Income Approach: **\$22,226,309 and/or \$127/sf.**

Conclusion: The taxable value of the subject does not exceed full cash value.

OBGQ - Commercial

VALUATION HISTORY								PARCEL VALUE SUMMARY				Database	Roll Year	Prior % Complete	% Complete		
Roll Year	Taxable Land	Land New	Taxable Improvements	Improvement New	Total Taxable	Total Assessed	Primary Valuation Building Value	Building Level Cost		PROD							
2019 NR	6,789,334	0	8,292,700	0	15,082,034	5,278,712	Building Value	6,656,734									
2018 FV	6,172,122	0	8,277,622	0	14,449,744	5,057,410	Extra Feature Value	1,635,966									
2017 FV	5,554,909	0	8,439,590	0	13,994,499	4,898,075	Land Value	6,789,334									
2016 FV	5,554,909	0	8,460,498	0	14,015,407	4,905,392	Taxable Value	15,082,034				Reopen	Code:				
2015 FV	5,554,909	0	8,485,413	0	14,040,322	4,914,113	Exemption	0				Reappraisal					
2014 FV	5,554,909	0	8,368,332	0	13,923,241	4,873,134	FLAGS										
2013 FV	6,172,122	0	8,320,253	0	14,492,375	5,072,332	Type	Value									
2012 FV	6,172,122	0	7,781,942	0	13,954,064	4,883,923	Cap Code	NFM									
2011 FV	6,172,122	0	7,992,304	0	14,164,426	4,957,549	Eligible for Form?	NO			NC / C	New Land	New Sketch				
2010 FV	7,776,900	0	7,971,563	0	15,748,463	5,511,962	Low Cap Percentage	0									
2009 FV	9,443,330	0	8,114,765	0	17,558,095	6,145,334	Parcel Map	4010			By:		Date:				
2008 FV	8,719,050	0	8,262,446	0	16,981,496	5,943,523											
BUILDING DETAILS				BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY					
Code		Description	Category	Units	Code	Description	Yr Blt	Units	Cost New	Tot Lump Sum Adj							
Type	COMM	Commercial/Industr	No of Stories	1	DRO	DO - No Value Drawn for Info		0		Sub Area-RCN	2,189,058						
Occupancy	391	Material Storage	Quality Class	1.5		Base Cost		57,350	757,594	% Incomplete	0						
Story/Frame	C	MSNRY BRNG ~	Avg Wall Height/Floor	27		Exterior Walls		57,350	968,068	% Depreciation	30.00						
Quality	0	Commercial	Shape(M&S) 1= SQ 4= Very	2		Heating & Cooling		57,350	69,967	\$ Dep & Inc	656,717						
Year Built	WAY	%Comp	Year of Addn/Remodel	Sprinkler System Generic -	190200	Elevators		1	45,363	Obso/Other Adj.	0						
1999	1999	100		Elevator Passenger -	1	Sprinklers		190,200	348,066	Sub Area DRC	1,532,341						
BUILDING CHARACTERISTICS					GBA	GBA - GROSS BUILDING AREA		57,350		Additive DRC	1,635,966						
Category	Code	Type	%							Total DRC	3,168,307						
Ext. Wall	818	CONC TILT-UP	100							Override							
Heating Type	609	VENTILATION	100							Cost Code	89502						
										PROPERTY CHARACTERISTICS							
										Water Sewer Street	Municipal Paved						
										BUILDING NOTES							
#	Bld	Date	User ID	Activity Notes													
1	0-0	11/20/2018	eladouceu	REXT BY JCT - 10/09/2018													
EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS																	
#	Code	Description	Quality	Bld #	Length	Width	Units	Unit Price	Year Built	Roll Year	% Comp	RCN	% Good	DRC	Override Value	Notes	
1	CRBC	CONCRETE CURB 6", NO GUTTER	30	1-1	0	0	8000	13.59	1999		100	108,720	70.0	76,104			
2	DKLV	DOCK LEVELER	30	1-1	0	0	2	7,922.00	1999		100	15,844	70.0	11,091			
3	FWAS	FLATWORK ASPHALT	30	1-1	0	0	270000	1.92	2016		100	519,480	95.5	496,103			
4	FWBR	FLATWORK BRICK	30	1-1	0	0	1600	10.21	1999		100	16,331	70.0	11,432			
5	FWCO	FLATWORK CONCRETE	30	1-1	0	0	14000	4.55	1999		100	63,694	70.0	44,586			
6	GHS2	GREENHOUSE Q2	30	1-1	0	0	12173	63.27	1999		100	770,186	70.0	539,130			
7	PKLT	PARKING LOT LIGHTING	30	1-1	0	0	270000	0.65	1999		100	175,500	70.0	122,850			
8	SG2S	SIGNS - ILLUMINATED PLASTIC - TWO SIDES	30	1-1	0	0	240	193.79	1999		100	46,510	70.0	32,557			
9	TKW4	TRUCK WELL CONCRETE WITH RETAINING WALL	30	1-1	0	0	1680	18.76	1999		100	31,517	70.0	22,062			
10	VES1	VESTIBULES/ATRIUMS	30	1-1	0	0	1500	79.56	1999		100	119,340	70.0	83,538			
11	WLCB	WALL CONCRETE BLOCK	30	1-1	0	0	3900	15.68	1999		100	61,152	70.0	42,806			
12	WLCO	WALL CONCRETE	30	1-1	0	0	8964	20.94	1999		100	187,706	70.0	131,394			
13	YIMP	YARD IMPROVEMENTS	30	1-1	0	0	20	1,593.78	1999		100	31,876	70.0	22,313			
LAND VALUE		DOR Code	400	Neighborhood	2984.17 OBGQ - Commercial			Land Size		14.9150		Unit Type		AC			
#	Code	Description	Zone	Units	Unit Type	Sub Type	Unit Price	Influence 1 Code	%	Influence 2 Code	%	Taxable Value		Land Notes			
1	400	General Commercial: retail,	PUD	649,697.00	SF	1	11.00	ES	0.95			6,789,334					
This information is for use by the Washoe County Assessor for assessment purposes only.																	
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BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
07/14/2016	BLD17-00286	PARKING	860,000	Compl	100	11/21/16 MAG Compl	
07/22/2015	BLD16-00607	FIRE	12,000	Compl	0	12/30/99	
07/21/2015	BLD16-00523	FIRE	12,000	Compl	0	12/30/99	
04/24/2006	LDP06-02474	FIRE	18,903	Compl	0	12/30/99	
12/30/2005	LDP05-07077	TENANT	1200000	Compl	0	12/30/99	
06/09/2005	LDP05-04750	REMODEL	3000	Compl	0	12/30/99	
02/02/2005	LDP04-10785	REMODEL	28000	Compl	0	12/30/99	

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
LOWES HIW INC,	3182780	03/15/2005	400	3BO	2EXG	16,400,000	O.A.T. PER SELLER RE
LOWES HIW INC,	2859371	05/22/2003	400	3NTT			

#	Bld	Date	User ID	Activity Notes
2	0-0	03/02/2018	elado	CBE BOARD YEAR 2018, PROTEST YEAR 2018/2019, DECREASE RECOMENDATION BY
3	0-0	10/05/2017	rdalt	REXT BY JCT - 09/05/2017
4	1-1	07/31/2017	srscs	LAND OK
5	0-0	10/22/2016	rlope	REXT BY MAG - 09/21/2016
6	0-0	01/25/2016	sjack	MASS UPDATE TAXPAYER NOTIFY DATE
7	0-0	01/22/2016	sjack	MASS UPDATE OF HEARING DATE
8	0-0	11/06/2015	idiez	TAG FROM 1005 TO 1000 TMUGWB NOW SPECIAL ASSESSMENT
9	1-1	10/02/2013	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/23/2013 BY RD, LAND LINE DONE
10	1-1	10/04/2012	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/18/2012 BY JAK, LAND LINE DONE

OBGQ - Commercial

VALUATION HISTORY							PARCEL VALUE SUMMARY				Database	Roll Year	Prior % Complete	% Complete					
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							Building Value	6,656,734											
							Extra Feature Value	1,635,966											
							Land Value	6,789,334											
							Taxable Value	15,082,034											
							Exemption	0											
							FLAGS												
							Type	Value											
							Cap Code	NFM											
							Eligible for Form?	NO											
							Low Cap Percentage	0											
							Parcel Map	4010											
2019	NR	6,789,334	0	8,292,700	0	15,082,034	5,278,712												
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BUILDING DETAILS							BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY				
Code		Description		Category			Units		Code	Description		Yr Blt	Units	Cost New	Tot Lump Sum Adj				
Type	COMM	Commercial/Industr		No of Stories			3		GBA	GBA - GROSS BUILDING AREA			117,770		Sub Area-RCN		6,875,754		
Occupancy	458	Discount		Quality Class			1.5			Base Cost			117,770	3,607,295	% Incomplete		0		
Story/Frame	C	MSNRY BRNG ~		Avg Wall Height/Floor			26			Exterior Walls			117,770	1,771,261	% Depreciation		30.00		
Quality	0	Commercial		Mezzanine - Storage			11160			Heating & Cooling			117,770	1,048,153	\$ Dep & Inc		2,062,726		
Year Built	WAY	%Comp	Year of Addn/Remodel		Mezzanine - Office			3920		Mezzanines			15,080	449,045	Obso/Other Adj.		0		
1999	1999	100			Shape(M&S) 1= SQ 4= Very			2	MD3	MEZ3 - DRO MEZZANINE OFFICE			0		Sub Area DRC		4,813,028		
BUILDING CHARACTERISTICS								MD5	MEZ5 - DRO MEZZANINE STORAGE			0		Additive DRC		0			
Category	Code	Type		%											Total DRC		4,813,028		
Ext. Wall	818	CONC TILT-UP		100											Override				
Heating Type	611	PACKAGE UNIT		100											Cost Code		89502		
							Base Rate Adjustment		Adj.								PROPERTY CHARACTERISTICS		
															Water		Municipal		
															Sewer		Municipal		
															Street		Paved		
							Construction Modifiers		Adj.								BUILDING NOTES		
																	Commercial Greenhouse Q2		
																	(GST2)		
																	040-951-08 Lowe's 5075 Kietzke Lane		
																	Redrawn w/corrections 6/14/11 SE		
																	27' Concrete Wall		
#	Bld	Date	User ID	Activity Notes															
EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS																			
#	Code	Description				Quality	Bld #	Length	Width	Units	Unit Price	Year Built	Roll Year	% Comp	RCN	% Good	DRC	Override Value	Notes
LAND VALUE		DOR Code	400	Neighborhood	2984.17 OBGQ - Commercial				Land Size		14.9150		Unit Type		AC				
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This information is for use by the Washoe County Assessor for assessment purposes only.																			
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WASHOE COUNTY APPRAISAL RECORD

2019

APN: 040-951-08

LOWES KIETZKE LN

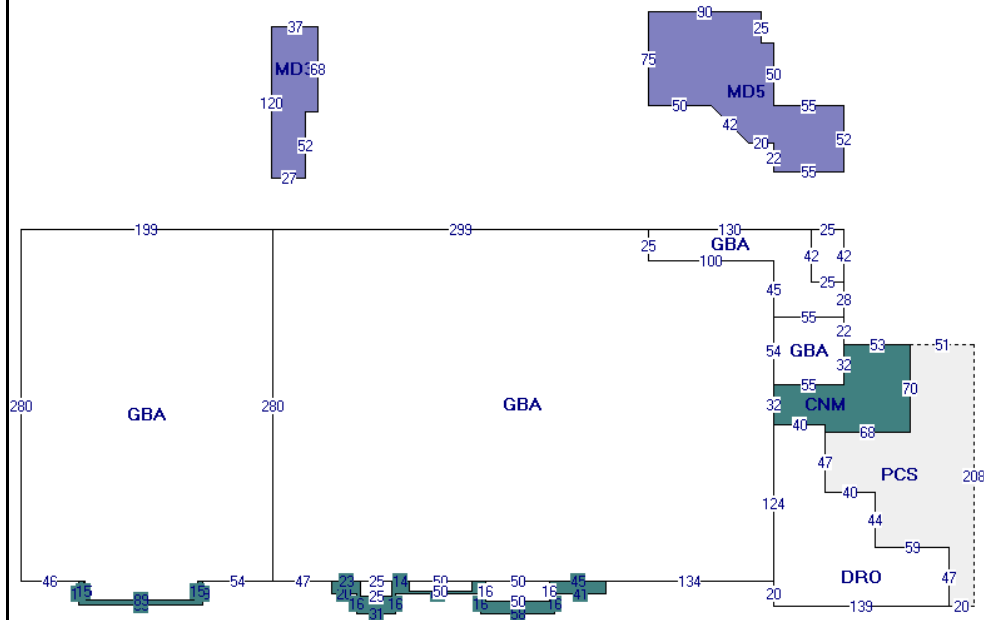
Tax District: 1000

printed: 01/25/2019

ACTIVE

2984.17

OBGQ - Commercial



BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
07/14/2016	BLD17-00286	PARKING	860,000	Compl	100	11/21/16 MAG Compl	
07/22/2015	BLD16-00607	FIRE	12,000	Compl	0	12/30/99	
07/21/2015	BLD16-00523	FIRE	12,000	Compl	0	12/30/99	
04/24/2006	LDP06-02474	FIRE	18,903	Compl	0	12/30/99	
12/30/2005	LDP05-07077	TENANT	1200000	Compl	0	12/30/99	
06/09/2005	LDP05-04750	REMODEL	3000	Compl	0	12/30/99	
02/02/2005	LDP04-10785	REMODEL	28000	Compl	0	12/30/99	

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
LOWES HIW INC,	3182780	03/15/2005	400	3BO	2EXG	16,400,000	O.A.T. PER SELLER RE
LOWES HIW INC,	2859371	05/22/2003	400	3NTT			

#	Bld	Date	User ID	Activity Notes

OBGQ - Commercial

VALUATION HISTORY							PARCEL VALUE SUMMARY				Database	Roll Year	Prior % Complete	% Complete					
Roll Year	Taxable Land	Land New	Taxable Improvements	Improvement New	Total Taxable	Total Assessed	Primary Valuation		Building Level Cost		PROD								
							Building Value		6,656,734										
2019 NR	6,789,334	0	8,292,700	0	15,082,034	5,278,712	Extra Feature Value		1,635,966										
2018 FV	6,172,122	0	8,277,622	0	14,449,744	5,057,410	Land Value		6,789,334										
2017 FV	5,554,909	0	8,439,590	0	13,994,499	4,898,075	Taxable Value		15,082,034										
2016 FV	5,554,909	0	8,460,498	0	14,015,407	4,905,392	Exemption		0				Reopen	Code:					
2015 FV	5,554,909	0	8,485,413	0	14,040,322	4,914,113	FLAGS					Reappraisal							
2014 FV	5,554,909	0	8,368,332	0	13,923,241	4,873,134	Type		Value										
2013 FV	6,172,122	0	8,320,253	0	14,492,375	5,072,332													
2012 FV	6,172,122	0	7,781,942	0	13,954,064	4,883,923	Cap Code		NFM										
2011 FV	6,172,122	0	7,992,304	0	14,164,426	4,957,549	Eligible for Form?		NO			NC / C	New Land	New Sketch					
2010 FV	7,776,900	0	7,971,563	0	15,748,463	5,511,962	Low Cap Percentage		0										
2009 FV	9,443,330	0	8,114,765	0	17,558,095	6,145,334	Parcel Map		4010			By:	Date:						
2008 FV	8,719,050	0	8,262,446	0	16,981,496	5,943,523													
BUILDING DETAILS				BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY							
Code		Description		Category		Units		Code	Description		Yr Blt	Units	Cost New	Tot Lump Sum Adj					
Type	MISC	Miscellaneous						CNM	CNPM - CANOPY METAL			6,072	242,819	Sub Area-RCN 444,807					
Occupancy	600	Miscellaneous						CNW	CNPW - CANOPY WOOD			2,104	70,694	% Incomplete 0					
Story/Frame	0	NONE						PCS	PORL - PORCH CONCRETE SLAB			19,139	131,294	% Depreciation 30.00					
Quality	20	Fair												\$ Dep & Inc 133,442					
Year Built		WAY	%Comp	Year of Addn/Remodel															
1999		1999	100																
BUILDING CHARACTERISTICS																			
Category	Code	Type	%																
				Base Rate Adjustment		Adj.													
				CCM SFR Frame		1.05000													
				Local Reno Frame		1.05000													
				Construction Modifiers		Adj.													
#	Bld	Date	User ID	Activity Notes															
EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS																			
#	Code	Description				Quality	Bld #	Length	Width	Units	Unit Price	Year Built	Roll Year	% Comp	RCN	% Good	DRC	Override Value	Notes
LAND VALUE DOR Code 400 Neighborhood 2984.17 OBGO - Commercial Land Size 14.9150 Unit Type AC																			
#	Code	Description			Zone	Units	Unit Type	Sub Type	Unit Price	Influence 1 Code	%	Influence 2 Code	%	Taxable Value	Land Notes				
This information is for use by the Washoe County Assessor for assessment purposes only.																			
Page 9 of 26																			

WASHOE COUNTY APPRAISAL RECORD

2019

APN: 040-951-08

LOWES KIETZKE LN

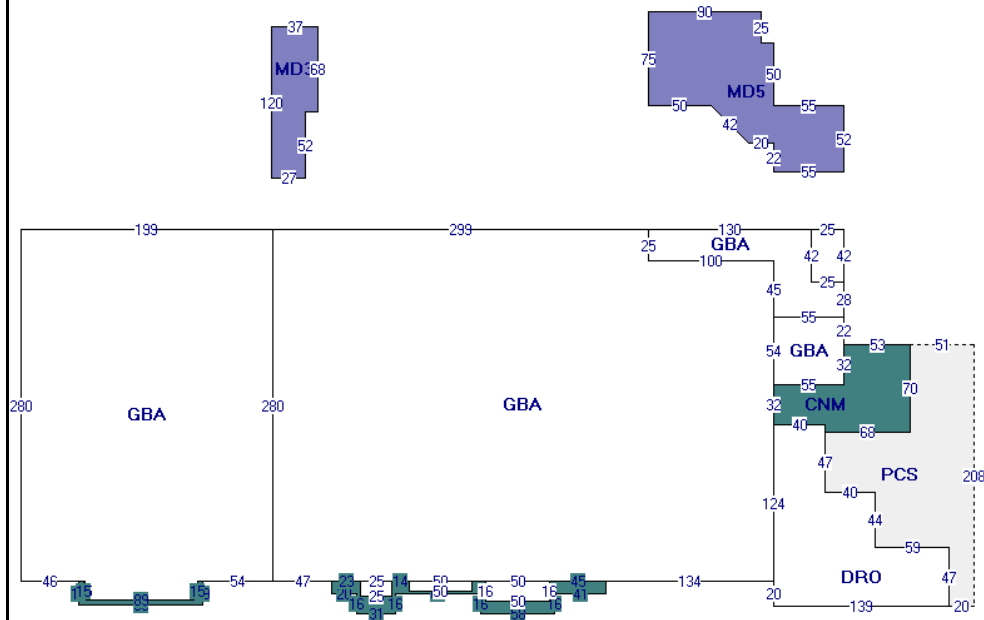
Tax District: 1000

printed: 01/25/2019

ACTIVE

2984.17

OBGQ - Commercial



BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
07/14/2016	BLD17-00286	PARKING	860,000	Compl	100	11/21/16 MAG Compl	
07/22/2015	BLD16-00607	FIRE	12,000	Compl	0	12/30/99	
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LOWES HIW INC,	2859371	05/22/2003	400	3NTT			

#	Bld	Date	User ID	Activity Notes

ATTACHMENT A

Home Depot Property Rights Adjustment

Contract Rent: \$81,900/monthly

Market Rent: \$66,841/monthly (\$0.65/SF *102,832)

\$15,059/monthly difference between contract and market

\$15,059*12=\$180,708 yearly difference

\$180,708

Time Calculation

Acquired: 4/26/2018

Lease Expires: 8/31/2024

2,319 total days at above Market Rent

2,319/365=6.35 years; Or 6 years, 4 months, and 6 days at above Market Rent

Discount Calculation

Year	Difference	Safe Rate 4% (Year)
1	\$180,708	
2	\$180,708	
3	\$180,708	
4	\$180,708	
5	\$180,708	
6	\$180,708	
6 to 6.35	\$76,394	

Net Present Value **\$1,005,349.23**

Rounded **\$1,005,000**

ATTACHMENT B

WESTERN REGIONAL FREESTANDING RETAIL SALES - Fully Occupied

Sale #	Tenant	State	City	Parcel #	Coverage Ratio	Building Size	Age	Sale Date	Sales Price	\$/SF	Cap Rate	Est. Annual Net Income	Est. Annual Rent	Est. Rent/ Mth	Lease Type	Years Left
													5% est. exp applied			
1	Home Depot	NM	Farmington	38172	0.29	129,924	2001	04/25/2018	\$9,100,000	\$70	6.20%	\$564,200	\$5	\$0.38	NNN	8
2	Lowe's	CA	Clovis	498-032-38S	0.32	164,351	2003	10/01/2018	\$12,409,500	\$76	5.56%	\$689,968	\$4	\$0.37	NNN	10
3	Home Depot	AZ	Phoenix	166-14-040	0.27	107,724	1999	09/29/2017	\$11,763,000	\$109	6.22%	\$731,659	\$7	\$0.60	NNN	3
4	Lowe's	WA	Mt. Vernon	P26247 & 49	0.45	137,472	1993	04/04/2018	\$16,991,453	\$124	5.85%	\$994,000	\$8	\$0.63	NNN	10
5	Hardware	WA	Puyallup	Multi	0.31	86,355	1951	09/06/2018	\$11,400,100	\$132	6.25%	\$712,506	\$9	\$0.72	NNN	18
6	Home Depot	CA	Stanton	131-401-13	0.39	107,000	1986	06/28/2018	\$22,558,000	\$211	5.37%	\$1,211,365	\$12	\$0.99	NNN	7+
7	Home Depot	NV	Las Vegas	138-34-717-007	0.24	105,275	1993	01/05/2017	\$23,100,000	\$219	6.00%	\$1,386,000	\$14	\$1.15	NNN	7
8	Lowe's	CA	Torrance	7357-027-030	0.23	127,400	1999	11/13/2017	\$47,500,000	\$373	5.00%	\$2,375,000	\$20	\$1.64	NNN	10
MEDIAN					0.30	117,562	1996	04/14/2018	\$14,700,477	\$128	5.93%	\$862,829	\$8	\$0.68	-	-

The table illustrates that Home Depots throughout the Western Region of the US are considered valuable properties. The value for similar properties in Reno Nevada, a central point within that Western Region, coincidently falls within the central portion of these illustrated values.

ATTACHMENT C

Box Store Rent Survey								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
Market Rents								
1	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	15,000-20,000 1980	9/2018 10 Year	\$0.62	\$0.68	NNN	Significant capital improvements were completed by owner prior to occupancy; tenant responsible for interior improvements; 10% rent escalation after 5 years; Five (5) options; Tenant received 4 months free rent
2	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	35,000-40,000 1980	9/2018 10 Year	\$0.42	\$0.46	NNN	Significant capital improvements were completed by owner prior to occupancy; tenant responsible for interior improvements and store front; 10% rent escalation after 5 years; Five (5) options; Tenant received 3 months free rent
3	1350 Disc Drive, Suite A 035-263-09	Big Lots	32,285 1996	08/01/2018 10 Year	\$0.50	\$0.55	NNN	Landlord contributed ~\$900,000 in tenant improvements. Rent is flat except for one 10% escalation after 5 years
4	125-165 Disc Drive, Ste. DM-2 510-083-09	Marshall's Home Goods	40,149 2006	9/2016 5 Year	\$0.63	\$0.69	NNN	Landlord responsible for tenant improvements; 2% escalations
5	Undisclosed (Spanish Springs Community Shopping Center)	Retail Store	20,000-25,000	09/01/2018 10 Year	\$0.69 *note	\$0.69	NNN *note	Landlord provided \$7.00/SF tenant improvement allowance and 5 months free rent; Options exist at end of term; Rent is MG @ \$0.74. *rent adjusted downward \$0.15/SF to reflect NNN.
6	2863 Northtowne Lane 026-182-38	Former Wal-Mart Teleperformance tenant (Call Center)	42,780 1994	11/2015 6 Year	\$0.79	\$0.79	NNN	Tenant paid for improvements; rent escalations exist; options exist to extend lease agreement to 12 years; tenant responsible for parking lot maintenance
7	2863 Northtowne Lane, Unit C 026-182-38	Former Wal-Mart Planet Fitness tenant	18,526 1994	11/2015 NA	\$0.75	\$0.75	NNN	Tenant paid for improvements; Improvements will include gym and spa
			Market Rent Median:		\$0.63	-	Reflects rents at neighborhood shopping centers. Upward adjustments for the regional power centers should be considered.	
			ADJUSTED MEDIAN		-	\$0.69	Subject is located at a regional power center and is a built to suit first generation building. Upward adjustment of 10% applied to rents at neighborhood shopping centers. Adjustment also supported by The Boulder Group Q4 "Big Box Report" Investment grade vs. non-investment grade stats.	
			RENT USED \$0.65					
ADDITIONAL INFORMATION								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
	6590 S. Virginia St 025-570-01	Home Depot	102,832 1993	1993 30 Year	\$0.80	N/A	NNN	Contract rent affixed to the recent Home Depot sale. The existence of excess rent was reviewed in this analysis. Lease option in 2024.
	1030 W. Sunset (Henderson) 178-03-610-011	Home Depot	102,370 1992	2016 unknown	\$1.14	N/A	NNN	Property is located in Henderson NV. Lease renewed and negotiated in 2016.

ATTACHMENT D

CAP RATES			
SOURCE	MIN %	MAX %	MEDIAN %
Local Sales Data (See Sales IS-1 to IS-3)	4.75	6.8	5.84
Regional Home Improvement Sales (See Attachment B)	5	6.25	5.93
USED	5.25%		
REASONING: The recent sale of the local Home Depot sold at a Cap Rate of 5.84%. The subject had a contract rent that was found to have excess rent. Applying a market rent that is less than contract rent represents less risk to the investor, thus the cap rate (a portion of which is risk of the investment) was adjusted downward slightly.			

ATTACHMENT E

WAREHOUSE SALES

20k sf to 60k sf

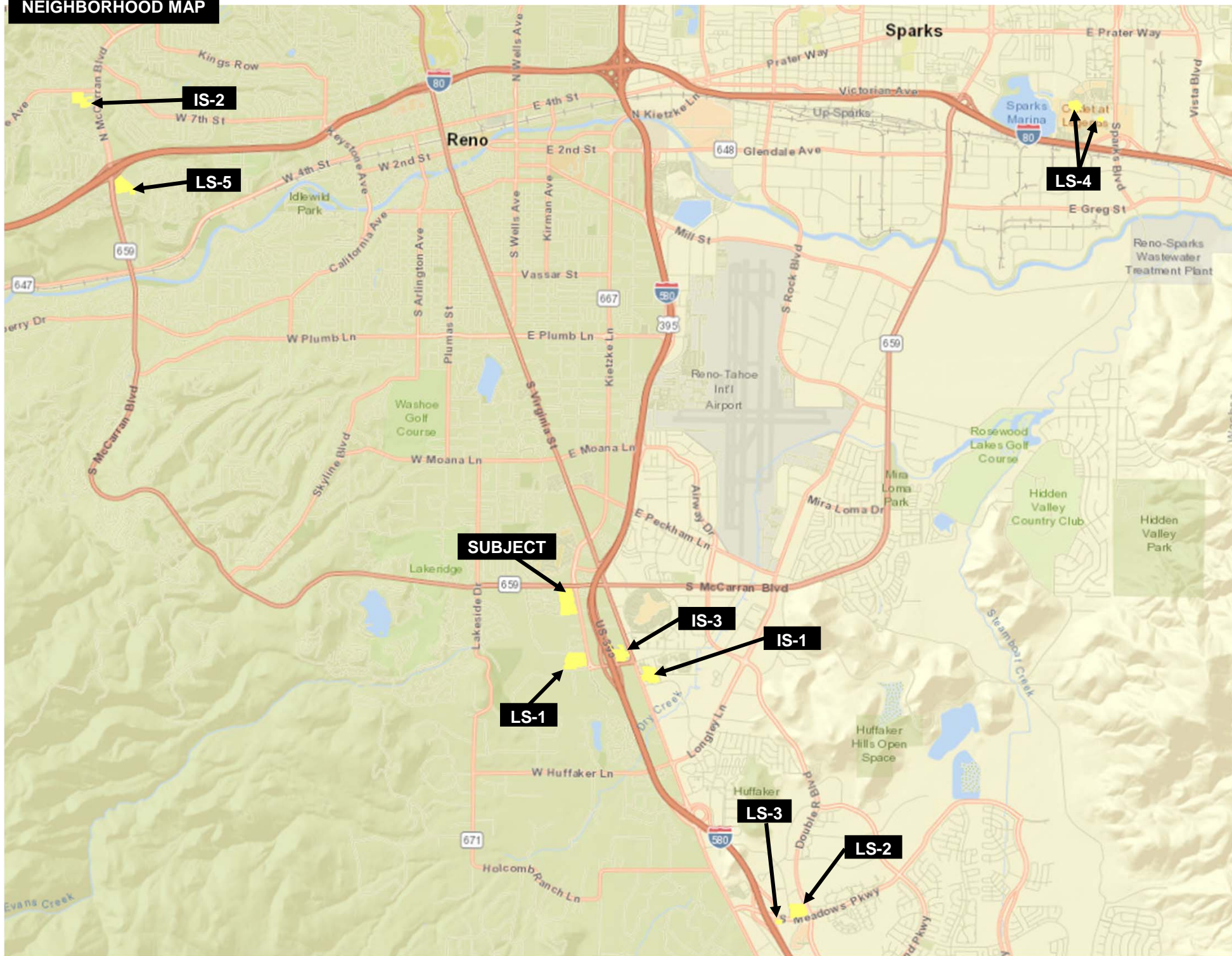
APN	Location	Use %	GBA	CNST TYPE	QC	Age(WAY) Height	Land (SF) %Coverage Zoning	Sale Price Sale Date	Price/GBA	EGI GIM OER	NOI OAR	Notes
WS-1 530-470-11	85 ISIDOR CT STORAGE WAREHOUSE	100%	19,200 19,200	MASONRY BRNG CONC TILT-UP	C15	2005 20	66,890 29% I	\$1,725,000 11/01/2017	\$90			The property was fully leased and was a resale from 2016 for double the price it sold in 2016.
WS-2 082-600-07	1005 STANDARD ST STORAGE WAREHOUSE	100%	58,630 58,630	MASONRY BRNG CONC TILT-UP	C10	1980 17	119,485 49% IC	\$3,950,000 04/06/2018	\$67			58,285 SF Industrial warehouse on 2.74 AC lot. \$67.37/SF. This property was 100% leased out at time of sale. Buyer states \$279,000 PGI
WS-3 090-052-08	12085 MOYA BLVD STORAGE WAREHOUSE	100%	50,446 50,446	MASONRY BRNG CONC TILT-UP	C15	2005 24	137,214 37% I	\$3,450,000 08/22/2017	\$68	\$210,349 5.0%	\$199,832 5.79%	Scheduled 2018 PGI of \$221,420 (\$0.37/SF/month) on a NNN lease with scheduled rent increases near inflation. Long-term tenant, High Quality Organics, appears to be on three-year options, which presents some risk. After
WS-4 013-321-41	1150 MATLEY LN STORAGE WAREHOUSE	100%	39,750 39,750	MASONRY BRNG CONC TILT-UP	C15	1971 22	86,684 46% IC	\$3,528,000 09/15/2017	\$89			Svl Recieved. Listed for over 66 months. Purchased in conjunction with 013-272-03 but was a sepearte transaction. Cash sale and purchased for investment. Cap rate not reported but property was occupied.

ATTACHMENT F

**WAREHOUSE RENTS
(20,000 TO 80,000)**

Parcel	Building Address	Location	Class	Building Area	Available Area	Annual Asking	Monthly Asking
012-355-18	5360 Capital Ct	Airport	B	307,207	72,500	\$4.68	\$0.39
021-461-26	4815 Longley Ln	Airport	B	38,250	38,250	\$6.60	\$0.55
090-141-07	6995 Resource Dr	Airport	B	161,000	80,500	\$4.68	\$0.39
012-281-01	490 S Rock Blvd	Airport	B	62,000	62,000	\$4.80	\$0.40
240-021-09	1185 S Rock Blvd	Airport	B	103,366	52,972	\$6.60	\$0.55
163-020-07	1150 Trademark Dr	South	B	193,788	56,800	\$5.40	\$0.45
MEDIAN					59,400	\$5.10	\$0.43

NEIGHBORHOOD MAP



BOOK 24

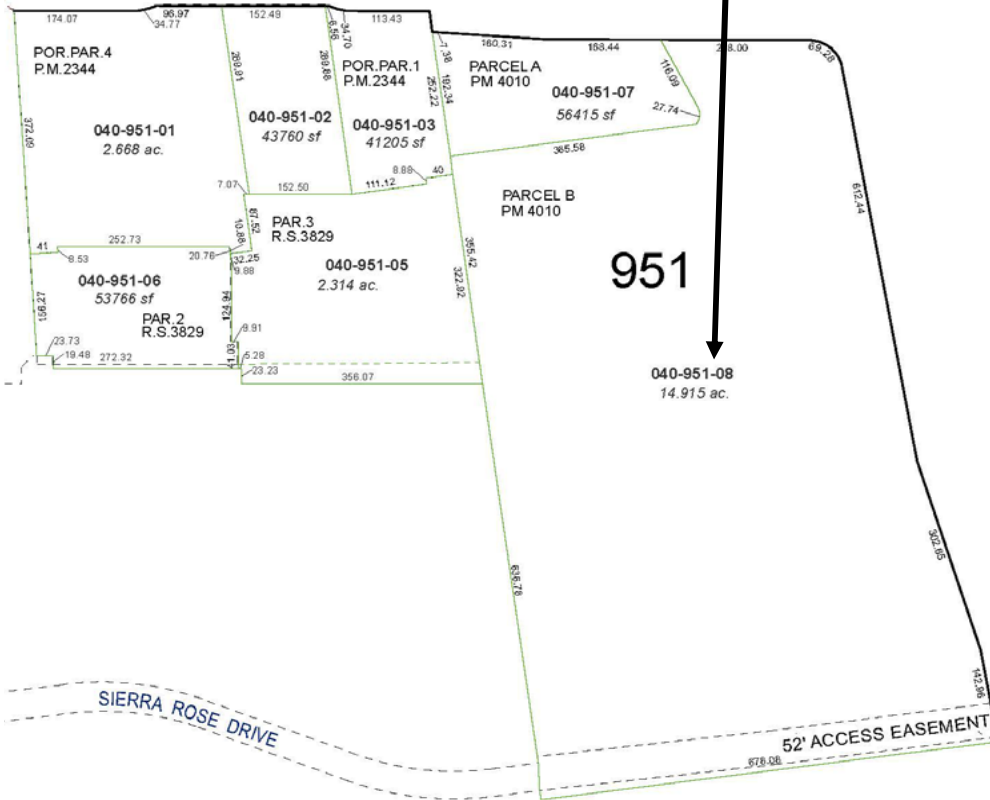
PORTION OF SECTION 36
T19N - R19E
PORTION OF SECTION 31
T19N - R20E

KIETZKE LANE

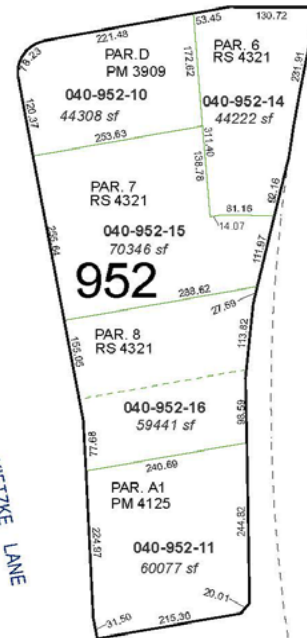
SOUTH McCARRAN BLVD.

SUBJECT

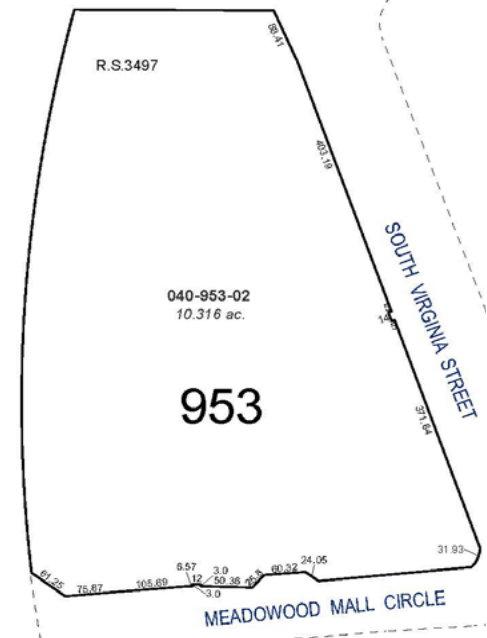
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KIETZKE LANE



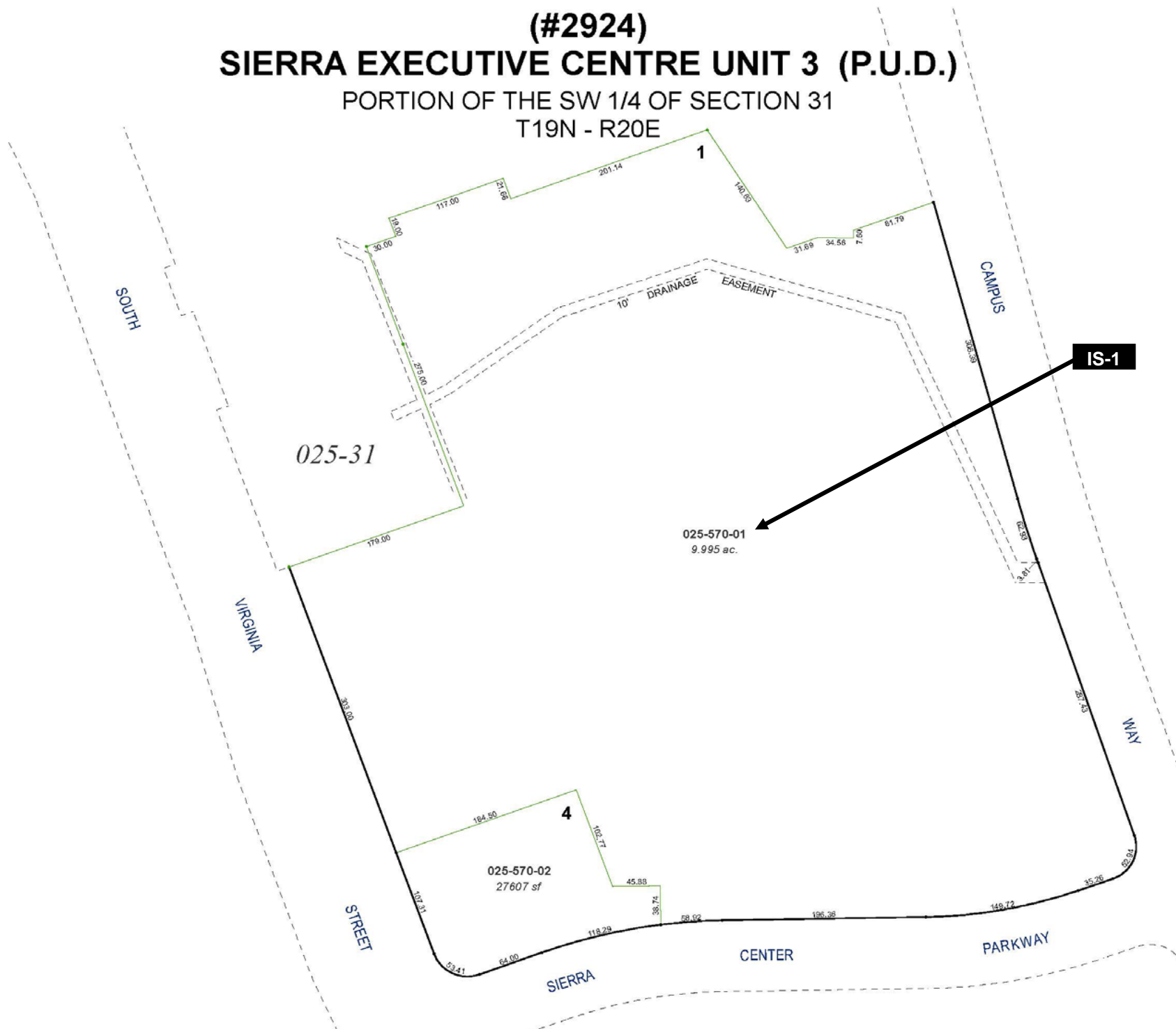
U.S. HWY. 395



SOUTH VIRGINIA STREET

MEADOWOOD MALL CIRCLE

(#2924)
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)
PORTION OF THE SW 1/4 OF SECTION 31
T19N - R20E



039-;

039-05

039-05

MAE ANNE AVENUE

351.36

5
8
4
9

SIERRA HIGHLANDS DRIVE

MCCARRAN BOULEVARD

**PORTION NE 1/4 OF SECTION 8
T19N - R19E**

IS-2

BOOK 005

039-04

039-06

039-12

039-71

039-70

PAR.1
P.M.2273

PAR.1
P.M.2657
039-750-02
65,878 sf

PAR.2
P.M.2657
039-750-03
34,691 sf

039-750-13
9,085 ac.
PAR. 1-A
PM 4163

039-750-12
30055 sf
PAR. 1-B
PM 4163

PAR.1
P.M.3999

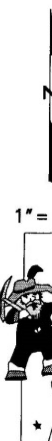
PAR.2
P.M.2348
039-750-04
26,934 sf

039-750-09
9,182 ac.

PAR.2
P.M.3999
039-750-10
35,045 sf

PAR.3
P.M.3999

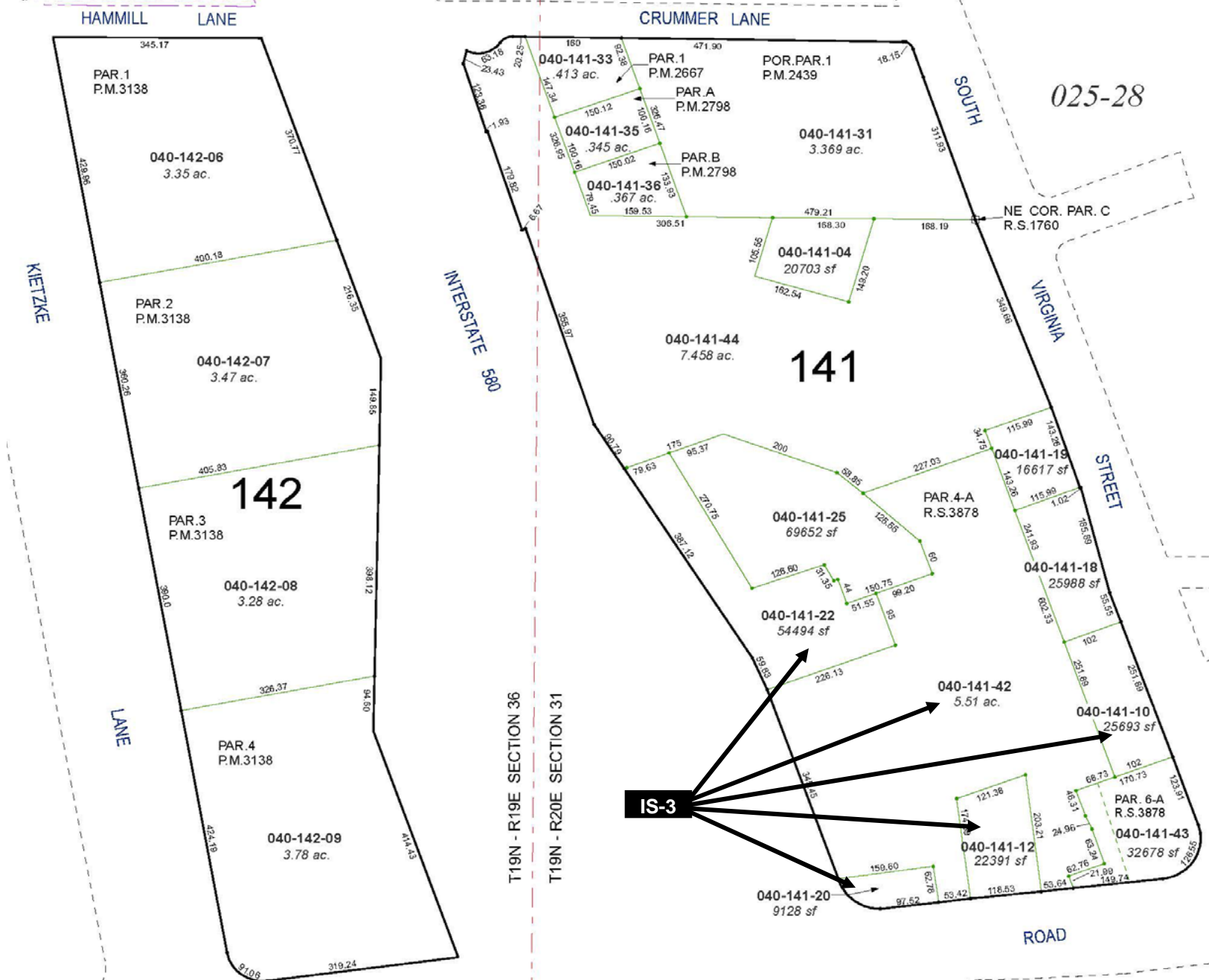
039-750-11
6,923 ac.



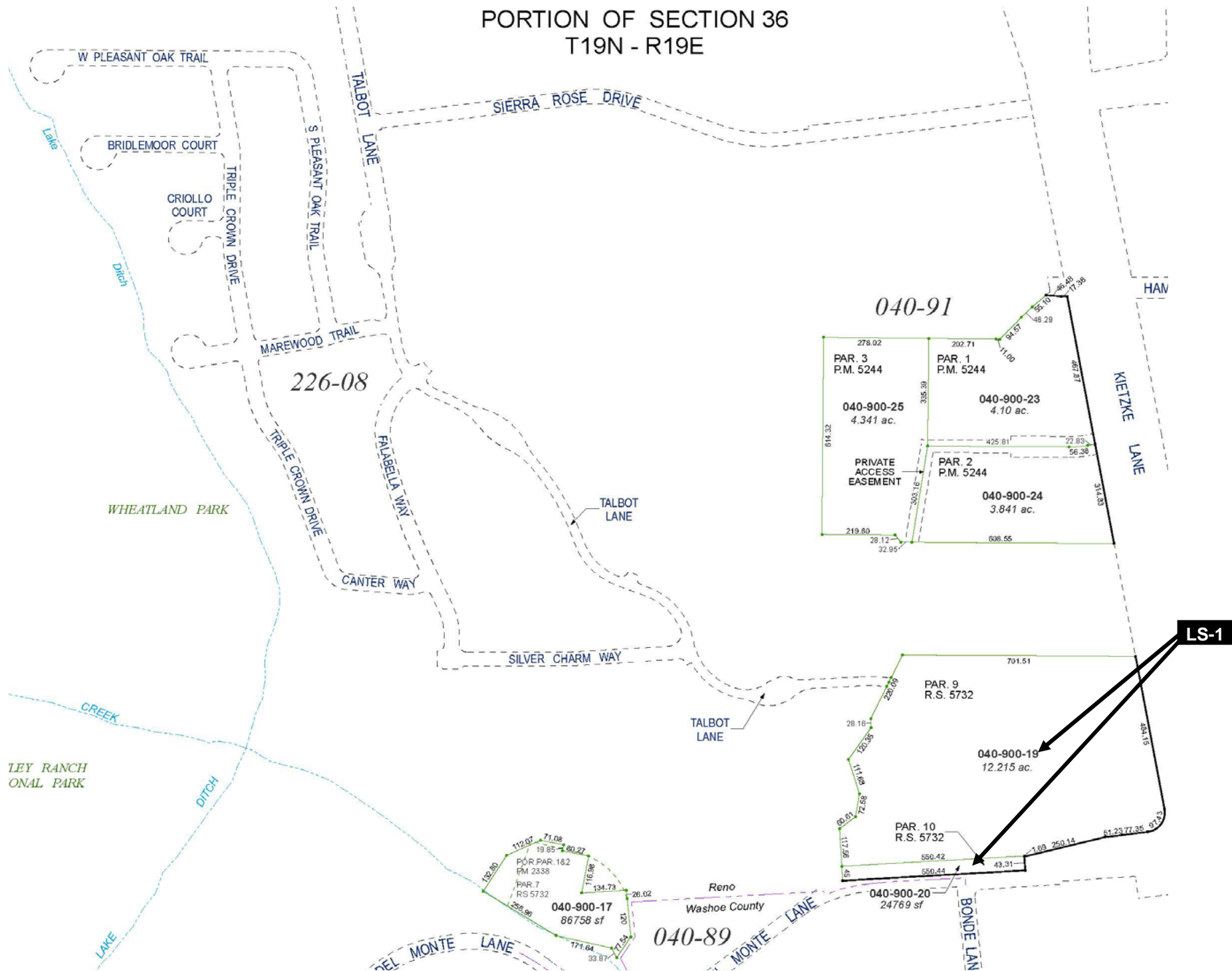
Washoe County
Reno City Limits

PORTION OF SECTION 36 T19N - R19E

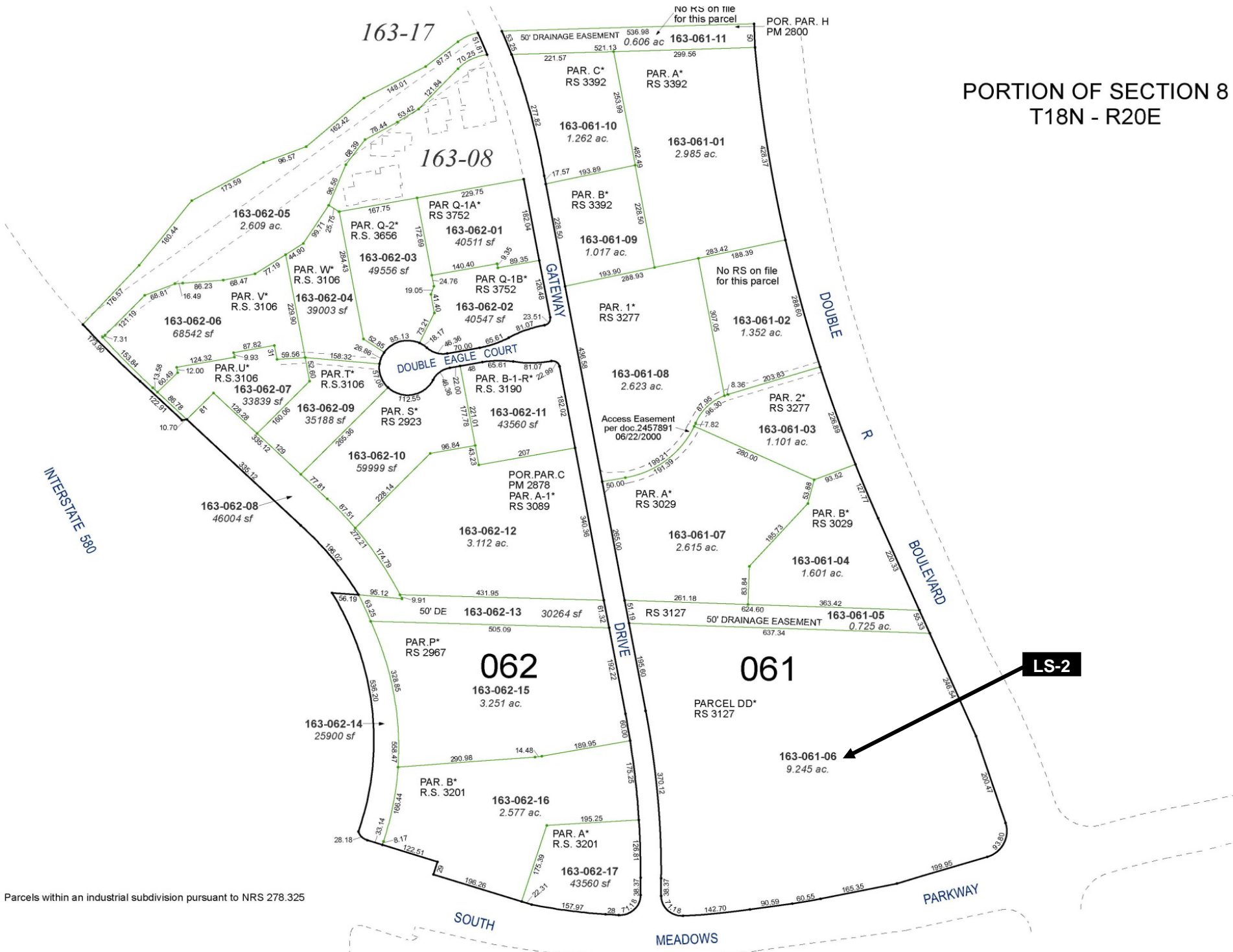
PORTION OF W 1/2 SECTION 31 T19N - R20E



PORTION OF SECTION 36
T19N - R19E



PORTION OF SECTION 8
T18N - R20E



Parcels within an industrial subdivision pursuant to NRS 278.325

The map displays a 160-acre tract divided into several parcels, each with its own area and parcel number. The parcels are labeled as follows:

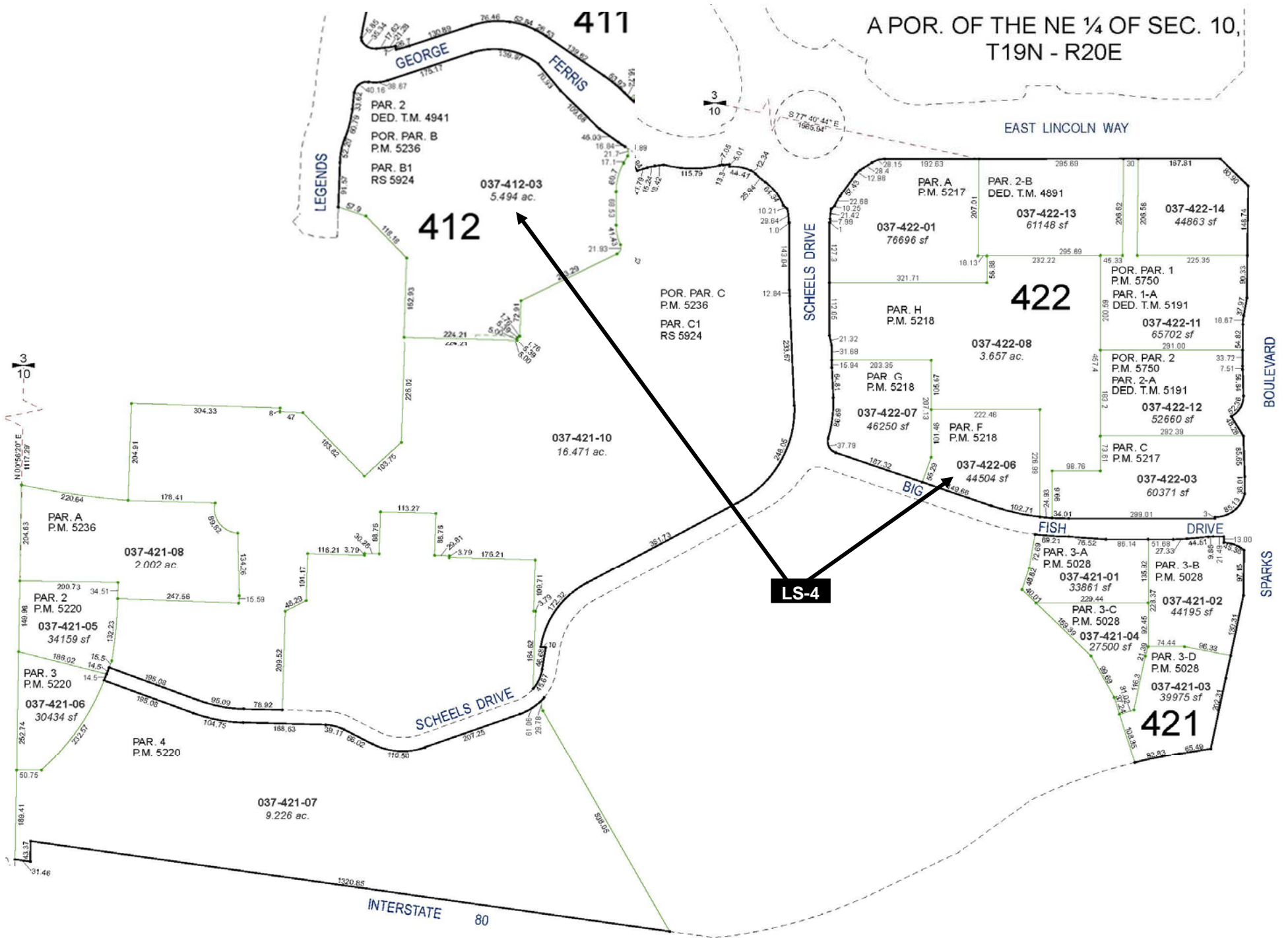
- 160-040-01: 62,617 sf
- 160-040-02: 45,383 sf
- 160-040-15: 16.164 ac.
- 160-040-16: 51,980 sf
- 160-040-20: 3.139 ac.
- 160-040-21: 4.641 ac.
- 160-040-22: 19,709 sf
- 160-040-23: 19,709 sf
- 160-040-24: 648 sf
- 160-040-25: 16.50 ac.
- 160-040-26: 5.176 ac.
- 160-040-27: 5,942 sf

The map also shows various easements and features:

- Water Facilities Easement
- Access Easement
- 24' Access & Utility Easement
- 30' Access & Drainage Easement
- 30' Access Easement
- 30' DE
- 30' SSE
- 15' PUE, PIE, Landscape and Access easement per DTM 3147.
- 20' Access and Water Line Easement
- Reciprocal Access and Utility Easement
- 24' Access & Utility Easement
- 30' Access & Drainage Easement
- 30' Access Easement
- 30' DE
- 30' SSE
- 15' PUE, PIE, Landscape and Access easement per DTM 3147.

The map is bounded by U.S. 395 (I-580) to the west, Double R Boulevard to the south, and a Parkway to the north. The surrounding areas are labeled 160-03, 160-06, and 160-32. A specific parcel, 160-040-26, is highlighted with a black arrow and labeled 'LS-3'.

A POR. OF THE NE ¼ OF SEC. 10,
T19N - R20E



INTERSTATE

