

**PETITIONER'S  
EVIDENCE**

# Washoe County Board of Equalization

## PETITION FOR REVIEW OF TAXABLE VALUATION

Submit this Petition Form no later than 5 p.m. of the date due. **Most types of appeals must be filed no later than January 15<sup>th</sup>.**  
If the appeal involves valuation of property escaping taxation, or a determination that agricultural property has been converted to a higher use, a different due date may apply.

Please Print or Type:

### Part A. PROPERTY OWNER/ PETITIONER INFORMATION (Agent's Information to be completed in Part H)

NAME OF PROPERTY OWNER AS IT APPEARS ON THE TAX ROLL: Lowe's HIW Inc.					
NAME OF PETITIONER (IF DIFFERENT THAN PROPERTY OWNER LISTED IN PART A): Lowe's Home Centers Inc. <i>Blake Nelson - Altus Group</i>				TITLE <i>Agent</i>	
MAILING ADDRESS OF PETITIONER (STREET ADDRESS OR P.O. BOX) <i>P.O. Box 92129</i>				EMAIL ADDRESS: <i>blake.nelson@altusgroup.com</i>	
CITY <i>Southlake</i>	STATE <i>TX</i>	ZIP CODE <i>76092</i>	DAYTIME PHONE <i>817-264-9221</i>	ALTERNATE PHONE <i>817-789-8249</i>	FAX NUMBER <i>817-251-4833</i>

### Part B. PROPERTY OWNER ENTITY DESCRIPTION

Check organization type which best describes the Property Owner if an entity and not a natural person. Natural persons may skip Part B.

- ☐ Sole Proprietorship      ☐ Trust      ☒ Corporation  
☐ Limited Liability Company (LLC)    ☐ General or Limited Partnership    ☐ Government or Governmental Agency  
☐ Other, please describe:

The organization described above was formed under the laws of the State of \_\_\_\_\_.

The organization described above is a non-profit organization. ☐ Yes ☐ No

### Part C. RELATIONSHIP OF PETITIONER TO PROPERTY OWNER IN PART A

Check box which best describes the relationship of Petitioner to Property Owner: ☒ Additional information may be necessary.

- ☐ Self      ☐ Trustee of Trust      ☐ Employee of Property Owner  
☐ Co-owner, partner, managing member      ☐ Officer of Company  
☐ Employee or Officer of Management Company  
☐ Employee, Officer, or Owner of Lessee of leasehold, possessory interest, or beneficial interest in real property  
☒ Other, please describe: *Agent*

### Part D. PROPERTY IDENTIFICATION INFORMATION

#### 1. Enter Physical Address of Property:

ADDRESS <i>1355 Scheels Dr.</i>	STREET/ROAD	CITY (IF APPLICABLE) <i>Sparks</i>	COUNTY <i>Washoe</i>
Purchase Price:	Purchase date:		

#### 2. Enter Applicable Assessor Parcel Number (APN) or Personal Property Account Number from assessment notice or tax bill:

ASSESSOR'S PARCEL NUMBER (APN) <i>037-031-06</i>	ACCOUNT NUMBER
---	----------------

#### 3. Does this appeal involve multiple parcels? Yes ☐ No ☒ *List multiple parcels on a separate, letter-sized sheet.*

If yes, enter number of parcels:	Multiple parcel list is attached. <input type="checkbox"/>
----------------------------------	--

#### 4. Check Property Use Type: ☒

<input type="checkbox"/> Vacant Land	<input type="checkbox"/> Mobile Home (Not on foundation)	<input type="checkbox"/> Mining Property
<input type="checkbox"/> Residential Property	<input checked="" type="checkbox"/> Commercial Property	<input type="checkbox"/> Industrial Property
<input type="checkbox"/> Multi-Family Residential Property	<input type="checkbox"/> Agricultural Property	<input type="checkbox"/> Personal Property
<input type="checkbox"/> Possessory Interest in Real or Personal property		

#### 5. Check Year and Roll Type of Assessment being appealed: ☒

<input checked="" type="checkbox"/> 2019-2020 Secured Roll	<input type="checkbox"/> 2018-2019 Reopen	<input type="checkbox"/> 2018-2019 Unsecured/Supplemental	<input type="checkbox"/> 2018-2019 Exemption Value
--	---	---	--

### Part E. VALUE OF PROPERTY

Property Owner: What is the value you seek? Write N/A on each line for values which are not being appealed. See NRS 361.025 for the definition of Full Cash Value.		
Property Type	Assessor's Taxable Value	Owner's Opinion of Value
Land	<i>5239740</i>	<i>5239740</i>
Buildings	<i>8512697</i>	<i>6187047</i>
Personal Property		
Possessory Interest in real property		
Exempt Value		
Total	<i>13,752,437</i>	<i>11,426,787</i>



**REAL PROPERTY TAX VALUATION PACKAGE**

**Large Big-Box Retail Stores**



**Property Name:** Lowe's Of Sparks  
**Address:** 1355 Scheels Dr,  
**City, State:** Sparks, NV  
**Jurisdiction:** Washoe County  
**Account Number(s):** 037-031-06

**Valuation Date As Of:** January 1, 2019



## Why Are All Large Big-Box Retail Stores Different?

**HOME DEPOT**



**LOWE'S**



**COSTCO**



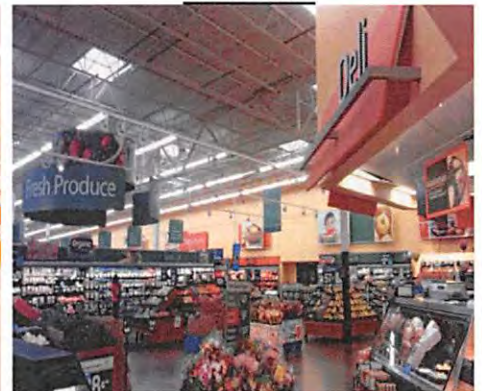
**SAM'S CLUB**



**TARGET**



**WALMART**



### EXTRA FEATURES OF LARGE BIG BOX STORES

	Home Depot	Lowe's	Costco	Sam's Club	Target	Walmart
Vinyl Flooring	X	X	X	X	✓	✓
Drop Down Ceilings	X	X	X	X	✓	✓
Painted/Finished Walls	X	X	✓	✓	✓	✓
Restaurants	X	X	✓	✓	✓	✓
Deli	X	X	✓	✓	✓	✓
Meat Department	X	X	✓	✓	✓	✓
Bakery	X	X	✓	✓	✓	✓
Refrigerated Aisles	X	X	✓	✓	✓	✓
Pharmacy	X	X	✓	✓	✓	✓
Eye Center	X	X	✓	✓	✓	✓
Tire Shop	X	X	✓	✓	X	✓
Gas Pumps	X	X	✓	✓	X	✓
Garden Center	✓	✓	X	X	X	✓
Overall Rank:	Low/Avg	Low/Avg	Average	Average	Avg/High	Avg/High

\*This analysis is based on the average store's finish out. Not all stores are built exactly the same.



## Cost Approach

MARSHALL VALUATION SERVICE COST SCHEDULE			
Primary Building:	Big Box Retail	Wall Height:	24 Ft.
Effective Age:	7 Years	Number of Buildings:	1
Condition:	Low	Gross Building Area:	119,528 SF
Exterior Wall:	Cheap block or tilt-up, light panelized roof, no glass storefront	Net Leasable Area:	119,528 SF
Building Components		Warehouse Discount Store (458)	
Section / Page		Sect: 13 / Page: 28	
Cost Updated As Of		May, 2018	
Date of Valuation		January 1, 2019	
Construction Quality		Low	
Class		C	
Component Sq. Ft.		119,528	
Base Cost Per Square Foot		\$40.25	
Square Foot Multipliers			
Sprinklers		\$1.98	
Heating/Cooling		\$5.35	
Subtotal		\$47.58	
Construction Multipliers			
Height Multiplier		1.255	
Area / Perimeter Multiplier		0.817	
Current Cost Multiplier		1.020	
Local Multiplier		1.090	
Final Base Cost Per Square Foot		\$54.26	
Base Building Cost		\$6,485,554	
Site Improvements		Rate	SF
Parking Area		\$1.09	229,500
Canopy Area		\$10.85	5,464
Other Area		\$13.56	9,240
Extra Site Improvements			\$275,000
Total Building & Site Imp. Costs (Rounded)		\$7,194,241	
COST APPROACH CONCLUSION			
Total Replacement Cost New		\$7,194,241	
Accrued Depreciation			
Physical Depreciation		-14%	(\$1,007,194)
Functional Obsolescence		0%	\$0
Economic Obsolescence		0%	\$0
Total Accrued Depreciation		(\$1,007,194)	
Depreciated Replacement Cost		\$6,187,047	
Estimated Land Value		\$2,947,357	
Indicated As Is Value		\$9,134,404	
Indicated As Is Value (Rounded)		\$9,130,000	
Value Per SF		\$76.38	

52,397,40  
11,426,787

\* Cost Approach is using cost data straight out of Marshall & Swift Cost Valuation book and all data is updated to the current date of valuation

## Income Capitalization Approach

INCOME PRO FORMA				
Account:	037-031-06	Year Built:	2012	
County:	Washoe County	Land Acres:	10 AC	
Address:	1355 Scheels Dr	Gross Area:	119,528 SF	
Property Type:	Big Box Retail	Net Leasable:	119,528 SF	
	<u>Area</u>	<u>Rate</u>	<u>Total Value</u>	<u>\$/sf</u>
<b>Gross Potential Income</b>	119,528	\$6.00	\$ 717,168	6.00
Other Income 1			\$ -	0.00
Other Income 2			\$ -	0.00
<b>Total Income</b>			\$ 717,168	6.00
<i>Less</i>				
Vacancy		10.0%	\$ 71,717	0.60
Credit Loss			\$ -	0.00
<b>Effective Gross Income</b>			\$ 645,451	5.40
<i>Less</i>				
Operating Expenses		15.0%	\$ 96,818	0.81
Reserves			\$ -	0.00
<b>Net Operating Income</b>			\$ 548,634	4.59
Market Capitalization Rate		8.25%		
Effective Tax Rate		0.00%		
Overall Capitalization Rate		<u>8.25%</u>		
<b>Stabilized Value</b>			\$ 6,650,103	55.64
<i>Less: Excess Land</i>			\$ -	
<b>2019 Market Value Rounded</b>			<b>\$ 6,650,000 or</b>	<b>55.64</b>

\*The Income Approach is based off available lease comps and contains both current asking rates and confirmed lease rates.

\*\*The rents have not been adjusted for this specific market and the current building's size and condition.



## Sales Comparison Approach

List of Comparable Sales						
Sale	Property Name	Address	City, State	County	Sale Date	Sale Price
1	Lowe's	2450 Oddie Blvd	Sparks, NV	Washoe	01/29/2016	\$6,510,000
2	Target	505 E Prater Way	Sparks, NV	Washoe	02/16/2016	\$6,561,948
3	Former Kmart	4855 Summit Ridge Dr	Reno, NV	Washoe	08/11/2017	\$4,525,000
4	Kmart	2125-2285 Oddie Blvd	Sparks, NV	Washoe	02/28/2017	\$11,272,964
5	Dollar Tree	2424 Oddie Blvd	Reno, NV	Washoe	05/29/2015	\$4,100,000

Sale Adjustments to Equal Subject Property											
	Sale 1		Sale 2		Sale 3		Sale 4		Sale 5		Average
Property Name:	Lowe's		Target		Former Kmart		Kmart		Dollar Tree		
Acres	12.09		9.18		19.54		11.67		5.09		11.51
Bldg. SF	177,809		105,705		166,318		145,029		73,414		133,655
Year Built	1998		1990		1996		1988		2008		1996
Sale Info:											
Sale Date	01/29/2016		02/16/2016		08/11/2017		02/28/2017		05/29/2015		
Sale Price	\$6,510,000		\$6,561,948		\$4,525,000		\$11,272,964		\$4,100,000		
Sale \$/SF	\$36.61		\$62.08		\$27.21		\$77.73		\$55.85		\$51.89
Adjustments:	% Adj	\$/SF	% Adj	\$/SF	% Adj	\$/SF	% Adj	\$/SF	% Adj	\$/SF	% Adj
Size	5%	\$1.83	0%	\$0.00	5%	\$1.36	0%	\$0.00	-5%	-\$2.79	1%
Location	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%
Condition	5%	\$1.83	5%	\$3.10	5%	\$1.36	5%	\$3.89	0%	\$0.00	4%
Total Adj:	10%	\$3.66	5%	\$3.10	10%	\$2.72	5%	\$3.89	-5%	-\$2.79	5%
Adj Sale Price:	\$7,161,000		\$6,890,045		\$4,977,500		\$11,836,612		\$3,895,000		
Avg Sale \$/SF:	\$40.27		\$65.18		\$29.93		\$81.62		\$53.06		\$54.01

Summary of Sales Comparison Approach		
Subject's Area	Avg Sale \$/SF:	Total Indicated Value
119,528	\$54.05	\$6,460,000

## Summary of Values

Summary of Values			
<b>CURRENT AND PRIOR YEAR VALUES</b>		<b>Total</b>	<b>Per SF</b>
2019 Proposed Value (County)		\$13,752,437	\$115.06
<b>INDICATED MARKET VALUES</b>		<b>Total</b>	<b>Per SF</b>
Cost Approach	11,426,787	\$9,134,404	\$76.42
Sales Comparison Approach		\$6,460,000	\$54.05
Income Capitalization Approach		\$6,650,000	\$55.64
<b>MEDIAN MARKET VALUE</b>		<b>\$6,555,000</b>	<b>\$54.84</b>
<b>CONCLUDED MARKET VALUE</b>			
<b>Valuation Method Selected</b>	<b>Date of Value</b>	<b>2019 Total Value</b>	<b>Per SF</b>
MEDIAN MARKET VALUE	January 1, 2018	\$6,555,000	\$54.84
<b>INDICATED VALUE (ROUNDED)</b>	<b>January 1, 2018</b>	<b>\$9,130,000</b>	<b>\$76.38</b>