

**ASSESSOR'S**

**EVIDENCE**

**Washoe County Board of Equalization**  
**Appeal Summary Page - Secured Roll**

Hearing # 19-0027  
Hearing Date 02/21/2019  
Tax Year 2019

APN: 040-162-52

Owner of Record: VIRGINIA STREET PROPERTIES LLC

Property Address: 6407 S VIRGINIA ST

Property Type: DISCOUNT STORE 100%

Gross Building Area: 34,419

Year Built: 1989

Parcel Size: 2.714 Acre

Description / Location: The subject parcel is located in The Crossing Shopping Center at Meadowood Square in the southwest corner of Neil Road and S Virginia St intersection.

2019/2020 Taxable Value:

Land:	\$1,300,475
Improvements:	\$1,520,308
Total:	<u>\$2,820,783</u>
Taxable Value / SF	\$81.95

Sales Comparison Approach:

Indicated Value Range	\$ 4.7M to \$ 5.01M
Indicated Value Range / SF	\$150 to \$160

Income Approach:

Indicated Value	\$4,280,000
Indicated Value / SF	\$124



Conclusions: There was an error in the GBA square footage. It should be 31,300 SF. The revised total taxable value is \$2,731,416, i.e. \$87.27/SF. The comparable sales indicate the property value is in the range of \$ 4.7M to \$ 5.01M, i.e. \$150/SF to \$160/SF. The income approach to value indicates a value of \$4,280,000, i.e. \$124/SF. Both values demonstrate the revised total taxable value does not exceed full cash value. It is recommended to reduce the total taxable value to \$2,731,416.

RECOMMENDATION:	Uphold	Reduce	<b>X</b>
	<u>Taxable Value</u>		<u>Assessed Value</u>
Land:	\$1,300,475		\$455,166
Imps:	\$1,430,941		\$500,829
Total:	<u>\$2,731,416</u>		<u>\$955,996</u>

Prepared By: Jane Tung, Appraiser

Reviewed By:

Mike Gonzales, Senior Appraiser

**ASSESSOR'S EXHIBIT I**  
**18 PAGES**

**WASHOE COUNTY BOARD OF EQUALIZATION**

**COMMERCIAL / INDUSTRIAL**

	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>	<b>HEARING:</b>	<b>19-0027</b>
<b>LAND:</b>	\$1,300,475	\$455,166	<b>\$/SF GBA</b>	<b>DATE:</b>	<b>02/21/2019</b>
<b>IMPROVEMENTS:</b>	\$1,520,308	\$532,108	\$81.95		
<b>TOTAL:</b>	\$2,820,783	\$987,274		<b>TAX YEAR:</b>	<b>2019</b>
<b>OWNER:</b> VIRGINIA STREET PROPERTIES LLC			<b>TAXABLE</b>		
			<b>\$/SF Land</b>		
			\$11.00		

<b>SUBJECT</b>											
<b>BLDG#</b>	<b>APN</b>	<b>Location (Occupancy)</b>	<b>Use %</b>	<b>Total GBA (GBA)</b>	<b>Construction Type Exterior Walls</b>	<b>QC</b>	<b>Finish Area</b>	<b>Age(WAY) Height</b>	<b>Land (AC) %Coverage Zoning</b>	<b>Sale Price Sale Date</b>	<b>Sale Price/GBA</b>
	040-162-52	6407 S VIRGINIA ST		34,419					2.714		
1		DISCOUNT STORE	100%	34,419	MASONRY BRNG CONC TILT-UP	C20		1989 23	29% AC		
<b>IMPROVED SALES</b>											
IS-1	040-162-84 & -85	6675 & 6795 S VIRGINIA ST		155,519					12.36	\$28,944,841	\$186.12
1		DISCOUNT/RETAIL STORE	90%	139,551	MASONRY BRNG CONC BLK TEX	C20		2005 18 to 23	29%	06/22/2018	
2		RETAILSTORE/DENTAL OFFICE	10%	15,968	WD/STL FRAME STUD-STUCCO	C20		2006 13	MU		
IS-2	040-141-10, -12, -20, -22, -42	6139 S VIRGINIA ST		81,838					8.07	\$24,100,000	\$294.48
1		SUPERMARKET	62%	51,048	MASONRY BRNG CONC BLK	C25		1988 (1993) 24	23%	07/14/2017	
		DISCOUNT STORE	38%	30,790	MASONRY BRNG CONC BLK	C20		1988 (1993) 24	AC		
IS-3	042-222-26	6135 LAKESIDE DR		33,578					3.82	\$5,075,000	\$151.14
1		RESTAURANT/RETAIL STORE	57%	19,050	MASONRY BRNG CONC BLK	C25		1988 14	20%	02/07/2018	
2		OFFICE BUILDING/CONV MARKET/ FAST FOOD RESTAURANT	16%	5344	MASONRY BRNG CONC BLK	C30		1988 12	NC		
3		RESTAURANT/RETAIL STORE	27%	9184	MASONRY BRNG CONC BLK	C25		1997 14			
<b>LAND SALES</b>											
<b>Sale #</b>	<b>APN</b>	<b>Location</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b>Size(AC)</b>	<b>\$/sf</b>	<b>Tax/Unit</b>	<b>Zoning</b>	<b>Comments</b>		
LS-1	043-030-06 & -7	8055 S VIRGINIA ST	09/07/2018	\$550,000	0.72	\$17.60	\$13.00	MUSV	South of the intersection of S Virginia St and Longley Ln with about 130 ft frontage to S Virginia St. Parcel -06 has a boarded up house with no improvement value on record.		
LS-2	164-280-13 & -14	8072 S VIRGINIA ST	03/30/2018	\$485,000	0.59	\$18.87	\$13.00	MUSV	Level and square lot fronting S Virginia St across from the old pink Scolari's shopping center. Plans to be built out as retail property.		
LS-3	043-030-30	S VIRGINIA ST	01/18/2018	\$575,000	1.19	\$11.07	\$10.45	MUSV	Limited visibility and access from S Virginia St behind Autozone with just the access road fronting the S Virginia St.		
LS-4	040-900-25	5315 KIETZKE LN	02/01/2017	\$4,448,159	4.34	\$23.53	\$10.50	PUD	Level finish grade lot next to Rancharra development. No Kietzke Ln frontage.		

**COMMENTS:**

The subject is one of 5 parcels in The Crossing Shopping Center at Meadowood Square. 4 of the 5 parcels, 040-162-50 through -53, have filed 2019 petitions to review. There are 4 buildings on these 4 parcels totaling 66,723 SF of QC15 and QC20 GBA built in 1972, 1973, and 1989. The land size for the 4 parcels sums up to 5.4 AC. As of 1/23/19 the property is 99% occupied per Costar. Currently this building is occupied by the anchor tenant GoodWill.

In reviewing the comparable improved sales, IS-1 is the sale of the Commons Shopping Center with Total Wine, Petsmart, and other stores. It is immediately south of the subject. 91% occupied when sold. IS-2 is the Del Monte Plaza where Whole Foods and Sierra Trading Post are just north of the subject on the other side of Neil Rd. 100% occupied with long term leases in place when sold. IS-1 and IS-2 are larger in size, better finished, but comparable in location. They would require a downward adjustment in value. IS-3 is a neighborhood shopping center south of the Lakeside Dr and S McCarran Blvd intersection. 86% occupied when sold. It is a smaller shopping center with inferior location and traffic volume but better finishes than the Goodwill store. The indicated value of the subject by these comparable improved sales is in the range of \$150 to \$160/SF. The total value indicated for the subject is about \$ 4.7M to \$5.01M.

For comparable land sales, both LS-1 and LS-2 are smaller level lots with S Virginia St frontage south of the subject. They will need slight downward adjustments for size and frontage, and upward adjustments for inferior location. LS-3 is also a smaller lot with very limited visibility and access from S Virginia St also south of the subject. It will need an upward adjustment to be comparable to the subject. LS-4 is similar to the subject shopping center in size with inferior frontage. Given the development in Rancharrah, the proximity to Rancharrah offsets the lack of frontage to a major street. These sales range from \$11.07/SF to \$23.53/SF. They are in support of the 2019/2020 taxable land value at \$11/SF.

**WASHOE COUNTY BOARD OF EQUALIZATION**

**COMMERCIAL / INDUSTRIAL**

	<b>LAND:</b>	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>	<b>HEARING: 19-0027</b>
		\$1,300,475	\$455,166	<b>\$/SF GBA</b>	<b>DATE: 02/21/19</b>
	<b>IMPROVEMENTS:</b>	\$1,520,308	\$532,108	\$81.95	
	<b>TOTAL:</b>	\$2,820,783	\$987,274		<b>TAX YEAR: 2019</b>
<b>APN:</b> 040-162-52				<b>TAXABLE</b>	
<b>OWNER:</b> VIRGINIA STREET PROPERTIES LLC				<b>\$/SF Land</b>	
				\$11.00	

Income Approach					
Potential Gross Income	34,419 sq ft. @	\$1.00 /mo =	\$34,419		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$34,419		
	x 12 months =		12		
				\$413,028	
- Vacancy & Collection loss			5%	\$20,651	
= Effective Gross Income				\$392,377	
- Operating Expenses			10%	\$39,237.66	
= Net Operating Income				\$353,139	
Divided by Overall Capitalization Rate			8.25%		
				\$4,280,472	
				Rounded	\$124 /SF GBA

<p><b>Subject Income Information:</b> The subject is located in The Crossing Shopping Center at Meadowood Square. Currently this building is occupied by the anchor tenant of the shopping center, Goodwill, occupying over 30,000 SF of space. The asking rent for Goodwill in 2009 was about \$1.13/SF/MO NNN. The lease is expiring at the end of 2019. As of 1/23/19 the shopping center is 99% occupied per Costar and this building is 100% leased.</p>
<p><b>Potential Gross Income:</b> A rent of \$1.00/SF/MO NNN was used indicating a PGI of \$413,028.</p>
<p><b>Effective Gross Income:</b> A vacancy and collection loss of 5% was applied to the PGI to arrive at an EGI of \$392,377.</p>
<p><b>Net Operating Income:</b> The operating expense ratio of 10% was used based on NNN lease rent rate yielding an NOI of \$353,139.</p>
<p><b>Capitalization Rate Analysis:</b> Cap rate of 8.25% was used for the lease for Goodwill is expiring at the end of 2019.</p>
<p><b>Indicated Value Income Approach:</b> Applying the cap rate of 8.25% the value indicated is \$4,280,472, or rounded \$4,280,000.</p>
<p><b>Comments:</b></p> <p>No actual rent roll or income expense statement provided. Market data were referenced. A rent of \$1.00/SF/MO was used similar to the historical rent and other mid-size tenant rents in the area. Assuming the NNN lease type, a minimal 5% vacancy rate and an operating expense ratio of 10% were applied. Cap rate for an occupied space in a performing shopping center such as the subject is generally between 7% to 8%. 8.25% was used considering the current lease is expiring at the end of the year. It resulted in a rounded value of \$124/SF which supports the subject's 2019/2020 taxable value.</p>

Situs & Keyline Description:  
6407 S VIRGINIA ST RENO  
PM 2269  
LT 2

Owner & Mailing Address:  
VIRGINIA STREET PROPERTIES LLC  
419 WELLINGTON UNIT 1  
CHICAGO, IL 60657

# WASHOE COUNTY APPRAISAL RECORD 2019

APN: 040-162-52

Card 1 of 1  
Bld. 1-1



COMP USA CENTER (DEL MONT

Tax District: 1000

printed: 01/23/2019

ACTIVE

2984.17

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	1,380,776															
							Extra Feature Value	139,532															
							Land Value	1,300,475															
							Taxable Value	2,820,783															
							Exemption	0															
								FLAGS															
								Type	Value														
								Cap Code	NFM														
								Eligible for Form?	NO														
								Low Cap Percentage	0														
								Parcel Map	2269														
2019	NR	1,300,475	0	1,520,308	0	2,820,783	987,274																
2018	FV	1,182,250	0	1,527,765	0	2,710,015	948,505																
2017	FV	1,064,025	0	1,554,715	0	2,618,740	916,559																
2016	FV	1,064,025	0	1,609,516	0	2,673,541	935,739																
2015	FV	1,064,025	0	1,617,947	0	2,681,972	938,690																
2014	FV	1,064,025	0	1,610,293	0	2,674,318	936,011																
2013	FV	1,182,250	0	1,606,173	0	2,788,423	975,949																
2012	FV	1,182,250	0	1,641,634	0	2,823,884	988,359																
2011	FV	1,182,250	0	1,547,034	0	2,729,284	955,250																
2010	FV	1,655,200	0	1,530,084	0	3,185,284	1,114,849																
2009	FV	2,009,825	0	1,563,588	0	3,573,413	1,250,695																
2008	FV	1,948,502	0	1,594,052	0	3,542,554	1,239,894																
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		0			
Type		COMM		Commercial/Industr		Units		1		GBA		GBA - GROSS BUILDING AREA				34,419		Sub Area-RCN		2,510,502			
Occupancy		319		Discount Store		No of Stories		1				Base Cost				34,419		% Incomplete		0			
Story/Frame		C		MSNRY BRNG ~		Quality Class		2				Exterior Walls				34,419		% Depreciation		45.00			
Quality		0		Commercial		Avg Wall Height/Floor		23				Heating & Cooling				34,419		\$ Dep & Inc		1,129,726			
Year Built		1989		WAY		1989		%Comp		100		Alternate Shape Code				35,126		109,242		Obso/Other Adj.		0	
												Mezzanine - Office				707		35,781		Sub Area DRC		1,380,776	
												Sprinkler System Generic -				35126		0		Additive DRC		139,532	
												MD3		MEZ3 - DRO MEZZANINE OFFICE						Total DRC		1,520,308	
																				Override			
																				Cost Code		89502	



040-162-52 06/05/2016

## BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
09/10/2014	BLD15-01624	REMODEL	15,000	Compl	100	01/16/15 MAG Compl	
04/02/2012	BLD12-03988	REROOF	136,363	Compl	100	05/04/15 MAG Compl	
11/19/2009	BLD10-02184	COOLING	14,318	Compl	0	04/30/10 MAG Compl	NVC
09/15/2009	BLD10-00668	TENANT	6,500	Compl	0	04/30/10 MAG Compl	NVC
08/17/2009	BLD10-00669	DEMOLITION	7500	Compl	0	04/30/10 MAG Compl	NVC
01/23/2004	04-00454	TENANT	50000	Compl	0	04/21/04 MES Compl	NVC
09/15/2003	03-07132	INTERIOR	7500	Compl	0	03/26/04 SE Compl	NVC

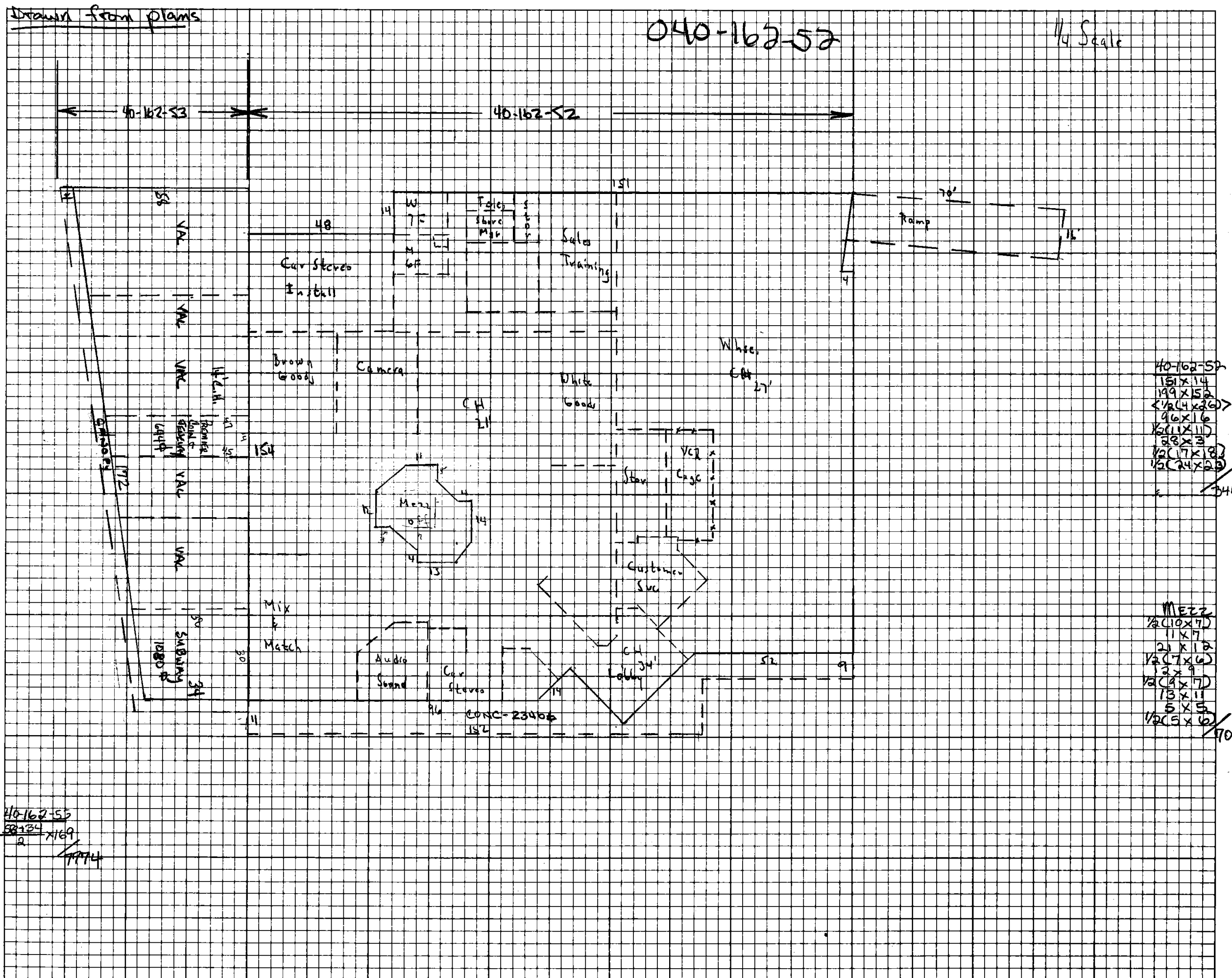
## SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
RENO PROPERTIES DST LXP II LP,	4764907	11/20/2017	400	3BGG			
	3050646	06/09/2004	400	2D	4DEC	4,050,000	IU OUT OF AREA TITLE
	1894854	05/22/1995					
	CHK	12/01/1988	400	1GCR		2,973,600	
	CHK	06/01/1988	100	1G		1,183,761	

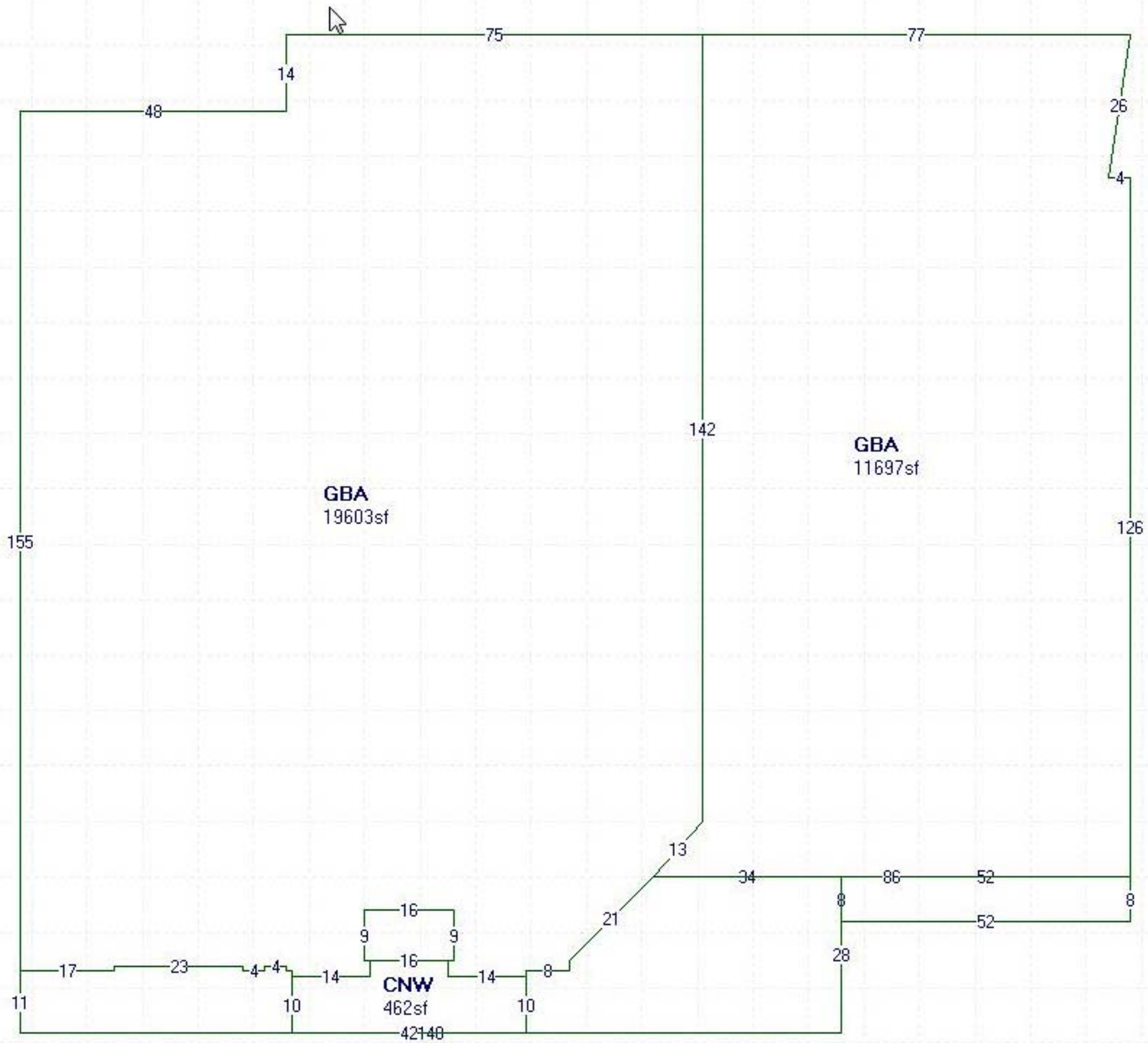
#	Bld	Date	User ID	Activity Notes
2	0-0	10/05/2017	rdalt	REXT BY JCT - 09/05/2017
3	0-0	10/22/2016	rlope	REXT BY MAG - 09/21/2016
4	0-0	11/06/2015	idiez	TAG FROM 1005 TO 1000 TMUGWB NOW SPECIAL ASSESSMENT
5	1-1	10/02/2013	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/23/2013 BY RD, LAND LINE DONE
6	1-1	10/04/2012	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/18/2012 BY JAK, LAND LINE DONE
7	1-1	07/19/2011	magon	REXT OBGQ IMPROVEMENT LINE DONE 08/24/2011 BY REVIEWED-NO CHGS ON IMP
8	1-1	07/27/2010	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/28/2010 BY JAK, LAND LINE DONE
9	1-1	10/28/2009	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/28/2009 BY REVIEWED-NO CHANGES ON
10	1-1	08/12/2008	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/22/2008 BY KH, LAND LINE DONE

VIRGINIA ST.

#### 1/4 Scale







# Site Plan for The Crossing At Meadowood Square in 2014 Sale



### 2019-2020 Retail Mid Size Store (10,000 - 50,000 SF) Rent Survey

#	Location APN	Description	Total Sq Ft/ Yr Blt (WAY)	Lease Date/ Term	Base Rent/SF/ MO	Lease Type/ CAM Fee	Comments
1	6011 S Virginia St 040-141-44	Tuesday Morning	23,500 1987	2/2018 Unknown	\$1.25	NNN 0.17	Rent listed is the asking rate.
3	5069 S McCarran Blvd 025-021-21	Stein Mart	35,086 1993	9/2016 10 Year	\$0.81	NNN NA	Rent listed is the starting rate.
4	2212 Harvard Way 015-292-40	Mor Furniture	39,084 1993	7/2016 10 Year	\$0.70	NNN NA	Rent listed is the asking rate.
6	4823 Kietzke Lane 024-055-33	Floor and Décor	55,269 1996	4/2014 Unknown	\$0.92	NNN Unknown	Rent listed is asking rate.
4	6139 S Virginia St 040-141-42	Sierra Trading Post	31,000 1988 (1993)	9/2011 Unknown	\$1.18	NN Unknown	Rent listed is starting rate.
8	6671 S Virginia St 040-162-84	Total Wine	28,037 2005	10/2010 Unknown	\$1.25	NNN Unknown	Rent listed is asking rate.
9	6137 S Virginia St 040-141-25	Pier 1 Imports	10,542 1987 (1989)	7/2010 Unknown	\$1.50	NNN Unknown	Rent listed is asking rate.

**Median:     \$1.18**  
**Average:    \$1.09**

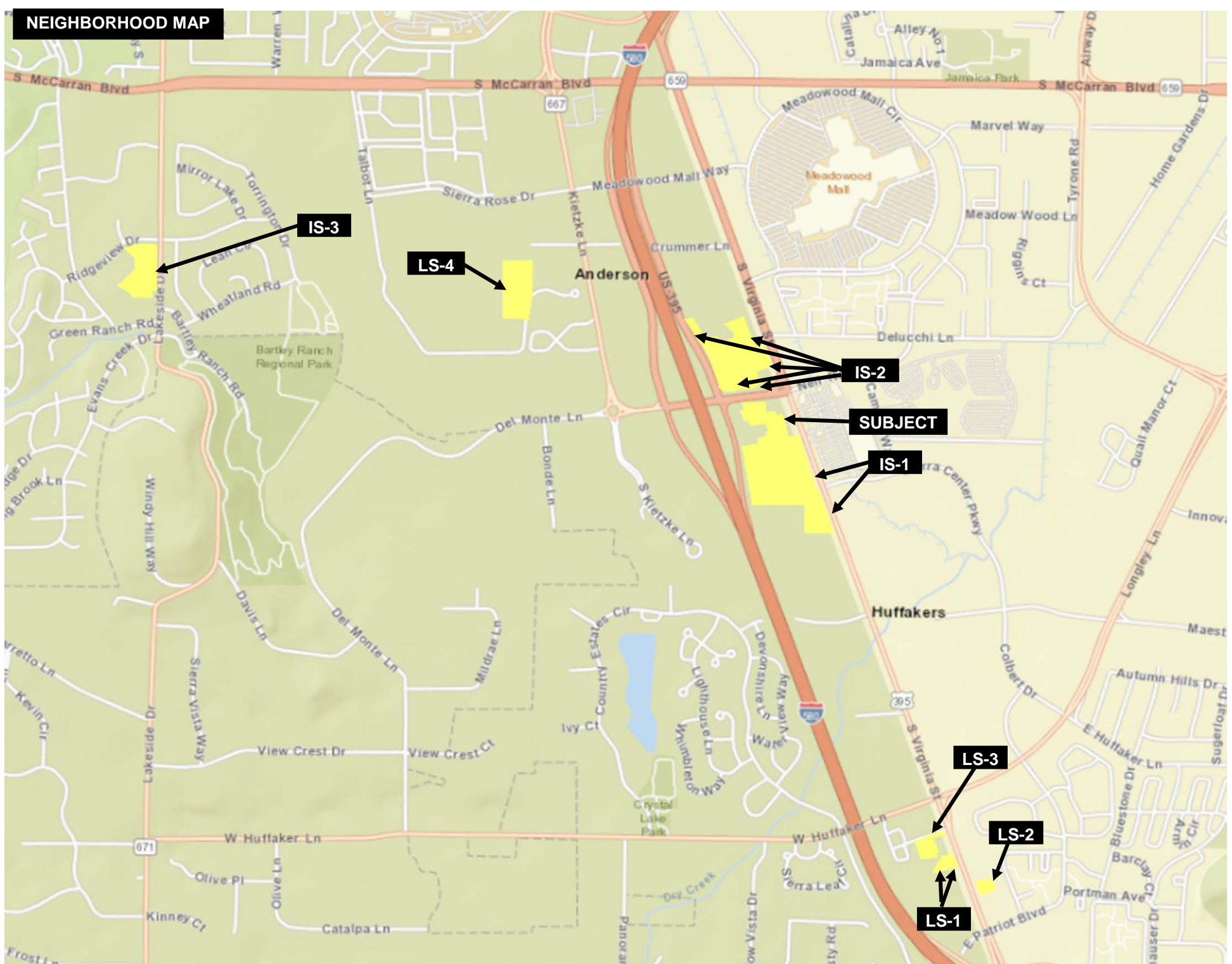
## 2019-2020 Retail Shopping Center Capitalization Rate Chart

APN NBC	Location	Use %	Total Finish Area	Year Built (WAY)	Land (SF) %Coverage Zoning	Sale Price Sale Date	NOI OAR	Comments
164-460-05 EFLQ	8040 S Virginia St Quail Park South	100% Neighborhood Shopping Center	14,681	2007	14,474 100% MUSV	\$4,100,000 12/19/2016	\$321,120 8.24%	South of the intersection of S Virginia St and Longley Ln. Part of the Quail Park South Shopping Center. 13% vacancy at sale. The NOI and cap rate reflect this vacancy rate. The existing tenants are Medical Office(St. Mary's), dental office (Western Dental), and a small pharmacy.
039-750-03, 09, 11 BCAQ	5110 Mae Anne Ave. Ridgeview Plaza	60% Box Store 40% Line Space	173,877	1989	736,224 24% AC	\$33,000,000 01/14/2016	\$2,258,144 6.84%	Center Co-Anchored with Safeway and Kohl's. Other box retail tenants include Ross Dress For Less, and PetSmart. Center was 98.5% occupied at time of sale. No deferred maintenance reported.
040-162-84 & - 85 OBGQ	6675 & 6795 S Virginia St The Commons	90% Discount/Retail Store 10% Retail/Dental Office	155,519	2005 2006	538,402 29% MU	\$28,944,841 06/22/2018	\$2,745,500 9.50%	The Commons near the Meadowood Mall anchored by Petsmart, Total Wine, and DSW Shoes. There are 7 buildings totaling 155,519 SF. 91% occupied when sold. The asking price was \$34.5M and cap rate of 7.43%. Sold at 16% discount.
042-222-26 OBGQ	6135 Lakeside Dr Shops at Bartley Ranch	84% Restaurant/Retail Store 16% Office/Conv Market/ Fast Food Restaurant	33,578	1988 &1997	166,399 20% NC	\$5,075,000 02/07/2018	7.50%	Neighborhood shopping center south of the Lakeside Dr and S McCarran Blvd intersection. 86% occupied when sold. Cap rate reported at the time of sale per Costar.

**Median (Washoe): 7.87%**

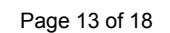
**Average (Washoe): 8.02%**

# NEIGHBORHOOD MAP



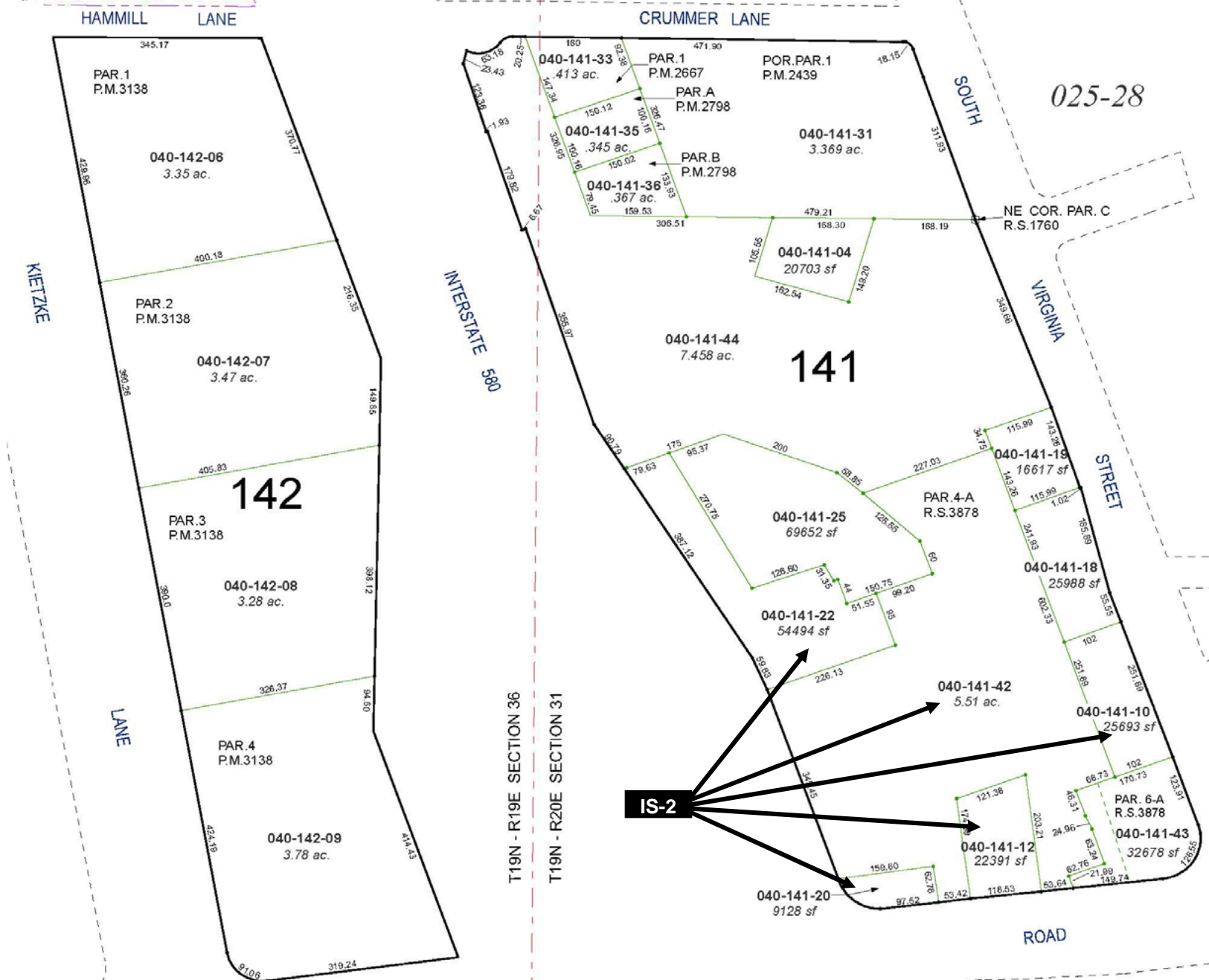


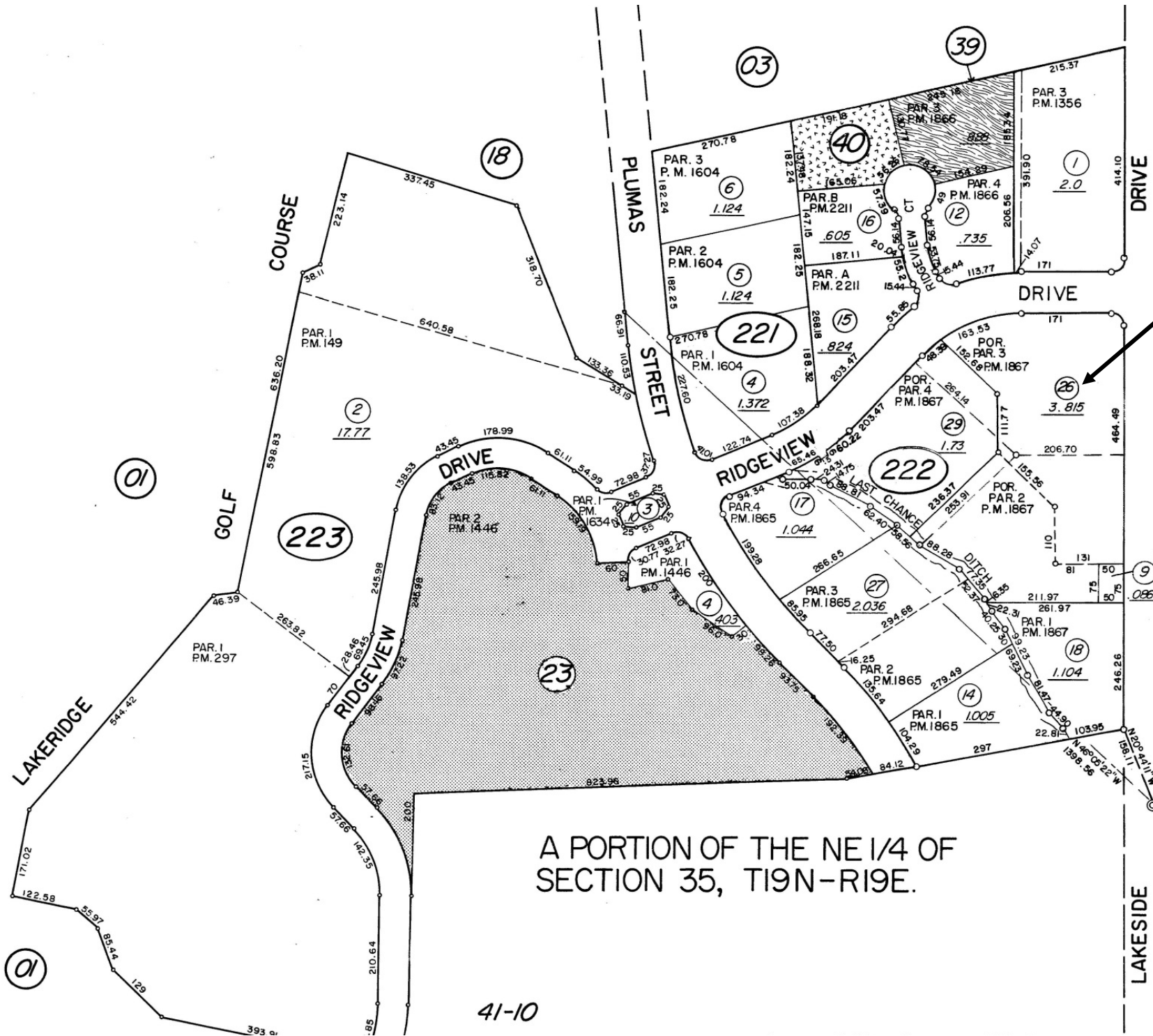
PORTION OF SW1/4  
SECTION 31  
T19N - R20E



PORTION OF SECTION 36  
T19N - R19E

PORTION OF W 1/2 SECTION 31  
T19N - R20E





A PORTION OF THE NE 1/4 OF SECTION 35, T19N-R19E.

41-10

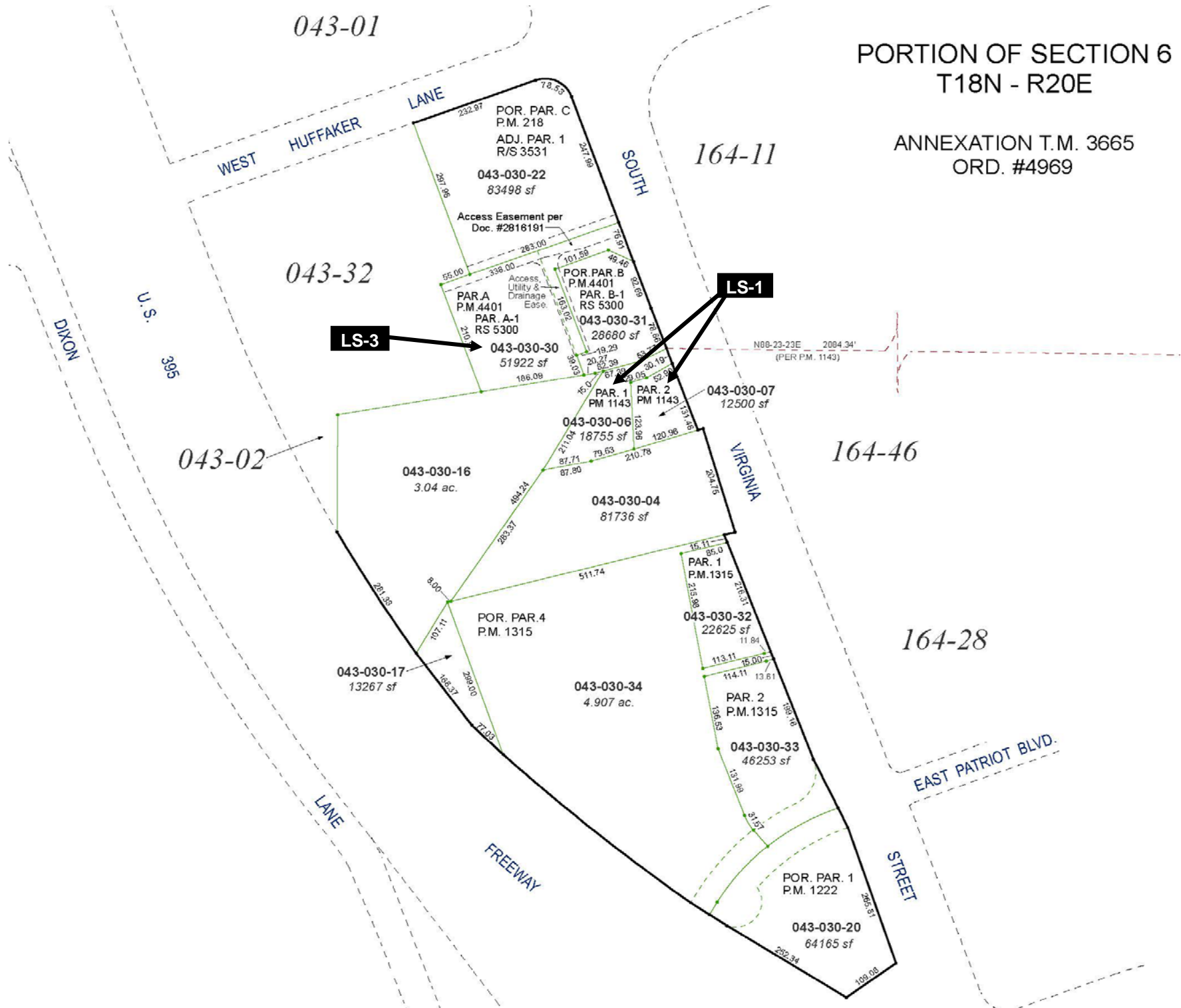
BOOK 40

IS-3

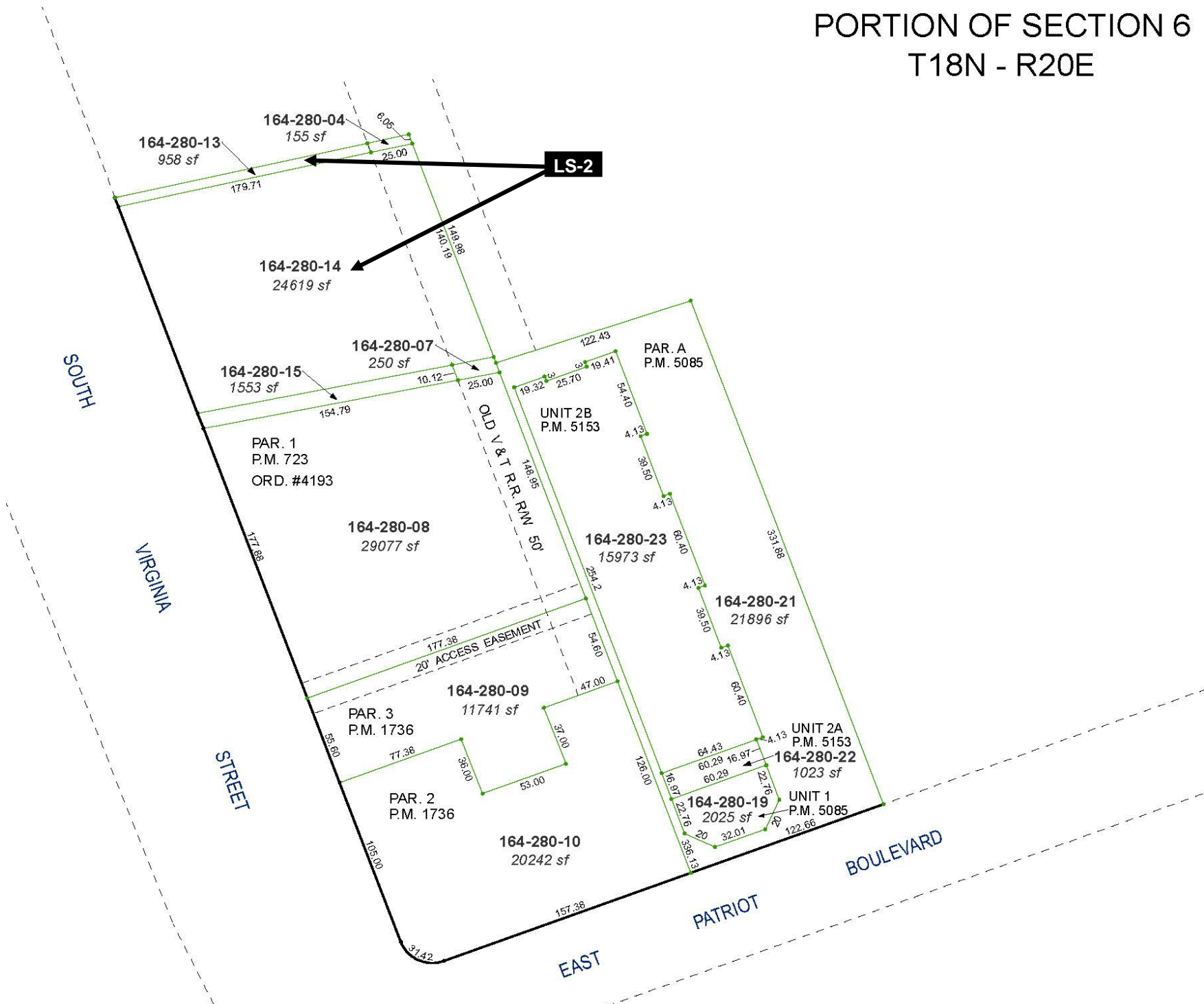
E 1/4 COR. SEC. 35



ANNEXATION T.M. 3665  
ORD. #4969



# PORTION OF SECTION 6 T18N - R20E



PORTION OF SECTION 36  
T19N - R19E

W PLEASANT OAK TRAIL  
BRIDLEMOOR COURT  
CRIOLLO COURT  
TRIPLE CROWN DRIVE  
S PLEASANT OAK TRAIL  
TALBOT LANE  
SIERRA ROSE DRIVE  
MAREWOOD TRAIL  
226-08  
WHEATLAND PARK  
TRIPLE CROWN DRIVE  
FALABELLA WAY  
CANTER WAY  
SILVER CHARM WAY  
TALBOT LANE  
CREEK  
LEY RANCH  
ONAL PARK  
DITCH  
LAKE  
DEL MONTE LANE  
MONTE LANE  
BONDE LANE  
KIETZKE LANE  
HAM  
040-91  
PAR. 3  
P.M. 5244  
040-900-25  
4.341 ac.  
PRIVATE ACCESS  
EASEMENT  
PAR. 1  
P.M. 5244  
040-900-23  
4.10 ac.  
PAR. 2  
P.M. 5244  
040-900-24  
3.841 ac.  
PAR. 9  
R.S. 5732  
040-900-19  
12.215 ac.  
PAR. 10  
R.S. 5732  
040-900-20  
24769 sf  
040-900-17  
86758 sf  
040-89  
Reno  
Washoe County