

SILVERWING DEVELOPMENT

245 E. LIBERTY STREET, SUITE 215

RENO, NEVADA 89501

TELEPHONE: (775) 825-5305

TO: WASHOE COUNTY BOARD OF EQUALIZATION

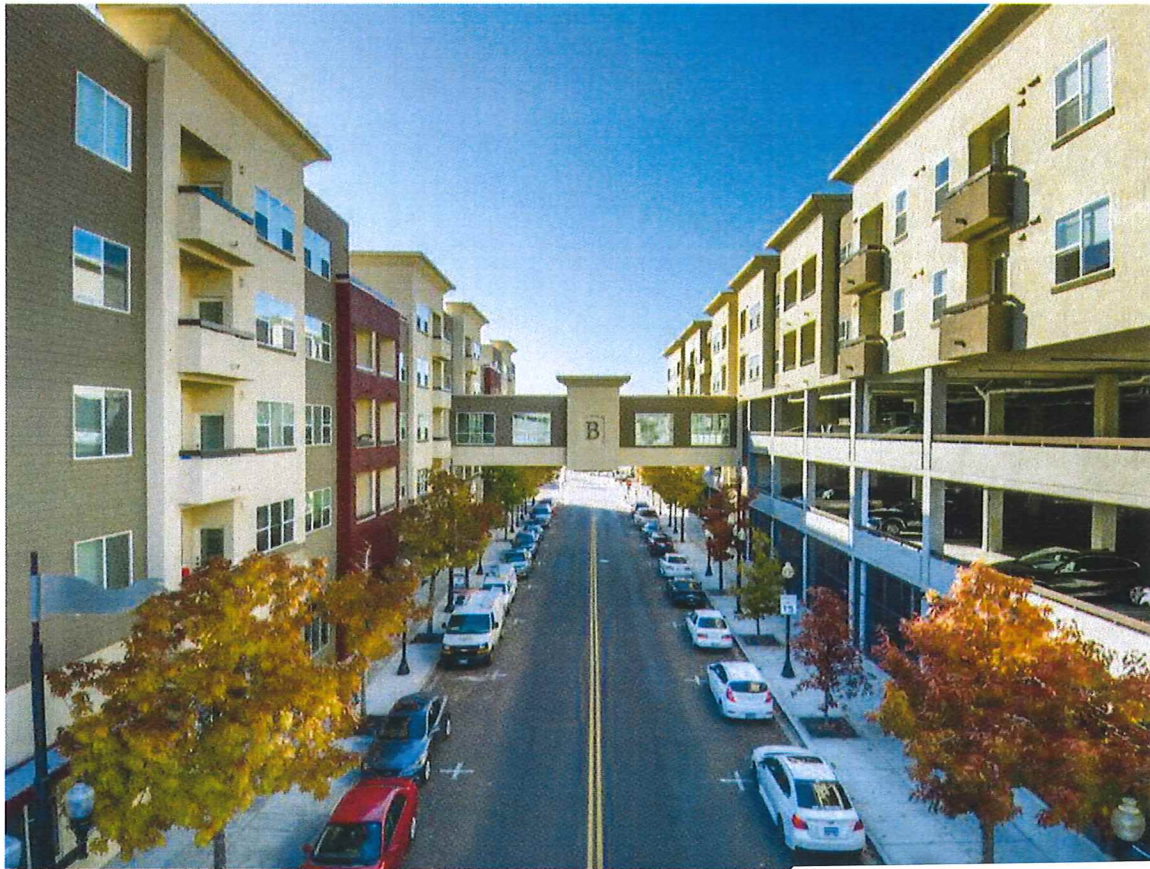
FROM: SWD-QUARRY BRIDGES LLC

PARCEL NO. 032-341-34 & 032-341-35 HEARING NO. 20-0033B 20-0033D

DATE OF HEARING: 02/19/2020 TIME: 9:00 AM

PLACE: WASHOE COUNTY COMMISSION CHAMBERS
Washoe County Administration Complex
1001 E. Ninth Street, Building A
Reno, Nevada

SUBJECT PROPERTY



Petitioner Ex # A Date 2-19-20
APN 032-341-34 + 032-341-35
Number of Pages 9

Washoe County Board of Equalization Hearing
1130 Avenue of the Oaks, Sparks, Nevada - Parcel No. 032-341-34 & 032-341-35
02/19/2020

THE PROPERTY: The Subject Property is located at 1130 Avenue of the Oaks in Sparks, Nevada (APN 032-341-34 & 032-341-35). The Subject Property is known as The Bridges, a new mixed use multifamily and retail development located in Victorian Square. The Subject Property was constructed by SWD-QUARRY BRIDGES LLC (the “Owner”) as a 194-unit mixed use apartment and retail complex.

THE ASSESSOR’S TAXABLE VALUE:

2020/2021 Total: \$ 24,953,991.00

THE OWNER’S OPINION OF TAXABLE VALUE:

2020/2021 Total: \$19,500,000.00

JUSTIFICATION FOR REDUCTION OF TAXABLE VALUE:

The Subject parcels were sold by the City of Sparks to Silverwing Development for \$825,000 or \$12.64 per foot on 11/23/2016. This land sale included water rights, sewer hook up credits, and additional traffic impact fee credits that were not a component of the land value. The land was appraised prior to purchase for \$750,000 or \$11.50 per foot by Johnson Perkins and Associates which is attached. This value was determined with the current zoning in place for the mixed-use development that was constructed on the property. Based on the sale price of the land being the best comparable, the owner is asking that the land for both parcels be reduced from \$22.50 to \$10.00 per foot. At \$10.00 per foot The Bridges land value would be equalized with the most comparable project, Atrium, currently under

construction by the same developer. Atrium is a 5 story 132 unit luxury apartment complex being constructed in Victorian Square roughly 1 block west of The Bridges by Silverwing Development. Both Atrium and Deco are about equally 50% complete from a construction standpoint.



The comparable Atrium's land is being valued as 40,482 square feet of land at \$10 per foot amounting to a taxable land value for the 2020/2021 tax year of \$404,820. The subject property is being valued as 65,296 square feet at \$22.50 per foot. The Bridges overall land value for the 2020/2021 tax year is \$1,468,553. This is 363% higher than Atrium's 2020/2021 taxable land value. The Bridges taxable land value is being over assessed in comparison to Atrium and is out of equalization. Therefore, a reduction of taxable land value should be approved.

Washoe County Board of Equalization Hearing
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Additionally, the developer was able to construct the property for less than the replacement cost new per the Assessor and Marshall & Swift. The Assessor was provided the construction cost for the parking structure which amounted to \$5,124,045 compared to the Assessor which has determined the replacement cost new to be \$5,812,564 for the same parking structure.

Additional relief is being sought for the retail portion of The Bridges. Due to the new development being a new concept, the retail space has been very challenging to fill with the tenants. For the current retail tenants low lease rates are being offered which in turn affects the value of the property. The property has interior hallways which have to be maintained, heated, and cooled all as an expense of the owner unlike a traditional apartment complex.

Based on the foregoing, to establish appropriate equalized value of the Subject Property, the Owner respectfully requests the Board of Equalization reduce the total taxable land value of the Subject Property to \$652,690 or \$10.00 per foot for the 2020/2021 tax year and the improvement value be reduced to \$18,847,310.00 to indicate an overall total taxable value of \$19,500,000.00 for the 2020/2021 tax year.



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AN APPRAISAL
OF

A COMBINED PARCEL OF LAND

LOCATED AT

THE SOUTHWEST CORNER AND THE NORTHWEST CORNER
OF VICTORIAN CIRCLE PLAZA AND AVENUE OF THE OAKS,
SPARKS, WASHOE COUNTY, NEVADA

OWNED BY

REDEVELOPMENT AGENCY OF THE CITY OF SPARKS

APPRAISED FOR

THE CITY OF SPARKS

For The Purpose Of

Estimating Market Value

VALUE ADDRESSED	INTEREST APPRAISED	EFFECTIVE DATE OF VALUE
Market Value	Fee Simple Interest	April 26, 2016



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Stephen R. Johnson, MAI, SREA
Reese Perkins, MAI, SRA
Scott Q. Griffin, MAI
Cindy Lund Fogel, MAI
Karen K. Sanders

April 29, 2016

Mr. Armando Ornelas, Sparks City Planner
City of Sparks
431 Prater Way
Sparks, Nevada 89434

Re: Victorian Square Property

Dear Mr. Ornelas:

This is in response to your request for an appraisal of a combined parcel of land located at the southwest corner and the northwest corner of Victorian Plaza Circle and Avenue of the Oaks, Sparks, Washoe County, Nevada. The subject property is identified as Washoe County Assessor's Parcel Numbers 032-341-26 and 21. The subject property is owned by the Redevelopment Agency of the City of Sparks.

This appraisal is being prepared for the purpose of estimating the Market Value of the fee simple interest of the subject property, as of a current date of valuation.

The intended use of this appraisal is for internal management purposes, possible disposition of the property, and to establish the basis for an option to purchase the subject property. An appraisal is required to establish the Market Value before the City and Agency conduct a public hearing and make the findings required by NRS 279.486. The intended users of the appraisal report include the City of Sparks, the Redevelopment Agency of the City of Sparks and their designated representatives.

An appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* for an appraisal report. It will present summary discussions of the data, reasoning and analyses that are used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in this appraiser's file. The depth of the discussion contained in the report is specific to the needs of the client and for



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the intended use as stated herein. This appraisal firm is not responsible for unauthorized use of the report.

This report sets forth pertinent data, statistics and other information considered necessary to establish the Market Value of the subject property's fee simple estate, under the valuation scenarios as set forth above. The market value estimate was derived through an analysis and correlation of the data set forth in the following report. The subject property and the comparable properties analyzed were personally inspected by the undersigned. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in the accompanying appraisal report.

After careful consideration of all data available, and upon thorough personal inspection of the subject property and the comparable properties analyzed, it is my opinion that the Market Value of the subject property's fee simple interest, as of April 26, 2016, is:

FINAL MARKET VALUE CONCLUSION

\$750,000

Respectfully Submitted,

Reese Perkins, MAI, SRA
Nevada Certified General Appraiser
License Number A.0000120-CG

SWD-Quarry Bridges, LLC

www.silverwingdevelopment.com

245 East Liberty Street, Suite 215, Reno Nevada 89501 Office 775-825-5300 Fax 775-825-5305

CONTRACT CHANGE ORDER FOR: THE BRIDGES

Date: March 30, 2017	Original Contract Amount	\$5,306,000.00
Contract Change Order #1	Total Previous Contract	
Subcontractor: Neeser Construction of Nevada, LLC	Amount of this Change Order	-\$181,955.00
Trade: Parking Structure	Revised Contract to Date:	\$5,124,045.00

Re: This **CONTRACT CHANGE ORDER** is intended to amend the contract dated November 5, 2016 between SWD-Quarry Bridges, LLC and Neeser Construction of Nevada, LLC (the "Contract"), reflecting the work described below in addition to the Contract Scope of Work at the price reflected above.

The amount reflected above includes all Material, Labor and Equipment necessary to complete the work and to adjust the total Contract.

Credit due to underground trenching.
North -\$88,364
South -\$93,591

ALL OTHER TERMS AND CONDITIONS UNDER THE CONTRACT ARE UNCHANGED AND SHALL BE ENFORCEABLE.

The undersigned agree to the terms and conditions of this Contract Change Order and acknowledge receipt of a copy of this Contract Addendum.

AGREED and ACCEPTED By:

SWD-Quarry Bridges, LLC

Signature: _____

Doug Hunter

Date: _____

4/3/17

Neeser Construction of Nevada, LLC

Signature: _____

Print: _____

Date: _____

Michael Neeser

Michael Neeser

3/31/17

APR - 3 2017

THE BRIDGES
1125 & 1130 Avenue of the Oaks, Sparks NV 89431
Billing Schedule of Values (SOV) Standard Contract Work CO #1
PARKING STRUCTURE

	Contract Amount	Amount Billed	Less 5% Retention	Net Amount Billed	Cont Apprv	SWD Apprv	Retention	Cont Apprv	SWD Apprv	Total
SOUTH PARKING STRUCTURE										
Structural Services including plans and calcs	\$55,000.00		N/A				N/A			\$55,000.00
Mobilization	\$102,000.00									\$102,000.00
Excavation, backfill and foundations	\$319,209.00									\$319,209.00
Delivery of formwork	\$264,000.00									\$264,000.00
Plywood	\$36,000.00									\$36,000.00
Slab on Grade	\$177,600.00									\$177,600.00
Columns-poured	\$76,000.00									\$76,000.00
Masonry walls	\$134,400.00									\$134,400.00
Podium slab forms in place	\$305,000.00									\$305,000.00
Slab post-tensioning and mild reinforcing in place	\$327,000.00									\$327,000.00
Slab concrete poured	\$329,000.00									\$329,000.00
NORTH PARKING STRUCTURE										
Structural Services including plans and calcs	\$137,000.00		N/A				N/A			\$137,000.00
Excavation, backfill and foundations	\$242,836.00									\$242,836.00
Slab on Grade	\$144,000.00									\$144,000.00
Plywood	\$18,000.00									\$18,000.00
1st floor Columns-poured	\$102,000.00									\$102,000.00
North Masonry wall	\$318,000.00									\$318,000.00
Masonry ramp spandrels	\$37,200.00									\$37,200.00
2nd floor slab forms in place	\$130,000.00									\$130,000.00
2nd floor slab Post-tensioning and mild reinforcing in place	\$127,000.00									\$127,000.00
2nd floor slab concrete poured	\$197,400.00									\$197,400.00
2nd floor columns poured	\$89,600.00									\$89,600.00
2nd floor ductile beams poured	\$123,200.00									\$123,200.00
3rd floor slab forms in place	\$130,000.00									\$130,000.00
3rd floor slab Post-tensioning and mild reinforcing in place	\$147,000.00									\$147,000.00
3rd floor slab concrete poured	\$197,400.00									\$197,400.00
3rd floor columns poured	\$89,600.00									\$89,600.00
3rd floor ductile beams poured	\$123,200.00									\$123,200.00
Podium floor slab forms in place	\$140,000.00									\$140,000.00
Podium floor slab Post-tensioning and mild reinforcing in place	\$175,000.00									\$175,000.00
Podium floor slab concrete poured	\$263,200.00									\$263,200.00
Concrete spandrels (6") in place	\$55,200.00									\$55,200.00
Expansion joint sealer and caulking	\$12,000.00									\$12,000.00
Total:										\$5,124,045.00

Billing Date: _____

Total Amount Billed: _____

For The Bridges A/P use only:
Amount Approved: _____
Amount Not Approved: _____
Net Amount: _____
CM Approval: _____
A/P Approval: _____
Line Item: _____

Subcontractor: Neeser Construction of Nevada, LLC
Address: 2501 Blueberry Rd. Anchorage, AK 99503
Phone: 907-277-6115