

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # 20-0081
Hearing Date 02/20/2020
Tax Year 2020/2021

APN: 037-031-06

Owner of Record: LOWE'S HIW INC

Property Address: 1355 SCHEELS DR

Property Type: DISCOUNT WAREHOUSE STORE 100%

Gross Building Area: 119,528

Year Built: 2012

Parcel Size: 10.02 AC

Description / Location: The subject property is a Lowe's Home Improvement Center in the Legends Shopping Center in Sparks. It was recently built by and for Lowe's. Its location, design and overall utility is still being capitalized upon by the first generation occupant.

2020/21 Taxable Value:	Land:	\$5,239,740
	Improvements:	\$8,886,497
	Total:	<u>\$14,126,237</u>
	Taxable Value / SF	\$118

Sales Comparison Approach: Indicated Value Range/SF
\$140 to \$160

Income Approach: Indicated Value Range/SF
\$133

Conclusions: Taxable value does not exceed full cash value.



RECOMMENDATION: Uphold **X** Reduce

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE
LAND:	\$5,239,740	\$1,833,909	\$/SF GBA
IMPROVEMENTS:	\$8,886,497	\$3,110,274	\$118.18
TOTAL:	\$14,126,237	\$4,944,183	

HEARING:	<u>20-0081</u>
DATE:	<u>02/20/2020</u>
TAX YEAR:	<u>2020/2021</u>

OWNER: LOWE'S HIW INC

TAXABLE
\$/SF Land
\$12.00

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	037-031-06	1355 SCHEELS DR DISCOUNT WAREHOUSE STORE	100%	119,528 119,528	MASONRY BRNG	C15		2012 26	436,645 27% NUD				
BRICK WITH BLOCK BACK-UP													

IMPROVED SALES													
IS-1	025-570-01	6590 S VIRGINIA ST DISCOUNT WAREHOUSE STORE HOME DEPOT	100%	102,832 102832	MASONRY BRNG	C15		1993 25	435,382 24% MUSV	\$15,980,000 04/26/2018	\$155.40 See note		933660 5.84%
IS-2	039-750-13	5150 MAE ANNE AVE DISCOUNT STORE KOHL'S	100%	94,213 94,213	MASONRY BRNG	C20		1990 24	395,743 24% AC	\$9,350,000 \$42,990	\$99.24		636250 6.80%
IS-3	038-881-08 038-870-12	8650 BOOMTOWN GARSON RD WAREHOUSE SHOWROOM STORE CABELA'S	1	127,616 127616	MASONRY BRNG	C30		2007 23	980,099 13% AC	\$26,213,000 05/14/2019	\$205.41 See note		NA
IS-4	040-141-42 10, 12, 20, 22	6139 S VIRGINIA ST SUPERMARKET DISCOUNT STORE WHOLE FOODS & SIERRA TRADING POST	62% 38%	81,838 81,838	MASONRY BRNG	C25		1993 24	240,016 34% AC	\$24,100,000 07/24/2017	\$294.48 See note		\$1,145,146 4.75%

LAND SALES												
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	\$/sf	Tax/Unit	Zoning	Comments			
1	164-354-01	647 INNOVATION DR A	08/22/19	\$16,708,928	967,163	\$17	\$5.25	PUD	Sale after 2020 reappraisal review period. Zoning change from IC. Site will be developed into a new hospital.			
2	040-900-19, -20	DEL MONTE LN	05/03/18	\$11,142,640	557,132	\$20	\$14.00	PUD	Offices, retail and restaurants are under construction as Village at Rancharrah.			
3	037-020-38	1235 E PRATER WAY	05/16/19	\$3,775,000	251,341	\$15	\$8.80	PUD	Purchased by a known retirement home operator.			
4	037-412-03, 037-422-06	1425 GEORGE FERRIS DR & 1370 BIG FISH DR	08/07/17	\$6,748,617	283,082	\$24	\$14.00	NUD	Part of Legends Shopping Center. The buyer was an equity investor. Bought 80% interest and the total purchase price was computed from the interest percentage transferred. Now a Burlington store and three fast casual restaurants.			

COMMENTS:

The subject property is a well maintained, fully functioning and performing Lowe's.

IS-1: Sale of a Home Depot property that is about the same age. Sold with 100% occupancy at a 5.84% cap rate. Current rent noted at \$81,900/MO, or \$0.80/SF/MO. 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 about \$1M reduction which equates to an adjusted market value of about \$14,980,000, i.e. \$146/SF.

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. It is an older sale at an inferior location. It requires upward adjustment to be comparable to the subject.

IS-3: Sale of a Cabela's built in 2007. 100% occupied when sold. Part of a portfolio investment sale. Considering the superior store finishing at an inferior location, a downward adjustment of 20% was applied. The value per square foot derived is about \$164.

IS-4: Sale of a big box property with Whole Food and Sierra Trading Post as tenants; Sold with 100% occupancy at an estimated 4.75% cap rate. Strong rent was in place. Sale is considered superior due to its large use as a supermarket which includes additional finishing and partitioning. Based on the superiority, a 40% downward adjustment was applied. The result of the adjustment is \$177/SF in value.

The improved sales above show an adjusted range of \$99 to \$177 per square foot with IS-1 being the most similar to the subject at an adjusted rate of \$146 per square foot. It supports the total taxable value of \$118.18/GBA SF on the subject.

LS-1: Most recent sale of 22.20 ac land at the SW corner of Longley Ln and Double R Blvd with less traffic volume in a mostly industrial area.

LS-2: Sale of 12.79 ac land in 2018. Closest to the subject in size and planned retail use. It is slightly superior given the Rancharrah master plan and development.

LS-3: 2019 sale of a smaller 5.77 ac lot. Near the subject at an inferior location outsideof Legends Shopping Center.

LS-4: Older 2017 sale of land in the Legends Shopping Center totaling 6.5 acres. Most similar in location to the subject.

The land sales compared range in price of \$15 to \$24 per square foot. They indicate that the land value of the subject is about \$20 to \$22 per square foot. The 2020 taxable land value on the subject at \$12/SF is supported by the value indicated by the sales.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING: <u>20-0081</u>
		\$5,239,740	\$1,833,909	\$/SF GBA	DATE: <u>02/20/2020</u>
	IMPROVEMENTS:	\$8,886,497	\$3,110,274	\$118.18	
	TOTAL:	\$14,126,237	\$4,944,183		TAX YEAR: <u>2020/2021</u>
APN: 037-031-06				TAXABLE	
OWNER: LOWE'S HIW INC				\$/SF Land	
				\$12.00	

Income Approach					
Potential Gross Income	119,528 sq ft. @	\$0.70 /mo =	\$83,670		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$83,670		
	x 12 months =		12		
			\$1,004,035		
- Vacancy & Collection loss		0%	\$0		
= Effective Gross Income			\$1,004,035		
- Operating Expenses		5%	\$50,201.76		
=Net Operating Income			\$953,833		
Divided by Overall Capitalization Rate			6.00%		
			\$15,897,224		
			Rounded	\$133 /SF GBA	

Subject Income Information: The building is 100% owner occupied by Lowe's Home Improvement Center. Income and expense statement was requested but not provided.

Potential Gross Income: The property is owner occupied and thus a contract or current rent does not exist. Please refer to Attachments A and B for the market rent analysis. Results from local rent data indicate that market rent for the subject, with consideration for subject's premium location and a first generation build to suit building, is \$0.70/SF. Applying this rent to the subject gross building area and annualizing it reflects a PGI of \$1,004,035.

Effective Gross Income: The subject is a first generation building build to suit. The property has had zero vacancy since it's construction. Therefore, a 0% stabilized vacancy rate was utilized. The application results in a EGI that is equal to PGI.

Net Operating Income: The property, if available, would likely be 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%. Resulted NOI is \$953,833.

Capitalization Rate Analysis: Properties reflecting strong real estate fundamentals in primary locations remain in high demand amongst institutional investors. The subject property is equivalent to a sought after investment that has been well maintained with a national credit tenant, has had zero vacancy, and situated at a premium location. Therefore, the overall investment risk is considered low. The cap rate on the sale of a local Home Depot was 5.84%. For a summary of cap rates in relation to big box retail, please refer to Attachment A & C. Cap rates attained at the local level suggest a range of 4.75% to 6.8%. Rates from the Western Region level indicate a range of 5% to 6.25% with a median of 5.85%. Given the lower rents used in this analysis in relation to the contract rent in similar home improvement stores in the area, its newer age and superior location, the cap rate for the subject is estimated at about 6.0%.

Indicated Value Income Approach: The value derived using 0% vacancy, 5% operating expense rate, and 6.0% cap rate is \$15,900,000 rounded, or \$133/GBA SF.

Comments: The taxable value of the subject is supported by the value indicated by the income analysis above.

SUMMARY APPRAISAL RECORD



APN: **037-031-06**

2020

PAGE 1 of 5

ACTIVE

Roll YR

Code

%Comp

Situs 1355 SCHEELS DR SPARKS Database PROD NBHD DIDQ Appr HNS Exemption AV|Exemption
 Owner LOWE'S HIW INC Printed 1/28/2020 Commercial
 1000 LOWES BLVD STOP 2ETA MOORESVILLE, NC 28117-8520 Tax District 2002
 Property Name LOWES AT LEGENDS

Reopen			
Reappraisal			

Valuation History

Parcel Value Summary

Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD
2020 VN	5,239,740		8,886,497		14,126,237	4,944,183	Land Value	5,239,740
2020 NR	5,239,740		8,886,497		14,126,237	4,944,183	Building Value	7,342,834
2019 FV	5,239,740		8,512,698		13,752,438	4,813,353	XFOB Value	1,543,663
2018 FV	5,239,740		8,452,321		13,692,061	4,792,221	Obsolescence	0
							Taxable Value	14,126,237
							Total Exemption	

OBSO	<input type="checkbox"/> Change	<input type="checkbox"/> No Change
NewLand		
Initials/Date		
Parcel Total		
New Const	<input type="checkbox"/> NC	<input type="checkbox"/> C
New Land		
Remainder	<input type="checkbox"/> New Sketch	

Building Data

Type	BLDG	Occ	Description	Frame	Yr Built	Way	% Comp	QC	RCN	DRC	SQFT	DRC \$/SQFT	Bldg OBSO
COMM	1-1	458	Discount Warehouse Sto	C	2012	2012	100	C15	7,710,034	6,784,830	119,528	56	0
MISC	1-2	600	Miscellaneous	0	2012	2012	100	20	634,096	558,004		558,004	0



Land Value

Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note
400	General Commercial: reta	NUD	436,645	SF9	12.00					5,239,740	

Land Data

Land Size-Sf	436,645	Water	Municipal
Acre Size	10.024	Sewer	Municipal
DOR Code	400	Street	Paved
Deferment		SPC	
CAGC			

This information is for use by the Assessor for assessment purposes only.

APPRAISAL RECORD



APN: 037-031-06

2020

PAGE 2 of 5

ACTIVE

Roll YR

Code

%Comp

Situs	1355 SCHEELS DR SPARKS	Database	PROD	NBHD	DIDQ	Appr	HNS	Exemption AV Exemption	Reopen			
Owner	LOWE'S HIW INC	Printed	1/28/2020	Commercial		Tax District	2002		Reappraisal			
	1000 LOWES BLVD STOP 2ETA MOORESVILLE, NC 28117-8520	Property Name	LOWES AT LEGENDS									

Valuation History							Parcel Value Summary		OBSO	<input type="checkbox"/> Change <input type="checkbox"/> No Change	
Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD	NewLand		
2020 VN	5,239,740		8,886,497		14,126,237	4,944,183	Land Value	5,239,740	Initials/Date		
2020 NR	5,239,740		8,886,497		14,126,237	4,944,183	Building Value	7,342,834			
2019 FV	5,239,740		8,512,698		13,752,438	4,813,353	XFOB Value	1,543,663			
2018 FV	5,239,740		8,452,321		13,692,061	4,792,221	Obsolescence	0	Parcel Total		
							Taxable Value	14,126,237	New Const	<input type="checkbox"/> NC	<input type="checkbox"/> C
							Total Exemption		New Land	<input type="checkbox"/> New Sketch	
									Remainder		

Building Data													
1-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	COMM	Commercial/Industria	BUILDING LEVEL			ASC	2	Alternate Shape Code	100				
Occ	458	Discount Warehouse S	Rate Adj			SP1C	119,528	Sprinkler System Generic - C	100				
Stry/Frm	C	MSNRY BRNG - MASONRY	Lump Sum			ST	1	No of Stories	100				
Quality	C15	Commercial 1.5 (Fair				UT	1	Units	100				
Year Built	2012		PARCEL LEVEL			WH	26	Avg Wall Height/Floor	100				
WAY	2012		Lump Sum	0		EW	805	BRICK WITH BLOCK BACK-UP	60				
Remodel Yr			%Obso	0.0000		EW	818	CONCRETE, TILT-UP	40				
% Comp	100	%DPR 12.0				HEAT	611	PACKAGE UNIT	100				

Sub Area		Extra Features																		
Code	Description	Yr Built	DPR Yr	Units	Price Per Unit	RCN	#	Code	Description	QC	BLDG #	Units	\$/Unit	Yr Built	Roll Year	%Comp	RCN	DRC	Override Value	Notes
GBA	GROSS BUILDING A	2012		119,528	64.50	7,710,034	1	CRBC	CONC CURB	30	1	4,700	14.19	2012		100	66,693	58,690		
							2	FWAS	FW ASPHALT	30	1	162,000	2.03	2012		100	328,147	288,770		
							3	FWCO	FW CONCRET	30	1	66,000	4.59	2012		100	302,940	266,587		
							4	GHS2	GRNHOUSE Q	20	1	9,240	66.95	2012		100	618,618	544,384		
							5	PKLT	PKG LOT LI	30	1	228,000	0.69	2012		100	157,320	138,442		
							6	TKW4	TK CON W/R	30	1	4,275	19.66	2012		100	84,047	73,961		
							7	YIMP	YARD IMPS	30	1	20	1,664.00	2012		100	33,280	29,286		
							8	DKLV	DOCK LEVEL	30	1	3	8,424.00	2012	2018	100	25,272	22,239		
							9	FNI1	FN IRON-LO	20	1	12,000	7.48	2012	2018	100	89,819	79,041		
							10	WLBR	WALL BRICK	10	1	1,200	21.24	2012	2018	100	25,487	22,429		
							11	TRS2	TRASH CO B	30	1	825	27.32	2012	2018	100	22,539	19,834		
Gross Living Area		119,528	Perimeter	1,646	Sub Area RCN	7,710,034														
Building Notes		Building Cost Summary																		
						Building RCN	7,710,034													
						Depreciation	925,204													
						Building DRC	6,784,830													
						Extra Feature DRC	1,543,663													
						Building Obso														
Building Name						Total DRC	8,328,493													
LOWES AT LEGENDS						Override Value														

Land Value: 1 Lines Total												Land Data		Property Characteristics	
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Size-Sf	Water	Municipal	
400	General Commercial: reta	NUD	436,645	SF9	12.00					5,239,740		436,645	Street	Municipal	
												10.024	Sewer	Municipal	
												400	Street	Paved	
													SPC		
												CAGC			

APPRAISAL RECORD

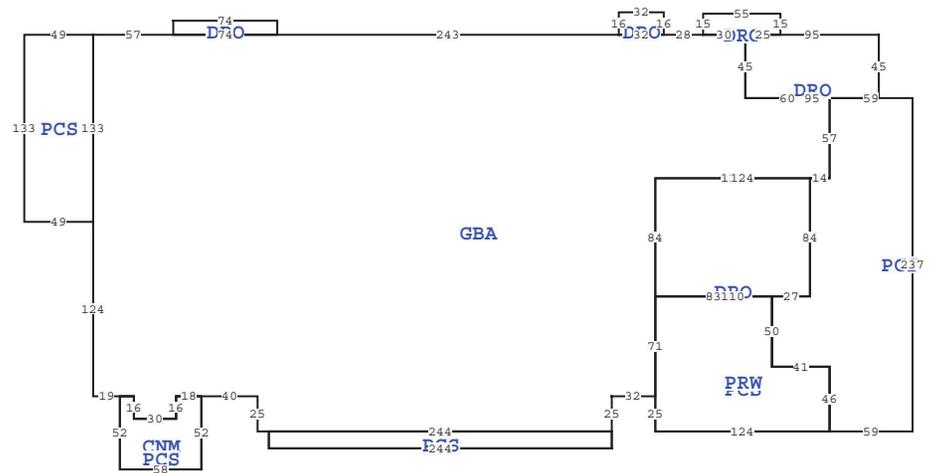
APN: 037-031-06

PAGE 3 of 5

Owner LOWE'S HIW INC
 Keyline Description PM 4941 LT 2

NBHD DIDQ Commercial

Appr HNS



Activity Information						
Date	User ID	Activity Notes				
11/4/2019	HNS	Re-appraisal Inspection				
3/16/2012	PAO	Permit Inspection				
		Aerial Review				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
LOWE`S HIW INC	MEMO	3/21/2018			0	3NTT
SPARKS LEGENDS DEVELOPME	3712371	12/12/2008		6,864,710	1	GCA
SPARKS LEGENDS DEVELOPME	3683269	8/29/2008			0	3NTT
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
1/9/2012	A1200033	ELECTRIC		C	100%	
10/14/2011	A1101044	FIRE SPRKLR		C	100%	
8/18/2011	A1100606	SITE DEVEL		C	100%	
6/21/2011	A1100580	COMM RETAIL		C	100%	

This information is for use by the Assessor for assessment purposes only.

APPRAISAL RECORD



APN: **037-031-06**

2020

PAGE 4 of 5

ACTIVE

Roll YR

Code

%Comp

Situs 1355 SCHEELS DR SPARKS	Database PROD	NBHD DIDQ	Appr HNS	Exemption A\ Exemption	Reopen			
Owner LOWE'S HIW INC	Printed 1/28/2020	Commercial			Reappraisal			
1000 LOWES BLVD STOP 2ETA MOORESVILLE, NC 28117-8520		Tax District 2002						
Property Name LOWES AT LEGENDS								

Valuation History						Parcel Value Summary			OBSO	<input type="checkbox"/> Change	<input type="checkbox"/> No Change
Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD			
2020 VN	5,239,740		8,886,497		14,126,237	4,944,183	Land Value	5,239,740			
2020 NR	5,239,740		8,886,497		14,126,237	4,944,183	Building Value	7,342,834			
2019 FV	5,239,740		8,512,698		13,752,438	4,813,353	XFOB Value	1,543,663			
2018 FV	5,239,740		8,452,321		13,692,061	4,792,221	Obsolescence	0			
							Taxable Value	14,126,237	Parcel Total		
							Total Exemption		New Const	<input type="checkbox"/> NC	<input type="checkbox"/> C
									New Land		
									Remainder	<input type="checkbox"/> New Sketch	

Building Data													
1-2	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	MISC	Miscellaneous	BUILDING LEVEL										
Occ	600	Miscellaneous	Rate Adj										
Stry/Frm	0	NONE	Lump Sum										
Quality	20	Fair											
Year Built	2012		PARCEL LEVEL										
WAY	2012		Lump Sum	0									
Remodel Yr			%Obso	0.0000									
% Comp	100	%DPR 12.0											

Sub Area							Extra Features													
Code	Description	Yr Built	DPR Yr	Units	Price Per Unit	RCN	#	Code	Description	QC	BLDG #	Units	\$/Unit	Yr Built	Roll Year	%Comp	RCN	DRC	Override Value	Notes
CNM	CANOPY METAL	2012		5,464	42.19	230,504														
DRO	No Value Drawn f	2012		15,592																
PCS	PORCH CONCRETE S	2012		39,044	7.30	285,021														
PRW	PORCH ROOF WOOD	2012		9,854	12.03	118,571														

Gross Living Area	Perimeter	Sub Area RCN	634,096
Building Notes		Building Cost Summary	
		Building RCN	634,096
		Depreciation	76,092
		Building DRC	558,004
		Extra Feature DRC	
		Building Obso	
Building Name		Total DRC	558,004
LOWES AT LEGENDS		Override Value	

Land Value: 1 Lines Total												Land Data		Property Characteristics							
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-	Adj 2	%-	Taxable Land	Note	Land Size-Sf	Acre Size	DOR Code	Deferment	CAGC	Water	Sewer	Street	Municipal	
												436,645	10.024	400							Municipal
																					Paved

APPRAISAL RECORD

APN: **037-031-06**

PAGE 5 of 5

Owner **LOWE'S HIW INC**
 Keyline Description **PM 4941 LT 2**

NBHD **DIDQ** Commercial

Appr **HNS**

Activity Information						
Date	User ID	Activity Notes				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
LOWE`S HIW INC	MEMO	3/21/2018			0	3NTT
SPARKS LEGENDS DEVELOPME	3712371	12/12/2008		6,864,710	1	GCA
SPARKS LEGENDS DEVELOPME	3683269	8/29/2008			0	3NTT
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	

This information is for use by the Assessor for assessment purposes only.

ATTACHMENT A

WESTERN REGIONAL FREESTANDING 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	498-032-388	0.32	164,351	2003	10/01/2018	\$12,409,000	\$76	5.56%	\$689,940	\$4	\$0.37	NNN	10
3	Lowe's	WA	Mount Vernon	P26247, P26279	0.45	137,472	1993	04/04/2018	\$16,991,453	\$124	5.85%	\$994,000	\$8	\$0.63	NNN	NA
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	NV	Reno	025-570-01	0.24	102,832	1993	04/26/2018	\$15,980,000	\$155	5.84%	\$933,232	\$10	\$0.80	NNN	6
7	Home Depot	WA	Covington	NA	0.38	130,948	2008	11/18/2019	\$21,031,030	\$161	6.00%	\$1,261,862	\$10	\$0.85	NA	NA
8	Home Depot	NV	Las Vegas	163-06-115-003	0.26	107,856	2000	11/26/2019	\$18,089,201	\$168	5.82%	\$1,052,707	\$10	\$0.86	NA	NA
9	Home Depot	CA	Stanton	131-401-13	0.39	107,000	1986	06/28/2018	\$22,558,000	\$211	5.00%	\$1,127,900	\$11	\$0.92	NNN	7+
MEDIAN					0.32	129,924	1993	06/28/2018	\$16,991,453	\$132	5.85%	\$994,000	\$9	\$0.72	-	-

The table illustrates that home improvement centers/DIY stores 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, coincidentally falls within the central portion of these illustrated values.

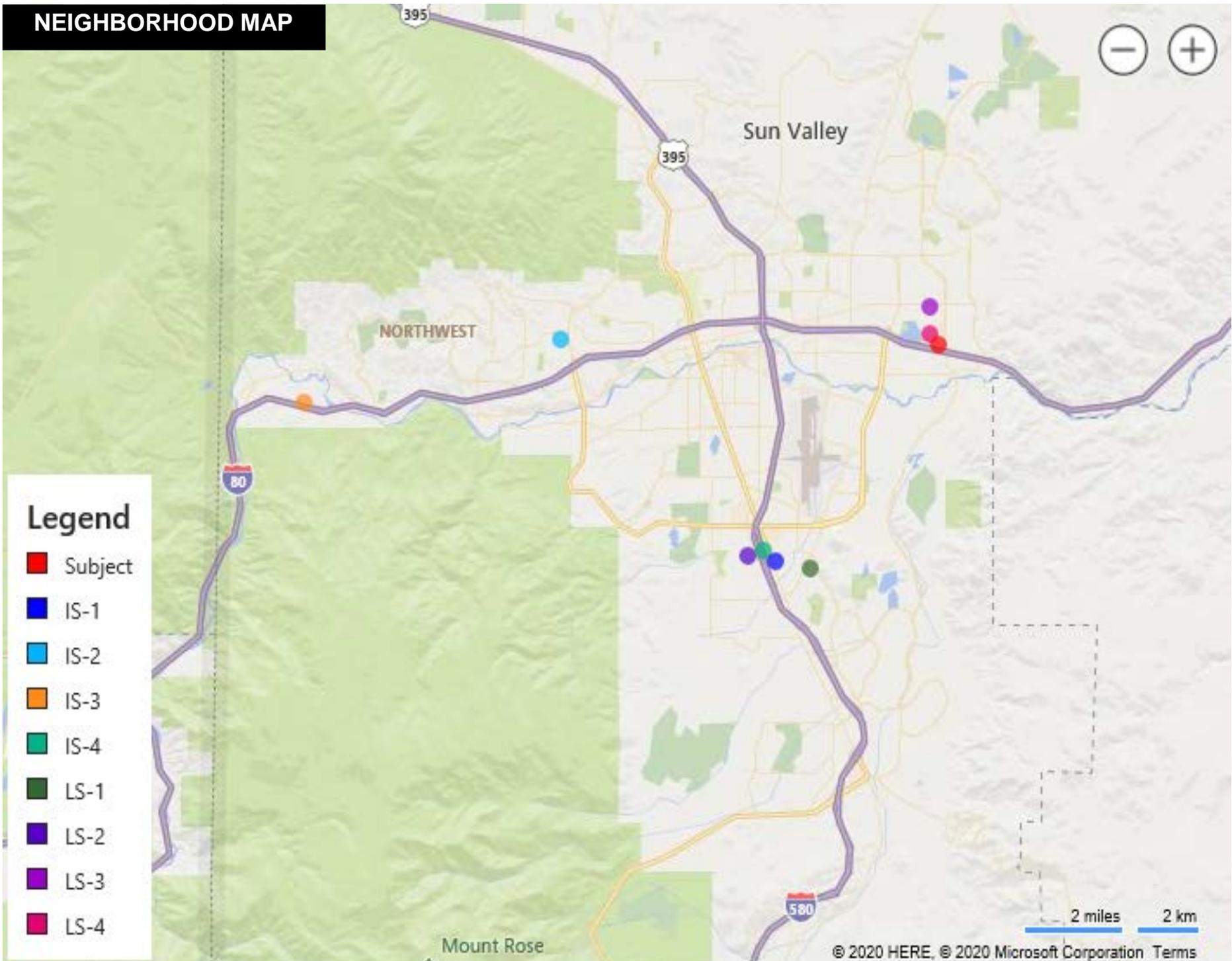
ATTACHMENT B

Box Store Rent Survey								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
Market Rents								
1	500 E Moana Ln 020-255-28	Retail	20,519/ 1985	1/2020 NA	\$1.50	\$1.50	NNN	Asking rent per Costar.
2	75 E Moana Ln 020-253-08	SPCA	19,564/ 1977	11/2019 1 Year	\$1.00	\$1.00	NNN	Asking rent per Costar.
3	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
4	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
5	1350 Disc Drive, Suite A 035-263-09	Big Lots	32,285 1996	08/2018 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
6	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
7	Undisclosed (Spanish Springs Community Shopping Center)	Retail Store	20,000-25,000	09/2018 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 \$0.05/SF to reflect NNN.
8	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
9	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:	\$0.69	-	<i>Reflects rents at neighborhood shopping centers. Upward adjustments for the regional power centers should be considered.</i>
					ADJUSTED MEDIAN	-	\$0.76	<i>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.</i>
					RENT USED	\$ 0.70		
ADDITIONAL INFORMATION								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
	6590 S. Virginia St Reno 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	2018	\$1.14	N/A	NNN	Property is located in Henderson NV. Lease negotiated in 2016.

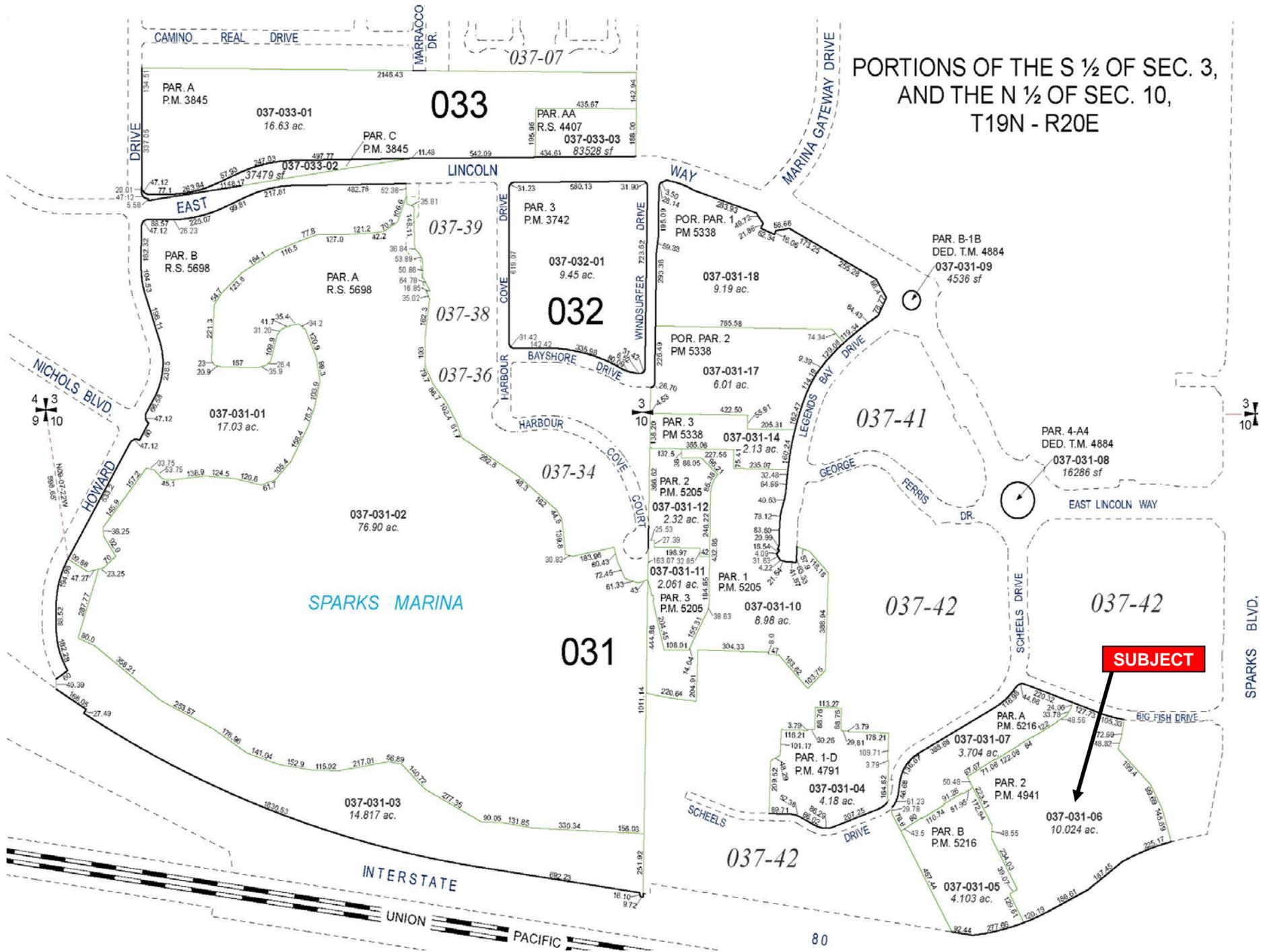
ATTACHMENT C

CAP RATES			
SOURCE	MIN %	MAX %	MEDIAN %
Local Sales Data (See Sales IS-1 to IS-4)	4.75	6.8	5.84
Regional Home Improvement Sales (See Attachment A)	5	6.25	5.85
USED	6.0%		
<p>REASONING: The recent sale of the local Home Depot sold at a Cap Rate of 5.84%. The subject is similar to the home improvement centers in the area that had contract rents over market rent. It is also newer in age and situated at a superior location. Given consideration to the local big box and the regional home improvement store sales data the cap rate for the subject is estimated at 6.0%.</p>			

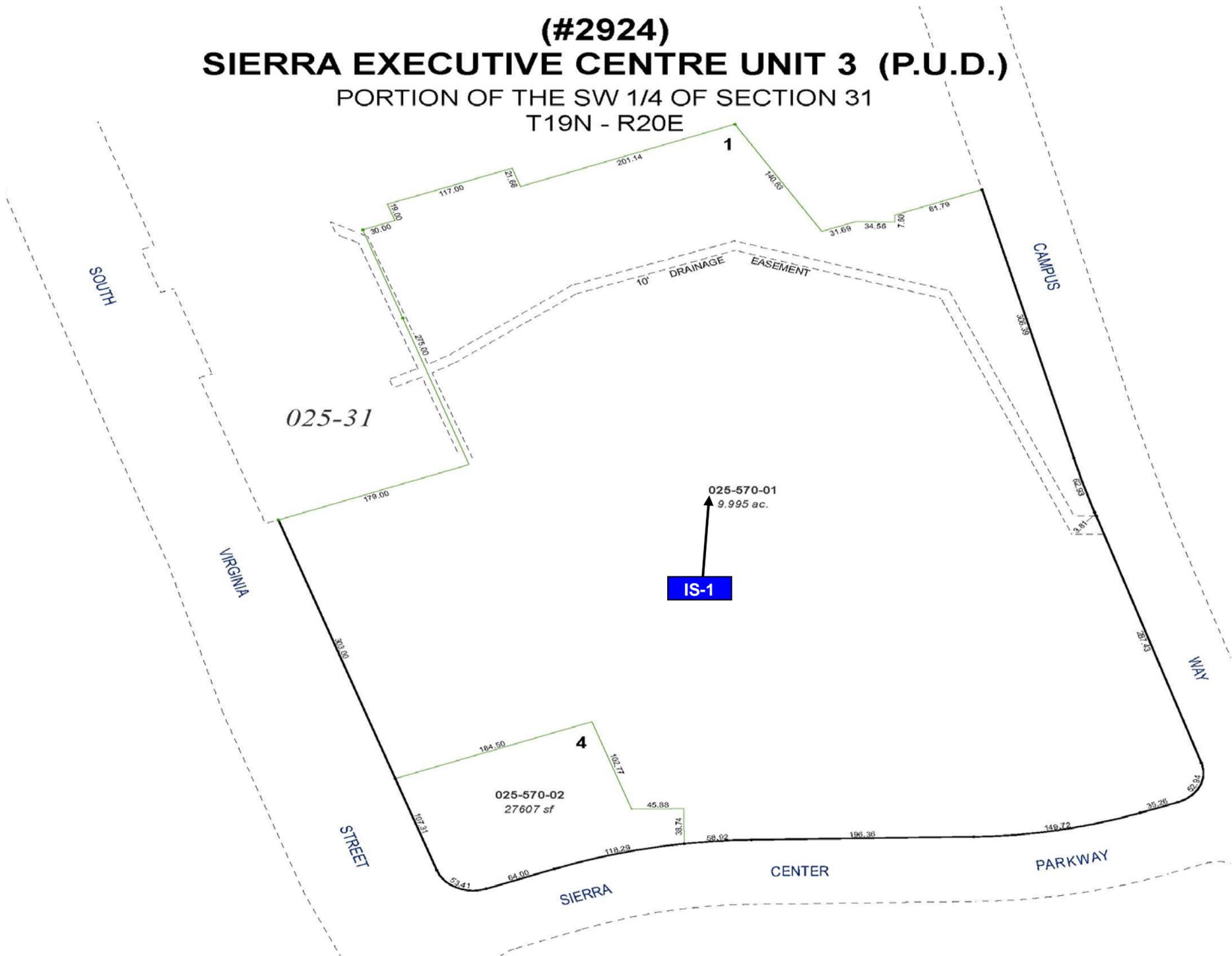
NEIGHBORHOOD MAP

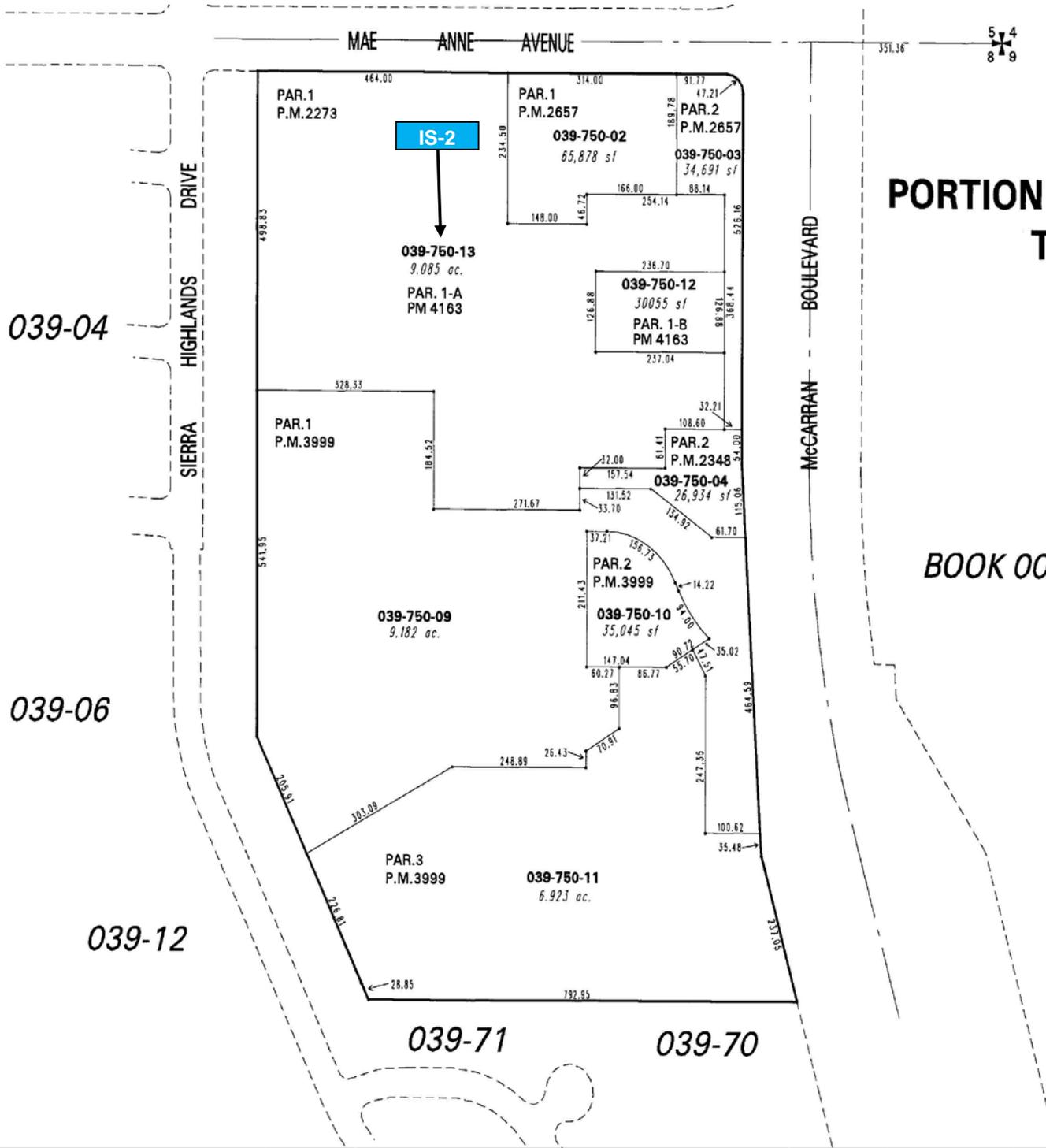


PORTIONS OF THE S 1/2 OF SEC. 3,
AND THE N 1/2 OF SEC. 10,
T19N - R20E



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





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

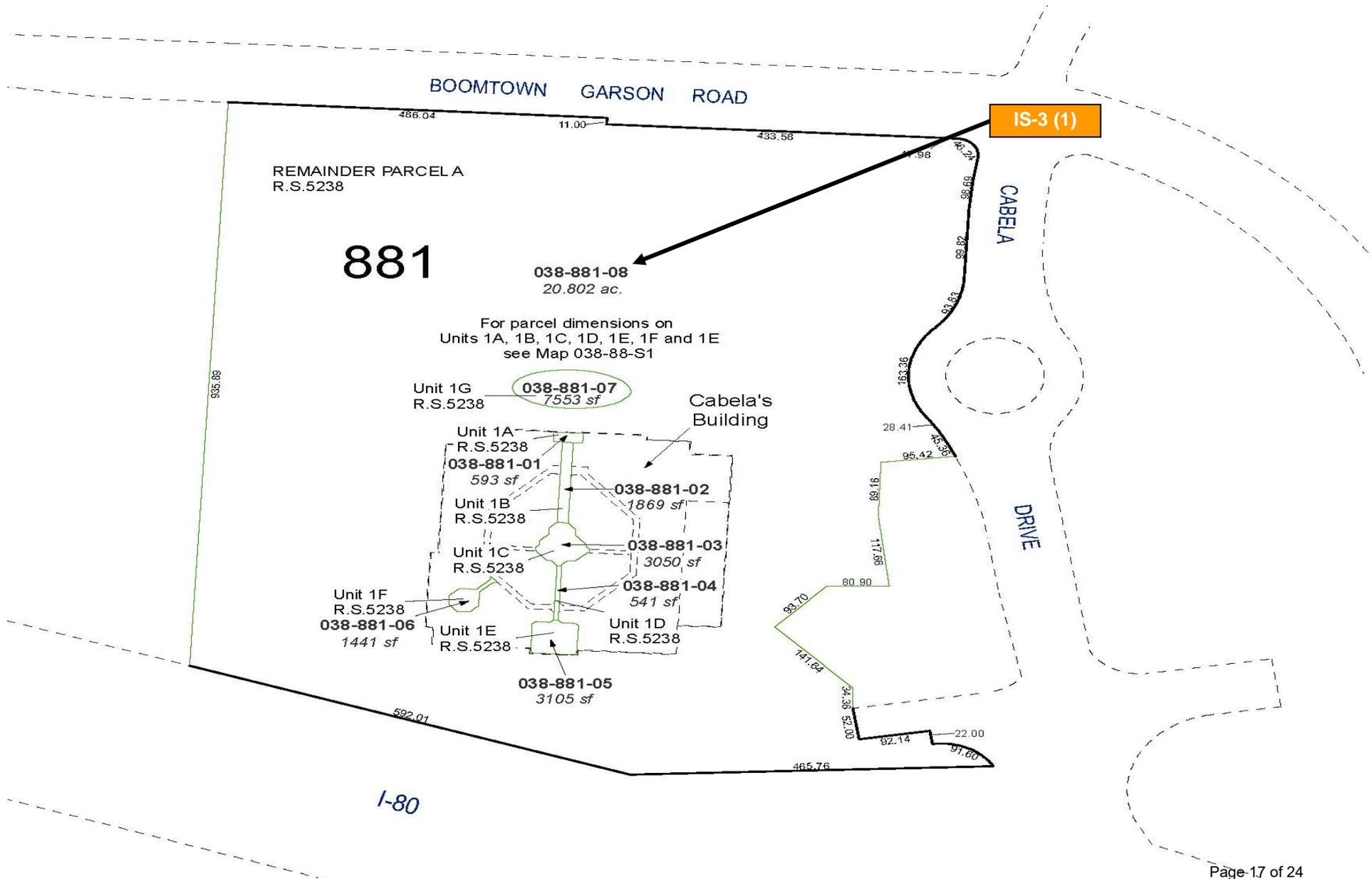
BOOK 005

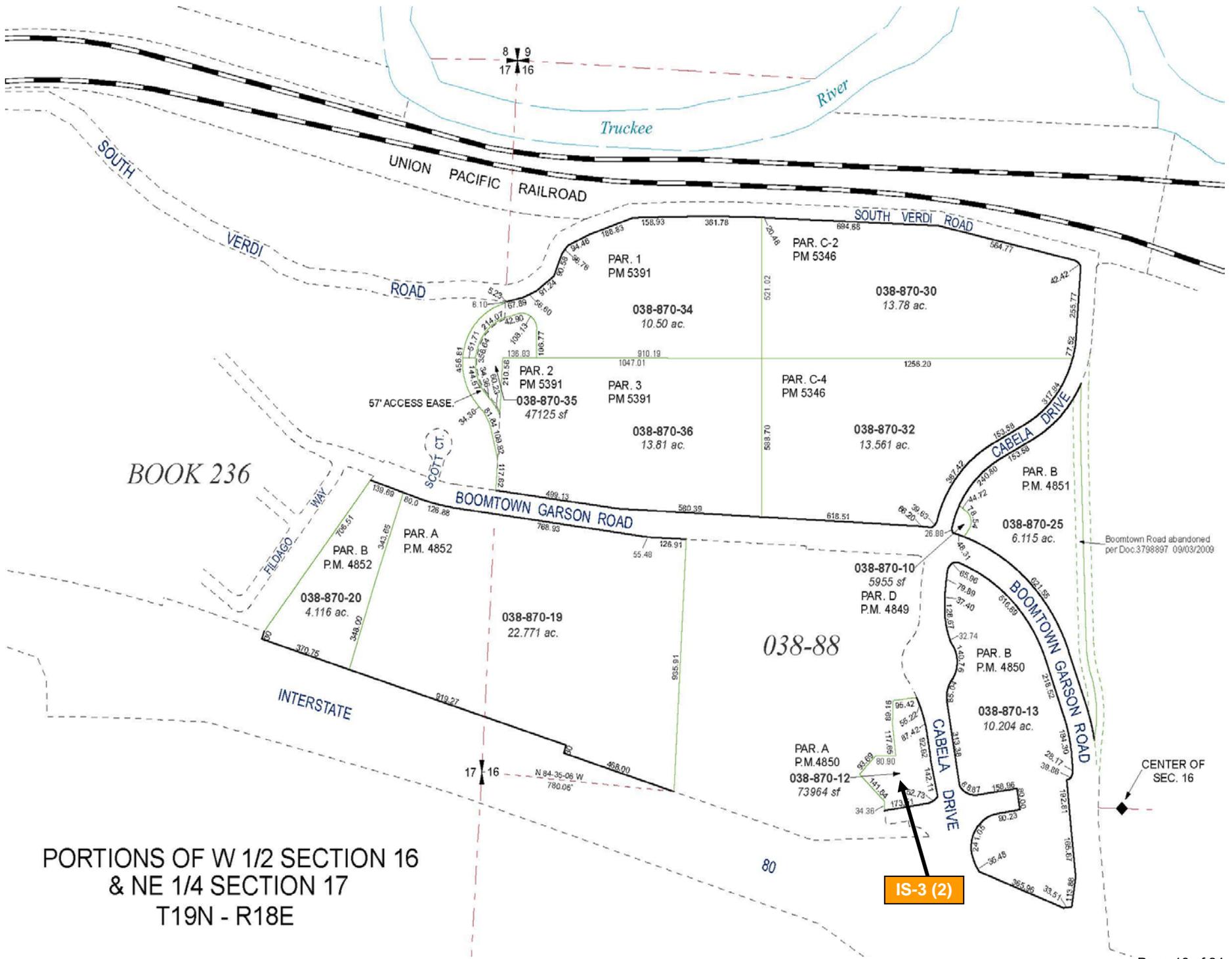


1" = 200'



PORTION OF THE W 1/2 SECTION 16
T19N - R18E

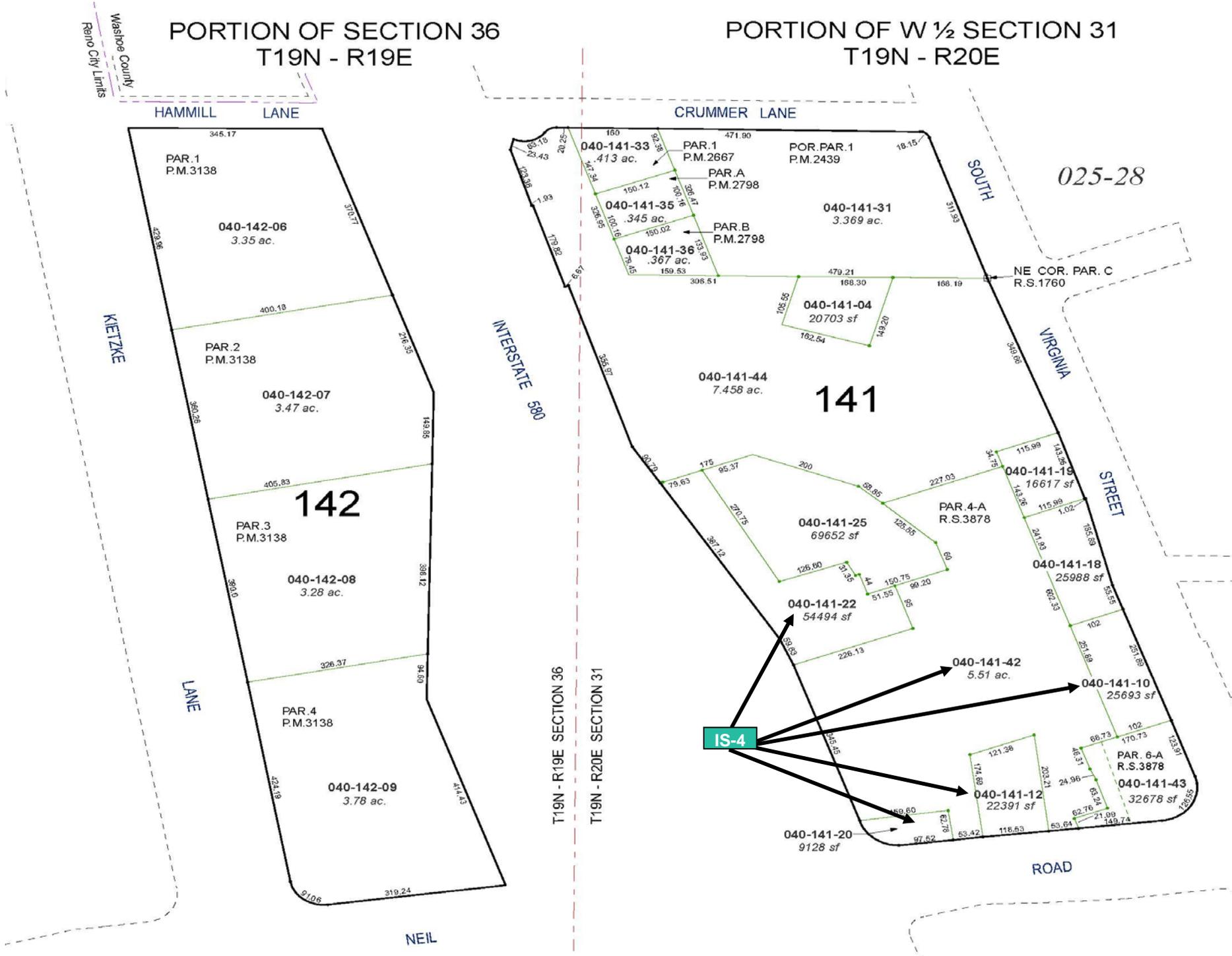




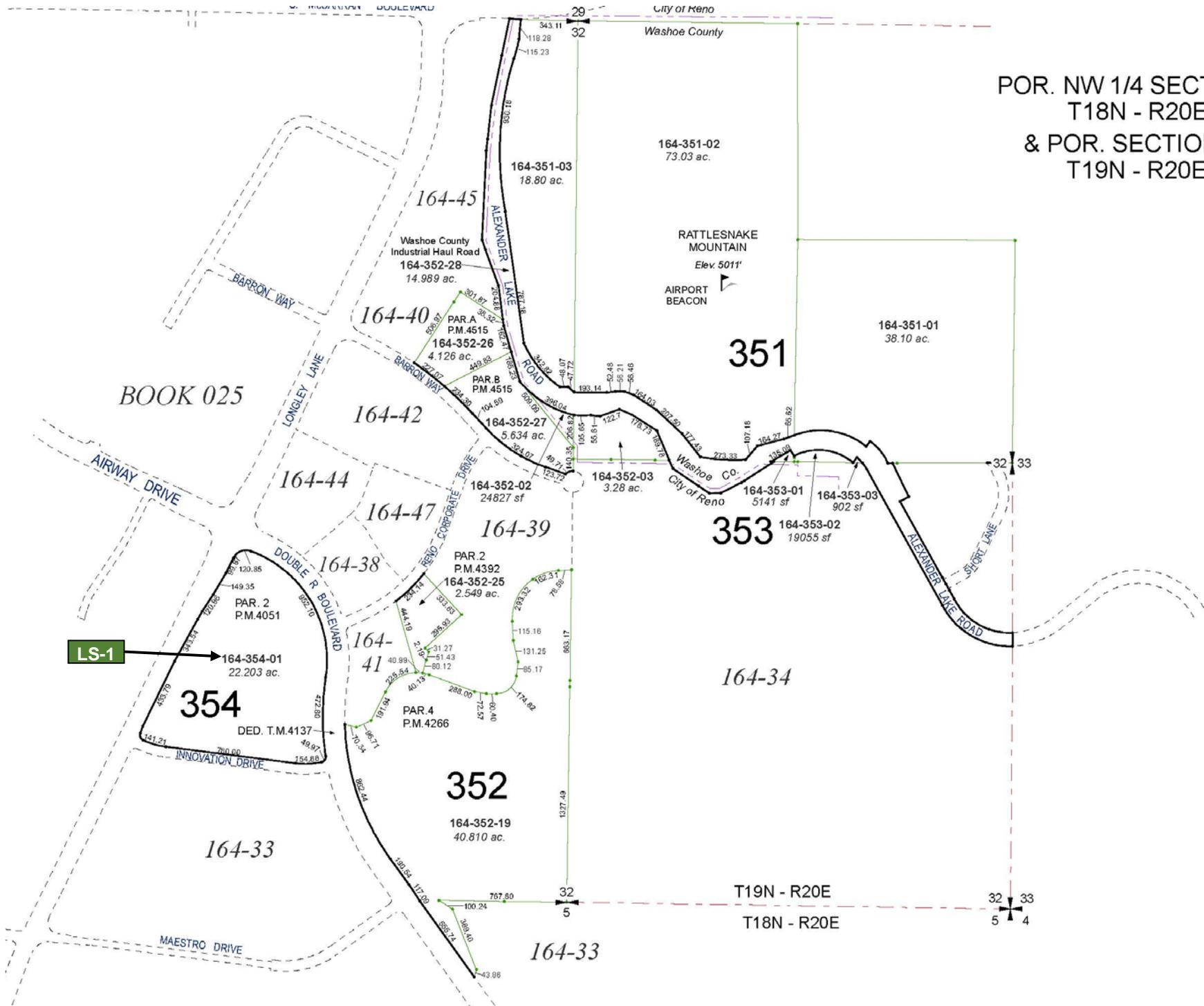
PORTIONS OF W 1/2 SECTION 16
 & NE 1/4 SECTION 17
 T19N - R18E

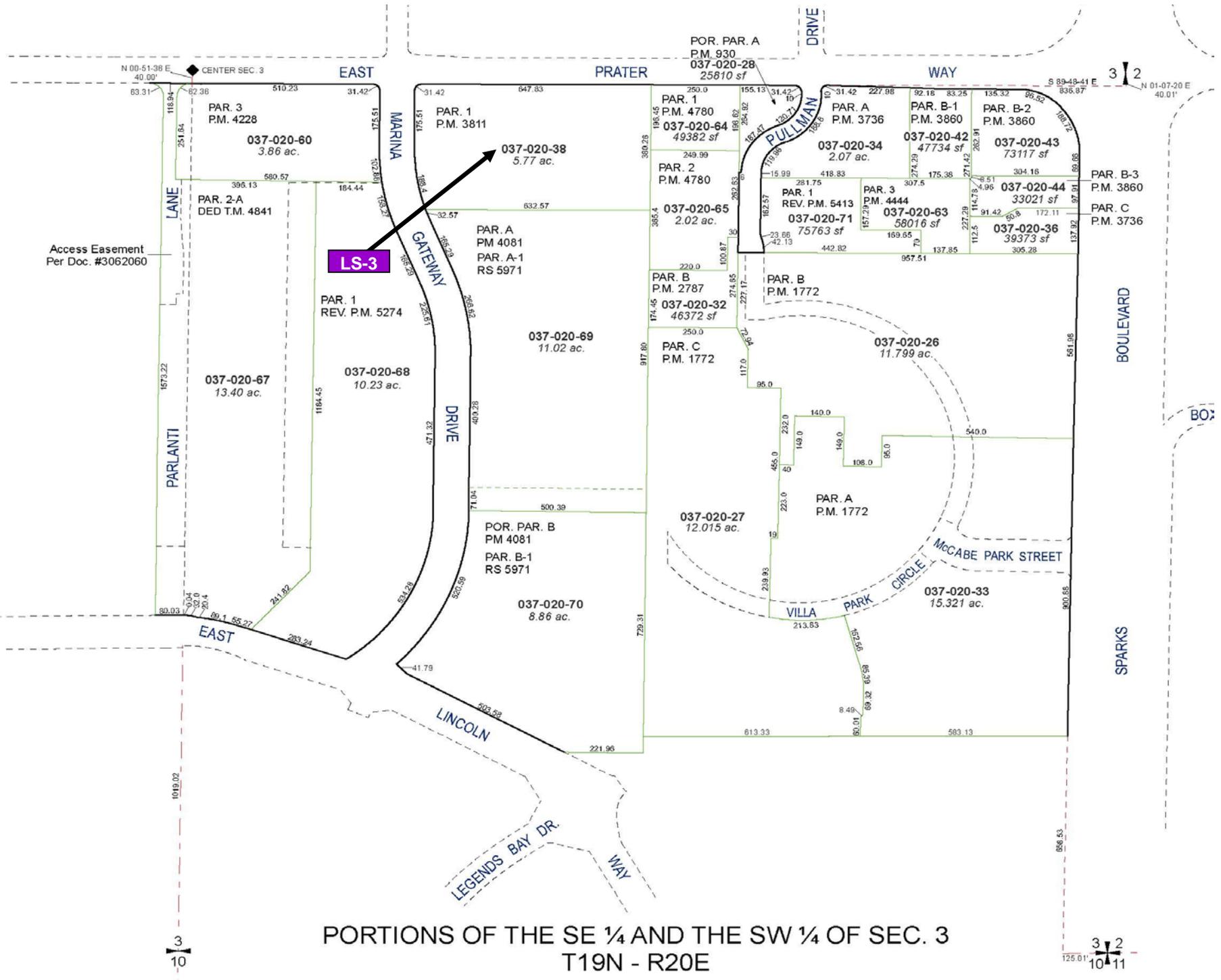
PORTION OF SECTION 36
T19N - R19E

PORTION OF W 1/2 SECTION 31
T19N - R20E



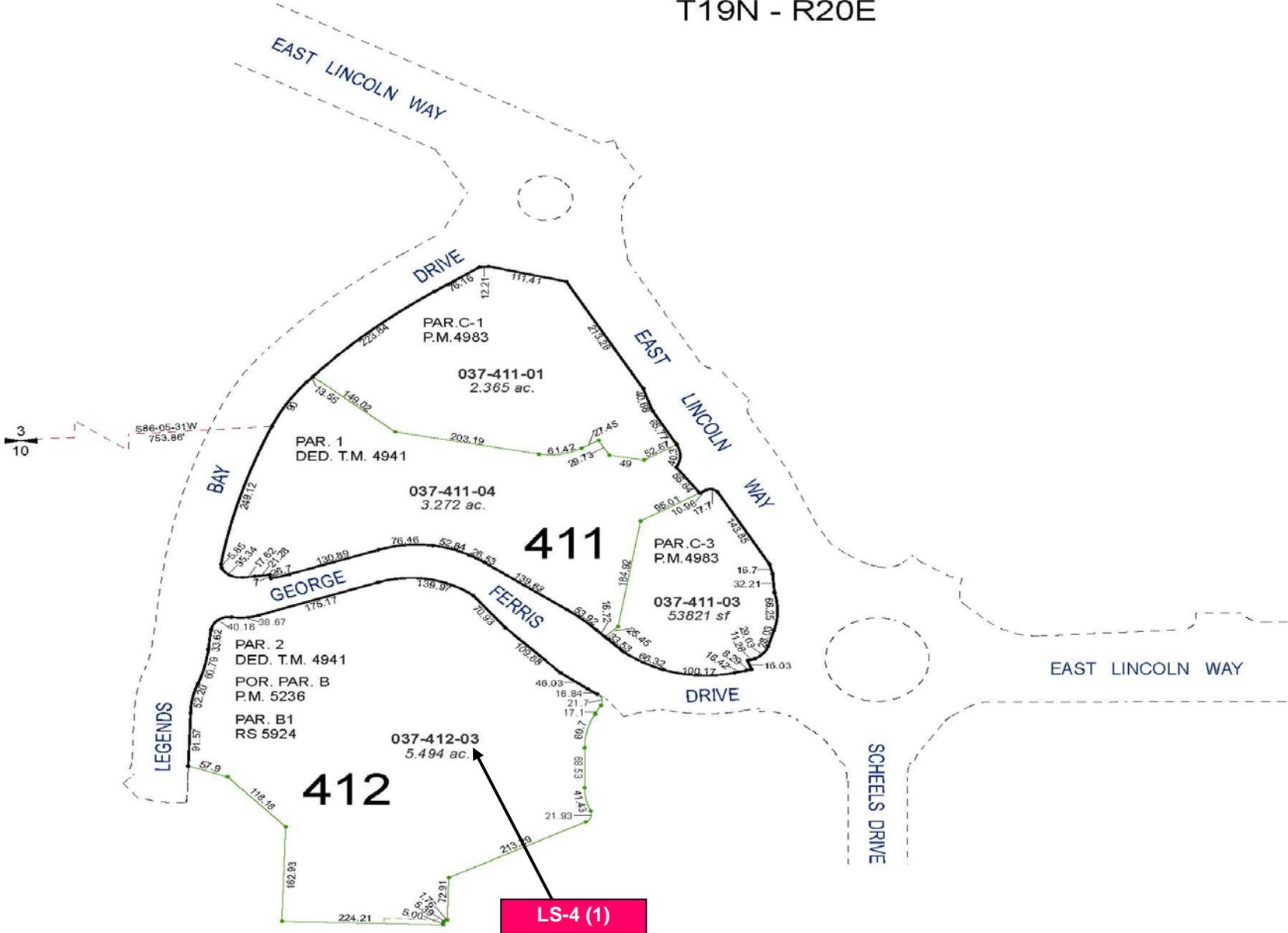
POR. NW 1/4 SECTION 5
T18N - R20E
& POR. SECTION 32
T19N - R20E



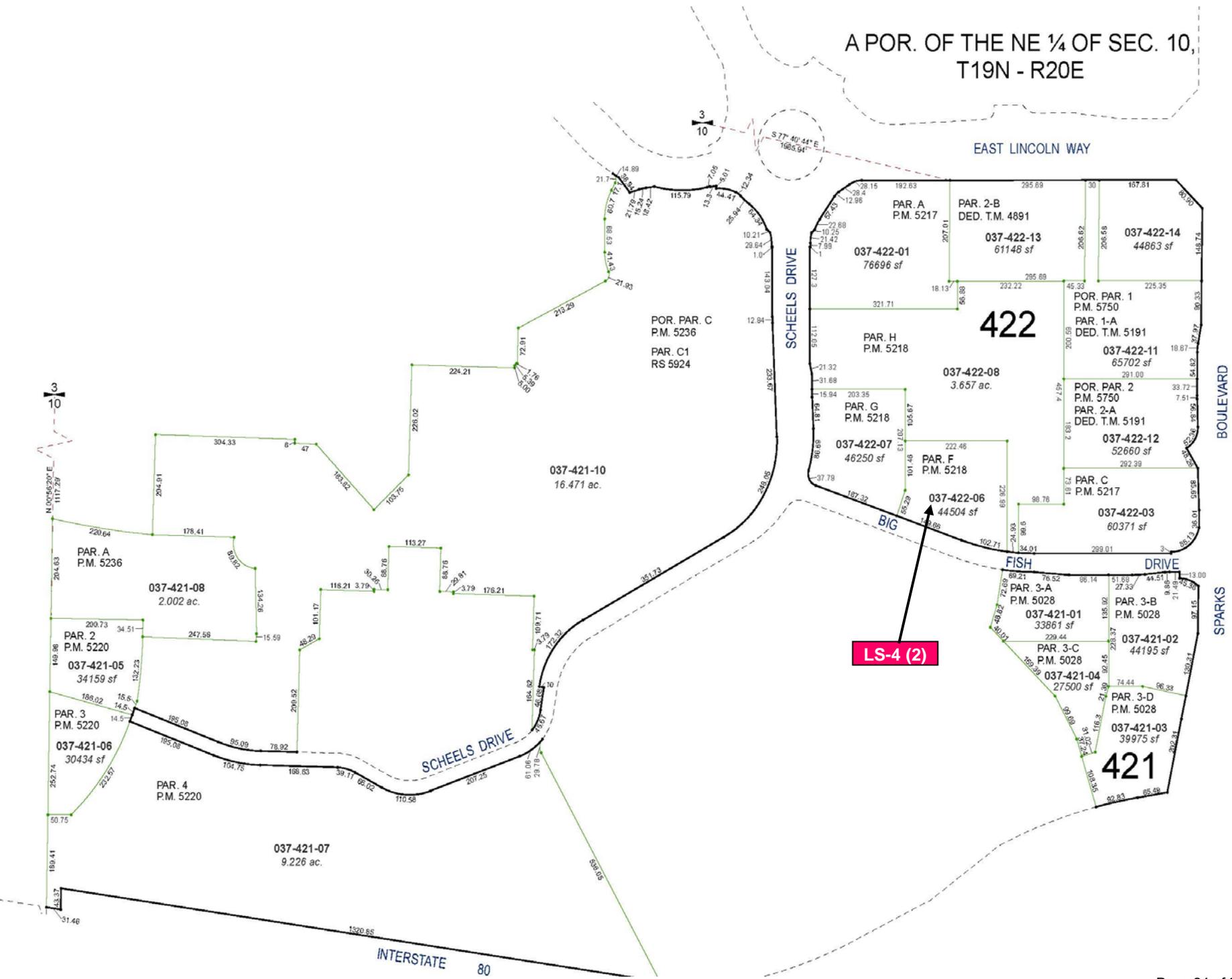


PORTIONS OF THE SE 1/4 AND THE SW 1/4 OF SEC. 3
T19N - R20E

PORTIONS OF THE SE ¼ OF SEC. 3
 AND OF THE NE ¼ OF SEC. 10
 T19N - R20E



A POR. OF THE NE 1/4 OF SEC. 10,
T19N - R20E



LS-4 (2)