

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # 20-0076
Hearing Date 2/20/2020
Tax Year 2020

APN: 024-055-53
Owner of Record: WAL-MART REAL ESTATE BUSINESS TRUST
Property Address: 4855 KIETZKE LN
Property Type: MEGA WAREHOUSE DISCOUNT STORE 100%
Gross Building Area: 208,970
Year Built: 1998
Parcel Size: 17.33 AC
Description / Location: The subject consists of a Walmart in the Firecreek Crossing Shopping Center in the Meadowood Submarket.

2020/21 Taxable Value:	Land:	\$7,472,589
	Improvements:	\$9,948,102
	Total:	<u>\$17,420,691</u>
	Taxable Value / SF	\$83

Sales Comparison Approach:	Indicated Value Range	\$22,900,000
	Indicated Value Range/SF	\$110

Income Approach:	Indicated Value Range	\$22,000,000
	Indicated Value Range/SF	\$105

Conclusions: The subject is a fully functioning building serving its highest and best use as designed by the owner. No under-utilization, functional obsolescence, or deferred maintenance was observed at the property. The sales comparison approach is reconciled to \$22,900,000 or \$110/SF and the income approach yields a value of \$22,000,000 or \$105/SF. Both approaches to value support the current taxable value, which does not exceed full cash value.

RECOMMENDATION: Uphold X Reduce



ASSESSOR'S EXHIBIT I
22 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING:	20-0076
LAND:	\$7,472,589	\$2,615,406	\$/SF GBA	DATE:	2/20/2020
IMPROVEMENTS:	\$9,948,102	\$3,481,836	\$83.36		
TOTAL:	\$17,420,691	\$6,097,242		TAX YEAR:	2020
OWNER: WAL-MART REAL ESTATE BUSINESS TRUST			TAXABLE		
			\$/SF Land		
			\$9.90		

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	024-055-53	4855 KIETZKE LN MEGA WAREHOUSE DISCOUNT STORE	100%	208,970 208,970	MASONRY BRNG CONCRETE BLOCK	C25		1998 20	754,808 28% AC				

IMPROVED SALES													
IS-1	025-570-01	6590 S VIRGINIA ST Home Depot	100% Discount WH Store	102,832	Con.Tilt	1.5	102,832	1993	435,382 24% MUSV	\$14,975,000* 4/26/2018	\$145.63	\$982,800 NA NA	\$933,660 5.84%
IS-2	039-750-13	5150 MAE ANNE AVE Kohls	100% Discount Store	94,213	Con. Blk	2.0	94,213	1990	395,742 23% AC	\$9,350,000 9/12/2017 1SVR	\$99.24	\$656,250 NA NA	\$636,250 6.80%
IS-3	038-881-08 038-870-12	8650 BOOMTOWN GARSON RD Cabela's	100% WH Show Store	127,616	Con. Precast Panel	3.0	127,616	2007	980,100 13% AC	\$26,213,000 5/14/2019	\$205.41	NA NA NA	NA NA NA

LAND SALES													
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	\$/sf	Tax/Unit	Zoning	Comments				
LS-1	140-212-01	1175 STEAMBOAT PKWY	03/09/18	\$10,800,000	19.895	\$12.46	NA	PUD	Located on SE corner of Damonte Ranch and Steamboat Parkway across from RC Willey & Home Depot. PUD zoning allows for mixed land uses. Purchased for senior living community.				
LS-2	025-480-44	6550 LONGLEY LANE	03/08/18	\$4,238,823	14.86	\$6.55	NA	IC	Located on SW corner of Double R Blvd and Longley Ln. IC zoning allows light industrial and commercial land use. Industrial flex building constructed.				
LS-3	164-354-01	647 INNOVATION DR	08/22/19	\$16,708,928	22.203	\$17.28	NA	PUD	Bordered by Longley Lane, Double R Blvd, and Innovation Dr. IC zoning was changed to PUD before transaction. Purchased by Universal Health Services who runs and operates Northern Nevada Medical Center. Proposed project is a 4-story hospital with medical offices, and parking garage.				
LS-4	163-090-26	9200 DOUBLE R BLVD	04/27/18	\$6,534,000	15.000	\$10.00	NA	PUD	Parcel is located in PUD which allows for a variety of commercial uses. Topography will require extensive fill and groundwork. Buyer is a known apartment developer.				

COMMENTS:
SEE ATTACHED COMMENTS SECTION

COMMENTS:

Improved Sales:

IS-1: Home Depot located on South Virginia Street that had ~6 years remaining on current lease at time of sale. Contract rent of \$0.80/SF is approximately \$0.15/SF above market rent. Consequently, a property rights adjustment of -\$1,005,000 is made for the excess rent. The adjusted sale price of \$14,975,000 or \$145/SF reflects the fee simple value. Buyer is a REIT that specializes in single tenant, free-standing retail properties and stated that this was an arms-length transaction.

IS-2: Kohl's had nine years remaining on a 20-year lease. They have six 5-year options, with rent escalations every five years. This was part of a 1031 tax deferred exchange. Market financing on this transaction. Contract rent of \$0.58/SF is within range of market for this property.

IS-3: Cabela's was purchased by a joint venture led by Sansome Pacific which acquired 11 Bass Pro Shops for \$324.3 million. This was a sale-leaseback deal with the lease term reported to be 25 years. Purchase included adjacent 1.698 AC parcel that is considered surplus land.

Improved Sales Conclusion:

The comparable sale prices range from \$99/SF to \$205/SF. Like the subject, IS-1 is a first-generation retail space designed specifically for the tenant, Home Depot. After adjusting the sale price for excess rent, the \$14,975,000 or \$145/SF adjusted sale price reflects a fee simple value for a well located big-box store. However, an additional adjustment is necessary for the relatively small size of IS-1's building (102,832 SF) when compared to the subject (208,970 SF). Due to the differences in building size, IS-1 is considered a high indicator of value. Like the subject property, IS-2 is also a free-standing, single-tenant, retail building. The subject's multi-use characteristics (i.e. grocery, pharmacy, garden & home center, vision center, hair salon, nail salon, juice shop, tire/lube center, bank branch, and Wendy's) are superior to IS-2's department store use. While the Kohl's comp would require a downward adjustment for building size, an upward adjustment is necessary for use. Overall, IS-2 is considered a low indicator of value. IS-3 was part of a portfolio purchase of 11 Bass Pro Shop stores. This was a sale-leaseback transaction with a lease term of 25 years. Cabela's design, quality, and interior finishes are superior to the subject and would require a downward adjustment. An additional downward adjustment is necessary for Cabela's smaller building size (127,616 SF). However, the West Reno location is outside of the city core and has significantly less residential density within a five-mile radius. Consequently, an upward adjustment is warranted for inferior location. Based on IS-3's building attributes and size, it is considered a high indicator of value. If IS-1 and IS-2 are given the most weight in the analysis, they bracket the subject value between \$99/SF and \$145/SF. Due to building size differences between the comps and subject, a market value in the mid to low end of the range is supported. The sales comparison approach is reconciled to a value of \$110/SF or \$22,900,000.

Land Sales:

The subject parcel is located in the Fieldcreek Shopping Center in the Meadowood Submarket. In addition to the strong demographics of southwest Reno, the subject is in one of the main regional shopping areas of Reno/Sparks. Meadowood Mall is less a mile to the east and major arterial routes such as South McCarran Boulevard, South Virginia Street, and Interstate 580 are in close proximity to the subject. The McCarran On/Off ramp with Interstate 580 is less than a quarter of a mile to the southeast. The subject enjoys excellent access from Redfield Parkway and Kietzke Lane. Overall, this is considered a prime retail location. The comparable land sales share many of the subject's locational characteristics and retail/commercial land use, and the comps establish a value range between \$6.55/SF and \$17.28/SF. However, the sale at the low end of the range (LS-2) was purchased for industrial/flex use, which is inferior to the subject and considered a low indicator of value. The market value of the subject likely falls in the middle of the established range,

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING: <u>20-0076</u>
LAND:	\$7,472,589	\$2,615,406	\$/SF GBA	DATE: <u>02/20/20</u>
IMPROVEMENTS:	\$9,948,102	\$3,481,836	\$83.36	
TOTAL:	\$17,420,691	\$6,097,242		TAX YEAR: <u>2020</u>
APN: 024-055-53			TAXABLE	
OWNER: WAL-MART REAL ESTATE BUSINESS TRUST			\$/SF Land	
			\$9.90	

Income Approach				
Potential Gross Income	208,970 sq ft. @	\$0.60 /mo =	\$125,382	
	sq ft. @	/mo =	\$0	
	sq ft. @	/mo =	\$0	
			\$125,382	
	x 12 months =		12	
			\$1,504,584	
- Vacancy & Collection loss		0%	\$0	
= Effective Gross Income			\$1,504,584	
- Operating Expenses		5%	\$75,229.20	
=Net Operating Income			\$1,429,355	
Divided by Overall Capitalization Rate		6.50%	\$21,990,074	
		Rounded	\$105 /sf GBA	

Subject Income Information: The subject is an owner occupied Wal-Mart Supercenter located in the Meadowood Submarket. The petitioner did not provide any data regarding store performance or gross sales.

Potential Gross Income: A survey of big box and grocery store rents in Washoe County was conducted to estimate the PGI for the subject property (See Attached). The box store rents range from \$0.42/SF-\$0.79/SF with a median of \$0.62/SF, while the grocery store rents range from \$0.75/SF to \$1.25/SF with a median of \$1.17/SF. The subject's construction provides for multiple uses that include: grocery; pharmacy; garden & home center; vision center; hair salon; nail salon; juice shop; tire/lube center; bank branch; and Wendy's. While many of these uses would warrant a rent at the top end of the range, a downward adjustment for size is necessary. Based on the subject's multi-use construction, age, size, and location, a market rent of \$0.60/SF is supported.

Effective Gross Income: Although most Wal-Mart stores are owner occupied, triple net lease structures are standard when Wal-Mart is the tenant. For high performing, well located stores, a lease term of at least 10 years with multiple options is common. Wal-Mart is a well-capitalized, credit tenant and would be considered a low risk to default on leasing terms. As a result, a vacancy/credit loss deduction is not necessary.

Net Operating Income: The owner of a building leased by Wal-Mart would have minimal expenses. A 5% deduction for operation expenses is made to account for miscellaneous expenses and reserves for replacement.

Capitalization Rate Analysis: Box retail and shopping center capitalization rates for Washoe County are provided in the Retail Capitalization Chart (See Attached). Similar to the Subject, the Home Depot and Kohl transactions represent free-standing, single-tenant, net leased properties. The cap rates for these deals range between 5.84% and 6.80%. Since the contract rent at the Kohl's is market rent for a department store, it is likely a better indicator of local cap rate than the Home Depot. However, the credit risk associated with Wal-Mart is anticipated to be lower. Although not used in the Sales Comparison analysis, further evidence of cap rates for big box sales with credit tenants is also provided on the chart. The sales consist of 2 Wal-Marts and 1 Lowe's in California and 1 Home Depot in Las Vegas. The cap rates for these regional big box sales range from 5.21% to 6.00% with a median of 5.51%. Based on the market data, a cap rate of 6.5% for the subject property is supported.

Indicated Value Income Approach: The value indicated by the income approach is \$22,000,000 or \$105/SF.

Comments: As of the lien date, the subject is a fully functioning building serving its highest and best use as designed by the owner. No under-utilization, functional obsolescence, or deferred maintenance was observed at the property. The leased fee interest at market rates is equivalent to the fee simple value.

APPRAISAL RECORD



APN: **024-055-53**

2020

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ACTIVE

Roll YR

Code

%Comp

Situs 4855 KIETZKE LN RENO Database PROD NBHD AIDQ Appr WJ Exemption AV|Exemption
 Owner WAL-MART REAL ESTATE BUSINESS TRUST Printed 2/7/2020 Commercial
 PO BOX 8050 BENTONVILLE, AR 72712 Tax District 1000
 Property Name FIRECREEK CROSSING

Reopen			
Reappraisal			

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	7,472,589		9,948,102		17,420,691	6,097,242	Land Value	7,472,589			
2020 NR	7,472,589		9,948,102		17,420,691	6,097,242	Building Value	8,882,624			
2019 FV	7,472,589		9,587,047		17,059,636	5,970,873	XFOB Value	1,065,478	Initials/Date		
2018 FV	7,548,070		9,576,614		17,124,684	5,993,639	Obsolescence	0			
2017 FV	7,548,070		9,674,994		17,223,064	6,028,072	Taxable Value	17,420,691	New Const	<input type="checkbox"/> NC <input type="checkbox"/> C	<input type="checkbox"/> New Sketch
2016 FV	7,548,070		9,873,906		17,421,976	6,097,692	Total Exemption		New Land		
2015 FV	7,548,070		9,911,198		17,459,268	6,110,744			Remainder		

Building Data													
1-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	COMM	Commercial/Industria	BUILDING LEVEL			SHP	1	SQUARE/RECTANGULAR	100				
Occ	720	Mega Warehouse Disco	Rate Adj			ST	1	No of Stories	100				
Stry/Frm	C	MSNRY BRNG ~ MASONRY	Lump Sum			WH	20	Avg Wall Height/Floor	100				
Quality	C25	Commercial 2.5 (Abov				EW	812	CONCRETE BLOCK	100				
Year Built	1995		PARCEL LEVEL			HEAT	611	PACKAGE UNIT	100				
WAY	1998		Lump Sum	0									
Remodel Yr			%Obso	0.0000									
% Comp	100	%DPR 33.0											

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
GBA	GROSS BUILDING A			208,970	58.49	12,222,655	1	CRBC	CONC CURB	30	1	1,400	14.19	1995		100	19,866	12,416		
							2	DKLV	DOCK LEVEL	30	1	7	8,424.00	1995		100	58,968	36,855		
							3	FNI2	FN IRON-AV	30	1	334	16.98	1995		100	5,671	3,545		
							4	FWAS	FW ASPHALT	30	1	450,000	2.00	1995		100	899,820	562,388		
							5	FWCO	FW CONCRET	30	1	21,458	4.59	1995		100	98,492	61,558		
							6	LC2	LATTICE 2	30	1	981	14.26	1995		100	13,989	8,743		
							7	PKLT	PKG LOT LI	30	1	450,000	0.69	1995		100	310,500	194,063		
							8	TKW4	TK CON W/R	30	1	8,050	19.66	2003		100	158,263	117,906		
							9	TRS2	TRASH CO B	30	1	360	27.32	1995		100	9,835	6,147		
Gross Living Area 208,970		Perimeter	4,100	Sub Area RCN 12,222,655		10	WLCB	WALL CO BL	30	1	2,500	16.46	2003		100	41,150	30,657			
Building Notes				Building Cost Summary				11	YIMP	YARD IMPS	30	1	30	1,664.00	1995		100	49,920	31,200	
				Building RCN				12,222,655												
				Depreciation				4,033,476												
				Building DRC				8,189,179												
				Extra Feature DRC				1,065,478												
				Building Obso																
Building Name				Total DRC				9,254,657												
FIRECREEK CROSSING				Override Value																

Land Value: 1 Lines Total												Land Data		Property Characteristics	
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Land Size-Sf		Water	Municipal
400	General Commercial: reta	AC	754,807	SF2	11.00	SIZE		90				7,472,589	WALMART PARC VAL TOGETHER	Sewer	Municipal
												Acre Size	17.328	Street	Paved
												DOR Code	400	SPC	
												Deferment			
												CAGC			

APPRAISAL RECORD

APN: **024-055-53**

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Owner **WAL-MART REAL ESTATE BUSINESS TRUST**

NBHD **AIDQ Commercial**

Appr **WJ**

Keyline Description **PM 4095 LT 3**



Activity Information						
Date	User ID	Activity Notes				
9/10/2019	WJ	Re-appraisal Review Permit Review Aerial Review				
4/18/2019	WJ					
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
WAL-MART STORES INC,	3142098	12/13/2004	400		0	3BGG
WAL-MART STORES INC,	2928144	9/24/2003	400		0	4BV
WAL-MART STORES INC,	2898304	8/1/2003	180		0	4BV
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
10/22/2019	BLD20-00371	REMODEL. ADD GATES WITH OV	30,000	A		
9/19/2019	BLD19-10712	REMODEL. REMOVE AND REPLA		A		
10/10/2018	BLD19-03050	FIRE SPRINKLER SYSTEM; INS		C		100%
9/19/2018	BLD18-10736	REMODEL; REMOVE, RELOCATE		C		100%
8/28/2018	SGN19-01225	SIGN; INSTALL 1 EACH SET O		C		100%

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APPRAISAL RECORD



APN: 024-055-53

2020

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ACTIVE

Roll YR

Code

%Comp

Situs 4855 KIETZKE LN RENO Database PROD NBHD AIDQ Appr WJ Exemption AV|Exemption
Owner WAL-MART REAL ESTATE BUSINESS TRUST Printed 2/7/2020 Commercial
PO BOX 8050 BENTONVILLE, AR 72712 Tax District 1000
Property Name FIRECREEK CROSSING

Reopen

Reappraisal

Valuation History

Parcel Value Summary

OBSO

☐ Change☐ No Change

Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD	NewLand
2020 VN	7,472,589		9,948,102		17,420,691	6,097,242	Land Value	7,472,589	
2020 NR	7,472,589		9,948,102		17,420,691	6,097,242	Building Value	8,882,624	
2019 FV	7,472,589		9,587,047		17,059,636	5,970,873	XFOB Value	1,065,478	
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2017 FV	7,548,070		9,674,994		17,223,064	6,028,072	Taxable Value	17,420,691	
2016 FV	7,548,070		9,873,906		17,421,976	6,097,692	Total Exemption		
2015 FV	7,548,070		9,911,198		17,459,268	6,110,744			

Parcel Total

☐ NC☐ C☐ 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	40	Good									
Year Built	1995		PARCEL LEVEL								
WAY	1998		Lump Sum	0							
Remodel Yr			%Obso	0.0000							
% Comp	100	%DPR	33.0								

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			16,295	63.52	1,034,993														

Gross Living Area Perimeter Sub Area RCN 1,034,993

Building Notes Building Cost Summary

Building RCN	1,034,993
Depreciation	341,548
Building DRC	693,445
Extra Feature DRC	
Building Obso	
Building Name	Total DRC 693,445
FIRECREEK CROSSING	Override Value

Land Value: 1 Lines Total

Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Data	Property Characteristics
												Land Size-Sf 754,807	Water Municipal
												Acre Size 17.328	Sewer Municipal
												DOR Code 400	Street Paved
												Deferment	SPC
												CAGC	

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APPRAISAL RECORD

APN: **024-055-53**

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Owner **WAL-MART REAL ESTATE BUSINESS TRUST**
Keyline Description **PM 4095 LT 3**

NBHD **AIDQ Commercial**

Appr **WJ**

Activity Information						
Date	User ID	Activity Notes				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
WAL-MART STORES INC,	3142098	12/13/2004	400		0	3BGG
WAL-MART STORES INC,	2928144	9/24/2003	400		0	4BV
WAL-MART STORES INC,	2898304	8/1/2003	180		0	4BV
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
7/1/2009	BLD09-05400	TENANT IMPS		C	100%	
6/8/2009	BLD09-05052	FIRE SPRKLR		C	100%	
	LDP07-03009	REMODEL		C	100%	
	03-07974	TENANT IMPS		C	100%	
	206164	ADDITION		C	100%	

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Box Store Rent Survey

#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	Lease Type	Comments
Market Rents							
	Undisclosed (Spanish Springs Community Shopping Center)	Retail Store	20,000-25,000 2007	9/1/2018 10 Year	\$0.69	NNN*	*Rent adjusted downward \$0.15/SF to reflect NNN; Landlord provided \$7.00/SF TI allowance and 5 months free rent; Options exist at end of term;
	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	15,000-20,000 1980	9/2018 10 Year	\$0.62	NNN	Significant capitol improvements were completed by owner prior to occupancy; tenant responsible for interior TI's; 10% rent escalation after 5 years; Five (5) options; Tenant received 4 months free rent.
	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	35,000-40,000 1980	9/2018 10 Year	\$0.42	NNN	Significant capitol improvements were completed by owner prior to occupancy; tenant responsible for interior TI's and store front; 10% rent escalation after 5 years; Five (5) options; Tenant received 3 months free rent.
	1350 Disc Drive, Suite A 035-263-09	Big Lots	32,285 1996	8/1/2018 10 Year	\$0.50	NNN	Landlord contributed ~\$900,000 in TI's. Rent is flat except for one 10% escalation after 5 years.
	125-165 Disc Drive, Ste. DM-2 510-083-09	Marshall's Home Goods	40,150 2006	8/9/2018 10 Year	\$0.63	NNN	Landlord responsible for TI's; Rent flat for first 5 years then a \$0.04/SF bump for final final 5 years; \$0.15/SF CAM also increases \$0.04/SF after 5 years.
Market Rent Median:					\$0.62		
Contract Rents							
	2863 Northtowne Lane 026-182-38	Former Wal-Mart Teleperformance tenant (Call Center)	42,780 1994	11/2015 6 Year	\$0.79	NNN	Tenant paid for TI's; rent escalations exist; options exist to extend lease agreement to 12 years; tenant responsible for parking lot maintenance.
	2863 Northtowne Lane, Unit C 026-182-38	Former Wal-Mart Planet Fitness tenant	18,526 1994	11/2015 NA	\$0.75	NNN	Tenant paid for TI's; Improvements will include gym and spa.
	5150 Mae Anne Avenue 039-750-13	Kohl's	94,213 1990	2006 20 Year	\$0.58	NNN	Seven years remaining on current lease; Tenant has six 5-year options with rent escalations every 5 years.
	6590 S. Virginia St 025-570-01	Home Depot	102,832 1993	1993 30 Year	\$0.80	NNN	No percentage rent; lease expires 2024
Contract Rent Median:					\$0.77		

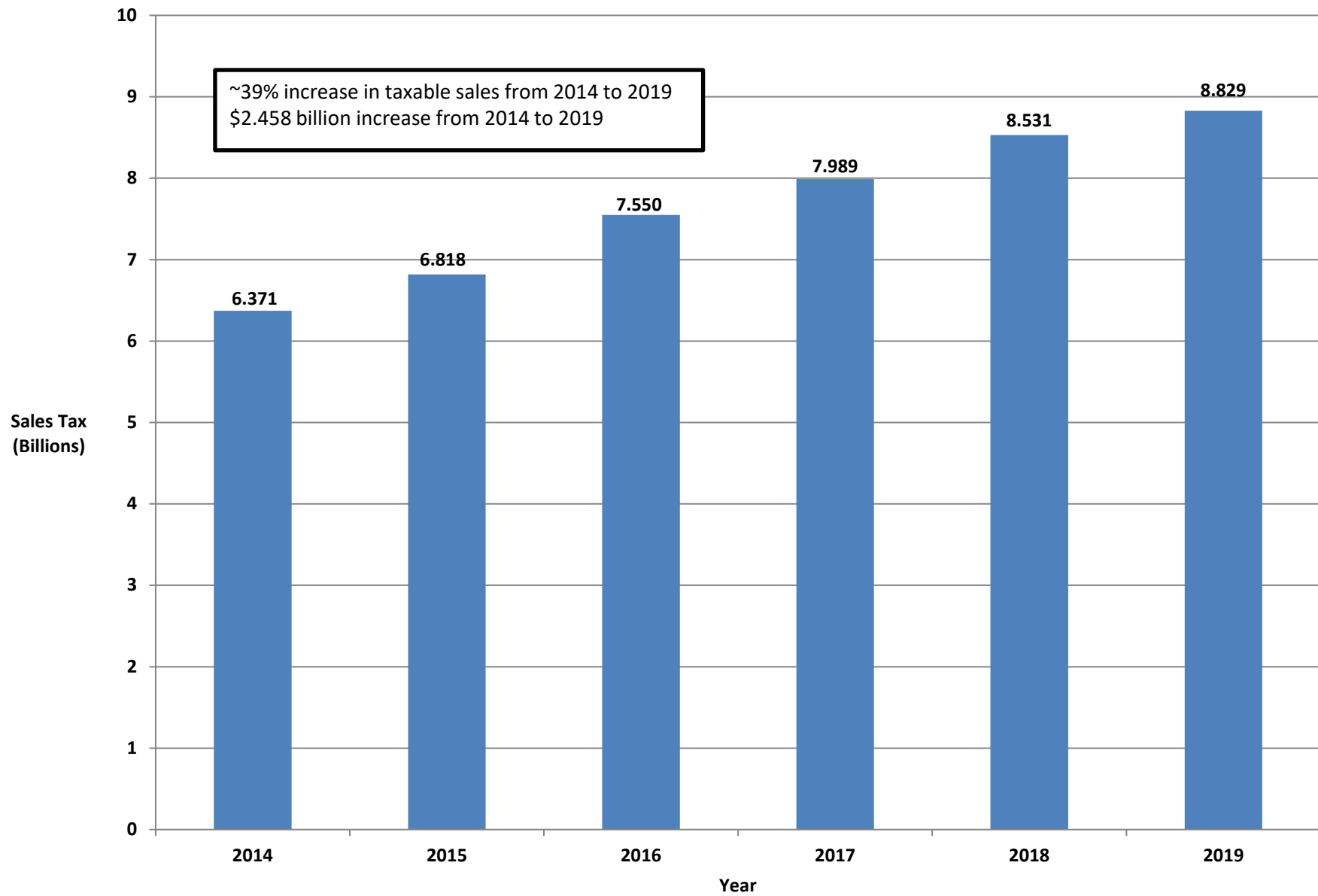
Grocery Store Rent Survey

#	Location	APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	Lease Type	Comments
Market Rents								
	8165 S. Virginia St 043-030-34		Lee's Discount Liquor	23,411 1987	06/25/2019 3 Year	\$1.25	NNN	Former Scolari's demised into 2 spaces
	1350 Disc Drive, Suite A 035-263-09		Grocery Outlet	20,416 1996	11/1/2017 10 Year	\$0.75	NNN	Landlord contributed ~\$600,000 in TI's. Rent is flat except for one 10% escalation after 5 years.
	125-165 Disc Drive, Ste. DM-1 510-083-09		Sprouts	30,000 2006	9/2016 5 Year	\$1.17	NNN	Landlord responsible for TI's; 2% escalations
Market Rent Median:						\$1.17		
Contract Rents								
	4819 Kietzke Lane 024-055-33		Natural Grocers	31,850 1996	2/2014 10 Year	\$0.67	NNN	Landlord contributed ~\$17/SF in TI's; 2% rent escalations
	2389 Wingfield Hills Road 528-321-06		Wingfield Springs Roleys Supermarket	58,299 2008	2008 25 years	\$1.39	NNN	5 year options
	18144 Wedge Parkway 049-731-10		Galena Junction Roleys Supermarket	61,554 1996	1996 25 years	\$0.89	NNN	Current lease has 3+ years left; Tenant has three 5-year options; percentage rent of 1% for gross receipts greater than \$30 million.
	3310 S McCarran Blvd. 021-281-12		Mira Loma Raley's Supermarket	36,000 1985	2005 20 years	\$1.00	NNN	Former Scolari's now occupied by Raley's; Owner hopes renegotiate lease at next renewal.
Contract Rent Median:						\$0.99		

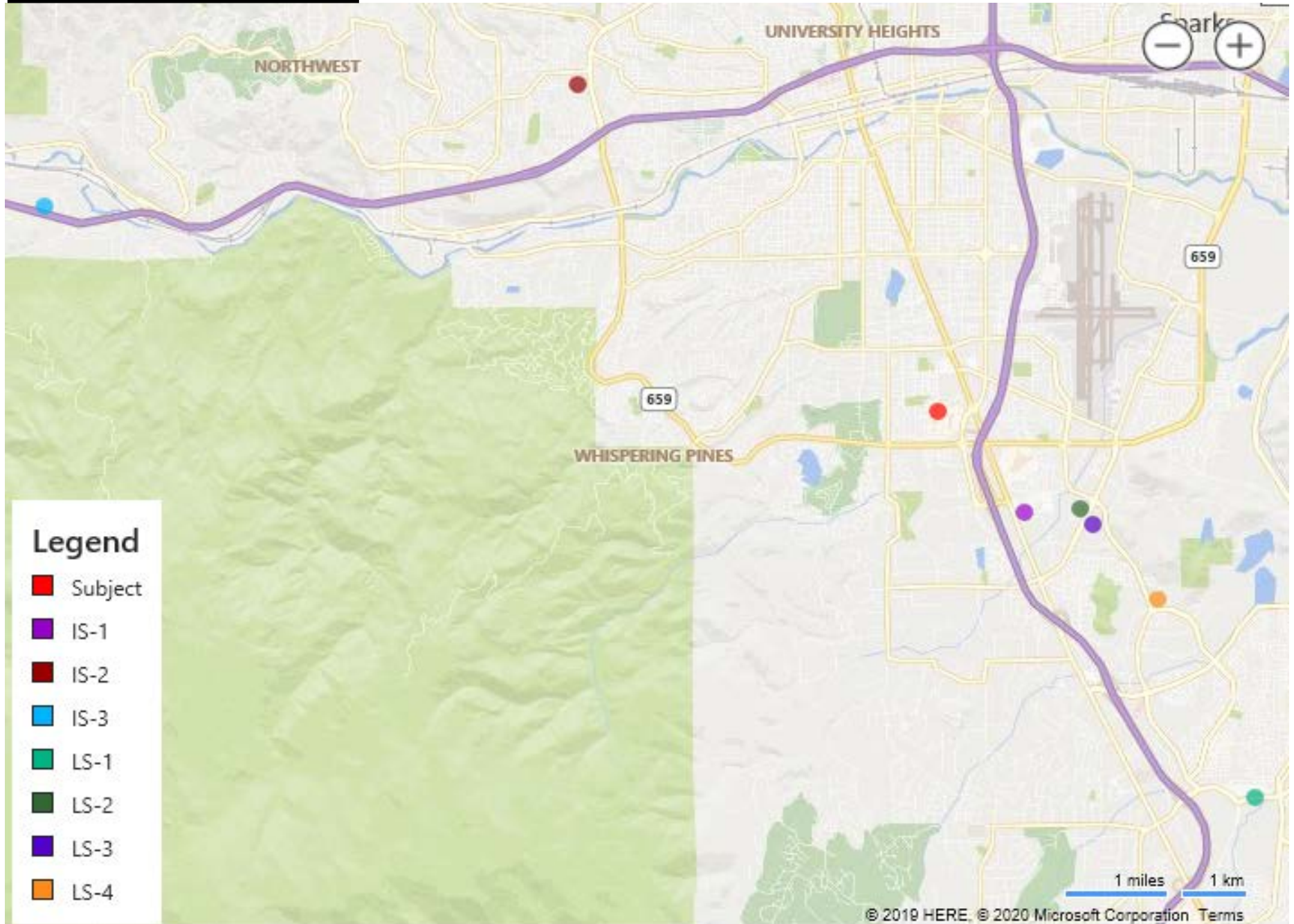
RETAIL CAPITALIZATION RATE CHART

APN	NBC	Location	Use %	Total Finish Area	Year Built	Land (SF) %Coverage Zoning	Sale Price Sale Date	NOI OAR	Notes
025-570-01 OBGQ		6590 S Virginia St. Home Depot	100% Discount WH Store	102,832	1993	435,382 24% MUSV	\$15,980,000 4/26/2018	\$933,660 5.84%	Arms length transaction in an investment sale. The property is fully leased to national credit home improvement center with market big box lease rate and 6 more years left in the current lease.
039-750-13 BCAQ		5150 Mae Anne Ave. Kohl's	100% Discount Store	94,213	1990	395,742 23% AC	\$9,350,000 9/12/2017	\$636,250 6.80%	Kohl's has nine years remaining on a 20-year lease. They have six 5-year options, with rent escalations every five years. This was part of a 1031 tax deferred exchange. Market financing on this transaction.
510-083-09, etal DGAQ		125 Disc Dr Sparks Galleria	C. Shopping Center	204,228	2010	1,184,396 17% RCSO	\$36,190,000 10/9/2019	\$2,771,881 6.82%	Sale of Sparks Galleria which is a community shopping center in the Spanish Springs Submarket. Taco Bell and two pad sites that front Disc Drive were acquired through a separate transaction for \$4,460,000. Leasable area includes 8,402 SF of mezzanine space in Gold's Gym (APN 510-083-03). Cap rate and NOI are reported for total purchase price of \$40,650,000 which includes Taco Bell, 2 pad sites, and Galleria shopping center. Total vacancy was ~13% at time of sale for the shopping center.
040-880-24 OBGQ		6990 S McCarran Blvd	Office Shopping Center	76,487	2004	211,702 36% GO	\$17,900,000 1/10/2019	\$1,170,959 6.54%	Listed with Colliers on market for 3 mos 14 days. bankruptcy sale at 6.54% cap rate. Total GBA 76,487 SF. 76% office, 16% neighborhoods shopping center, and 8% restaurant. Sale price per SF is \$234. Estimated rent rate is in the range of \$1.33/SF to \$2.08/SF/MO. 100% leased when sold.
041-243-09,10,11 RBEQ		4780-4798 Caughlin Pkwy Caughlin Shopping Center	N. Shopping Center	111,716	1992	478,332 23% PUD	\$18,000,000 8/29/2018	\$1,413,000 7.85%	Raleys moved into the previous Scolari's market prior to this transaction. This sale includes the Starbucks and Wells Fargo Bank parcels. Total bldg SF is 111,716. Total land 10.98 acres. \$161/SF is comparable to the Mira Loma Shopping center earlier. Costar reports 92% of space was leased at time of sale. NOI reported as actual.
021-281- 08,12,13,14,02 NDEQ		3310 S McCarran Blvd Mira Loma Shopping Center	N. Shopping Center	104,717	1993	405,793 26% AC	\$16,350,000 3/2/2018	\$1,150,000 7.03%	Buyer indicated that environmental issues exists (dry cleaners). Raleys took over the Scolari lease and overall vacancy is very low. Buyer plans to renovate and increase rents in time. Buyer believes the new SE connector and future homes at Bella Vista will also add value.
Big Box Sales with Credit Tenants									
0823-026-040		11729 Imperial Hwy Norwalk CA Wal-Mart	Discount Store	111,830	1998	334,105 33% N/A	\$20,200,000 05/02/17	\$1,100,000 5.45%	Located in Los Angeles County with good visibility and access to Interstate 5; Seven years remaining on net lease; Sale Price is ~ \$181/SF.
223-0082-20,49		8961 Greenback Ln Orangevale CA Wal-Mart	Discount Store	98,000	2006	422,532 23% N/A	\$13,500,000 02/17/17	\$703,350 5.21%	Located ~ 20 miles from Downtown Sacramento; Nine years remaining on net lease; Store smaller than typical supercenter due to zoning and building restrictions; Sale price is \$138/SF.
138-34-717-015		861 S. Rainbow Blvd. Las Vegas, NV Home Depot	100% Discount Store	105,275	1993	436,907 24% C-1	\$23,100,000 01/05/17	\$1,386,000 6.00%	Located just north of the West Charleston Blvd. and South Rainbow Blvd. intersection in West Las Vegas. Long term, net leased property to credit tenant.
498-032-38S		875 Shaw Ave Clovis, CA Lowe's	100% Discount Store	164,351	2003	508,345 32% C-2	\$12,409,500 10/01/18	\$690,000 5.56%	Building is 100% occupied by Lowe's on a NNN lease. Ten years are remaining on the lease term at time of sale. Property was on the market for approximately 3 months with an asking price of \$14,526,000

Annual Washoe County Sales & Use Tax

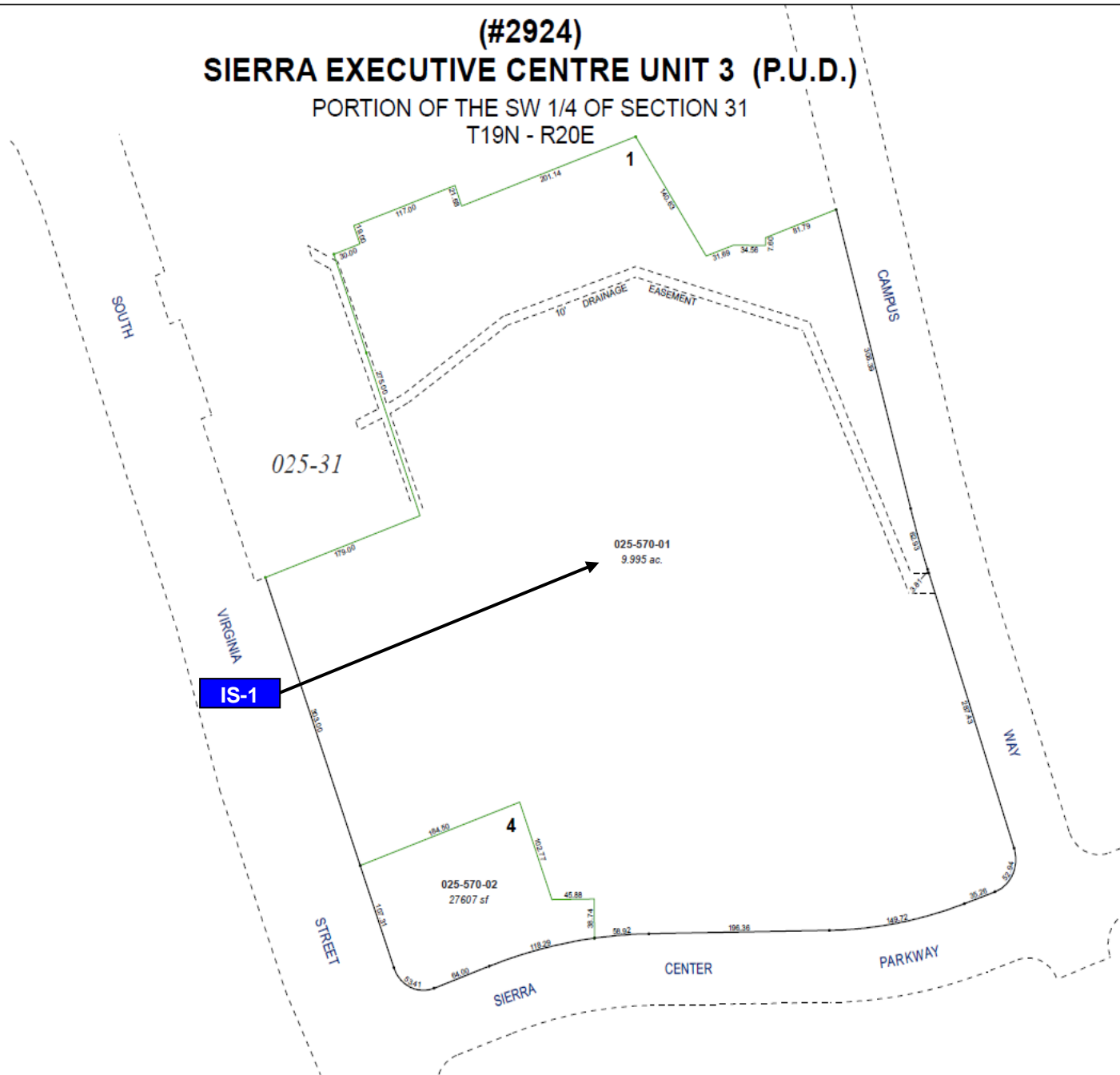


NEIGHBORHOOD MAP



(#2924)
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)

PORTION OF THE SW 1/4 OF SECTION 31
T19N - R20E



Assessor's Map Number
025-57

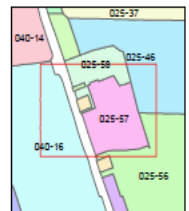
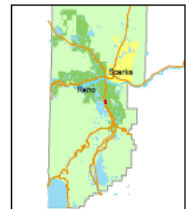
STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
Michael E. Clark, Assessor

1001 East Ninth Street
Building D
Reno, Nevada 89512
(775) 328-2231



Feet
0 25 50 75 100

1 inch = 100 feet



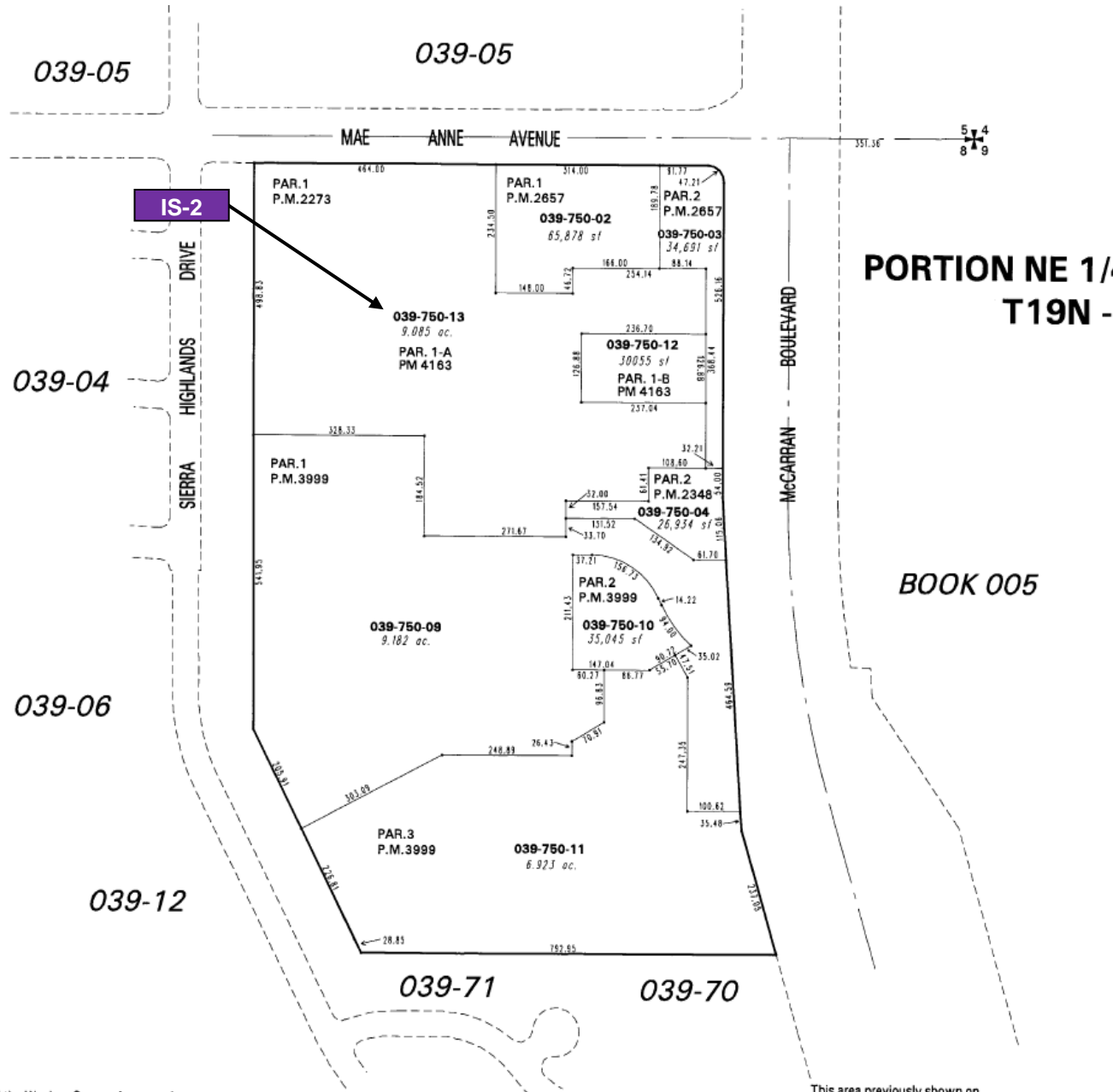
created by: TWT 8/3/2015

last updated:

area previously shown on maps)
025-31 & 46

NOTE: This map was prepared for the use of the Washoe County Assessor for assessment and illustrative purposes only. It does not represent a survey of the premises. No liability is assumed as to the sufficiency or accuracy of the data delineated hereon.

039-75



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Office of Washoe County Assessor, Nevada - Robert W. McGowan

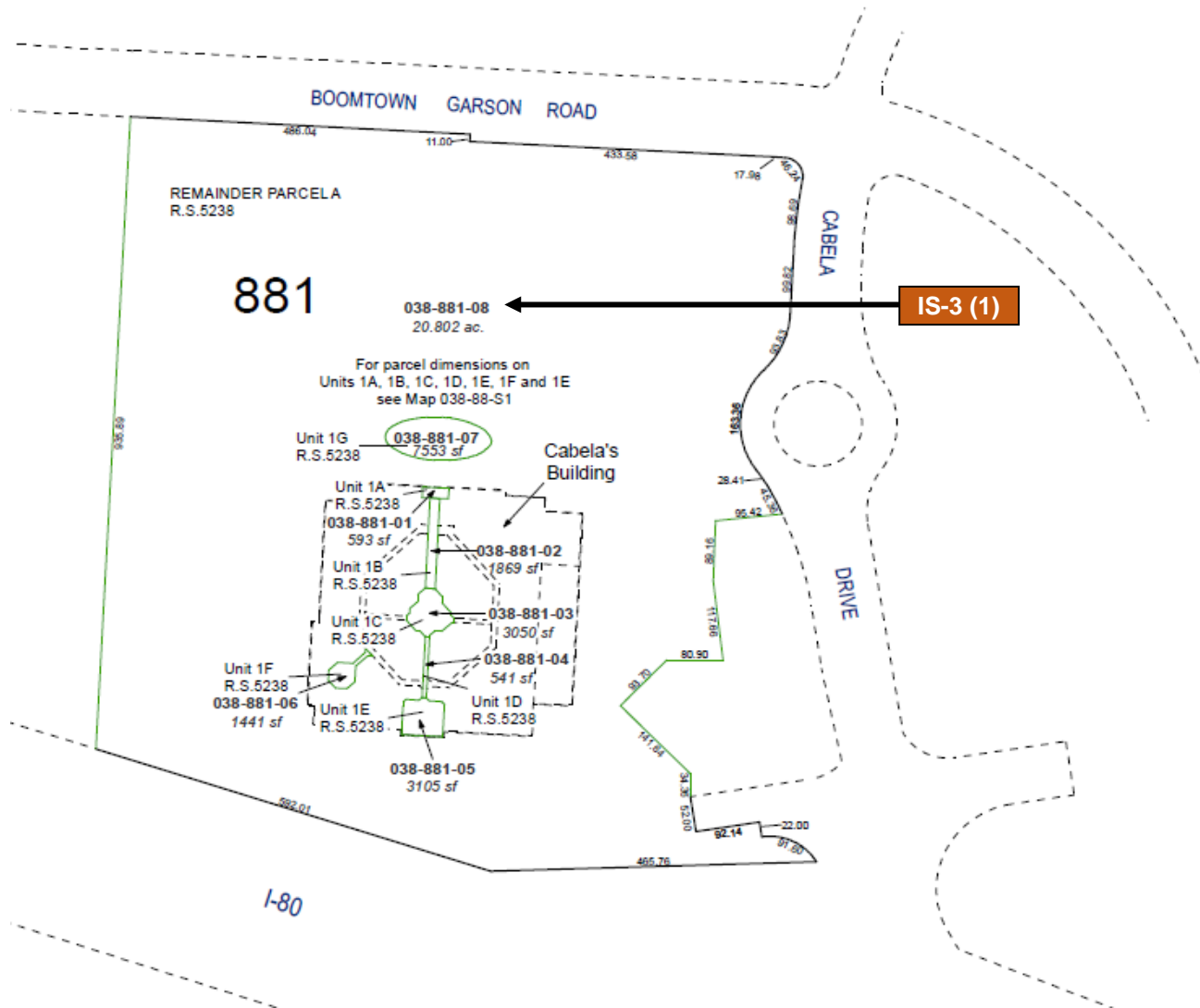
This area previously shown on _____

NOTE: Areas of parcels which are less than 2 acres are shown in square feet.

Drawn by CFB 4/30/2003
Revised PK 4/24/04

ARC/INFO 8.1.2 WINDOWS 2000 S.O.

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

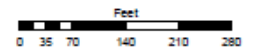


Assessor's Map Number

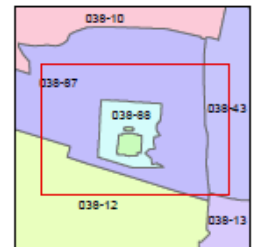
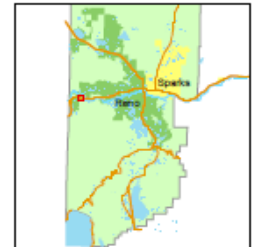
038-88

STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
Joshua G. Wilson, Assessor

1001 East Ninth Street
Building D
Reno, Nevada 89512
(775) 328-2231



1 inch = 200 feet



created by: CFB 06/21/2010

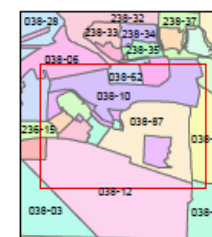
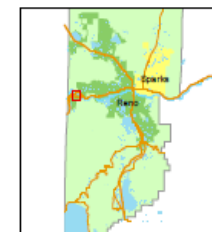
last updated:

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Reno, Nevada 89512
(775) 328-2231

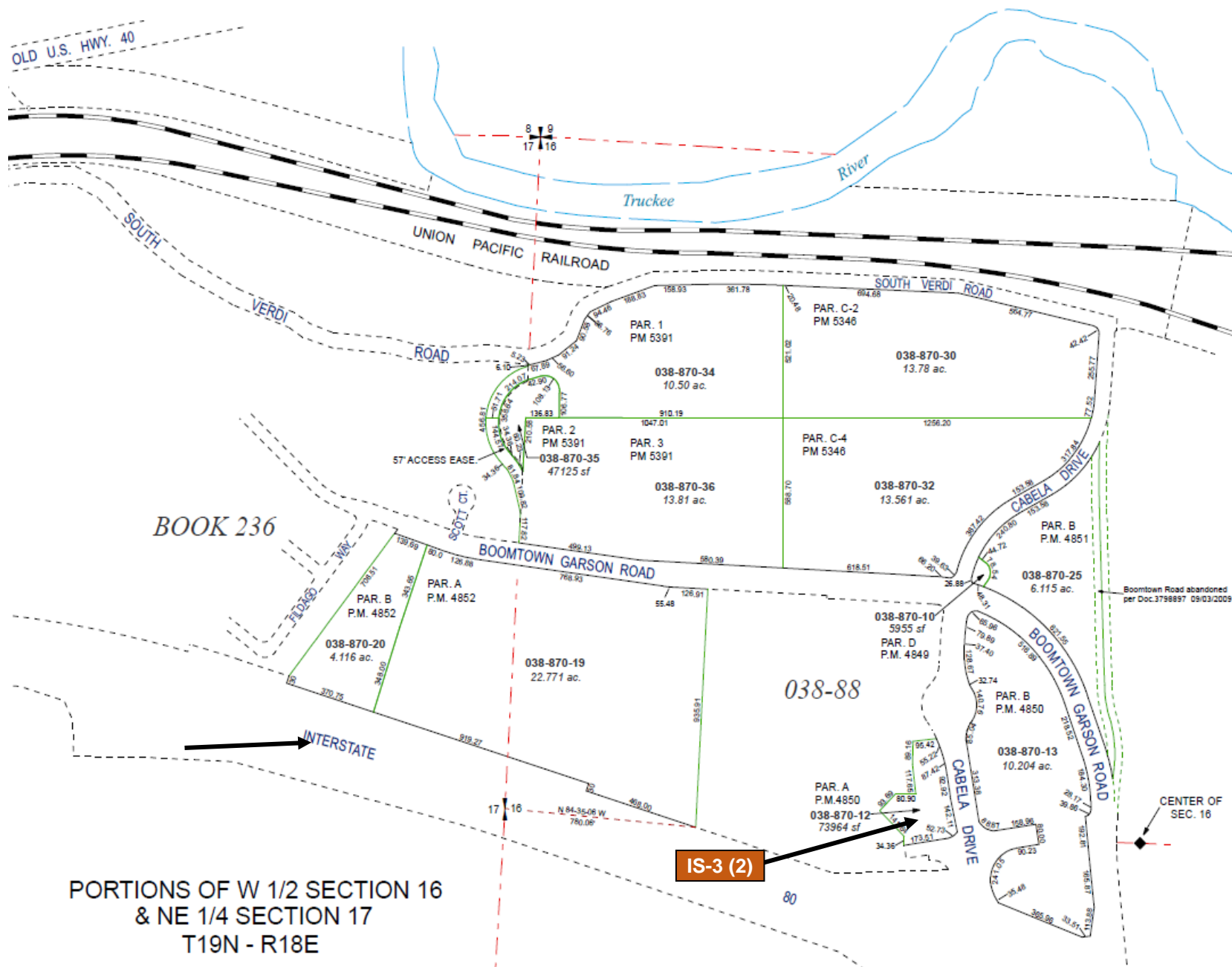


A horizontal scale bar with tick marks at 0, 100, 200, 300, and 400 feet. The word "Feet" is centered above the bar.

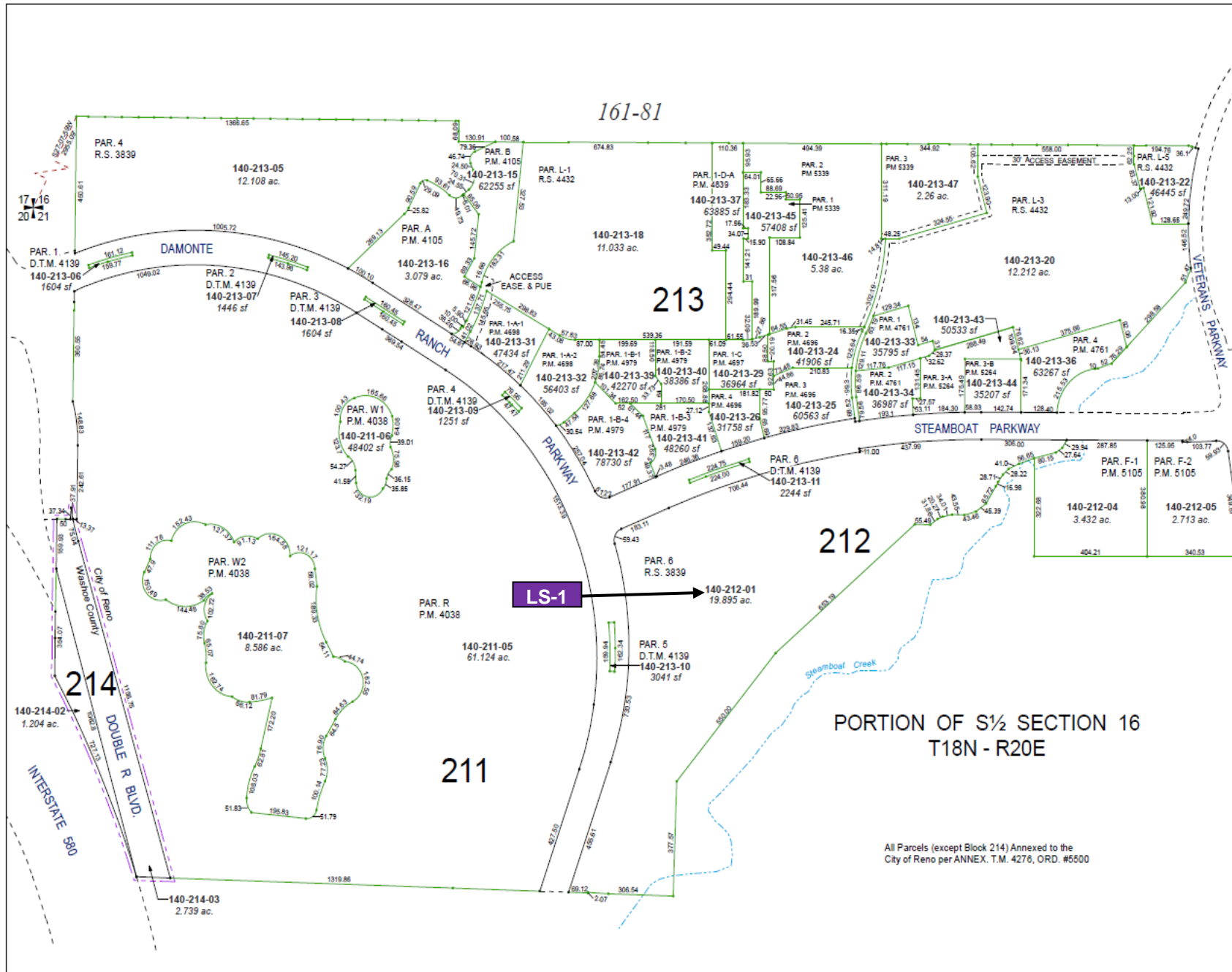
1 inch = 400 feet



area previously shown on map(s):



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



Assessor's Map Number

140-21

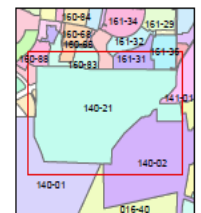
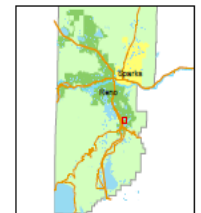
STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
 Michael E. Clark, Assessor

1001 East Ninth Street
 Building D
 Reno, Nevada 89512
 (775) 328-2321



0 75 150 225 300
 Feet

1 inch = 300 feet



created by: NLH 01/07/2011

last updated: GR 12/01/16 SR 3/20/18

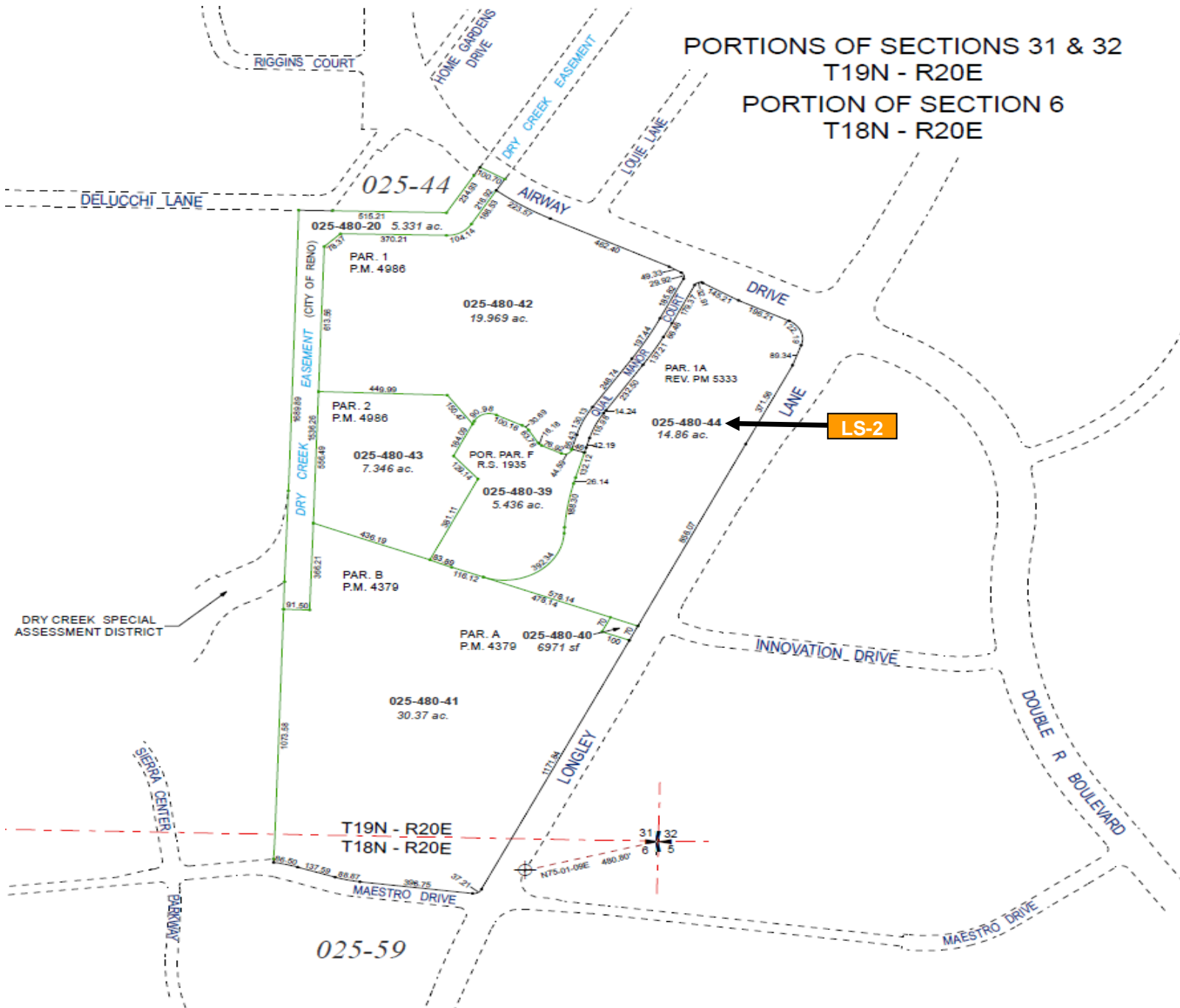
area previously shown on map(s)

016-40 016-52

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All Parcels (except Block 214) Annexed to the City of Reno per ANNEX. T.M. 4276, ORD. #6500

PORTIONS OF SECTIONS 31 & 32
T19N - R20E
PORTION OF SECTION 6
T18N - R20E



Assessor's Map Number
025-48

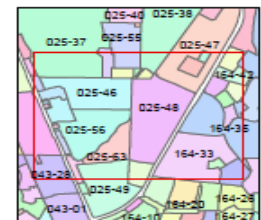
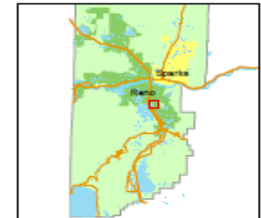
STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
Michael E. Clark, Assessor

1001 East Ninth Street
Building D
Reno, Nevada 89512
(775) 328-2231



Feet
0 100 200 300 400

1 inch = 400 feet

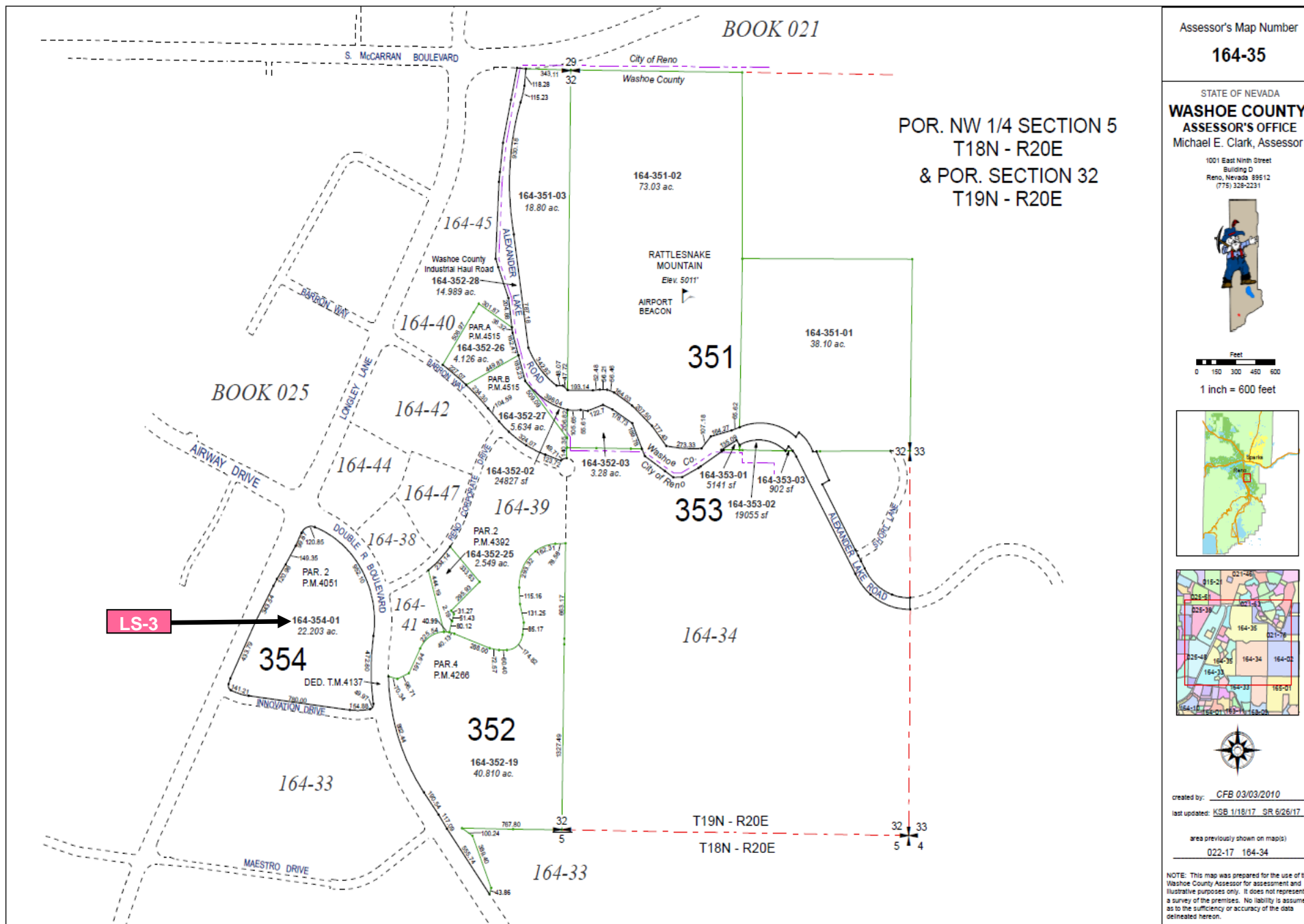


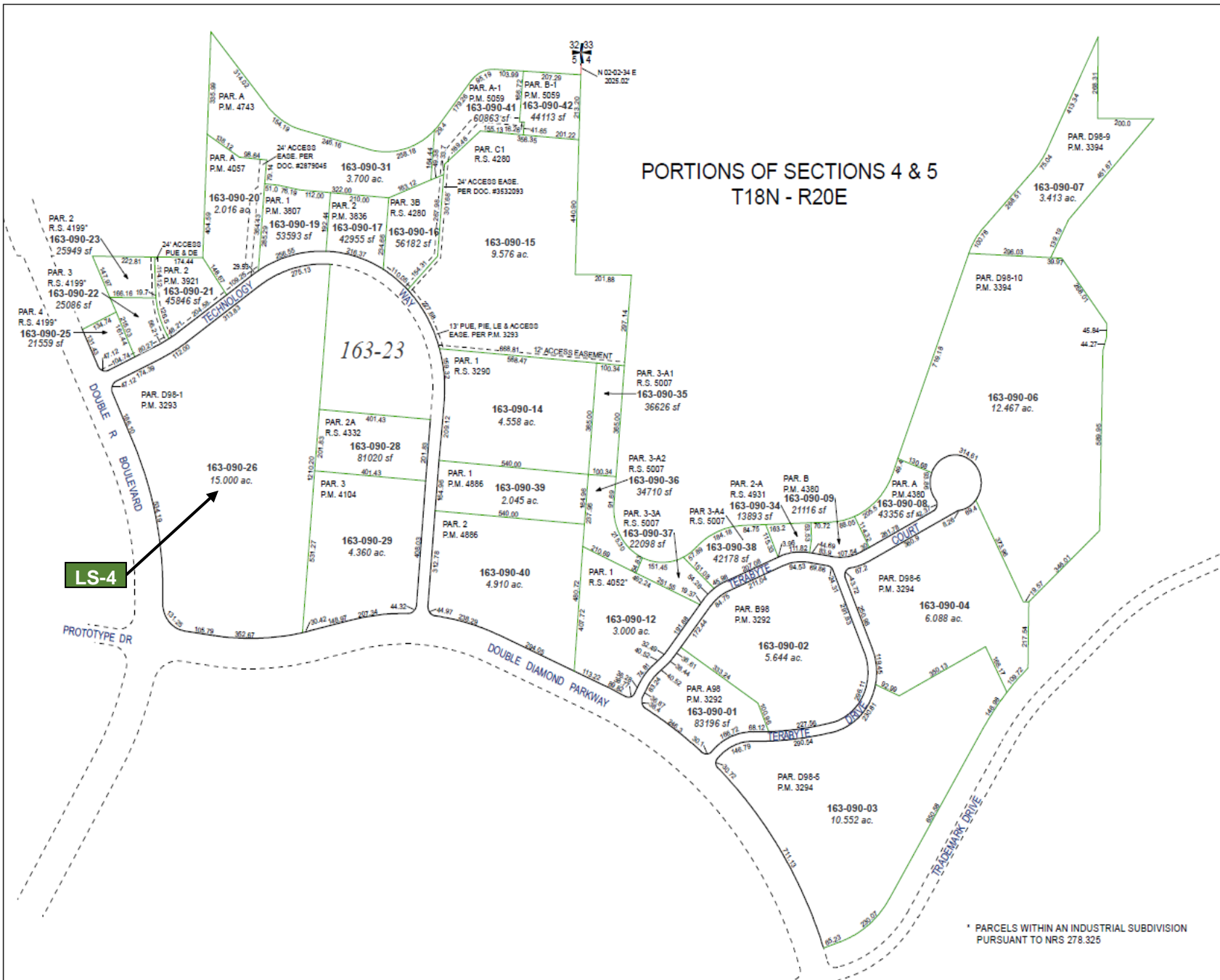
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last updated: **QR 3/5/18**

area previously shown on map(s)

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Assessor's Map Number

163-09

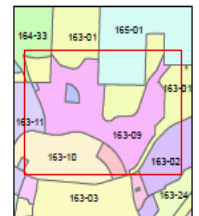
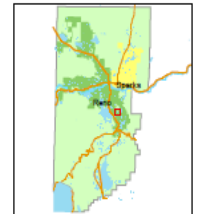
STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
 Joshua G. Wilson, Assessor

1001 East Ninth Street
 Building D
 Reno, Nevada 89512
 (775) 328-2231



Feet
 0 50 100 200 300

1 inch = 300 feet



created by: **NLH 10/20/2011**

last updated:

area previously shown on map(s)

160-48

* PARCELS WITHIN AN INDUSTRIAL SUBDIVISION
 PURSUANT TO NRS 278.325

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