

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # 20-0082
Hearing Date 02/20/2020
Tax Year 2020/2021

APN: 040-951-08

Owner of Record: RS EAGLE FEDERAL WAY LLC et al

Property Address: 5075 KIETZKE LN

Property Type: MATERIAL STORAGE BUILDING 33% DISCOUNT WAREHOUSE STORE 67%

Gross Building Area: 175,120

Year Built: 1999

Parcel Size: 14.91 AC

Description / Location: The subject property is the Lowe's Home Improvement Center in the Meadowood submarket. It is located at the SW corner of S McCarran Blvd and Kietzke Ln.

2020/21 Taxable Value:	Land:	\$7,406,546
	Improvements:	\$8,894,545
	Total:	<u>\$16,301,091</u>
	Taxable Value / SF	\$93

Sales Comparison Approach: Indicated Value Range/SF \$140 to \$150

Income Approach: Indicated Value /SF \$108

Conclusions: Taxable value does not exceed full cash value.



040-951-08 05/02/2016

RECOMMENDATION: Uphold Reduce

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE
LAND:	\$7,406,546	\$2,592,291	\$/SF GBA
IMPROVEMENTS:	\$8,894,545	\$3,113,091	\$93.09
TOTAL:	\$16,301,091	\$5,705,382	
			TAXABLE
			\$/SF Land
			\$11.40

HEARING:	<u>20-0082</u>
DATE:	<u>02/20/2020</u>
TAX YEAR:	<u>2020/2021</u>

OWNER: RS EAGLE FEDERAL WAY LLC et al

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	040-951-08	5075 KIETZKE LN MATERIAL STORAGE BUILDING DISCOUNT WAREHOUSE STORE	33% 67%	175,120 175,120	MASONRY BRNG CONCRETE, TILT-UP	C15		1999 26, 27	649,697 27% PUD				

IMPROVED SALES													
IS-1	025-570-01	6590 S VIRGINIA ST DISCOUNT WAREHOUSE STORE HOME DEPOT	100%	102,832 102,832	MASONRY BRNG CONC TILT-UP	C15		1993 25	435,382 24% MUSV	\$15,980,000 04/26/2018	\$155.40 See note		\$933,660 5.84%
IS-2	039-750-13	5150 MAE ANNE AVE DISCOUNT STORE KOHLS	100%	94,213 94,213	MASONRY BRNG CONCRETE BLK	C20		1990 24	395,743 24% AC	\$9,350,000 09/12/2017	\$99.24		\$636,250 6.80%
IS-3	038-881-08 038-870-12	8650 BOOMTOWN GARSON RD WAREHOUSE SHOWROOM STORE CABELA'S	100%	127,616 127,616	MASONRY BRNG CONCRETE, PRECAST PANELS	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 CONCRETE BLK	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	\$17.28	\$5.25	PUD	Sale after 2020 reappraisal review period. Zoning change from IC. Site will be developed into a new hospital.			
2	140-212-08, -09, -10	1160 DAMONTE RANCH PKWY/ 1175 STEAMBOAT PKWY	03/09/18	\$10,731,584	866,626	\$12.38	\$7.60	PUD	Minor improvement demolished after purchase. A senior living community is planned.			
3	040-900-19, -20	DEL MONTE LN	05/03/18	\$11,142,640	557,132	\$20.00	\$14.00	PUD	Offices, retail and restaurants are under construction as Village at Rancharrah.			

COMMENTS:

The subject property is a well maintained, fully functioning and performing Lowe's. The subject includes a drive-through lumber yard. The following Improved and land sales were compared to the subject:

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 and/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.

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% adjustment 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 \$93.09/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: 2018 sale of 19.89 ac land at the SW corner of Steamboat Pkwy and Damonte Pkwy. It is inferior in traffic volume and visibility.

LS-3: Sale of 12.79 ac land in 2018. Closest to the subject in distance and planned retail use. It is slightly superior given the Rancharrah master plan and development.

The land sales compared range in price of \$12.38 to \$20.00 per square foot. They indicate that the land value of the subject is about \$18 to \$20 per square foot. The 2020 taxable land value on the subject at \$11.40/SF is supported by the value indicated by the sales.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	LAND:	\$7,406,546	ASSESSED VALUE	\$2,592,291
	IMPROVEMENTS:	\$8,894,545		\$3,113,091
	TOTAL:	\$16,301,091		\$5,705,382

**TAXABLE
\$/SF GBA**
\$93.09

**HEARING: 20-0082
DATE: 02/20/2020**

TAX YEAR: 2020/2021

APN: 040-951-08
OWNER: RS EAGLE FEDERAL WAY LLC et al

**TAXABLE
\$/SF Land**
\$11.40

Income Approach

Potential Gross Income	117,770 sq ft. @	\$0.70 /mo =	\$82,439	
	57,350 sq ft. @	\$0.45 /mo =	\$25,808	
	sq ft. @	/mo =	\$0	
			\$108,247	
	x 12 months =		12	\$1,298,958
- Vacancy & Collection loss			0%	\$0
= Effective Gross Income				\$1,298,958
- Operating Expenses			5%	\$64,947.90
=Net Operating Income				\$1,234,010
Divided by Overall Capitalization Rate			6.50%	\$18,984,771
			Rounded	\$108 /SF GBA

Subject Income Information: The building is leased and occupied by Lowe's and is comprised of 117,770 SF of discount warehouse store and a drive through lumberyard of 57,350 SF. Income and expense statement was requested but not provided.

Potential Gross Income: The property is leased by Lowe's. Contract rent based on the sale lease back agreement established in 2005 indicates a base rent of \$0.66/SF. With adjustments occurring in 2007 and 2012, and tied to CPI, it is estimated that current rent is maxed at \$0.81/SF. A lease renewal was due in 2019 but that information was not provided. A review of the market rent was therefore performed. Please refer to Attachments A and B for the regional and local market rent analysis. Results from local rent data indicate that market rent for the subject is \$0.70/SF, with consideration for the subject's premium location and its first generation build to suit design. Applying this rent to the subject rentable store space and a discounted rent to the warehouse portion reflects a PGI of \$1,298,958. Please see Attachment D for recent local warehouse sales and Attachment E for the local warehouse rent analysis.

Effective Gross Income: The property has had zero to minimal vacancy since its construction. Moreover, vacancy for comparable big box properties at superior locations remains stable at 0%. Therefore, a 0% stabilized vacancy rate was utilized. The application results in a EGI that is equal to PGI.

Net Operating Income: The property is 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%. Estimated NOI is \$1,234,010.

Capitalization Rate Analysis: Properties reflecting strong real estate fundamentals in primary locations remain in high demand amongst institutional investors. The subject property is 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 the local Home Depot was 5.84%. For a summary of cap rates in relation to big box retail, please refer to Attachments 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 that were used in this analysis in relation to the contract rent that exists and the subject's premium location, a cap rate of 6.50% was applied for analysis.

Indicated Value Income Approach: The indicated value is \$18,980,000 rounded, or \$108/GBA SF.

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

SUMMARY APPRAISAL RECORD



APN: **040-951-08**

2020

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ACTIVE

Roll YR

Code

%Comp

Situs 5075 KIETZKE LN RENO Database PROD NBHD OBGQ Appr JCT Exemption AV|Exemption
 Owner RS EAGLE FEDERAL WAY LLC Printed 1/28/2020 Commercial
 1000 LOWE'S BLVD MOORESVILLE, NC 28115 Tax District 1000
 Property Name LOWES KIETZKE LN

Reopen			
Reappraisal			

Valuation History

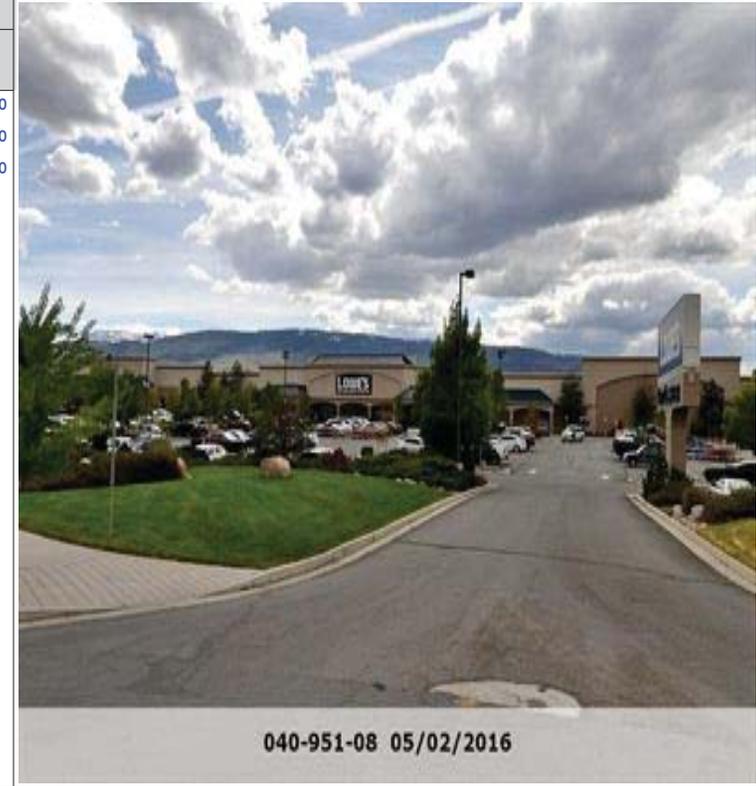
Parcel Value Summary

Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD
2020 VN	7,406,546		8,894,545		16,301,091	5,705,382	Land Value	7,406,546
2020 NR	7,406,546		8,894,545		16,301,091	5,705,382	Building Value	7,206,177
2019 FV	6,789,334		8,292,700		15,082,034	5,278,712	XFOB Value	1,688,368
2018 FV	6,172,122		8,277,622		14,449,744	5,057,410	Obsolescence	0
2017 FV	5,554,909		8,439,590		13,994,499	4,898,075	Taxable Value	16,301,091
2016 FV	5,554,909		8,460,498		14,015,407	4,905,392	Total Exemption	
2015 FV	5,554,909		8,485,413		14,040,322	4,914,113		

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	391	Material Storage Build	C	1999	1999	100	C15	2,341,386	1,603,849	57,350	27	0
COMM	1-2	458	Discount Warehouse Sto	C	1999	1999	100	C15	7,708,502	5,280,324	117,770	44	0
MISC	1-3	600	Miscellaneous	0	1999	1999	100	20	470,078	322,004		322,004	0



040-951-08 05/02/2016

Land Value

Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note
400	General Commercial: reta	PUD	649,697	SF1	12.00	ESMT	95			7,406,546	

Land Data

Land Size-Sf	649,697	Water	Municipal
Acre Size	14.915	Sewer	Municipal
DOR Code	400	Street	Paved
Deferment		SPC	
CAGC			

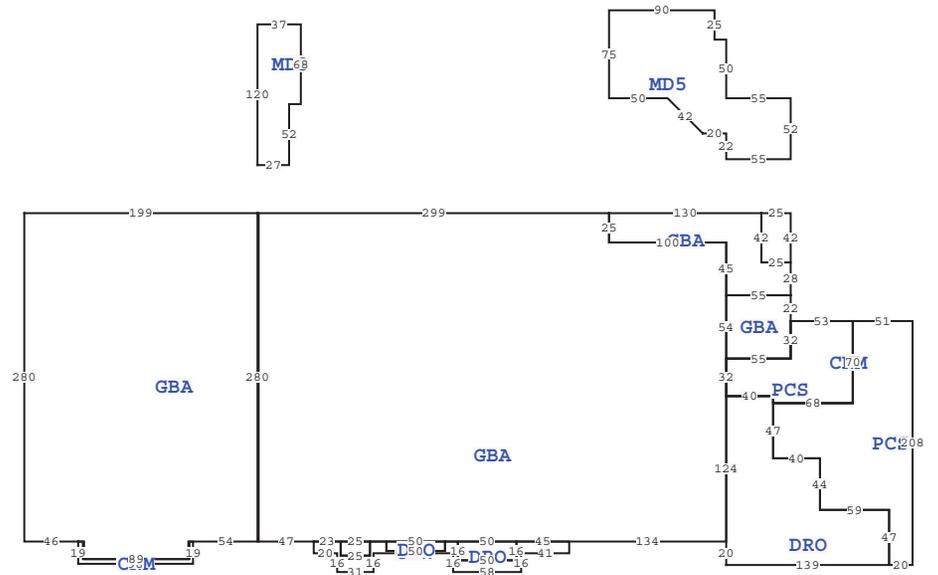
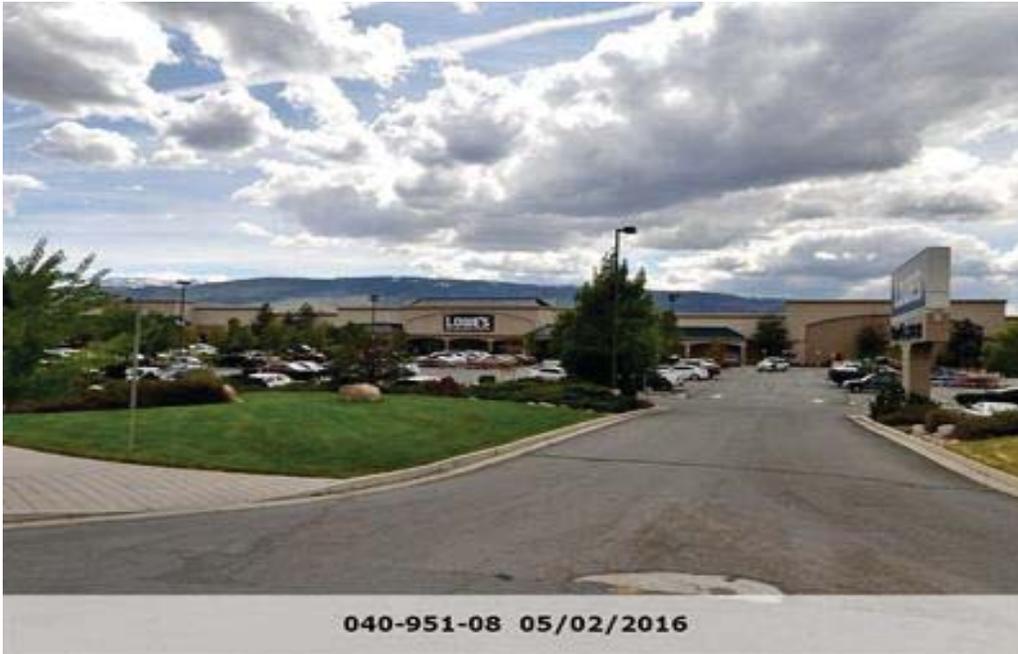
APPRAISAL RECORD

APN: 040-951-08

Owner RS EAGLE FEDERAL WAY LLC
 Keyline Description PM 4010 LT B

NBHD OBGQ Commercial

Appr JCT



Activity Information						
Date	User ID	Activity Notes				
9/17/2019	JCT	Re-appraisal Inspection				
11/21/2016	MAG	Permit Inspection				
		Aerial Review				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
LOWES HIW INC,	3182780	3/15/2005	400	16,400,000	3BO	
LOWES HIW INC,	2859371	5/22/2003	400	0	3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
7/14/2016	BLD17-00286	PARKING LOT UPGRADE ASPHAL		C	100%	
7/22/2015	BLD16-00607	FIRE DAMAGE REPAIR REPLACE		C	100%	
7/21/2015	BLD16-00523	FIRE DAMAGE DEMO DEMO FIRE		C	100%	
	LDP06-02474	FIRE SPRKLR		C	100%	
	LDP05-07077	TENANT IMPS		C	100%	

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APPRAISAL RECORD



APN: **040-951-08**

2020

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ACTIVE

Roll YR

Code

%Comp

Situs 5075 KIETZKE LN RENO	Database PROD	NBHD OBGQ	Appr JCT	Exemption AV Exemption	Reopen			
Owner RS EAGLE FEDERAL WAY LLC	Printed 1/28/2020	Commercial	Tax District 1000	Property Name LOWES KIETZKE LN	Reappraisal			
1000 LOWE'S BLVD MOORESVILLE, NC 28115								

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	7,406,546		8,894,545		16,301,091	5,705,382	Land Value	7,406,546			
2020 NR	7,406,546		8,894,545		16,301,091	5,705,382	Building Value	7,206,177			
2019 FV	6,789,334		8,292,700		15,082,034	5,278,712	XFOB Value	1,688,368			
2018 FV	6,172,122		8,277,622		14,449,744	5,057,410	Obsolescence	0		Parcel Total	
2017 FV	5,554,909		8,439,590		13,994,499	4,898,075	Taxable Value	16,301,091		<input type="checkbox"/> NC	<input type="checkbox"/> C
2016 FV	5,554,909		8,460,498		14,015,407	4,905,392	Total Exemption			<input type="checkbox"/> New Sketch	
2015 FV	5,554,909		8,485,413		14,040,322	4,914,113					

Building Data													
1-2	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	COMM	Commercial/Industria	BUILDING LEVEL			MD3	3,920	Mezzanine - Office	100				
Occ	458	Discount Warehouse S	Rate Adj			MD5	11,160	Mezzanine - Storage	100				
Stry/Frm	C	MSNRY BRNG - MASONRY	Lump Sum			SHP	2	SLIGHTLY IRREGULAR	100				
Quality	CI5	Commercial 1.5 (Fair)				ST	3	No of Stories	100				
Year Built	1999		PARCEL LEVEL			WH	26	Avg Wall Height/Floor	100				
WAY	1999		Lump Sum	0		EW	818	CONCRETE, TILT-UP	100				
Remodel Yr			%Obso	0.0000		HEAT	611	PACKAGE UNIT	100				
% Comp	100	%DPR 31.5											

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			117,770	65.45	7,708,502																
MD3	DRO MEZZANINE O			3,920																		
MD5	DRO MEZZANINE S			11,160																		

Gross Living Area	132,850	Perimeter	1,468	Sub Area RCN	7,708,502
Building Notes		Building Cost Summary			
Commercial Greenhouse Q2 (GST2)		Building RCN 7,708,502			
040-951-08 Lowe's 5075 Kietzke Lane Redrawn w/corrections 6/14/11 SE 27' Concrete Wall Warehouse Discount Store Occ:458		Depreciation 2,428,178			
		Building DRC 5,280,324			
		Extra Feature DRC			
		Building Obso			
Building Name		Total DRC 5,280,324			
LOWES KIETZKE LN		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	Municipal	Sewer	Municipal	Street	Paved	
												649,697	14.915	400									

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 Keyline Description PM 4010 LT B

NBHD OBGQ Commercial

Appr JCT

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Grantor	Doc #	Date	LUC	Price	Verif	
LOWES HIW INC,	3182780	3/15/2005	400	16,400,000	3BO	
LOWES HIW INC,	2859371	5/22/2003	400	0	3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	

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APPRAISAL RECORD



APN: **040-951-08**

2020

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ACTIVE

Roll YR

Code

%Comp

Situs 5075 KIETZKE LN RENO **Database** PROD **NBHD** OBGQ **Appr** JCT **Exemption A\|Exemption**

Owner RS EAGLE FEDERAL WAY LLC **Printed** 1/28/2020 **Commercial**

1000 LOWE'S BLVD MOORESVILLE, NC 28115 **Tax District** 1000

Property Name LOWES KIETZKE LN

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			
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Building Data													
1-3	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	1999		PARCEL LEVEL										
WAY	1999		Lump Sum	0									
Remodel Yr			%Obso	0.0000									
% Comp	100	%DPR 31.5											

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			6,072	42.19	256,153														
CNW	CANOPY WOOD			2,104	35.27	74,210														
PCS	PORCH CONCRETE S			19,139	7.30	139,715														

Gross Living Area	Perimeter	Sub Area RCN	470,078
Building Notes		Building Cost Summary	
		Building RCN	470,078
		Depreciation	148,074
		Building DRC	322,004
		Extra Feature DRC	
		Building Obso	
Building Name		Total DRC	322,004
LOWES KIETZKE LN		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	Water	Street	Municipal	Paved
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Permit Information						
Date	Permit	Description	Amount	Status	% Comp	

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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 premium location 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	6.50%		
<p>REASONING: The recent sale of the local Home Depot sold at a Cap Rate of 5.84%. The subject had a contract rent that was found to have excess rent. Applying a market rent that is less than contract rent represents less risk to the investor. Given the local big box and the regional sales data, the cap rate for the subject is estimated at 6.5%.</p>			

**ATTACHMENT D
WAREHOUSE SALES
20K SF TO 60K SF**

APN	Location	Use %	GBA	CNST TYPE	QC	Age(WAY) Height	Land (SF) %Coverage Zoning	Sale Price Sale Date	Price/GBA	Notes
WS-1 090-051-14	13805 MOUNT ANDERSON ST STORAGE WAREHOUSE	100%	61,132 61,132	MASONRY BRNG CONC TILT-UP	C10	2000 28	189,921 32% I	\$5,100,000 10/02/2018	\$83	Owner-user buyer. Sustainable Furniture out of Sacramento. Listed at \$5,900,000.
WS-2 032-050-43	1555 CRANE WAY STORAGE WAREHOUSE	100%	48,000 48,000	MASONRY BRNG CONC TILT-UP	C10	1966 22	62,397 77% I	\$3,000,000 09/06/2018	\$63	Owner user transaction. Asking price was 3.45M.
WS-3 034-353-13	350 GREG ST	100%	40,656 40,656	MASONRY BRNG CONC TILT-UP	C10	1990 26	108,464 37% I	\$3,200,000 05/18/2018	\$79	Buyer is investor. Property includes substantial showroom/finish area.
WS-4 082-600-07	1005 STANDARD ST STORAGE WAREHOUSE	100%	58,630 58,630	MASONRY BRNG CONC TILT-UP	C10	1980 17	119,485 49% IC	\$3,950,000 04/06/2018	\$67	58,285 SF Industrial warehouse on 2.74 AC lot. \$67.37/SF. This property was 100% leased at time of sale.

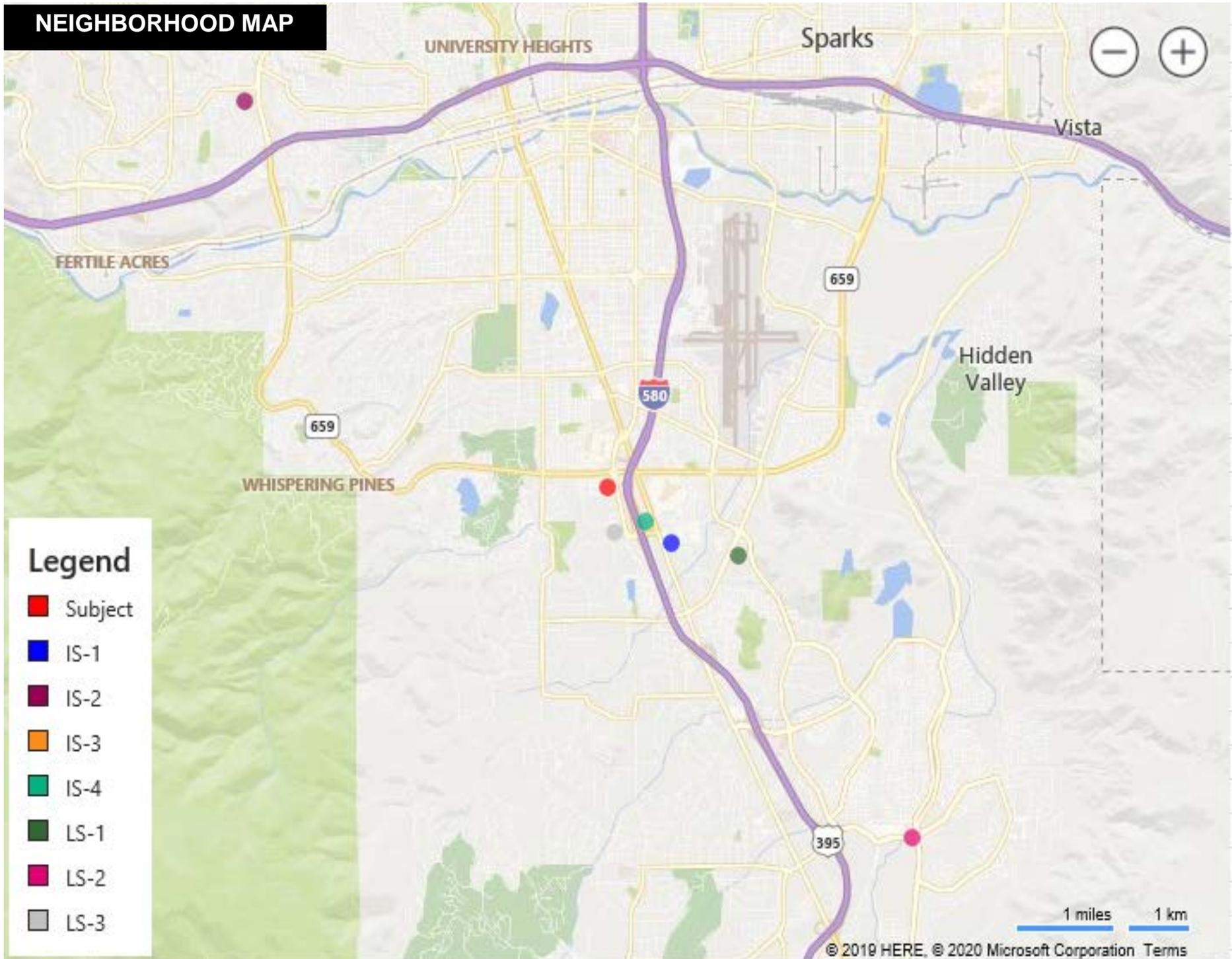
Median: \$73

Average: \$73

ATTACHMENT E

RENO WAREHOUSE RENTS (20,000 TO 80,000 SF)										
Parcel	Building Address	Location	Year Built	Class	Building Area	SF Leased	Sign Date	Lease Type	Annual Asking	Monthly Asking
012-342-10	575-585 Reactor Way	Airport	1978	C10	60,480	30,143	Jan 2020	NNN	\$4.08	\$0.34
164-232-26	3663 Barron Way	South	2004	C20	34,000	34,000	Dec 2019	NNN	\$9.84	\$0.82
021-461-26	4815 Longley Ln	Airport	1988	C10	38,250	30,000	Dec 2019	NNN	\$6.60	\$0.55
082-600-29	1095 Standard St	North Valley	2006	C10	50,232	20,000	Dec 2019	NNN	\$5.40	\$0.45
025-491-14	875 E Patriot Blvd	South	1997	C25	162,000	27,500	Nov 2019	NNN	\$6.96	\$0.58
163-020-07	1150 Trademark Dr	South	1998	C10	193,788	43,200	Sep 2019	NNN	\$5.28	\$0.44
012-281-01	490 S Rock Blvd	Airport	1970	C10	61,724	61,724	Aug 2019	NNN	\$4.80	\$0.40
012-316-30	4950 Joule St	Airport	1967	C10	74,251	33,000	May 2019	NNN	\$5.76	\$0.48
090-141-07	6995 Resource Dr	North Valley	1995	C10	161,000	80,500	Apr 2019	NNN	\$5.04	\$0.42
MEDIAN						33,000			\$5.40	\$0.45

NEIGHBORHOOD MAP



BOOK 24

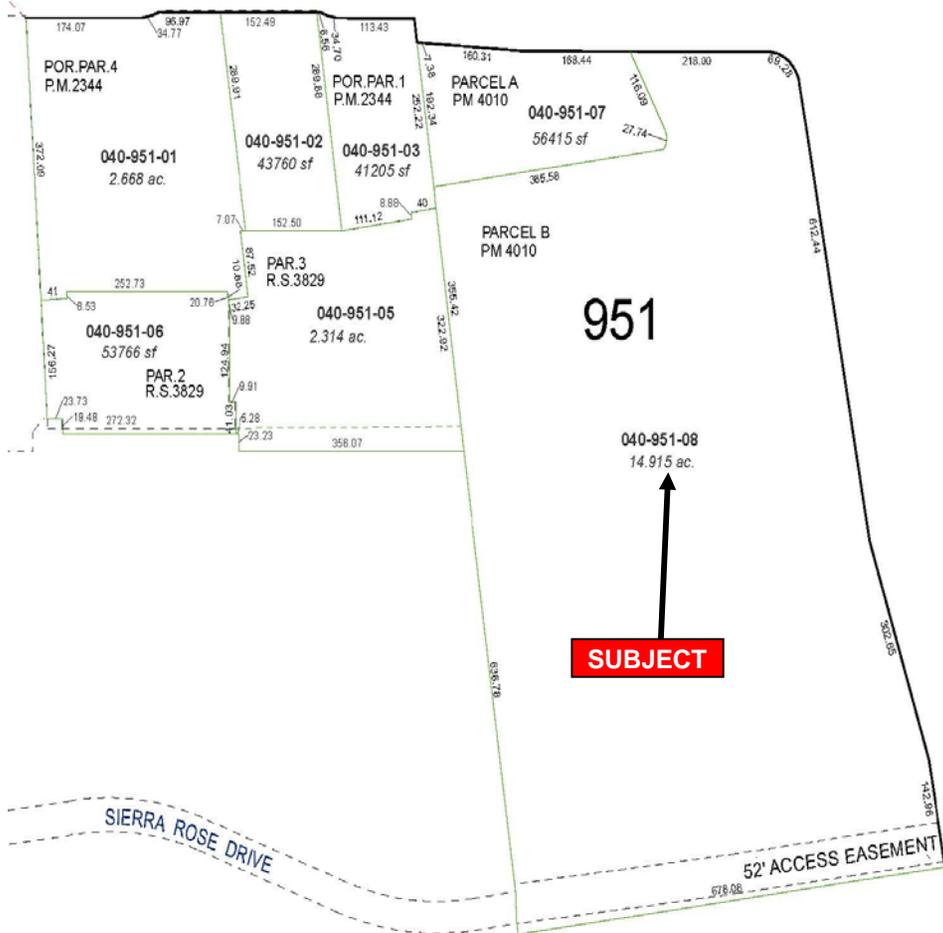
PORTION OF SECTION 36
T19N - R19E

PORTION OF SECTION 31
T19N - R20E

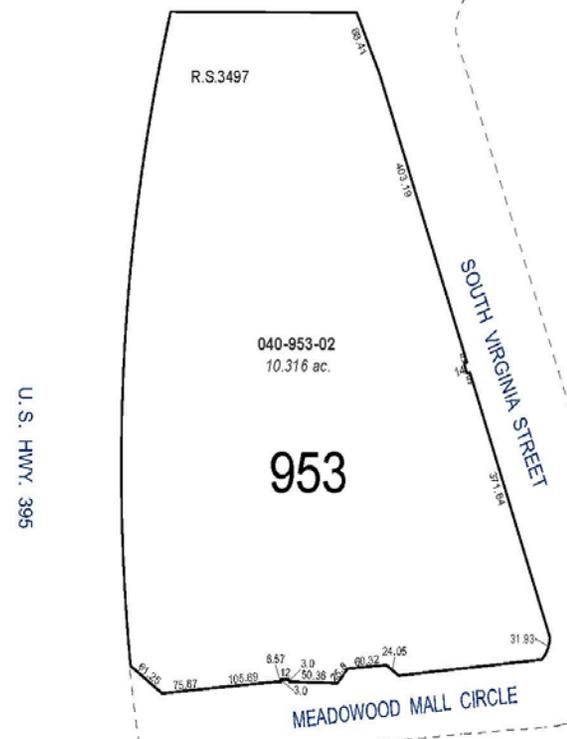
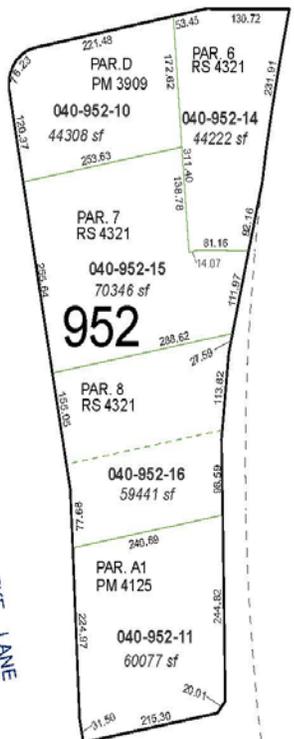
KIETZKE LANE

SOUTH McCARRAN BLVD.

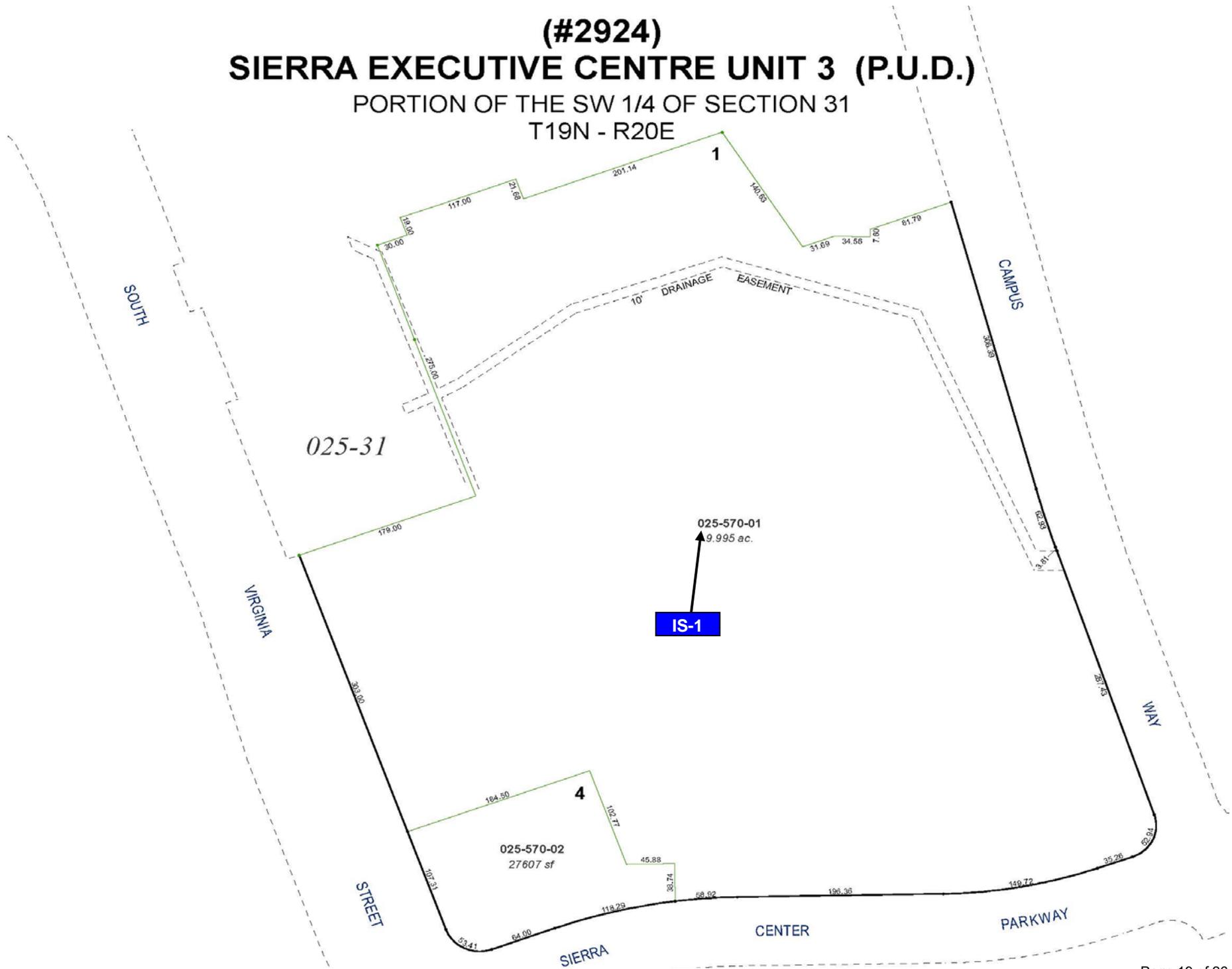
25 30
36 31



SUBJECT



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



039-05

039-05

MAE ANNE AVENUE

351.36' 

039-04

SIERRA HIGHLANDS DRIVE

PORTION NE 1/4 OF SECTION 8 T19N - R19E

MCCARRAN BOULEVARD

BOOK 005

039-06

039-12

PAR.1
P.M.2273

IS-2

PAR.1
P.M.2657

039-750-02

65,878 sf

PAR.2
P.M.2657

039-750-03

34,691 sf

039-750-13

9,085 ac.

PAR. 1-A

PM 4163

039-750-12

30055 sf

PAR. 1-B

PM 4163

PAR.1
P.M.3999

PAR.2
P.M.2348

039-750-04

26,934 sf

039-750-09

9,182 ac.

PAR.2
P.M.3999

039-750-10

35,045 sf

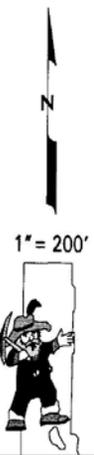
PAR.3
P.M.3999

039-750-11

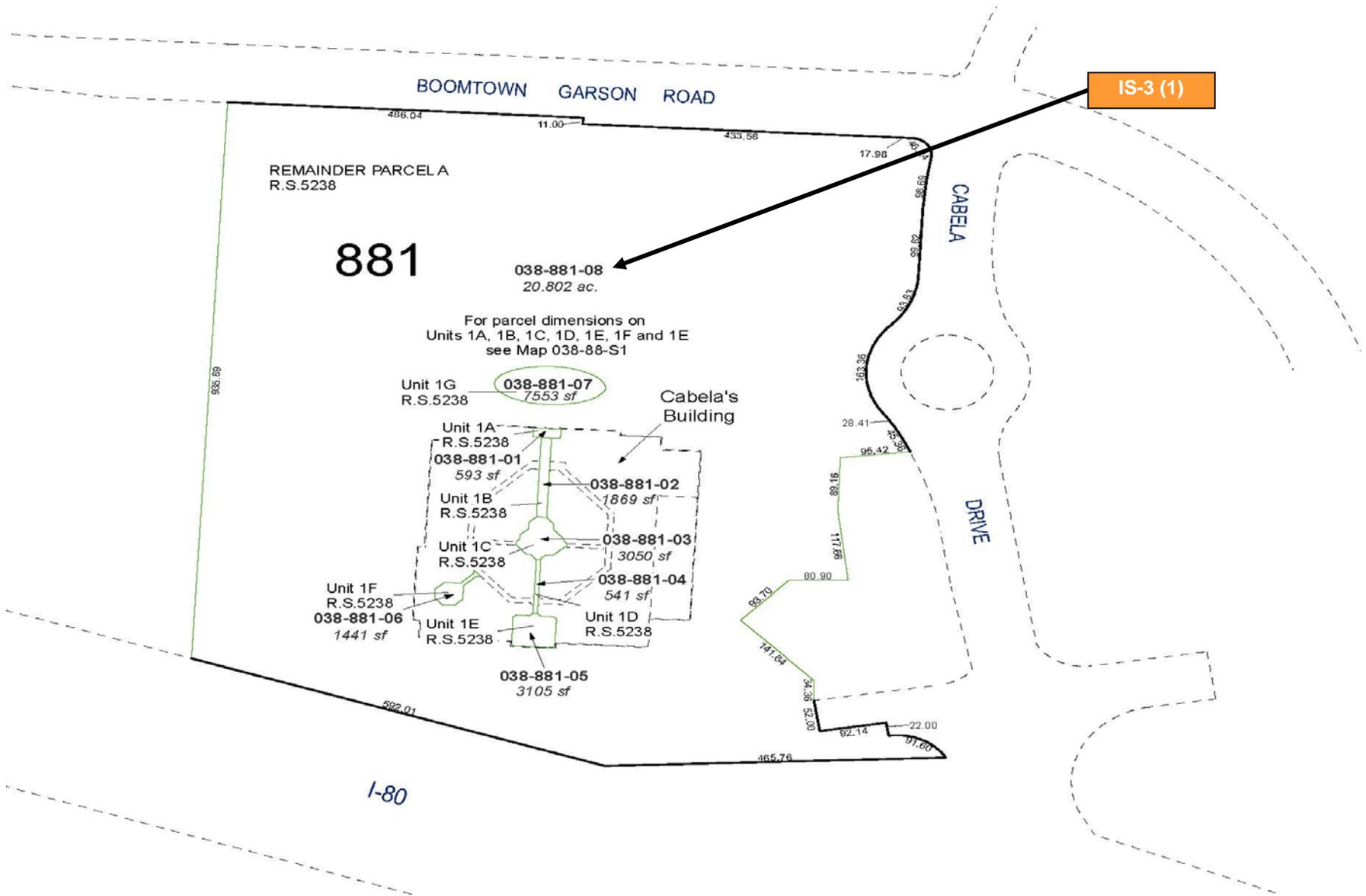
6,923 ac.

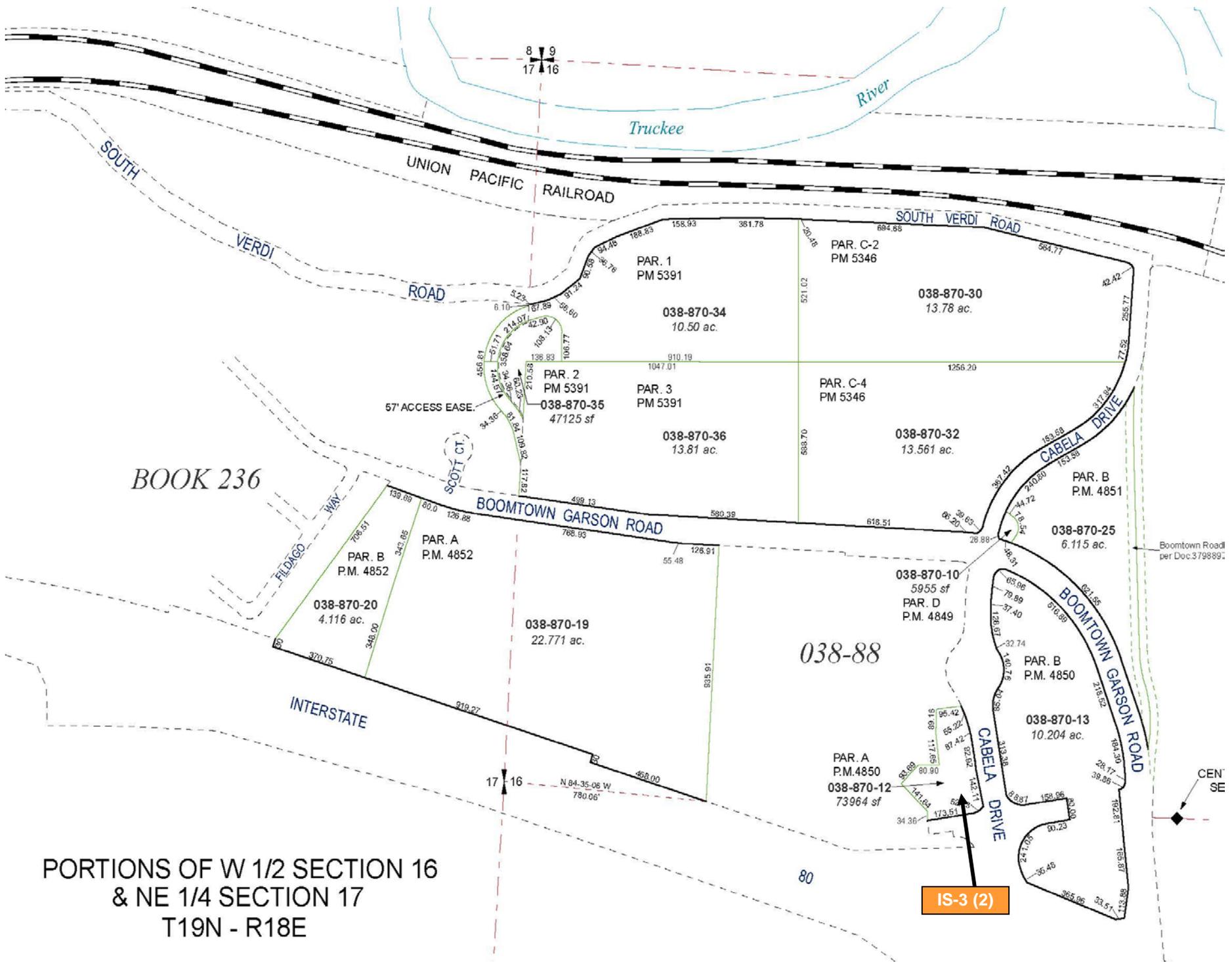
039-71

039-70



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



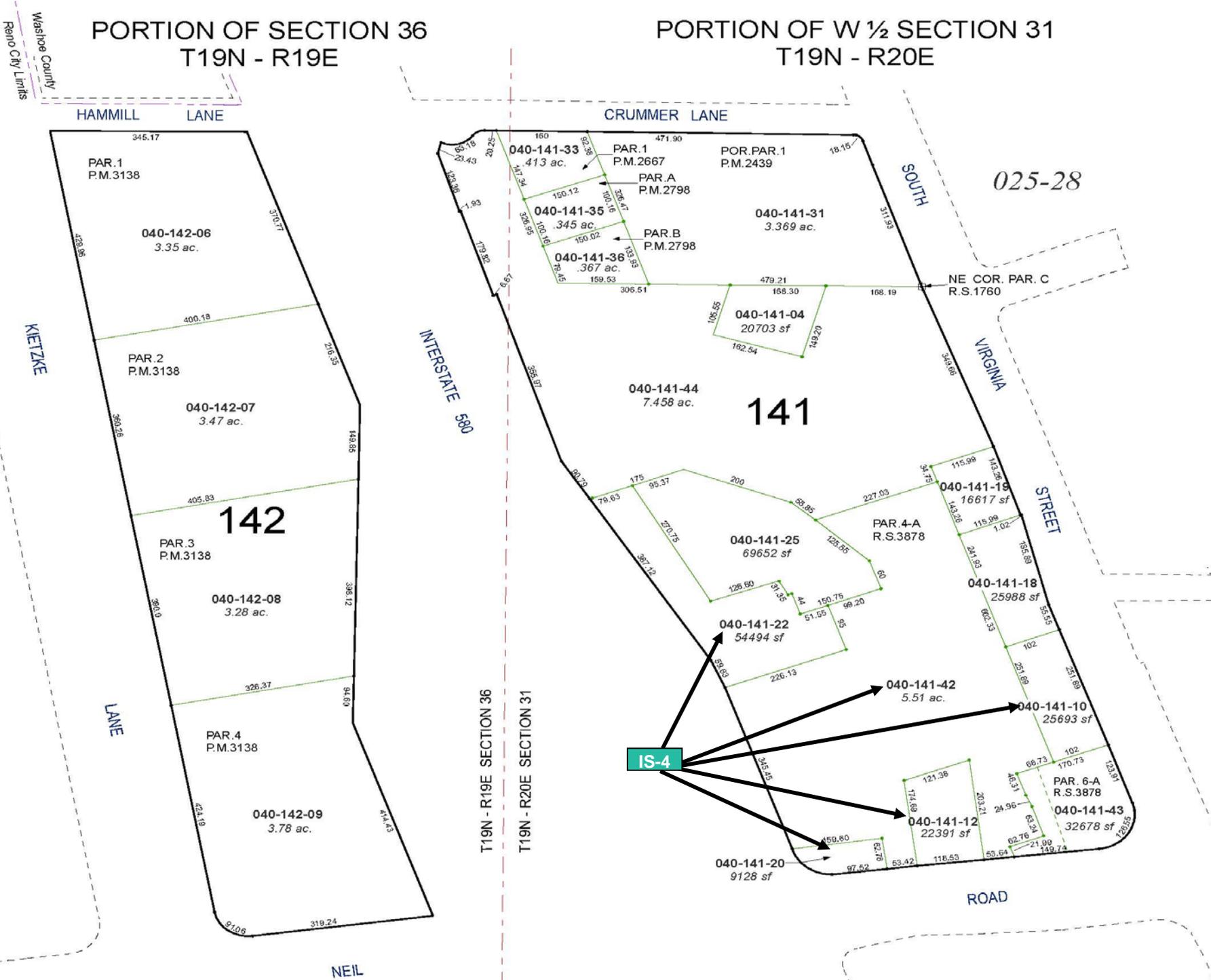


PORTIONS OF W 1/2 SECTION 16
 & NE 1/4 SECTION 17
 T19N - R18E

IS-3 (2)

PORTION OF SECTION 36
T19N - R19E

PORTION OF W 1/2 SECTION 31
T19N - R20E



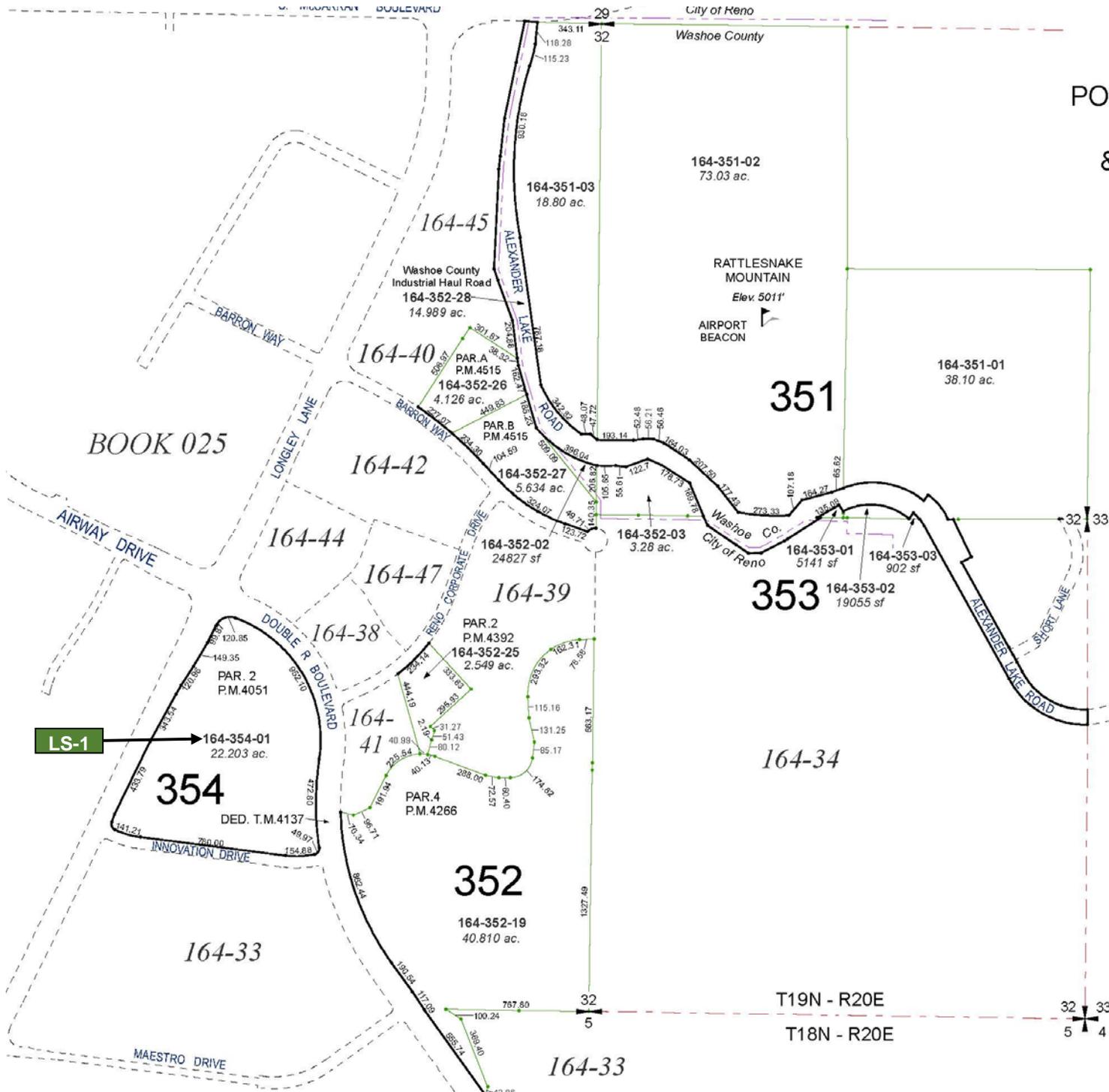
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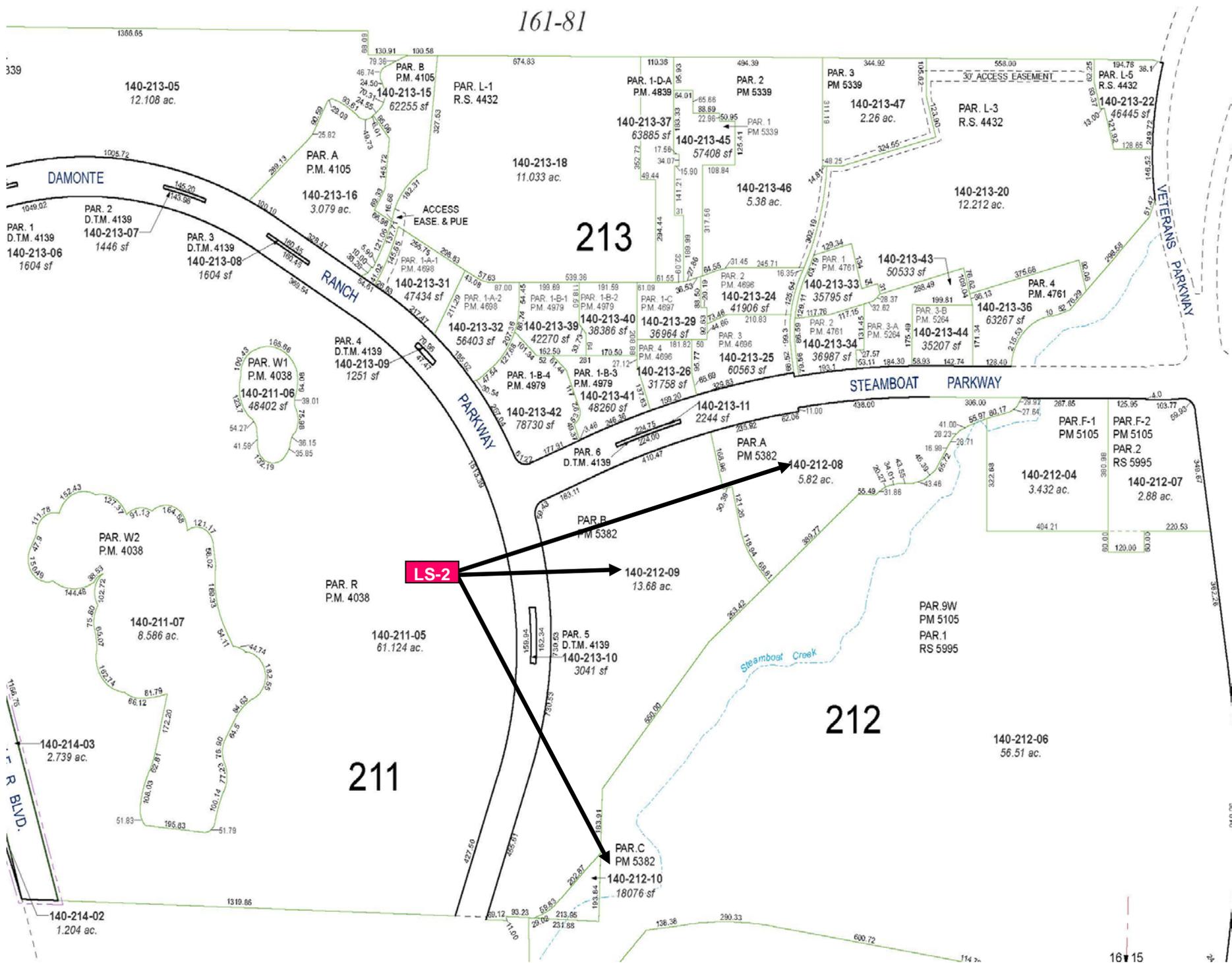
141

142

IS-4

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





LS-2

PORTION OF SECTION 36
T19N - R19E

