

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 |
| LAND: | \$7,472,589 | \$2,615,406 | \$/SF GBA |
| IMPROVEMENTS: | \$9,948,102 | \$3,481,836 | \$83.36 |
| TOTAL: | \$17,420,691 | \$6,097,242 | |
| | | | TAXABLE |
| | | | \$/SF Land |
| | | | \$9.90 |

| | |
|------------------|------------------|
| HEARING: | <u>20-0076</u> |
| DATE: | <u>2/20/2020</u> |
| TAX YEAR: | <u>2020</u> |

OWNER: WAL-MART REAL ESTATE BUSINESS TRUST

| 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 |

| 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 |
| LAND: | \$7,472,589 | \$2,615,406 |
| IMPROVEMENTS: | \$9,948,102 | \$3,481,836 |
| TOTAL: | \$17,420,691 | \$6,097,242 |

TAXABLE \$/SF GBA HEARING: 20-0076
 \$83.36 DATE: 02/20/20
TAX YEAR: 2020

APN: 024-055-53
 OWNER: WAL-MART REAL ESTATE BUSINESS TRUST

TAXABLE \$/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 | |
| | | | <u>\$125,382</u> | |
| | x 12 months = | | <u>12</u> | |
| | | | | \$1,504,584 |
| - Vacancy & Collection loss | | | 0% | <u>\$0</u> |
| = Effective Gross Income | | | | \$1,504,584 |
| - Operating Expenses | | | 5% | <u>\$75,229.20</u> |
| =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

PAGE 2 of 5

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 | | | |
| 2020 VN | 7,472,589 | | 9,948,102 | | 17,420,691 | 6,097,242 | Land Value | 7,472,589 | NewLand | | |
| 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 | Parcel Total | | |
| 2016 FV | 7,548,070 | | 9,873,906 | | 17,421,976 | 6,097,692 | Total Exemption | | New Const | <input type="checkbox"/> NC | <input type="checkbox"/> C |
| 2015 FV | 7,548,070 | | 9,911,198 | | 17,459,268 | 6,110,744 | | | 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 | | | 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 | | |
| | | | | | | | 10 | WLCB | WALL CO BL | 30 | 1 | 2,500 | 16.46 | 2003 | | 100 | 41,150 | 30,657 | | |
| | | | | | | | 11 | YIMP | YARD IMPS | 30 | 1 | 30 | 1,664.00 | 1995 | | 100 | 49,920 | 31,200 | | |
| Gross Living Area | | 208,970 | Perimeter | 4,100 | Sub Area RCN | 12,222,655 | | | | | | | | | | | | | | |
| Building Notes | | | | | | Building Cost Summary | | | | | | | | | | | | | | |
| | | | | | | 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 | %-\$ | %-\$ | Taxable Land | Note | Land Size-Sf | Water | Municipal | | |
| 400 | General Commercial: reta | AC | 754,807 | SF2 | 11.00 | SIZE | | 90 | | 7,472,589 | WALMART PARC VAL TOGETHER | 754,807 | | | | |
| | | | | | | | | | | | | 17,328 | Sewer | Municipal | | |
| | | | | | | | | | | | | 400 | Street | Paved | | |
| | | | | | | | | | | | | | SPC | | | |
| | | | | | | | | | | | | | CAGC | | | |

APPRAISAL RECORD

APN: 024-055-53

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 | | | | |
| 9/10/2019 | WJ | Re-appraisal Review | | | | |
| 4/18/2019 | WJ | Permit Review | | | | |
| | | Aerial Review | | | | |
| 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% | |

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

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 | | | |
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| 2019 FV | 7,472,589 | | 9,587,047 | | 17,059,636 | 5,970,873 | XFOB Value | 1,065,478 | | | |
| 2018 FV | 7,548,070 | | 9,576,614 | | 17,124,684 | 5,993,639 | Obsolescence | 0 | | Parcel Total | |
| 2017 FV | 7,548,070 | | 9,674,994 | | 17,223,064 | 6,028,072 | Taxable Value | 17,420,691 | | | <input type="checkbox"/> NC <input type="checkbox"/> C |
| 2016 FV | 7,548,070 | | 9,873,906 | | 17,421,976 | 6,097,692 | Total Exemption | | | New Const | |
| 2015 FV | 7,548,070 | | 9,911,198 | | 17,459,268 | 6,110,744 | | | | 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 | 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 | | | | | | | | | | | | 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 |
| | | | | | | | | | | | | 754,807 | 17.328 | 400 | | | | | |

APPRAISAL RECORD

APN: **024-055-53**

PAGE 5 of 5

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 | | | | |
| | | | | | | |
| 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% | |

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

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 | | |

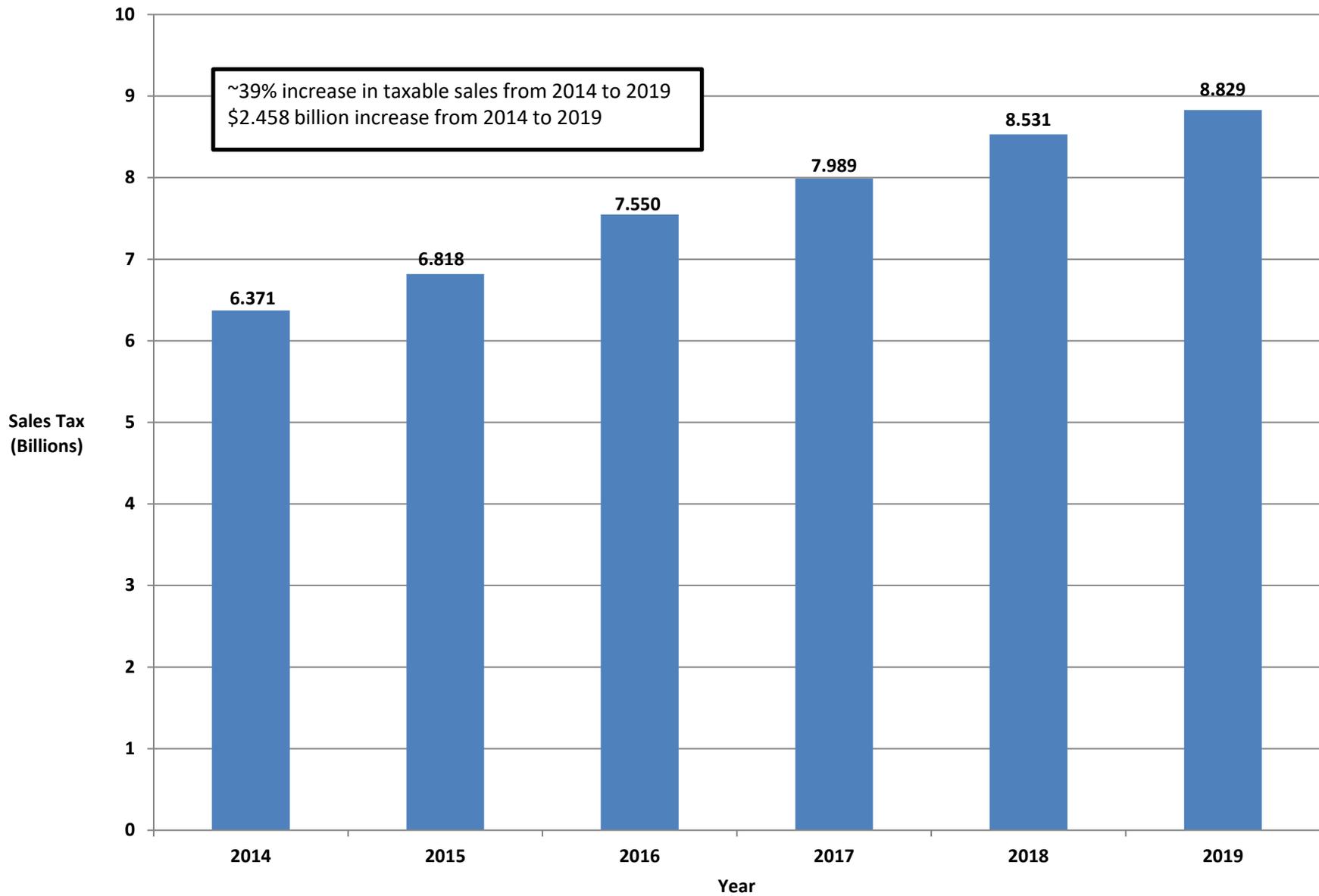
Grocery Store Rent Survey

| # | 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 Raleys Supermarket | 58,299 2008 | 2008 25 years | \$1.39 | NNN | 5 year options |
| | 18144 Wedge Parkway 049-731-10 | Galena Junction Raleys 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 | | |

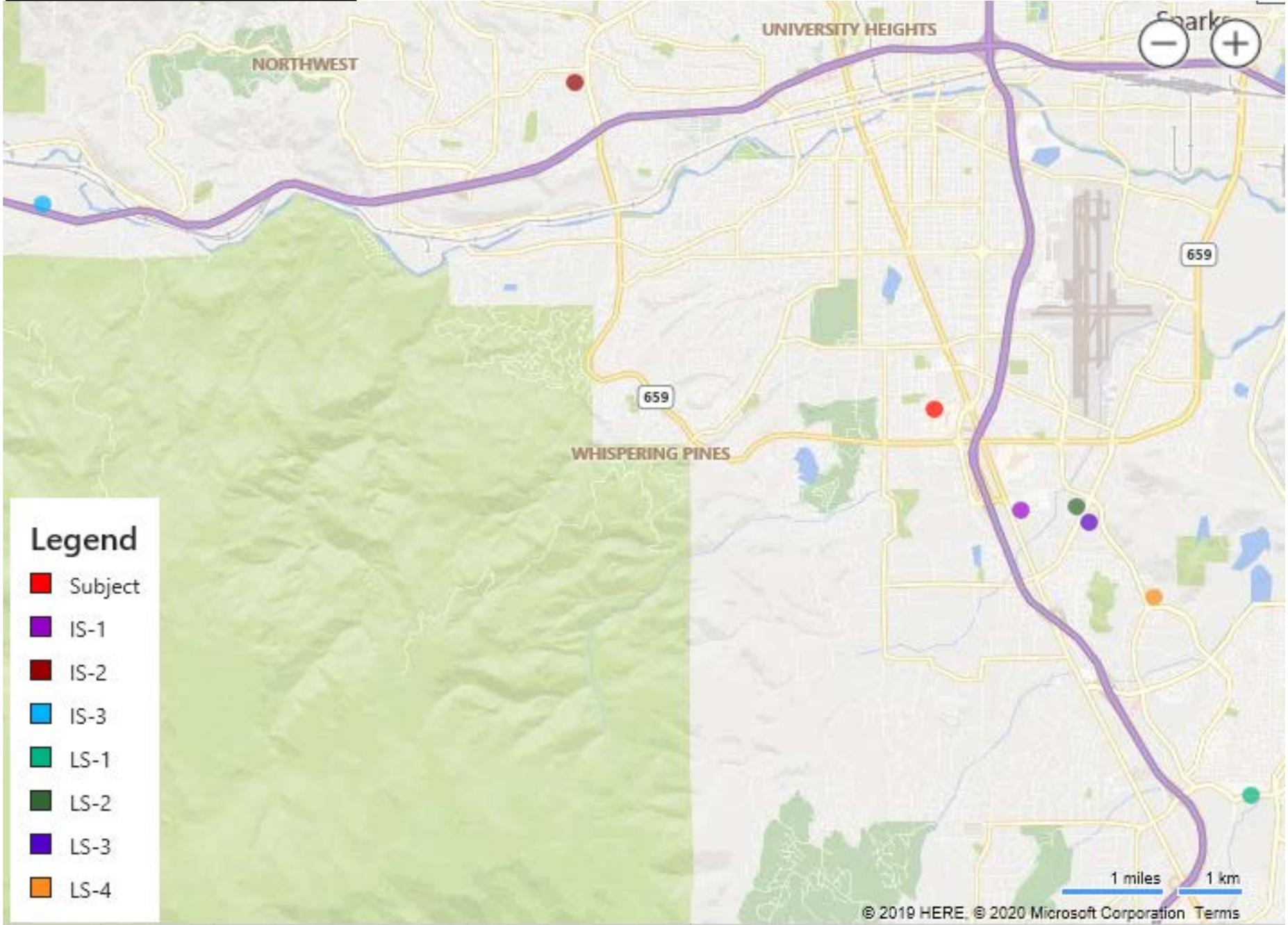
RETAIL CAPITALIZATION RATE CHART

| 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 |

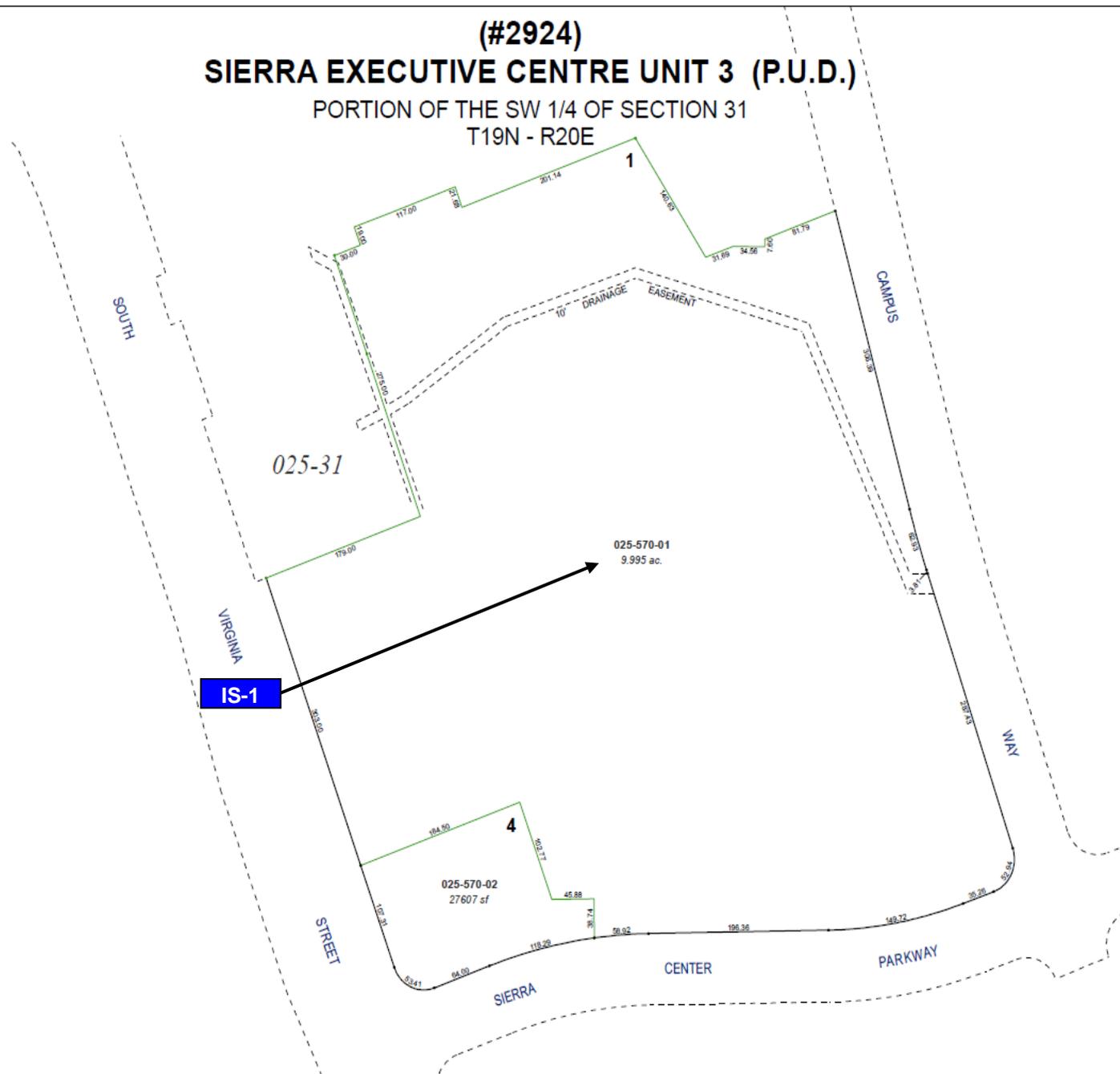
Annual Washoe County Sales & Use Tax



NEIGHBORHOOD MAP



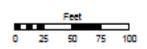
(#2924)
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)
 PORTION OF THE SW 1/4 OF SECTION 31
 T19N - R20E



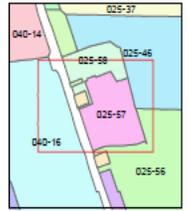
Assessor's Map Number
025-57

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

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



1 inch = 100 feet



created by: TWT 8/3/2015
 last updated:

area previously shown on map(s)
 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

039-05

039-05

MAE ANNE AVENUE



IS-2

PORTION NE 1/4 OF SECTION 8 T19N - R19E

039-04

SIERRA HIGHLANDS DRIVE

McCARRAN BOULEVARD

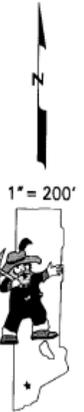
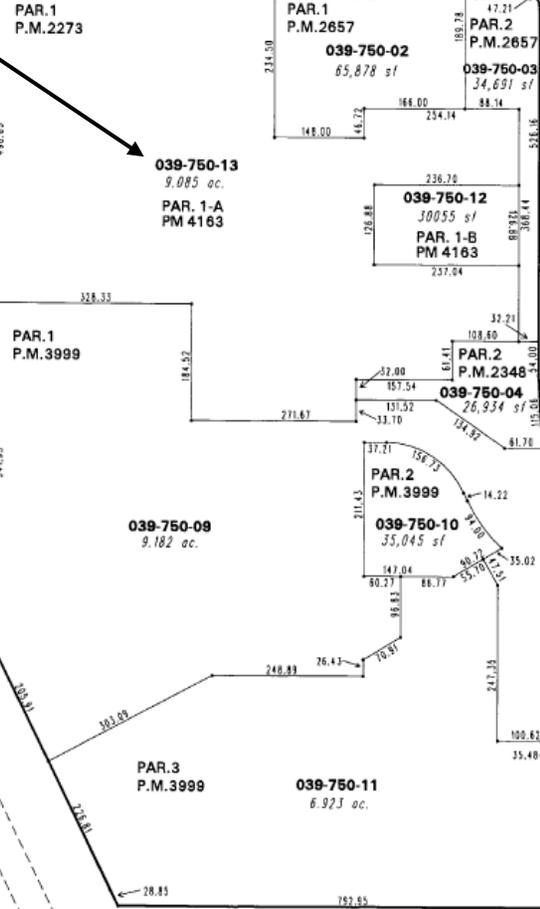
BOOK 005

039-06

039-12

039-71

039-70



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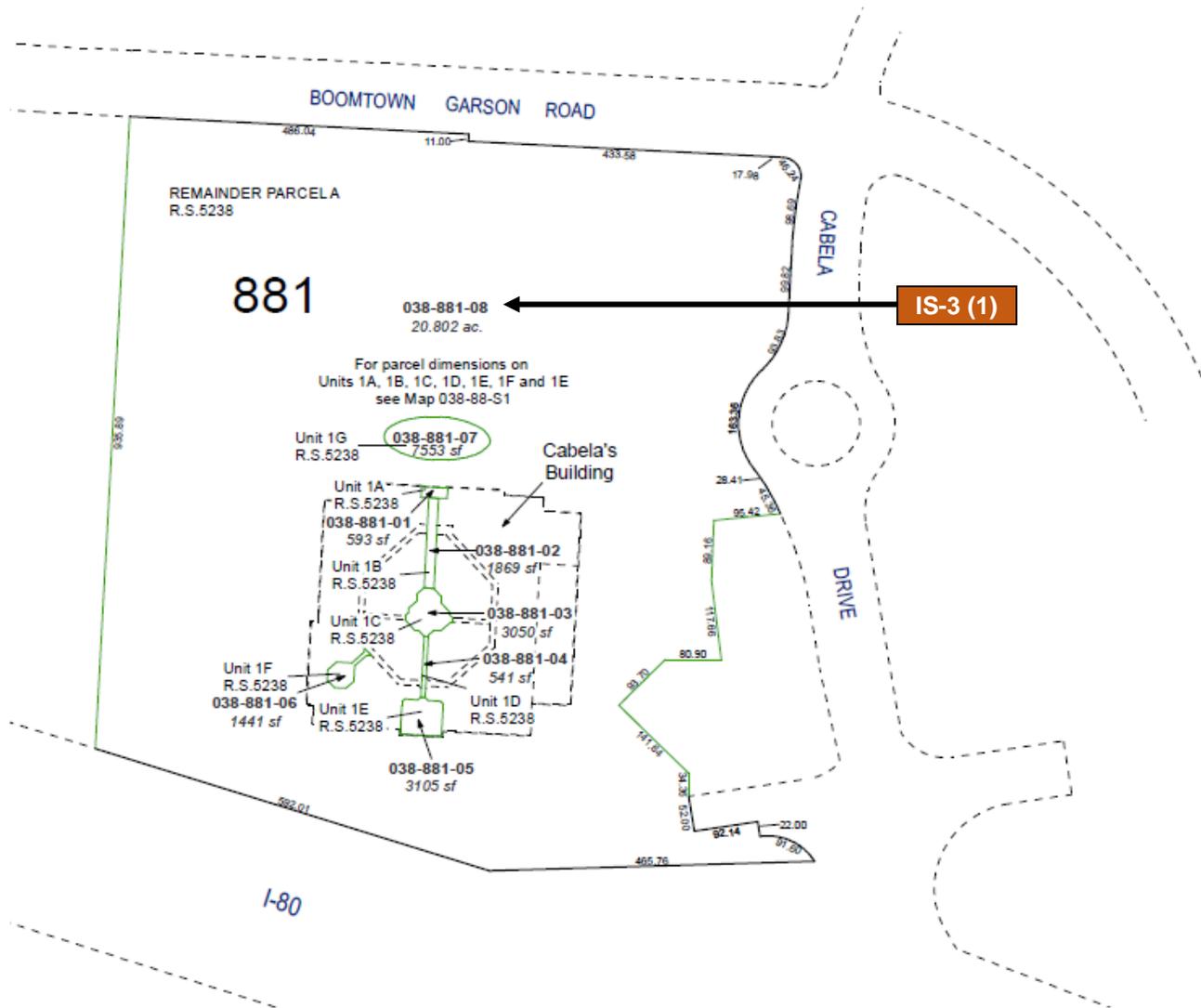
Office of Washoe County Assessor, Nevada - Robert W. McGowan

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 |
| ARCFINFO 8.1.2 WINDOWS 2000 5.0 | |

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

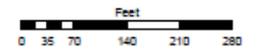


Assessor's Map Number

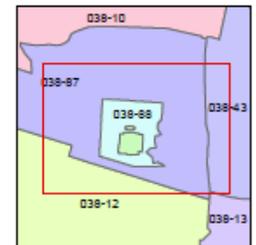
038-88

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

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

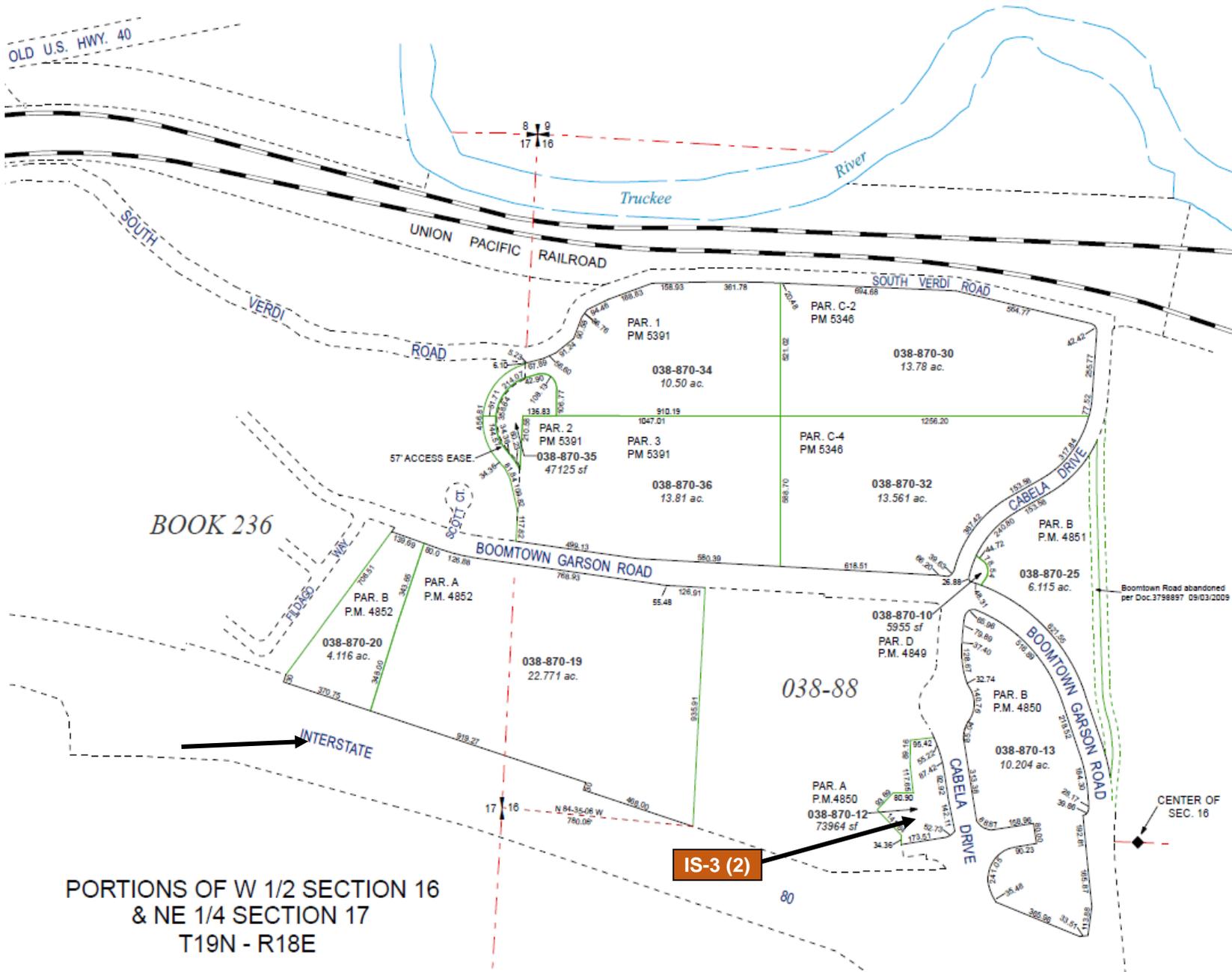


1 inch = 200 feet



created by: CFB 06/21/2010

last updated:



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

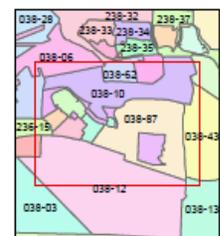
IS-3 (2)

Assessor's Map Number
038-87

STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
1001 East Ninth Street, Building D
Reno, Nevada 89512
(775) 328-2231

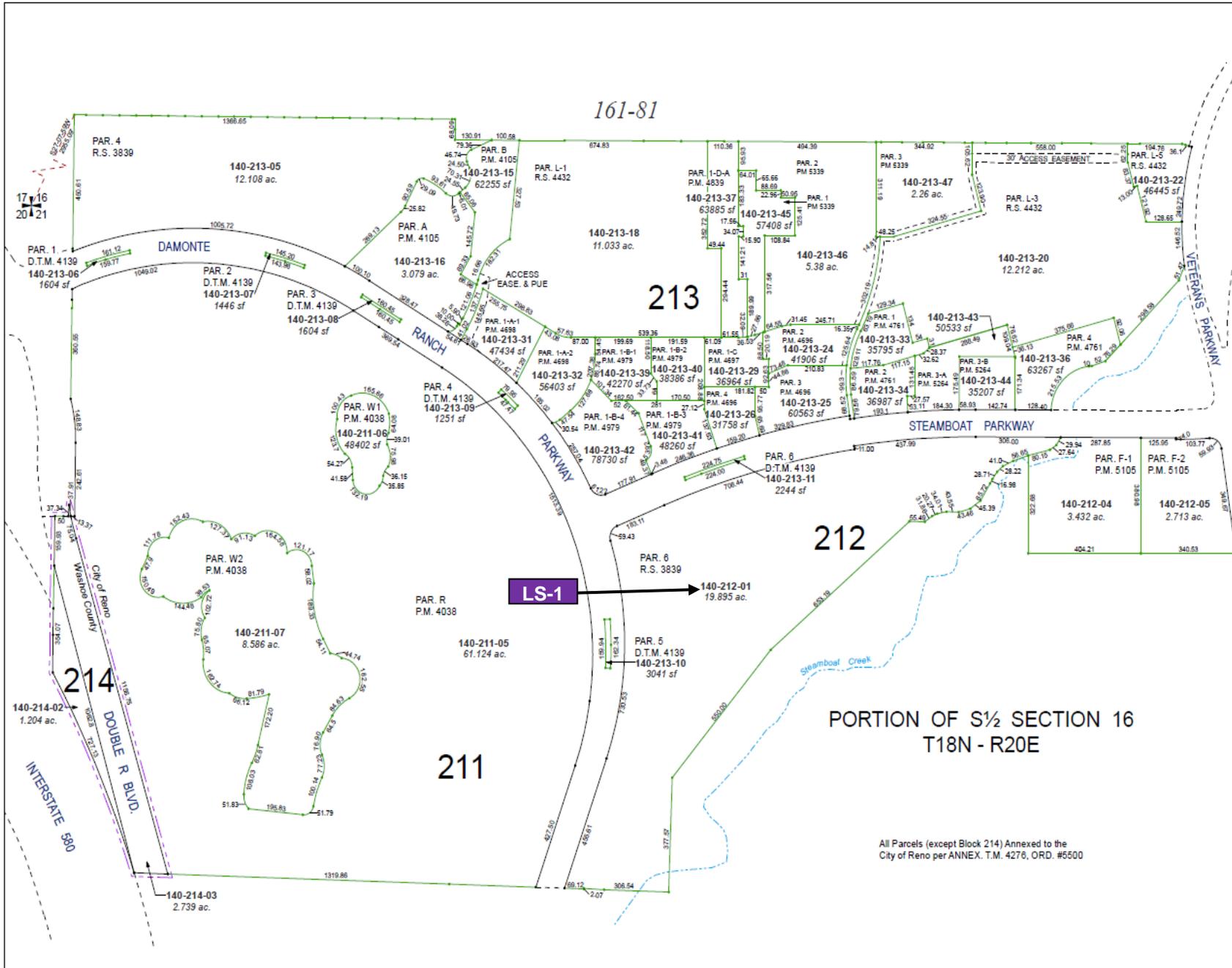


Scale bar: 0 100 200 300 400 Feet
1 inch = 400 feet



created by: CFB 6/10/2009
updated: KSB 4/13/17 KSB 5/17/18
JMO 3/26/19

area previously shown on map(s):



Assessor's Map Number

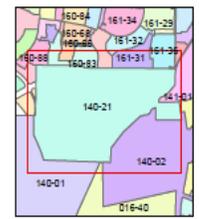
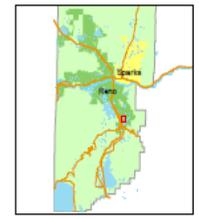
140-21

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

1001 East Ninth Street
 Building D
 Reno, Nevada 89512
 (775) 329-2321



1 inch = 300 feet



created by: **NLH 01/07/2011**

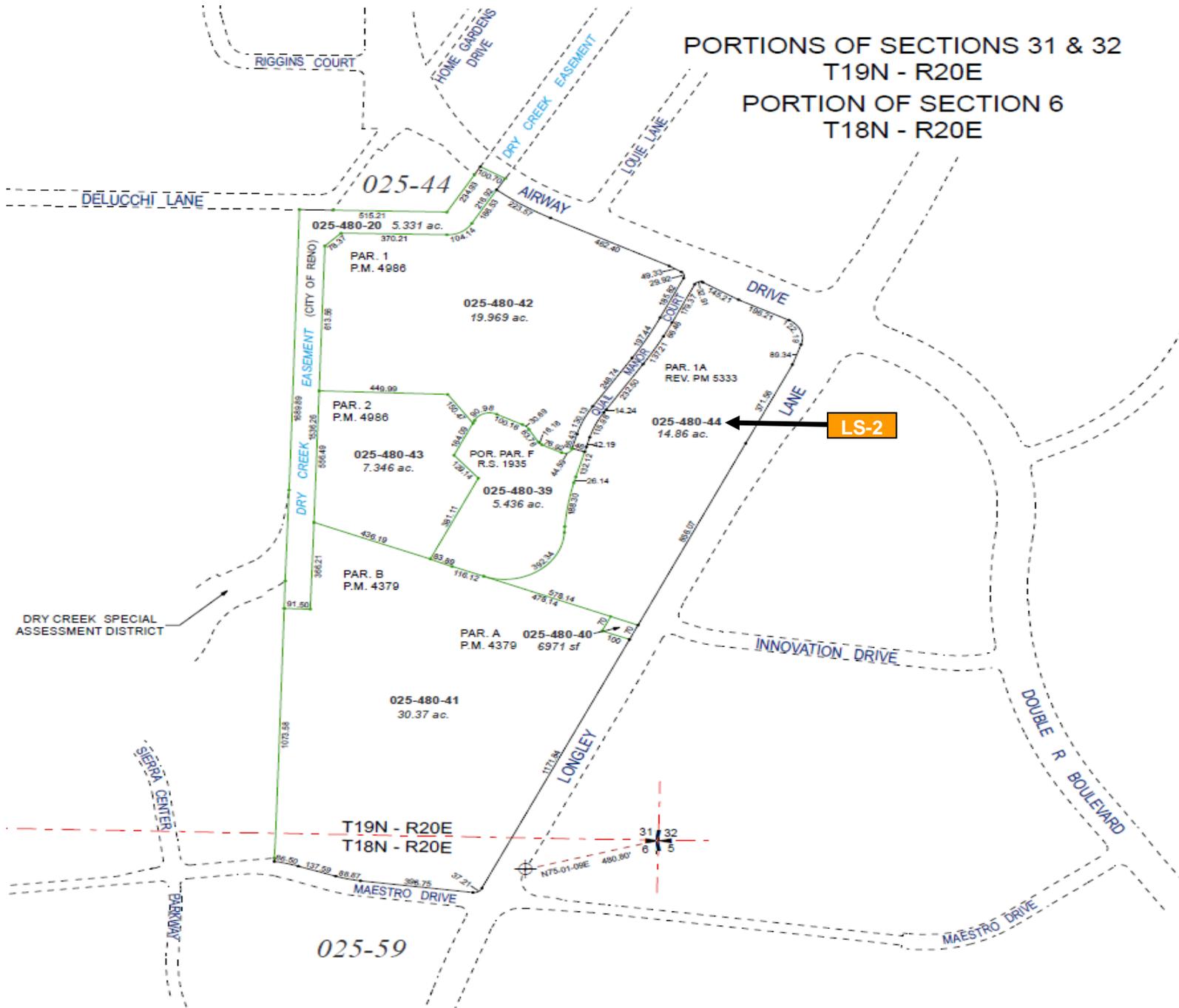
last updated: **SR 12/01/16 SR 3/20/18**

area previously shown on map(s)
016-40 016-52

All Parcels (except Block 214) Annexed to the
 City of Reno per ANNEX. T.M. 4276, ORD. #5500

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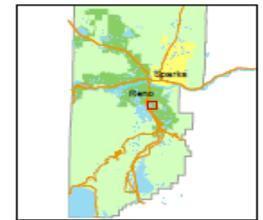
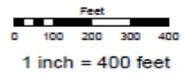
PORTIONS OF SECTIONS 31 & 32
T19N - R20E
PORTION OF SECTION 6
T18N - R20E



Assessor's Map Number
025-48

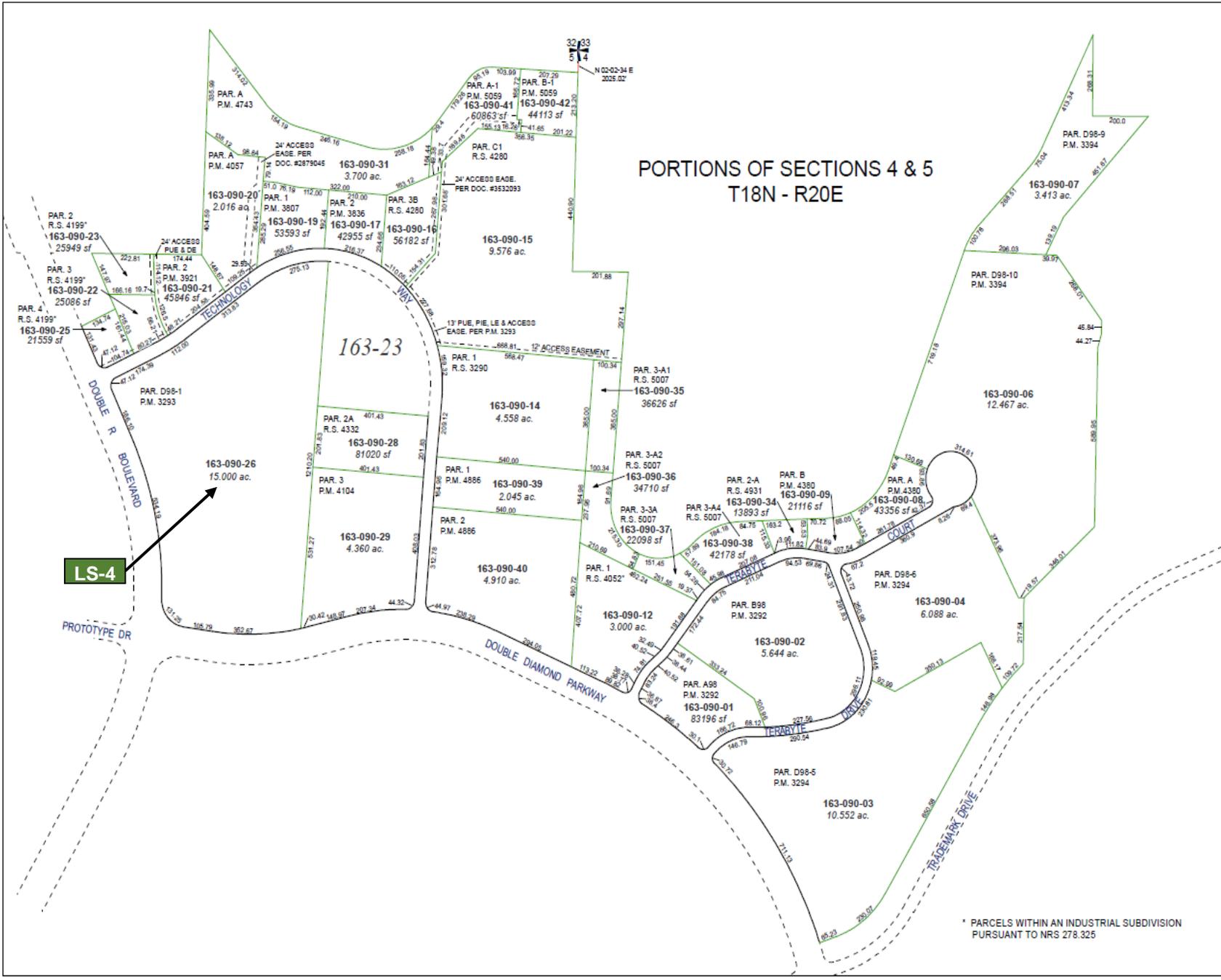
STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
Michael E. Clark, Assessor

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



created by: TWT 07/27/2015
last updated: SR 3/5/18
area previously shown on map(s)

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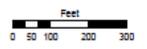


PORTIONS OF SECTIONS 4 & 5
T18N - R20E

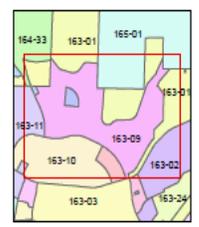
Assessor's Map Number
163-09

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

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



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

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.