

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization

Appeal Summary Page - Secured Roll

Hearing # 21-0032
 Hearing Date 02/08/2021
 Tax Year 2021

APN: 015-301-38
 Owner of Record: LITHIA REAL ESTATE INC
 Property Address: 657 E GROVE ST
 Property Type: SERVICE REPAIR GARAGE 100%
 Gross Building Area: 20,240 SF
 Year Built: 2002
 Parcel Size: 58,241 SF

Description / Location: The subject property is Lithia Body & Paint, a 20,240 square foot service garage built in 2002. This property is located at 657 E Grove St just behind the Lithia Subaru car dealership which fronts on Kietzke Ln just south of Plumb Ln.

2021/22 Taxable Value:	Land:	\$524,169
	Improvements:	\$1,146,116
	Total:	<u>\$1,670,285</u>
	Taxable Value / SF:	\$83

Sales Comparison Approach:	Indicated Value:	\$2,327,600 to \$4,513,520
	Indicated Value/SF:	\$115 to \$223

Income Approach:	Indicated Value	\$3,582,480
	Indicated value/SF:	\$177

Conclusions: Although the income approach more than supports the assessor's taxable value, more weight is given to the sales comparison approach. Based on the evidence presented, the assessor's taxable value does not exceed full cash value and it is my recommendation to this board that the current taxable value be upheld.

RECOMMENDATION: Uphold **X** Reduce



WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE
LAND:	\$524,169	\$183,459	\$/SF GBA
IMPROVEMENTS:	\$1,146,116	\$401,141	\$82.52
TOTAL:	\$1,670,285	\$584,600	
			TAXABLE
			\$/SF Land
			\$9.00

HEARING:	<u>21-0032</u>
DATE:	<u>02/08/2021</u>
TAX YEAR:	<u>2021</u>

OWNER: LITHIA REAL ESTATE INC

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	015-301-38	657 E GROVE ST SERVICE REPAIR GARAGE	100%	20,240 20,240	METAL FRAME	C25		2002 18	58,241 35% AC				

IMPROVED SALES													
IS-1	020-131-04	28252 KIETZKE LN SERVICE REPAIR	100%	13,232 13,232	WD/STL FRAME	C20		1990 18	43,548 30% AC	\$2,950,000 12/31/2020	\$223		5.90%
IS-2	032-302-13	1000 GLENDALE AVE STORAGE WAREHOUSE	70%	23,700 16,590	METAL FRAME	C10		1966 14	112,820 21% I	\$3,500,000 11/23/2020	\$148		6.00%
		OFFICE	30%	7,110	METAL ON STEEL FRAME								
IS-3	032-241-01 032-241-02	1808 FRAZER AVE STORAGE WAREHOUSE	100%	9,600 9,600	METAL FRAME	C10		1958 16	21,000 46% I	\$1,100,000 12/21/2020	\$115		
IS-4	015-301-40	2245 HARVARD WAY SERVICE REPAIR	100%	8,444 8,444	METAL FRAME	C25		2000 18	43,740 19% AC	\$1,500,000 03/20/2020	\$178		

LAND SALES												
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	\$/sf	Zoning	Comments				
1	019-360-26	140 BRINKBY AVE	11/26/2018	\$185,000	18,377	\$10	MUDR					
2	012-015-06	511 KUENZLI ST	05/31/2018	\$459,000	25,500	\$18	AC/CC/MF30					
3	013-402-01	0 VASSAR ST	05/17/2018	\$185,000	15,169	\$12	MUWM					

COMMENTS:

The subject property consists of a 20,240 square foot service garage built in 2002 and sits on a rectangular lot of approximately 1.3 acres in size. This property fronting on Grove St is accessed just off of Kietzke Ln and is used as part of the Lithia Subaru car dealership. This is an owner occupied service garage and therefore more weight has been given to these very current and comparable sales. Shown above are four comparable sales, two service garages and two storage warehouses. Storage warehouse are similar to a service garage as they have similar building heights, roll-up doors and are often converted to service garages.

IS-1 is the most current sale having transacted on December 31, 2020 at a sales price of \$223 per square foot. It involved a 13,232 square foot service garage located just 0.40 miles from the subject property on Kietzke Ln. This is a multi-tenant garage of inferior size, quality and age. Although it is in very close proximity and benefits from frontage on Kietzke Ln. Overall IS-1 is slightly inferior to the subject property.

IS-2 is another very current sale which took place on November 23, 2020 at a sales price of \$148 per square foot. This sale involves a 23,700 metal storage warehouse with some office space. It is located less than four miles from the subject property on Glendale Ave in the Industrial section of Sparks. This is very similar in size to the subject, but very inferior in age, quality and location. Overall IS-2 is slightly inferior to the subject property.

IS-3 also took place in December of 2020 less than two months ago and sold for \$115 per square foot. This was the sale of another metal storage warehouse located on Frazer Ave also in the industrial section of Sparks. This comp is inferior in size, age, quality and location. IS-3 is inferior to the subject property.

IS-4 is the oldest of our comparable sales but is still less than a year old having transacted in March of 2020. It involves an 8,444 square foot service garage on a similar size parcel and as you can see on your maps it is adjacent to our subject property. Although this sale is inferior in the size of the building, it is equal in age, quality and location. Overall IS-4 is slightly inferior to the subject due to its building size.

Land sales one through three are comparable land sales showing a range from \$10 to \$18 per square foot, and all support our current taxable land value of \$9 per square foot.

To conclude our sales comparison approach, the above improved sales are all very current having have occurred in the past year during the COVID-19 pandemic. The comparable sales range from \$115 to \$223 per square foot. The subjects taxable value of \$83 per square foot is well supported by the comparable sales and does not exceed market value.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING: <u>21-0032</u>
		\$524,169	\$183,459	\$/SF GBA	DATE: <u>02/08/2021</u>
	IMPROVEMENTS:	\$1,146,116	\$401,141	\$82.52	
	TOTAL:	\$1,670,285	\$584,600		TAX YEAR: <u>2021</u>
APN: 015-301-38				TAXABLE	
OWNER: LITHIA REAL ESTATE INC				\$/SF Land	
				\$9.00	

Income Approach					
Potential Gross Income	20,240 sq ft. @	\$1.00 /mo =	\$20,240		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$20,240		
	x 12 months =		<u>12</u>		
				\$242,880	
- Vacancy & Collection loss				7% <u>\$17,002</u>	
= Effective Gross Income				\$225,878	
- Operating Expenses				5% <u>\$11,293.92</u>	
=Net Operating Income				\$214,584	
Divided by Overall Capitalization Rate				6.00%	
				\$3,576,408	
				Rounded	\$177 /sf GBA

Subject Income Information: The subject property consists of a 20,240 square foot service garage owned and operated by Lithia in conjunction with its auto dealership.

Potential Gross Income: NNN lease rates for service garages were analyzed and can be referenced on a chart on the next page. A \$1.00 per square foot lease rate was used for this analysis.

Effective Gross Income: The subject property is 100% occupied. Per CoStar's year end market reports of the industrial market, vacancy rates have remained stable and are at approximately 6.6%. Therefor a 7% vacancy and collection loss was used in this analysis.

Net Operating Income: In a NNN lease all exepenses are passed on to the tenant, however a 5% expense rate was used to account for reserves for replacement and other expenses that would not be covered in a NNN lease.

Capitalization Rate Analysis: CAP rates can also be seen on the next page and are in the range of 5% to 6% for very current sales having occurred within the last six months of 2020, a 6% CAP rate was used for this analysis.

Indicated Value Income Approach: The above market income approach indicates a value of \$177 per square foot.

Comments: Although this is not an income generating property as it is owner occupied, the above income approach to value analysis indicates at value of \$177 per square foot which supports the total taxable value of \$83 per square foot and indicates that the assessor's value does not exceed full cash value.

Industrial Capitalization Rates

APN	Location (Occupancy)	Use %	Total GBA (GBA)	Construction Type Exterior Walls	QC	Age(WAY) Height	Land (SF) %Coverage Zoning	Sale Price Sale Date	Sale Price/GBA	OAR
020-131-04	28252 KIETZKE LN SERVICE REPAIR	100%	13,232 13,232	WD/STL FRAME STUD - STUCCO ON WIRE	C20	1990 18	43,548 30% AC	\$2,950,000 12/31/2020	\$223	5.90%
032-302-13	1000 GLENDALE AVE STORAGE WAREHOUSE OFFICE	70% 30%	23,700 16,590 7,110	METAL FRAME SINGLE WALL - METAL ON STEEL FRAME	C10	1966 14	112,820 21% I	\$3,500,000 11/23/2020	\$148	6.00%
034-372-02	131/133 CONEY ISLAND DR STORAGE WAREHOUSE	100%	20,000 20,000	MSNRY BRNG CONCRETE, TILT-UP	C10	1980 22	57,499 35% I	\$2,195,000 10/08/2020	\$110	5.60%
013-322-18	1100 TERMINAL WAY STORAGE WAREHOUSE	100%	21,552 21,552	MASONRY	C10	1966	54,886 39% MURL	\$2,600,000 07/22/2020	\$121	5.00%
034-262-08	831 DEMING WAY STORAGE WAREHOUSE	100%	61,770 61,770	MSNRY BRNG CONCRETE, TILT-UP	C10	1979 21	89,167 69% I	\$5,875,000 ASKING	\$95	5.66%

LEASE RATE COMPARABLES

LOCATION	APN	BUSINESS	SF	RENT/SF	LEASE START
2825 KIETZKE LN	020-131-04	Ricks Total Car Care	1,296	\$ 1.16	07/01/2020
2825 KIETZKE LN	020-131-04	Meineke Car Care Center	4,104	\$ 1.01	11/01/2019
2825 KIETZKE LN	020-131-04	Express Smog	1,296	\$ 0.65	11/01/2018
		Average		\$ 0.94	
		Median		\$ 1.01	

Washoe County PRODUCTION SUMMARY APPRAISAL RECORD



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2021

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ACTIVE

Roll YR

Code

%Comp

Situs 657 E GROVE ST RENO Database WASHOE NBHD ADAQ Appr WJ Exemption AV|Exemption
 Owner LITHIA REAL ESTATE INC Printed 2/1/2021 Commercial
 150 N BARTLETT ST MEDFORD, OR 97501 Tax District 1000
 Property Name

Reopen			
Reappraisal			

Valuation History

Parcel Value Summary

Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD	OBSO	<input type="checkbox"/> Change <input type="checkbox"/> No Change	
2021 VN	524,169		1,146,116		1,670,285	584,600	Land Value	524,169	NewLand		
2021 NR	524,169		1,146,116		1,670,285	584,600	Building Value	1,081,421			
2020 FV	524,169		1,184,341		1,708,510	597,978	XFOB Value	64,695	Initials/Date		
2019 FV	524,169		1,124,183		1,648,352	576,923	Obsolescence	0			
2018 FV	497,961		1,122,140		1,620,101	567,035	Taxable Value	1,670,285	Parcel Total	<input type="checkbox"/> NC	<input type="checkbox"/> C
2017 FV	419,335		1,147,253		1,566,588	548,306	Total Exemption		New Const	<input type="checkbox"/> New Sketch	
2016 FV	458,648		1,173,016		1,631,664	571,082		Remainder	New Land		

Building Data

Type	BLDG	Occ	Description	Frame	Yr Built	Way	% Comp	QC	RCN	DRC	SQFT	DRC \$/SQFT	Bldg OBSO
COMM	1-1	528	Service Repair Garage	S	2002	2002	100	C25	1,442,776	1,031,585	20,240	50	0
MISC	1-2	600	Miscellaneous	0	2002	2002	100	40	69,700	49,836		49,836	0



015-301-38 05/06/2016

Land Value											Land Data		Property Characteristics	
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Size-Sf	Water	Municipal
500	General industrial: ligh	AC	58,241	SF1	10.00	SIZE	90			524,169	015-301-36/38 VALUED AS 1	58,241	Sewer	Municipal
												1.337	Street	Paved
													SPC	

Washoe County PRODUCTION APPRAISAL RECORD



APN: 015-301-38

2021

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ACTIVE

Roll YR

Code

%Comp

Situs	657 E GROVE ST RENO	Database	WASHOE	NBHD	ADAQ	Appr	WJ	Exemption A\ Exemption		Reopen			
Owner	LITHIA REAL ESTATE INC	Printed	2/1/2021	Commercial		Tax District	1000	Property Name		Reappraisal			
	150 N BARTLETT ST MEDFORD, OR 97501												

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			
2021 VN	524,169		1,146,116		1,670,285	584,600	Land Value	524,169			
2021 NR	524,169		1,146,116		1,670,285	584,600	Building Value	1,081,421			
2020 FV	524,169		1,184,341		1,708,510	597,978	XFOB Value	64,695			
2019 FV	524,169		1,124,183		1,648,352	576,923	Obsolescence	0		Parcel Total	
2018 FV	497,961		1,122,140		1,620,101	567,035	Taxable Value	1,670,285			<input type="checkbox"/> NC <input type="checkbox"/> C
2017 FV	419,335		1,147,253		1,566,588	548,306	Total Exemption				<input type="checkbox"/> New Sketch
2016 FV	458,648		1,173,016		1,631,664	571,082				Remainder	

Building Data													
1-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	COMM	Commercial/Industria	BUILDING LEVEL			ASC	1	Alternate Shape Code	100				
Occ	528	Service Repair Garag	Rate Adj			SP1C	20,240	Sprinkler System Generic - C	100				
Stry/Frm	S	MTL FRM ~ METAL FRAM	Lump Sum			ST	1	No of Stories	100				
Quality	C25	Commercial 2.5 (Abov				WH	18	Avg Wall Height/Floor	100				
Year Built	2002		PARCEL LEVEL			EW	916	SINGLE WALL - METAL ON STEEL	100				
WAY	2002		Lump Sum	0		HEAT	606	SPACE HEATER	83				
Remodel Yr			%Obso	0.0000		HEAT	611	PACKAGE UNIT	17				
% Comp	100	%DPR	28.5										

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
1FL	FIRST FLOOR			20,240	71.28	1,442,776	1	CRBC	CONC CURB	30	1	800	14.35	2002		100	11,480	8,208		
							2	FWAS	FW ASPHALT	30	1	23,000	2.59	2002		100	59,623	42,630		
							3	PKLT	PKG LOT LI	30	1	9,000	0.66	2002		100	5,940	4,247		
							4	YIMP	YARD IMPS	30	1	8	1,680.00	2002		100	13,440	9,610		

Gross Bldg Area	20,240	Perimeter	636	Sub Area RCN	1,442,776
Building Notes		Building Cost Summary			
		Building RCN	1,442,776		
		Depreciation	411,191		
		Building DRC	1,031,585		
		Extra Feature DRC	64,695		
		Building Obso			
Building Name		Total DRC	1,096,280		
		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		
500	General industrial: ligh	AC	58,241	SF1	10.00	SIZE		90		524,169	015-301-36/38 VALUED AS 1	58,241	Municipal		
												1.337	Sewer		
												500	Street		
													Paved		
													SPC		

Washoe County PRODUCTION APPRAISAL RECORD

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Owner LITHIA REAL ESTATE INC
 Keyline Description PM 2673 LT A

NBHD ADAQ Commercial

Appr WJ



Activity Information						
Date	User ID	Activity Notes				
10/29/2020	WJ	Re-appraisal Review				
6/5/2003	LRA	Permit Review				
		Aerial Review				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
MORELAND NEVADA PROPERTI	5017465	4/7/2020	500	6,000,000	2XD	
MORELAND, W D	4042637	9/20/2011	500	100,000	3BGG	
MORELAND, W D & CAROL	4042636	9/20/2011	500	0	3BCT	
MORELAND, W D & CAROL	4036484	8/31/2011	500	100,000	3BGG	
	1714840	9/23/1993		0		
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
	03-01859	FIRE SPRKLR		C	100%	

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Washoe County PRODUCTION APPRAISAL RECORD



APN: 015-301-38

2021

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ACTIVE

Roll YR

Code

%Comp

Situs 657 E GROVE ST RENO Database WASHOE NBHD ADAQ Appr WJ Exemption AV|Exemption
 Owner LITHIA REAL ESTATE INC Printed 2/1/2021 Commercial
 150 N BARTLETT ST MEDFORD, OR 97501 Tax District 1000
 Property Name

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			
2021 VN	524,169		1,146,116		1,670,285	584,600	Land Value	524,169			
2021 NR	524,169		1,146,116		1,670,285	584,600	Building Value	1,081,421			
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2017 FV	419,335		1,147,253		1,566,588	548,306	Total Exemption				<input type="checkbox"/> New Sketch
2016 FV	458,648		1,173,016		1,631,664	571,082			Remainder		

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 - Only valid wi	Lump Sum										
Quality	40	Good											
Year Built	2002		PARCEL LEVEL										
WAY	2002		Lump Sum 0										
Remodel Yr			%Obso 0.0000										
% Comp	100	%DPR 28.5											

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 - C			1,206	57.79	69,700														

Gross Bldg Area Perimeter Sub Area RCN 69,700

Building Notes	Building Cost Summary
	Building RCN 69,700
	Depreciation 19,864
	Building DRC 49,836
	Extra Feature DRC
	Building Obso
Building Name	Total DRC 49,836
	Override Value

Land Value: 1 Lines Total												Land Data		Property Characteristics							
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Size-Sf	Acre Size	DOR Code	Deferment	CAGC	Water	Sewer	Street	Municipal	
												58,241	1.337	500						Paved	

Washoe County PRODUCTION APPRAISAL RECORD

APN: 015-301-38

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Owner LITHIA REAL ESTATE INC
 Keyline Description PM 2673 LT A

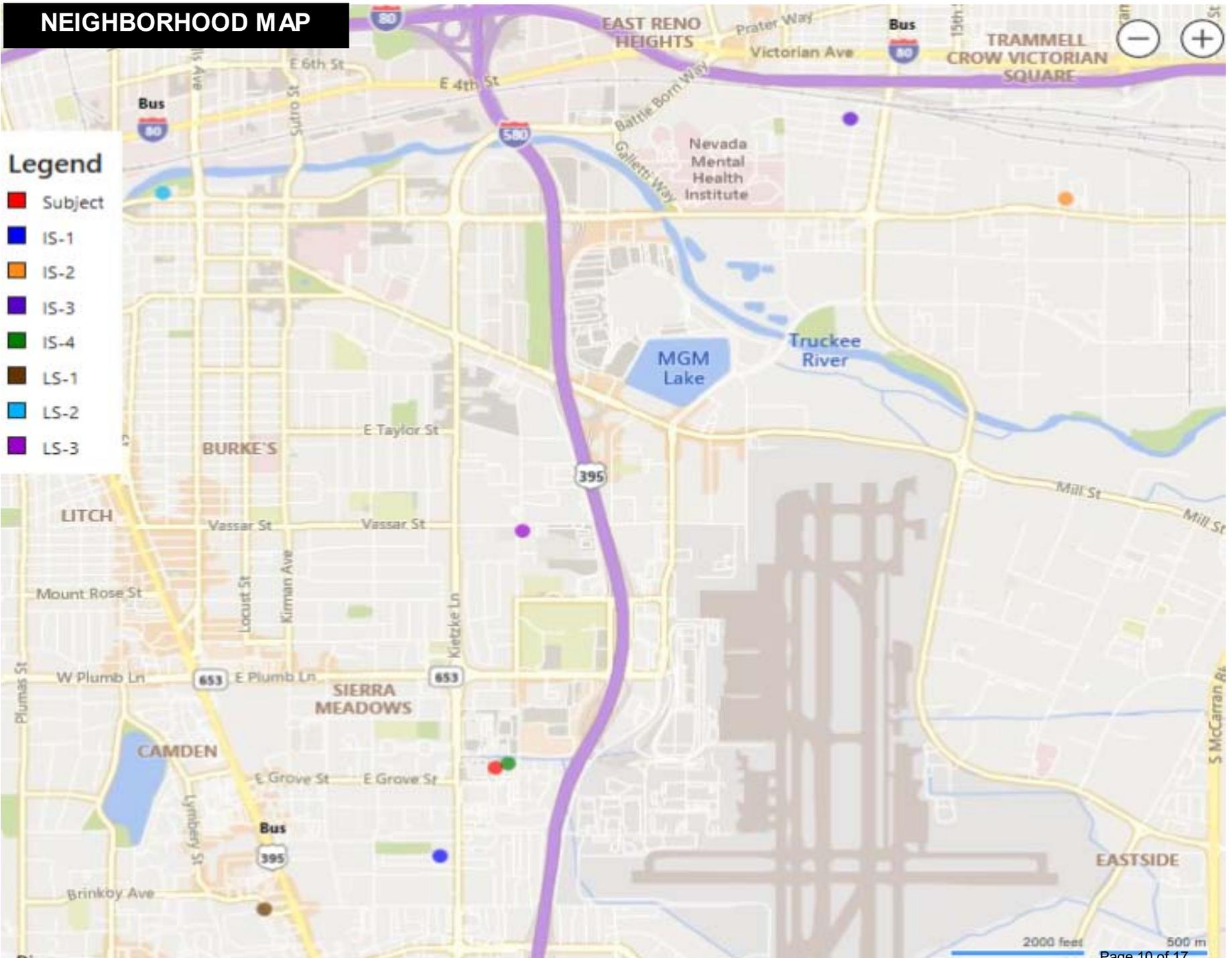
NBHD ADAQ Commercial

Appr WJ

Activity Information						
Date	User ID	Activity Notes				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
MORELAND NEVADA PROPERTI	5017465	4/7/2020	500	6,000,000	2XD	
MORELAND, W D	4042637	9/20/2011	500	100,000	3BGG	
MORELAND, W D & CAROL	4042636	9/20/2011	500	0	3BCT	
MORELAND, W D & CAROL	4036484	8/31/2011	500	100,000	3BGG	
	1714840	9/23/1993			0	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	

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NEIGHBORHOOD MAP



PORTION OF NW 1/4 SECTION 19
T19N - R20E

