

**ASSESSOR'S**

**EVIDENCE**

**Washoe County Board of Equalization  
Appeal Summary Page - Secured Roll**

Hearing # 23-0033  
Hearing Date 2/22/2023  
Tax Year 2023

APN: 033-221-25  
Owner of Record: KCP RE LLC  
Property Address: 1285 N MCCARRAN BLVD  
Property Type: DAY CARE CENTER 100%  
Gross Building Area: 9,628  
Year Built: 1985  
Parcel Size: 43081 SF

Description / Location: The subject is a freestanding daycare center located at 1285 N McCarran Blvd, just north of Prater Way and south of East Greenbrae Drive. KinderCare is a franchise, with locations across the country, including two locations in Reno.

2023/2024 Taxable Value:	Land:	\$409,678
	Improvements:	\$756,766
	Total:	<u>\$1,166,444</u>
	Taxable Value / SF	\$121

Sales Comparison Approach:	Indicated Value:	\$2,166,000
	Indicated Value SF	\$225

Income Approach:	Indicated Value:	\$2,705,000
	Indicated Value SF	\$281

Conclusions: The sales comparison analysis is reconciled to a value of \$2,166,000 or \$225/SF and the income analysis results in a value of \$2,705,000 or \$281/SF. Due to the lack in the income information for the subject, more weight is given to the sales comparison approach. Based on this analysis, a market value of \$2,358,000 or \$245/SF is supported. It is our recommendation to uphold the total taxable value of \$1,166,444 or \$121/SF.

RECOMMENDATION: Uphold X Reduce



**ASSESSOR'S EXHIBIT I  
19 PAGES**

**WASHOE COUNTY BOARD OF EQUALIZATION**

**COMMERCIAL / INDUSTRIAL**

	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>
<b>LAND:</b>	\$409,678	\$143,387	<b>\$/SF GBA</b>
<b>IMPROVEMENTS:</b>	\$756,766	\$264,868	\$121
<b>TOTAL:</b>	\$1,166,444	\$408,255	
			<b>TAXABLE</b>
			<b>\$/SF Land</b>
			\$9.50

<b>HEARING:</b>	23-0033
<b>DATE:</b>	2/22/2023
<b>TAX YEAR:</b>	2023

OWNER: KCP RE LLC

<b>Subject</b>											
BLDG#	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	
1	033-221-25	1285 N McCarran Boulevard Day Care Center	100%	9,628 9,628	WD/STL Frame Stud Walls- Brick Veneer	C20	1985 8	43,081 22% MUD			
<b>Improved Sales</b>											<b>Notes</b>
<b>IS-1</b>	163-020-02	9410 Double Diamond Parkway Daycare Center	100%	12,177	WD/STL Frame Stud Walls- Stucco on Wire or Sheath	C25	1997 12	61,681 20% PD	\$2,600,000 6/4/2021	\$214	Similar in location. Requires an upward adjustment to the sales price per square foot for building size.
<b>IS-2</b>	012-401-16	1230 Corporate Boulevard Daycare Center	100%	5,040	WD/STL Frame Stud Walls- Stucco On Wire or Sheath	C20	1986 12	32,260 16% NC	\$1,782,000 11/17/2021	\$354	Inferior location. Significant downward adjustment necessary for building size.
<b>IS-3</b>	200-020-12	1524 Ambassador Drive Daycare Center	100%	7,469	WD/STL Frame Stud Walls- Hardboard Sheath and Brick Veneer	C25	1997	39,998 19% NC	\$1,715,000 12/16/2019	\$230	Similar in location. Requires a slight downward adjustment to the sales price per square foot for building size.
<b>LAND SALES</b>											
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	\$/sf	Zoning	Comments			
LS1	032-023-02	2153 Prater Way	10/15/2020	\$725,000	54,886	\$13.21	MUD	Inferior location to the subject overall, but similar in it being located on a heavily traveled street with good access. Overall, slightly inferior, representing a low indicator to value.			
LS2	031-092-07	1010 12th Street	3/4/2022	\$250,000	26,572	\$9.41	MUD	Inferior to the subject due to being off a secondary street with very poor access. Parcel is located within a residential neighborhood, not off a busy street. Parcel has irregular shape. Overall inferior, representing a low indicator to value.			
LS3	037-011-04	790 E Lincoln Way	2/26/2020	\$1,580,000	81,090	\$19.48	MUD	Inferior to subject due to being off a secondary street, with poor access (can only access property going north on Galleria Parkway). Superior in lot size. Overall, superior due to property size almost double in size.			
<b>COMMENTS:</b>											
<p>IS-1 is similar to the subject in location and quality; however it requires an upward adjustment to the sales price per square feet due to the large building size. Overall, IS-1 is considered a low indicator of value. IS-2 is similar to the subject in age and quality. Due to the relatively small building size, the sales price per square feet requires a significant downward adjustment. Overall, IS-2 is considered a high indicator to value. IS-3 is similar to the subject in location and quality. A small downward adjustment is necessary due to the smaller building size. Overall, IS-3 is considered slightly superior to the subject. IS-1 and IS-3 are considered most comparable to the subject due to their similar locations and building quality. Given the range of \$214/sf up to \$354/sf presented in the improved sales chart, a value of \$225/sf is supported for the subject property. The vacant land sales represent a sales price range from \$9.41/sf to \$19.48/sf, supporting the current land value of \$9.50, which falls at the low end of the range.</p>											

**WASHOE COUNTY BOARD OF EQUALIZATION**

**COMMERCIAL / INDUSTRIAL**

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	<b>IMPROVEMENTS:</b>	\$756,766	\$264,868	\$121	
	<b>TOTAL:</b>	\$1,166,444	\$408,255		<b>TAX YEAR:</b> <u>2023</u>

**APN:** 033-221-25  
**OWNER:** KCP RE LLC

**TAXABLE**  
**\$/SF Land**  
\$9.50

Income Approach

Potential Gross Income	9,628 sq ft. @	\$1.75 /mo =	\$16,849	
	x 12 months =		<u>12</u>	
				\$202,188
- Vacancy & Collection loss				8.5% <u>\$17,186</u>
= Effective Gross Income				\$185,002
- Operating Expenses				5% <u>\$9,250.10</u>
=Net Operating Income				\$175,752
Divided by Overall Capitalization Rate				6.50%
				\$2,703,876
				Rounded \$281 /sf GBA

**Subject Income Information:** The subject property is a 9,628 square foot Kinder Care daycare center located at 1285 N. McCarran Blvd. in Sparks, Nevada. Income and expense information was requested from the appellant by the Assessor's office, but was never received.

**Potential Gross Income:** Lease comparables demonstrate a rental rate between \$1.50/sf and \$3.00/sf, with daycare centers being at the high end of the range. Based on the age and location, the subject's market rent is expected to be at the lower end of the range. A rental rate of \$1.75/sf is supported.

**Effective Gross Income:** Although the property is 100% occupied, an 8.5% vacancy and credit loss was applied per the overall market conditions in the Reno-Sparks area.

**Net Operating Income:** The rental rate was computed on an assumed triple-net basis, where the owner's expenses are minimal. A 5% expense ratio is estimated for the subject.

**Capitalization Rate Analysis:** . In reviewing capitalization rates from offices and daycare facilities in the Reno-Sparks area, a range between 5.5% and 6.20% is provided. Due to the recent interest rate increases, the subject cap rate is expected to fall outside of the range.

**Indicated Value Income Approach:** The subject property's indicated total taxable value via the income approach is \$2,703,000 which equates to \$281 per square foot.

**Comments:** The above value is supported using market data from the Reno-Sparks, which indicates a value much larger than the subjects current total taxable value. The income approach has indicated an overall value of \$2,700,000 or \$281 per square foot.

Rent Survey							
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	Lease Type	Comments
<b>Market Rents- Free Standing Daycare Centers and Office Buildings</b>							
1	024-122-01 3670 Warren Way	Daycare Center	5,000 1963	12/15/2021 12/15/2026	\$2.06	NNN	
2	025-590-11 550 Maestro Drive	Daycare Center	10,500 2021	10/11/2021 10/21/2036	\$3.00	NNN	
3	040-941-08 675 Sierra Rose Drive	Office Building	7,398 2000	2020 2025	\$1.76	NNN	
4	163-090-25 8600 Technology Way	Office Building	7,320 2003	Contract Rent	\$2.00	NNN	100% leased at time of sale. Sales date 10/26/2021
5	040-972-27 5595 Kietzke Lane	Office Building	10,752 2005	Contract Rent	\$2.30	NNN	*costar information
6	011-213-06 410 California Ave.	Office Building	4,162 1980	Asking Rent	\$1.50	NNN	*information from SVL

**CAP Rate Analysis**

#	Location APN	Description	Sq Feet/ Year Built	Sale Date	Sales Price	NOI	OAR
1	5595 Kietzke Lane 040-972-27	Office Building	10,752 2005	8/31/2021	\$3,280,000	\$182,767	5.50%
2	1230 Corporate Blvd. 012-401-16	Daycare Center	5,040 1986	11/17/2021	\$1,782,000	\$101,124	5.67%
3	675 Sierra Rose Dr 040-941-08	Office Building	7,398 2000	3/11/2020	\$2,600,000	\$156,000	6.00%
4	6770 S McCarran Blvd. 040-880-20	Office Building	8,960 2001	1/10/2020	\$2,000,000	\$124,000	6.20%
5	63 Keystone Ave 011-081-21	Office Building	8660 1972	12/22/2021	\$2,350,000	\$139,633	5.94%

MARKET TRENDS

**RENO OFFICE**

↑ VACANCY      ↑ UNEMPLOYMENT  
 ↑ RENTAL RATES      ← CONSTRUCTION DELIVERIES  
Year-Over-Year Change

MARKET BREAKDOWN	4Q22	3Q22	4Q21	Annual % Change
New Construction	4,282	0	24,000	-
Under Construction	461,619	455,666	261,175	<b>76.75%</b>
Vacancy Rate	8.3%	7.7%	7.5%	<b>10.67%</b>
Average Asking Rents	\$1.96	\$1.93	\$1.88	<b>4.26%</b>
Average Sales Price/SF	\$232.80	\$202.29	\$261.70	<b>-11.04%</b>
Cap Rates	6.70%	5.90%	5.90%	<b>13.56%</b>
Total Net Absorption	(93,258)	-9,611	54,542	<b>N/A</b>

Source: Kidder Mathews 4Q 2022 Reno Office Market Report



Source: CoStar 4Q 2022 Reno Office Market Report

**Overview**

Reno Office

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
<b>25.5K</b>	<b>(49.6K)</b>	<b>8.2%</b>	<b>3.4%</b>

WASHOE COUNTY SUMMARY APPRAISAL RECORD



APN: 033-221-25

2023

PAGE 1 of 5

ACTIVE

Roll YR

Code

%Comp

Situs 1285 N MCCARRAN BLVD SPARKS Database WASHOE NBHD DIDQ Appr JGR Exemption AV|Exemption  
 Owner KCP RE LLC Printed 2/7/2023 Commercial  
 6310 SAN VICENTE BLVD # 250 LOS ANGELES, CA 9004 Tax District 2000  
 8 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	NewLand		
2023 VN	409,678		756,766		1,166,444	408,255	Land Value	409,678	Initials/Date		
2023 NR	409,678		756,766		1,166,444	408,255	Building Value	678,670			
2022 FV	388,116		634,241		1,022,357	357,825	XFOB Value	78,096	Parcel Total		
2021 FV	344,992		643,263		988,255	345,889	Obsolescence	0	New Const	<input type="checkbox"/> NC	<input type="checkbox"/> C
2020 FV	344,992		668,925		1,013,917	354,871	Taxable Value	1,166,444	New Land	<input type="checkbox"/> New Sketch	
2019 FV	323,430		641,699		965,129	337,795	Total Exemption		Remainder		
2018 FV	323,430		650,235		973,665	340,783					

Building Data													
Type	BLDG	Occ	Description	Frame	Yr Built	Way	% Comp	QC	RCN	DRC	SQFT	DRC \$/SQFT	Bldg OBSO
COMM	1-1	426	Day Care Center	D	1985	1985	100	C20	1,573,697	676,690	9,628	70	0
MISC	1-2	600	Miscellaneous	0	1985	1985	100	30	4,604	1,980		1,980	0



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
400	General Commercial: reta	MUD	43,124	SF2	9.50					409,678		43,081	Sewer	Municipal
												0.989	Street	Paved
												400	SPC	

Prepared By: Harley Maughan

Reviewed By: Howard Stockton

WASHOE COUNTY APPRAISAL RECORD



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2020 FV	344,992		668,925		1,013,917	354,871	Taxable Value	1,166,444	New Land		<input type="checkbox"/> New Sketch
2019 FV	323,430		641,699		965,129	337,795	Total Exemption			Remainder	
2018 FV	323,430		650,235		973,665	340,783					

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	426	Day Care Center	Rate Adj	SP1C	9,628	Sprinkler System Generic - C	100				
Stry/Frm	D	WOOD OR STEEL FRAMED	Lump Sum	ST	1	No of Stories	100				
Quality	C20	Commercial 2.0 (Aver		UT	1	Units	100				
Year Built	1985		PARCEL LEVEL	WH	8	Avg Wall Height/Floor	100				
WAY	1985		Lump Sum 0	EW	882	STUD WALLS - BRICK VENEER	100				
Remodel Yr			%Obso 0.0000	HEAT	611	PACKAGE UNIT	100				
% Comp	100	%DPR 57.0									

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	1985		9,628	163.45	1,573,697	1	FNC4	FN CHN LK4	30	1	600	17.07	1985		100	10,242	4,404		
							2	FWAS	FW ASPHALT	30	1	13,200	4.10	1985		100	54,054	23,243		
							3	FWCO	FW CONCRET	30	1	6,300	6.52	1985		100	41,104	17,675		
							4	TRS2	TRASH CO B	30	1	96	34.15	1985		100	3,278	1,410		
							5	YIMP	YARD IMPS	30	1	35	2,084.00	1985		100	72,940	31,364		

Gross Bldg Area 9,628 Perimeter 448 Sub Area RCN 1,573,697

Building Notes	Building Cost Summary
	Building RCN 1,573,697
	Depreciation 897,007
	Building DRC 676,690
	Extra Feature DRC 78,096
	Building Obso
Building Name	Total DRC 754,786
	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	MUD	43,124	SF2	9.50					409,678		43,081	Sewer	Municipal
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WASHOE COUNTY APPRAISAL RECORD

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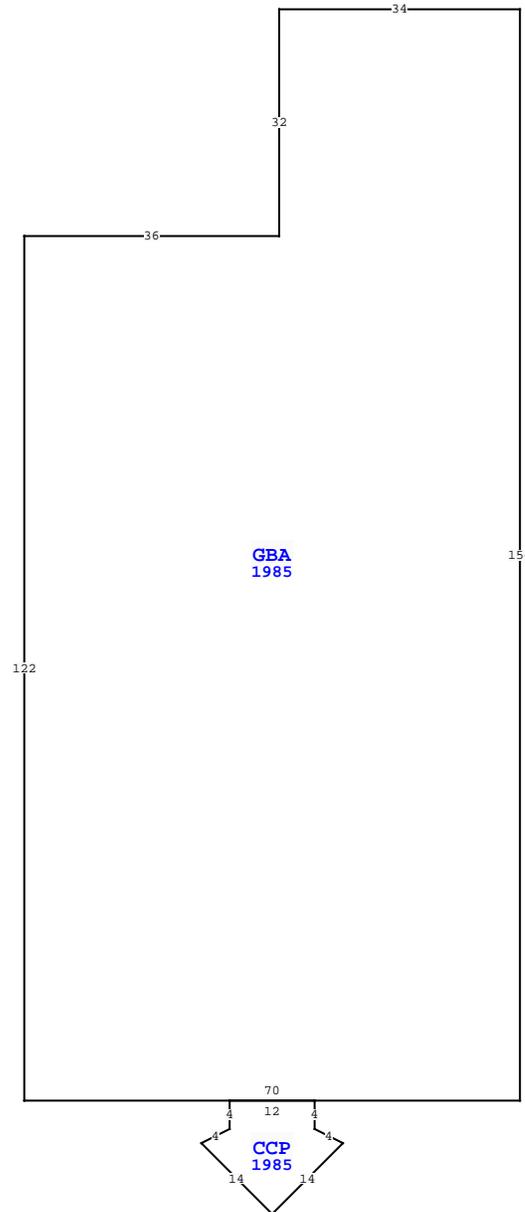
Owner **KCP RE LLC**  
 Keyline Description **PM 1809 LT B**

NBHD **DIDQ Commercial**

Appr **JGR**



033-221-25 06/20/2022



Activity Information						
Date	User ID	Activity Notes				
10/6/2022	JGR	Re-appraisal Review Aerial Review				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
KC PROPCO LLC	4498659	7/31/2015	100	0	3BGG	
KINDER-CARE LEARNING CTR	2885256	7/9/2003		0	3NTT	
	990945	4/16/1985	400	209,328	1G	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
4/14/2016	A1600814	INSTALL NEW ALARM STROBE I		C	100%	

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Reviewed By: Howard Stockton

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									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	30	Average									
Year Built	1985		PARCEL LEVEL								
WAY	1985		Lump Sum 0								
Remodel Yr			%Obso 0.0000								
% Comp	100	%DPR 57.0									

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
CCP	COVERED CONCRETE	1985		180	25.58	4,604														

Gross Bldg Area      Perimeter      Sub Area RCN 4,604

Building Notes	Building Cost Summary
BUFF CARD DRS 2/9/2017	Building RCN 4,604
	Depreciation 2,624
	Building DRC 1,980
	Extra Feature DRC
	Building Obso
Building Name	Total DRC 1,980
	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
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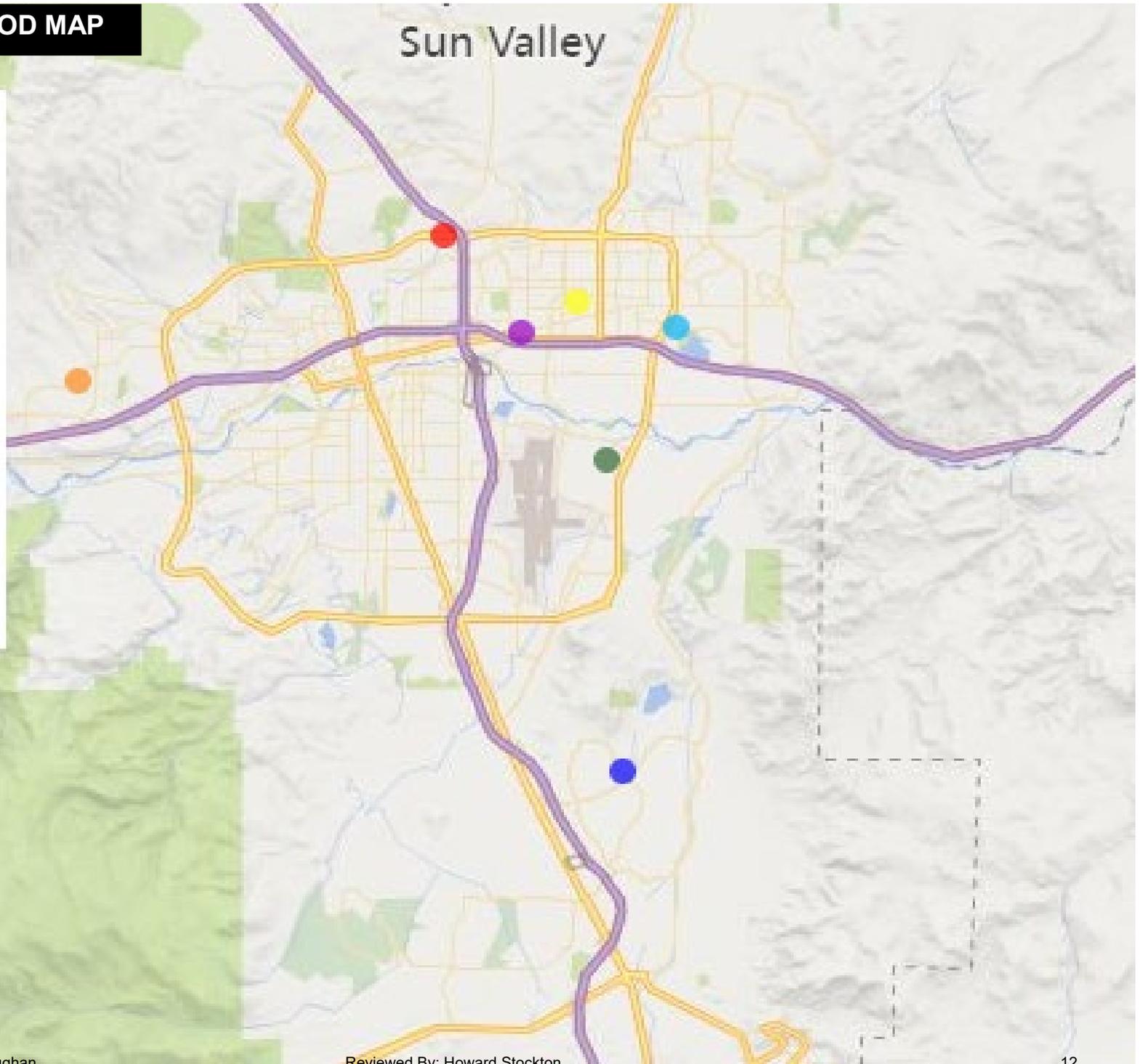
This information is for use by the WASHOE COUNTY Assessor for assessment purposes only.

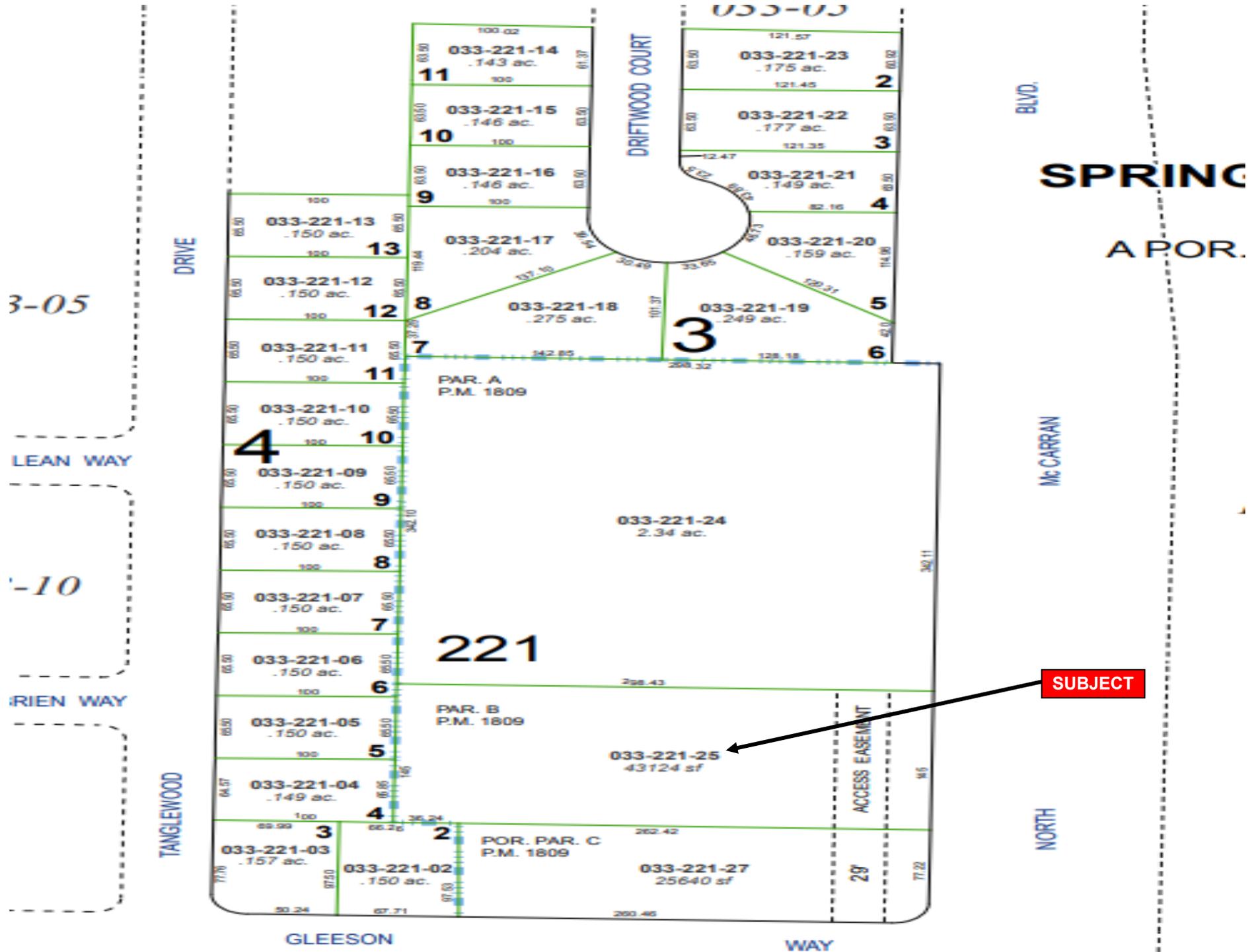
# NEIGHBORHOOD MAP

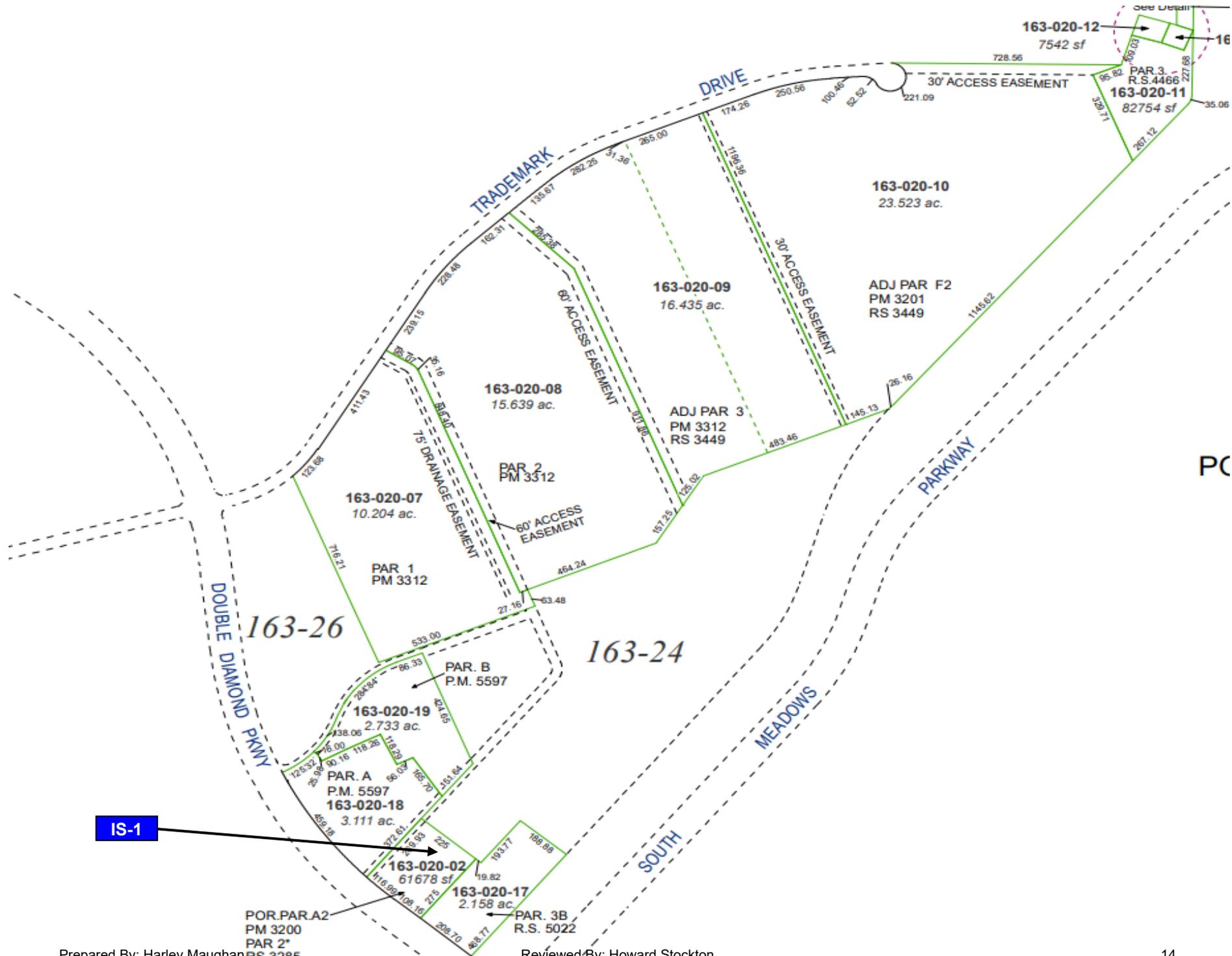
## Sun Valley

### Legend

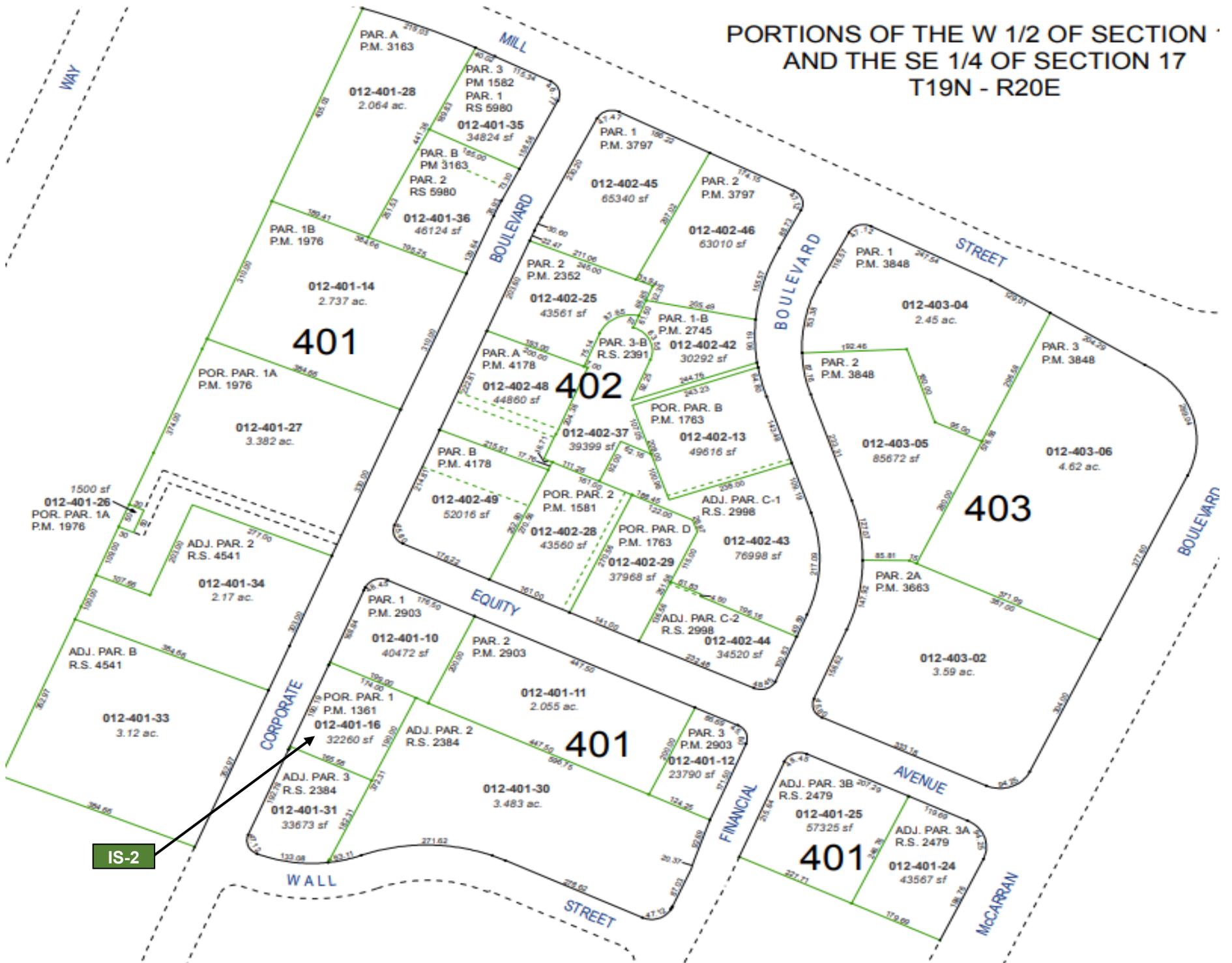
- Subject
- IS-1
- IS-2
- IS-3
- LS-1
- LS-2
- LS-3







PORTIONS OF THE W 1/2 OF SECTION  
AND THE SE 1/4 OF SECTION 17  
T19N - R20E



IS-2



BOOK 031

