

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # 18-0058
Hearing Date 2/14/2018
Tax Year 2018

APN: 039-051-08
Owner of Record: WAL-MART STORES INC # 3254
Property Address: 5260 W 7TH ST
Property Type: MEGA WAREHOUSE DISCOUNT STORE 100%
Gross Building Area: 205,916
Year Built: 2003
Parcel Size: 22.44 Acre
Description / Location: The subject consists of a Walmart Supercenter located west of North McCarran Boulevard between Mae Anne Avenue and West 7th Street in Northwest Reno.

2016/17 Taxable Value:	Land:	\$7,918,698
	Improvements:	\$10,531,855
	Total:	<u>\$18,450,553</u>
	Taxable Value / SF	\$89.60

Sales Comparison Approach:	Indicated Value	\$24,700,000
	Indicated Value / SF	\$120

Income Approach:	Indicated Value	\$25,300,000
	Indicated Value / SF	\$123

Current Obsolescence And/Or Building Adjustment: \$0

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 \$24,700,000 or \$120/SF and the income approach yields a value of \$25,300,000 or \$123/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
19 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE
LAND:	\$7,918,698	\$2,771,544	\$/SF GBA
IMPROVEMENTS:	\$10,531,855	\$3,686,149	\$89.60
TOTAL:	\$18,450,553	\$6,457,694	
			TAXABLE
			\$/SF Land
			\$8.10

HEARING:	<u>18-0058</u>
DATE:	<u>2/14/2018</u>
TIME:	<u></u>
TAX YEAR:	<u>2018/2019</u>

OWNER: WAL-MART STORES INC # 3254

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	039-051-08	5260 W 7TH ST MEGA WAREHOUSE DISCOUNT STORE	100%	205,916 205,916	Masonry Concrete Block	C25	205,916	2003 20'	977,617 21% AC				

IMPROVED SALES													
IS-1	039-750-13	5150 MAE ANNE AVE Kohls	100% Discount Store	94,213	Concrete Block	2.0	94,213	1990 24	395,742 23% AC	\$9,350,000 9/12/2017	\$99.24	NA NA NNN	\$636,250 6.80%
IS-2	039-750-03,09,11	5110 MAE ANNE AVE Ridgeview Plaza	60% Box Str. 40% Line	173,877	Masonry	2.0	173,877	1989 23	736,224 24% AC	\$33,000,000 1/14/2016	\$189.79	NA NA NA	\$2,258,144 6.84%
IS-3	025-021-19,21	5017 S MCCARRAN BLVD Smithridge Plaza	56% Box Str. 44% Line	137,691	Wood STL Frame	2.0	137,691	1983 16	556,262 25% MUCC	\$22,300,000 8/31/2015	\$161.96	NA NA NA	\$1,393,750 6.25%

LAND SALES													
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	\$/sf	Tax/Unit	Zoning	Comments				
LS-1	163-061-06	537 SOUTH MEADOWS PKWY	08/30/16	\$5,921,345	9.245	\$14.53	NA	PUD	SVL verified arms length sale. Property was not on the market, however the owner was accepting offers and decided to sell to the buying party since they had a fair market offer. The new buyers purchased the land to construct a Sprout's Farmers Market and retail center.				
L2-2	040-900-06	KIETZKE LANE	10/26/15	\$8,023,752	12.28	\$15.00	NA	PUD	Parcels were valued as agriculture at time of sale. The buyer is Rancharrah who plans to develop the property with retail land use as part of the larger Rancharrah development. No special conditions to the sale.				
LS-3	040-143-17,18	KIETZKE LANE	10/14/15	\$5,567,110	11.36	\$11.25	NA	PUD	Parcels were valued as agriculture at time of sale. The buyer is Rancharrah who plans to develop the property with retail land use as part of the larger Rancharrah development. No special conditions to the sale.				
LS-4	015-220-08,09, 10,12,25,46,49,5 0,53,55,56,58,01 5-261-16-17	E PLUMB LANE	09/22/16	\$26,347,183	45.60	\$13.26	NA	MUSV/CC	No SVL. Costar indicates SP = \$26,923,683, minus \$576,500 for add'l H2O rights = \$26,347,183 cash equiv. Terms were 63% down, and a mortgage for the remaining 37%. Numerous media sources indicate buyer would not disclose SP however, the RGJ did quote buyer as stating that the asking price was \$30M+ and the DEC also confirms the above SP. Various sources have quoted the owner as stating the future use of the property will be ~1,200 residential units, 100K Sq. Ft. of retail and 70-80K Sq. Ft. of office, all to be initiated in 2017.				

COMMENTS:
SEE ATTACHED COMMENTS SECTION

COMMENTS:

Improved Sales:

IS-1: 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.

IS-2: Center Co-Anchored with Safeway and Kohl's. Other box retail tenants include Ross Dress For Less, and PetSmart. Center was 98.5% occupied at time of sale. No deferred maintenance reported.

IS-3: Box stores in center include: Steinmart, Big Lots, and Trader Joes. Occupancy was 82% at time of sale. Reported as arms-length transaction with buyer liking the upside potential for increasing rents. Buyer anticipated upgrades to facades, columns, mechanical systems, asphalt, and striping.

The comparable sale prices range from \$99.25/SF to \$189.79/SF. Although IS-2 and IS-3 are neighborhood shopping centers, over 50% of the GBA is occupied with box retail. Due to the existence of pad and inline spaces, IS-1 and IS-2 are considered high indicators of value. Most weight is given to IS-1, which is a single tenant, NNN property that was purchased by a regional investor, and is located across the street from the subject. However, the subject's multi-use characteristics (i.e. grocery, pharmacy, garden & home center, vision center, beauty salon, tire/lube shop and McDonald's) are superior. As a result, IS-1 is considered a low indicator of value. Based on the comparable sales, a market value of \$120/SF is supported.

Land Sales:

The subject parcel is located west of North McCarran Boulevard between Mae Anne Avenue and West 7th Street in Northwest Reno. This Wal-Mart serves a wide residential area that stretches from the California state line to the University of Nevada. The North McCarran/Mae Anne intersection is the main commercial node in Northwest Reno. Each corner at the intersection is developed with neighborhood shopping centers that have grocery, big box retail, pad, and inline retail uses. This area is experiencing significant growth with several apartment and residential subdivisions being constructed. The subject enjoys good visibility from North McCarran and has excellent 3 street ingress/egress from Mae Anne, West 7th, and North McCarran. 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. Their sale prices range from \$11.25/SF to \$15.00/SF. A 10% downward adjustment is applied to the subject for the size of the site. The subject's taxable land value of \$8.10/SF is supported by the comparable land sales.

WAL-MART

Tax District: 1000

printed: 02/06/2018

ACTIVE



1728.17

BCAQ - Commercial

BUILDING PERMITS							
Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
12/20/2017	SGN18-04472	SIGN;	1,200	Assgn	0	01/03/18 EB Assgn	Assigned To PP
11/27/2017	BLD18-04521	WATER	500	Assgn	0	12/12/17 GS Assgn	Assigned Based On
08/21/2017	BLD18-01129	REMODEL;	22,029	Assgn	0	09/06/17 TAO Assgn	Assigned To PP
02/20/2015	BLD15-05163	WATER	500	Compl	100	03/13/15 LLL Compl	
02/19/2015	BLD15-05097	WATER	1500	Compl	100	07/27/15 LLL Compl	
07/25/2013	BLD13-06449	REMODEL	10000	Compl	0	08/16/13 LLL Compl	NVC
07/16/2010	BLD10-04802	REMODEL	15000	Compl	0	03/11/11 GS Compl	NVC

SALES/TRANSFER INFORMATION							
Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
WAL-MART STORES INC	2811670	02/26/2003	140	3NTT			

#	Bld	Date	User ID	Activity Notes
2	1-1	07/31/2017	srsco	LAND OK
3	0-0	02/28/2017	srsco	CBOE BOARD YEAR 2017, PROTEST YEAR 2017/18 - UPHELD
4	0-0	02/23/2017	lzimm	UPDATE CBE DECISION
5	0-0	02/07/2017	lzimm	rescheduled CBE hearing
6	0-0	01/31/2017	mjach	CBE HEARING NOTICE
7	0-0	01/25/2017	sjack	Entering Date Scheduled
8	0-0	10/22/2016	rlope	REXT BY LLL - 10/20/2016
9	0-0	11/06/2015	idiez	TAG FROM 1005 TO 1000 TMUGWB NOW SPECIAL ASSESSMENT
10	0-0	05/01/2015	llamb	AERL - PICTOMETRY REVIEW

Situs & Keyline Description:
5260 W 7TH ST RENO
PM 3974
LT 3

Owner & Mailing Address:
WAL-MART STORES INC # 3254
PO BOX 8050
BENTONVILLE, AR 72712

WASHOE COUNTY APPRAISAL RECORD
2018

APN: 039-051-08

Card 2 of 2
Bld. 1-2



WAL-MART
Tax District: 1000 printed: 02/06/2018 ACTIVE

1728.17 BCAQ - Commercial

VALUATION HISTORY							PARCEL VALUE SUMMARY		Database	Roll Year	Prior % Complete	% Complete
Roll Year	Taxable Land	Land New	Taxable Improvements	Improvement New	Total Taxable	Total Assessed	Primary Valuation	Building Level Cost	PROD			
2018 NR	7,918,698	0	10,531,855	0	18,450,553	6,457,694	Building Value	8,988,266				
2017 SBE	7,918,698	0	6,495,422	0	14,414,120	5,044,942	Extra Feature Value	1,543,589				
2016 FV	7,918,698	0	10,851,511	0	18,770,209	6,569,573	Land Value	7,918,698				
2015 FV	7,918,698	0	10,850,955	0	18,769,653	6,569,379	Taxable Value	18,450,553				
2014 FV	7,918,698	0	10,826,988	0	18,745,686	6,560,990	Exemption	0				
2013 FV	7,918,698	0	11,139,509	0	19,058,207	6,670,372	FLAGS					
2012 FV	7,918,698	0	11,300,638	0	19,219,336	6,726,767	Type	Value				
2011 FV	7,918,698	0	11,778,934	0	19,697,632	6,894,171	Cap Code	NFM				
2010 FV	7,918,700	0	11,656,372	0	19,575,072	6,851,275	Eligible for Form?	NO				
2009 FV	8,226,640	0	11,857,690	0	20,084,330	7,029,516	Low Cap Percentage	0				
2008 FV	17,305,609	0	12,027,326	0	29,332,935	10,266,527	Parcel Map	3974				
2007 FV	10,425,066	0	11,389,542	0	21,814,608	7,635,113						

BUILDING DETAILS				BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY	
Type	Code	Description	Category	Units	Code	Description	Yr Blt	Units	Cost New	Tot Lump Sum Adj			
COMM	720	Commercial/Industr	Units	1	GBA	GBA - GROSS BUILDING AREA		205,916		0	Sub Area-RCN 11,105,050		
Occupancy	C	Mega Warehouse	No of Stories	1		Base Cost		205,916	6,117,764	0	% Incomplete 0		
Story/Frame	0	MSNRY BRNG ~	Quality Class	2.5		Exterior Walls		205,916	3,420,265	22.50	% Depreciation 22.50		
Quality	0	Commercial	Avg Wall Height/Floor	20		Heating & Cooling		205,916	1,567,021	2,498,636	\$ Dep & Inc 2,498,636		
Year Built	WAY	%Comp	Year of Addn/Remodel	Shape(M&S) 1= SQ 4= Very									
2003	2003	100											
BUILDING CHARACTERISTICS				Base Rate Adjustment		Construction Modifiers		Gross Living/Building Area		Perimeter		PROPERTY CHARACTERISTICS	
Category	Code	Type	%	Adj.		Adj.		205,916		2,262		Water Municipal	
Ext. Wall	812	CONCRETE BLK	100									Sewer Municipal	
Heating Type	611	PACKAGE UNIT	100									Street Paved	
BUILDING NOTES													

#	Bld	Date	User ID	Activity Notes

EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS																
#	Code	Description	Quality	Bld #	Length	Width	Units	Unit Price	Year Built	Roll Year	% Comp	RCN	% Good	DRC	Override Value	Notes

LAND VALUE	DOR Code	Neighborhood	Land Size	Unit Type
400	1728.17	BCAQ - Commercial	22.4430	AC

#	Code	Description	Zone	Units	Unit Type	Sub Type	Unit Price	Influence 1 Code	Influence 1 %	Influence 2 Code	Influence 2 %	Taxable Value	Land Notes

WAL-MART
 Tax District: 1000

printed: 02/06/2018 **ACTIVE**


 1728.17 BCAQ - Commercial

BUILDING PERMITS							
Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
12/20/2017	SGN18-04472	SIGN;	1,200	Assgn	0	01/03/18 EB Assgn	Assigned To PP
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SALES/TRANSFER INFORMATION							
Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
WAL-MART STORES INC	2811670	02/26/2003	140	3NTT			

#	Bld	Date	User ID	Activity Notes

Box Store Rent Survey

#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	NNN / CAM Fee	Comments
	125-165 Disc Drive, Ste. DM-1 510-083-09	Sprouts	30,000 2006	9/2016 5 Year	\$1.17	NNN \$0.24	Landlord responsible for Tis; 2% escalations
	125-165 Disc Drive, Ste. DM-2 510-083-09	Marshall's	40,149 2006	9/2016 5 Year	\$0.63	NNN \$0.24	Landlord responsible for Tis; 2% escalations
	2863 Northtowne Lane 026-182-38	Former Wal-Mart Teleperformance tenant (Call Center)	42,780 1994	11/2015 6 Year	\$0.79	NNN None	Tenant paid for TIs; 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 NA	Tenant paid for TIs; Improvements will include gym and spa
	4819 Kietzke Lane 024-055-33	Natural Grocers	31,850 1996	2/2014 10 Year	\$0.67	NNN NA	Landlord contributed ~\$17/SF in Tis; 2% rent escalations

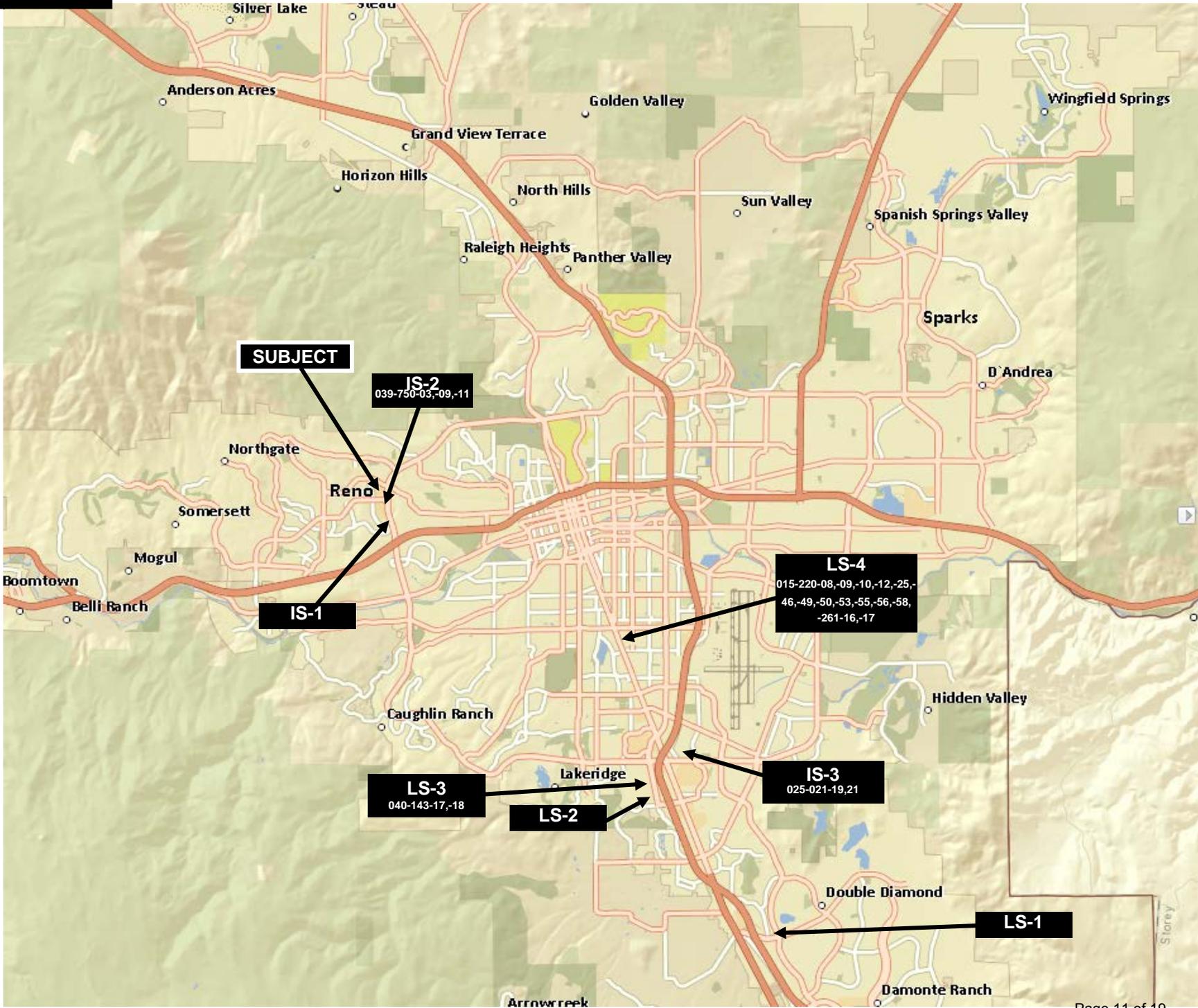
Median: \$0.75
Average: \$0.80

RETAIL CAPITALIZATION RATE CHART

APN NBC	Location	Use %	Total Finish Area	Year Built	Land (SF) %Coverage Zoning	Sale Price Sale Date	NOI OAR	Notes
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.
039-750-03, 09, 11 BCAQ	5110 Mae Anne Ave. Ridgeview Plaza	60% Box 40% Line	173,877	1989	736,224 24% AC	\$33,000,000 1/14/2016	\$2,258,144 6.84%	Center Co-Anchored with Safeway and Kohl's. Other box retail tenants include Ross Dress For Less, and PetSmart. Center was 98.5% occupied at time of sale. No deferred maintenance reported.
025-021-19, 21 ADAQ	5017 S. McCarran Blvd. Smithridge Plaza	56% Box 44% Line	137,691	1983	556,262 25% MUCC	\$22,300,000 8/31/2015	\$1,393,750 6.25%	Box stores in center include: Steinmart, Big Lots, and Trader Joes. Occupancy was 82% at time of sale. Reported as arms-length transaction with buyer liking the upside potential for increasing rents. Buyer anticipated upgrades to facades, columns, mechanical systems, asphalt, and striping.
025-012- 21,22 NAAQ	4000 Kietzke Lane Crossroads Center	100% Neigh Shp. Center	57,355	1976	216,760 26% MUCC	\$8,500,000 8/18/2015	\$558,450 6.57%	Non-Anchored neighborhood shopping center that was 93.3% occupied at time of sale. Transaction was part of 1031 exchange for buyer.
Big Box Sales with Credit Tenants in Las Vegas								
138-34-717- 015	861 S. Rainbow Blvd. 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.
178-03-610- 011	1030 W. Sunset Rd. Home Depot	100% Discount Store	102,370	1992	383,763 27% CC	\$23,162,717 06/10/16	\$1,400,000 6.04% (pro forma)	Located just west of U.S Highway 95 in Henderson. Tenant signed 10 year extension prior to sale which resulted in pro forma cap rate of 6.04%

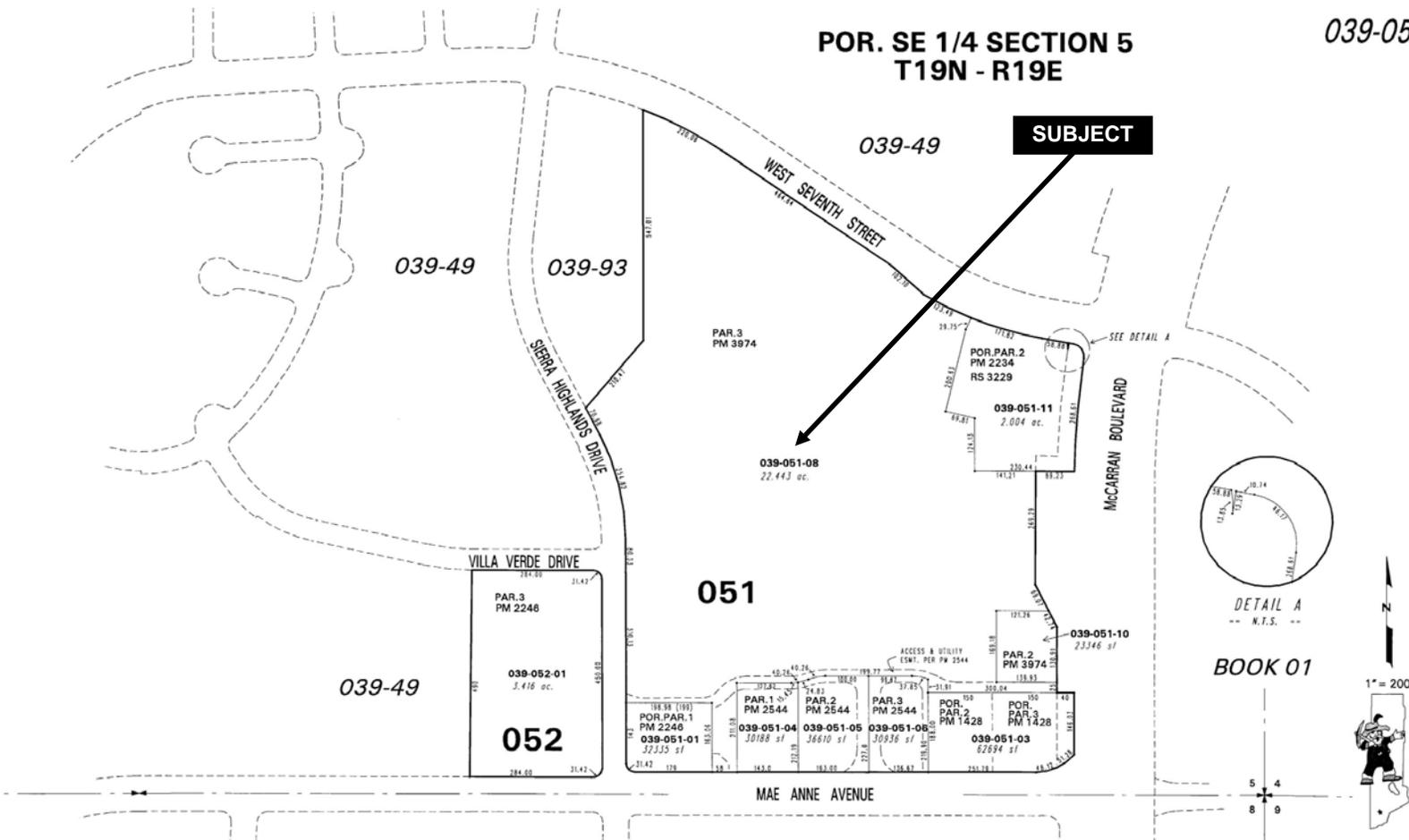
Median (Washoe): 6.69%
Average (Washoe): 6.62%

NEIGHBORHOOD MAP



POR. SE 1/4 SECTION 5
T19N - R19E

039-05



NOTE: This map is 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 the accuracy of the data delineated hereon.

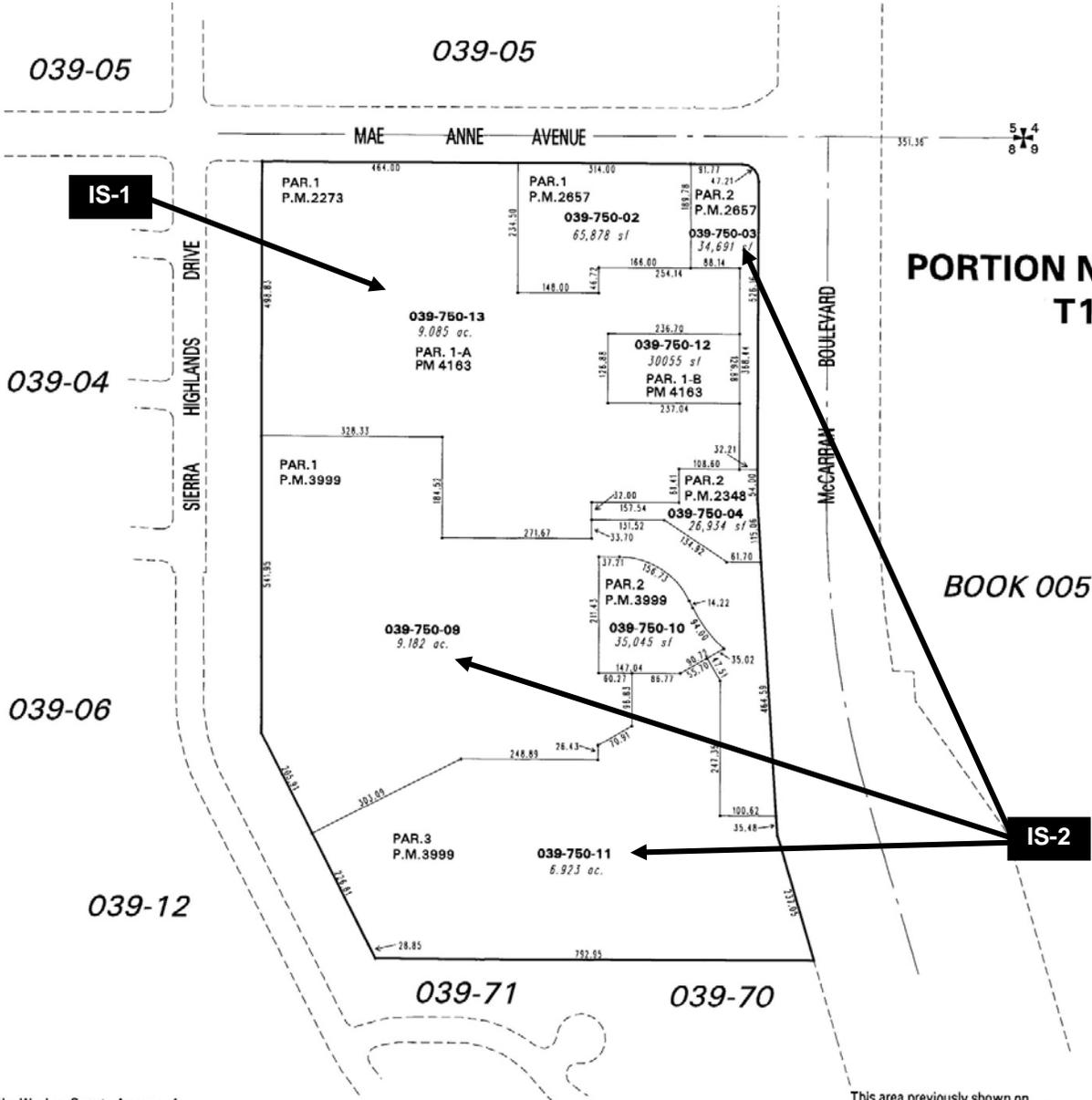
039-04 039-75
Office of Washoe County Assessor, Nevada - Joshua G. Wilson

This area previously shown on 039-02, 039-49

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

Drawn by HCS 04/21/03
Revised KSB 7/07/06 JL 8/31/07

ARC/INFO 8.1 WINDOWS 2000/0.0



PORTION NE 1/4 OF SECTION 8
T19N - R19E

BOOK 005

IS-1

IS-2

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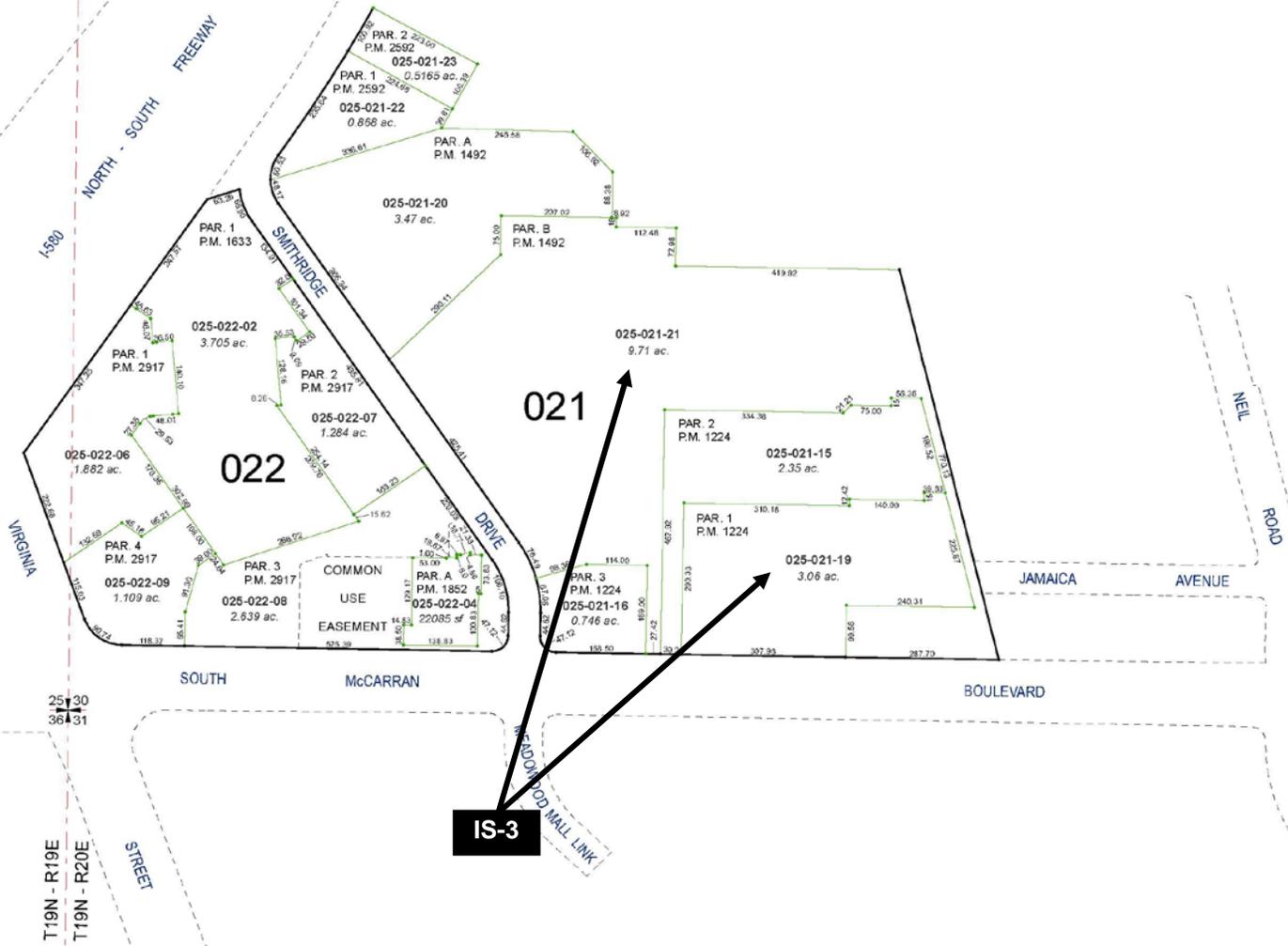
Office of Washoe County Assessor, Nevada - Robert W. McGowan

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

AIC:INFO 0.1.2 WINDOWS 3000 S.O

PORTIONS OF SE 1/4 OF SECTION 25, T19N - R19E
& SW 1/4 OF SECTION 30, T19N - R20E



Assessor's Map Number

025-02

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

1001 East North Street
Building D
Reno, Nevada 89512
(775) 326-2231



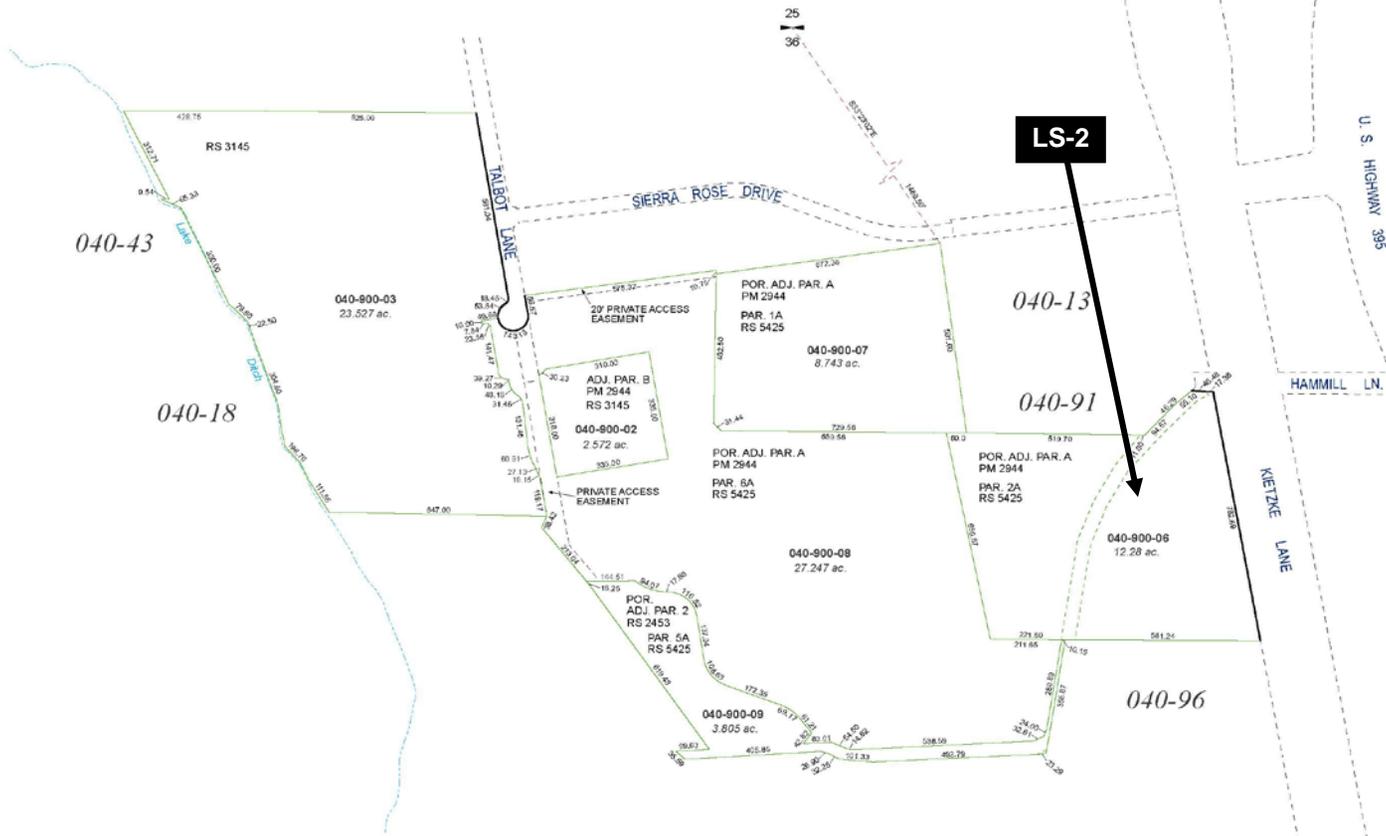
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area previously shown on map(s): _____

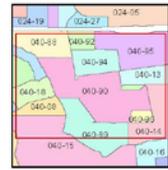
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POR. OF SECTION 36, T19N - R19E



Assessor's Map Number
040-90

STATE OF NEVADA
WASHOE COUNTY
ASSESSOR'S OFFICE
Joshua G. Wilson, Assessor
1001 East North Street
Building D
Reno, Nevada 89512
(775) 328-2251



created by: **KSB 6/7/12**
last updated:
area previously shown on maps):
040-08

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

PORTION OF SECTION 36
T19N - R19E

PORTION OF W 1/2 SECTION 31
T19N - R20E

Assessor's Map Number
040-14

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

1001 East North Street
Building D
Reno, Nevada 89512
(775) 323-2231

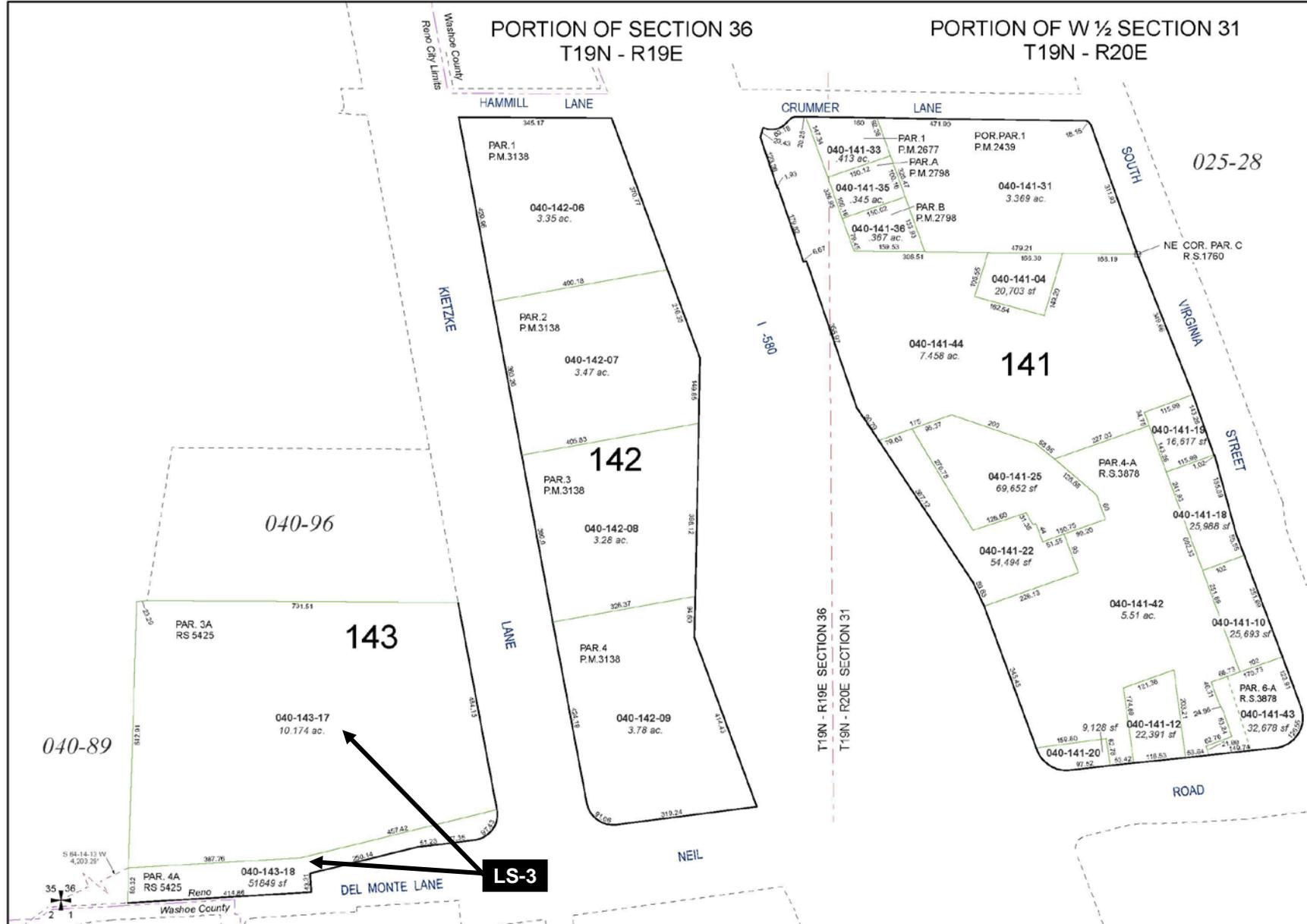


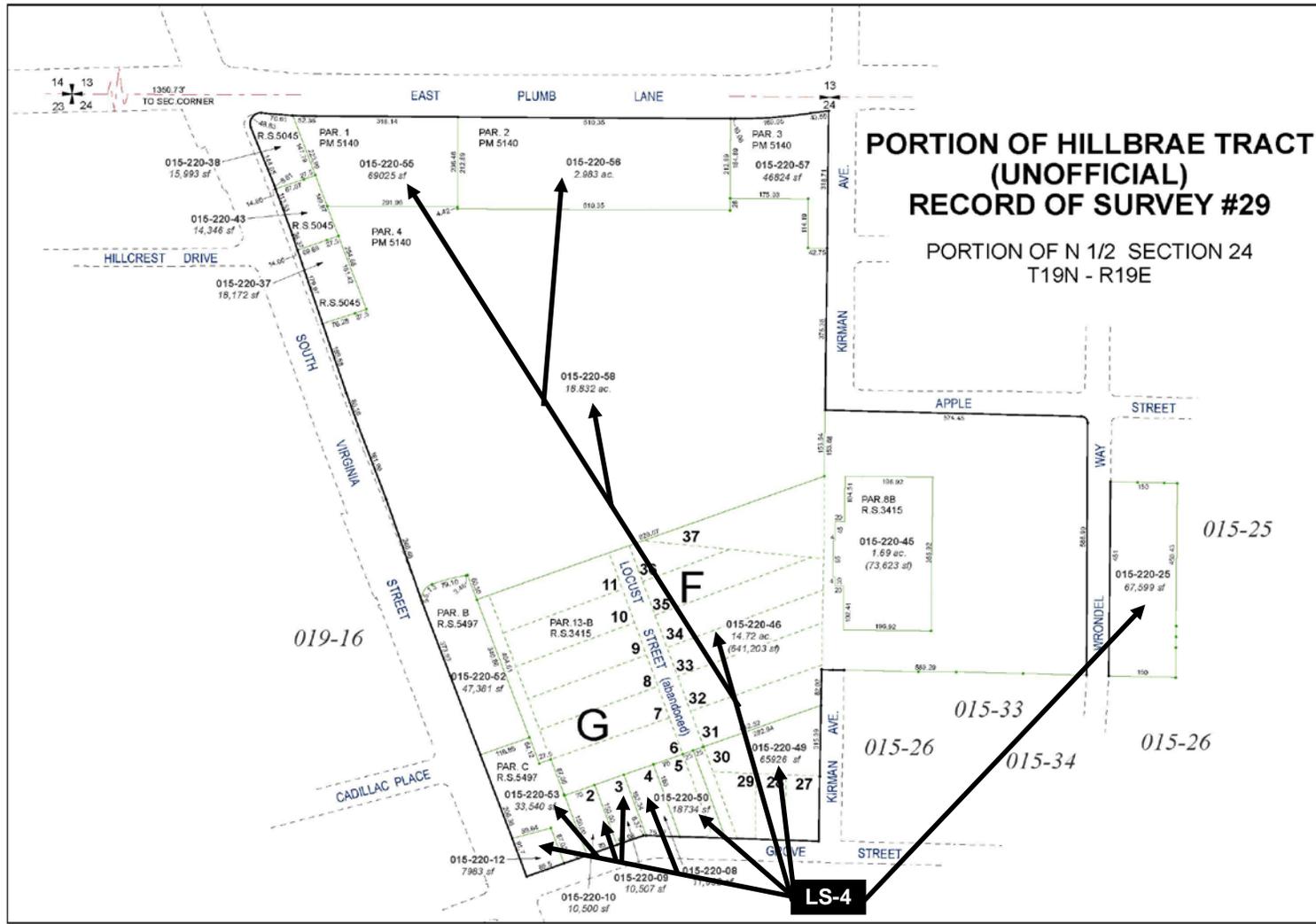
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1 inch = 200 feet



created by: CFB 02/16/2010
last updated: KSB 8/07/12
area previously shown on map(s)

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Assessor's Map Number
015-22

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

1001 East North Street
Building G
Reno, Nevada 89512
(775) 320-2231

1 inch = 200 feet

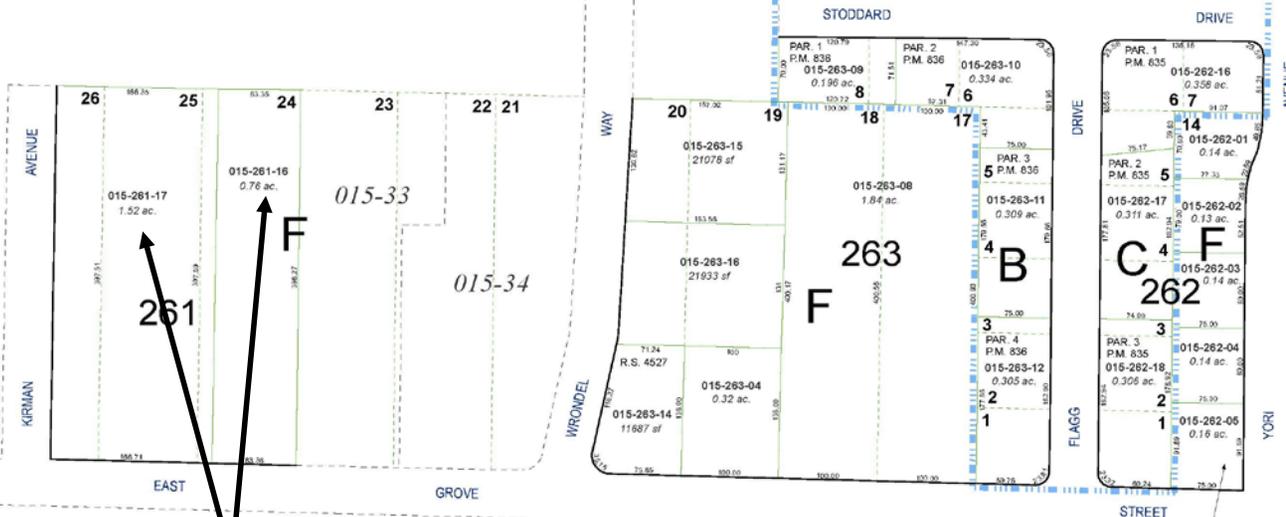
created by: CFB 06/3/2009
last updated: CFB 6/25/13 KSB 12/24/14
area previously shown on map(s)

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**RECORD OF SURVEY #29
HILLBRAE TRACT (UNOFFICIAL)**

**(#814)
GOLDEN TERRACE
SUBDIVISION**

PORTION OF THE NE 1/4 OF SECTION 24
T19N - R19E



Assessor's Map Number
015-26

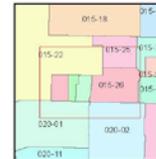
STATE OF NEVADA
**WASHOE COUNTY
ASSESSOR'S OFFICE**
Joshua G. Wilson, Assessor

1001 East Ninth Street
Building C
Reno, Nevada 89512
(775) 838-2231



0 25 50 75 100
Feet

1 inch = 100 feet



Created by: TW/T 3/5/2014

Last updated:

Area previously shown on map(s)

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