

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization

Appeal Summary Page - Secured Roll

Hearing # 21-0054
Hearing Date 02/18/2021
Tax Year 2021

APN: 510-381-01

Owner of Record: WAL-MART REAL ESTATE BUSINESS TRUST

Property Address: 5065 PYRAMID WAY

Property Type: MEGA WAREHOUSE DISCOUNT STORE 100%

Gross Building Area: 197,159

Year Built: 2005

Parcel Size: 21.79 AC

Description / Location: The subject consists of a Walmart Mega Discount Warehouse that fronts Pyramid Highway in the Spanish Springs Submarket of Sparks.

2021/22 Taxable Value:	Land:	\$5,243,932
	Improvements:	\$11,528,979
	Total:	<u>\$16,772,911</u>
	Taxable Value / SF	\$85

Sales Comparison Approach:	Indicated Value:	\$22,000,000
	Indicated Value Range/SF:	\$112

Income Approach:	Indicated Value:	\$20,700,000
	Indicated Value per 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 \$22,000,00 or \$112/SF and the income approach yields a value of \$20,700,000 or \$105/SF. Both approaches to value support the current taxable value, which at \$85/SF does not exceed full cash value.

RECOMMENDATION: Uphold X Reduce

Prepared by: Pete Kinne, Appraiser

Reviewed by: Chris Sarman, Senior Appraiser



ASSESSOR'S EXHIBIT I
25 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE
LAND:	\$5,243,932	\$1,835,376	\$/SF GBA
IMPROVEMENTS:	\$11,528,979	\$4,035,143	\$85.07
TOTAL:	\$16,772,911	\$5,870,519	
			TAXABLE
			\$/SF Land
			\$5.52

HEARING:	21-0054
DATE:	02/18/2021
TAX YEAR:	2021

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	510-381-01	5065 PYRAMID WAY MEGA WAREHOUSE DISCOUNT STORE	100%	197,159 197,159	MASONRY BRNG CONCRETE BLOCK	C25		2005 20	949,129 21% C2				

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* 04/26/2018	\$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 09/12/2017 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 05/14/2019	\$205.41	NA NA NA	NA NA
LISTING	039-750-13	5150 MAE ANNE AVE Kohls	100% Discount Store	94,213	Con. Blk	2.0	94,213	1990	395,742 23% AC	\$9,525,000 PENDING	\$101.10	NA NA NA	\$694,373 7.29%

LAND SALES													
Sale #	APN	Location	Sale Date	Sale Price	Size(AC)	\$/sf	Tax/Unit	Zoning	Comments				
LS-1	528-601-02 528-601-06 thru 528-601-09	Pyramid Highway	12/17/2020	\$4,706,658	12.72	\$8.50	NA	NUD	Sale consists of four parcels located on Pyramid Highway near the Pyramid and La Posada intersection; zoning is NUD; parcels were purchased by Winco Foods.				
LS-2	164-354-01	647 INNOVATION DR	08/22/19	\$16,708,928	22.20	\$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-3	140-212-01	1175 STEAMBOAT PKWY	03/09/18	\$10,800,000	19.90	\$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.				

COMMENTS:
See page 4 for sale notes.

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	510-381-01	5065 PYRAMID WAY MEGA WAREHOUSE DISCOUNT STORE	100%	197,159 197,159	MASONRY BRNG CONCRETE BLOCK	C25		2005	20	949,129 21% C2			
Additional sales to support													
	001-272-38	10500 N MCCARRAN BLVD SUPERMARKET	100%	50,398 50,398	MASONRY BRNG CONCRETE BLOCK	C20		1996	25	225,205 22% AC	\$6,100,000 11/20/2020	\$121	
	024-055-21	4995 KIETZKE LN SUPERMARKET	100%	47,419 47,419	MASONRY BRNG CONCRETE BLOCK	C20		1992	24	281,398 17% AC	\$6,850,410 11/20/2021	\$144	
	033-152-18	565 E PRATER WAY SUPERMARKET	100%	47,745 47,745	MASONRY BRNG CONCRETE BLOCK	C20		1993	24	191,011 25% MUD	\$8,102,141 11/20/2021	\$170	
	534-092-09	9750 PYRAMID WAY SUPERMARKET	100%	52,128 52,128	MASONRY BRNG CONCRETE BLOCK	C15		1999	25	291,852 18% GC	\$15,765,312 11/20/2021	\$302.43	
PRESENTED IN SUM - Investor who purchased a regional market share of retail inventory with cash flow and/or ROI being considered across that inventory as a whole rather than through the individual components/properties generating that cash flow. In other words, the investment was made in whole for a return in whole.													
	534-092-09	SAVE-MART SUPERMARKET	100%	197,690	MASONRY BRNG CONCRETE BLOCK	C15		VARIES	25	989,465 20% GC	\$36,817,863 11/20/2021	\$186.24	

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 (197,159 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, nail and hair salons, and McDonalds) 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 \$112/SF or \$22,000,000.

Land Sales:

The subject fronts the Pyramid Highway in the Spanish Springs Submarket. Spanish Springs is a large residential market that contains such neighborhoods as Desert Springs, Eagle Canyon, Kiley Ranch, Wingfield Springs, La Posada, Calle De La Plata, and Pebble Creek. This area is experiencing robust residential growth with several new subdivisions being developed. The Pyramid Highway serves as the main transportation route from Reno/Sparks to Spanish Springs. The subject enjoys good signage from Pyramid Highway and ingress/egress is provided from double turn lanes at the signaled intersection of Los Altos Parkway and Pyramid Highway. 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 \$8.50/SF and \$17.28/SF. The market value of the subject likely falls in the middle of the established range, which supports the current taxable land value of \$5.52/SF.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING: 21-0054
		\$6,038,456	\$2,113,460	\$/SF GBA	DATE: 02/18/2021
	IMPROVEMENTS:	\$9,656,861	\$3,379,901	\$85.07	
	TOTAL:	\$15,695,317	\$5,493,361		TAX YEAR: 2021
APN: 510-381-01				TAXABLE	
OWNER: WAL-MART REAL ESTATE BUSINESS TRUST				\$/SF Land	
				\$5.52	

Income Approach					
Potential Gross Income	197,159 sq ft. @	\$0.60 /mo =	\$118,295		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$118,295		
	x 12 months =		12		
			\$1,419,545		
- Vacancy & Collection loss			0%	\$0	
= Effective Gross Income				\$1,419,545	
- Operating Expenses			5%	\$70,977.24	
=Net Operating Income				\$1,348,568	
Divided by Overall Capitalization Rate				6.50%	
				\$20,747,193	
				Rounded	\$105 /sf GBA

Subject Income Information: The subject is an owner occupied Wal-Mart Supercenter located in Northwest Reno. 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 page 13). The box store rents range from \$0.42/SF-\$0.79/SF with a median of \$0.72/SF. The subject's construction provides for multiple uses that include: grocery store; pharmacy; garden and home center; eye glass store; beauty salon; and tire lube shop. 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 well 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 was 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 page 12). 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. 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 \$20,750,000 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.

Washoe County PRODUCTION SUMMARY APPRAISAL RECORD



APN: **510-381-01**

2021

PAGE 1 of 5

ACTIVE

Roll YR

Code

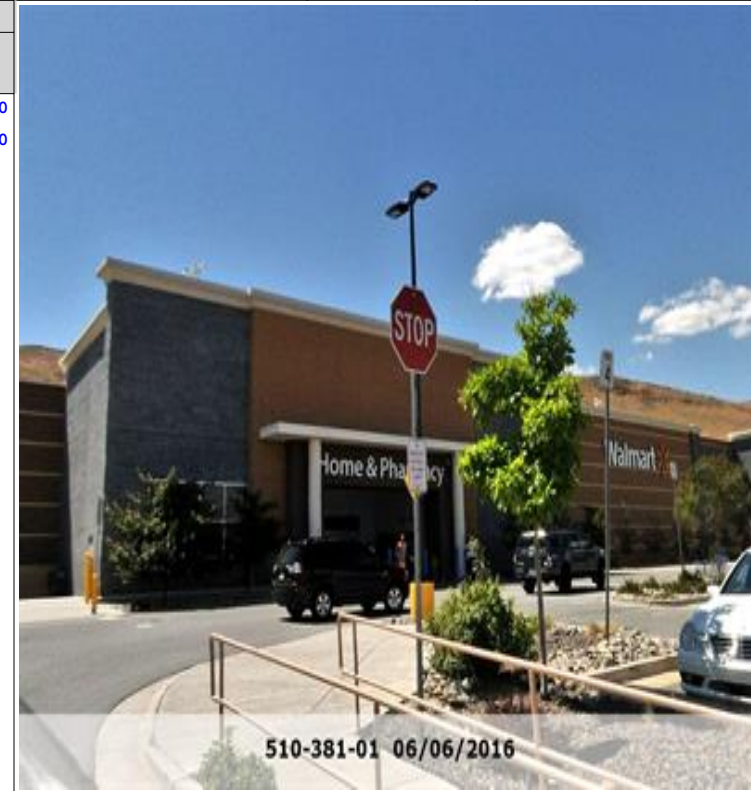
%Comp

Situs 5065 PYRAMID WAY SPARKS Database WASHOE NBHD DGAQ Appr SMM Exemption AV|Exemption
 Owner WAL-MART REAL ESTATE BUSINESS TRUST Printed 2/14/2021 Sparks Galleria Commerc
 PO BOX 8050 BENTONVILLE, AR 72712 Tax District 2000
 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		
2021 VN	5,243,932		11,528,979		16,772,911	5,870,519	Land Value	5,243,932			
2021 NR	5,243,932		11,528,979		16,772,911	5,870,519	Building Value	9,403,931	Initials/Date		
2020 FV	5,243,932		11,809,238		17,053,170	5,968,610	XFOB Value	2,125,048			
2019 FV	5,243,932		11,357,746		16,601,678	5,810,587	Obsolescence	0	Parcel Total		<input type="checkbox"/> NC <input type="checkbox"/> C <input type="checkbox"/> New Sketch
2018 FV	5,243,932		11,300,051		16,543,983	5,790,394	Taxable Value	16,772,911	New Const		
2017 FV	5,243,932		11,404,629		16,648,561	5,826,996	Total Exemption		New Land		
2016 FV	5,243,932		11,581,384		16,825,316	5,888,861			Remainder		

Building Data													
Type	BLDG	Occ	Description	Frame	Yr Built	Way	% Comp	QC	RCN	DRC	SQFT	DRC \$/SQFT	Bldg OBSO
COMM	1-1	720	Mega Warehouse Discoun	C	2005	2005	100	C25	11,644,211	8,849,600	197,159	44	0
MISC	1-2	600	Miscellaneous	0	2005	2005	100	40	729,383	554,331		554,331	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	C2	949,128	SF1	6.50	NOTE	85			5,243,932	UNUSABLE AREA-15%	Acre Size	21.789	Municipal
												DOR Code	400	Paved
												Deferment		SPC
												CAGC		

Washoe County PRODUCTION APPRAISAL RECORD



APN: **510-381-01**

2021

PAGE 2 of 5

ACTIVE

Roll YR

Code

%Comp

Situs **5065 PYRAMID WAY SPARKS** Database **WASHOE** NBHD **DGAQ** Appr **SMM** Exemption AV|Exemption
 Owner **WAL-MART REAL ESTATE BUSINESS TRUST** Printed **2/14/2021** Sparks Galleria Commere
PO BOX 8050 BENTONVILLE, AR 72712 Tax District **2000**
 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	
2021 VN	5,243,932		11,528,979		16,772,911	5,870,519	Land Value	5,243,932			
2021 NR	5,243,932		11,528,979		16,772,911	5,870,519	Building Value	9,403,931			
2020 FV	5,243,932		11,809,238		17,053,170	5,968,610	XFOB Value	2,125,048			
2019 FV	5,243,932		11,357,746		16,601,678	5,810,587	Obsolescence	0		Parcel Total	
2018 FV	5,243,932		11,300,051		16,543,983	5,790,394	Taxable Value	16,772,911		New Const	<input type="checkbox"/> NC <input type="checkbox"/> C
2017 FV	5,243,932		11,404,629		16,648,561	5,826,996	Total Exemption			New Land	<input type="checkbox"/> New Sketch
2016 FV	5,243,932		11,581,384		16,825,316	5,888,861				Remainder	

Building Data													
1-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	COMM	Commercial/Industria	BUILDING LEVEL			SHP	2	SLIGHTLY IRREGULAR	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	2005		PARCEL LEVEL			HEAT	611	PACKAGE UNIT	100				
WAY	2005		Lump Sum	0									
Remodel Yr			%Obso	0.0000									
% Comp	100	%DPR 24.0											

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			197,159	59.06	11,644,211	1	CRBC	CONC CURB	30	1	670	14.35	2005		100	9,615	7,307			
							2	CRBG	CURB & GUT	30	1	24,000	19.21	2005		100	461,040	350,390			
							3	DKLV	DOCK LEVEL	30	1	6	8,505.00	2005		100	51,030	38,783			
							4	FNIL	FN IRON-LO	30	1	13,000	8.42	2005		100	109,460	83,190			
							5	FWAS	FW ASPHALT	30	1	419,000	1.98	2005		100	829,452	630,384			
							6	FWCO	FW CONCRET	30	1	71,000	4.67	2005		100	331,527	251,961			
							7	PKLT	PKG LOT LI	30	1	419,000	0.66	2005		100	276,540	210,170			
							8	TKW4	TK CON W/R	30	1	9,890	20.04	2005		100	198,196	150,629			
							9	WLCB	WALL CO BL	30	1	5,800	16.52	2005		100	95,816	72,820			
Gross Bldg Area		197,159	Perimeter	3,976	Sub Area RCN		11,644,211	10	YIMP	YARD IMPS	30	1	258	1,680.00	2005		100	433,440	329,414		
Building Notes				Building Cost Summary																	
				Building RCN				11,644,211													
				Depreciation				2,794,611													
				Building DRC				8,849,600													
				Extra Feature DRC				2,125,048													
				Building Obso																	
Building Name				Total DRC				10,974,648													
				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	C2	949,128	SF1	6.50	NOTE	85			5,243,932	UNUSABLE AREA-15%	Acre Size	21.789	Sewer	Municipal	
												DOR Code	400	Street	Paved	
												Deferment		SPC		
												CAGC				

Washoe County PRODUCTION APPRAISAL RECORD

APN: **510-381-01**

PAGE 3 of 5

Owner **WAL-MART REAL ESTATE BUSINESS TRUST**
Keyline Description **PM 4162 LT 1**

NBHD **DGAQ Sparks Galleria Commercial Area**

Appr **SMM**



Activity Information						
Date	User ID	Activity Notes				
10/29/2020 7/21/2014	HNS TAO	Re-appraisal Review Permit Review Aerial Review				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
RIALTO LLC, RIALTO LLC,	3107117 3008495	10/1/2004 3/18/2004	110 140	8,648,583 0	1G 3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
12/17/2020	SBLD20-24084	INTERIOR DEMOLITION OF MCD	10,000	A		
10/7/2020	SBLD20-22328	REMODEL OF WALMART VISION	200,000	I		
8/1/2019	SBLD19-21316	INTERIOR REMODEL TO INCLUD		N	100%	
3/6/2019	FIRE19-20276	Relocate 290 fire sprinkle		C	100%	
1/30/2019	SBLD18-23113	Interior remodel to includ		C	100%	

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

%Comp

☐ No Change

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Washoe County PRODUCTION APPRAISAL RECORD

APN: 510-381-01

Owner WAL-MART REAL ESTATE BUSINESS TRUST
Keyline Description PM 4162 LT 1

NBHD DGAQ Sparks Galleria Commercial Area
Appr SMM

Activity Information						
Date	User ID	Activity Notes				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
RIALTO LLC,	3107117	10/1/2004	110	8,648,583	1G	
RIALTO LLC,	3008495	3/18/2004	140	0	3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
4/8/2005	A0404619	WALL		C	100%	
4/8/2005	A0404620	WALL		C	100%	
4/8/2005	A0404621	WALL		C	100%	
3/2/2005	A0404550	COMM RETAIL		C	100%	

RETAIL CAPITALIZATION RATE CHART									
Cap Rate #	APN NBC	Location	Use %	Total AREA/ Finish	Year Built	Land (SF) %Coverage Zoning	Sale Price Sale Date	NOI OAR	Notes
CR-1	025-480-44	6650 Longley Lane	100%	270,950	2019	647,301	\$37,844,000	\$1,800,000	100% LEASED AT SALE. ACCORDING TO INFO FROM SELLER, CAP RATE WAS 5% WHICH CALCULATES TO NOI OF ABOUT \$1.8M. STARTING RENT FOUND RANGES FROM \$0.50/SF TO \$0.94/SF NNN.
			Warehouse/Industrial Flex use	24,386		42%	08/07/2020	4.76%	
CR-2	025-570-01	6590 S Virginia St.	100%	102,832	1993	435,382	\$15,980,000	\$933,660	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
	OBGQ	Home Depot	Discount			24%	04/26/2018	5.84%	
			WH Store			MUSV			
CR-3	039-750-13	5150 Mae Anne Ave.	100%	94,213	1990	395,742	\$9,350,000	\$636,250	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.
	BCAQ	Kohl's	Discount			23%	09/12/2017	6.80%	
			Store			AC			
CR-4	510-083-09, etal	125 Disc Dr	C. Shopping	204,228	2010	1,184,396	\$36,190,000	\$2,771,881	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.
	DGAQ	Sparks Galleria	Center			17%	10/09/2019	6.82%	
CR-5	014-251-53 014-251-54 014-251-55	195 W. Plumb Lane (Lakeside Plaza)	Supermarket Community Shopping Center	69,236	1995	381,235 18% MUSV	\$12,678,000 02-28-2020	\$823,950 6.5%	SAVE MART SUPERMARKET & COMMUNITY SHOPPING CENTER TOTAL GBA 97,741SF+4,200SF UNFINISHED BASEMENT LOCATED ON NORTHEAST CORNER OF LAKESIDE & W PLUMB. SPOKE VIA PHONE W/BUYER FOR INFO- LISTED BY NAI ALLIANCE (KELLY BLAND) FOR ABOUT A YR.; NOT 1031 EXCHANGE; FINANCEDNOI \$823,950 RESULTS W/6.5% CAP- PLS REFER TO COMP EXCEL SHEET FOR DETAILS. TOTAL SP FOR 3-PARCELS \$12,678,000/97741 RBA- \$129.71/SF IS DEEMED TO BE AN ARM'S LENGTH TRANSACTION.
CR-6	040-880-24	6990 S McCarran Blvd	Office	76,487	2004	211,702	\$17,900,000	\$1,170,959	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
	OBGQ		Shopping Center			36% GO	1/10/2019	6.54%	
CR-7	041-243-09,10,11	4780-4798 Caughlin Pkwy	N. Shopping	111,716	1992	478,332 23% PUD	\$18,000,000	\$1,413,000	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.
	RBEQ	Caughlin Shopping Center	Center				08/29/2018	7.85%	
CR-8	021-281-08,12,13,14,02	3310 S McCarran Blvd	N. Shopping	104,717	1993	405,793 26% AC	\$16,350,000	\$1,150,000	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.
	NDEQ	Mira Loma Shopping Cente	Center				03/02/2018	7.03%	
LISTING	039-750-13	5150 Mae Anne Ave.	100%	94,213	1990	395,742	\$9,600,000	\$695,040	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.
	BCAQ	Kohl's	Discount			23%	PENDING	7.24%	
			Store			AC			

Box Store Rent Survey

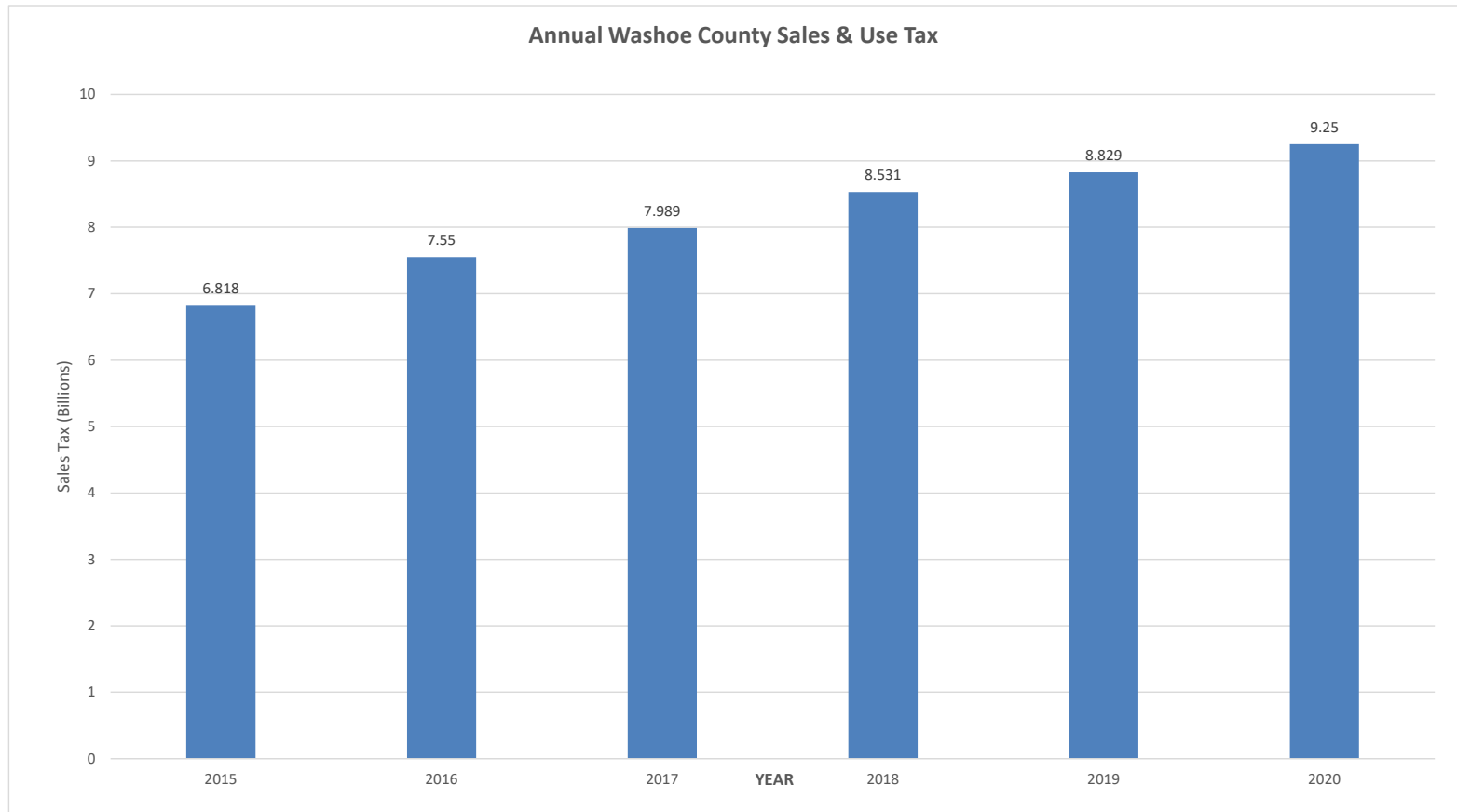
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	Lease Type	Comments
Market Rents							
1	4823 Kietzke Lane 024-055-33	Retail Store Floor and decor	55,276 1996	04/2014 10 Years	0.75	NNN	Fieldcreek crossing shopping center rent roll.
2	4821 Kietzke Lane 024-055-33	Retail Store TJ Maxx	45,970 1996	02/2019 10 Years	\$1.04	NN	Based on 2020 Fieldcreek Crossing Shopping Center rent roll.
3	Undisclosed (Spanish Springs Community Shopping Center)	Retail Store	20,000-25,000 2007	09/01/2018 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;
4	1350 Disc Drive, Suite A 035-263-09	Big Lots	32,285 1996	08/01/2018 10 Year	\$0.50	NNN	Landlord contributed ~\$900,000 in Tis. Rent is flat except for one 10% escalation after 5 years
5	125-165 Disc Drive, Ste. DM-2 510-083-09	Marshall's Home Goods	40,150 2006	08/09/2018 10 Year	\$0.63	NNN	Landlord responsible for Tis; 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
6	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 TIs; rent escalations exist; options exist to extend lease agreement to 12 years; tenant responsible for parking lot maintenance
7	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 TIs; Improvements will include gym and spa
8	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
9	6590 S. Virginia St 025-570-01	Home Depot	102,832 1993	1993 30 Year	\$0.80	NNN	No percentage rent; lease expires 2024

WESTERN REGIONAL FREESTANDING SALES - Fully Occupied

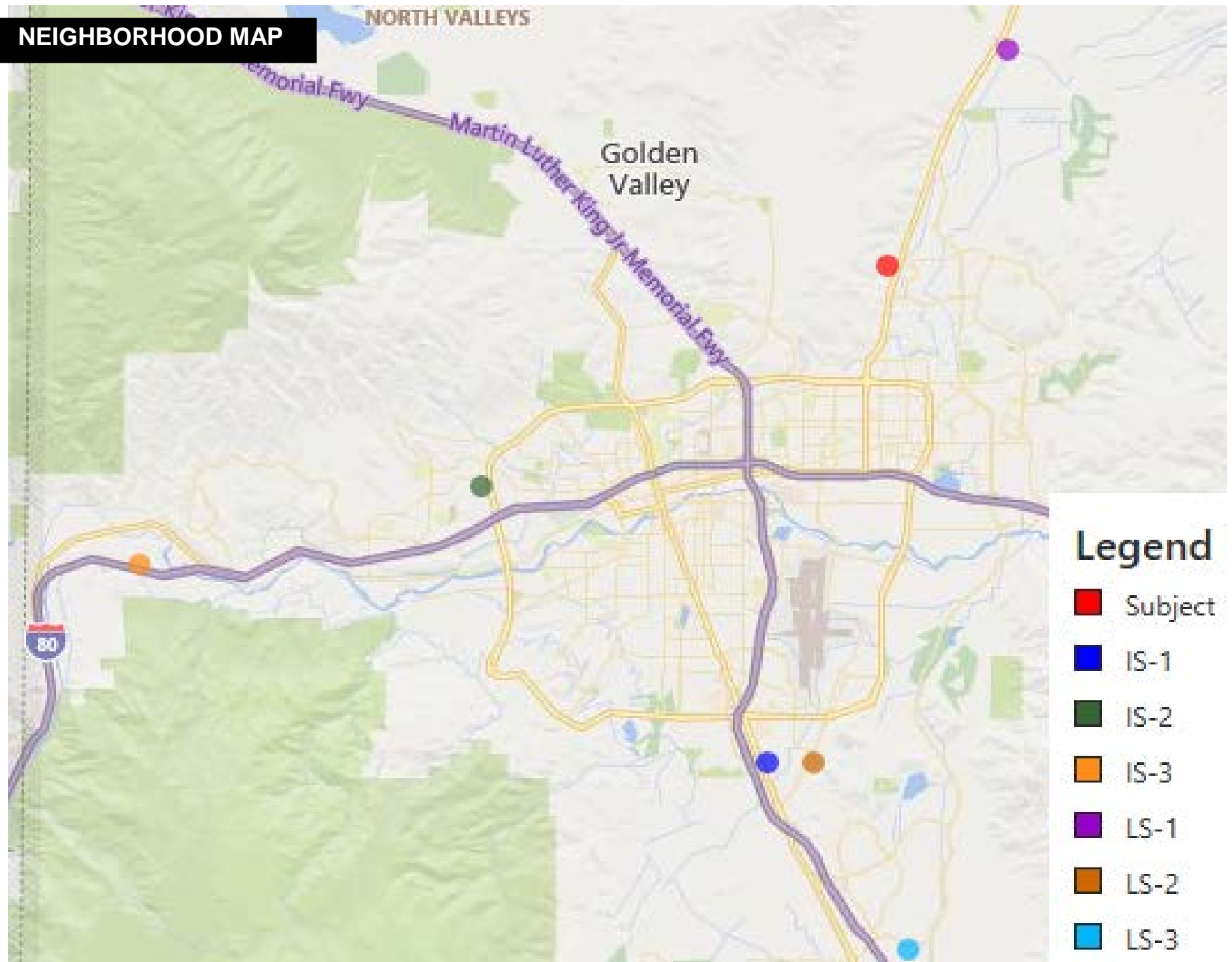
Sale #	Tenant	State	City	Parcel #	Coverage Ratio	Building Size	Age	Sale Date	Sales Price	\$/SF	Cap Rate	Est. Annual Net Income	Est. Annual Rent	Est. Rent/ Mth	Lease Type	Years Left
													5% est. exp applied			
2	Home Depot	OR	Salem	R29446	0.24	112,099	1987	06/30/2020	\$12,200,000	\$109	5.81%	\$708,820	\$6	\$0.55	NNN	10
2	Home Depot	NV	Las Vegas	163-06-115-003	0.26	107,856	2000	11/26/2019	\$18,089,201	\$168	5.82%	\$1,052,707	\$10	\$0.86	NA	NA
3	Home Depot	WA	Covington	NA	0.38	130,948	2008	11/18/2019	\$21,031,030	\$161	6.00%	\$1,261,862	\$10	\$0.85	NA	NA
4	Lowe's	CA	Clovis	498-032-388	0.32	164,351	2003	10/01/2018	\$12,409,000	\$76	5.56%	\$689,940	\$4	\$0.37	NNN	10
5	Hardware	WA	Puyallup	Multi	0.31	86,355	1951	09/06/2018	\$11,400,100	\$132	6.25%	\$712,506	\$9	\$0.72	NNN	18
6	Home Depot	CA	Stanton	131-401-13	0.39	107,000	1986	06/28/2018	\$22,558,000	\$211	5.00%	\$1,127,900	\$11	\$0.92	NNN	7+
7	Lowe's	WA	Mount Vernon	P26247, P26279	0.45	137,472	1993	04/04/2018	\$16,991,453	\$124	5.85%	\$994,000	\$8	\$0.63	NNN	NA
8	Lowe's	WA	Mt. Vernon	P26247 & 49	0.45	137,472	1993	04/04/2018	\$16,991,453	\$124	5.85%	\$994,000	\$8	\$0.63	NNN	10
9	Home Depot	NM	Farmington	38172	0.29	129,924	2001	04/25/2018	\$9,100,000	\$70	6.20%	\$564,200	\$5	\$0.38	NNN	8
10	Home Depot	NV	Reno	025-570-01	0.24	102,832	1993	04/26/2018	\$15,980,000	\$155	5.84%	\$933,232	\$10	\$0.80	NNN	6
MEDIAN					0.32	121,012	1993	08/02/2018	\$16,485,727	\$128	5.85%	\$963,616	\$9	\$0.68	-	-

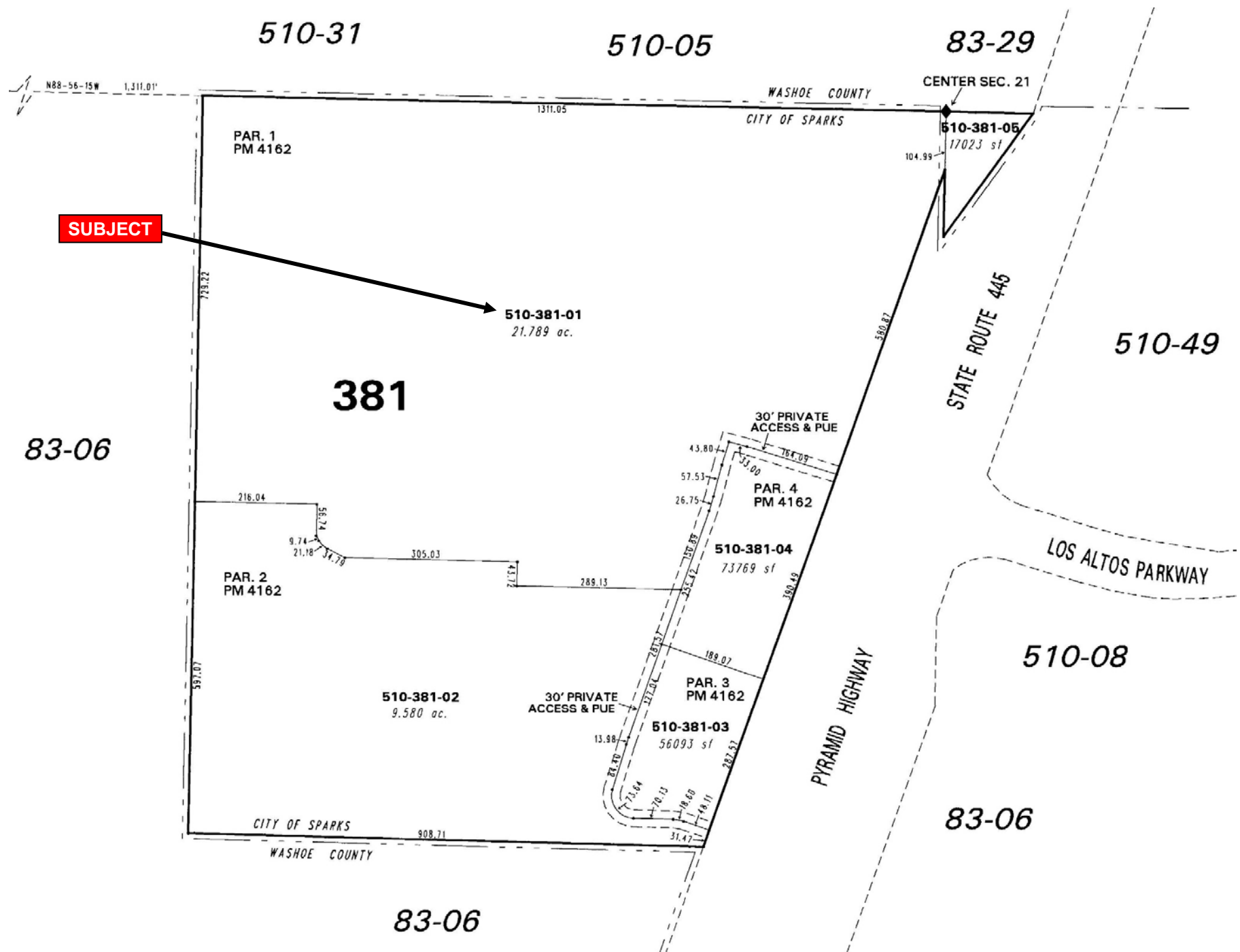
The table illustrates that home improvement centers/DIY stores throughout the Western Region of the US are considered valuable properties. The value for similar properties in Reno Nevada, a central point within that Western Region, falls within the central portion of these illustrated values.

<p>PARCEL: 510-381-01 Hearing# 21-0054</p>			
Income Approach			
ITEMIZATION	Walmart	WASHOE	DIFFERENCE
Analysis:	Income variables are not supported in the analysis provided by appellant.	Income variables used are supported	It's important to use market variables which stem from comparable properties in the income analysis. Our analysis does this, the appellants does not.
RENT/ POTENTIAL GROSS INCOME (PGI)	\$5.25/sf/yr OR .44/sf.	\$7.20/yr.; OR \$0.60	Appellants rent is low and is representative of rents for large industrial warehouses.
VACANCY/ EFFECTIVE GROSS INCOME (EGI)	5%	0%	Vacancy for the subject has been at zero for a substantial amount of time.
EXPENSES/ NET OPERATING INCOME (NOI)	7%	5%	A typical lease structure on a property such as the subject would be based on a triple net (NNN), whereby the tenant pays all expenses. The 5% that WC utilized accounts for management fees and capital reserves.
CAP RATE	7.20%	6.50%	Appellant provides no support for the cap rate used. The subject is a investment grade property with little risk. Our cap rate is supported throughout our analysis and is reflective of comparable properties
Income Approach	\$12,651,036	\$20,747,193	



NEIGHBORHOOD MAP

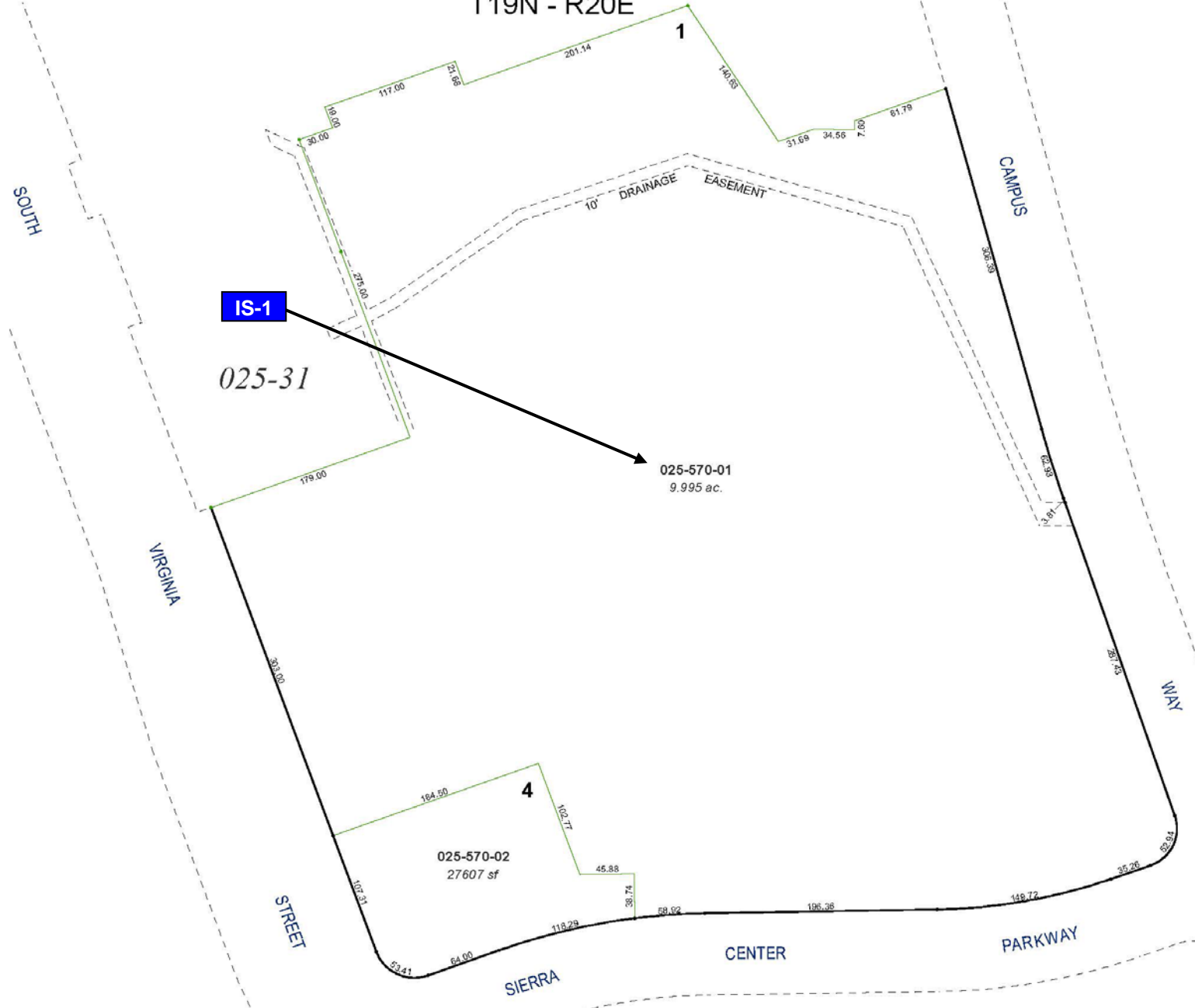


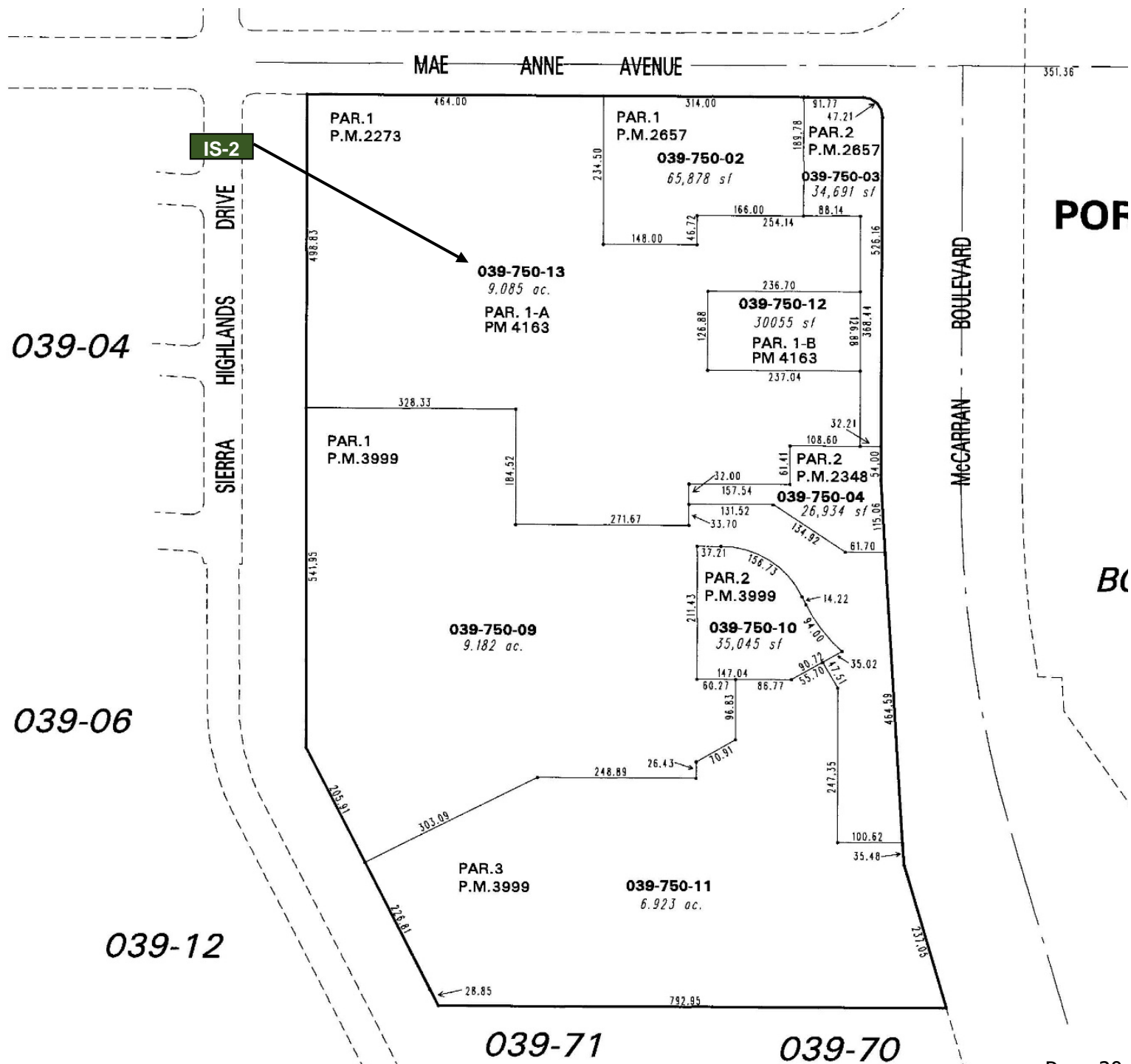


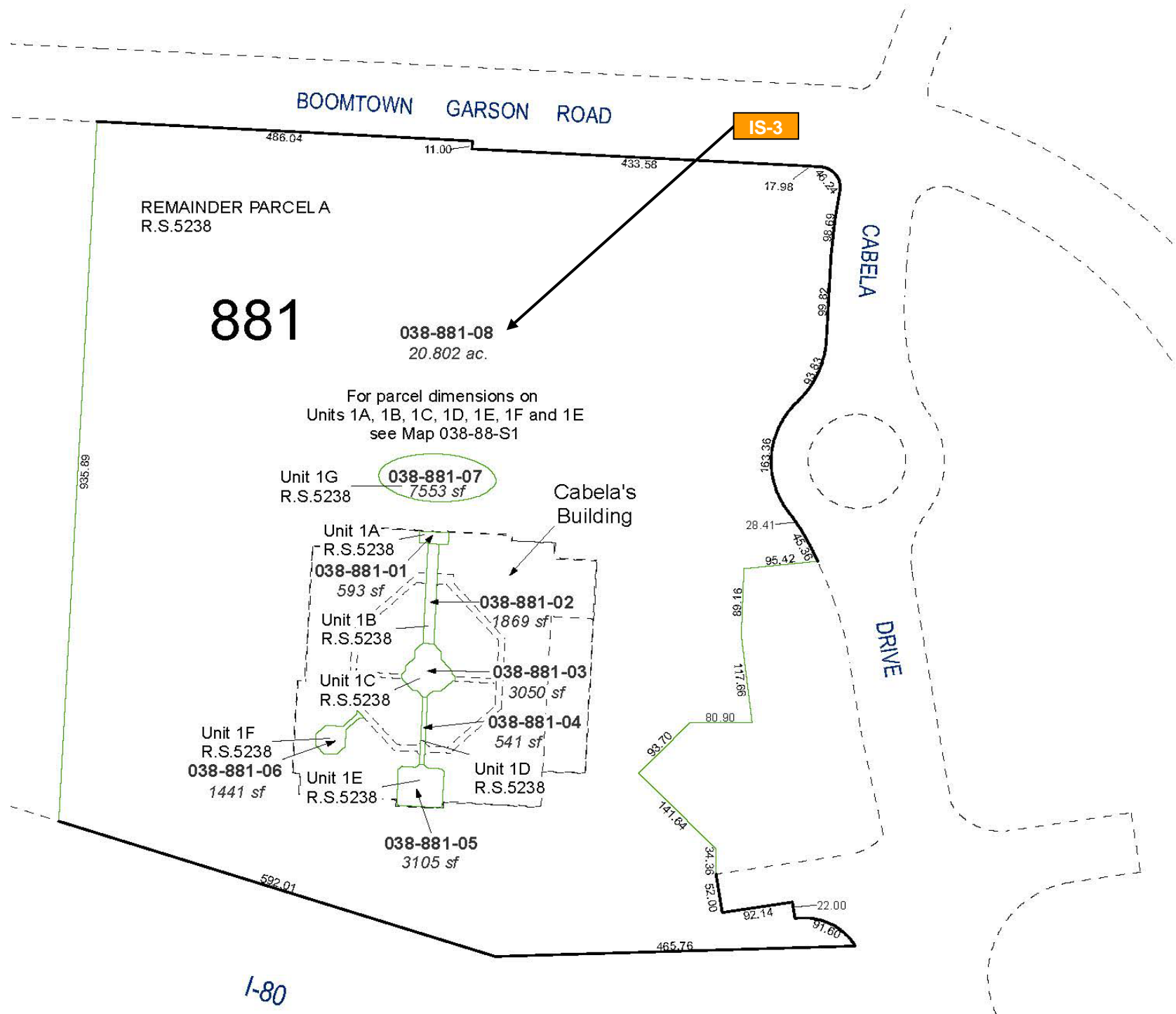
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)

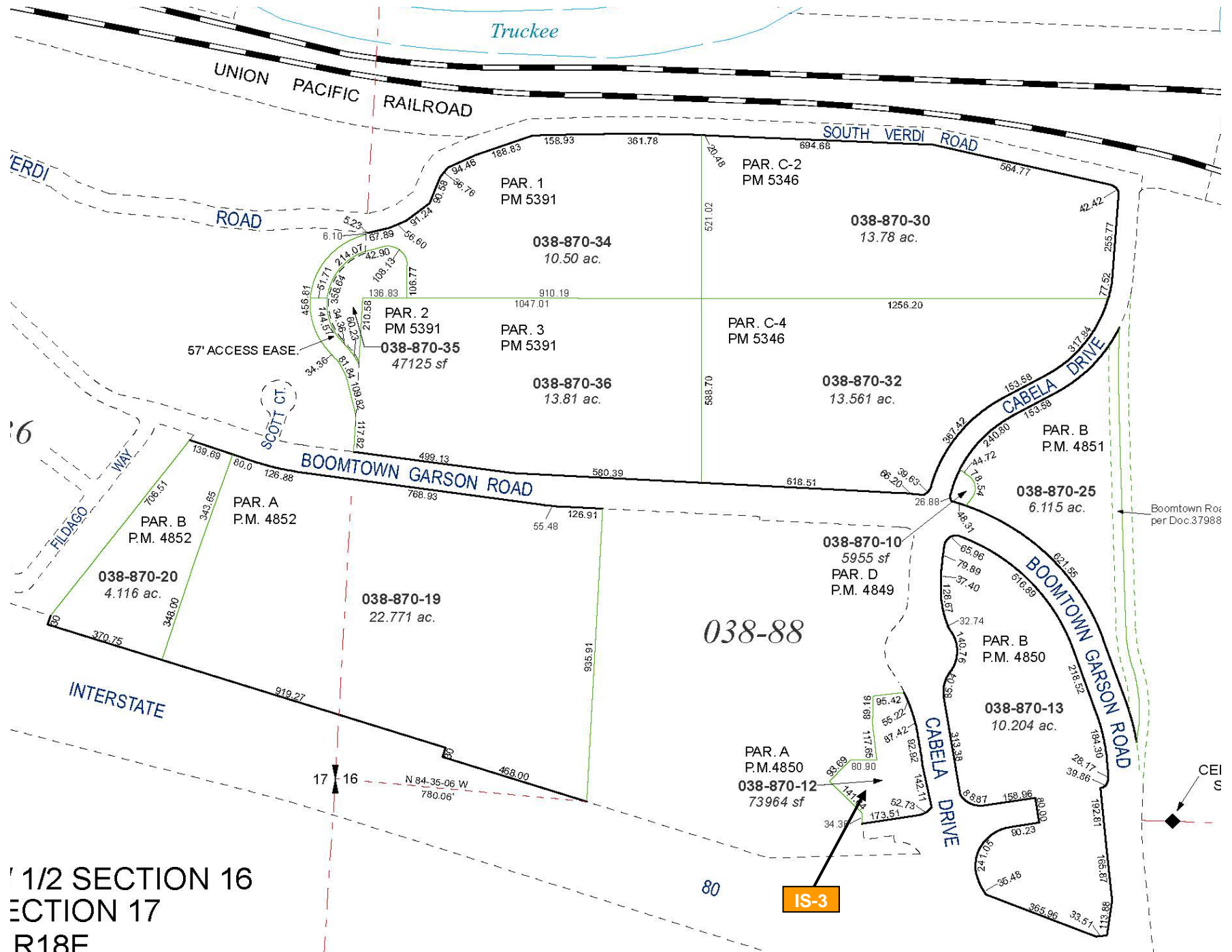
PORTION OF THE SW 1/4 OF SECTION 31

T19N - R20E



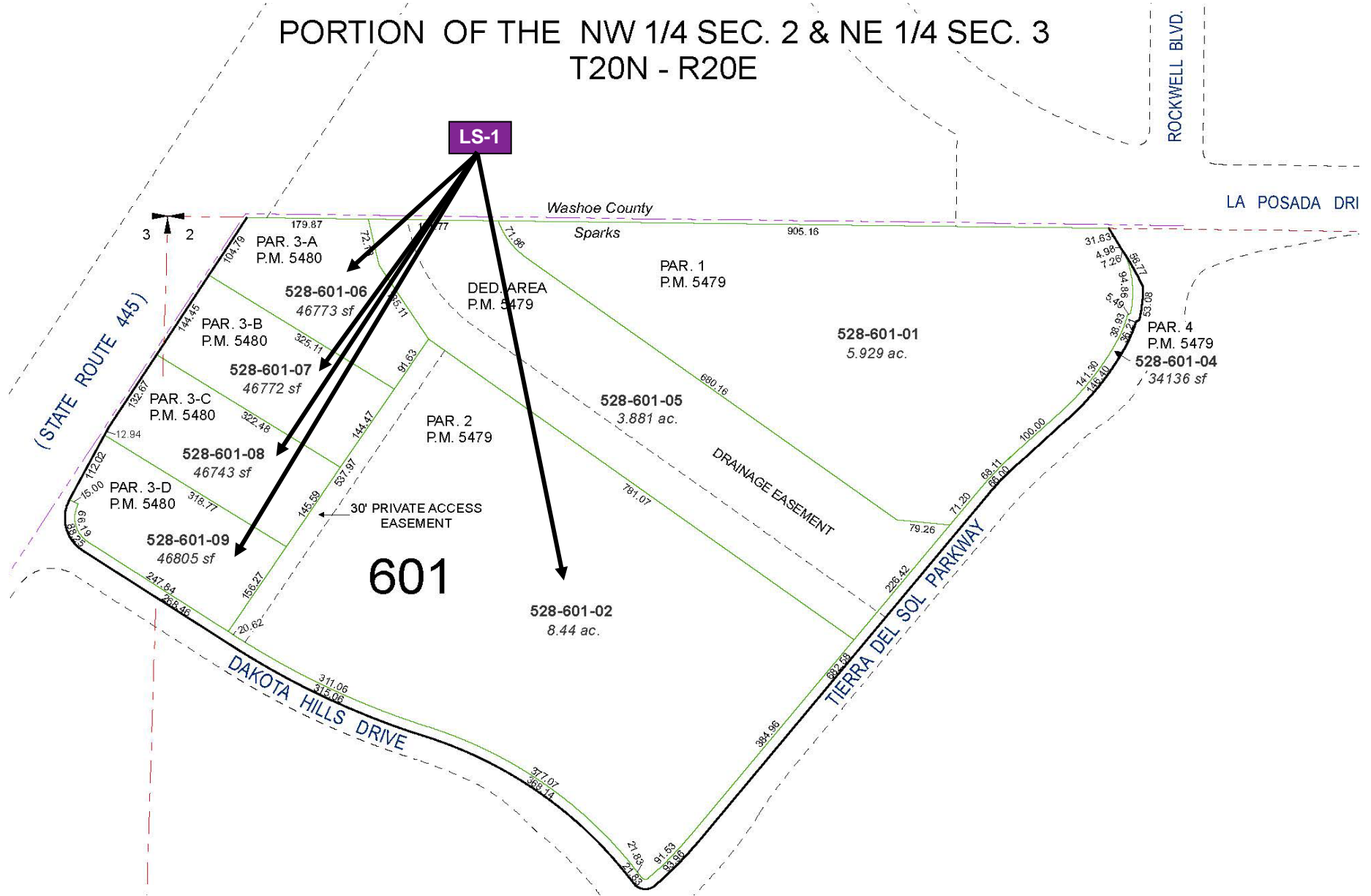






1/2 SECTION 16
SECTION 17
R18E

PORTION OF THE NW 1/4 SEC. 2 & NE 1/4 SEC. 3
T20N - R20E



POR. NW 1/4
T18N -
& POR. SE
T19N -

