

**ASSESSOR'S**

**EVIDENCE**

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

Hearing # 23-0123  
Hearing Date 2/24/2023  
Tax Year 2023

APN: 037-031-04  
Owner of Record: SCHEELS ALL SPORTS INC  
Property Address: 1200 SCHEELS DR  
Property Type: DEPARTMENT STORE 100%  
Gross Building Area: 242,907  
Year Built: 2008  
Parcel Size: 182,081 SF



Description / Location: Subject is the Scheel's store located in the Legends regional mall. Subject's site corresponds closely to its building footprint. This site includes the rights to typical cross-access and cross-parking agreements that enable shopping centers to function.

2022/23 Taxable Value:	Land:	\$2,184,972
	Improvements:	\$27,815,028
	Total:	<u>\$30,000,000</u>
	Taxable Value / SF	\$124

Current Obso	\$12,832,185
Prior Year Obso	\$10,304,277
Obso Increase	<u>\$2,527,908</u>

Sales Comparison Approach:	Indicated Fee Simple Value	\$33,520,000
	Indicated Value/SF	\$138
Income Approach	Indicated Fee Simple Value	\$32,300,000
	Indicated Value/SF	\$133

Conclusions: Given the data available, with more weight given to the Income Approach; the subject's full cash value is \$32,300,000. Based on this analysis the subject's full cash value does not exceed market value; therefore, it is recommended that the Assessor's taxable value be upheld.

RECOMMENDATION: Uphold **x** Reduce

ASSESSOR'S EXHIBIT I  
25 PAGES

COMMERCIAL / INDUSTRIAL

WASHOE COUNTY BOARD OF EQUALIZATION

	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>
<b>LAND:</b>	\$2,184,972	\$764,740	<b>\$/SF GBA</b>
<b>IMPROVEMENTS:</b>	\$27,815,028	\$9,735,260	\$123.50
<b>TOTAL:</b>	\$30,000,000	\$10,500,000	
			<b>TAXABLE</b>
			<b>\$/SF Land</b>
			\$12.00

<b>HEARING:</b>	<u>23-0123</u>
<b>DATE:</b>	<u>2/24/2023</u>
<b>TAX YEAR:</b>	<u>2023</u>

OWNER: SCHEELS ALL SPORTS INC

SUBJECT														
BLDG#	APN	Location (Occupancy)	Use %	Total GBA (GLA)	Construction Type Exterior Walls	QC	Finish Area	Age(WAY) Height	Land (SF) %Coverage Zoning	Sale Price Sale Date	Sale Price/GBA	EGI OER	GIM	NOI OAR
1	037-031-04	1200 SCHEELS DR DEPARTMENT STORE	100%	242,907	FP STL FRAME CURTAIN - EIFS	C40		2008 25	182,081 67% NUD					

IMPROVED SALES														
IS-1	038-881-08 038-870-12	8650 BOOMTOWN GARSON RD WAREHOUSE SHOWROOM STORE	100%	127,616	MASONRY BRNG. CONC. PANELS	C30		2007 23	906,148 14% AC	\$22,020,820 10/21/2021	\$172.56	16		\$ 2,376,415 6.10%
IS-2	039-750-13	5150 MAE ANNE AVE DISCOUNT STORE	100%	94,213	MASONRY BRNG. CONC. BLK.	C20		1990 24	395,743 24% AC	\$9,525,000 2/5/2021	\$101.10	14		\$ 686,592 7.21%
IS-3	510-083-03, ET. AL.	125 DISC DRIVE DISCOUNT STORE NBHD SHOPPING CTR FITNESS CENTER MARKET RESTAURANT	38% 29% 16% 15% 2%	212,977	MASONRY BRNG. CONC. BLK.	C20		2005-2010 24	1,184,396 18% NUD	\$40,650,000 10/9/2019	\$190.87	15		\$ 2,771,881 6.82%
IS-4	02-3015-13-1-07-05-0000	1200 10TH AVE S. GREAT FALLS, MT DEPARTMENT STORE STORAGE	50% 50%	99,279	WOOD FRAME MASONRY BRNG.	G		1995 10	241,235 21% GC	\$12,600,000 6/7/2022	\$126.92	18		\$ 703,888 5.58%

LAND SALES													
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	ACRES	\$/sf	Zoning	Comments				
LS-1	037-411-01	1321 E. LINCOLN WAY	06/03/22	\$1,650,000	103,019	2.36	\$16.02	NUD	PARCEL LOCATED IN THE LEGENDS REGIONAL MALL. 2.365 AC PAD SITE WITH PARKING LOT IMPROVEMENTS ON THE ADJACENT PARCEL. PURCHASED BY HOSPITALITY GROUP.				
LS-2	044-300-22	0 S. VIRGINIA ST	09/01/21	\$14,735,926	693,475	15.92	\$21.25	MS	PARCEL LOCATED ON WEST END OF S. VIRGINIA ST. PURCHASED FOR CONSTRUCTION OF NEW CORWIN CAR DEALERSHIP.				
LS-3	163-240-16	0 S. MEADOWS PKWY	09/30/21	\$5,625,000	397,485	9.13	\$14.15	PD	PARCEL LOCATED ON THE NORTH SIDE OF S. MEADOWS PARKWAY. PURCHASED BY MINI-STORAGE DEVELOPER.				

**COMMENTS:**

The Subject's location provides a high traffic location with a spatially dense middle-class natural market in the immediate area. The subject property is the Scheel's. The subject does not include the surrounding line shops or other freestanding anchor stores.

Title history - The owner acquired fee simple title to the real estate on June 07, 2012, via General Warranty Deed (Doc. # 4127420). Subsequently, a Deed of Trust and Assignment of Rents was recorded for 35MM on December 6, 2012. Scheel's previously held a leasehold interest paying \$1,000,000 per year ground rent. (40-60% typical LTV).

Subject is owner occupied by a privately held firm. Scheels is an industry leading, sporting goods and entertainment retailer. They own and operate thirty-three locations across the western United States.

IS-1 is the sale of the Cabela's in Verdi. The age, and use of the improvements are similar to the subject. The overall construction quality and interior finish are inferior. The comparable's location is also inferior. It does not enjoy the synergistic effects of being located in a regional mall with strong co-tenants. The property sold for \$38,957,622, or \$305.27 PSF, on 10/21/2021. The property sold with a long-term lease in place (approximately twenty-two years remaining). It is estimated that contract rent exceeded market rent at time of sale. Consequently, a property rights adjustment of (\$16,530,000) was made to account for the excess rent. The sales price was further adjusted downward (\$406,802) to account for the undeveloped out-parcel included with the sale. The adjusted sales price of \$22,020,820 or \$172.56 PSF reflects the fee simple price per square foot. \$172.56 is a reasonable indicator of value for the subject property.

IS-2 is the sale of a Kohl's department store in Northwest Reno. The property was 100% occupied at the time of sale. Kohl's had eight years remaining on the on the initial lease at time of sale. The lease was reported to be modified gross; that would mean a higher expense ratio compared the subject. The lease was initially signed January 31, 2008. The location's 2nd generation use, age, and quality of the improvements are far inferior to the subject. Overall, this is an inferior comparable and the PSF value of \$101.10 is a low indicator of value for the subject.

IS-3 is the sale of the "Sparks Galleria." The Galleria is a community shopping center located in the Spanish Springs submarket. Total vacancy was ~13% at the time of sale. Both the location and the quality of the improvements are inferior to the subject. The shopping center use is different than the subject's single tenant use, but the NOI, Gross Leaseable Area, and age of the improvements are similar to the subject. Because the smaller suits would command higher market rents, the PSF value of \$190.87 is a high indicator for the subject.

IS-4 is the sale of a Scheels Department store in Great Falls Montana. The property sold for \$12,600,000 or \$126.92 PSF. The property is 99,279 SF total with 49,639 SF of retail space and 49,640 SF of basement storage. The property is part of the Holiday Village Mall, a 669,919 SF regional mall. There was +15 years remaining on the current lease (30-year term), with an additional four 5-year renewal options. The building is an older property and does not have the same retail utility as the subject. The property is located in a tertiary market that is also inferior to the subject. At the time of closing, the Scheels traded at a 5.58% cap rate, which generated a NOI of \$704,000. Overall, this is a low indicator for the subject, due to the inferior location, dated building, and smaller leaseable area.

As previously discussed, the subject is owner occupied by an industry leading, national retailer. The site has I-80 visibility with a high traffic location. Sales in the TID have increased year over year. Traffic counts are high and increasing. The property enjoys synergistic effects of strong co-tenants in a large regional mall.

The sales comparables show a market range of \$101.10 to \$190.87. Sales on the high end of range tend to be newer, 1st generation properties that are occupied by credit tenants with long term leases. Sales on the lower end tend to involve dated properties with some form of obsolescence. IS-1 is considered the most comparable to the subject. While the location and quality of the improvements are inferior to the subject and would require an upward adjustment to the price per square foot; the significantly larger building area would warrant a downward adjustment for economies of scale. Applying an overall downward adjustment of 20% would result in an adjusted per square foot value of ~\$138. Applying the adjusted price per square foot to the Subject's Gross Leaseable area results in an indicated value of \$33,521,166, or \$33,520,000 rounded.

The above land sales range from \$14.15 to \$21.25 PSF for sites ranging from 103,019 SF to 693,475 SF. LS-1 is most similar in size to the subject and is also located in the Legends Regional Mall. Visibility and access are inferior to the subject. Overall, LS-1 is inferior to the subject, but at \$16.02 PSF, supports the subjects \$12 PSF land value.

**WASHOE COUNTY BOARD OF EQUALIZATION**

**COMMERCIAL / INDUSTRIAL**

	<b>LAND:</b>	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE \$/SF GBA</b>	<b>HEARING: 23-0123</b>
	<b>IMPROVEMENTS:</b>	\$2,184,972	\$764,740	\$123.50	<b>DATE: 02/24/23</b>
	<b>TOTAL:</b>	\$27,815,028	\$9,735,260		
		\$30,000,000	\$10,500,000		<b>TAX YEAR: 2023</b>
<b>APN:</b>	0			<b>TAXABLE \$/SF Land</b>	
<b>OWNER:</b>	SCHEELS ALL SPORTS INC			\$12.00	

Income Approach

Potential Gross Income	242,907				
	242,907 sq ft. @	\$0.70 /mo =	\$170,035		
	x 12 months =		<u>12</u>		
Potential Gross Income				\$2,040,419	
- Vacancy & Collection loss			0%	<u>\$0</u>	
= Effective Gross Income				\$2,040,419	
- Operating Expenses			5%	<u>\$102,020.94</u>	
=Net Operating Income				\$1,938,398	
Divided by Overall Capitalization Rate				6.00%	
			<b>Total</b>	<u>\$32,306,631</u>	
			<b>Rounded</b>	<u>\$32,300,000</u>	
					Rounded \$133 /sf GBA

**Subject Income Information:** The subject is owner occupied by a privately-held firm. The Gross Leaseable Area for the subject is 242,907 SF and does not include any mezzanine . Subject enjoys excellent visibility and access from I-80.

**Potential Gross Income:** Please see rental analysis.

**Effective Gross Income:** Subject is a built-to-suit, high quality, well performing store occupied by an industry leading retailer. By the owner's own estimates, the subject is one of the best performing stores in their portfolio. The retailer has had no history of store closures. A typical investor would anticipate a minimal risk of default from the tenant. Therefore, a vacancy/credit loss deduction is not necessary for the subject.

**Net Operating Income:** The subject is the largest anchor store in a regional mall. This type of lease is expected to be absolute NNN with minimal expenses incurred by the owner. As a result, a 5% expense allowance for management fee and administrative costs is anticipated.

**Market Value Income Approach:** Please see Capitalization Rate Analysis. Applying the capitalization rate of 6% indicates a fee simple value of \$32,300,000, rounded, or \$133 per square foot.

**Site notes:** An interior inspection was conducted on 1/25/2022, 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.

## Subject Information

Subject Income Information: The subject is owner occupied by a privately-held firm. The Gross Leaseable Area for the subject is 242,907 SF and does not include any mezzanine. Subject enjoys excellent visibility and access from Interstate-80.

## Additional Notes on the Subject Property

The subject is owner-occupied by a privately held firm. Scheel's is a sporting goods and entertainment retailer. They own and operate thirty-three locations throughout the western United States. The subject property is situated in the 148-acre, regional mall known as "The Outlets at Legends." Legends is an upscale retail center in Sparks, Nevada. The outlet mall is owned and managed by RED Development, a national firm who specializes in these types of shopping centers. The development was partially financed through Sales Tax Anticipated Revenue Bonds (S.T.A.R. Bonds). The manager of the outlet mall confirmed that Scheel's pays a CAM fee for the adjacent parking lot improvements, however the amount was not provided.

## Potential Gross Income

The subject is a high quality, atrium style building. The building consists of 242,907 SF of Gross Leaseable Area spread over two floors with an additional 25,358 SF of mezzanine area. Market rents for larger retail space range from \$7.24 to \$12.96 PSF.

LR-4 and LR-6 represent current rental rates for larger retail space in the legends shopping center. LR-4 is a former Best Buy that has been repurposed as a fitness center. The Gross Leasable Area is 30,000 SF. The tenant incurred a significant TI expense remodeling the entire building before occupying the space. The fitness center use is inferior to the subject, but the building is significantly smaller than and would warrant a downward adjustment for economies of scale. Overall, LR-4 is likely a high indicator of market rent for the subject. LR-6 is the TJ Maxx; also located in the legends shopping center. The Gross Leasable Area for this property is 24,647 SF. This location suffers from decreased visibility and access compared to the subject. The tenant executed their (5) year option in November of 2022. The option included a ~5% rent escalation. Similar to LR-4, the use of the improvements is inferior to the subject, but the smaller leaseable area would warrant a downward adjustment. Overall, LR-6 is likely a high indicator of market rent for the subject.

LR-5 is the new "Goodwill" discount store located in the Smithridge shopping center. The property has good access and visibility from US 395 and S. McCarran Blvd. The building was previously occupied by "Toys R Us." This was a sale lease back transaction with the building being completely renovated before Goodwill signed a new 15-year NNN lease. The Gross Leasable Area is 43,012 SF. Although LR-5 is larger than LR-4 and LR-6; it is still substantially smaller than the subject and would require a downward adjustment for economies of scale. While the use and location are similar to the subject; overall LR-5 is a high indicator of market rent due to the sale lease back nature of the transaction and little weight was given to this rent comparable.

LR-7 is the JC Penny's located in Meadowood Mall. The larger leaseable area is like the subject. The use is similar to the subject and property is also located in a well trafficked retail center. The building was constructed in 1979 and has an actual age of 44 years. The lease is NNN. LR-7 was added because the leaseable area of 153,727 SF is most similar to the subject, however the lease was signed as part of the JC Penny restructuring and we were unable to fully verify the motivations and conditions related to the lease signing. Therefore, little weight was given to this comparable.

The rent comparables illustrate a market range of \$.60 to \$1.08 for larger retail properties in well trafficked retail centers. The median market rent is \$.91. Based on the comparables, the estimated market rent for the subject is \$.70 per month, or \$8.40 annually.

MARKET RENT SURVEY

Hearing # 23-0123  
 Hearing Date 2/24/2023  
 Tax Year 2023

COMMERCIAL RENTAL/LEASE RATES										
	APN	Location	Use %	Leased GLA	Lease Date/Term	Age (WAY)	Lease rate/annual	Lease rate/month	Type	Notes
<b>Large GLA Retail</b>										
LR-1	026-182-38	2863 Northtown Ln	Discount Store	32,587	2021 10 Years	1994 (2009)	\$8.40	\$0.70	NNN	flooring liquidators, effective rent
LR-2	033-151-19	650-662 E Prater Way	Discount Store	33,608	2021 N/A	1975 (1976)	\$10.80	\$0.90	NNN	asking, Salvation Army; older building inferior loc, second gen
LR-3	040-162-52	6405-6485 S Virginia St	Discount Store	20,000	2022 1 Year	1989	\$12.00	\$1.00	NNN	7/2022 1 yr term; recent renewal; 2nd gen
LR-4	037-031-05	1315 Scheels Dr	Fitness Center	30,000	2021 10 Years	2008	\$11.85	\$0.99	NNN	asking; crunch; 2nd Gen use; strong retail location
LR-5	025-022-02	5000 Smithridge Dr.	Discount Store	43,131	2021 15 Years	1984	\$12.96	\$1.08	NNN	STNL 15 year term, 2% annual esclations; 2 gen use
LR-6	037-400-15	1530 E Lincoln Way	Discount Store	24,647	2022 5 Years	2012	\$10.95	\$0.91	NNN	renewal TJ maxx, 5 year option, in legends; inferior traffic and visibility
LR-7	025-372-07	5204 Meadowwood Mall Cir	Department Store	153,727	2021 25 Years	1979	\$7.24	\$0.60	NNN	Effective Discounted Rent; JCP executed 12/2020; in line with large GLA older building in a good retail location; contract is 9 PSF absolute NNN.

Median \$10.95 \$ 0.91  
 Est. Market Rent \$8.40 \$ 0.70

MARKET CAPITALIZATION RATE SURVEY

Hearing # 23-0123  
 Hearing Date 2/24/2023  
 Tax Year 2023

CAPITALIZATION RATE SUMMARY										
SALE #	APN	Address	Description	Blt Yr	Size/GBA	Sale Date	Sales Price	NOI	OAR	Notes
1	038-881-08 038-870-12	8650 Boomtown Garson Rd.	Warehouse/Showroom	2007	127,616	10/21/21	\$38,957,622	\$ 2,376,415	<b>6.10%</b>	*Investment sale of the Cabela's in Verdi. STNL ~22 years remaining.
2	037-020-43	1495 E. Prater Way	NBC Shopping/Restaurant	2003	15,004	06/28/22	\$6,725,100	\$ 398,120	<b>5.92%</b>	*Investment sale of NBC shopping center; long term lease in place at time of sale
3	510-082-42	125 Disc Dr.	Community Shopping	2005-2010	212,977	10/04/19	\$40,650,000	\$ 2,771,881	<b>6.82%</b>	*Investment Sale of Sparks Galleria
4	025-022-02	5000 Smithridge Dr.	Discount Store	1984	43,131	09/07/21	\$9,400,000	\$ 559,188	<b>5.95%</b>	*15 year lease with goodwill signed 2020; asking 9.725MM with 5.75% cap; actual cap lower after accounting for V&C and Op. Ex.
5	163-061-12, 13	537-597 S. Meadows Pkwy	NBC Shopping	2017	80,000	12/15/21	\$34,000,000	\$ 1,700,000	<b>5.00%</b>	*Broker note "The caps on older centers are running closer to 6%, we were able to get 5% at SMP because of the strong tenant mix there."
7	033-152-05	589 E. Prater Way	Discount Store	1980	104,365	06/24/22	\$8,868,287	\$ 505,815	<b>6.24%</b>	*Old building, 2nd gen occupancy; OAR based on contract rent (PGI); actual cap would be lower if based on NOI.

Median 6.02%  
 OAR Used 6.00%

Capitalization rates for comparable sales range between 5.0% to 6.82%. Transactions on the low end of the range are typically newer properties occupied by credit tenants with long term leases. Sales with higher cap rates tend to involve dated properties usually suffering from some type of obsolescence. The sales show that investors are willing to pay more and require less yield for assets with strong tenants and low risk profiles. The comparables strongly suggest a capitalization rate between 5% and 6% for the subject. 6% is a conservative estimate for the OAR.

Subject Property strengths:

- 1) First generation use, no obsolescence in any form
- 2) owner-user is an industry leading retailer who has had no store closures or layoffs through the recession (2009) or COVID
- 3) YoY sales are increasing
- 4) Well maintained building and well managed development (RED)
- 5) Strong retail demographics with new developments (casino and outparcels)
- 6) Insulation from on-line and other competition; The owner designed the property to have an amusement park like feel that attracts consumers
- 7) NV has lower Op ex than most jurisdictions; 1.281% ETR

WASHOE COUNTY SUMMARY APPRAISAL RECORD



APN: **037-031-04**

**2023**

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**ACTIVE**

Roll YR

Code

%Comp

Situs 1200 SCHEELS DRSPARKS Database WASHOE NBHD DIDQ Appr JGR Exemption AV|Exemption  
 Owner SCHEELS ALL SPORTS INC Printed 2/9/2023 Commercial  
 1707 GOLD DR S STE 101 FARGO, ND 58103 Tax District 2002  
 Property Name SCHEELS SPORTING GOODS

Reopen			
Reappraisal			

Valuation History

Parcel Value Summary

Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD
2023 VN	2,184,972		40,647,213		30,000,000	10,500,000	Land Value	2,184,972
2023 NR	2,184,972		40,647,213		30,000,000	10,500,000	Building Value	40,338,820
2022 FV	2,184,972		38,119,305		30,000,000	10,500,000	XFOB Value	308,393
2021 FV	2,184,972		38,760,812		33,321,982	11,662,694	Obsolescence	-12,832,185
2020 FV	2,184,972		38,199,651		33,321,982	11,662,694	Taxable Value	30,000,000
2019 FV	2,184,972		36,744,473		33,321,982	11,662,694	Total Exemption	
2018 FV	2,184,972		36,531,567		33,321,982	11,662,694		

OBSO	<input type="checkbox"/> Change	<input type="checkbox"/> No Change
NewLand		
Initials/Date		
Parcel Total	<input type="checkbox"/> NC	<input type="checkbox"/> C
New Const		
New Land	<input type="checkbox"/> New Sketch	
Remainder		

Building Data

Type	BLDG	Occ	Description	Frame	Yr Built	Way	% Comp	QC	RCN	DRC	SQFT	DRC \$/SQFT	Bldg OBSO
COMM	1-1	318	Department Store	A	2008	2008	100	C40	51,127,880	9,624,107	242,907	163	0
MISC	1-2	600	Miscellaneous	0	2008	2008	100	50	922,211	714,713		714,713	0



Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note
400	General Commercial: reta	NUD	182,081	SF9	12.00					2,184,972	

Land Data		Property Characteristics	
Land Size-Sf	182,080	Water	Municipal
Acre Size	4.180	Sewer	Municipal
DOR Code	400	Street	Paved
Deferment		SPC	
CAGC			

WASHOE COUNTY APPRAISAL RECORD



APN: 037-031-04

2023

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ACTIVE

Roll YR

Code

%Comp

Situs	1200 SCHEELS DRSPARKS	Database	WASHOE	NBHD DIDQ	Appr	JGR	Exemption AV	Exemption	Reopen			
Owner	SCHEELS ALL SPORTS INC	Printed	2/9/2023	Commercial	Tax District	2002	Property Name	SCHEELS SPORTING GOODS	Reappraisal			
	1707 GOLD DR S STE 101 FARGO, ND 58103											

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			
2023 VN	2,184,972		40,647,213		30,000,000	10,500,000	Land Value	2,184,972			
2023 NR	2,184,972		40,647,213		30,000,000	10,500,000	Building Value	40,338,820			
2022 FV	2,184,972		38,119,305		30,000,000	10,500,000	XFOB Value	308,393			
2021 FV	2,184,972		38,760,812		33,321,982	11,662,694	Obsolescence	-12,832,185			
2020 FV	2,184,972		38,199,651		33,321,982	11,662,694	Taxable Value	30,000,000	Parcel Total		
2019 FV	2,184,972		36,744,473		33,321,982	11,662,694	Total Exemption			<input type="checkbox"/> NC	<input type="checkbox"/> C
2018 FV	2,184,972		36,531,567		33,321,982	11,662,694				<input type="checkbox"/> New Sketch	

Building Data													
1-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	COMM	Commercial/Industrial	BUILDING LEVEL			ASC	2	Alternate Shape Code	100	HEAT	613	HOT/CHILL WATER	100
Occ	318	Department Store	Rate Adj	71.0000	Building	EL1C	4	Elevator Passenger - Commerc	100				
Stry/Frm	A	FIREPROOF STRUCTURAL	Lump Sum			MD5	25,358	Mezzanine - Storage	100				
Quality	C40	Commercial 4.0 (Exce				SP1C	242,907	Sprinkler System Generic - C	100				
Year Built	2008		PARCEL LEVEL			ST	2	No of Stories	100				
WAY	2008		Lump Sum			UT	1	Units	100				
Remodel Yr			%Obso	0.0000		WH	25	Avg Wall Height/Floor	100				
% Comp	100	%DPR 22.5				EW	844	CURTAIN WALLS - EIFS PANELS	100				

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			242,907	210.48	51,127,880	1	CRBC	CONC CURB	30	1	800	17.78	2008		100	14,224	11,024		
MD5	DRO MEZZANINE S			25,358			2	DKLV	DOCK LEVEL	30	1	2	10,423.00	2008		100	20,846	16,156		
							3	FWCO	FW CONCRET	30	1	13,850	6.01	2008		100	83,258	64,525		
							4	GARD	GAR DETACH	30	1	1,925	37.98	2008		100	73,112	56,661		
							6	TKW4	TK CON W/R	30	1	5,000	24.25	2008		100	121,250	93,969		
							7	WLCB	WALL CO BL	30	1	1,600	20.71	2008		100	33,136	25,680		
							8	YIMP	YARD IMPS	30	1	25	2,084.00	2008		100	52,100	40,378		

Gross Bldg Area	268,265	Perimeter	3,692	Sub Area RCN	51,127,880
<b>Building Notes</b>		<b>Building Cost Summary</b>			
FUTURE LOADING AREA		Building RCN			
SCHEEL'S SPORTING GOODS		Depreciation			
PERMIT #A0604330		Building DRC			
4/3/07 TLS		Extra Feature DRC			
ELEV		Building Obso			
STR		Total DRC			
2FLR		Override Value			
<b>Building Name</b>		SCHEELS SPORTING GOODS			

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	182,080	Water	Municipal
400	General Commercial: reta	NUD	182,081	SF9	12.00					2,184,972		Acre Size	4.180	Sewer	Municipal
												DOR Code	400	Street	Paved
												Deferment		SPC	
												CAGC			

WASHOE COUNTY APPRAISAL RECORD

APN: 037-031-04

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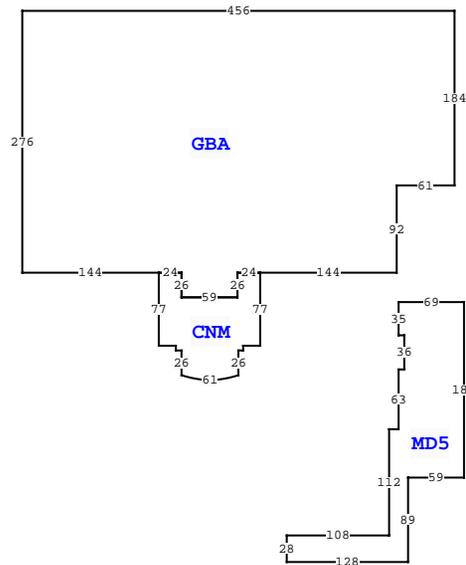
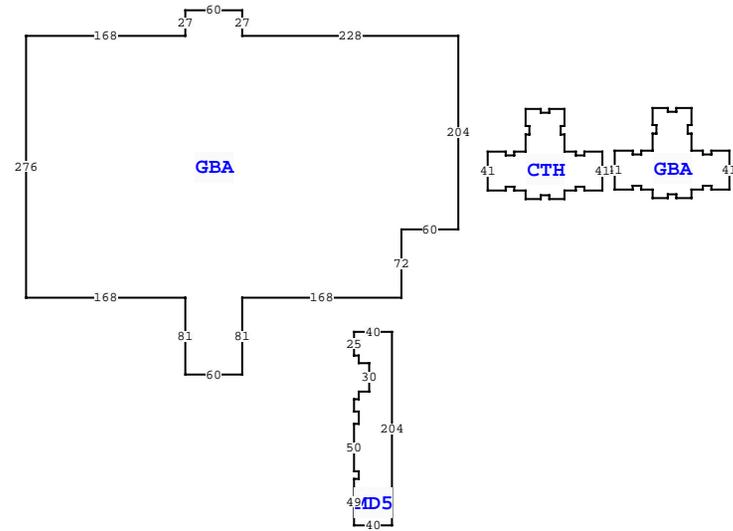
Owner SCHEELS ALL SPORTS INC  
 Keyline Description PM 4791 LT 1-D

NBHD DIDQ Commercial

Appr JGR



037-031-04 10/08/2021



Activity Information						
Date	User ID	Activity Notes				
10/6/2022	JGR	Re-appraisal Review				
5/28/2019	HNS	Aerial Review				
12/1/2016	MB	Permit Review				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
SCHEELS ALL SPORTS INC	MEMO	3/21/2018	400	0	3NTT	
SPARKS LEGENDS DEVELOPME	4127420	6/29/2012		1,000,001	3BO	
SPARKS LEGENDS DEVELOPME	3568114	8/22/2007		0	3BGG	
SPARKS LEGENDS DEVELOPME	3545522	6/19/2007		0	3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
6/4/2021	FIRE21-21685	ADDING A RELAY MODULE FOR	2,533	C	100%	
4/23/2021	SBLD21-21066	REMOVE EXISTING TRASH DOOR	16,615	N	100%	
12/13/2018	SBLD18-22470	Install new internally ill		C	100%	
11/5/2018	FIRE18-23141	Adding ten (10) new penden		C	100%	
11/2/2018	SBLD18-22685	Construct three (3) new wa		C	100%	

WASHOE COUNTY APPRAISAL RECORD



APN: 037-031-04

2023

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ACTIVE

Roll YR

Code

%Comp

Situs 1200 SCHEELS DRSPARKS Database WASHOE NBHD DIDQ Appr JGR Exemption AV|Exemption  
 Owner SCHEELS ALL SPORTS INC Printed 2/9/2023 Commercial  
 1707 GOLD DR S STE 101 FARGO, ND 58103 Tax District 2002  
 Property Name SCHEELS SPORTING GOODS

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	Initials/Date
2023 VN	2,184,972		40,647,213		30,000,000	10,500,000	Land Value	2,184,972		
2023 NR	2,184,972		40,647,213		30,000,000	10,500,000	Building Value	40,338,820		
2022 FV	2,184,972		38,119,305		30,000,000	10,500,000	XFOB Value	308,393		
2021 FV	2,184,972		38,760,812		33,321,982	11,662,694	Obsolescence	-12,832,185	Parcel Total	
2020 FV	2,184,972		38,199,651		33,321,982	11,662,694	Taxable Value	30,000,000	New Const	<input type="checkbox"/> NC <input type="checkbox"/> C
2019 FV	2,184,972		36,744,473		33,321,982	11,662,694	Total Exemption		New Land	<input type="checkbox"/> New Sketch
2018 FV	2,184,972		36,531,567		33,321,982	11,662,694			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	50	Very Good											
Year Built	2008		PARCEL LEVEL										
WAY	2008		Lump Sum -12832185										
Remodel Yr			%Obso 0.0000										
% Comp	100	%DPR 22.5											

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			8,827	68.40	603,767														
CTH	CATHEDRAL CEILIN			6,887	46.24	318,444														

Gross Bldg Area Perimeter Sub Area RCN 922,211

Building Notes	Building Cost Summary
	Building RCN 922,211
	Depreciation 207,498
	Building DRC 714,713
	Extra Feature DRC
	Building Obso
Building Name	Total DRC 714,713
SCHEELS SPORTING GOODS	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	
												182,080	Sewer	Municipal	
												4.180	Street	Paved	
												400	SPC		

WASHOE COUNTY APPRAISAL RECORD

APN: **037-031-04**

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Owner SCHEELS ALL SPORTS INC  
 Keyline Description PM 4791 LT 1-D

NBHD DIDQ Commercial

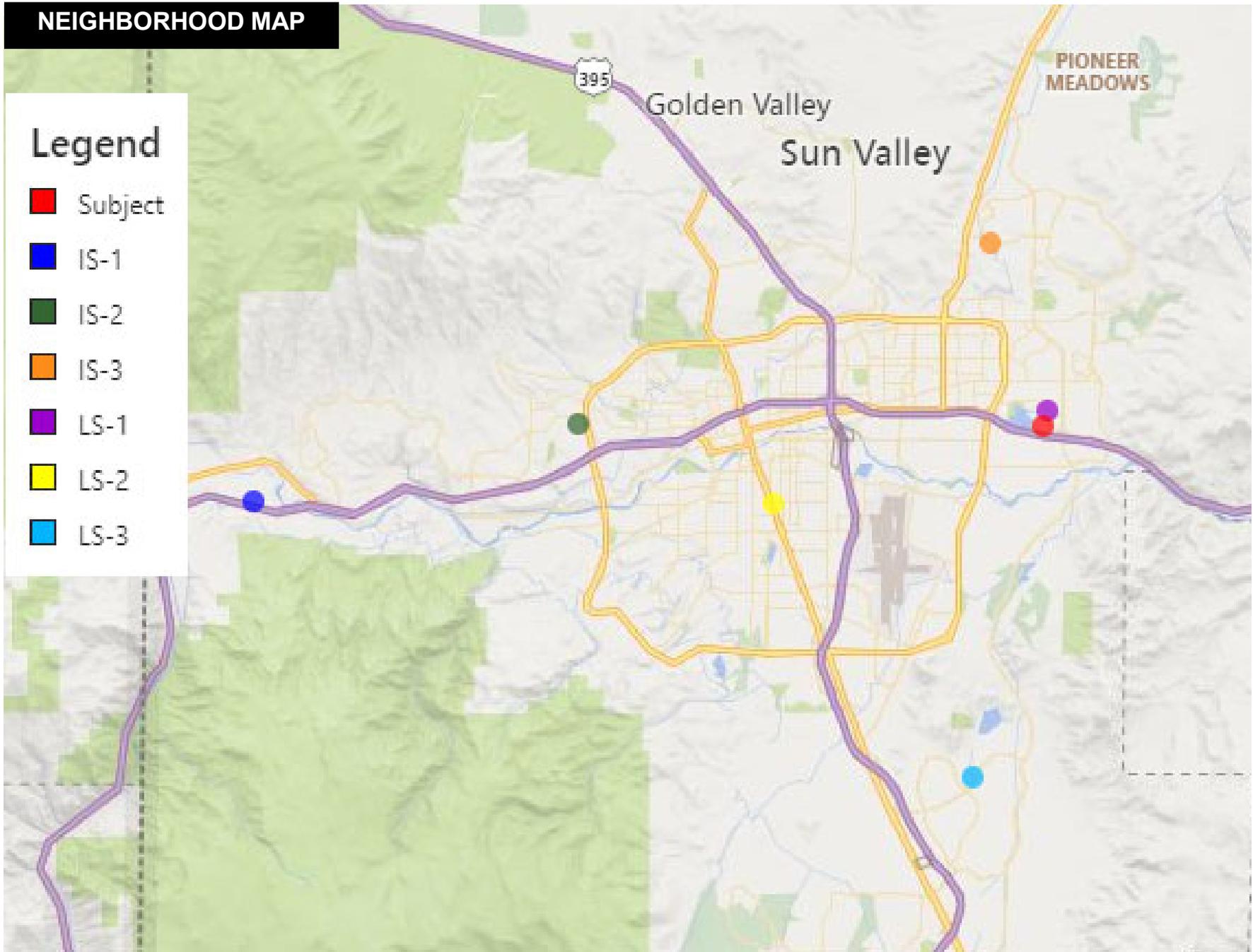
Appr JGR

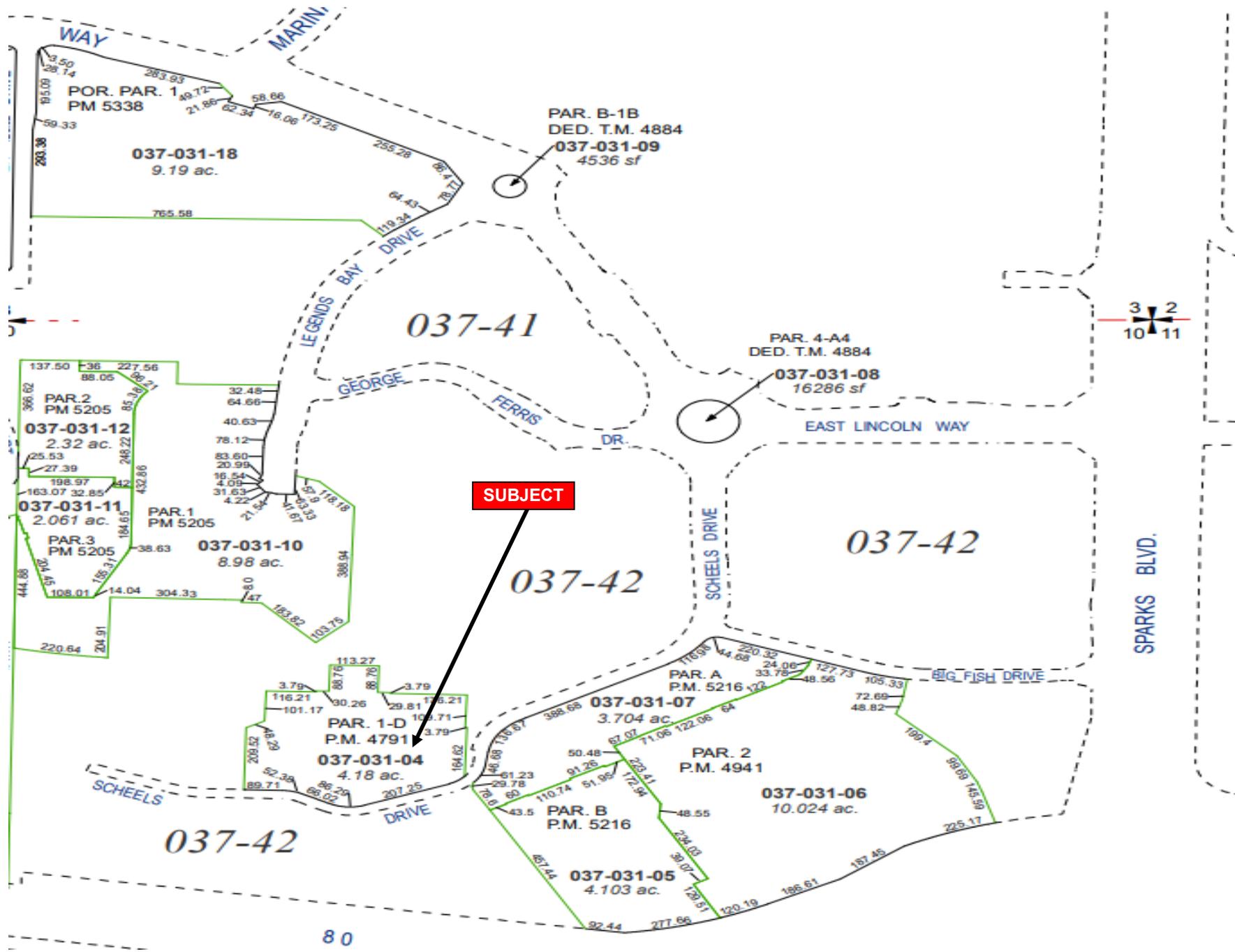
Activity Information						
Date	User ID	Activity Notes				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
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SPARKS LEGENDS DEVELOPME	3568114	8/22/2007		0	3BGG	
SPARKS LEGENDS DEVELOPME	3545522	6/19/2007		0	3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
1/9/2008	A0704313	FIRE SPRKLR		C	100%	
12/7/2007	A0703794	FIRE SPRKLR		C	100%	
11/15/2007	A0703396	SEE NOTES		C	100%	
10/11/2007	A0604330A	SEE NOTES		C	100%	
10/11/2007	A0604330B	SEE NOTES		C	100%	

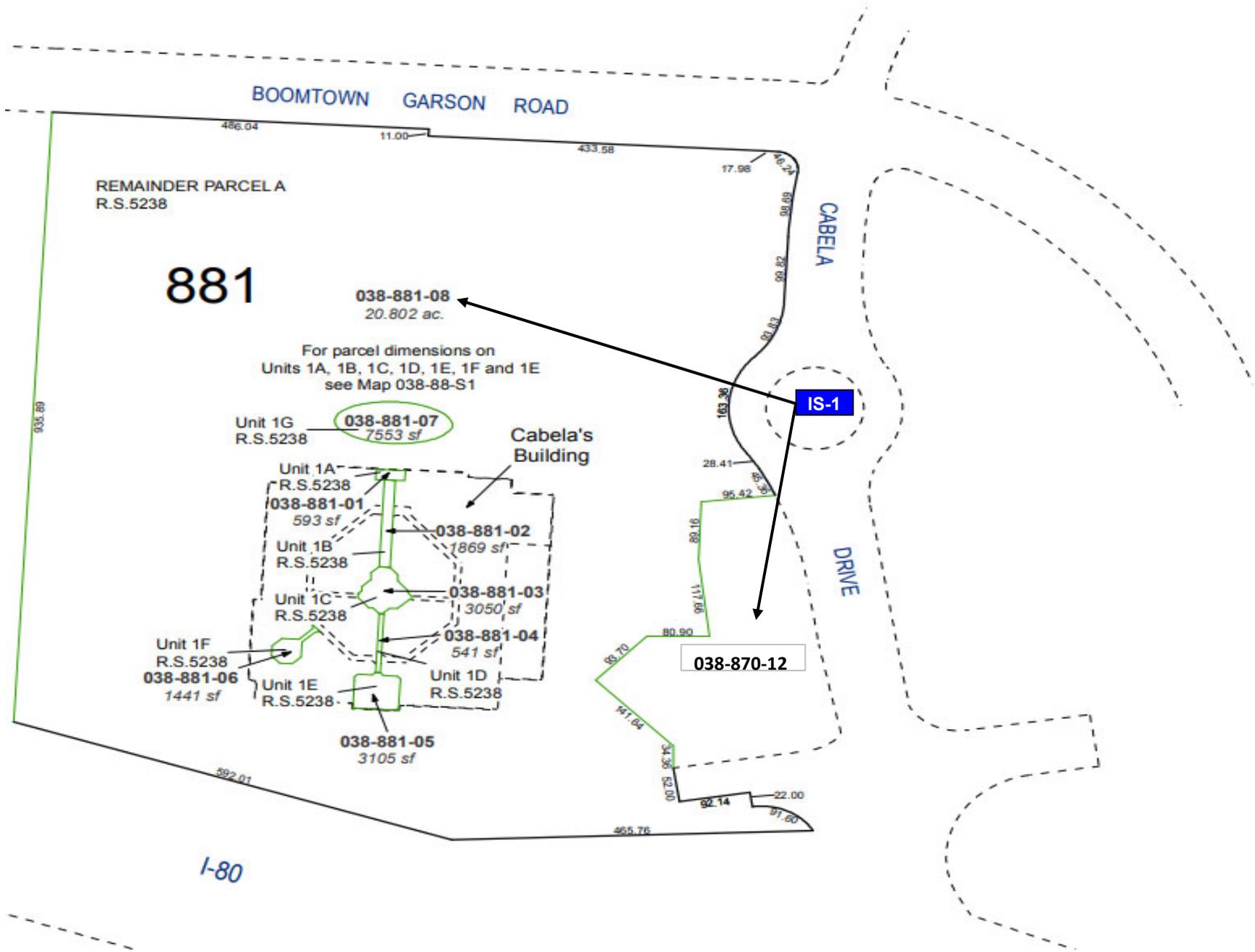
# NEIGHBORHOOD MAP

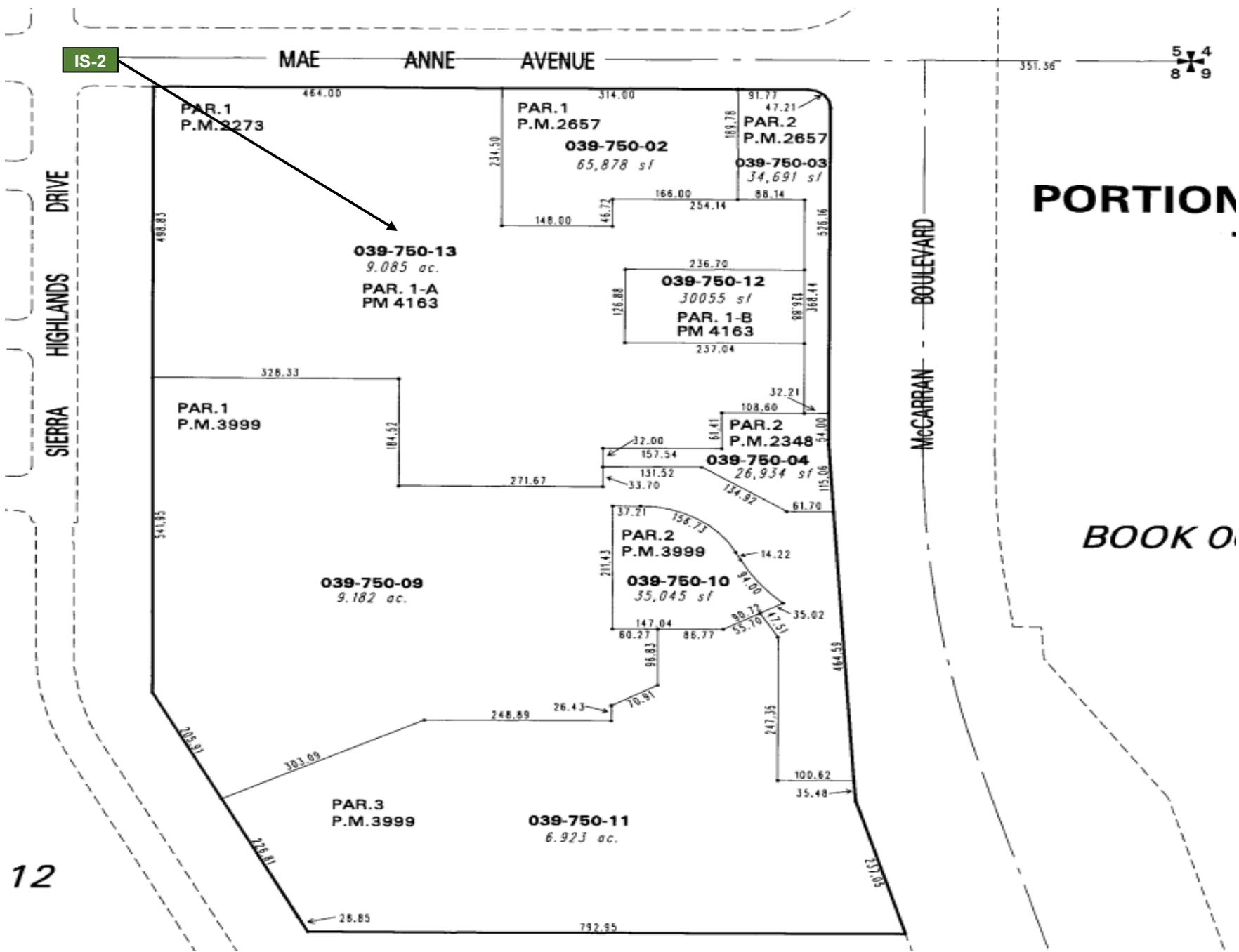
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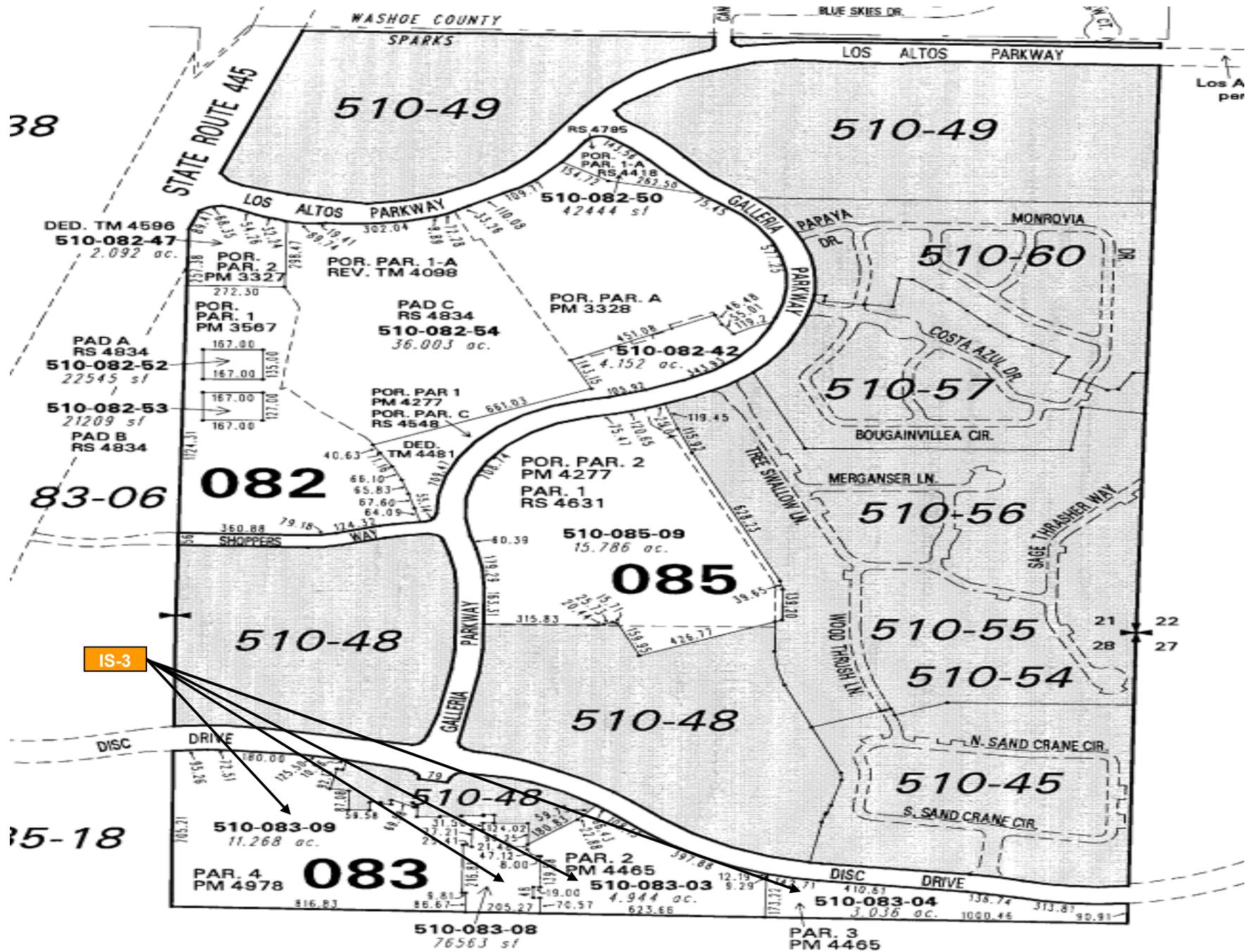
- Subject
- IS-1
- IS-2
- IS-3
- LS-1
- LS-2
- LS-3

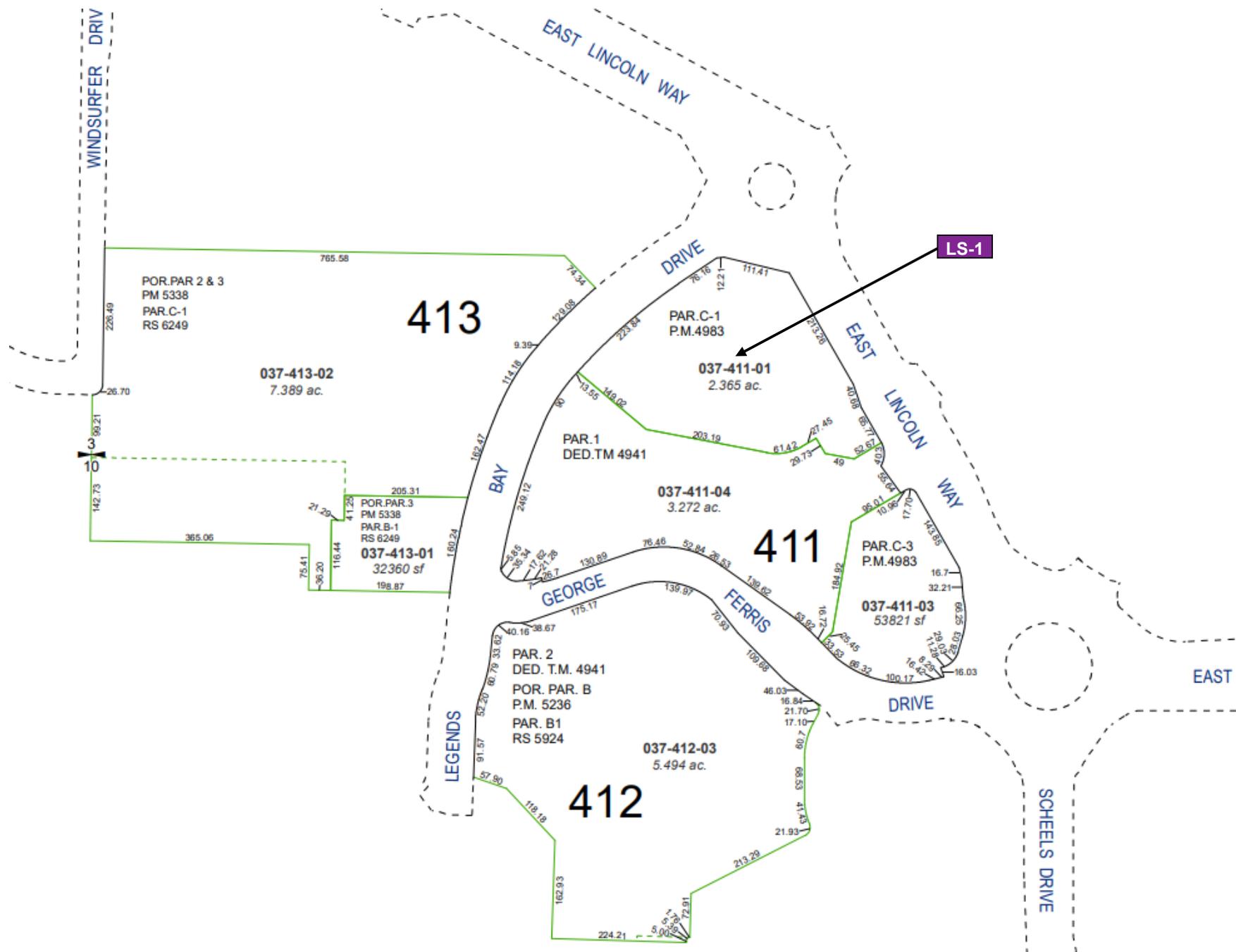




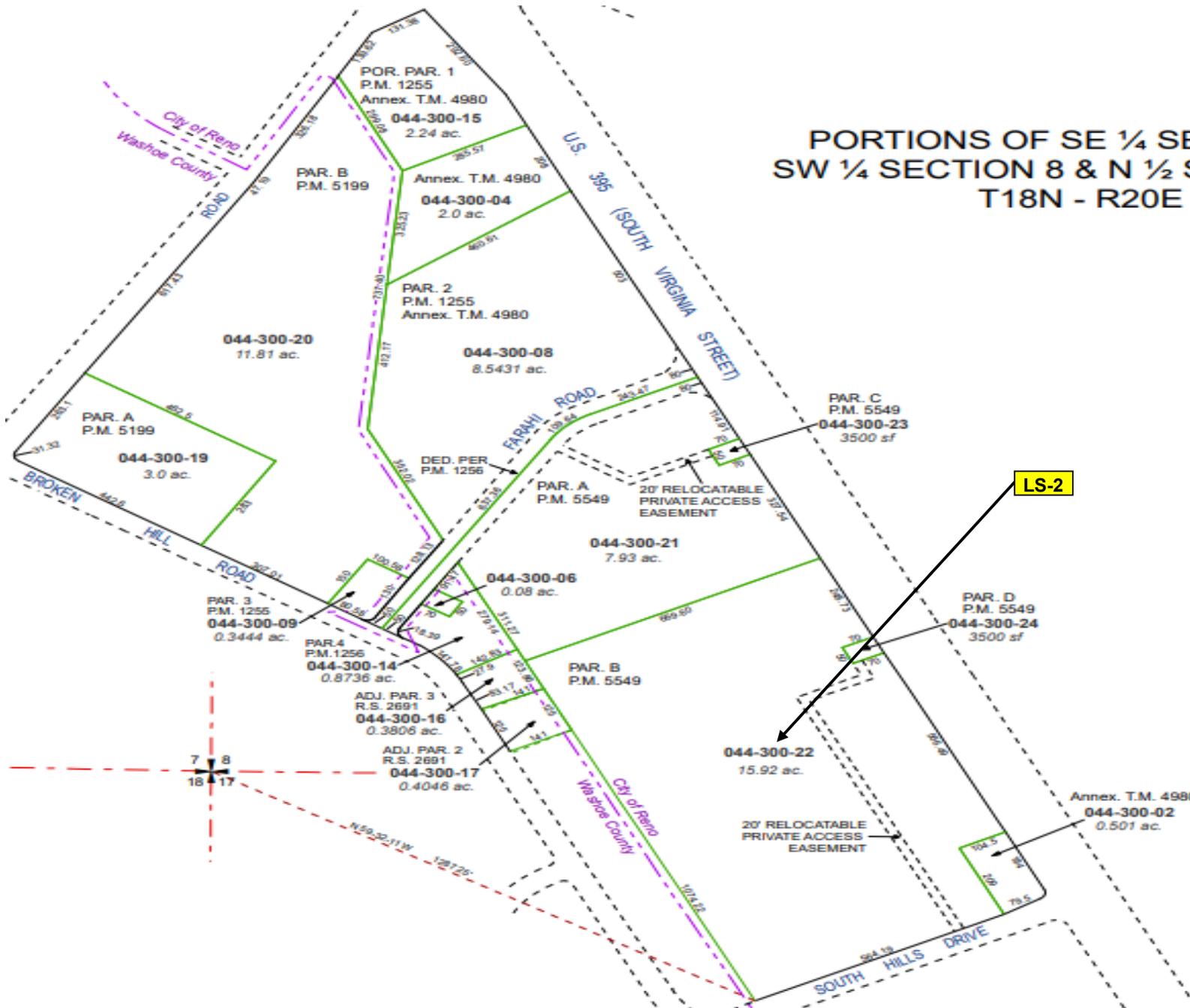








**PORTIONS OF SE ¼ SECTION 8  
SW ¼ SECTION 9 & N ½ SECTION 10  
T18N - R20E**



**LS-2**



WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>
<b>LAND:</b>	\$2,184,972	\$764,740	<b>\$/SF GBA</b>
<b>IMPROVEMENTS:</b>	\$27,815,028	\$9,735,260	\$123.50
<b>TOTAL:</b>	\$30,000,000	\$10,500,000	
			<b>TAXABLE</b>
			<b>\$/SF Land</b>
			\$12.00

<b>HEARING:</b>	<u>23-0123</u>
<b>DATE:</b>	<u>2/24/2023</u>
<b>TAX YEAR:</b>	<u>2023</u>

OWNER: SCHEELS ALL SPORTS INC

SUBJECT															
BLDG#	APN	Location (Occupancy)	Use %	Total GBA (GLA)	Construction Type Exterior Walls	QC	Finish Area	Age(WAY) Height	Land (SF)	%Coverage Zoning	Sale Price Sale Date	Sale Price/GBA	EGI OER	GIM	NOI OAR
1	037-031-04	1200 SCHEELS DR DEPARTMENT STORE	100%	242,907	FP STL FRAME CURTAIN - EIFS	C40		2008 25		182,081 67% NUD					
IMPROVED SALES															
RS-1	105-041-02-0-40-04-004-004.01-2	10300 CABELA DRIVE, KANSAS CITY KS WAREHOUSE SHOWROOM STORE	100%	164,105	MASONRY BRNG. CONC. BLK.			2002	1,870,902	9%	\$28,500,000 6/30/2021	\$173.67	16		\$ 1,785,963 6.27%
<b>CAI INVESTMENTS</b>															
RS - 2, 3, 4	APN	THREE PROPERTY PORTFOLIO SALE (IN TOTAL) WAREHOUSE SHOWROOM STORE	100%	400,000	MASONRY BRNG. CONC. BLK.			1995-2016 24		VARIES	\$108,700,000 6/24/2021	\$271.75			N/A
<b>REAL CAPITAL SOLUTIONS</b>															

**COMMENTS:**

RS-1 is the sale of a Cabela's in Kansas City, Kansas. Total sales price was \$28,500,000 or \$173.67 PSF. Property is under a NNN lease through 2046. The implied cap rate is 6.27% based on NOI of \$1,786,95 or \$10.88 PSF. Reported to be a stand alone transactions, but the same parties traded the property in Verdi. Financed with CMBS debt, securitized as Morgan Stanley Capital I Trust 2021-L7.

RS-2, 3, 4 is a three property portfolio sale. Real estate investment company Real Capital Solutions (RCS) acquired the three STNL Cabela's properties for \$108.7M consisting of 400,000 sf of GLA. The stores are located in Michigan, Wisconsin, and West Virginia and generate over \$100 million in gross sales (~250 PSF). True destination stores, Cabela's showrooms offer an enteraining shopping experience.

Due to the unique nature of the subject property (large GLA, destination retail use, high quality construction and occupancy) the sales search area was expanded to find comparables that were more similar to the subject. The regional sales involved other Cabela's properties throughout the United States. The sales range from \$173.67 to \$271.75 and further support the total taxable value for the subject.

<b>Percentage Rent Analysis</b>		
<b>Tax Year</b>		2023
<b>Date</b>		2/24/2023
<b>Gross Leaseable Area</b>	240,000	
	<b>Total</b>	<b>Per SF</b>
<b>Estimated Gross Sales Range</b>		
	\$60,000,000	\$250.00
	\$72,000,000	\$300.00
<b>Extrapolated from sales tax collections</b>	<b>\$76,756,490</b>	<b>\$319.82</b>
	\$84,000,000	\$350.00
	\$96,000,000	\$400.00
<b>Market Rent Percentage</b>		
Percentage of Sales @ 3.0%	\$2,302,695	\$9.59
<b>Potential Gross Income</b>	\$2,302,695	\$9.59
Less: Vacancy & Collection @ 0%	\$0	\$0.00
<b>Effective Gross Income</b>	\$2,302,695	\$9.59
Expenses @ 5%	\$115,135	\$0.48
<b>Net Operating Income</b>	\$2,187,560	\$9.11
Capitalization Rate: 6.00%		
<b>Value By Income Approach</b>	<b>\$36,459,333</b>	<b>\$151.91</b>
<b>Comment</b>		
This alternative income approach was utilized because the property is owner occupied and no comparable anchor store rents were available. Gross store sales are estimated to be ~320 PSF, based on collections.		
Gross sales rental supports a valuation of ~\$36.4MM, or ~\$151 PSF		

Reported Sales Tax Collections in (TID)*		\$16,727,219
Total Collections based on Millage**	6.50%	\$257,341,831
Gross Sales w/ 75% collection cap	75.00%	\$343,122,441
Scheel's Prorated Sales	22.37%	<u>\$76,756,490.06</u>

\*Per City of Sparks Annual Report FY end 6/30/2022

\*\*Net sales tax millage after "carve outs" for school debt

#### Alternative Income Approach - Percentage Rent Analysis

Mega-anchor stores, such as the subject, are typically only leased in high-profile locations. The leases involve moderate base rents with percentage rents based on gross sales representing the greater portion of the rent. Although the property is owner occupied and pays no rent, this alternative analysis was provided as a test of reasonableness for our market rent assumptions. Sales tax collections in the marina TID are reported on an annual basis by the City of Sparks. Reported total sales tax collections in the TID were ~\$16.7MM 2021-22 FY ending June 30, 2022. Indicated gross sales would be ~\$343MM based on a millage of 65 (6.5%) and a 75% cap on gross sales tax collections. Scheels makes up ~23% of the TID; their extrapolated gross sales would be \$76.7MM, or ~320 PSF. This is a conservative estimate because a portion of the retail space in the TID is occupied by services providers who do not collect and remit sales tax. A percentage rent of 3%-4% is consistent with properties on this type of lease structure and gives a market rent range of \$.80 - \$1.06, which further supports the \$.70 market rent used.