

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # 19-0027
Hearing Date 02/21/2019
Tax Year 2019

APN: 040-162-52
Owner of Record: VIRGINIA STREET PROPERTIES LLC
Property Address: 6407 S VIRGINIA ST
Property Type: DISCOUNT STORE 100%
Gross Building Area: 34,419
Year Built: 1989
Parcel Size: 2.714 Acre
Description / Location: The subject parcel is located in The Crossing Shopping Center at Meadowood Square in the southwest corner of Neil Road and S Virginia St intersection.



2019/2020 Taxable Value:	Land:	\$1,300,475
	Improvements:	\$1,520,308
	Total:	<u>\$2,820,783</u>
	Taxable Value / SF	\$81.95
Sales Comparison Approach:	Indicated Value Range	\$ 4.7M to \$ 5.01M
	Indicated Value Range / SF	\$150 to \$160
Income Approach:	Indicated Value	\$4,280,000
	Indicated Value / SF	\$124

Conclusions: There was an error in the GBA square footage. It should be 31,300 SF. The revised total taxable value is \$2,731,416, i.e. \$87.27/SF. The comparable sales indicate the property value is in the range of \$ 4.7M to \$ 5.01M, i.e. \$150/SF to \$160/SF. The income approach to value indicates a value of \$4,280,000, i.e. \$124/SF. Both values demonstrate the revised total taxable value does not exceed full cash value. It is recommended to reduce the total taxable value to \$2,731,416.

RECOMMENDATION: Uphold Reduce **X**

	<u>Taxable Value</u>	<u>Assessed Value</u>
Land:	\$1,300,475	\$455,166
Imps:	\$1,430,941	\$500,829
Total:	<u>\$2,731,416</u>	<u>\$955,996</u>

Prepared By: Jane Tung, Appraiser

Reviewed By:

Mike Gonzales, Senior Appraiser

ASSESSOR'S EXHIBIT I
18 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE
LAND:	\$1,300,475	\$455,166	\$/SF GBA
IMPROVEMENTS:	\$1,520,308	\$532,108	\$81.95
TOTAL:	\$2,820,783	\$987,274	
			TAXABLE
			\$/SF Land
			\$11.00

HEARING:	<u>19-0027</u>
DATE:	<u>02/21/2019</u>
TAX YEAR:	<u>2019</u>

OWNER: VIRGINIA STREET PROPERTIES LLC

SUBJECT											
BLDG#	APN	Location (Occupancy)	Use %	Total GBA (GBA)	Construction Type Exterior Walls	QC	Finish Area	Age(WAY) Height	Land (AC) %Coverage Zoning	Sale Price Sale Date	Sale Price/GBA
	040-162-52	6407 S VIRGINIA ST		34,419					2.714		
1		DISCOUNT STORE	100%	34,419	MASONRY BRNG CONC TILT-UP	C20		1989 23	29% AC		
IMPROVED SALES											
IS-1	040-162-84 & -85	6675 & 6795 S VIRGINIA ST		155,519					12.36	\$28,944,841	\$186.12
1		DISCOUNT/RETAIL STORE	90%	139,551	MASONRY BRNG CONC BLK TEX	C20		2005 18 to 23	29%	06/22/2018	
2		RETAILSTORE/DENTAL OFFICE	10%	15,968	WD/STL FRAME STUD-STUCCO	C20		2006 13	MU		
IS-2	040-141-10, -12, -20, -22, -42	6139 S VIRGINIA ST		81,838					8.07	\$24,100,000	\$294.48
1		SUPERMARKET	62%	51,048	MASONRY BRNG CONC BLK	C25		1988 (1993) 24	23%	07/14/2017	
		DISCOUNT STORE	38%	30,790	MASONRY BRNG CONC BLK	C20		1988 (1993) 24	AC		
IS-3	042-222-26	6135 LAKESIDE DR		33,578					3.82	\$5,075,000	\$151.14
1		RESTAURANT/RETAIL STORE	57%	19,050	MASONRY BRNG CONC BLK	C25		1988 14	20%	02/07/2018	
2		OFFICE BUILDING/CONV MARKET/ FAST FOOD RESTAURANT	16%	5344	MASONRY BRNG CONC BLK	C30		1988 12	NC		
3		RESTAURANT/RETAIL STORE	27%	9184	MASONRY BRNG CONC BLK	C25		1997 14			
LAND SALES											
Sale #	APN	Location	Sale Date	Sale Price	Size(AC)	\$/sf	Tax/Unit	Zoning	Comments		
LS-1	043-030-06 & -7	8055 S VIRGINIA ST	09/07/2018	\$550,000	0.72	\$17.60	\$13.00	MUSV	South of the intersection of S Virginia St and Longley Ln with about 130 ft frontage to S Virginia St. Parcel -06 has a boarded up house with no improvement value on record.		
LS-2	164-280-13 & -14	8072 S VIRGINIA ST	03/30/2018	\$485,000	0.59	\$18.87	\$13.00	MUSV	Level and square lot fronting S Virginia St across from the old pink Scolari's shopping center. Plans to be built out as retail property.		
LS-3	043-030-30	S VIRGINIA ST	01/18/2018	\$575,000	1.19	\$11.07	\$10.45	MUSV	Limited visibility and access from S Virginia St behind Autozone with just the access road fronting the S Virginia St.		
LS-4	040-900-25	5315 KIETZKE LN	02/01/2017	\$4,448,159	4.34	\$23.53	\$10.50	PUD	Level finish grade lot next to Rancharrah development. No Kietzke Ln frontage.		

COMMENTS:

The subject is one of 5 parcels in The Crossing Shopping Center at Meadowood Square. 4 of the 5 parcels, 040-162-50 through -53, have filed 2019 petitions to review. There are 4 buildings on these 4 parcels totaling 66,723 SF of QC15 and QC20 GBA built in 1972, 1973, and 1989. The land size for the 4 parcels sums up to 5.4 AC. As of 1/23/19 the property is 99% occupied per Costar. Currently this building is occupied by the anchor tenant GoodWill.

In reviewing the comparable improved sales, IS-1 is the sale of the Commons Shopping Center with Total Wine, Petsmart, and other stores. It is immediately south of the subject. 91% occupied when sold. IS-2 is the Del Monte Plaza where Whole Foods and Sierra Trading Post are just north of the subject on the other side of Neil Rd. 100% occupied with long term leases in place when sold. IS-1 and IS-2 are larger in size, better finished, but comparable in location. They would require a downward adjustment in value. IS-3 is a neighborhood shopping center south of the Lakeside Dr and S McCarran Blvd intersection. 86% occupied when sold. It is a smaller shopping center with inferior location and traffic volume but better finishes than the Goodwill store. The indicated value of the subject by these comparable improved sales is in the range of \$150 to \$160/SF. The total value indicated for the subject is about \$ 4.7M to \$5.01M.

For comparable land sales, both LS-1 and LS-2 are smaller level lots with S Virginia St frontage south of the subject. They will need slight downward adjustments for size and frontage, and upward adjustments for inferior location. LS-3 is also a smaller lot with very limited visibility and access from S Virginia St also south of the subject. It will need an upward adjustment to be comparable to the subject. LS-4 is similar to the subject shopping center in size with inferior frontage. Given the development in Rancharrah, the proximity to Rancharrah offsets the lack of frontage to a major street. These sales range from \$11.07/SF to \$23.53/SF. They are in support of the 2019/2020 taxable land value at \$11/SF.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	LAND:	TAXABLE VALUE	ASSESSED VALUE
		\$1,300,475	\$455,166
	IMPROVEMENTS:	\$1,520,308	\$532,108
	TOTAL:	\$2,820,783	\$987,274

TAXABLE	HEARING: 19-0027
\$/SF GBA	DATE: 02/21/19
\$81.95	
	TAX YEAR: 2019

APN: 040-162-52
 OWNER: VIRGINIA STREET PROPERTIES LLC

TAXABLE
\$/SF Land
 \$11.00

Income Approach			
Potential Gross Income	34,419 sq ft. @	\$1.00 /mo =	\$34,419
	sq ft. @	/mo =	\$0
	sq ft. @	/mo =	\$0
			<u>\$34,419</u>
	x 12 months =		<u>12</u>
			\$413,028
- Vacancy & Collection loss		5%	<u>\$20,651</u>
= Effective Gross Income			\$392,377
- Operating Expenses		10%	<u>\$39,237.66</u>
= Net Operating Income			\$353,139
Divided by Overall Capitalization Rate		8.25%	\$4,280,472
		Rounded	\$124 /SF GBA

Subject Income Information: The subject is located in The Crossing Shopping Center at Meadowood Square. Currently this building is occupied by the anchor tenant of the shopping center, Goodwill, occupying over 30,000 SF of space. The asking rent for Goodwill in 2009 was about \$1.13/SF/MO NNN. The lease is expiring at the end of 2019. As of 1/23/19 the shopping center is 99% occupied per Costar and this building is 100% leased.

Potential Gross Income: A rent of \$1.00/SF/MO NNN was used indicating a PGI of \$413,028.

Effective Gross Income: A vacancy and collection loss of 5% was applied to the PGI to arrive at an EGI of \$392,377.

Net Operating Income: The operating expense ratio of 10% was used based on NNN lease rent rate yielding an NOI of \$353,139.

Capitalization Rate Analysis: Cap rate of 8.25% was used for the lease for Goodwill is expiring at the end of 2019.

Indicated Value Income Approach: Applying the cap rate of 8.25% the value indicated is \$4,280,472, or rounded \$4,280,000.

Comments:
 No actual rent roll or income expense statement provided. Market data were referenced. A rent of \$1.00/SF/MO was used similar to the historical rent and other mid-size tenant rents in the area. Assuming the NNN lease type, a minimal 5% vacancy rate and an operating expense ratio of 10% were applied. Cap rate for an occupied space in a performing shopping center such as the subject is generally between 7% to 8%. 8.25% was used considering the current lease is expiring at the end of the year. It resulted in a rounded value of \$124/SF which supports the subject's 2019/2020 taxable value.

Situs & Keyline Description:
6407 S VIRGINIA ST RENO
PM 2269
LT 2

Owner & Mailing Address:
VIRGINIA STREET PROPERTIES LLC
419 WELLINGTON UNIT 1
CHICAGO, IL 60657

WASHOE COUNTY APPRAISAL RECORD
2019

APN: 040-162-52

Card 1 of 1
Bld. 1-1



COMP USA CENTER (DEL MONT)

Tax District: 1000

printed: 01/23/2019

ACTIVE

2984.17

OBGQ - 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					
							Building Value	1,380,776							
2019 NR	1,300,475	0	1,520,308	0	2,820,783	987,274	Extra Feature Value	139,532							
2018 FV	1,182,250	0	1,527,765	0	2,710,015	948,505	Land Value	1,300,475							
2017 FV	1,064,025	0	1,554,715	0	2,618,740	916,559	Taxable Value	2,820,783				Reopen	Code:		
2016 FV	1,064,025	0	1,609,516	0	2,673,541	935,739	Exemption	0				Reappraisal			
2015 FV	1,064,025	0	1,617,947	0	2,681,972	938,690	FLAGS								
2014 FV	1,064,025	0	1,610,293	0	2,674,318	936,011	Type	Value							
2013 FV	1,182,250	0	1,606,173	0	2,788,423	975,949	Cap Code	NFM				NC / C	New Land	New Sketch	
2012 FV	1,182,250	0	1,641,634	0	2,823,884	988,359	Eligible for Form?	NO							
2011 FV	1,182,250	0	1,547,034	0	2,729,284	955,250	Low Cap Percentage	0							
2010 FV	1,655,200	0	1,530,084	0	3,185,284	1,114,849	Parcel Map	2269				By:	Date:		
2009 FV	2,009,825	0	1,563,588	0	3,573,413	1,250,695									
2008 FV	1,948,502	0	1,594,052	0	3,542,554	1,239,894									

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	319	Commercial/Industr	Units	1	GBA	GBA - GROSS BUILDING AREA		34,419			Sub Area-RCN	2,510,502			
Occupancy	C	Discount Store	No of Stories	1		Base Cost		34,419	1,561,590		% Incomplete	0			
Story/Frame	0	MSNRY BRNG ~	Quality Class	2		Exterior Walls		34,419	568,602		% Depreciation	45.00			
Quality	0	Commercial	Avg Wall Height/Floor	23		Heating & Cooling		34,419	235,287		\$ Dep & Inc	1,129,726			
Year Built	1989	WAY	Alternate Shape Code	1		Sprinklers		35,126	109,242		Obso/Other Adj.	0			
%Comp	100		Mezzanine - Office	707		Mezzanines		707	35,781		Sub Area DRC	1,380,776			
Year of Addn/Remodel	1989		Sprinkler System Generic -	35126	MD3	MEZ3 - DRO MEZZANINE OFFICE		0			Additive DRC	139,532			
BUILDING CHARACTERISTICS											Total DRC	1,520,308			
Category	Code	Type	%								Override				
Ext. Wall	818	CONC TILT-UP	100								Cost Code	89502			
Heating Type	611	PACKAGE UNIT	70								PROPERTY CHARACTERISTICS				
Heating Type	606	SPACE HEATER	30								Water	Municipal			
Base Rate Adjustment				Adj.							Sewer	Municipal			
Construction Modifiers				Adj.							Street	Paved			
Gross Living/Building Area								34,419			BUILDING NOTES				
Perimeter								743							

#	Bld	Date	User ID	Activity Notes
1	0-0	11/20/2018	eladouceu	REXT BY JCT - 10/09/2018

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
1	CRBC	CONCRETE CURB 6", NO GUTTER	30	1-1	0	0	700	13.59	1989		100	9,513	55.0	5,232		
2	DKLV	DOCK LEVELER	30	1-1	0	0	1	7,922.00	1989		100	7,922	55.0	4,357		
3	FWAS	FLATWORK ASPHALT	30	1-1	0	0	66000	2.24	1989		100	147,576	55.0	81,167		
4	FWCO	FLATWORK CONCRETE	30	1-1	0	0	2346	5.43	1989		100	12,735	55.0	7,004		
5	PKLT	PARKING LOT LIGHTING	30	1-1	0	0	60000	0.65	1989		100	39,000	55.0	21,450		
6	TKW4	TRUCK WELL CONCRETE WITH RETAINING WALL	30	1-1	0	0	1120	18.76	1989		100	21,011	55.0	11,556		
7	YIMP	YARD IMPROVEMENTS	30	1-1	0	0	10	1,593.78	1989		100	15,938	55.0	8,766		

LAND VALUE		DOR Code	Neighborhood	Land Size		Unit Type	
400	2984.17	OBGQ - Commercial	2.7140	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
1	400	General Commercial: retail,	AC	118,225.00	SF	1	11.00					1,300,475	



BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
09/10/2014	BLD15-01624	REMODEL	15,000	Compl	100	01/16/15 MAG Compl	
04/02/2012	BLD12-03988	REROOF	136,363	Compl	100	05/04/15 MAG Compl	
11/19/2009	BLD10-02184	COOLING	14,318	Compl	0	04/30/10 MAG Compl	NVC
09/15/2009	BLD10-00668	TENANT	6,500	Compl	0	04/30/10 MAG Compl	NVC
08/17/2009	BLD10-00669	DEMOLITION	7500	Compl	0	04/30/10 MAG Compl	NVC
01/23/2004	04-00454	TENANT	50000	Compl	0	04/21/04 MES Compl	NVC
09/15/2003	03-07132	INTERIOR	7500	Compl	0	03/26/04 SE Compl	NVC

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
RENO PROPERTIES DST LXP II LP,	4764907	11/20/2017	400	3BG			
	3050646	06/09/2004	400	2D	4DEC	4,050,000	IU OUT OF AREA TITLE
	1894854	05/22/1995					
	CHK	12/01/1988	400	1GCR		2,973,600	
	CHK	06/01/1988	100	1G		1,183,761	

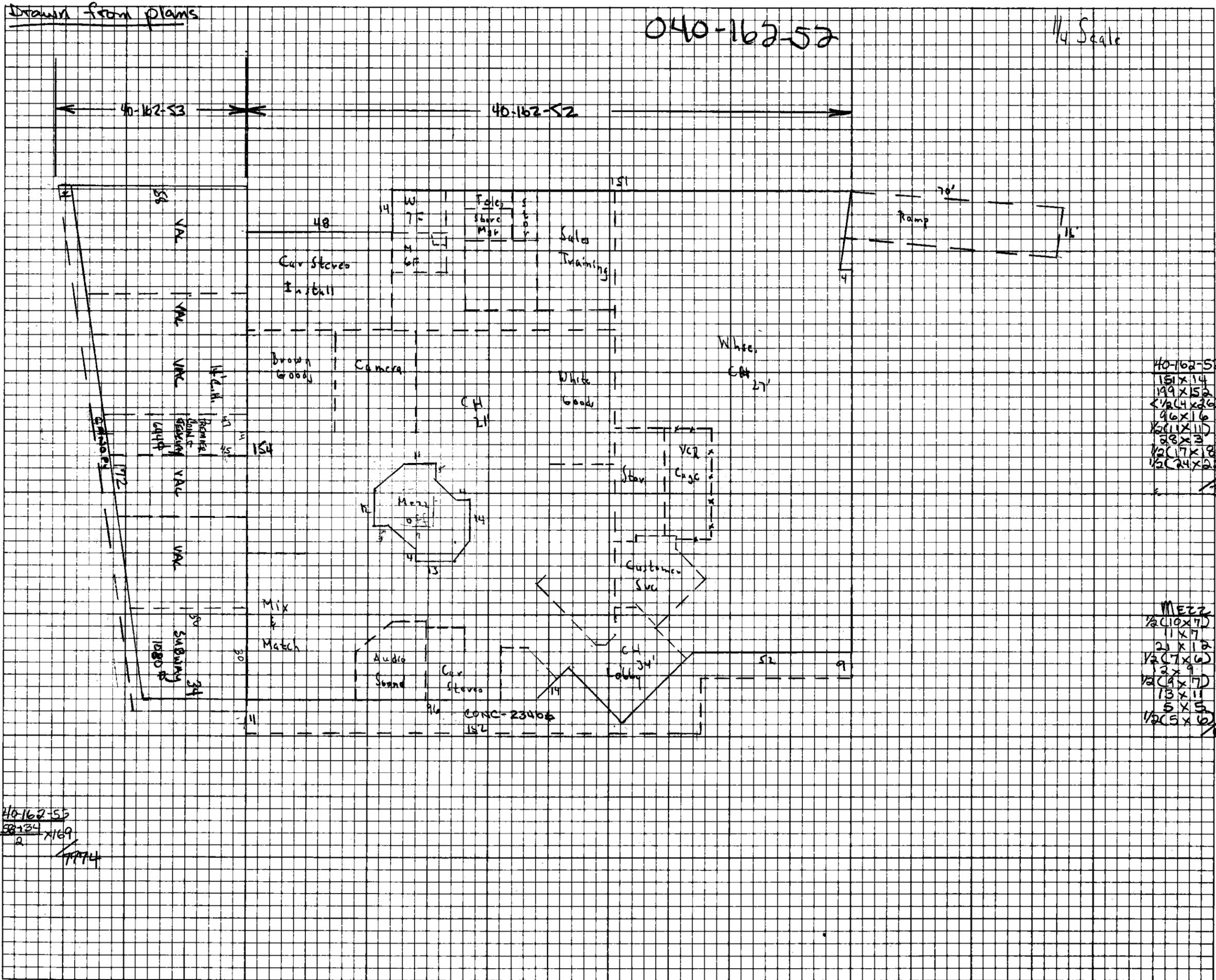
#	Bld	Date	User ID	Activity Notes
2	0-0	10/05/2017	rdalt	REXT BY JCT - 09/05/2017
3	0-0	10/22/2016	rlope	REXT BY MAG - 09/21/2016
4	0-0	11/06/2015	idiez	TAG FROM 1005 TO 1000 TMUGWB NOW SPECIAL ASSESSMENT
5	1-1	10/02/2013	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/23/2013 BY RD, LAND LINE DONE
6	1-1	10/04/2012	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/18/2012 BY JAK, LAND LINE DONE
7	1-1	07/19/2011	magon	REXT OBGQ IMPROVEMENT LINE DONE 08/24/2011 BY REVIEWED-NO CHGS ON IMP
8	1-1	07/27/2010	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/28/2010 BY JAK, LAND LINE DONE
9	1-1	10/28/2009	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/28/2009 BY REVIEWED-NO CHANGES ON
10	1-1	08/12/2008	magon	REXT OBGQ IMPROVEMENT LINE DONE 10/22/2008 BY KH, LAND LINE DONE

Drawn from plans

040-162-52

1/4 Scale

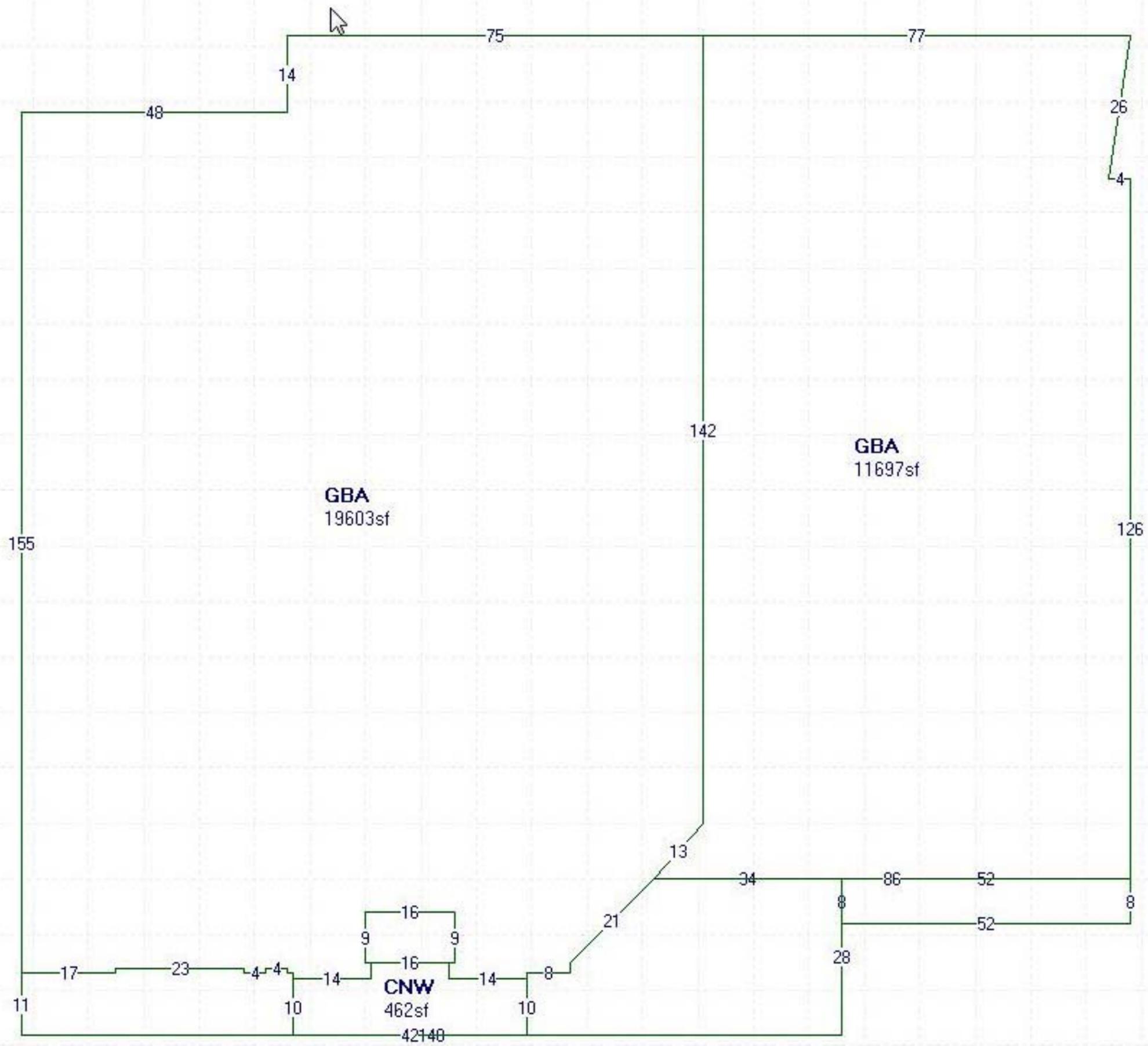
VIRGINIA ST.



40-162-52
 151 x 14
 199 x 152
 1/2 (4 x 6)
 96 x 16
 1/2 (11 x 11)
 1/2 (11 x 11)
 1/2 (17 x 18)
 1/2 (24 x 23)
 3449.5¢

MEZZ
 1/2 (10 x 7)
 11 x 7
 21 x 12
 1/2 (7 x 6)
 12 x 9
 1/2 (9 x 7)
 13 x 11
 5 x 5
 1/2 (5 x 6)
 707.5¢

40-162-55
 58 x 34 x 169
 2
 1774



Site Plan for The Crossing At Meadowood Square in 2014 Sale



2019-2020 Retail Mid Size Store (10,000 - 50,000 SF) Rent Survey

#	Location APN	Description	Total Sq Ft/ Yr Blt (WAY)	Lease Date/ Term	Base Rent/SF/ MO	Lease Type/ CAM Fee	Comments
1	6011 S Virginia St 040-141-44	Tuesday Morning	23,500 1987	2/2018 Unknown	\$1.25	NNN 0.17	Rent listed is the asking rate.
3	5069 S McCarran Blvd 025-021-21	Stein Mart	35,086 1993	9/2016 10 Year	\$0.81	NNN NA	Rent listed is the starting rate.
4	2212 Harvard Way 015-292-40	Mor Furniture	39,084 1993	7/2016 10 Year	\$0.70	NNN NA	Rent listed is the asking rate.
6	4823 Kietzke Lane 024-055-33	Floor and Décor	55,269 1996	4/2014 Unknown	\$0.92	NNN Unknown	Rent listed is asking rate.
4	6139 S Virginia St 040-141-42	Sierra Trading Post	31,000 1988 (1993)	9/2011 Unknown	\$1.18	NN Unknown	Rent listed is starting rate.
8	6671 S Virginia St 040-162-84	Total Wine	28,037 2005	10/2010 Unknown	\$1.25	NNN Unknown	Rent listed is asking rate.
9	6137 S Virginia St 040-141-25	Pier 1 Imports	10,542 1987 (1989)	7/2010 Unknown	\$1.50	NNN Unknown	Rent listed is asking rate.

Median: \$1.18
Average: \$1.09

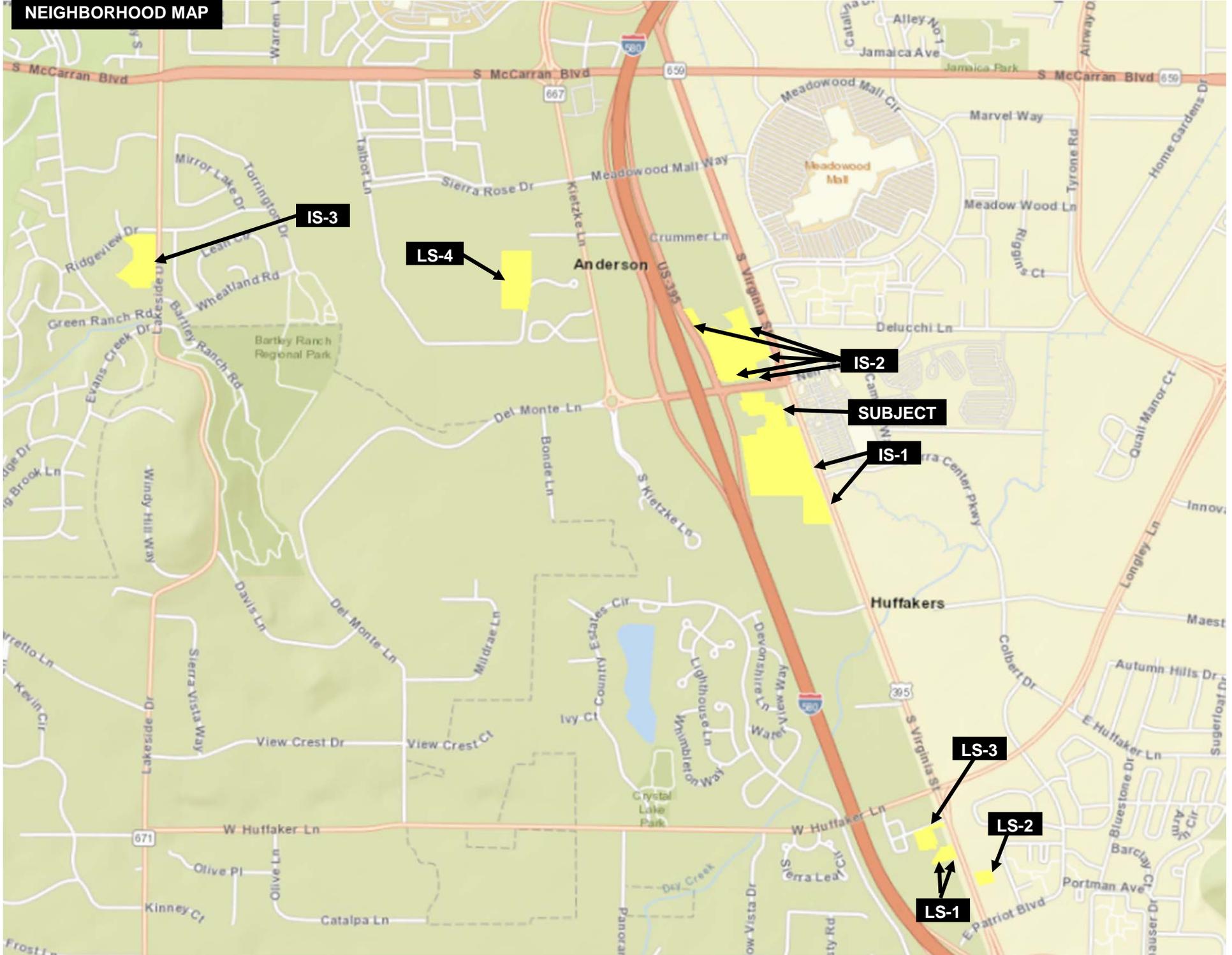
2019-2020 Retail Shopping Center Capitalization Rate Chart

APN NBC	Location	Use %	Total Finish Area	Year Built (WAY)	Land (SF) %Coverage Zoning	Sale Price Sale Date	NOI OAR	Comments
164-460-05 EFLQ	8040 S Virginia St Quail Park South	100% Neighborhood Shopping Center	14,681	2007	14,474 100% MUSV	\$4,100,000 12/19/2016	\$321,120 8.24%	South of the intersection of S Virginia St and Longley Ln. Part of the Quail Park South Shopping Center. 13% vacancy at sale. The NOI and cap rate reflect this vacancy rate. The existing tenants are Medical Office(St. Mary's), dental office (Western Dental), and a small pharmacy.
039-750-03, 09, 11 BCAQ	5110 Mae Anne Ave. Ridgeview Plaza	60% Box Store 40% Line Space	173,877	1989	736,224 24% AC	\$33,000,000 01/14/2016	\$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.
040-162-84 & - 85 OBGQ	6675 & 6795 S Virginia St The Commons	90% Discount/Retail Store 10% Retail/Dental Office	155,519	2005 2006	538,402 29% MU	\$28,944,841 06/22/2018	\$2,745,500 9.50%	The Commons near the Meadowood Mall anchored by Petsmart, Total Wine, and DSW Shoes. There are 7 buildings totaling 155,519 SF. 91% occupied when sold. The asking price was \$34.5M and cap rate of 7.43%. Sold at 16% discount.
042-222-26 OBGQ	6135 Lakeside Dr Shops at Bartley Ranch	84% Restaurant/Retail Store 16% Office/Conv Market/ Fast Food Restaurant	33,578	1988 &1997	166,399 20% NC	\$5,075,000 02/07/2018	7.50%	Neighborhood shopping center south of the Lakeside Dr and S McCarran Blvd intersection. 86% occupied when sold. Cap rate reported at the time of sale per Costar.

Median (Washoe): 7.87%

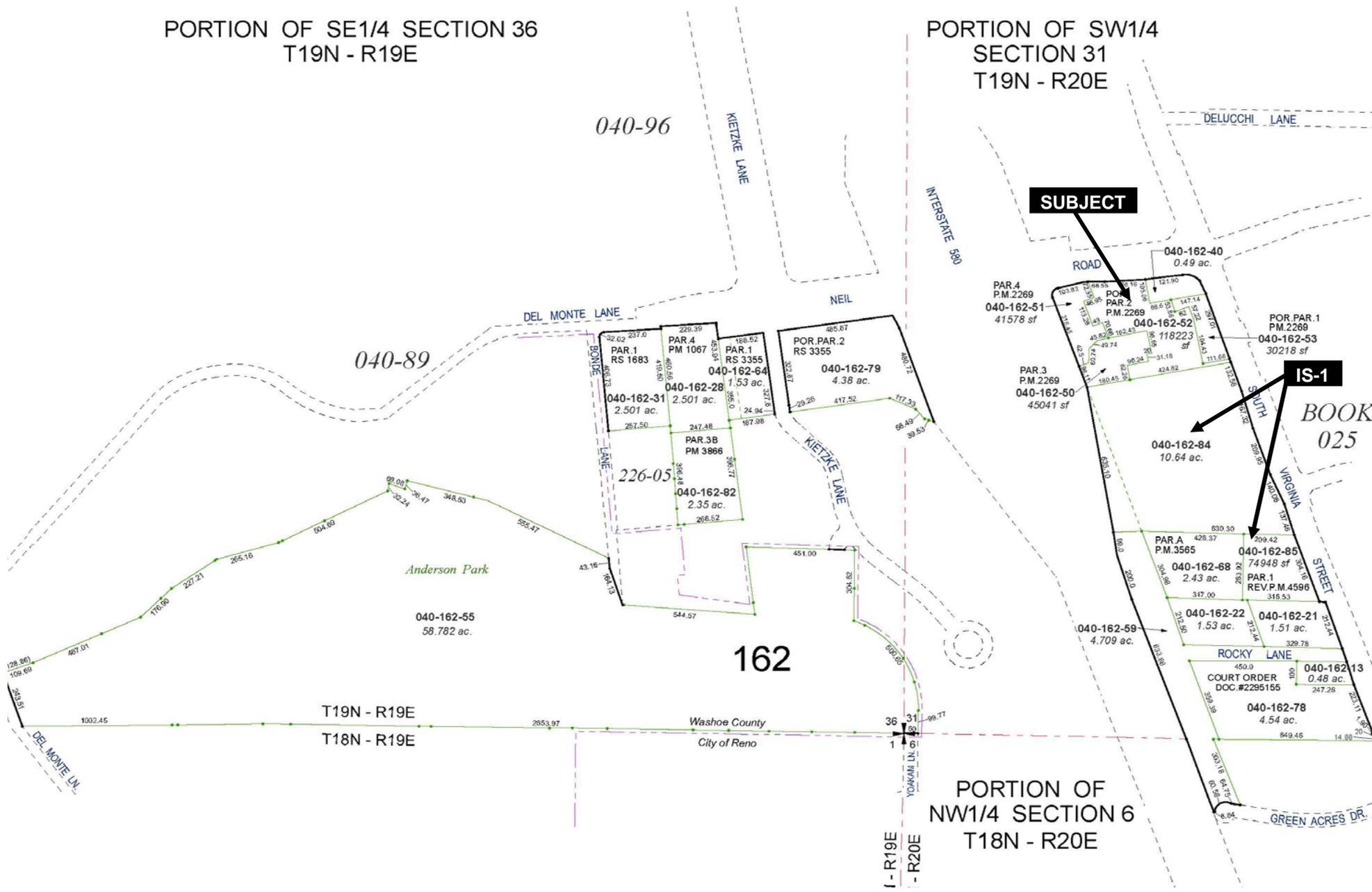
Average (Washoe): 8.02%

NEIGHBORHOOD MAP



PORTION OF SE1/4 SECTION 36
T19N - R19E

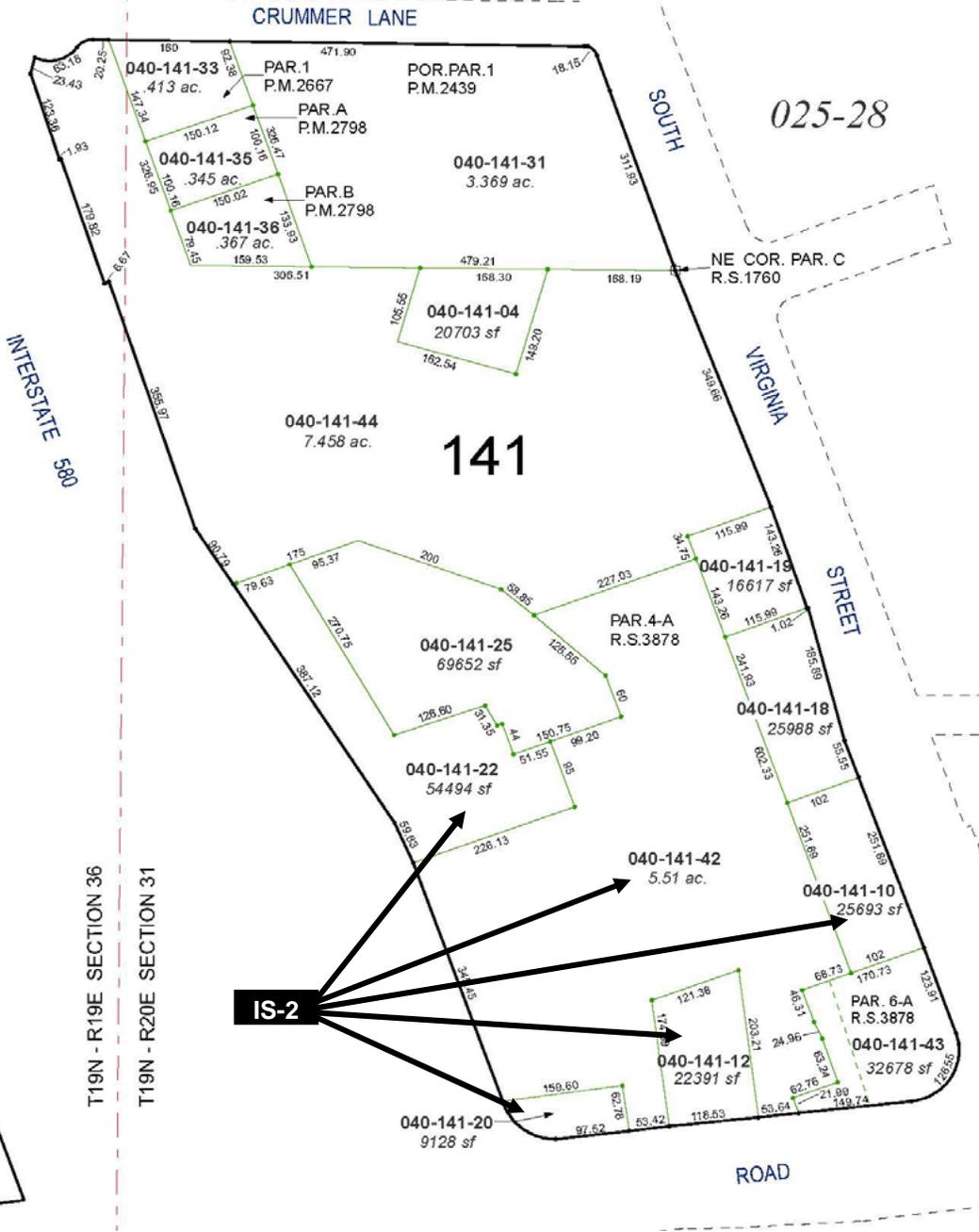
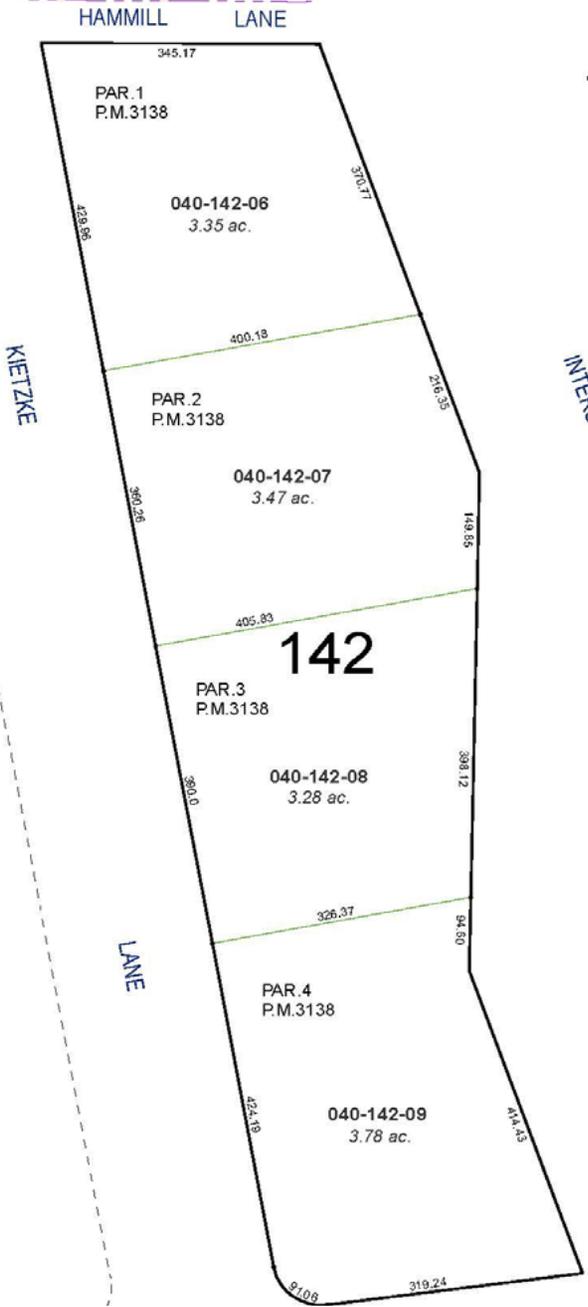
PORTION OF SW1/4 SECTION 31
T19N - R20E

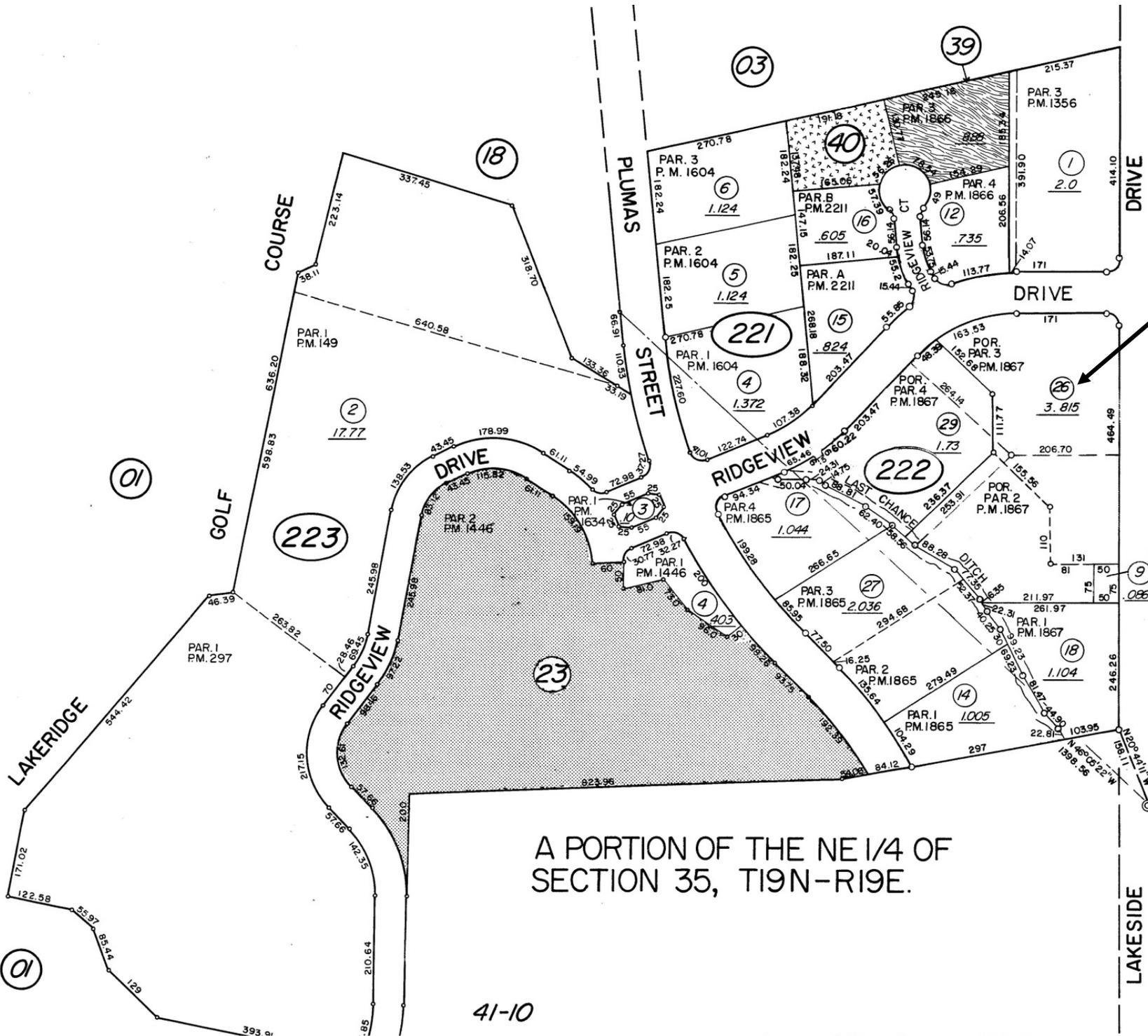


PORTION OF SECTION 36
T19N - R19E

PORTION OF W 1/2 SECTION 31
T19N - R20E

Washoe County
Reno City Limits





IS-3

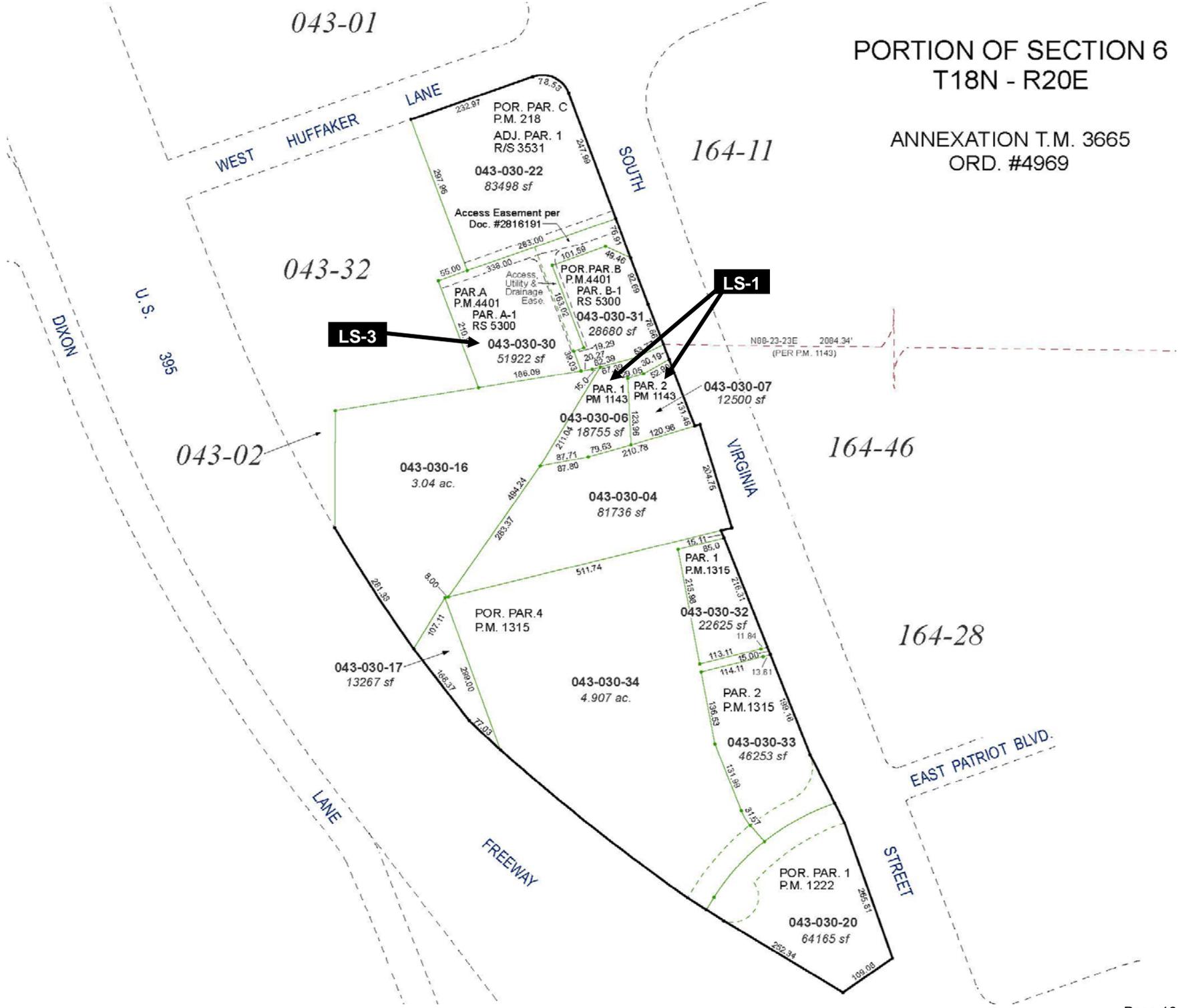
BOOK 40

A PORTION OF THE NE 1/4 OF SECTION 35, T19N-R19E.

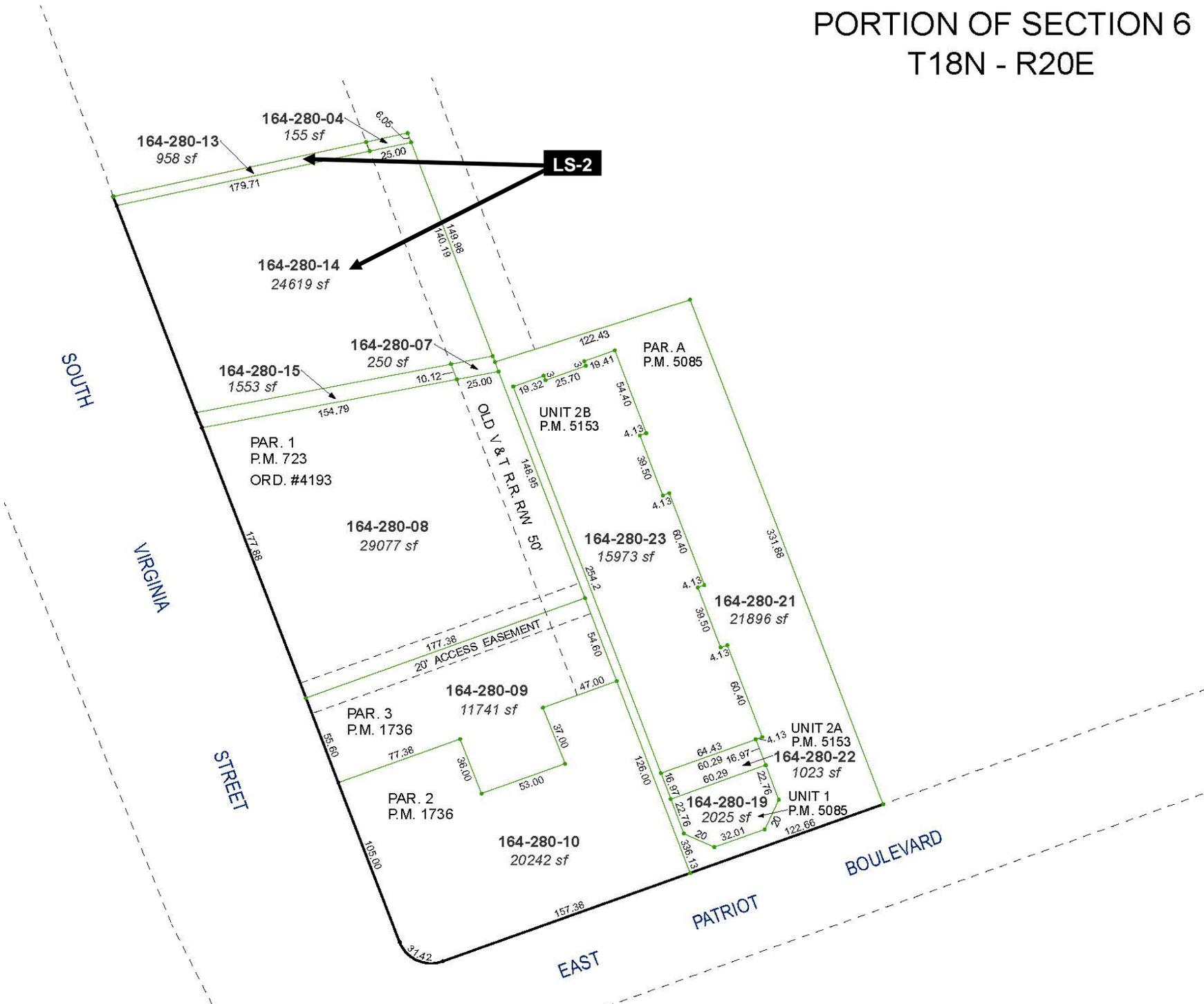
41-10

PORTION OF SECTION 6
T18N - R20E

ANNEXATION T.M. 3665
ORD. #4969



PORTION OF SECTION 6
T18N - R20E



PORTION OF SECTION 36
T19N - R19E

