

**ASSESSOR'S**

**EVIDENCE**

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

Hearing # 19-0045  
Hearing Date 02/21/2019  
Tax Year 2019

APN: 212-010-08  
Owner of Record: HD DEVELOPMENT OF MARYLAND INC  
Property Address: 5125 SUMMIT RIDGE CT  
Property Type: DISCOUNT WAREHOUSE STORE  
Gross Building Area: 105,810  
Year Built: 1999  
Parcel Size: 13.39 Acre

Description / Location: The subject property is a Discount Warehouse Store built by and for Home Depot. Its location, design and overall utility is still being capitalized upon by the first generation occupant. Please note that a local Home Depot was recently purchased by an investor on 4/26/18 for \$15,980,000.

2019/20 Taxable Value:	Land:	\$4,666,144
	Improvements:	\$5,378,075
	Total:	<u>\$10,044,219</u>
	Taxable Value / SF	\$94.93

Sales Comparison Approach:	Indicated Value	\$15,448,260
	Indicated Value / SF	\$146
Income Approach:	Indicated Value	\$14,919,210
	Indicated Value / SF	\$141

Conclusions: Taxable value does not exceed full cash value. Please refer to the analysis within for foundational support of this conclusion



**ASSESSOR'S EXHIBIT I**  
**24 PAGES**

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>	<b>HEARING:</b>	<b>19-0045</b>
<b>LAND:</b>	\$4,666,144	\$1,633,150	<b>\$/SF GBA</b>	<b>DATE:</b>	<b>02/21/2019</b>
<b>IMPROVEMENTS:</b>	\$5,378,075	\$1,882,326	<b>\$94.93</b>		
<b>TOTAL:</b>	\$10,044,219	\$3,515,477		<b>TAX YEAR:</b>	<b>2019</b>

OWNER: HD DEVELOPMENT OF MARYLAND INC

**TAXABLE**  
**\$/SF Land** SEE LAND SALES  
\$8.00

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	212-010-08	5125 SUMMIT RIDGE CT DISCOUNT WAREHOUSE STORE	100%	105,810 105,810	MASONRY BRNG CONC TILT-UP	C15		1999 24	583,268 18% AC					
IMPROVED SALES														
IS-1	025-570-01	6590 S VIRGINIA ST DISCOUNT WAREHOUSE STORE HOME DEPOT	100%	102,832 102,832	MASONRY BRNG CONC TILT-UP	C15		1993 25	435,382 24% MUSV	\$15,980,000 04/26/2018	\$155 see note		\$933,660 5.84%	
IS-2	039-750-13	5150 MAE ANNE AVE DISCOUNT STORE KOHLS	100%	94,213 94,213	MASONRY BRNG CONCRETE BLK	C20		1990 24	395,743 24% AC	\$9,350,000 09/12/2017	\$99		\$636,250 6.80%	
IS-3	040-141-42 10, 12, 20, 22	6139 S VIRGINIA ST SUPERMARKET DISCOUNT STORE WHOLE FOODS & SIERRA TRADING POST	62% 38%	81,838 81,838	MASONRY BRNG CONCRETE BLK	C25		1993 24	240,016 34% AC	\$24,100,000 07/24/2017	\$294 see note		\$1,145,146 4.75%	
<b>ADD'L INFO</b>	<b>ATTACHMENT B</b> - Compilation of eight sales. Sales reflect Home Depot and Lowes properties from the Western Region. Sales date, price, \$/SF, NOI and Cap rate herein is the median reflected in the attached table.										<b>MEDIANS =</b>	<b>\$14,700,477</b>	<b>\$128.00</b>	<b>5.93%</b>
	<b>MEDIAN SIZE = 127,400sf</b>													

COMMENTS:

The subject property is a well maintained, fully functioning and performing Home Depot. The recent sale of a local Home Depot (IS-1) indicates that the taxable value does not exceed full cash value.

IS-1: Sale of a Home Depot property; Sold with 100% occupancy at a 5.84% cap rate. Current rent noted at \$81,900/mth and/or \$0.80/sf/mth. The option for lease renewal is 8/31/24. A review of the rent found that excess rent may in fact exist. Discounting the excess rent and adjusting the sales price results in a ~\$1M reduction and/or equates to an adjusted market value of ~\$14,980,000 and/or \$146/sf. Please refer to Attachment "A" for additional information.

IS-2: Sale of a big box property with Kohl's as tenant; Property is a co-anchor with other big box retailers. Sold with 100% occupancy at a 6.8% cap rate. The lease has 8yrs. remaining. Five year options are available.

IS-3: Sale of a big box property w/Whole Food and Sierra Trading Post as tenants; Sold w/ 100% Occupancy at an est. 4.75% cap rate. Rent analysis not performed but strong rent is assumed. Sale is considered superior due to its large use as a supermarket which includes additional finish and partitioning. Based on the superiority, a 40% downward adjustment is being applied. This adjustment is based solely on the difference in costing the occupancy's in relation to the comparable and the subject. The result of the adjustment is \$177/sf.

ADDITIONAL INFORMATION: A review of sales within the western region of the US was compiled. Sales include properties with Home Depot and Lowe's as tenants. Please refer to Attachment "B" for additional information of each sale. The median was taken and added to the table above. The results of this compilation illustrate a median sales price of \$14,700,477 and/or \$128/sf. Based on this result, the compilation is added evidence illustrating, as an indicator of value, that taxable value does not exceed full cash value.

ADJUSTED SALES PRICES RANGE: \$100 to \$177/sf.  
MARKET VALUE: Estimated at \$14,980,000 and/or 146/sf.  
CONCLUSION = Taxable value does not exceed full cash value.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

LAND:	TAXABLE VALUE \$4,666,144	ASSESSED VALUE \$1,633,150	TAXABLE \$/SF Land <b>\$8.00</b>	HEARING: <u>19-0045</u>
				DATE: <u>02/21/2019</u>
				TAX YEAR: <u>2019</u>

OWNER: HOME DEPOT USA INC

LAND SALES										
Sale #	APN	Location	Sale Date	Sale Price	Size(ac)	Size(sf)	\$/sf	Zoning	Comments	
LS-1	040-900-19&20	DEL MONTE LN	05/03/2018	\$11,142,640	12.22	532,085	\$20	PUD	Monte Ln and Kietzke Ln is a part of the Rancharrah development project. One of the buyers is Tolles Development Co, a commercial real estate developer in the area. Offices, retail and restaurants are to be built as Village at Rancharrah per Reno Land Inc's master plan. The land price per SF in this sale is \$20.01.	
LS-2	163-061-06 (now 12&13)	537 & 597 SOUTH MEADOWS PKWY	08/30/16	\$5,921,345	9.24	402,526	\$15	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.	
LS-3	160-040-26	SOUTH MEADOWS PKWY	07/20/16	\$4,628,680	5.18	225,641	\$21	PUD	SVL verified arms length transaction. Property was not on the open market, however the seller was open to offers and accepted the buyer's market value offer. Property is going to be developed as a hotel.	
LS-4	037-412-03 037-422-06	LEGENDS - 1425 GEORGE FERRIS DR & 1370 BIG FISH DR	08/07/17	\$6,748,617	6.50	283,082	\$24	NUD	The sale was for 2 parcels totaling 283,082 sf. The buyer was Big Shopping Centers that is an equity investor that purchases a portion or all of the property from developers to free up cash for the developer to use for improvements or other projects. They bought an <b>80% interest in these 2 vacant parcels</b> , and the total purchase was computed using the sales price.	
LS-5	400-040-15	1405 SKY MOUNTAIN	08/11/17	\$4,525,000	10.61	461,997	\$10	CC	Previously portion of APN 400-040-07 "The Great Western Marketplace" has been split into two parcels and was sold to two different parties. This lot is formerly the parking area.	

COMMENTS:

Land sales herein represent large parcels that are located at premier locations throughout Reno/Sparks. Attributes affiliated with these superior locations include high traffic counts and excellent visibility from major arterial roads. Sales range in value from \$10/sf to \$24/sf. Based on the subjects superior location and the comparable sales, the subjects taxable land value is below market value.

**WASHOE COUNTY BOARD OF EQUALIZATION**

**COMMERCIAL / INDUSTRIAL**

	<b>LAND:</b>	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>	<b>HEARING: 19-0045</b>
		\$4,666,144	\$1,633,150	<b>\$/SF GBA</b>	<b>DATE: 02/21/19</b>
	<b>IMPROVEMENTS:</b>	\$5,378,075	\$1,882,326	\$94.93	
	<b>TOTAL:</b>	\$10,044,219	\$3,515,477		<b>TAX YEAR: 2019</b>

APN: 212-010-08  
 OWNER: HD DEVELOPMENT OF MARYLAND INC

Income Approach					
Potential Gross Income	105,810 sq ft. @	\$0.65 /mo =	\$68,777		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$68,777		
	x 12 months =		12		
			\$825,318		
- Vacancy & Collection loss			0%	\$0	
= Effective Gross Income				\$825,318	
- Operating Expenses			5%	\$41,265.90	
=Net Operating Income				\$784,052	
Divided by Overall Capitalization Rate				5.25%	
				<b>\$14,934,326</b>	
				<b>Rounded</b>	<b>\$141 /sf GBA</b>

**Subject Income Information:** The building is 100% owner occupied by Home Depot. A sale of a local Home Depot was recently purchased by an investor. The components of income that were affiliated with that sale was reviewed.

**Potential Gross Income:** The property is owner occupied and thus a contract or current rent does not exist. Please refer to Attachments "B" and "C" for the market rent analysis. Results from local rental data indicates that market rent for the subject, with consideration for subjects premium location and building (a first generation build to suit), is \$0.65. Applying this rent to the subject rentable area and annualizing it reflects a PGI of \$825,318.

**Effective Gross Income:** The subject is a first generation building build to suit. The property has had zero vacancy since it's construction. Moreover, vacancy for comparable big box properties at superior locations remains stable at 0%. Therefore, a 0% stabilized vacancy rate was utilized. The application results in a EGI that is equal to PGI.

**Net Operating Income:** The property, if available, would likely be leased on a NNN basis by which the tenant is responsible for all expenses. However, management fees and the costs in relation to capital reserves and replacement should be, and is, herein considered. Expenses estimated at 5%. Estimated NOI is \$784,052.

**Capitalization Rate Analysis:** Properties reflecting strong real estate fundamentals in primary locations remain in high demand amongst institutional investors. The subject property is a sought after investment that has been well maintained with a national credit tenant, has had zero vacancy, and has a premium location. Therefore, the overall investment risk is considered low. The cap rate on the sale of the local Home Depot was 5.84%. However, given the lower rents that were used in this analysis in relation to the contract rent that exists, overall risk is reduced.

For a summary of cap rates in relation to big box retail, please refer to Attachments "B" & "D". Cap rates attained at the local level suggest a range of 4.75% to 6.8% with 5.84% as the median. Rates from the Western Region level indicated a range of 5% to 6.25% and a median of 5.93%. The cap rate used in this equation was 5.25% and again is reflective of the lower rents used within the equation.

**Indicated Value Income Approach: \$14,934,326 and/or \$141/sf.**

**Conclusion:** The taxable value of the subject does not exceed full cash value.

Situs & Keyline Description:  
5125 SUMMIT RIDGE CT RENO  
PM 3180 FR LTS 1 2 & ALL  
LT 4 (RS 3504)

Owner & Mailing Address:  
HD DEVELOPMENT OF MARYLAND INC  
PO BOX 105842  
ATLANTA, GA 30348

**WASHOE COUNTY APPRAISAL RECORD**  
**2019**

APN: 212-010-08

Card 1 of 3  
Bld. 1-1



HOME DEPOT / NORTHWEST

Tax District: 1000

printed: 01/25/2019

ACTIVE

1010.17

RAKQ - 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														
2019 NR	4,666,144	0	5,378,075	0	10,044,219	3,515,477	Building Value	4,150,038																
2018 FV	4,082,876	0	5,354,919	0	9,437,795	3,303,228	Extra Feature Value	1,228,037																
2017 FV	4,082,876	0	5,407,948	0	9,490,824	3,321,788	Land Value	4,666,144																
2016 FV	3,499,608	0	5,521,597	0	9,021,205	3,157,422	Taxable Value	10,044,219																
2015 FV	3,499,608	0	5,466,331	0	8,965,939	3,138,079	Exemption	0																
2014 FV	3,499,608	0	5,527,562	0	9,027,170	3,159,510	<table border="1"> <thead> <tr> <th colspan="2">FLAGS</th> </tr> <tr> <th>Type</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Cap Code</td> <td>NFM</td> </tr> <tr> <td>Eligible for Form?</td> <td>NO</td> </tr> <tr> <td>Low Cap Percentage</td> <td>0</td> </tr> <tr> <td>Parcel Map</td> <td>3180</td> </tr> </tbody> </table>						FLAGS		Type	Value	Cap Code	NFM	Eligible for Form?	NO	Low Cap Percentage	0	Parcel Map	3180
FLAGS																								
Type	Value																							
Cap Code	NFM																							
Eligible for Form?	NO																							
Low Cap Percentage	0																							
Parcel Map	3180																							
2013 FV	3,499,608	0	5,520,996	0	9,020,604	3,157,212																		
2012 FV	3,499,608	0	5,651,872	0	9,151,480	3,203,018																		
2011 FV	3,499,608	0	4,925,409	0	8,425,017	2,948,756																		
2010 FV	3,499,600	0	4,878,130	-122,998	8,377,730	2,932,206																		
2009 FV	3,966,185	0	4,831,429	0	8,797,614	3,079,165																		
2008 FV	4,943,652	0	4,909,780	0	9,853,432	3,448,701																		

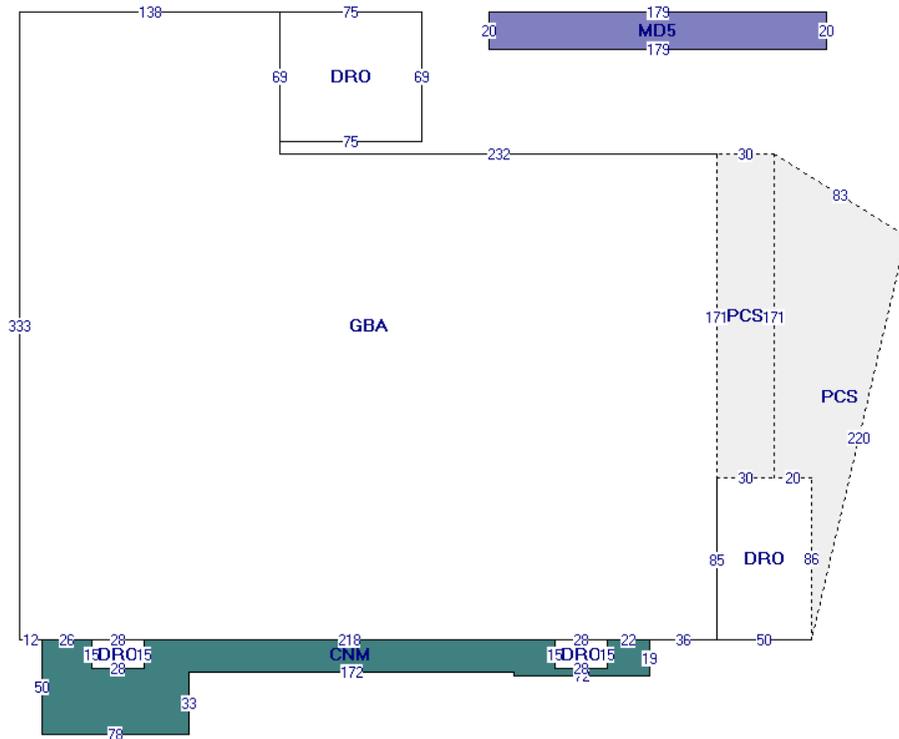
BUILDING DETAILS				BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY			
Type	Code	Description	Category	Units	Code	Description	Yr Blt	Units	Cost New	Tot Lump Sum Adj					
COMM	458	Commercial/Industr	Units	1	DRO	DO - No Value Drawn for Info		0			Sub Area-RCN	5,328,046			
Discount			No of Stories	1		Base Cost		105,810	3,141,499		% Incomplete	0			
MSNRY BRNG ~			Quality Class	1.5		Exterior Walls		105,810	1,542,710		% Depreciation	30.00			
Commercial			Avg Wall Height/Floor	24		Heating & Cooling		105,810	227,500		\$ Dep & Inc	1,598,414			
Year of Addn/Remodel	1999	100	Alternate Shape Code	2		Elevators		1	57,288		Obso/Other Adj.	0			
1999	1999	100	Sprinkler System Generic -	119078		Sprinklers		119,078	278,642		Sub Area DRC	3,729,632			
BUILDING CHARACTERISTICS						Mezzanines		3,580	80,407		Additive DRC	1,228,037			
Category	Code	Type	%		GBA	GBA - GROSS BUILDING AREA		105,810			Total DRC	4,957,669			
Ext. Wall	818	CONC TILT-UP	100		MD5	ME25 - DRO MEZZANINE STORAGE		0			Override				
Heating Type	606	SPACE HEATER	97								Cost Code	89502			
Heating Type	611	PACKAGE UNIT	3								PROPERTY CHARACTERISTICS				
Base Rate Adjustment				Adj.							Special Prop Code	Streets, Municipal Paved			
Construction Modifiers				Adj.							Water	Municipal			
											Sewer	Municipal			
											Street	Paved			
											BUILDING NOTES				
											Gross Living/Building Area 105,810				
											Perimeter 1,406				

#	Bld	Date	User ID	Activity Notes
1	0-0	11/06/2018	aclancy	REXT BY GS - 10/04/2018

#	Code	Description	Quality	Bld #	Length	Width	Units	Unit Price	Year Built	Roll Year	% Comp	RCN	% Good	DRC	Override Value	Notes
1	CLEV	COOLING EVAPORATIVE W/DUCTS	EBLD	1-1	0	0	102635	2.95	1999		100	302,773	70.0	211,941		
2	CRBC	CONCRETE CURB 6", NO GUTTER	30	1-1	0	0	4000	13.59	1999		100	54,360	70.0	38,052		
3	CRBG	CONCRETE CURB 6", 1' GUTTER	30	1-1	0	0	1000	18.19	1999		100	18,190	70.0	12,733		
4	DKLV	DOCK LEVELER	30	1-1	0	0	4	7,922.00	1999		100	31,688	70.0	22,182		
5	FNC6	FENCE CHAIN LINK 6 FT	30	1-1	0	0	1000	18.83	1999		100	18,830	70.0	13,181		
6	FNI2	WROUGHT IRON FENCE-AVE	30	1-1	0	0	4745	16.05	1999		100	76,157	70.0	53,310		
7	FNI3	WROUGHT IRON FENCE-GOOD	30	1-1	0	0	300	24.14	1999		100	7,242	70.0	5,069		
8	FNTR	FENCE TOP RAIL	30	1-1	0	0	1000	2.47	1999		100	2,470	70.0	1,729		
9	FWAS	FLATWORK ASPHALT	30	1-1	0	0	300000	1.92	1999		100	577,200	70.0	404,040		
10	FWCO	FLATWORK CONCRETE	30	1-1	0	0	17660	4.45	1999		100	78,520	70.0	54,964		
11	GHS1	GREENHOUSE Q1	10	1-1	0	0	4300	41.91	1999		100	180,213	70.0	126,149		
12	PKL3	PARKING LOT LT 24' ONE FIXTURE	30	1-1	0	0	31	2,981.00	1999		100	92,411	70.0	64,688		
13	PMP4	PUMP HOUSE Q4 - GOOD	30	1-1	0	0	330	30.05	1999		100	9,917	70.0	6,942		
14	TKW4	TRUCK WELL CONCRETE WITH RETAINING WALL	30	1-1	0	0	5175	18.76	1999		100	97,083	70.0	67,958		
15	VES1	VESTIBULES/ATRIUMS	30	1-1	0	0	840	79.56	1999		100	66,830	70.0	46,781		
16	WLCB	WALL CONCRETE BLOCK	30	1-1	0	0	986	15.68	1999		100	15,460	70.0	10,822		
17	WLCB	WALL CONCRETE BLOCK	30	1-1	0	0	3420	15.68	1999		100	53,626	70.0	37,538		
18	WLSF	WALL STUCCO FRAME	30	1-1	0	0	1581	8.70	1999		100	13,755	70.0	9,628		

LAND VALUE	DOR Code	400	Neighborhood	1010.17 RAKQ - Commercial	Land Size	13.3900	Unit Type	AC
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#	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	583,268.00	SF	3	8.00					4,666,144	



**BUILDING PERMITS**

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
09/28/2017	SGN18-01755	SIGN;	4,362	Compl	0	05/30/18 EB Compl	NVC
02/24/2017	BLD17-01059	CELL SITE	30,000	Compl	100	04/14/17 TAO Compl	NVC
08/26/2015	BLD15-07351	REMODEL	65,000	Compl	100	03/23/16 GS Compl	
06/16/2014	BLD14-06968	REROOF ;	109,767	Compl	100	12/12/14 LLL Compl	
12/31/2013	BLD14-01131	ANTENNA	12000	Compl	100	07/21/14 TAO Compl	
10/12/2012	BLD13-01624	SEE NOTES	0	Compl	0	11/16/12 LLL Compl	NVC CHG OF CONT-

**SALES/TRANSFER INFORMATION**

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
HOME DEPOT USA INC,	2527645	02/27/2001	400	3NTT			INC LETTER PER ERNIE/BOE
	N/A	09/30/1998	140	1SVR		3,525,000	
	2258902	09/30/1998	140	1SVR	1CTS	3,525,000	F VERIFIED 12/2/98 LJH
	2258898	09/30/1998		3B		30,500	INCLUDES 212-010-

#	Bld	Date	User ID	Activity Notes
2	0-0	09/26/2017	smans	REXT BY GS - 08/01/2017
3	0-0	10/19/2016	rlope	REXT BY GS - 10/17/2016
4	0-0	11/06/2015	idiez	TAG FROM 1005 TO 1000 TMUGWB NOW SPECIAL ASSESSMENT
5	0-0	04/18/2014	llamb	AERL - PICTOMETRY REVIEW
6	1-1	10/07/2013	llamb	REXT AAKQ IMPROVEMENT LINE DONE 10/07/2013 BY REVIEWED-NO CHGS ON IMP
7	1-1	08/31/2012	llamb	REXT AAKQ IMPROVEMENT LINE DONE 08/31/2012 BY REVIEWED-NO CHGS ON IMP
8	1-1	04/17/2012	mbozm	DATA ADD CLEV, ADD TO PROP NAME, CHANGE EXT WALL AND HEAT TYPES.
9	1-1	02/13/2012	lzimm	BOE 2012/2013 - BOE UPHELD ASSESSOR VALUES
10	1-1	07/15/2011	GD	REXT AAKQ IMPROVEMENT LINE DONE 07/15/2011 BY REVIEWED-NO CHGS ON IMP

Situs & Keyline Description:  
5125 SUMMIT RIDGE CT RENO  
PM 3180 FR LTS 1 2 & ALL  
LT 4 (RS 3504)

Owner & Mailing Address:  
HD DEVELOPMENT OF MARYLAND INC  
PO BOX 105842  
ATLANTA, GA 30348

**WASHOE COUNTY APPRAISAL RECORD**  
**2019**

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Card 2 of 3  
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HOME DEPOT / NORTHWEST

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RAKQ - Commercial

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2014 FV	3,499,608	0	5,527,562	0	9,027,170	3,159,510	FLAGS							
2013 FV	3,499,608	0	5,520,996	0	9,020,604	3,157,212	Type	Value						
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2011 FV	3,499,608	0	4,925,409	0	8,425,017	2,948,756	Eligible for Form?	NO						
2010 FV	3,499,600	0	4,878,130	-122,998	8,377,730	2,932,206	Low Cap Percentage	0						
2009 FV	3,966,185	0	4,831,429	0	8,797,614	3,079,165	Parcel Map	3180						
2008 FV	4,943,652	0	4,909,780	0	9,853,432	3,448,701								

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	458	Commercial/Industr	Units	1							5,328,046		
Discount			No of Stories	1							% Incomplete		
MSNRY BRNG ~			Quality Class	1.5							30.00		
Commercial			Avg Wall Height/Floor	24							1,598,414		
Year of Addn/Remodel	1999	1999	Alternate Shape Code	2							Obso/Other Adj.		
			Sprinkler System Generic -	119078							3,729,632		
			Mezzanine - Storage	3580							Additive DRC		
			Elevator Passenger -	1							Total DRC		
											4,957,669		
											Override		
											Cost Code		
											89502		
PROPERTY CHARACTERISTICS													
											Special Prop Code		
											Streets, Municipal Paved		
											Water Sewer Street		
BUILDING NOTES													
											Gross Living/Building Area		
											105,810		
											Perimeter		
											1,406		

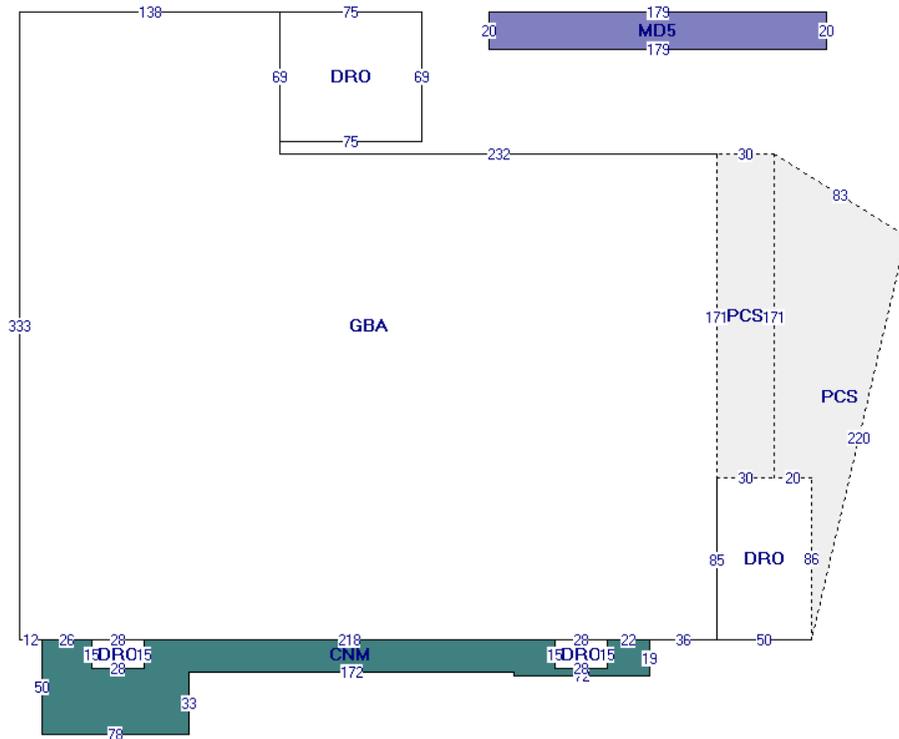
#	Bld	Date	User ID	Activity Notes
1	0-0	11/06/2018	aclancy	REXT BY GS - 10/04/2018

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
19	YIMP	YARD IMPROVEMENTS	30	1-1	0	0	10	1,593.78	1999		100	15,938	70.0	11,156		
20	TCES	TELECOMMUNICATION EQUIP. SHELTERS	30	1-1	0	0	192	97.70	2012	2016	100	18,758	89.5	16,789		
21	PCS	PORCH CONCRETE SLAB	30	1-1	0	0	20	8.40	2012	2016	100	168	89.5	150		
22	WLCO	WALL CONCRETE	30	1-1	0	0	400	20.94	2012	2016	100	8,376	89.5	7,497		
23	WLR1	RETAINING WALL Q1	30	1-1	0	0	75	16.15	2012	2016	100	1,211	89.5	1,084		
24	FNW6	FENCE WOOD 6 FT	30	1-1	0	0	140	29.16	2012	2016	100	4,082	89.5	3,654		

LAND VALUE	DOR Code	Neighborhood	Land Size	Unit Type
400	1010.17	RAKQ - Commercial	13.3900	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



**BUILDING PERMITS**

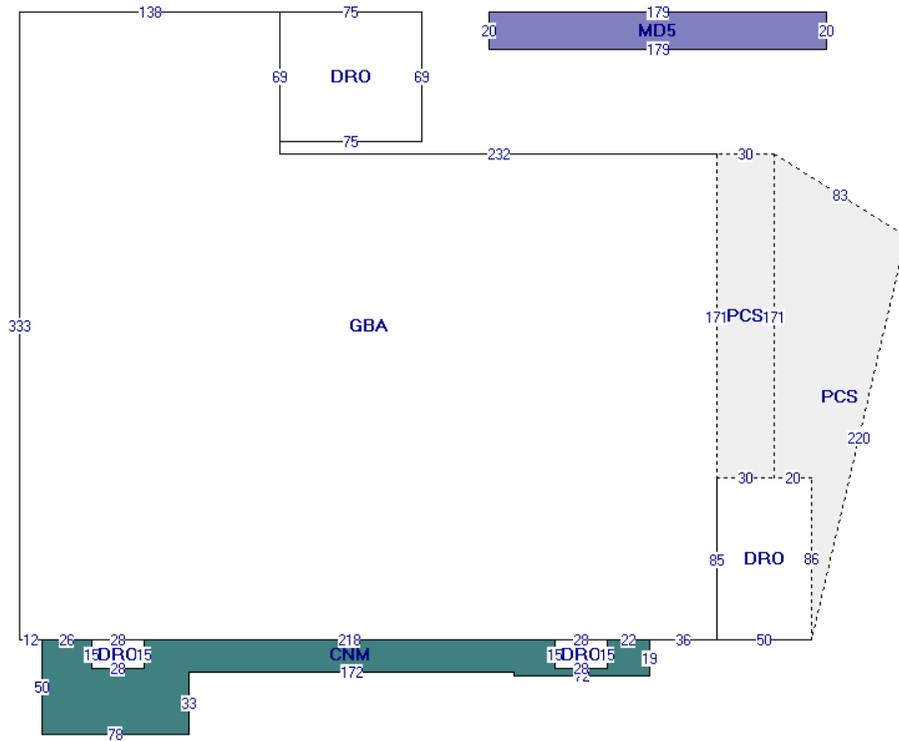
Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
09/28/2017	SGN18-01755	SIGN;	4,362	Compl	0	05/30/18 EB Compl	NVC
02/24/2017	BLD17-01059	CELL SITE	30,000	Compl	100	04/14/17 TAO Compl	NVC
08/26/2015	BLD15-07351	REMODEL	65,000	Compl	100	03/23/16 GS Compl	
06/16/2014	BLD14-06968	REROOF ;	109,767	Compl	100	12/12/14 LLL Compl	
12/31/2013	BLD14-01131	ANTENNA	12000	Compl	100	07/21/14 TAO Compl	
10/12/2012	BLD13-01624	SEE NOTES	0	Compl	0	11/16/12 LLL Compl	NVC CHG OF CONT-

**SALES/TRANSFER INFORMATION**

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
HOME DEPOT USA INC,	2527645	02/27/2001	400	3NTT			INC LETTER PER ERNIE/BOE
	N/A	09/30/1998	140	1SVR		3,525,000	
	2258902	09/30/1998	140	1SVR	1CTS	3,525,000	F VERIFIED 12/2/98 LJH
	2258898	09/30/1998		3B		30,500	INCLUDES 212-010-

#	Bld	Date	User ID	Activity Notes
2	0-0	09/26/2017	smans	REXT BY GS - 08/01/2017
3	0-0	10/19/2016	rlope	REXT BY GS - 10/17/2016
4	0-0	11/06/2015	idiez	TAG FROM 1005 TO 1000 TMUGWB NOW SPECIAL ASSESSMENT
5	0-0	04/18/2014	llamb	AERL - PICTOMETRY REVIEW
6	1-1	10/07/2013	llamb	REXT AAKQ IMPROVEMENT LINE DONE 10/07/2013 BY REVIEWED-NO CHGS ON IMP
7	1-1	08/31/2012	llamb	REXT AAKQ IMPROVEMENT LINE DONE 08/31/2012 BY REVIEWED-NO CHGS ON IMP
8	1-1	04/17/2012	mbozm	DATA ADD CLEV, ADD TO PROP NAME, CHANGE EXT WALL AND HEAT TYPES.
9	1-1	02/13/2012	lzimm	BOE 2012/2013 - BOE UPHELD ASSESSOR VALUES
10	1-1	07/15/2011	GD	REXT AAKQ IMPROVEMENT LINE DONE 07/15/2011 BY REVIEWED-NO CHGS ON IMP





**BUILDING PERMITS**

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
09/28/2017	SGN18-01755	SIGN;	4,362	Compl	0	05/30/18 EB Compl	NVC
02/24/2017	BLD17-01059	CELL SITE	30,000	Compl	100	04/14/17 TAO Compl	NVC
08/26/2015	BLD15-07351	REMODEL	65,000	Compl	100	03/23/16 GS Compl	
06/16/2014	BLD14-06968	REROOF ;	109,767	Compl	100	12/12/14 LLL Compl	
12/31/2013	BLD14-01131	ANTENNA	12000	Compl	100	07/21/14 TAO Compl	
10/12/2012	BLD13-01624	SEE NOTES	0	Compl	0	11/16/12 LLL Compl	NVC CHG OF CONT-

**SALES/TRANSFER INFORMATION**

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	2258898	09/30/1998		3B		30,500	INCLUDES 212-010-

#	Bld	Date	User ID	Activity Notes

**ATTACHMENT A**

**Home Depot Property Rights Adjustment**

Contract Rent: \$81,900/monthly

Market Rent: \$66,841/monthly (\$0.65/SF \*102,832)

\$15,059/monthly difference between contract and market

\$15,059\*12=\$180,708 yearly difference

**\$180,708**

**Time Calculation**

Acquired: 4/26/2018

Lease Expires: 8/31/2024

2,319 total days at above Market Rent

2,319/365=6.35 years; Or 6 years, 4 months, and 6 days at above Market Rent

**Discount Calculation**

<u>Year</u>	<u>Difference</u>	<b>Safe Rate 4% (Year)</b>
1	\$180,708	
2	\$180,708	
3	\$180,708	
4	\$180,708	
5	\$180,708	
6	\$180,708	
6 to 6.35	\$76,394	

**Net Present Value \$1,005,349.23**

**Rounded \$1,005,000**

**ATTACHMENT B**

<b>WESTERN REGIONAL FREESTANDING RETAIL SALES - Fully Occupied</b>																
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			
1	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
2	Lowe's	CA	Clovis	498-032-38S	0.32	164,351	2003	10/01/2018	\$12,409,500	\$76	5.56%	\$689,968	\$4	\$0.37	NNN	10
3	Home Depot	AZ	Phoenix	166-14-040	0.27	107,724	1999	09/29/2017	\$11,763,000	\$109	6.22%	\$731,659	\$7	\$0.60	NNN	3
4	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
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	5.37%	\$1,211,365	\$12	\$0.99	NNN	7+
7	Home Depot	NV	Las Vegas	138-34-717-007	0.24	105,275	1993	01/05/2017	\$23,100,000	\$219	6.00%	\$1,386,000	\$14	\$1.15	NNN	7
8	Lowe's	CA	Torrance	7357-027-030	0.23	127,400	1999	11/13/2017	\$47,500,000	\$373	5.00%	\$2,375,000	\$20	\$1.64	NNN	10
<b>MEDIAN</b>					<b>0.30</b>	<b>117,562</b>	<b>1996</b>	<b>04/14/2018</b>	<b>\$14,700,477</b>	<b>\$128</b>	<b>5.93%</b>	<b>\$862,829</b>	<b>\$8</b>	<b>\$0.68</b>	<b>-</b>	<b>-</b>
<p>The table illustrates that Home Depots 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, coincidentally falls within the central portion of these illustrated values.</p>																

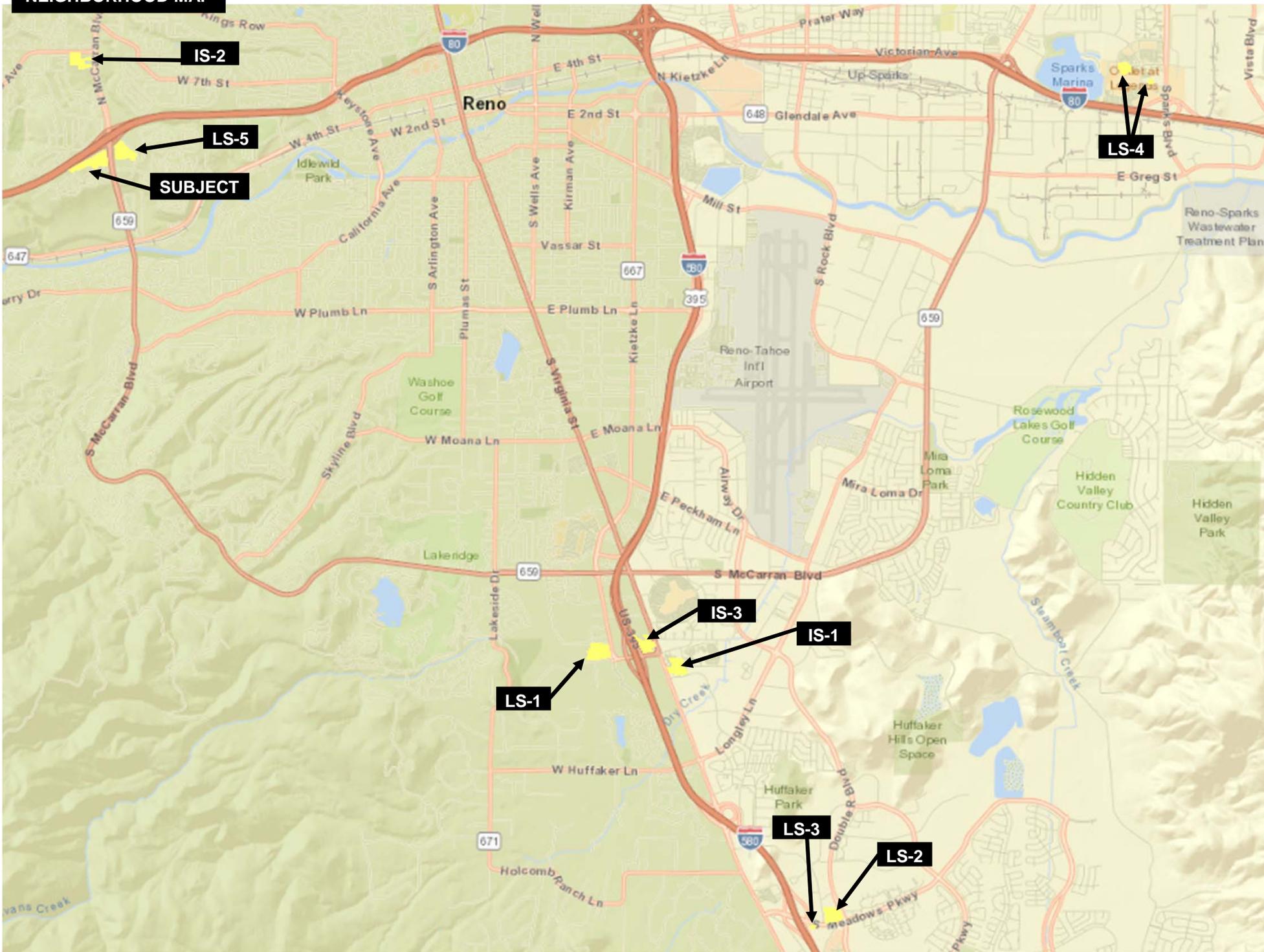
**ATTACHMENT C**

<b>Box Store Rent Survey</b>								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
<b>Market Rents</b>								
1	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	15,000-20,000 1980	9/2018 10 Year	\$0.62	\$0.68	NNN	Significant capital improvements were completed by owner prior to occupancy; tenant responsible for interior improvements; 10% rent escalation after 5 years; Five (5) options; Tenant received 4 months free rent
2	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	35,000-40,000 1980	9/2018 10 Year	\$0.42	\$0.46	NNN	Significant capital improvements were completed by owner prior to occupancy; tenant responsible for interior improvements and store front; 10% rent escalation after 5 years; Five (5) options; Tenant received 3 months free rent
3	1350 Disc Drive, Suite A 035-263-09	Big Lots	32,285 1996	08/01/2018 10 Year	\$0.50	\$0.55	NNN	Landlord contributed ~\$900,000 in tenant improvements. Rent is flat except for one 10% escalation after 5 years
4	125-165 Disc Drive, Ste. DM-2 510-083-09	Marshall's Home Goods	40,149 2006	9/2016 5 Year	\$0.63	\$0.69	NNN	Landlord responsible for tenant improvements; 2% escalations
5	Undisclosed (Spanish Springs Community Shopping Center)	Retail Store	20,000-25,000	09/01/2018 10 Year	\$0.69 <i>*note</i>	\$0.69	NNN <i>*note</i>	Landlord provided \$7.00/SF tenant improvement allowance and 5 months free rent; Options exist at end of term; Rent is MG @ \$0.74. <i>*rent adjusted downward \$0.15/SF to reflect NNN.</i>
6	2863 Northtowne Lane 026-182-38	Former Wal-Mart Teleperformance tenant (Call Center)	42,780 1994	11/2015 6 Year	\$0.79	\$0.79	NNN	Tenant paid for improvements; 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	\$0.75	NNN	Tenant paid for improvements; Improvements will include gym and spa
					<b>Market Rent Median:</b>	<b>\$0.63</b>	<b>-</b>	<i>Reflects rents at neighborhood shopping centers. Upward adjustments for the regional power centers should be considered.</i>
					<b>ADJUSTED MEDIAN</b>	<b>-</b>	<b>\$0.69</b>	<i>Subject is located at a regional power center and is a built to suit first generation building. Upward adjustment of 10% applied to rents at neighborhood shopping centers. Adjustment also supported by The Boulder Group Q4 "Big Box Report" Investment grade vs. non-investment grade stats.</i>
					<b>RENT USED</b>	<b>\$0.65</b>		
<b>ADDITIONAL INFORMATION</b>								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
	6590 S. Virginia St 025-570-01	<b>Home Depot</b>	102,832 1993	1993 30 Year	\$0.80	N/A	NNN	Contract rent affixed to the recent Home Depot sale. The existence of excess rent was reviewed in this analysis. Lease option in 2024.
	1030 W. Sunset (Henderson) 178-03-610-011	<b>Home Depot</b>	102,370 1992	2016 unknown	\$1.14	N/A	NNN	Property is located in Henderson NV. Lease renewed and negotiated in 2016.

**ATTACHMENT D**

<b>CAP RATES</b>			
<b>SOURCE</b>	<b>MIN %</b>	<b>MAX %</b>	<b>MEDIAN %</b>
Local Sales Data (See Sales IS-1 to IS-3)	4.75	6.8	<b>5.84</b>
Regional Home Improvement Sales (See Attachment B)	5	6.25	<b>5.93</b>
<b>USED</b>	<b>5.25%</b>		
<p><b>REASONING:</b> The recent sale of the local Home Depot sold at a Cap Rate of 5.84%. The subject had a contract rent that was found to have excess rent. Applying a market rent that is less than contract rent represents less risk to the investor, thus the cap rate (a portion of which is risk of the investment) was adjusted downward slightly.</p>			

**NEIGHBORHOOD MAP**



39-78

202-16

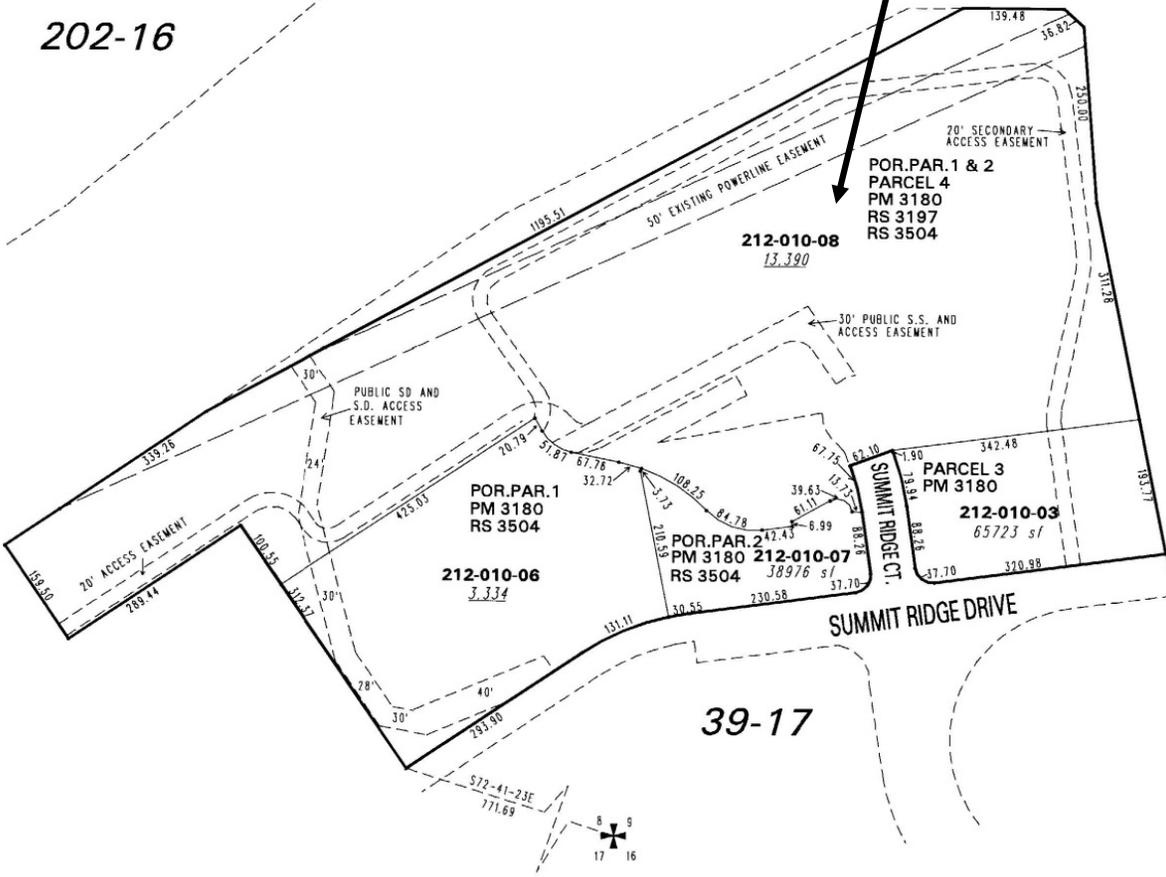
INTERSTATE HIGHWAY 80

**SUBJECT**

**POR. OF SE 1/4 SECTION 8  
AND  
POR. OF SW 1/4 SECTION 9  
T19N - R19E**

BOOK 400

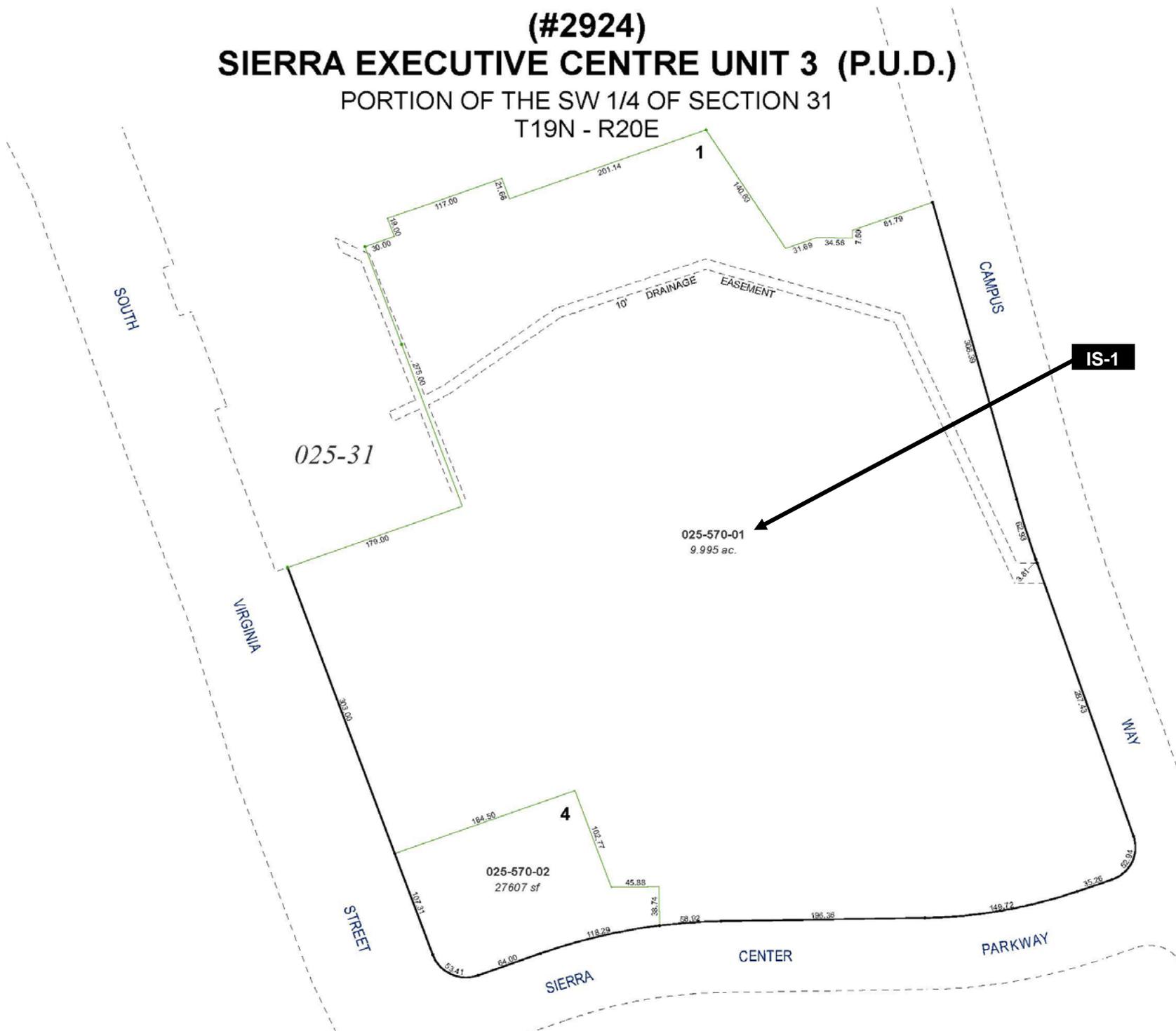
MCARRAN BOULEVARD



1" = 20'



**(#2924)**  
**SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)**  
PORTION OF THE SW 1/4 OF SECTION 31  
T19N - R20E



039-05

039-05

MAE ANNE AVENUE

351.36



SIERRA HIGHLANDS DRIVE

MCCARRAN BOULEVARD

IS-2

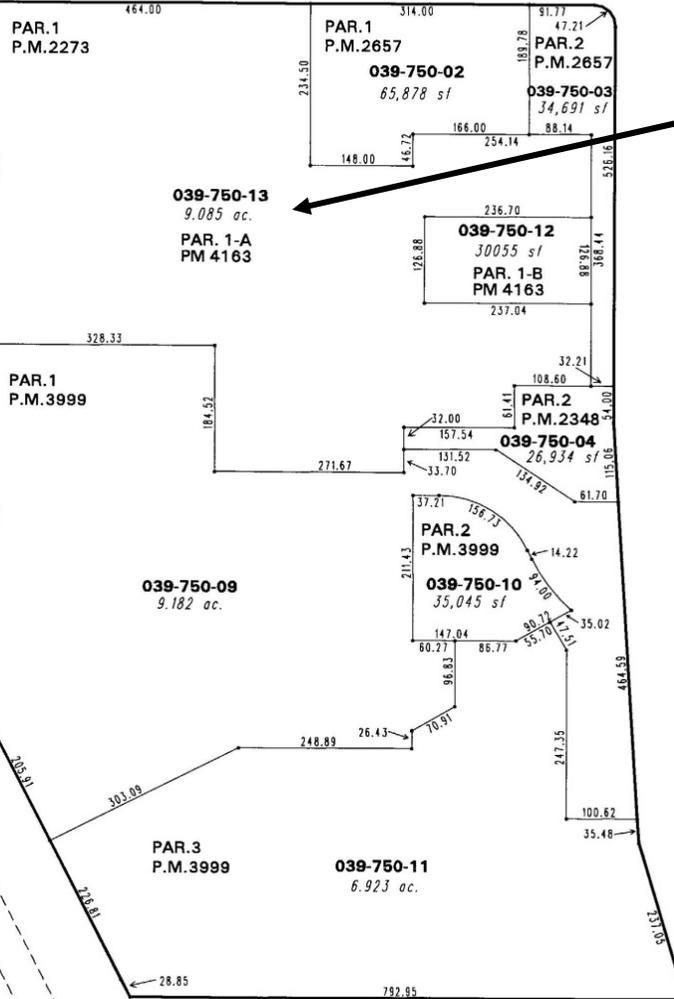
PORTION NE 1/4 OF SECTION 8  
T19N - R19E

BOOK 005

039-04

039-06

039-12



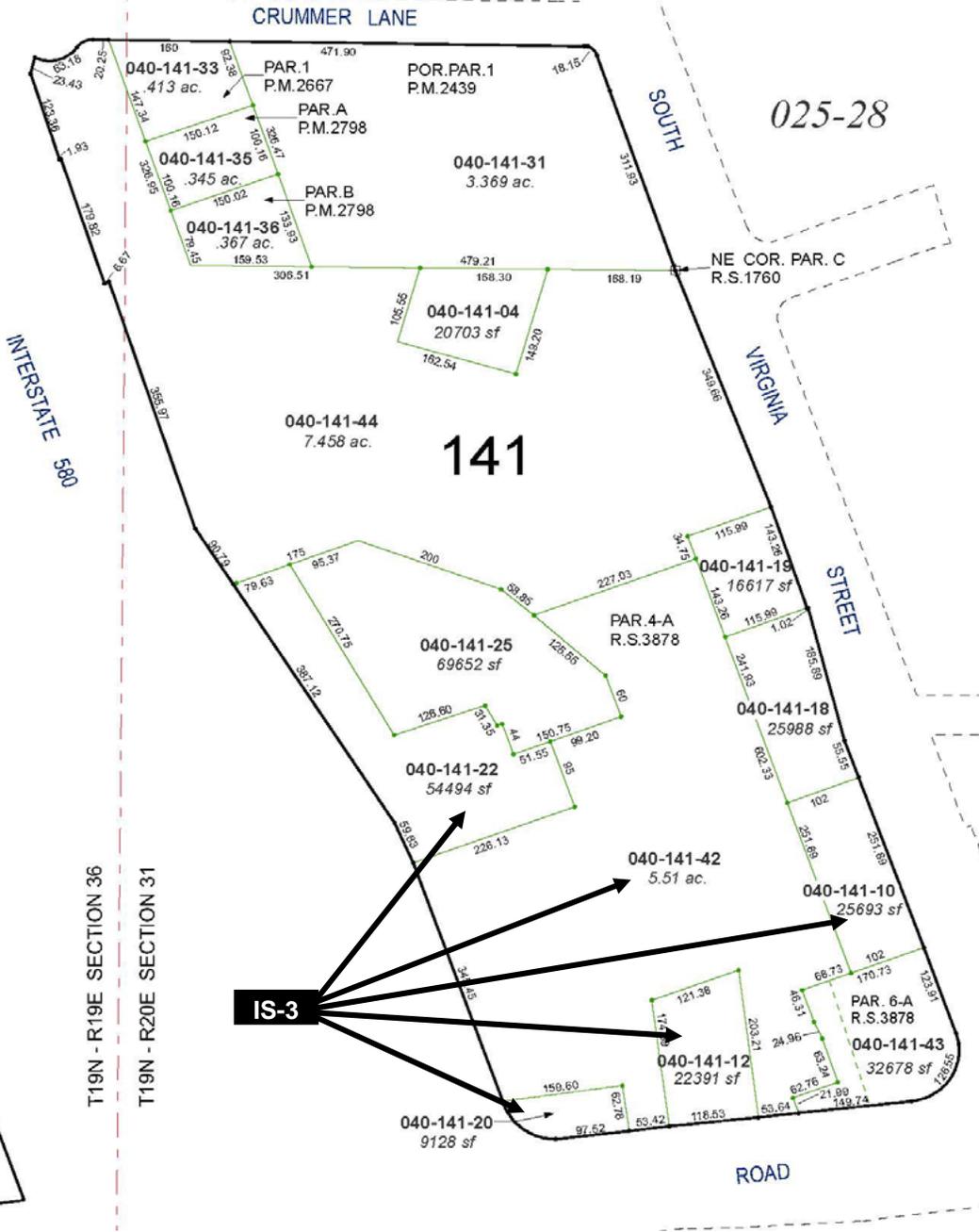
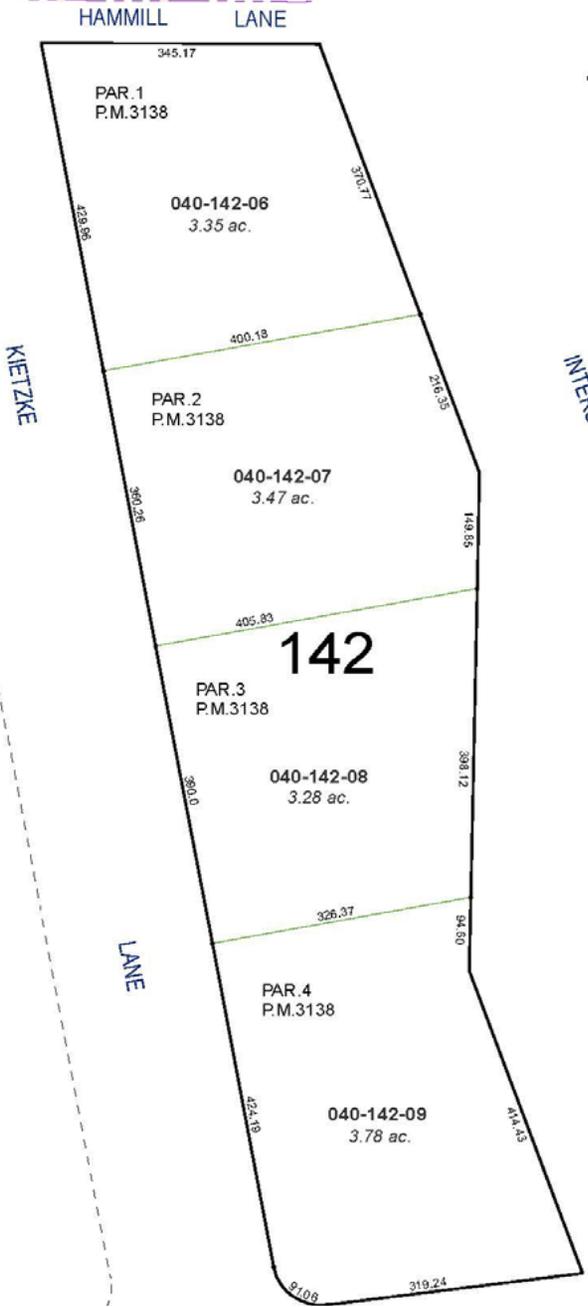
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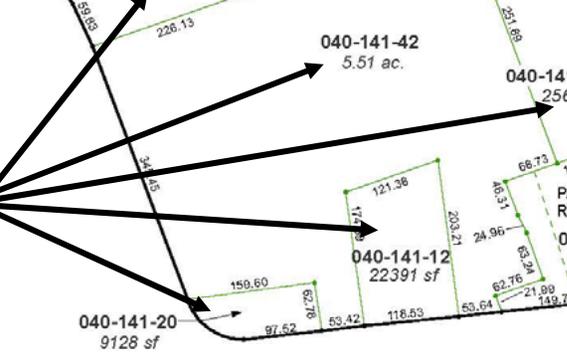
PORTION OF SECTION 36  
T19N - R19E

PORTION OF W 1/2 SECTION 31  
T19N - R20E

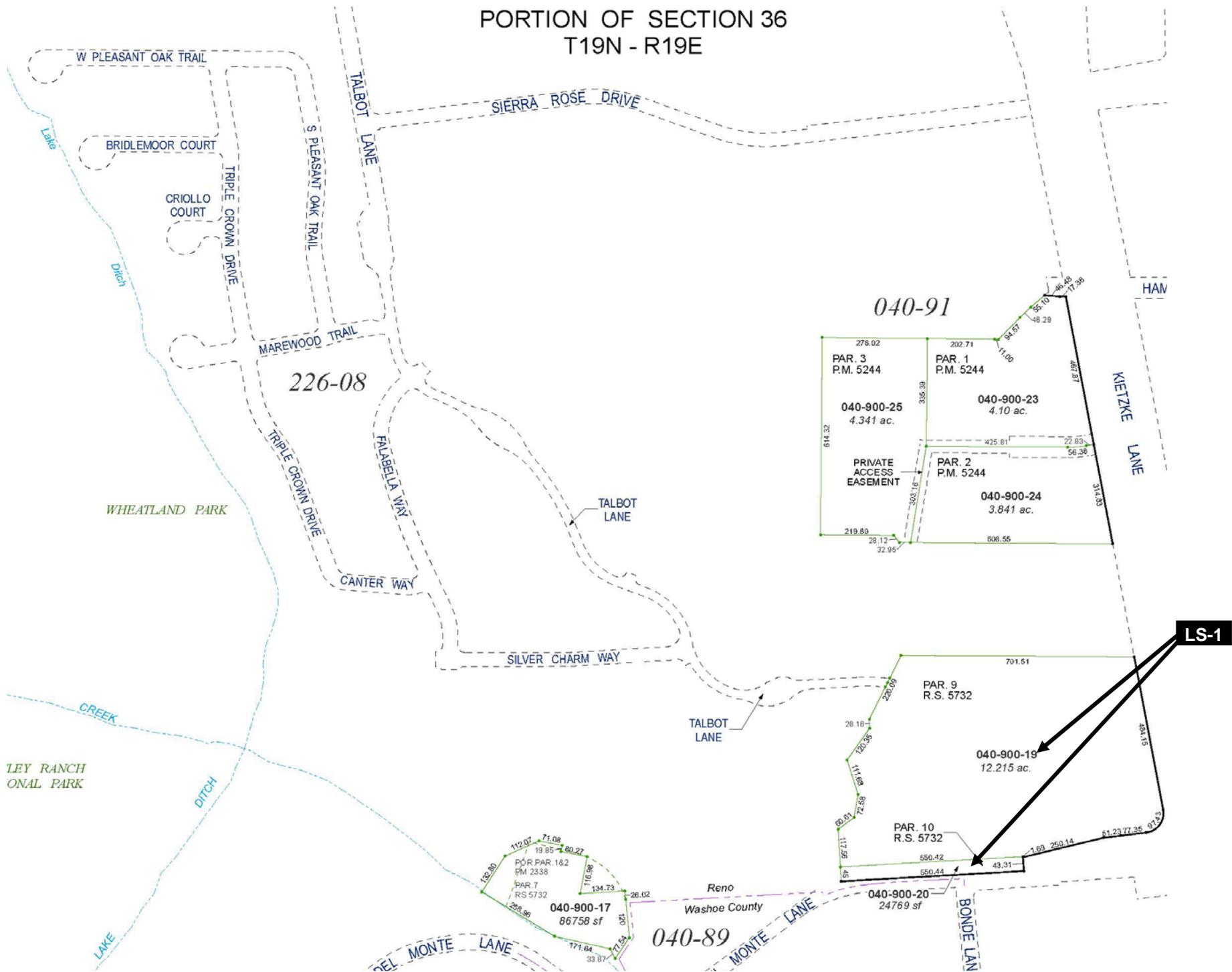
Washoe County  
Reno City Limits



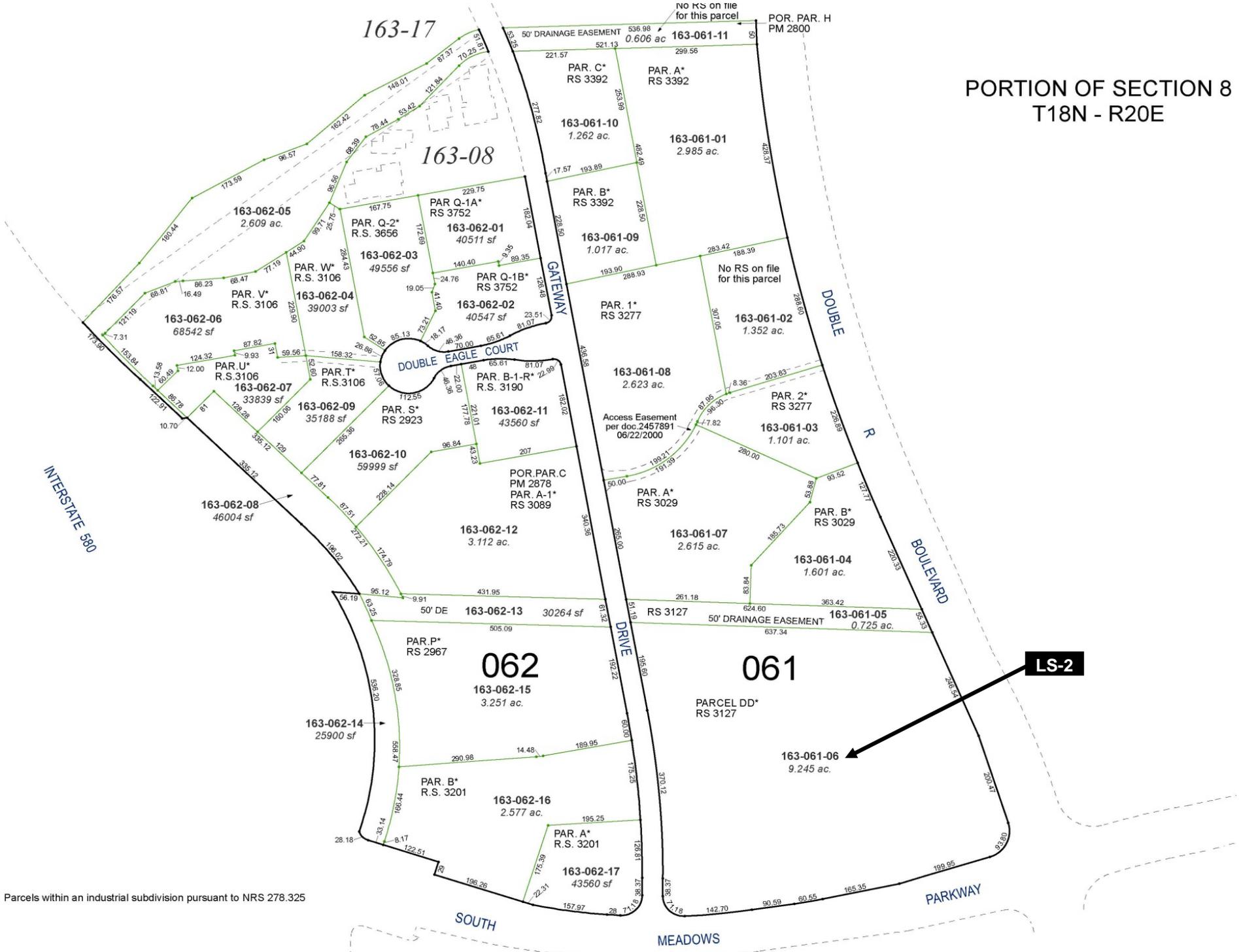
**IS-3**



PORTION OF SECTION 36  
T19N - R19E

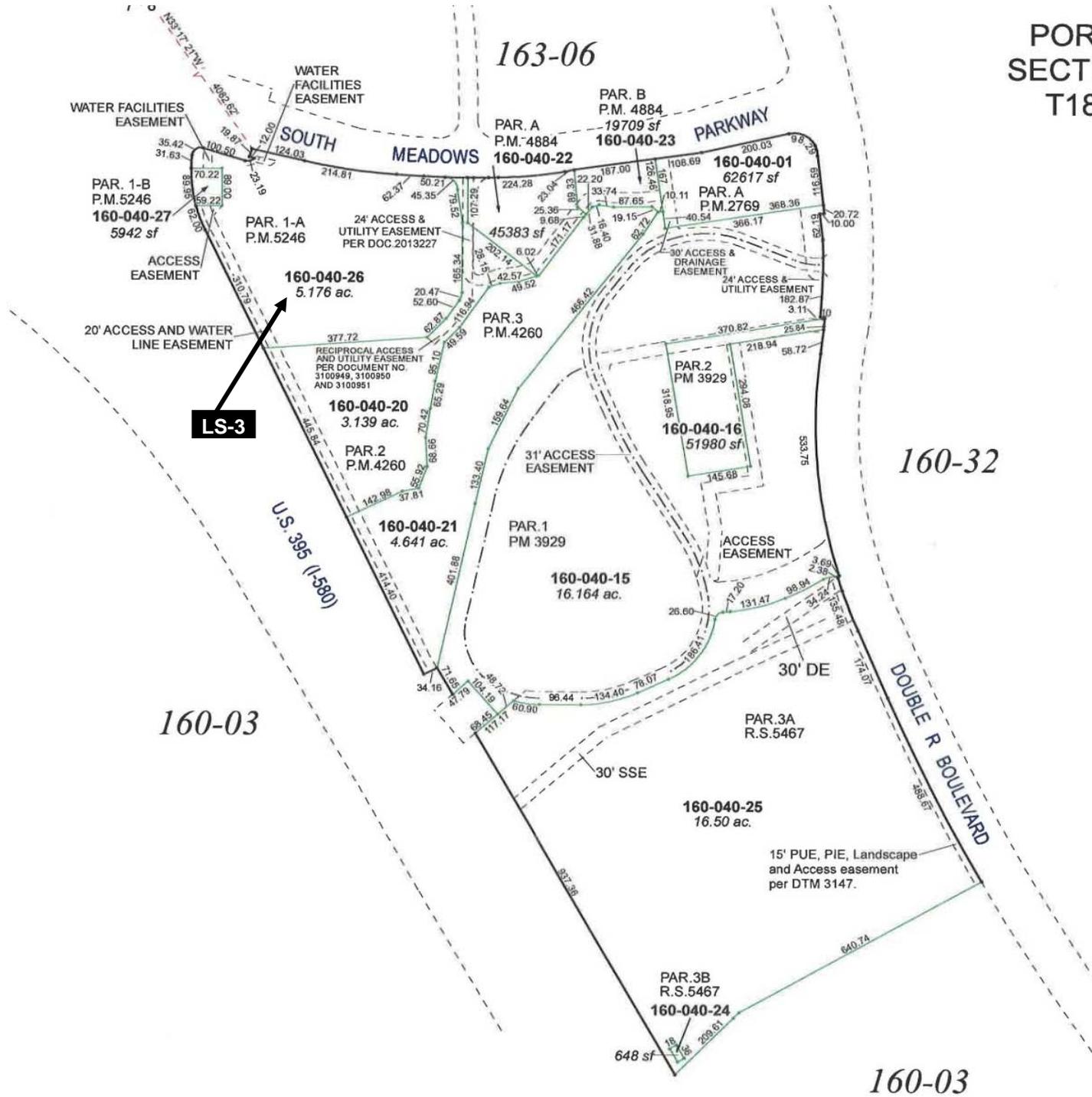


PORTION OF SECTION 8  
T18N - R20E



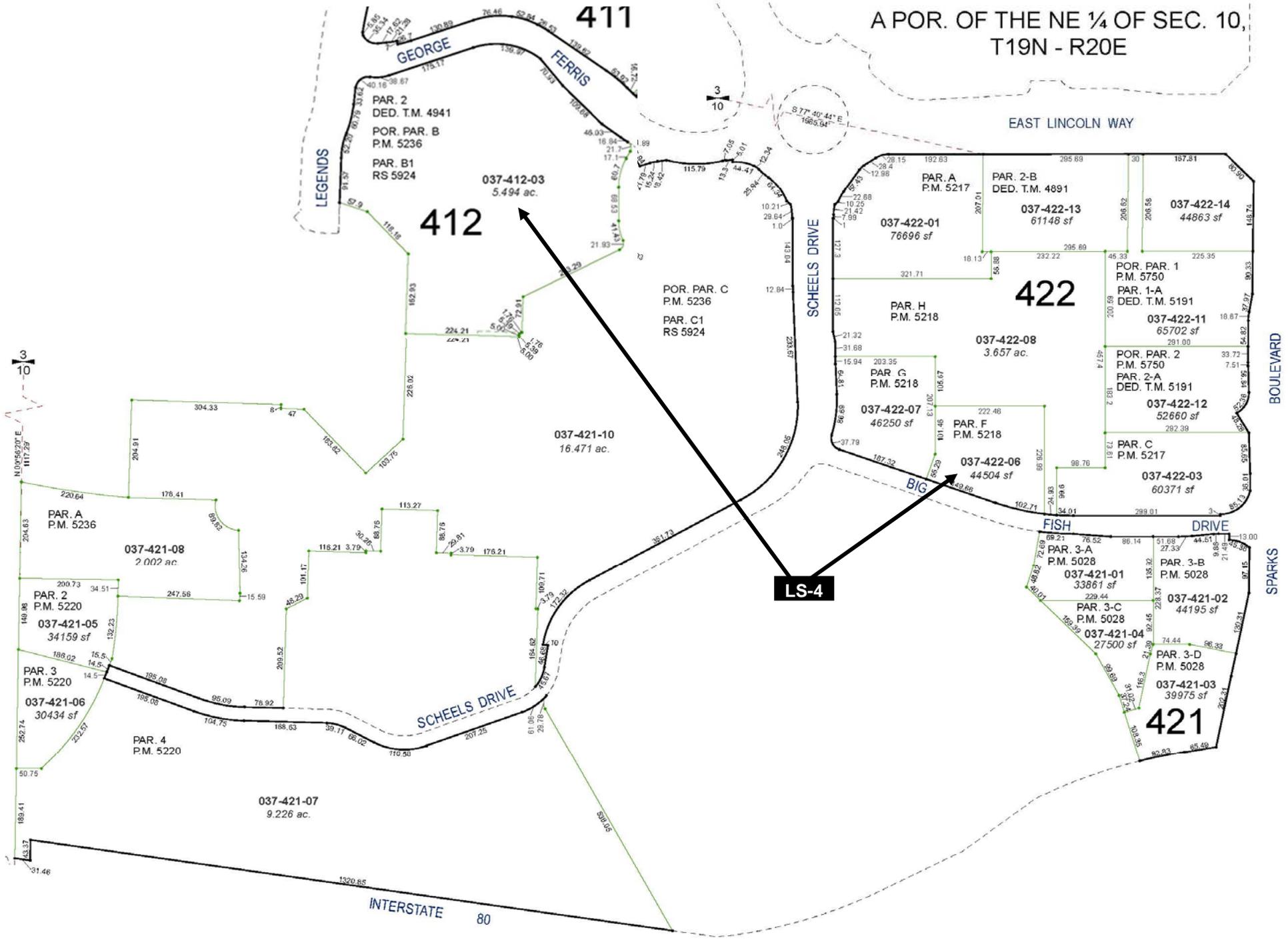
Parcels within an industrial subdivision pursuant to NRS 278.325

PORTIONS OF  
SECTIONS 8 & 17  
T18N - R20E



**LS-3**

A POR. OF THE NE ¼ OF SEC. 10,  
T19N - R20E



PORTIONS OF SOUTH 1/2 OF SEC. 9 & NORTH 1/2 OF SEC. 16, T19N - R19E

