

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # 19-0046
Hearing Date 02/21/2019
Tax Year 2019

APN: 510-481-06
Owner of Record: HD DEVELOPMENT OF MARYLAND INC
Property Address: 4755 GALLERIA PKWY
Property Type: DISCOUNT WAREHOUSE STORE
Gross Building Area: 102,489
Year Built: 2005
Parcel Size: 10.99 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:	\$3,111,706
	Improvements:	\$6,224,071
	Total:	<u>\$9,335,777</u>
	Taxable Value / SF	\$91.09

Sales Comparison Approach:	Indicated Value	\$14,963,394
	Indicated Value / SF	\$146
Income Approach:	Indicated Value	\$14,450,949
	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
23 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE \$/SF GBA	HEARING: 19-0046
LAND:	\$3,111,706	\$1,089,097		DATE: 02/21/2019
IMPROVEMENTS:	\$6,224,071	\$2,178,425	\$91.09	
TOTAL:	\$9,335,777	\$3,267,522		TAX YEAR: 2019

OWNER: HD DEVELOPMENT OF MARYLAND INC

TAXABLE \$/SF Land SEE LAND SALES
\$6.50

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	510-481-06	4755 GALLERIA PKWY DISCOUNT WAREHOUSE STORE	100%	102,489	MASONRY BRNG CONC TILT-UP	C15		2005 21	478,724 21% NUD		N/A		

IMPROVED SALES

IS-1	025-570-01	6590 S VIRGINIA ST DISCOUNT WAREHOUSE STORE HOME DEPOT	100%	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	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	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%

ADD'L INFO	ATTACHMENT 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.	MEDIANS = \$14,700,477	\$128.00	5.93%
	MEDIAN SIZE = 127,400sf			

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 \$3,111,706	ASSESSED VALUE \$1,089,097	TAXABLE \$/SF Land \$6.50	HEARING: <u>19-0046</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 80% interest in these 2 vacant parcels , 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

	LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING: 19-0046
		\$3,111,706	\$1,089,097	\$/SF GBA	DATE: 02/21/19
	IMPROVEMENTS:	\$6,224,071	\$2,178,425	\$91.09	
	TOTAL:	\$9,335,777	\$3,267,522		TAX YEAR: 2019

APN: 510-481-06
 OWNER: HD DEVELOPMENT OF MARYLAND INC

Income Approach					
Potential Gross Income	102,489 sq ft. @	\$0.65 /mo =	\$66,618		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$66,618		
	x 12 months =		12		
			\$799,414		
- Vacancy & Collection loss		0%	\$0		
= Effective Gross Income			\$799,414		
- Operating Expenses		5%	\$39,970.71		
=Net Operating Income			\$759,443		
Divided by Overall Capitalization Rate			5.25%		
			\$14,465,590		
			Rounded		\$141 /sf GBA

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 \$799,414.

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 \$759,443.

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: \$14,465,590 and/or \$141/sf.

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

Situs & Keyline Description:
4755 GALLERIA PKWY SPARKS
PM 4395
LT 2 RS 4722

Owner & Mailing Address:
HD DEVELOPMENT OF MARYLAND INC
2455 PACES FERRY RD
ATLANTA, GA 30339

WASHOE COUNTY APPRAISAL RECORD
2019

APN: 510-481-06

Card 1 of 2
Bld. 1-1



GALLERIA SPARKS

Tax District: 2000

printed: 01/25/2019

ACTIVE

3408.17

DGAQ - Sparks Galleria Commercial Area

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	3,111,706	0	6,224,071	0	9,335,777	3,267,522	Building Value	4,550,560						
2018 FV	3,111,706	0	6,188,680	0	9,300,386	3,255,135	Extra Feature Value	1,673,511						
2017 FV	3,111,706	0	6,234,533	0	9,346,239	3,271,184	Land Value	3,111,706						
2016 FV	3,111,706	0	6,321,991	0	9,433,697	3,301,794	Taxable Value	9,335,777				Reopen	Code:	
2015 FV	3,590,430	0	6,304,409	0	9,894,839	3,463,194	Exemption	0				Reappraisal		
2014 FV	4,308,516	0	6,325,734	0	10,634,250	3,721,988	FLAGS							
2013 FV	4,547,878	0	6,020,036	0	10,567,914	3,698,770	Type	Value						
2012 FV	4,547,878	0	6,013,969	0	10,561,847	3,696,646	Cap Code	NFM				NC / C	New Land	New Sketch
2011 FV	4,787,240	0	5,654,891	0	10,442,131	3,654,746	Eligible for Form?	NO						
2010 FV	4,787,200	0	5,596,279	151,351	10,383,479	3,634,218	Low Cap Percentage	0						
2009 FV	4,882,995	0	5,444,928	0	10,327,923	3,614,773	Parcel Map	4395				By:	Date:	
2008 FV	5,744,700	0	5,493,174	0	11,237,874	3,933,256								

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	GBA	GBA - GROSS BUILDING AREA		102,489			Sub Area-RCN	5,140,277			
C		Discount	No of Stories	1		Base Cost		102,489	3,130,014		% Incomplete	0			
0		MSNRY BRNG ~	Quality Class	1.5		Exterior Walls		102,489	1,536,310		% Depreciation	21.00			
		Commercial	Avg Wall Height/Floor	21		Heating & Cooling		102,489	234,129		\$ Dep & Inc	1,079,458			
2005	2005	100	Alternate Shape Code	2		Sprinklers		102,489	239,824		Obso/Other Adj.	0			
			Sprinkler System Generic -	102489							Sub Area DRC	4,060,819			
BUILDING CHARACTERISTICS											Additive DRC	1,673,511			
Category	Code	Type	%								Total DRC	5,734,330			
Ext. Wall	818	CONC TILT-UP	100								Override				
Heating Type	606	SPACE HEATER	96								Cost Code	89502			
Heating Type	611	PACKAGE UNIT	4								PROPERTY CHARACTERISTICS				
											Water	Municipal			
											Sewer	Municipal			
											Street	Paved			
											BUILDING NOTES				
											Gross Living/Building Area 102,489				
											Perimeter 2,848				

#	Bld	Date	User ID	Activity Notes
1	0-0	11/16/2018	smartell	REXT BY MB - 10/12/2018

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	CLEV	COOLING EVAPORATIVE W/DUCTS	EBLD	1-1	0	0	102489	2.95	2005		100	302,343	79.0	238,851		
2	CRCB	CONCRETE CURB 6", NO GUTTER	30	1-1	0	0	3000	13.59	2005		100	40,770	79.0	32,208		
3	DKLV	DOCK LEVELER	30	1-1	0	0	3	7,922.00	2005		100	23,766	79.0	18,775		
4	FNC9	CHAIN LINK FENCE 10'	30	1-1	0	0	115	30.61	2005		100	3,520	79.0	2,781		
5	FNI2	WROUGHT IRON FENCE-AVE	30	1-1	0	0	9000	16.05	2005		100	144,450	79.0	114,116		
6	FWAS	FLATWORK ASPHALT	30	1-1	0	0	212000	1.92	2005		100	407,888	79.0	322,232		
7	FWCO	FLATWORK CONCRETE	30	1-1	0	0	53346	4.39	2005		100	234,429	79.0	185,199		
8	GHS2	GREENHOUSE Q2	30	1-1	0	0	2520	63.27	2005		100	159,440	79.0	125,958		
9	PKLT	PARKING LOT LIGHTING	30	1-1	0	0	212000	0.65	2005		100	137,800	79.0	108,862		
10	TKW4	TRUCK WELL CONCRETE WITH RETAINING WALL	30	1-1	0	0	3975	18.76	2005		100	74,571	79.0	58,911		
11	VES1	VESTIBULES/ATRIUMS	30	1-1	0	0	2400	79.56	2005		100	190,944	79.0	150,846		
12	YIMP	YARD IMPROVEMENTS	30	1-1	0	0	250	1,593.78	2005		100	398,445	79.0	314,772		

LAND VALUE	DOR Code	400	Neighborhood	3408.17	DGAQ - Sparks Galleria	Land Size	10.9900	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,	NUD	478,724.00	SF	1	6.50					3,111,706	



BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
11/21/2014	A1402362	INSTALL 3	0	Compl	100	06/10/15 TAO Compl	NVC

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
HOME DEPOT USA INC	4691015	03/29/2017	400	3BGG			
HOME DEPOT USA INC	4691015	03/29/2017	400	3BGG			
HD DEVELOPMENT	4691014	03/29/2017	400	3BGG			RECORDED OUT OF ORDER
HD DEVELOPMENT	4691014	03/29/2017	400	3BGG			RECORDED OUT OF ORDER
SPARKS GALLERIA	3982769	03/14/2011	400	3BGG			TERMINATION AND RELEASE
HOME DEPOT USA INC,	3388600	05/17/2006	400	3NTT			

#	Bld	Date	User ID	Activity Notes
2	0-0	10/17/2017	jkare	REXT BY MB - 10/11/2017
3	0-0	10/04/2016	rlope	REXT BY MB - 09/28/2016
4	0-0	11/06/2015	sjack	REXT BY MB - OCTOBER, 2015
5	1-1	10/21/2013	mbozm	REXT DGAQ IMPROVEMENT LINE DONE 11/06/2013 BY JAK, LAND LINE DONE
6	1-1	10/10/2012	mbozm	REXT DGAQ IMPROVEMENT LINE DONE 11/09/2012 BY KH, LAND LINE DONE
7	1-1	04/20/2012	polip	DATA CHANGE FNC0 TO FNC9 AND VEST TO VES1, REMOVE MANUAL COSTS.
8	1-1	07/21/2011	polip	REXT DGAQ IMPROVEMENT LINE DONE 10/25/2011 BY WJ, LAND LINE DONE
9	1-1	02/22/2011	mluns	BOE ASSESSORS VALUE UPHELD.
10	1-1	10/14/2010	polip	REXT DGAQ IMPROVEMENT LINE DONE 10/22/2010 BY KH, LAND LINE DONE

Situs & Keyline Description:
 4755 GALLERIA PKWY SPARKS
 PM 4395
 LT 2 RS 4722

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WASHOE COUNTY APPRAISAL RECORD
2019

APN: 510-481-06

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 Bld. 1-2



GALLERIA SPARKS
 Tax District: 2000

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DGAQ - Sparks Galleria Commercial Area

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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			
Type	MISC	Miscellaneous			CNM	CNPM - CANOPY METAL		15,502	619,925	0	619,925		
Occupancy	600	Miscellaneous									0		
Story/Frame	0	NONE									21.00		
Quality	20	Fair									130,184		
Year Built	WAY	%Comp	Year of Addn/Remodel								0		
2005	2005	100									489,741		
BUILDING CHARACTERISTICS											0		
Category	Code	Type	%								489,741		
											89502		
Base Rate Adjustment				Adj.									
CCM SFR Frame					1.05000								
Local Reno Frame					1.05000								
Construction Modifiers				Adj.									
Gross Living/Building Area								0					
Perimeter								0					

#	Bld	Date	User ID	Activity Notes

EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS																
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LAND VALUE	DOR Code	400	Neighborhood	3408.17	DGAQ - Sparks Galleria	Land Size	10.9900	Unit Type	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

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GALLERIA SPARKS
 Tax District: 2000

printed: 01/25/2019 **ACTIVE**

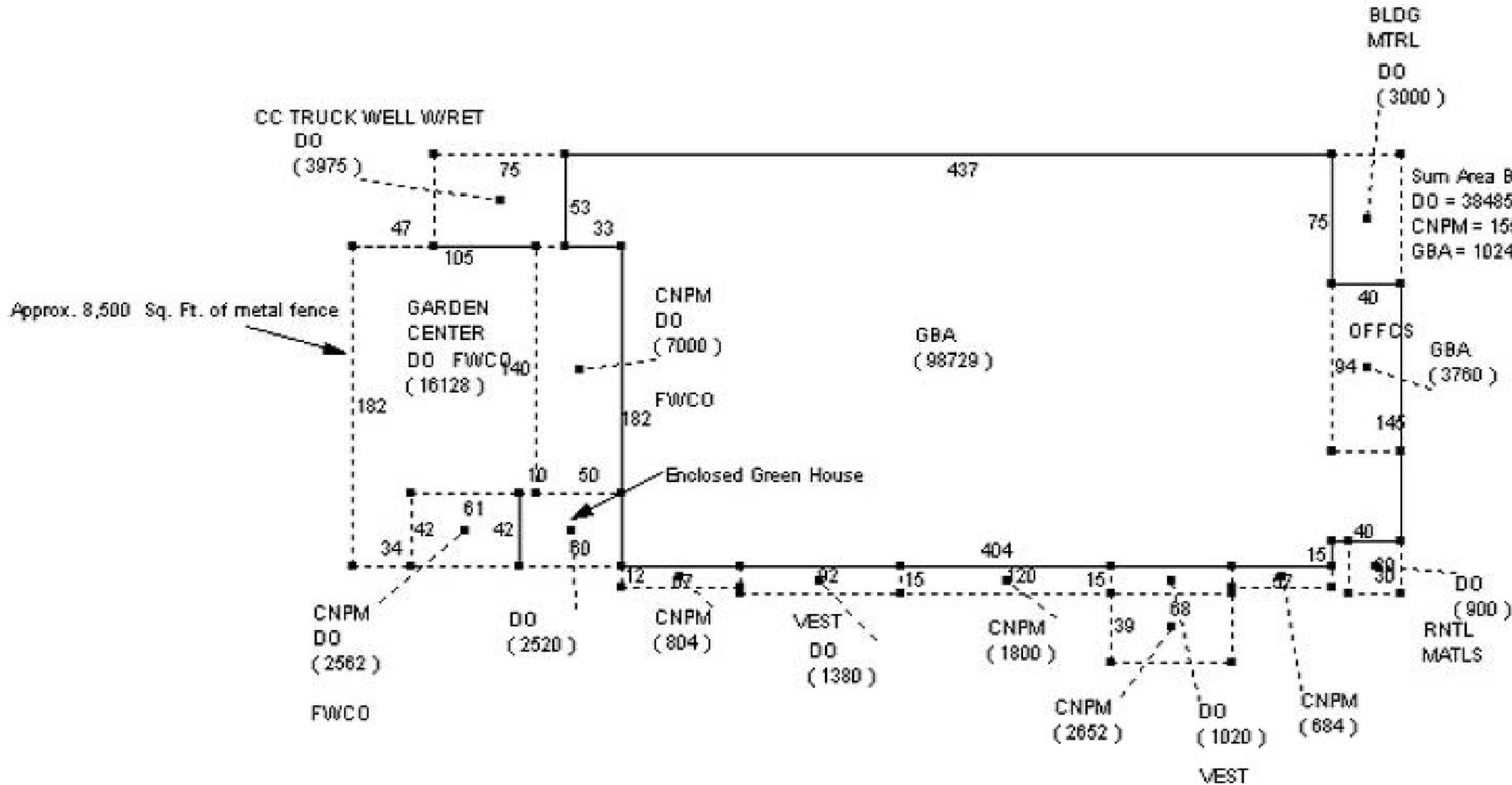
3408.17 DGAQ - Sparks Galleria Commercial Area



BUILDING PERMITS							
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HD DEVELOPMENT	4691014	03/29/2017	400	3BGG			RECORDED OUT OF ORDER
SPARKS GALLERIA	3982769	03/14/2011	400	3BGG			TERMINATION AND RELEASE
HOME DEPOT USA INC,	3388600	05/17/2006	400	3NTT			

#	Bld	Date	User ID	Activity Notes



510-481-02
4755 GALLERIA PKWY
HOME DEPOT

PERMIT # A0501233
TO 9/12/05

Revised 8-4-09 KMJ

ATTACHMENT A

Home Depot Property Rights Adjustment

Contract Rent: \$81,900/monthly

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

\$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>	Safe Rate 4% (Year)
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

WESTERN REGIONAL FREESTANDING RETAIL 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			
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
MEDIAN					0.30	117,562	1996	04/14/2018	\$14,700,477	\$128	5.93%	\$862,829	\$8	\$0.68	-	-
<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>																

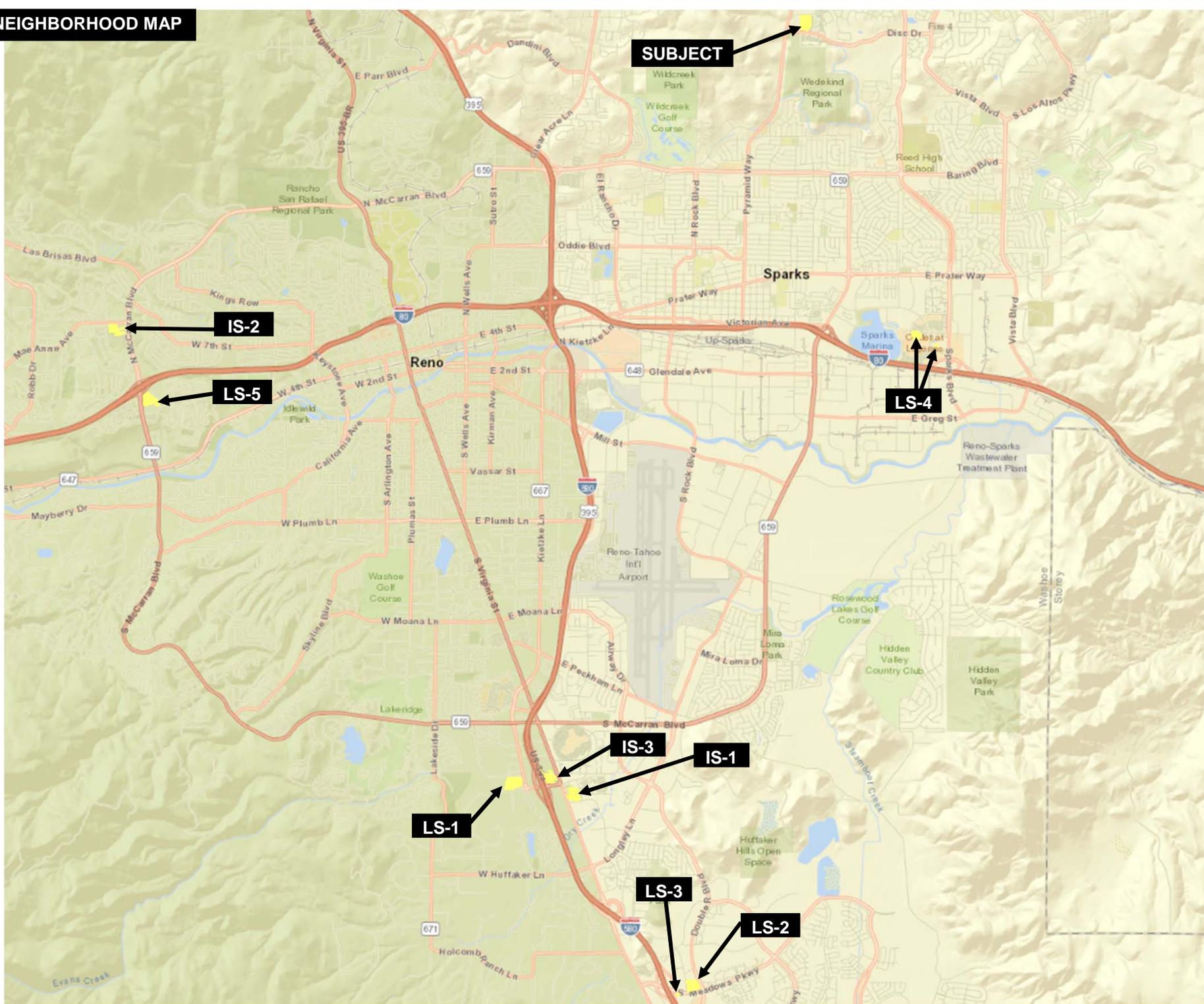
ATTACHMENT C

Box Store Rent Survey								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
Market Rents								
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
					Market Rent Median:	\$0.63	-	<i>Reflects rents at neighborhood shopping centers. Upward adjustments for the regional power centers should be considered.</i>
					ADJUSTED MEDIAN	-	\$0.69	<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>
					RENT USED	\$0.65		
ADDITIONAL INFORMATION								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
	6590 S. Virginia St 025-570-01	Home Depot	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	Home Depot	102,370 1992	2016 unknown	\$1.14	N/A	NNN	Property is located in Henderson NV. Lease renewed and negotiated in 2016.

ATTACHMENT D

CAP RATES			
SOURCE	MIN %	MAX %	MEDIAN %
Local Sales Data (See Sales IS-1 to IS-3)	4.75	6.8	5.84
Regional Home Improvement Sales (See Attachment B)	5	6.25	5.93
USED	5.25%		
<p>REASONING: 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



510-08

PORTIONS OF SE 1/4 SECTION
NE 1/4 SECTION 28
T20N - R20E

DED. TM 4481

510-08

(STATE ROUTE 445)

SHOPPERS WAY

SUBJECT

30' ORR DITCH EASEMENT

PARKWAY

35-18

PYRAMID WAY

481

510-481-06
10.990 ac.

PAR. 1
POR. PAR. 2
PM 4395
PAR. B
RS 4722

510-481-07
59629 sf

POR. PAR. 2
PAR. 3
PM 4395
PAR. C
RS 4722

510-481-08
46591 sf

PAR. 4
PM 4395

510-481-04
74182 sf

PAR. 1A
PM 4765

510-482-05
45191 sf

PAR. 1C
PM 4789

510-482-07
56591 sf

PAR. 2
PM 4764

510-482-03
55727 sf

PAR. 3
PM 4764

510-482-02
62230 sf

PAR. 4
PM 4764

510-482-01
45813 sf

PAR. 1
PM 4978

510-483-01
41794 sf

PAR. 2
PM 4978

510-483-02
50201 sf

PAR. 3
PM 4978

510-483-03
33631 sf

PAR. 1B-R
PM 4789

510-482-08
10.936 ac.

482

483

510-08

51

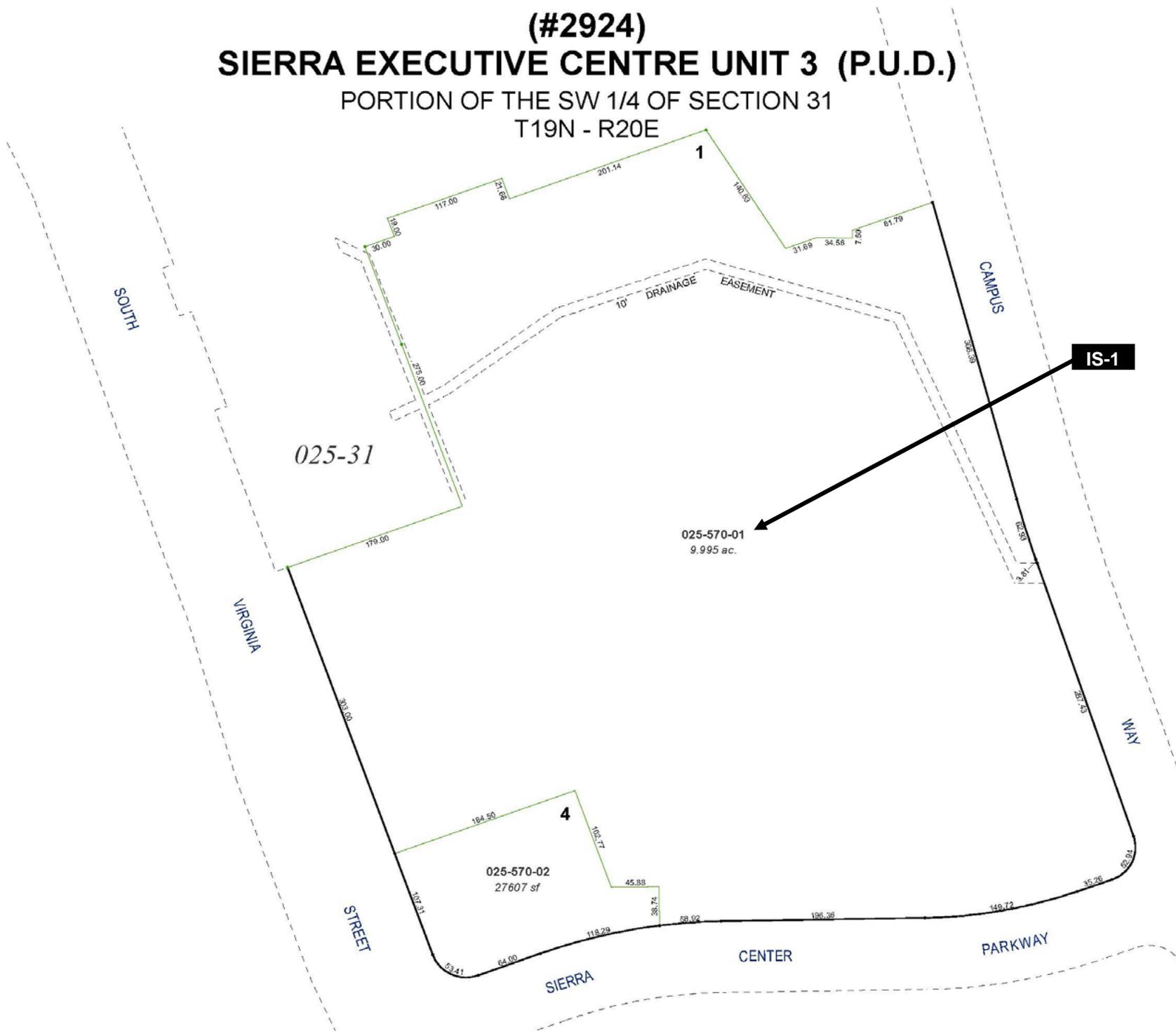
DISC DRIVE

GALLERIA

DISC DRIVE

DISC DRIVE

(#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

039-750-13
9.085 ac.
PAR. 1-A
PM 4163

039-750-12
30055 sf
PAR. 1-B
PM 4163

PAR. 1
P.M. 3999

PAR. 2
P.M. 2348
039-750-04
26,934 sf

039-750-09
9.182 ac.

PAR. 2
P.M. 3999
039-750-10
35,045 sf

PAR. 3
P.M. 3999

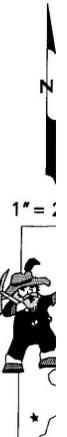
039-750-11
6.923 ac.

039-06

039-12

039-71

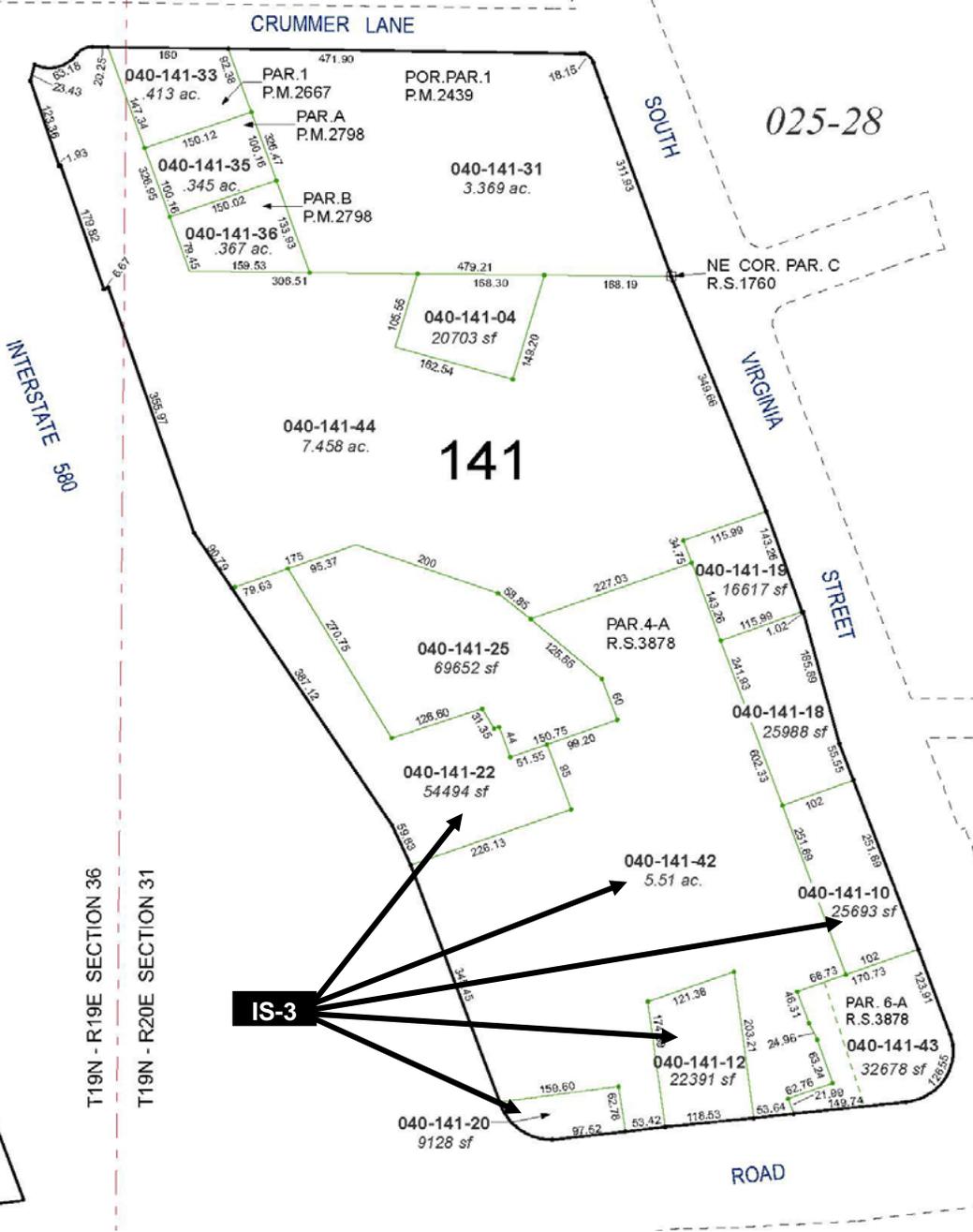
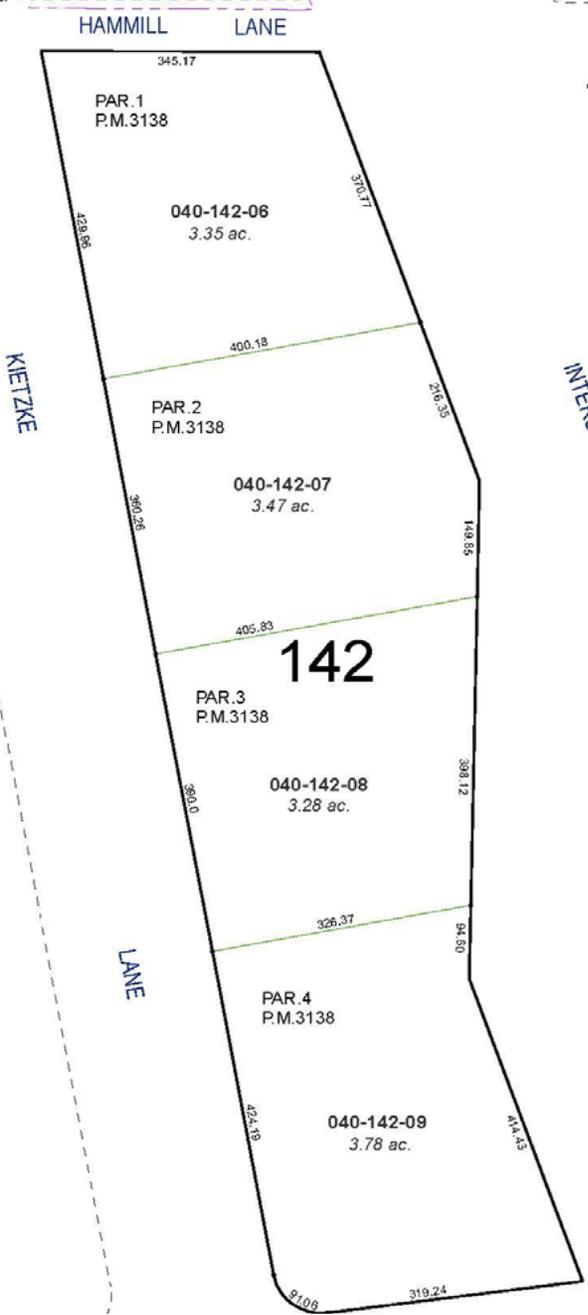
039-70



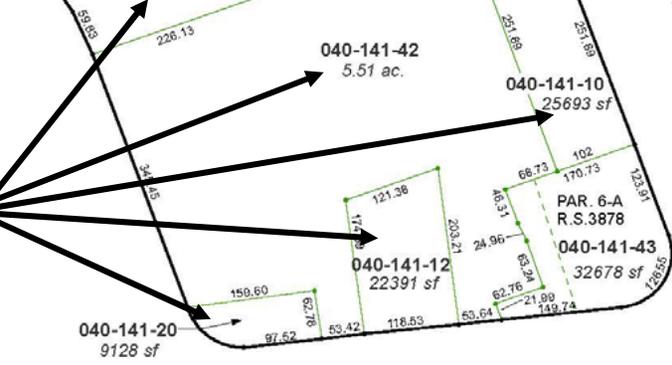
PORTION OF SECTION 36
T19N - R19E

PORTION OF W 1/2 SECTION 31
T19N - R20E

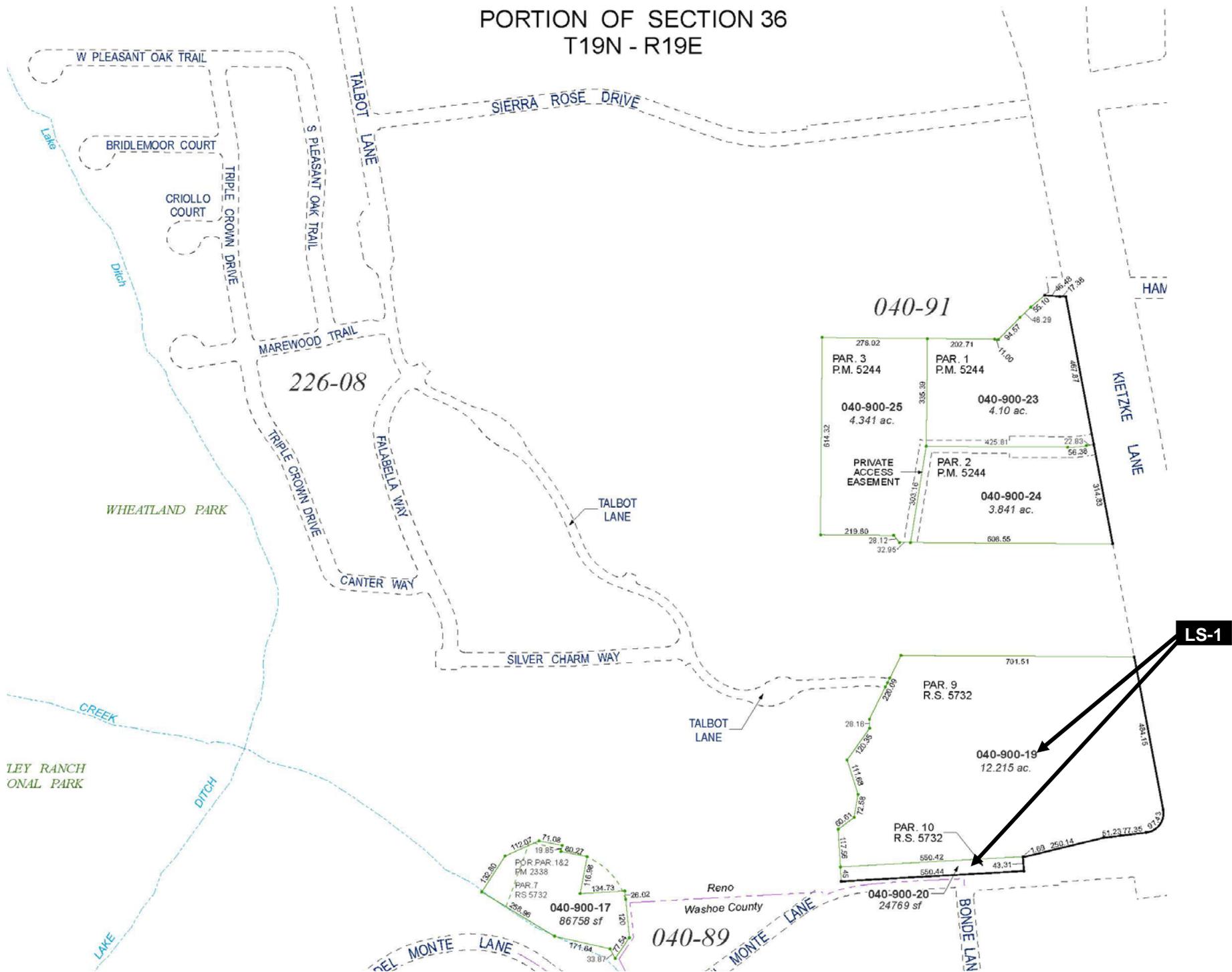
Washoe County
Reno City Limits



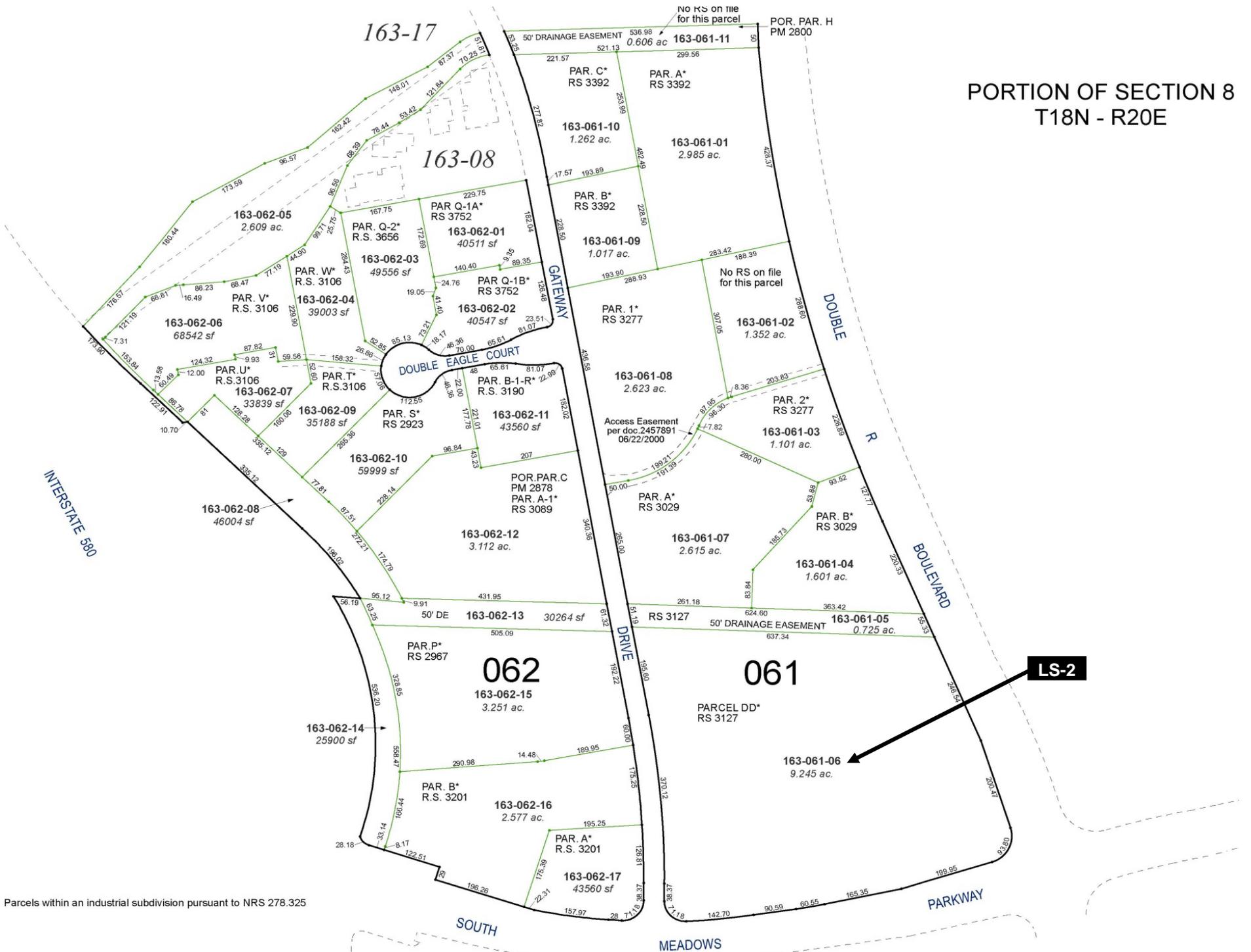
IS-3



PORTION OF SECTION 36
T19N - R19E

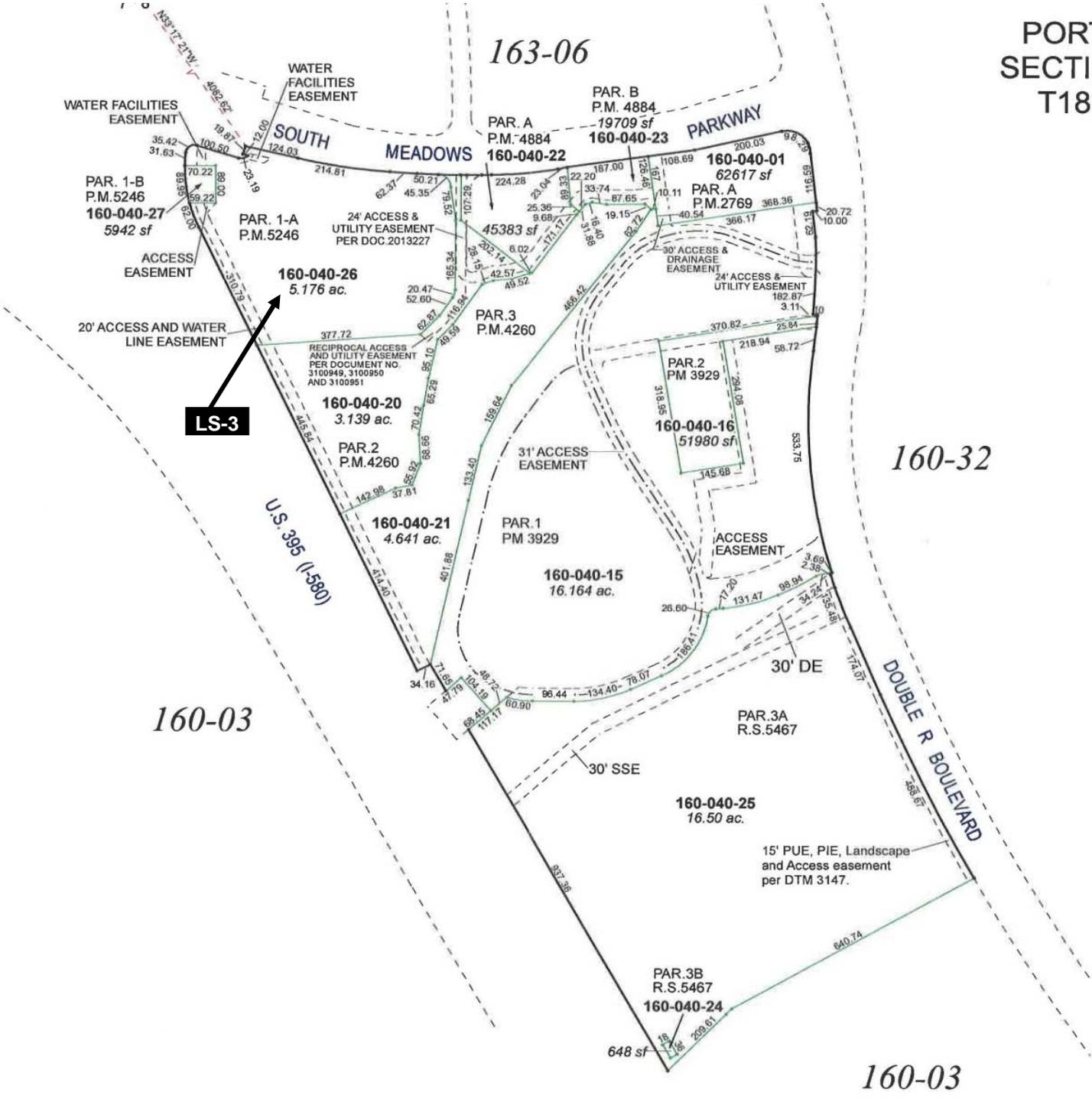


PORTION OF SECTION 8
T18N - R20E



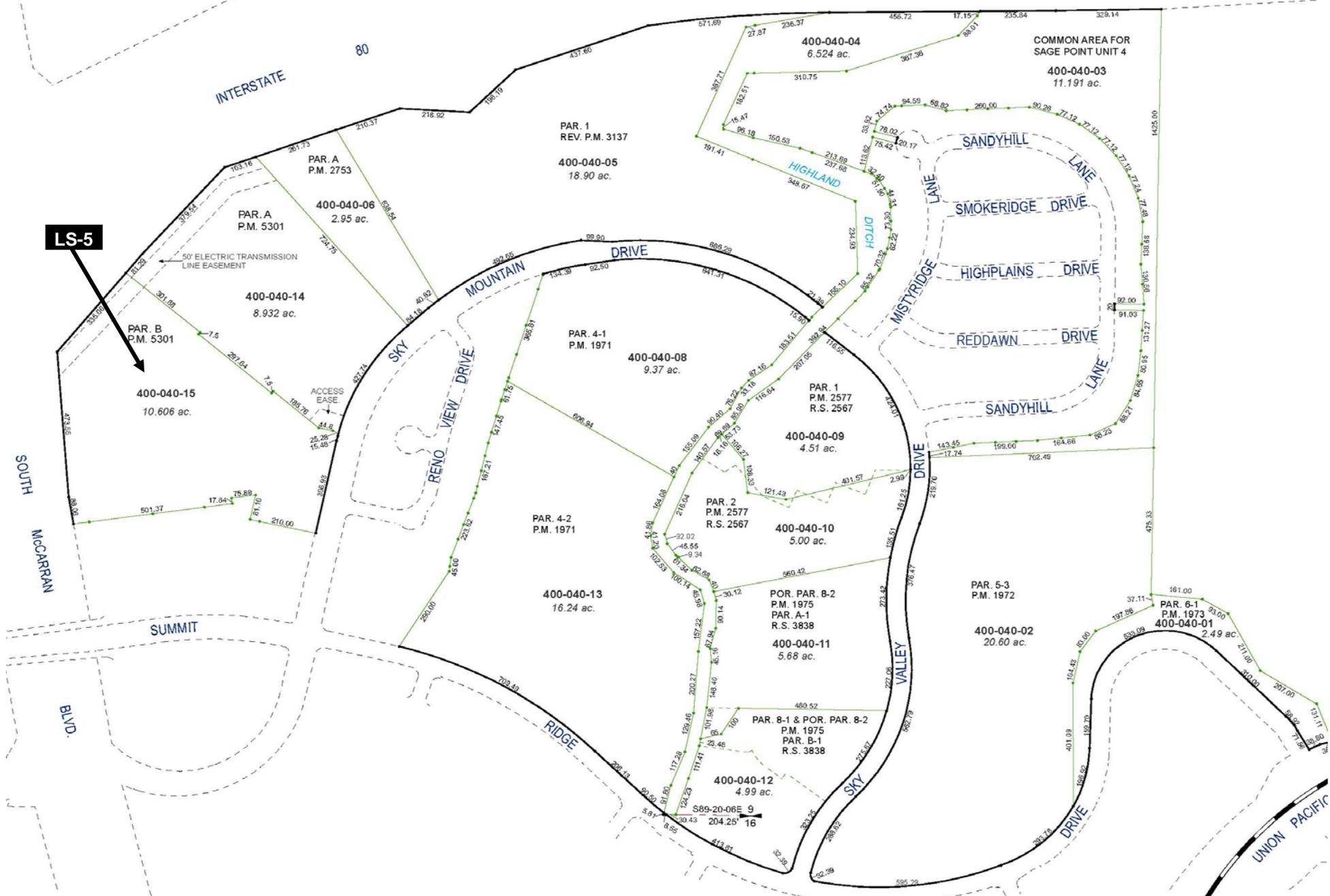
Parcels within an industrial subdivision pursuant to NRS 278.325

PORTIONS OF
SECTIONS 8 & 17
T18N - R20E



LS-3

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



LS-5