

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # 19-0068
Hearing Date 2/27/2019
Tax Year 2019/20

APN: 024-055-52
Owner of Record: SAMS REAL ESTATE BUSINESS TRUST
Property Address: 4835 KIETZKE LN
Property Type: DISCOUNT WAREHOUSE STORE 100%
Gross Building Area: 150,626
Year Built: 2002
Parcel Size: 12.17 Acre
Description / Location: The subject consists of a Sam's Club in the Firecreek Crossing Shopping Center in the Meadowood Submarket.

2019/20 Taxable Value:	Land:	\$5,248,663
	Improvements:	\$7,436,496
	Total:	<u>\$12,685,159</u>
	Taxable Value / SF	\$84

Sales Comparison Approach:	Indicated Value	\$15,000,000
	Indicated Value / SF	\$100

Income Approach:	Indicated Value	\$14,500,000
	Indicated Value / SF	\$96

Current Obsolescence And/Or Building Adjustment: \$0

Conclusions: The subject is a fully functioning building serving its highest and best use as designed by the owner. No under-utilization, functional obsolescence, or deferred maintenance was observed at the property. The sales comparison approach is reconciled to \$15,000,000 or \$100/SF and the income approach yields a value of \$14,500,000 or \$96/SF. Both approaches to value support the current taxable value, which does not exceed full cash value.

RECOMMENDATION: Uphold X Reduce



ASSESSOR'S EXHIBIT I
19 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE
LAND:	\$5,248,663	\$1,837,032	\$/SF GBA
IMPROVEMENTS:	\$7,436,496	\$2,602,774	\$84.22
TOTAL:	\$12,685,159	\$4,439,806	

HEARING:	<u>19-0068</u>
DATE:	<u>2/27/2019</u>
TIME:	<u></u>
TAX YEAR:	<u>2019/2020</u>

OWNER: SAMS REAL ESTATE BUSINESS TRUST

TAXABLE
\$/SF Land
\$9.90

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	024-055-52	4835 KIETZKE LN DISCOUNT WAREHOUSE STORE	100%	150,626 150,626	MASONRY BRNG CONC BLK TEX	C10	150,626	2002 32	530,169 28% AC				

IMPROVED SALES													
IS-1	025-570-01	6590 S VIRGINIA ST Home Depot	100% Discount WH Store	102,832	Con.Tilt	1.5	102,832	1993	435,382 24% MUSV	\$14,975,000* 4/26/2018	\$145.63	\$982,800 NA NA	\$933,660 5.84%
IS-2	039-750-13	5150 MAE ANNE AVE Kohls	100% Discount Store	94,213	Con. Blk	2.0	94,213	1990	395,742 23% AC	\$9,350,000 9/12/2017 1SVR	\$99.24	\$656,250 NA NA	\$636,250 6.80%
IS-3	026-031-40	2950 NORTHTOWNE LN Lee's Discount Liquor	100% Discount Store	30,240	Con. Blk	1.5	30,240	2000	142,006 21% AC	\$3,050,000* 9/7/2018	\$100.86	NA NA NA	NA NA

LAND SALES												
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	\$/sf	Tax/Unit	Zoning	Comments			
LS-1	163-061-06	537 SOUTH MEADOWS PKWY	08/30/16	\$5,921,345	9.245	\$14.53	NA	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.			
L2-2	163-090-26	9200 DOUBLE R BLVD	04/27/18	\$6,534,000	15.00	\$10.00	NA	PUD	Parcel is located in PUD which allows for a variety of commercial uses; Topography will require extensive fill and groundwork; Buyer is a known apartment developer			
LS-3	400-040-15	1405 SKY MOUNTAIN DR	08/11/17	\$4,525,000	10.61	\$9.79	NA	CC	Parcel is zoned Community Commercial which allows for many commercial uses; Former parking lot of the former K-Mart/Great Western Market Place; Good visibility from Interstate-80, but has poor access			
LS-4	015-220-08,09, 10,12,25,46,49,5 0,53,55,56,58,01 5-261-16-17	E PLUMB LANE	09/22/16	\$26,347,183	45.60	\$13.26	NA	MUSV/CC	No SVL. Costar indicates SP = \$26,923,683, minus \$576,500 for add'l H2O rights = \$26,347,183 cash equiv. Terms were 63% down, and a mortgage for the remaining 37%. Various sources have quoted the owner as stating the future use of the property will be ~1,200 residential units, 100K Sq. Ft. of retail and 70-80K Sq. Ft. of office, all to be initiated in 2017.			

COMMENTS:
SEE ATTACHED COMMENTS SECTION

COMMENTS:

Improved Sales:

IS-1: Home Depot located on South Virginia Street that had ~6 years remaining on current lease at time of sale. Contract rent of \$0.80/SF is approximately \$0.15/SF above market rent. Consequently, a property rights adjustment of -\$1,005,000 is made for the excess rent. The adjusted sale price of \$14,975,000 or \$145/SF reflects the fee simple value. Buyer is a REIT that specializes in single tenant, free-standing retail properties and stated that this was an arms-length transaction.

IS-2: Kohl's has nine years remaining on a 20-year lease. They have six 5-year options, with rent escalations every five years. This was part of a 1031 tax deferred exchange. Market financing on this transaction. Contract rent of \$0.58/SF is within range of market for this property.

IS-3: Former Ross that was purchased by an owner/user and converted to Lee's Discount Liquor. Owner stated that the building required \$700,000 in repairs and improvements shortly after purchase. When the sale price is adjusted upward by \$700,000, the indicated sale price is \$3,050,000 or \$100/SF. Building is not visible from McCarran Boulevard.

Improved Sales Conclusion:

After adjusting IS-1 for property rights and IS-2 for expenditures after purchase, the comparable sale prices range from \$99/SF to \$145/SF. Similar to the subject, IS-1 is a first generation retail space designed specifically for the tenant, Home Depot. After adjusting the sale price for excess rent, the \$14,975,000 or \$145/SF adjusted sale price reflects a fee simple value for a well located big-box store. However, an additional 15% to 20% downward adjustment is necessary for the relatively small size of IS-1's building (102,832 SF) when compared to the subject (150,626 SF). Overall, IS-1 is considered a high indicator of value. Like the subject property, IS-2 is also a free-standing, single-tenant, retail building. While the Kohl's comp would require downward adjustments for superior finish and relatively small size, a significant upward adjustment is necessary for second generation use. Due to these offsetting factors, IS-1 is considered a reasonable indicator of value for the subject. IS-3 was purchased by an owner user and required significant repairs and improvements prior to occupancy. Similar to the subject, IS-3 has minimal interior finish. IS-3 is a second generation space that is inferior to the subject in location, access, and visibility. These inferior characteristics are somewhat offset by the relatively small size, which would require a downward adjustment. Based on the comparable sales, a market value of \$100/SF is supported.

Land Sales:

The subject parcel is located in the Fieldcreek Shopping Center in the Meadowood Submarket. In addition to the strong demographics of southwest Reno, the subject is in one of the main regional shopping areas of Reno/Sparks. Meadowood Mall is less a mile to the east and major arterial routes such as South McCarran Boulevard, South Virginia Street, and Interstate 580 are in close proximity to the subject. The McCarran On/Off ramp with Interstate 580 is less than a quarter of a mile to the southeast. The subject enjoys excellent access from Redfield Parkway and Kietzke Lane. Overall, this is considered a prime retail location. The comparable land sales share many of the subject's locational characteristics and retail/commercial land use. Their sale prices range from \$9.79/SF to \$14.53/SF. A 10% downward adjustment is applied to the subject's base \$11.00/SF for size. The subject's taxable land value of \$9.90/SF is supported by the comparable land sales.

Situs & Keyline Description:
4835 KIETZKE LN RENO
PM 4095
LT 1

Owner & Mailing Address:
SAMS REAL ESTATE BUSINESS TRUST
PO BOX 8050
BENTONVILLE, AR 72712

WASHOE COUNTY APPRAISAL RECORD
2019

APN: 024-055-52

Card 1 of 1
Bld. 1-1



FIRECREEK CROSSING

Tax District: 1000

printed: 2/11/2019

ACTIVE

1211.17

AIDQ - 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	5,248,663	0	7,436,496	0	12,685,159	4,439,806	Building Value	6,487,564						
2018 FV	5,301,680	0	7,416,441	0	12,718,121	4,451,342	Extra Feature Value	948,932						
2017 SBE	5,301,680	0	5,242,140	0	10,543,820	3,690,337	Land Value	5,248,663						
2016 FV	5,301,680	0	7,676,729	0	12,978,409	4,542,443	Taxable Value	12,685,159						
2015 FV	5,301,680	0	7,659,921	0	12,961,601	4,536,560	Exemption	0						
2014 FV	5,301,680	0	7,599,651	0	12,901,331	4,515,466	FLAGS Type Value Cap Code NFM Eligible for Form? NO Low Cap Percentage 0 Parcel Map 4095							
2013 FV	5,301,680	0	7,546,364	0	12,848,044	4,496,815								
2012 FV	5,301,680	0	7,664,200	0	12,965,880	4,538,058	NC / C New Land New Sketch By: Date:							
2011 FV	5,301,680	0	7,166,178	0	12,467,858	4,363,750								
2010 FV	5,301,700	0	7,105,098	0	12,406,798	4,342,379								
2009 FV	5,858,370	0	7,225,526	0	13,083,896	4,579,364								
2008 FV	6,241,161	0	7,331,863	0	13,573,024	4,750,558								

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	No of Stories	1	DRO	DO - No Value Drawn for Info		0			8,708,140				
Occupancy	C	Discount	Quality Class	1		Base Cost		150,626	4,310,916		% Incomplete				
Story/Frame	0	MSNRY BRNG ~	Avg Wall Height/Floor	32		Exterior Walls		150,626	2,640,925		% Depreciation	25.50			
Quality	0	Commercial	Alternate Shape Code	1		Heating & Cooling		150,626	1,459,566		\$ Dep & Inc	2,220,576			
Year Built	2002	WAY 2002	Sprinkler System Generic -	150626	GBA	Sprinklers		150,626	296,733		Obso/Other Adj.	0			
%Comp	100	Year of Addn/Remodel				GBA - GROSS BUILDING AREA		150,626			Sub Area DRC	6,487,564			
BUILDING CHARACTERISTICS Category Code Type % Ext. Wall 815 CONC BLK TEX 95 Ext. Wall 804 BLOCK W/STUC 5 Heating Type 611 PACKAGE UNIT 100												Additive DRC	948,932		
Base Rate Adjustment Adj.												Total DRC	7,436,496		
Construction Modifiers Adj.												Override			
Activity Notes 1 0-0 10/30/2018 eladouceu REXT BY WJ - 09/19/2018												Cost Code	89502		
EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS												PROPERTY CHARACTERISTICS Water Municipal Sewer Municipal Street Paved			
LAND VALUE DOR Code 400 Neighborhood 1211.17 AIDQ - Commercial Land Size 12.1710 Unit Type AC												BUILDING NOTES GBA[1] (150626P1775)			
General Information # Code Description Zone Units Unit Type Sub Type Unit Price Influence 1 Code Influence 2 Code Taxable Value Land Notes															
1 400 General Commercial: retail, AC 530,168.00 SF 5 11.00 SZ 0.90 5,248,663 WALMART PARC VAL TOGETHER															

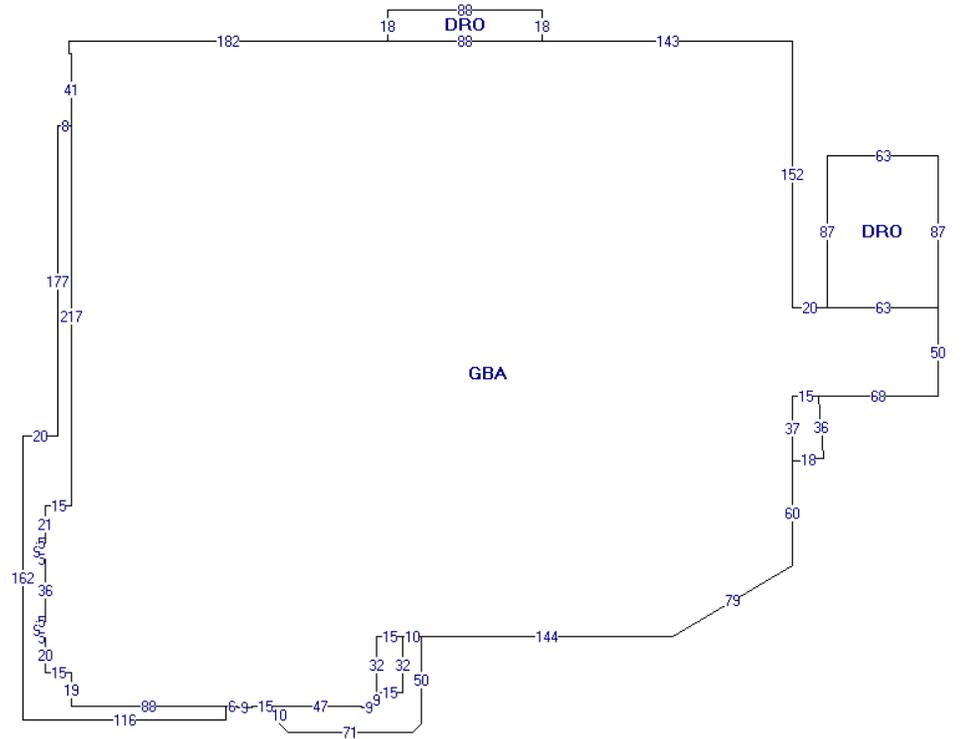
FIRECREEK CROSSING
 Tax District: 1000

printed: 2/11/2019

ACTIVE



1211.17 AIDQ - Commercial



024-055-52 05/18/2016

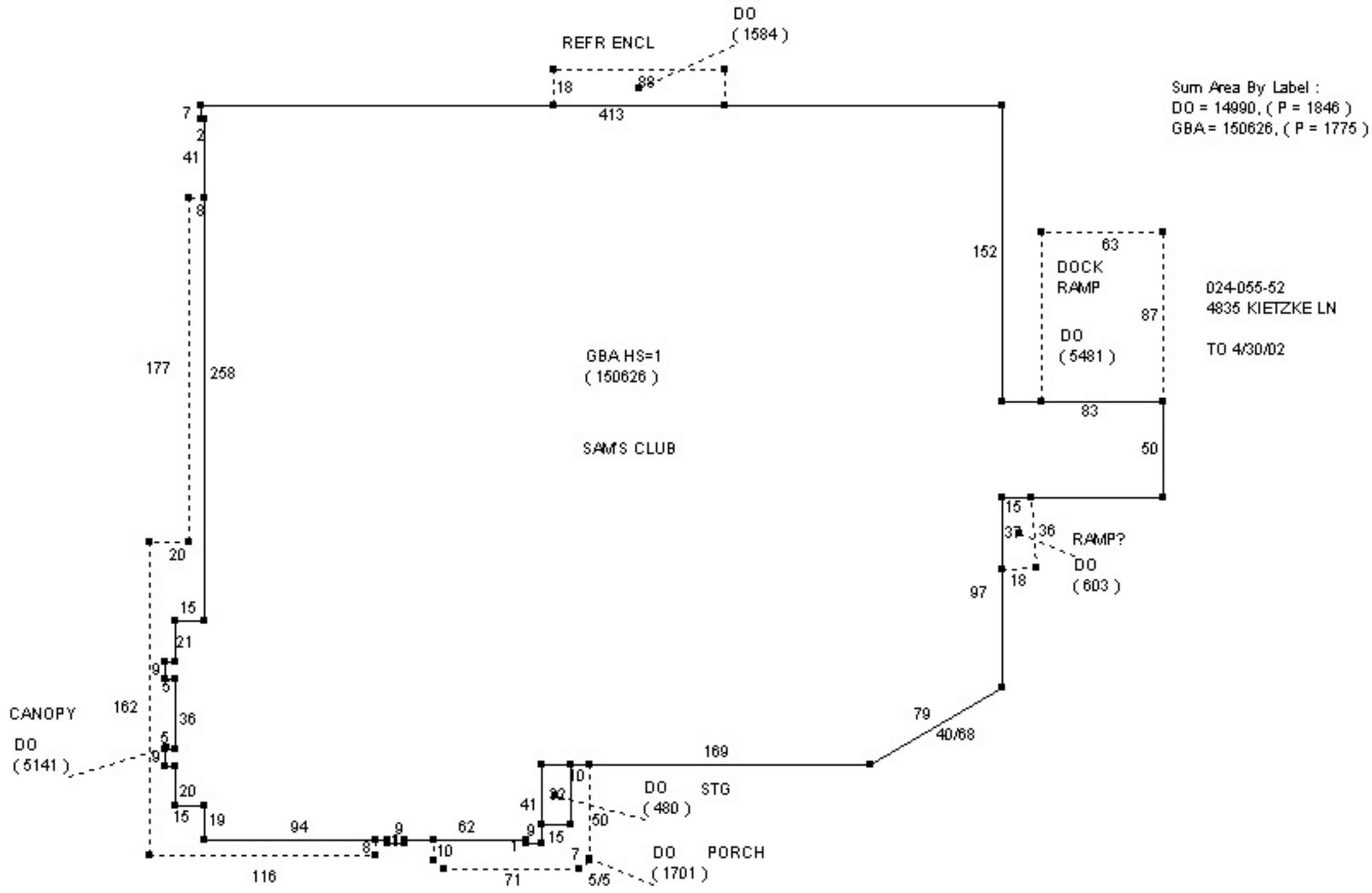
BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
3/26/2015	BLD14-07035	REMODEL	1,500,000	Compl	100	05/29/15 GS Compl	
2/25/2015	SGN15-04368	SIGN	10,110	Compl	100	06/10/15 TAO Compl	NVC
9/17/2003	03-02049	TENANT	75,000	Compl	0	11/14/03 SE Compl	NVC

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
WAL-MART STORES INC	3142097	12/13/2004	400	3BGG			
WAL-MART STORES INC,	2928144	9/24/2003	400	4BV			

#	Bld	Date	User ID	Activity Notes
2	1-1	2/20/2018	elado	CBE BOARD YEAR 2018 PROTEST YEAR 2018/2019, VALUES UPHELD
3	0-0	1/17/2018	lzimm	UPDATE APPRAISER & SENIOR APPR ON APPEAL
4	0-0	10/12/2017	rdalt	REXT BY LLL - 10/10/2017
5	1-1	7/31/2017	srsco	LAND OK
6	0-0	2/28/2017	srsco	CBOE BOARD YEAR 2017, PROTEST YEAR 2017/18- UPHELD
7	0-0	2/23/2017	lzimm	UPDATE CBE DECISION
8	0-0	2/7/2017	lzimm	rescheduled CBE hearing
9	0-0	1/31/2017	mjach	CBE HEARING NOTICE
10	0-0	1/25/2017	sjack	Entering Date Scheduled



Sum Area By Label :
 DO = 14990, (P = 1846)
 GBA = 150626, (P = 1775)

024-055-52
 4835 KIETZKE LN
 TO 4/30/02

Box Store Rent Survey

#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	Lease Type	Comments
Market Rents							
	Undisclosed (Spanish Springs Community Shopping Center)	Retail Store	20,000-25,000 2007	9/1/2018 10 Year	\$0.69	NNN*	*Rent adjusted downward \$0.15/SF to reflect NNN; Landlord provided \$7.00/SF TI allowance and 5 months free rent; Options exist at end of term;
	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	15,000-20,000 1980	9/2018 10 Year	\$0.62	NNN	Significant capitol improvements were completed by owner prior to occupancy; tenant responsible for interior TIs; 10% rent escalation after 5 years; Five (5) options; Tenant received 4 months free rent
	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	35,000-40,000 1980	9/2018 10 Year	\$0.42	NNN	Significant capitol improvements were completed by owner prior to occupancy; tenant responsible for interior TIs and store front; 10% rent escalation after 5 years; Five (5) options; Tenant received 3 months free rent
	1350 Disc Drive, Suite A 035-263-09	Big Lots	32,285 1996	8/1/2018 10 Year	\$0.50	NNN	Landlord contributed ~\$900,000 in Tis. Rent is flat except for one 10% escalation after 5 years
	125-165 Disc Drive, Ste. DM-2 510-083-09	Marshall's Home Goods	40,149 2006	9/2016 5 Year	\$0.63	NNN	Landlord responsible for Tis; 2% escalations
Market Rent Median:					\$0.62		
Contract Rents							
	2863 Northtowne Lane 026-182-38	Former Wal-Mart Teleperformance tenant (Call Center)	42,780 1994	11/2015 6 Year	\$0.79	NNN	Tenant paid for TIs; rent escalations exist; options exist to extend lease agreement to 12 years; tenant responsible for parking lot maintenance
	2863 Northtowne Lane, Unit C 026-182-38	Former Wal-Mart Planet Fitness tenant	18,526 1994	11/2015 NA	\$0.75	NNN	Tenant paid for TIs; Improvements will include gym and spa
	5150 Mae Anne Avenue 039-750-13	Kohl's	94,213 1990	2006 20 Year	\$0.58	NNN	Seven years remaining on current lease; Tenant has six 5-year options with rent escalations every 5 years
	6590 S. Virginia St 025-570-01	Home Depot	102,832 1993	1993 30 Year	\$0.80	NNN	No percentage rent; lease expires 2024
Contract Rent Median:					\$0.77		

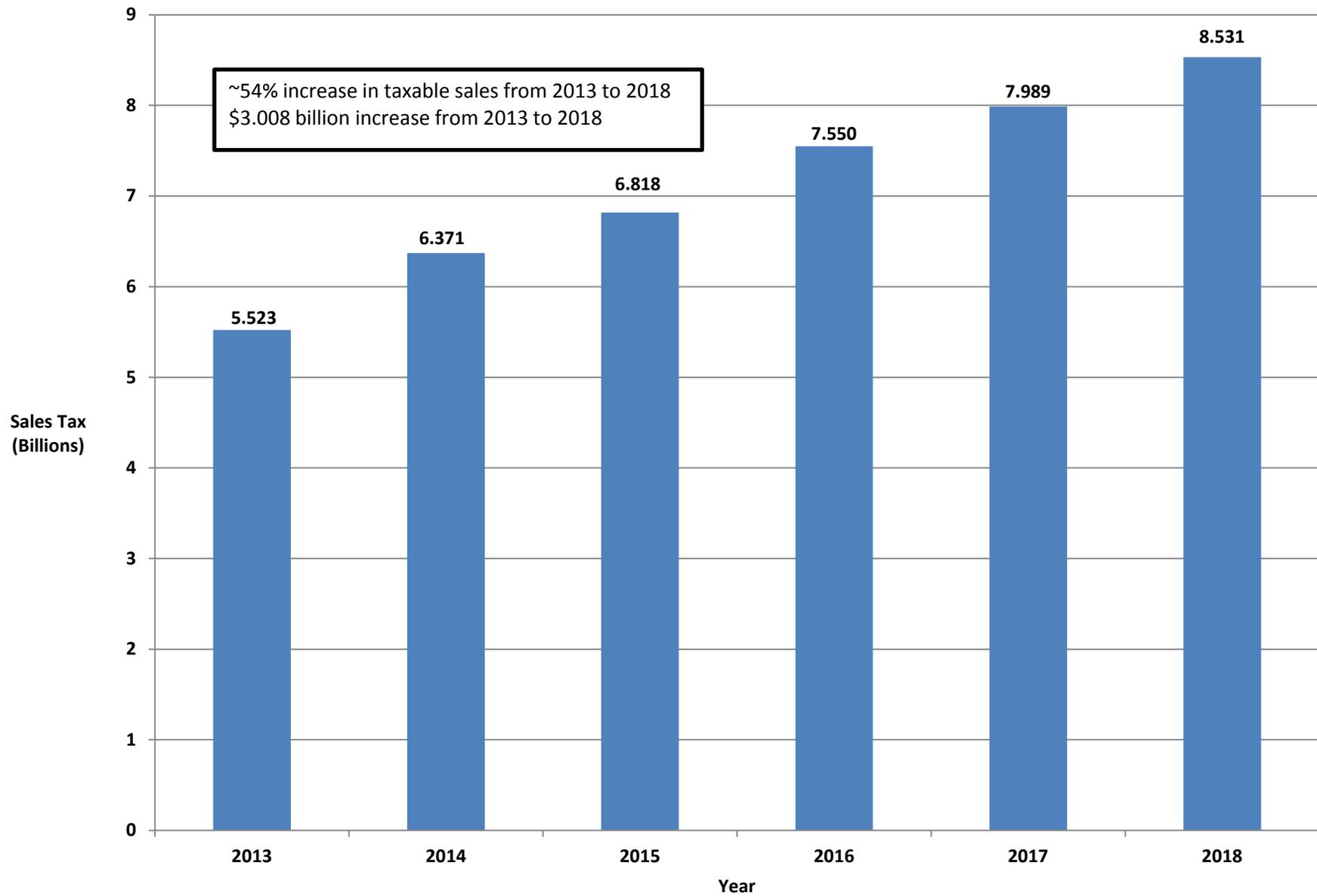
Grocery Store Rent Survey

#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	Lease Type	Comments
Market Rents							
	1350 Disc Drive, Suite A 035-263-09	Grocery Outlet	20,416 1996	11/1/2017 10 Year	\$0.75	NNN	Landlord contributed ~\$600,000 in Tis. Rent is flat except for one 10% escalation after 5 years
	125-165 Disc Drive, Ste. DM-1 510-083-09	Sprouts	30,000 2006	9/2016 5 Year	\$1.17	NNN	Landlord responsible for Tis; 2% escalations
Market Rent Median:					\$0.96		
Contract Rents							
	4819 Kietzke Lane 024-055-33	Natural Grocers	31,850 1996	2/2014 10 Year	\$0.67	NNN	Landlord contributed ~\$17/SF in Tis; 2% rent escalations
	2389 Wingfield Hills Road 528-321-06	Wingfield Springs Raleys Supermarket	58,299 2008	2008 25 years	\$1.39	NNN	5 year options
	18144 Wedge Parkway 049-731-10	Galena Junction Raleys Supermarket	61,554 1996	1996 25 years	\$0.89	NNN	Current lease has 3+ years left; Tenant has three 5-year options; percentage rent of 1% for gross receipts greater than \$30 million
	3310 S McCarran Blvd. 021-281-12	Mira Loma Raley's Supermarket	36,000 1985	2005 20 years	\$1.00	NNN	Former Scolari's now occupied by Raley's; Owner hopes renegotiate lease at next renewal
Contract Rent Median:					\$0.99		

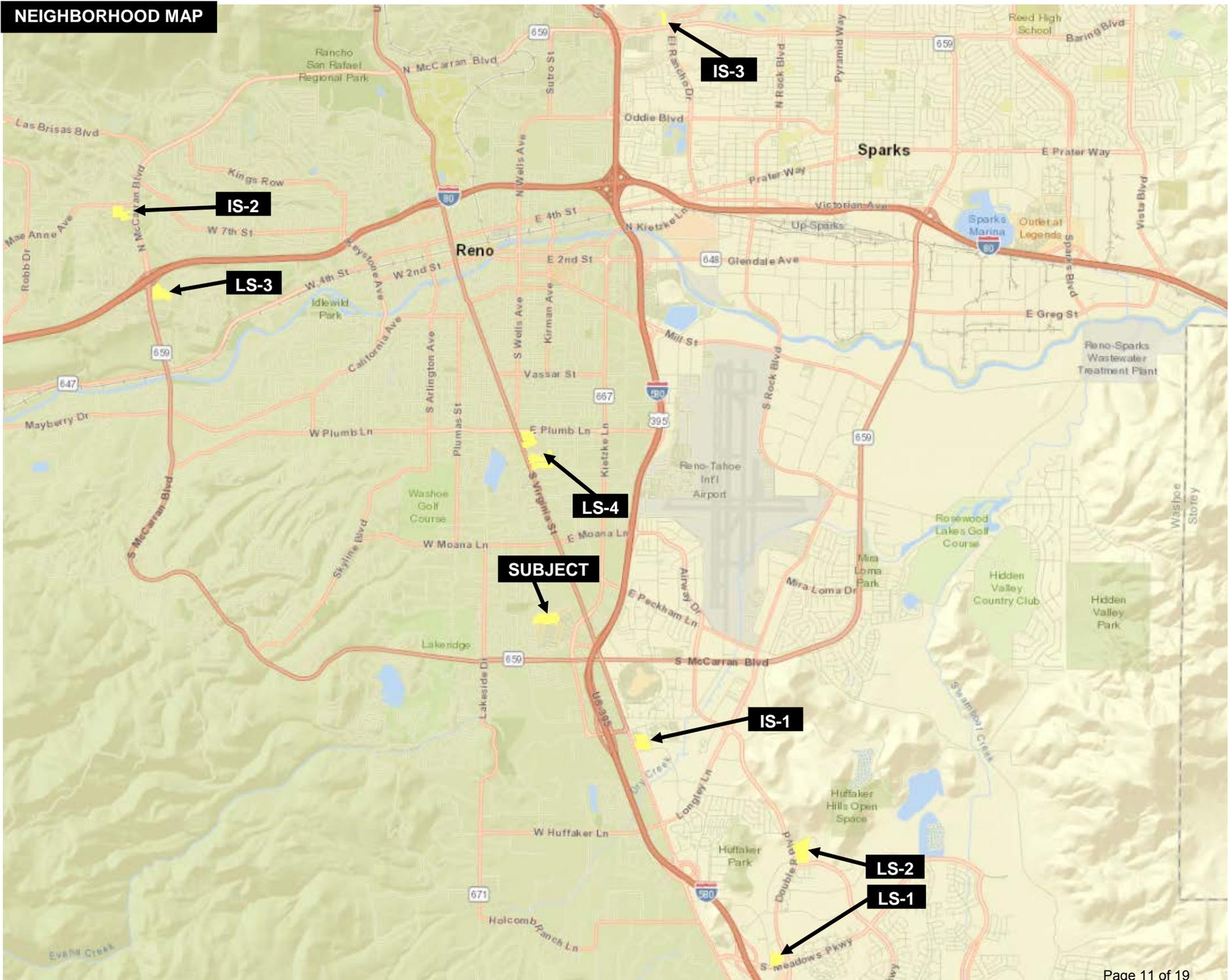
RETAIL CAPITALIZATION RATE CHART

APN NBC	Location	Use %	Total Finish Area	Year Built	Land (SF) %Coverage Zoning	Sale Price Sale Date	NOI OAR	Notes
025-570-01 OBGQ	6590 S Virginia St. Home Depot	100% Discount WH Store	102,832	1993	435,382 24% MUSV	\$15,980,000 4/26/2018	\$933,660 5.84%	Arms length transaction in an investment sale. The property is fully leased to national credit home improvement center with market big box lease rate and 6 more years left in the current lease
039-750-13 BCAQ	5150 Mae Anne Ave. Kohl's	100% Discount Store	94,213	1990	395,742 23% AC	\$9,350,000 9/12/2017	\$636,250 6.80%	Kohl's has nine years remaining on a 20-year lease. They have six 5-year options, with rent escalations every five years. This was part of a 1031 tax deferred exchange. Market financing on this transaction.
021-281- 08,12,13,14,02 NDEQ	3310 S McCarran Blvd Mira Loma Shopping Center	N. Shopping Center	104,717	1993	405,793 26% AC	\$16,350,000 3/2/2018	\$1,150,000 7.03%	Buyer indicated that environmental issues exists (dry cleaners). Raleys took over the Sclaris lease and overall vacancy is very low. Buyer plans to renovate and increase rents in time. Buyer believes the new SE connector and future homes at Bella Vista will also add value.
041-243- 09,10,11 RBEQ	4780-4798 Caughlin Pkwy Caughlin Shopping Center	N. Shopping Center	111,716	1992	478,332 23% PUD	\$18,000,000 8/29/2018	\$1,413,000 7.85%	Raleys moved into the previous Sclaris's market prior to this transaction. This sale includes the Starbucks and Wells Fargo Bank parcels. Total bldg SF is 111,716. Total land 10.98 acres. \$161/SF is comparable to the Mira Loma Shopping center earlier. Costar reports 92% of space was leased at time of sale. NOI reported as actual.
039-750-03, 09, 11 BCAQ	5110 Mae Anne Ave. Ridgeview Plaza	60% Box 40% Line	173,877	1989	736,224 24% AC	\$33,000,000 1/14/2016	\$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.
Big Box Sales with Credit Tenants								
0823-026-040	11729 Imperial Hwy Norwalk CA Wal-Mart	Discount Store	111,830	1998	334,105 33% N/A	\$20,200,000 05/02/17	\$1,100,000 5.45%	Located in Los Angeles County with good visibility and access to Interstate 5; Seven years remaining on net lease; Sale Price is ~\$181/SF
223-0082-20,49	8961 Greenback Ln Orangevale CA Wal-Mart	Discount Store	98,000	2006	422,532 23% N/A	\$13,500,000 02/17/17	\$703,350 5.21%	Located ~ 20 miles from Downtown Sacramento; Nine years remaining on net lease; Store smaller than typical supercenter due to zoning and building restrictions; Sale price is \$138/SF
104-080-14	1189 E March Ln Stockton CA Wal-Mart	Discount Store	54,159	2012	210,830 26% N/A	\$9,200,000 01/18/17	\$514,506 5.59%	"Neighborhood Market" concept store; Seven years remaining on net lease; Located on high traffic corner with good visibility; Sale price is \$170/SF
138-34-717-015	861 S. Rainbow Blvd. Las Vegas, NV Home Depot	100% Discount Store	105,275	1993	436,907 24% C-1	\$23,100,000 01/05/17	\$1,386,000 6.00%	Located just north of the West Charleston Blvd. and South Rainbow Blvd. intersection in West Las Vegas. Long term, net leased property to credit tenant.
178-03-610-011	1030 W. Sunset Rd. Las Vegas, NV Home Depot	100% Discount Store	102,370	1992	383,763 27% CC	\$23,162,717 06/10/16	\$1,400,000 6.04% (pro forma)	Located just west of U.S Highway 95 in Henderson. Tenant signed 10 year extension prior to sale which resulted in pro forma cap rate of 6.04%

Annual Washoe County Sales & Use Tax

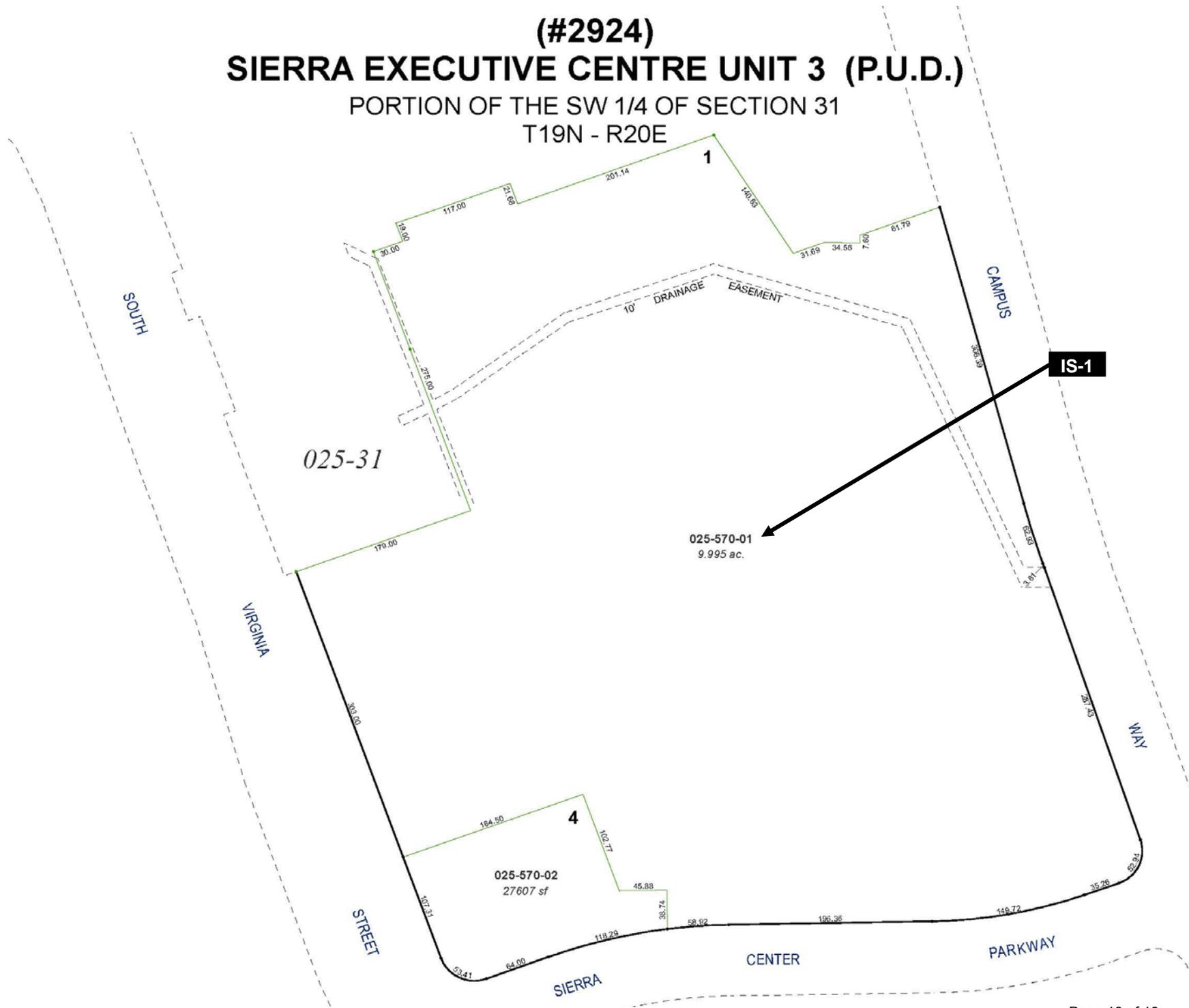


NEIGHBORHOOD MAP



(#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



PORTION NE 1/4
T19N - F

BOOK 005

DRIVE
HIGHLANDS
SIERRA

IS-2

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

PAR.1
P.M.2273

PAR.1
P.M.2657
039-750-02
65,878 sf

PAR.2
P.M.2657
039-750-03
34,691 sf

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

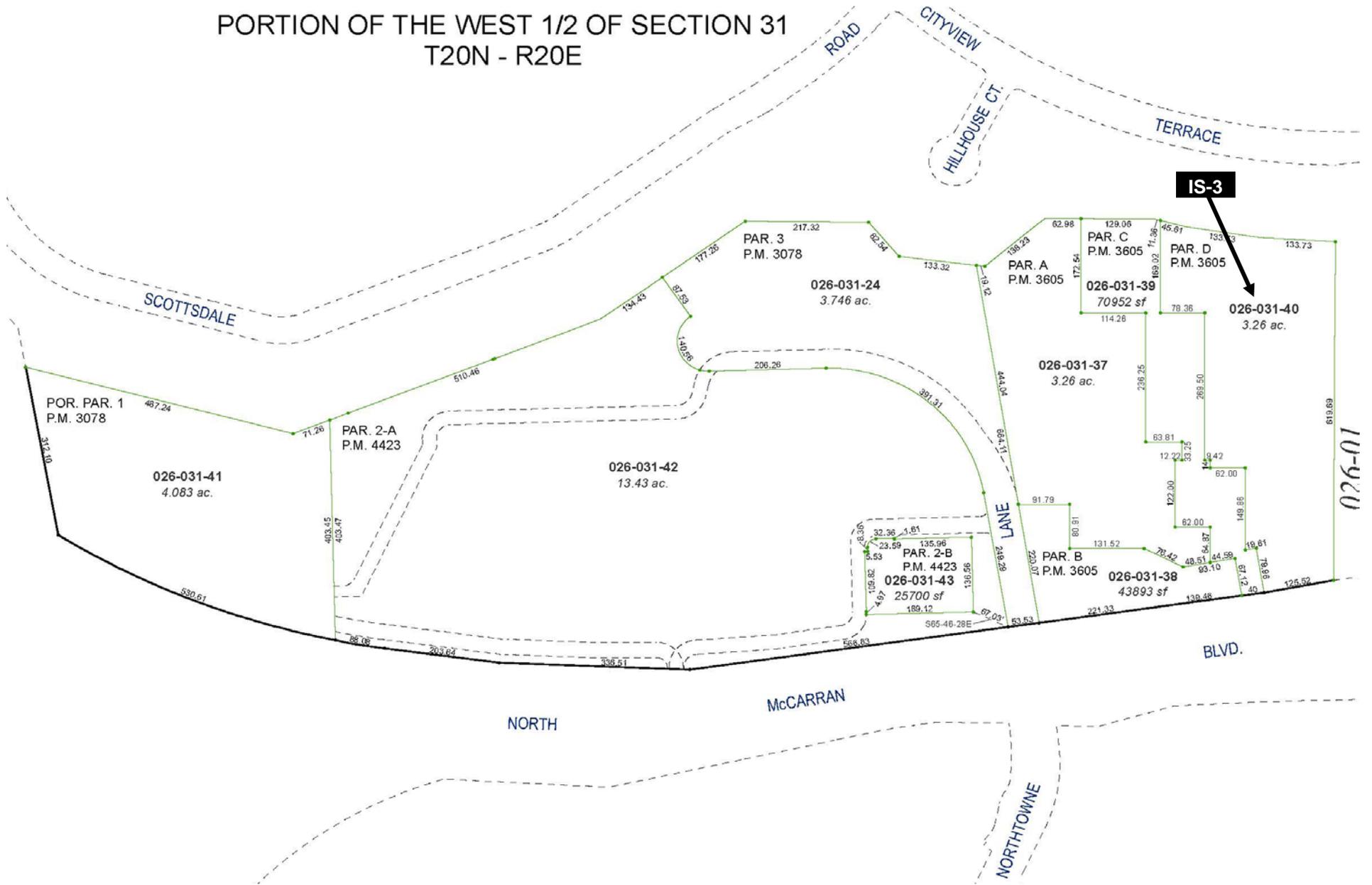
039-750-11
6.923 ac.

039-04

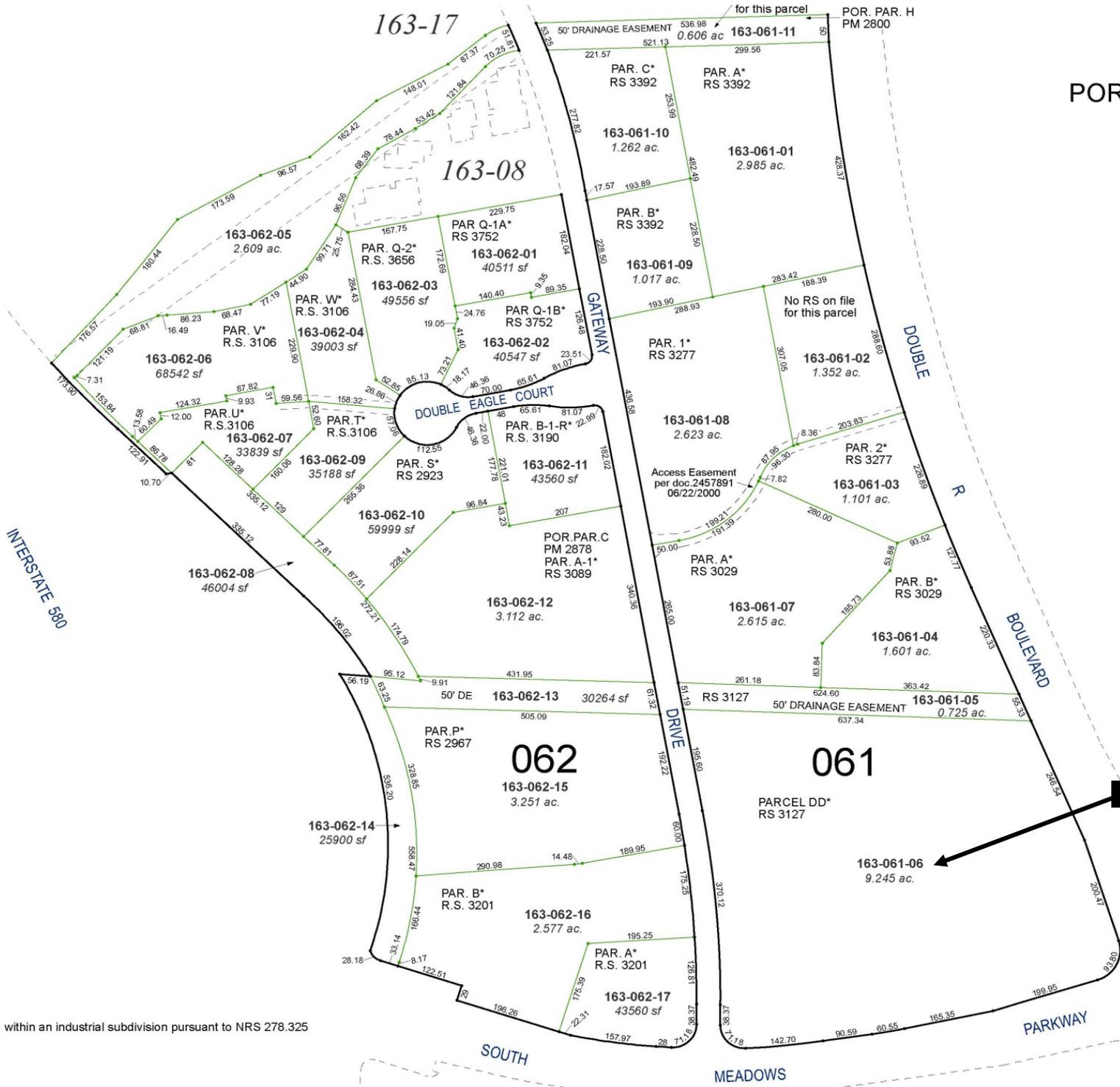
039-06

039-12

PORTION OF THE WEST 1/2 OF SECTION 31
T20N - R20E

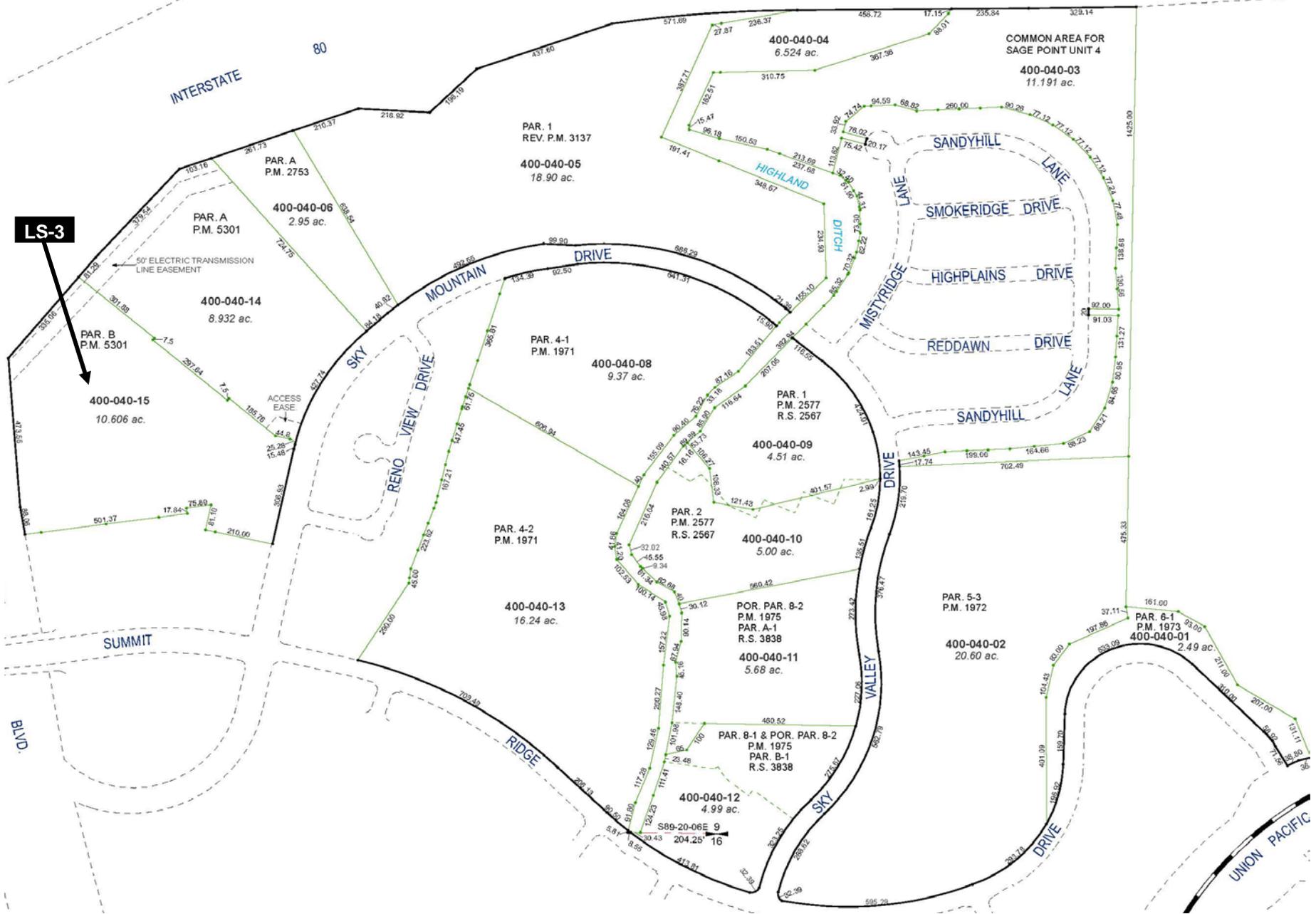


PORTION OF SECT
T18N - R20E



within an industrial subdivision pursuant to NRS 278.325

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



LS-3

