

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # **19-0065**
Hearing Date **2/27/2019**
Tax Year **2019**

APN: 039-051-08

Owner of Record: WAL-MART STORES INC # 3254

Property Address: 5260 W 7TH ST

Property Type: MEGA WAREHOUSE DISCOUNT STORE 100%

Gross Building Area: 205,916

Year Built: 2003

Parcel Size: 22.44 Acre

Description / Location: The subject consists of a Walmart Supercenter located west of North McCarran Boulevard between Mae Anne Avenue and West 7th Street in Northwest Reno.

2019/20 Taxable Value:

Land:	\$7,918,698
Improvements:	\$10,575,483
Total:	<u>\$18,494,181</u>
Taxable Value / SF	\$89.81

Sales Comparison Approach:

Indicated Value	\$22,600,000
Indicated Value / SF	\$110

Income Approach:

Indicated Value	\$22,200,000
Indicated Value / SF	\$108

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 \$22,600,000 or \$110/SF and the income approach yields a value of \$22,200,00 or \$108/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
21 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING:	19-0065
	\$7,918,698	\$2,771,544	\$/SF GBA	DATE:	2/27/2019
IMPROVEMENTS:	\$10,575,181	\$3,701,419	\$89.81	TIME:	
TOTAL:	\$18,494,181	\$6,472,963		TAX YEAR:	2019/2020

OWNER: WAL-MART STORES INC # 3254

TAXABLE
\$/SF Land
\$8.10

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	039-051-08	5260 W 7TH ST MEGA WAREHOUSE DISCOUNT STORE	100%	205,916 205,916	Masonry Concrete Block	C25	205,916	2003 20'	977,617 21% 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 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. IS-3 was purchased by an owner user and required significant repairs and improvements prior to occupancy. This is a second generation space that is inferior to the subject in location, access, and visibility. As a result, the \$100/SF sale price is considered a low indicator of value. IS-1 and IS-2 represent single tenant, free-standing buildings purchased in the Reno/Sparks market. Due to the subject's multi-use characteristics (i.e. grocery, pharmacy, garden & home, vision center, beauty salon, and tire/lube shop), it is considered superior to IS-2's second generation department store use. Therefore, the \$99/SF sale price for IS-2 is considered a low indicator of value. 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 reflects a fee simple value for a well located big-box store. However, an additional 20% to 25% downward adjustment is necessary for the relatively small size of IS-1's building (102,832 SF) when compared to the subject (205,916 SF). Overall, IS-1 is considered the best comparable and given the most weight in the analysis. Based on the comparable sales with IS-1 being given the most weight, the sales comparison approach is reconciled to \$110/SF.

Land Sales:

The subject parcel is located west of North McCarran Boulevard between Mae Anne Avenue and West 7th Street in Northwest Reno. This Wal-Mart serves a wide residential area that stretches from the California state line to the University of Nevada. The North McCarran/Mae Anne intersection is the main commercial node in Northwest Reno. Each corner at the intersection is developed with neighborhood shopping centers that have grocery, big box retail, pad, and inline retail uses. This area is experiencing significant growth with several apartment and residential subdivisions being constructed. The subject enjoys good visibility from North McCarran and has excellent 3 street ingress/egress from Mae Anne, West 7th, and North McCarran. Overall, this is considered a prime retail location. The comparable land sales share many of the subject's locational characteristics and have potential for 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 \$9.00/SF for size. The subject's taxable land value of \$8.10/SF is supported by the comparable land sales.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

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		\$7,918,698	\$2,771,544	\$/SF GBA	DATE: 02/27/19
	IMPROVEMENTS:	\$10,575,483	\$3,701,419	\$89.81	TIME:
	TOTAL:	\$18,494,181	\$6,472,963		TAX YEAR: 2019/20
APN: 039-051-08				TAXABLE	
OWNER: WAL-MART STORES INC # 3254				\$/SF Land	
				\$8.10	

Income Approach

Potential Gross Income	205,916 sq ft. @	\$0.00 /mo =	\$0	
Grocery Store	45,300 sq ft. @	\$0.85 /mo =	\$38,505	
Retail Store	160,616 sq ft. @	\$0.55 /mo =	\$88,339	
			<u>\$126,844</u>	
	x 12 months =		<u>12</u>	
				\$1,522,126
- Vacancy & Collection loss		0%	<u>\$0</u>	
= Effective Gross Income				\$1,522,126
- Operating Expenses		5%	<u>\$76,106.28</u>	
=Net Operating Income				\$1,446,019
Divided by Overall Capitalization Rate			6.50%	
				\$22,246,451
				Rounded \$108 /sf GBA

Subject Income Information: The subject is an owner occupied Wal-Mart Supercenter located in Northwest Reno. The petitioner did not provide any data regarding store performance or gross sales.

Potential Gross Income: In order to better estimate the market rent for Wal-Mart Supercenters, the stores were divided into grocery store and box retail spaces. Based on field measurements taken at a local store, the grocery store space occupies ~22% of the total GBA or ~45,300 SF. A survey of box retail and grocery store rents in Washoe County was conducted to estimate the PGI for the subject property(See Attached). The rents for box retail range from \$0.42/SF to \$0.69/SF on a triple net basis. The Subject's premier location, access, and visibility would command a rent at the high end of the range. However, this is somewhat offset by the relatively large size (160,616 SF) of the retail space. Overall, a market rent near the middle of the range or \$0.55/SF is reasonable for the retail space. The rents for grocery stores range from \$0.75/SF to \$1.17/SF on a triple net basis. The Grocery Outlet lease is considered the best rent comparable; however, it is a second generation space with inferior tenant buildout. Since the landlord was responsible for all tenant improvement costs, the lease of the Sprouts store in Spanish Springs for \$1.17/SF is considered a high indicator. Based on rent comparables, a rent of \$0.85/SF is supported for the grocery space.

Effective Gross Income: Although most Wal-Mart stores are owner occupied, triple net lease structures are standard when Wal-Mart is the tenant. For high performing, well located stores, a lease term of at least 10 years with multiple options is common. Wal-Mart is a well-capitalized, credit tenant and would be considered a low risk to default on leasing terms. As a result, a vacancy/credit loss deduction is not necessary.

Net Operating Income: The owner of a building leased by Wal-Mart would have minimal expenses. A 5% deduction for operation expenses is made to account for miscellaneous expenses and reserves for replacement.

Capitalization Rate Analysis: Box retail and shopping center capitalization rates for Washoe County are provided in the Retail Capitalization Chart (See Attached). Similar to the Subject, the Home Depot and Kohl transactions represent free-standing, single-tenant, net leased properties. The cap rates for these deals range between 5.84% and 6.80%. Since the contract rent at the Kohl's is within the market rent range for a department store, it is likely a better indicator of local cap rate than the Home Depot. However, the subject's superior multi-use construction is superior to department store use. It is anticipated that rent at the subject would higher than the Kohl's, and the credit risk associated with Wal-Mart would also be lower. Although not used in the Sales Comparison analysis, further evidence of cap rates for big box sales with credit tenants is also provided on the chart. The sales consist of 3 Wal-Marts in California and 2 Home Depots in Las Vegas. The cap rates for these regional big box sales range from 5.21% to 6.04% with a median of 5.59%. Based on the market data, a cap rate of 6.5% for the subject property is supported.

Indicated Value Income Approach: The value indicated by the income approach is \$22,246,451 or \$108/SF.

Comments: As of the lien date, 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 leased fee interest at market rates is equivalent to the fee simple value.

Owner & Mailing Address:
WAL-MART STORES INC # 3254
PO BOX 8050
BENTONVILLE, AR 72712

APN: 039-051-08

BCAQ - 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		8,998,955								
							Extra Feature Value		1,576,528								
							Land Value		7,918,698								
							Taxable Value		18,494,181								
							Exemption		0								
							FLAGS										
							Type	Value									
2019	NR	7,918,698	0	10,575,483	0	18,494,181	6,472,963	Cap Code	NFM	NC / C					New Land	New Sketch	
2018	FV	7,918,698	0	10,531,855	0	18,450,553	6,457,694	Eligible for Form?	NO								
2017	SBE	7,918,698	0	6,495,422	0	14,414,120	5,044,942	Low Cap Percentage	0								
2016	FV	7,918,698	0	10,851,511	0	18,770,209	6,569,573	Parcel Map	3974								
2015	FV	7,918,698	0	10,850,955	0	18,769,653	6,569,379										
2014	FV	7,918,698	0	10,826,988	0	18,745,686	6,560,990										
2013	FV	7,918,698	0	11,139,509	0	19,058,207	6,670,372										
2012	FV	7,918,698	0	11,300,638	0	19,219,336	6,726,767										
2011	FV	7,918,698	0	11,778,934	0	19,697,632	6,894,171			By:					Date:		
2010	FV	7,918,700	0	11,656,372	0	19,575,072	6,851,275										
2009	FV	8,226,640	0	11,857,690	0	20,084,330	7,029,516										
2008	FV	17,305,609	0	12,027,326	0	29,332,935	10,266,527										
BUILDING DETAILS				BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS					BUILDING COST SUMMARY				
Code		Description	Category				Units	Code	Description		Yr Blt	Units	Cost New	Tot Lump Sum Adj			
Type	MISC	Miscellaneous						CNM	CNPM - CANOPY METAL			8,262	497,455	Sub Area-RCN	507,114		
Occupancy	600	Miscellaneous						STR	STRM - STORAGE ROOM			180	9,659	% Incomplete	0		
Story/Frame	0	NONE								% Depreciation		24.00					
Quality	40	Good								\$ Dep & Inc		121,707					
Year Built	WAY	%Comp	Year of Addn/Remodel														
2003	2003	100															
BUILDING CHARACTERISTICS																	
Category	Code	Type	%														
					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													
1	0-0	10/31/2018	aclancy	REXT BY GS - 09/05/2018													
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	8000	13.59	2003		100	108,720	76.0	82,627			
2	DKLP	DOCK PLATE	30	1-1	0	0	5	782.00	2003		100	3,910	76.0	2,972			
3	FNC6	FENCE CHAIN LINK 6 FT	30	1-1	0	0	480	18.83	2003		100	9,038	76.0	6,869			
4	FNI2	WROUGHT IRON FENCE-AVE	30	1-1	0	0	13000	16.05	2003		100	208,650	76.0	158,574			
5	FWAS	FLATWORK ASPHALT	30	1-1	0	0	450000	1.92	2003		100	865,800	76.0	658,008			
6	FWCO	FLATWORK CONCRETE	30	1-1	0	0	40000	4.39	2003		100	175,780	76.0	133,593			
7	PKLT	PARKING LOT LIGHTING	30	1-1	0	0	450000	0.65	2003		100	292,500	76.0	222,300			
8	TKW4	TRUCK WELL CONCRETE WITH RETAINING WALL	30	1-1	0	0	9935	18.76	2003		100	186,381	76.0	141,649			
9	VES1	VESTIBULES/ATRIUMS	30	1-1	0	0	1161	79.56	2003		100	92,369	76.0	70,201			
10	WLCB	WALL CONCRETE BLOCK	30	1-1	0	0	3287	15.68	2003		100	51,540	76.0	39,171			
11	YIMP	YARD IMPROVEMENTS	30	1-1	0	0	50	1,593.78	2003		100	79,689	76.0	60,564			
LAND VALUE		DOR Code	400	Neighborhood	1728.17 BCAA - Commercial			Land Size		22.4430		Unit Type		AC			
#	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	977,617.00	SF	3	9.00	SZ	0.90			7,918,698		WALMART			
This information is for use by the Washoe County Assessor for assessment purposes only.																	
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WASHOE COUNTY APPRAISAL RECORD

2019

APN: 039-051-08

WAL-MART

Tax District: 1000

printed: 02/08/2019

ACTIVE

1728.17

BCAQ - Commercial



039-051-08 05/19/2016

BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
10/11/2018	BLD19-03051	FIRE	2,680	Assgn	0	11/06/18 GS Assgn	Assigned Based On
07/12/2018	BLD19-00095	DAMAGE	5,500	Assgn	0	08/03/18 GS Assgn	Assigned Based On
06/28/2018	BLD18-10696	WATER	4,000	Assgn	0	07/23/18 GS Assgn	Assigned Based On
01/23/2018	BLD18-00737	REMODEL;	116,000	Compl	100	05/09/18 GS Compl	NVC
12/20/2017	SGN18-04472	SIGN;	1200	Compl	0	05/30/18 EB Compl	NVC
11/27/2017	BLD18-04521	WATER	500	Compl	100	05/02/18 GS Compl	NVC
08/21/2017	BLD18-01129	REMODEL;	22029	Compl	0	05/30/18 EB Compl	NVC

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
WAL-MART STORES INC	2811670	02/26/2003	140	3NTT			

#	Bld	Date	User ID	Activity Notes
2	1-1	02/20/2018	elado	CBE BOARD YEAR 2018 PROTEST YEAR 2018/2019, VALUES UPHELD
3	0-0	01/17/2018	lzimm	UPDATE APPRAISER & SENIOR APPR ON APPEAL
4	0-0	10/13/2017	ltett	REXT BY GS - 08/23/2017
5	1-1	07/31/2017	srsco	LAND OK
6	0-0	02/28/2017	srsco	CBOE BOARD YEAR 2017, PROTEST YEAR 2017/18 - UPHELD
7	0-0	02/23/2017	lzimm	UPDATE CBE DECISION
8	0-0	02/07/2017	lzimm	rescheduled CBE hearing
9	0-0	01/31/2017	mjach	CBE HEARING NOTICE
10	0-0	01/25/2017	sjack	Entering Date Scheduled

BCAQ - 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									
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2017 SBE	7,918,698	0	6,495,422	0	14,414,120	5,044,942	Taxable Value	18,494,181											
2016 FV	7,918,698	0	10,851,511	0	18,770,209	6,569,573	Exemption	0				Reopen	Code:						
2015 FV	7,918,698	0	10,850,955	0	18,769,653	6,569,379	FLAGS					Reappraisal							
2014 FV	7,918,698	0	10,826,988	0	18,745,686	6,560,990	Type		Value										
2013 FV	7,918,698	0	11,139,509	0	19,058,207	6,670,372	Cap Code	NFM											
2012 FV	7,918,698	0	11,300,638	0	19,219,336	6,726,767	Eligible for Form?	NO				NC / C	New Land	New Sketch					
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2008 FV	17,305,609	0	12,027,326	0	29,332,935	10,266,527													
BUILDING DETAILS				BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY							
Code		Description		Category		Units		Code	Description		Yr Blt	Units	Cost New	Tot Lump Sum Adj					
Type	COMM	Commercial/Industr		Units		1		GBA	GBA - GROSS BUILDING AREA			205,916		Sub Area-RCN 11,333,616					
Occupancy	720	Mega Warehouse		No of Stories		1			Base Cost			205,916	6,243,373	% Incomplete 0					
Story/Frame	C	MSNRY BRNG ~		Quality Class		2.5			Exterior Walls			205,916	3,490,276	% Depreciation 24.00					
Quality	0	Commercial		Avg Wall Height/Floor		20			Heating & Cooling			205,916	1,599,967	\$ Dep & Inc 2,720,068					
Year Built	WAY	%Comp	Year of Addn/Remodel	Shape(M&S) 1= SQ 4= Very		1								Obso/Other Adj. 0					
2003	2003	100												Sub Area DRC 8,613,548					
BUILDING CHARACTERISTICS														Additive DRC 0					
Category	Code	Type	%											Total DRC 8,613,548					
Ext. Wall	812	CONCRETE BLK	100											Override					
Heating Type	611	PACKAGE UNIT	100											Cost Code 89502					
				Base Rate Adjustment		Adj.								PROPERTY CHARACTERISTICS					
														Water Sewer Street Municipal Municipal Paved					
				Construction Modifiers		Adj.								BUILDING NOTES					
#	Bld	Date	User ID	Activity Notes															
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
LAND VALUE DOR Code 400 Neighborhood 1728.17 BCAQ - Commercial Land Size 22.4430 Unit Type AC																			
#	Code	Description				Zone	Units	Unit Type	Sub Type	Unit Price	Influence 1 Code	%	Influence 2 Code	%	Taxable Value	Land Notes			
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WAL-MART

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06/28/2018	BLD18-10696	WATER	4,000	Assgn	0	07/23/18 GS Assgn	Assigned Based On
01/23/2018	BLD18-00737	REMODEL;	116,000	Compl	100	05/09/18 GS Compl	NVC
12/20/2017	SGN18-04472	SIGN;	1200	Compl	0	05/30/18 EB Compl	NVC
11/27/2017	BLD18-04521	WATER	500	Compl	100	05/02/18 GS Compl	NVC
08/21/2017	BLD18-01129	REMODEL;	22029	Compl	0	05/30/18 EB Compl	NVC

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
WAL-MART STORES INC	2811670	02/26/2003	140	3NTT			

#	Bld	Date	User ID	Activity Notes

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		

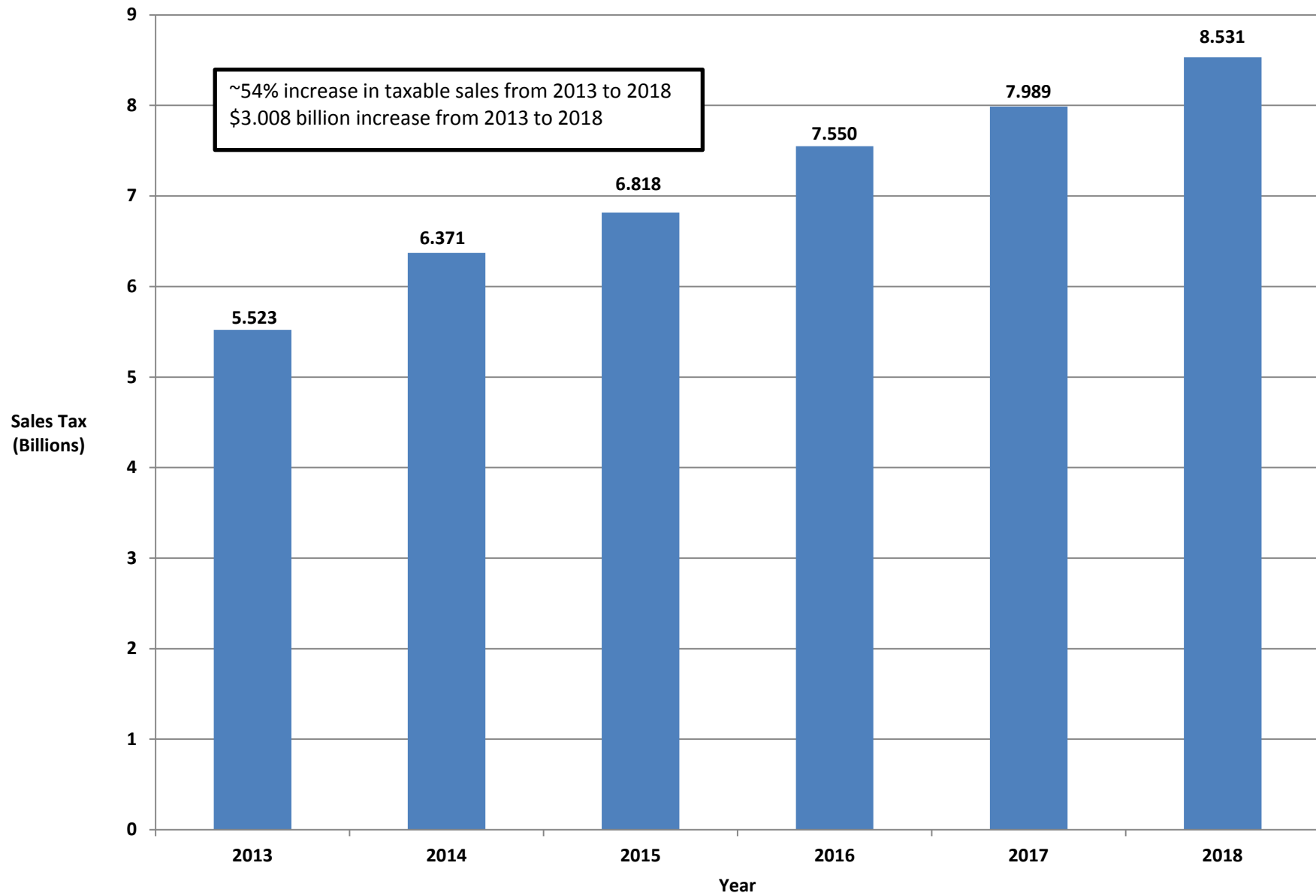
Grocery Store Rent Survey

#	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		

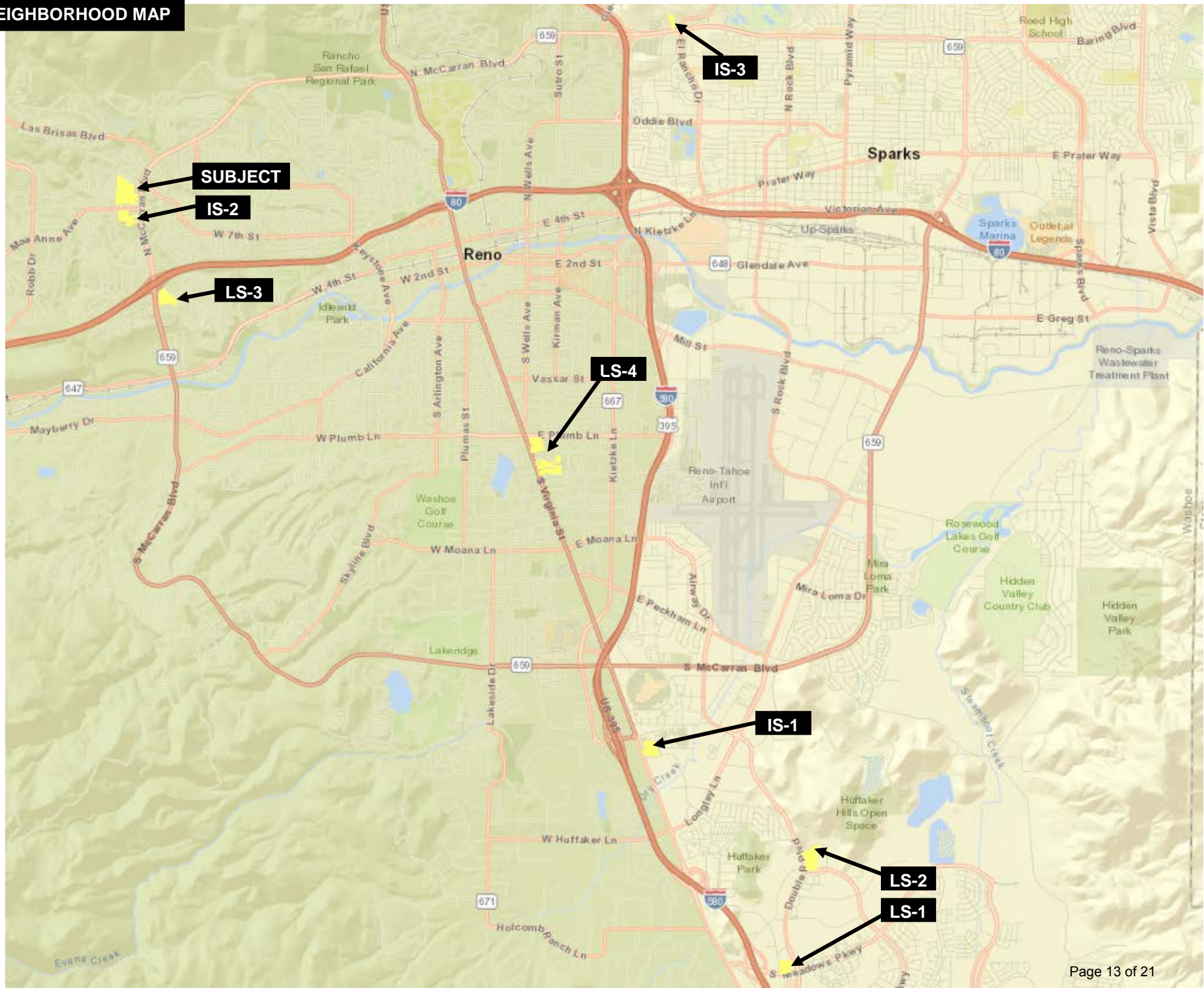
RETAIL CAPITALIZATION RATE CHART

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

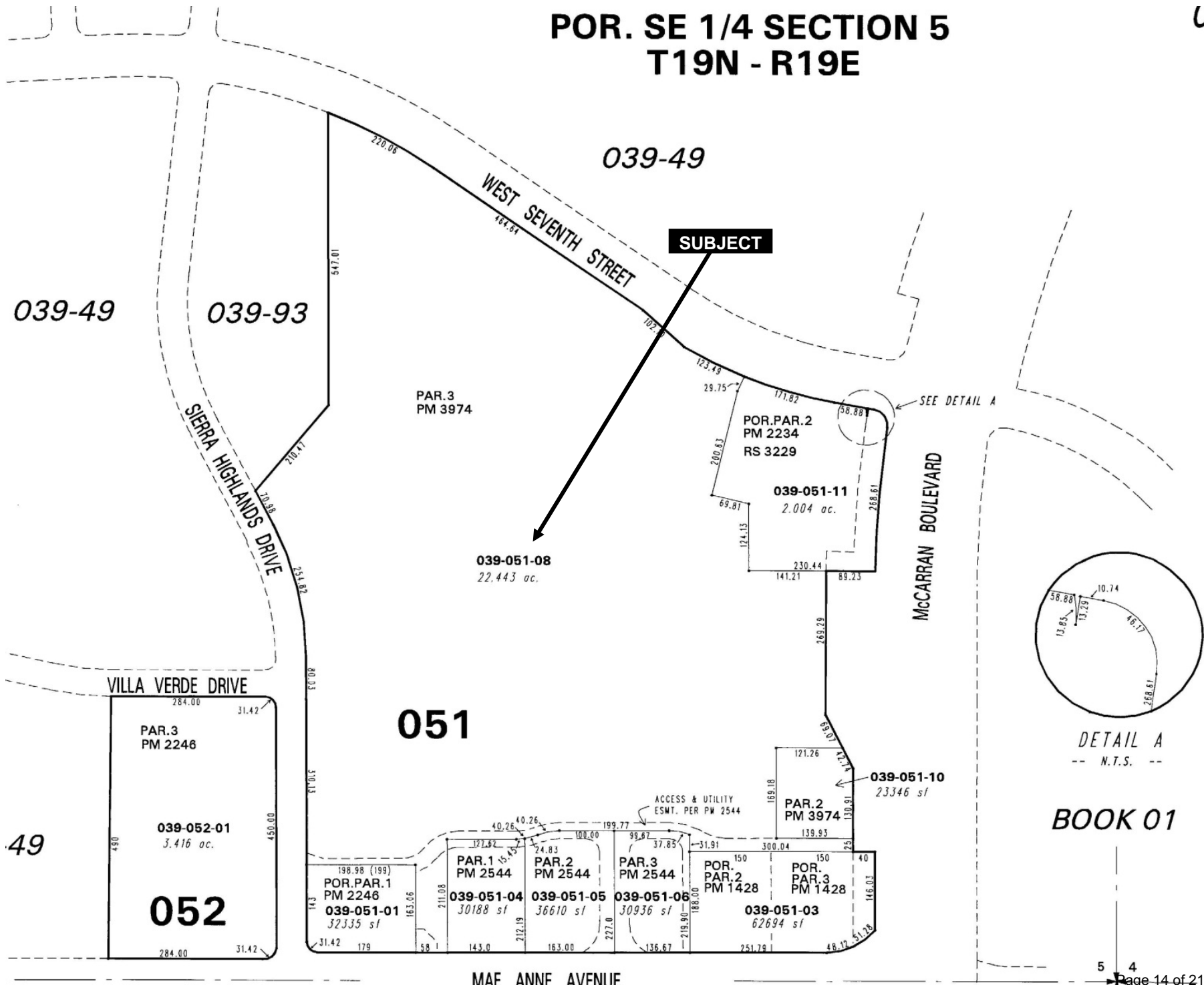


NEIGHBORHOOD MAP



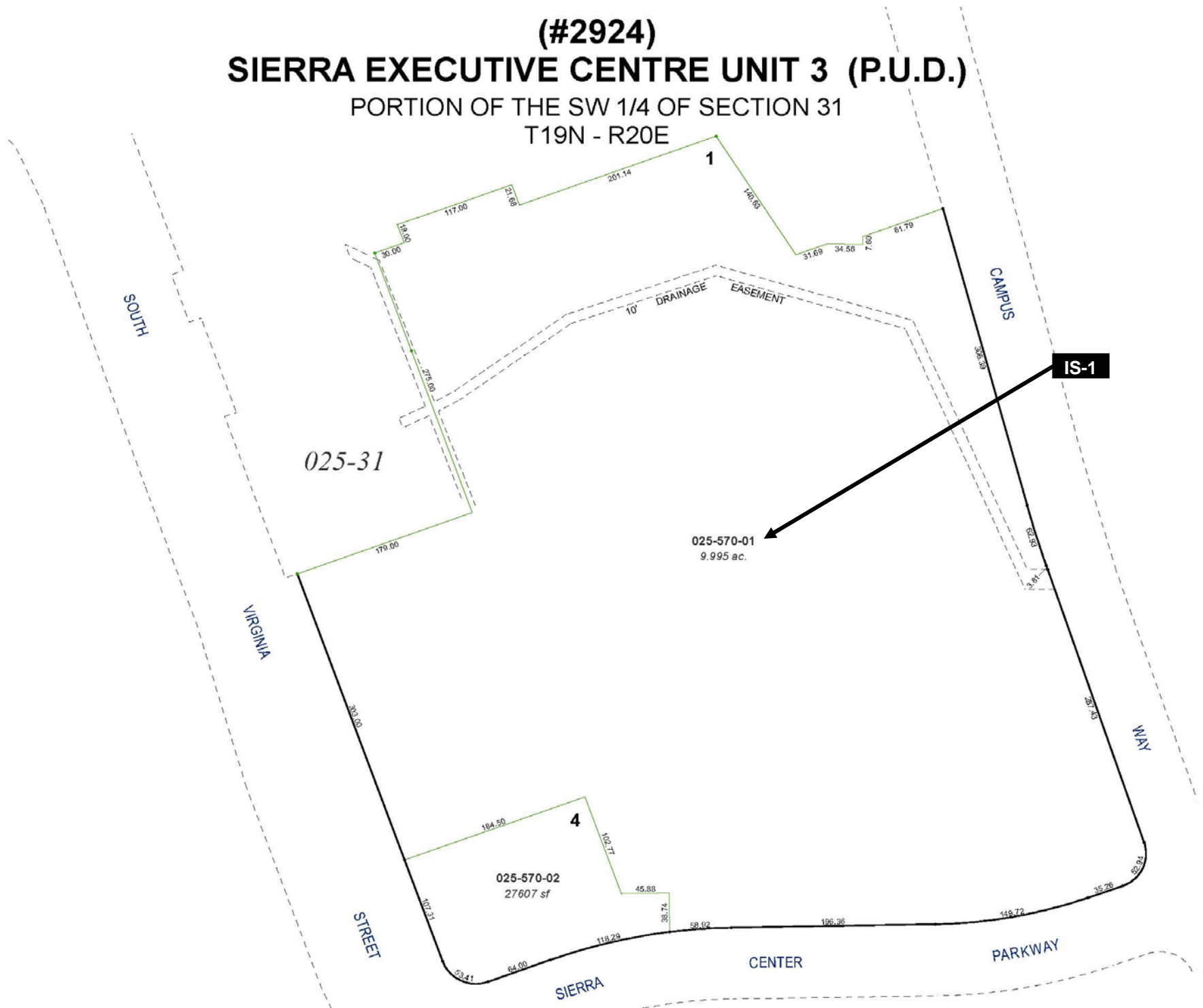
POR. SE 1/4 SECTION 5 T19N - R19E

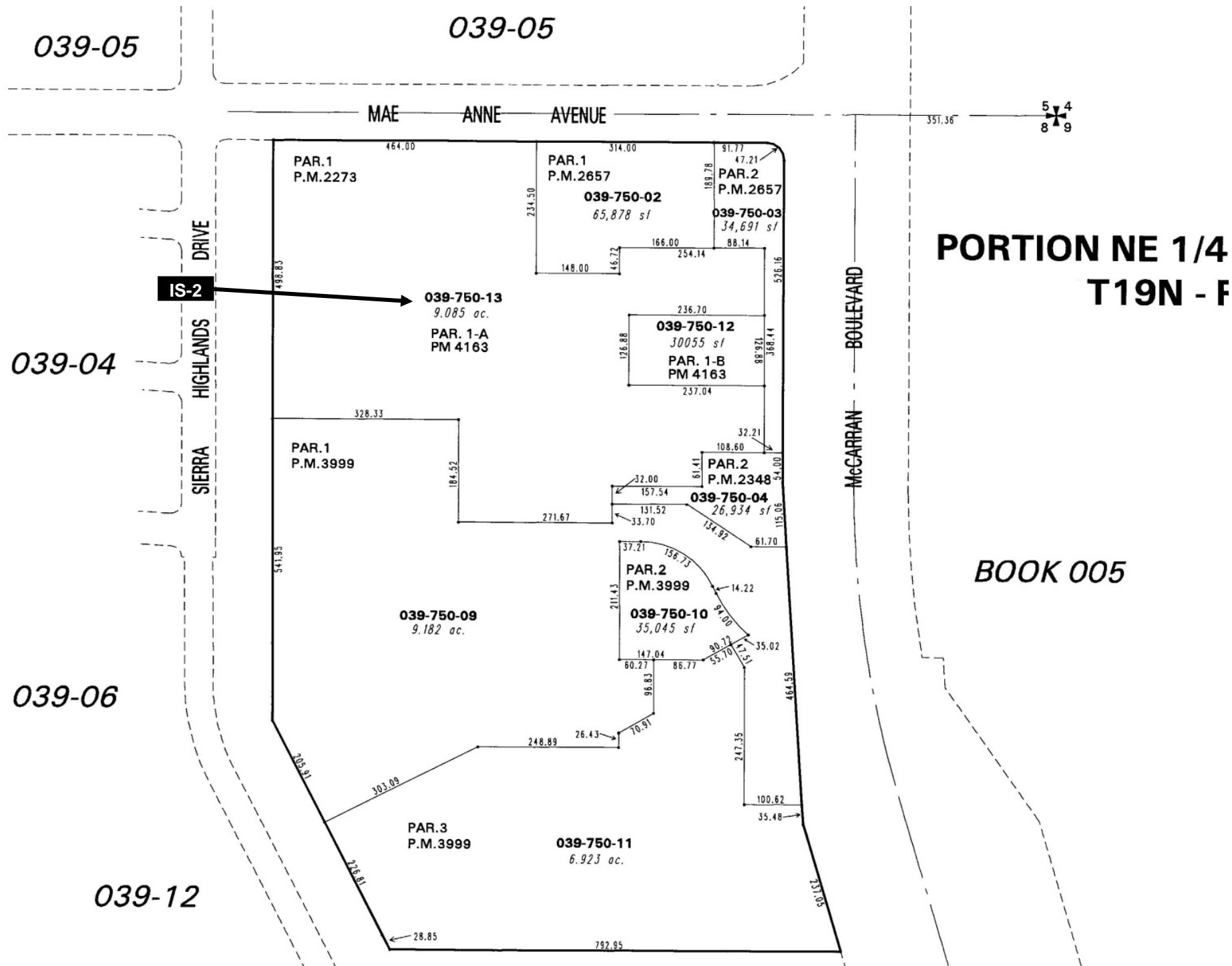
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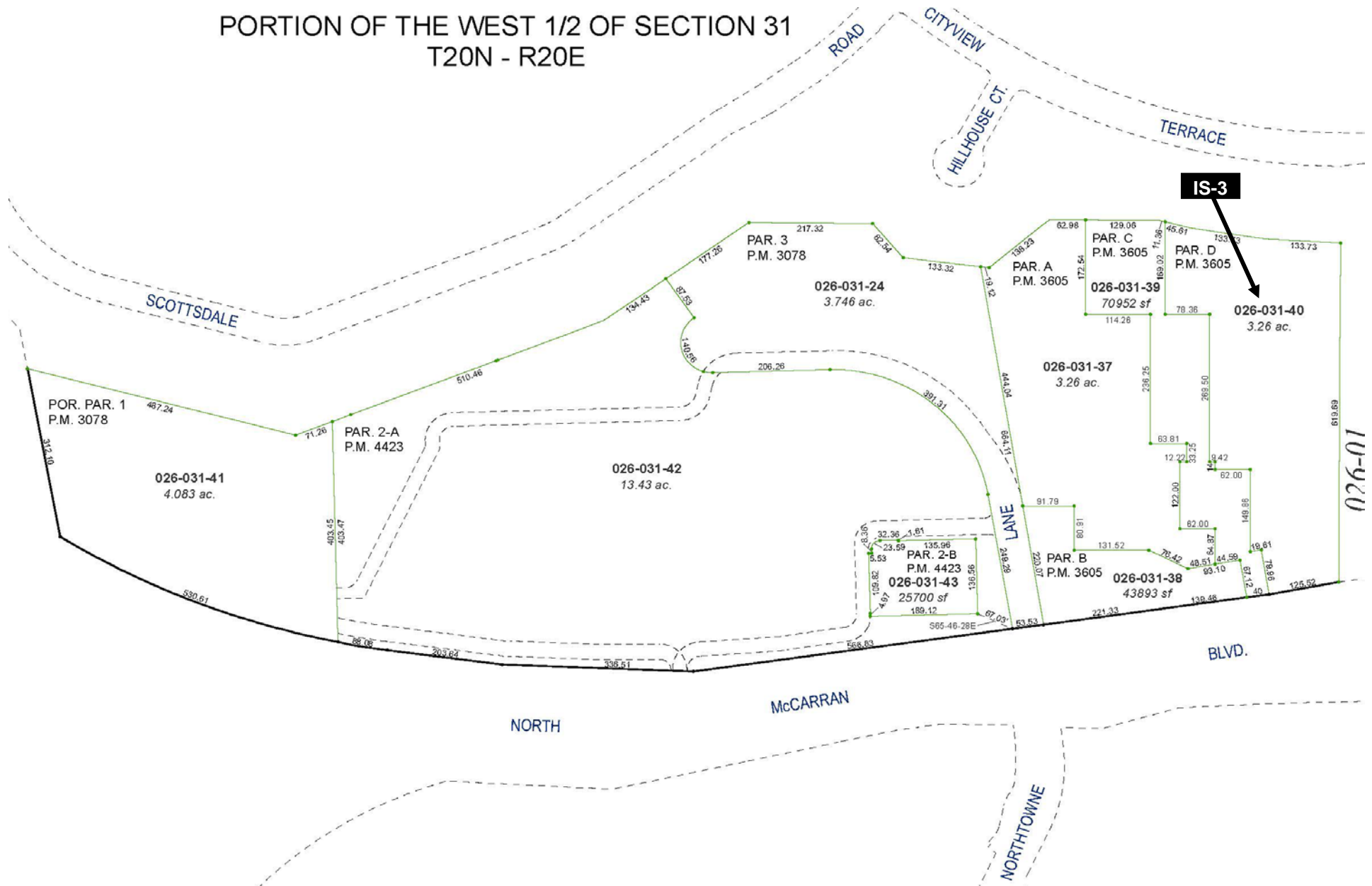
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SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)

PORTION OF THE SW 1/4 OF SECTION 31
T19N - R20E





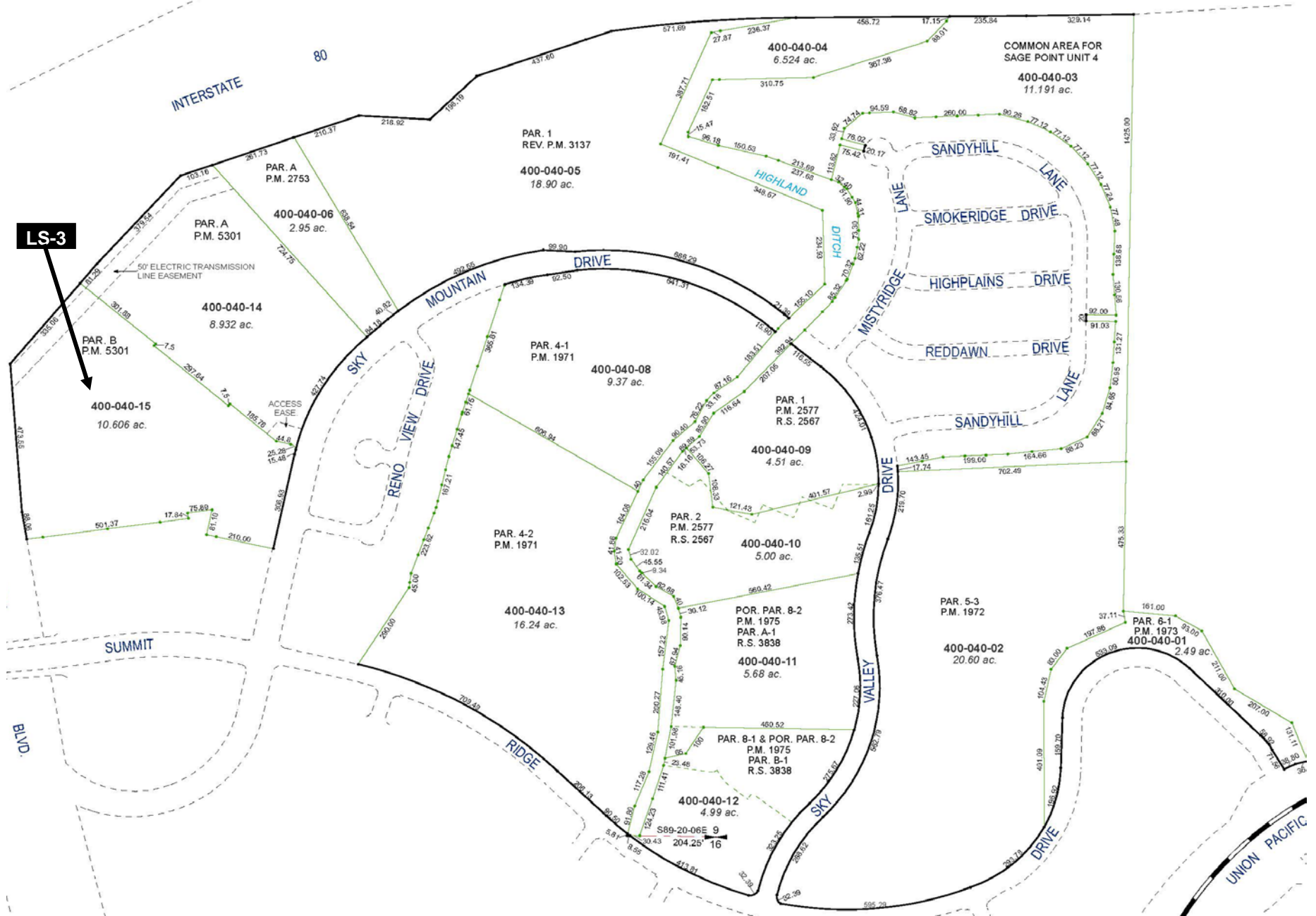
PORTION OF THE WEST 1/2 OF SECTION 31 T20N - R20E



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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



PORTION OF N 1/2 SECT
T19N - R19E

