

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # **19-0069**
Hearing Date **2/27/2019**
Tax Year **2019/20**

APN: 160-791-03

Owner of Record: SOUTHTOWNE CROSSING LLC

Property Address: 155 DAMONTE RANCH PKWY

Property Type: MEGA WAREHOUSE DISCOUNT STORE 100%

Gross Building Area: 205,285

Year Built: 2001

Parcel Size: 19.70 Acre

Description / Location: The subject consists of a Walmart Supercenter located north of Damonte Ranch Parkway between South Virginia Street and Interstate 580 in South Reno.

2019/20 Taxable Value:

Land:	\$6,900,780
Improvements:	\$10,379,864
Total:	<u>\$17,280,644</u>
Taxable Value / SF	\$84.18

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 \$22,200,000 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
22 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE
LAND:	\$6,900,780	\$2,415,273	\$/SF GBA
IMPROVEMENTS:	\$10,379,864	\$3,632,952	\$84.18
TOTAL:	\$17,280,644	\$6,048,225	
			TAXABLE
			\$/SF Land
			\$8.04

HEARING:	19-0069
DATE:	2/27/2019
TIME:	
TAX YEAR:	2019/2020

OWNER: SOUTHTOWNE CROSSING LLC

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	160-791-03	155 DAMONTE RANCH PKWY	100%	205,285	Masonry		205,285	2001	858,306				
		MEGA WAREHOUSE DISCOUNT STORE		205,285	Concrete Block	C25		20'	24% MUSV				

IMPROVED SALES													
IS-1	025-570-01	6590 S VIRGINIA ST	100%	102,832	Con.Tilt	1.5	102,832	1993	435,382	\$14,975,000*	\$145.63	\$982,800	\$933,660
		Home Depot	Discount WH Store						24% MUSV	4/26/2018		NA	5.84%
IS-2	039-750-13	5150 MAE ANNE AVE	100%	94,213	Con. Blk	2.0	94,213	1990	395,742	\$9,350,000	\$99.24	\$656,250	\$636,250
		Kohls	Discount Store						23% AC	9/12/2017 1SVR		NA	6.80%
IS-3	026-031-40	2950 NORTHTOWNE LN	100%	30,240	Con. Blk	1.5	30,240	2000	142,006	\$3,050,000*	\$100.86	NA	NA
		Lee's Discount Liquor	Discount Store						21% AC	9/7/2018		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 commerical 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 center, vision center, hair salon, nail salon, juice shop, tire/lube center and Burger King) it is considered superior to IS-2's second generation department store use. Additionally, there is a 3 island, 12 pump gas station adjacent to South Virginia Street. 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 (205,285 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 north of Damonte Ranch Parkway between South Virginia Street and Interstate 580. This Wal-Mart serves a large residential area that includes Pleasant Valley, Mount Rose Highway/Geiger Grade neighborhoods, Arrowcreek, South Meadows, and Double Diamond. The Damonte Ranch/South Virginia intersection is one of the main commercial nodes in South Reno with many pad and inline retail businesses. A Kohl's department store is located across Damonte Ranch Parkway from the subject. This area is experiencing significant growth with several apartment and residential subdivisions being constructed. The subject enjoys excellent visibility from South Virginia Street and Interstate 580 and is less than a quarter of a mile from the Damonte On/Off ramp with I-580. 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 33% downward adjustment is applied to the subject's base \$12/SF for size. The subject's taxable land value of \$8.04/SF is supported by the comparable land sales.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING: 19-0069
		\$6,900,780	\$2,415,273	\$/SF GBA	DATE: 02/27/19
	IMPROVEMENTS:	\$10,379,864	\$3,632,952	\$84.18	TIME:
	TOTAL:	\$17,280,644	\$6,048,225		TAX YEAR: 2019/20
APN: 160-791-03				TAXABLE	
OWNER: SOUTHTOWNE CROSSING LLC				\$/SF Land	
				\$8.04	

Income Approach

Potential Gross Income	205,285 sq ft. @	/mo =	\$0	
Grocery Store	45,200 sq ft. @	\$0.85 /mo =	\$38,420	
Retail Store	160,085 sq ft. @	\$0.55 /mo =	\$88,047	
			<u>\$126,467</u>	
	x 12 months =		<u>12</u>	
			\$1,517,601	
- Vacancy & Collection loss		0%	<u>\$0</u>	
= Effective Gross Income			\$1,517,601	
- Operating Expenses		5%	<u>\$75,880.05</u>	
=Net Operating Income			\$1,441,721	
Divided by Overall Capitalization Rate		6.50%		
			\$22,180,322	
			Rounded	\$108 /sf GBA

Subject Income Information: The subject is a Wal-Mart Supercenter located in South Reno. Wal-Mart leases the parcel from Southtowne Crossing LLC on a ground lease. The petitioner did not provide any information regarding the ground lease, 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 ~45,200 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 reserves for replacement and miscellaneous expenses incurred by the owner.

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 \$22,180,322 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.

WASHOE COUNTY APPRAISAL RECORD

2019

APN: 160-791-03

SOUTHTOWNE CROSSING

Tax District: 1000

printed: 02/11/2019

ACTIVE

3985.17

ECFQ - Commercial



BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
06/12/2018	BLD18-09340	FIRE	136,940	Submt	100	01/09/19 KJ Submt	100% 19/20
05/21/2018	BLD18-08054	PALLET	10,000	Compl	0	07/11/18 EB Compl	NVC
04/18/2018	SGN18-08018	SIGN;	25,000	Compl	0	07/11/18 EB Compl	NVC
04/05/2018	BLD18-06085	REMODEL;	500,000	Compl	100	06/11/18 KJ Compl	
02/26/2018	BLD18-06999	WATER	4000	Compl	100	06/13/18 KJ Compl	
02/16/2018	BLD18-06752	DAMAGE	4000	Compl	100	06/13/18 KJ Compl	
02/01/2018	BLD18-05141	REMODEL;	116000	Compl	100	06/13/18 KJ Compl	

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
SOUTHTOWNE CROSSING	2491981	10/18/2000	140	3NTT			INC LETTER PER ERNIE/BOE

#	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	10/24/2017	rdalt	REXT BY KMJ - 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

Situs & Keyline Description:
155 DAMONTE RANCH PKWY RENO
PM 3708
LT 1

Owner & Mailing Address:
SOUTHTOWNE CROSSING LLC
PO BOX 8050
BENTONVILLE, AR 72712

WASHOE COUNTY APPRAISAL RECORD 2019

APN: 160-791-03

Card 2 of 3
Bld. 1-1



SOUTHTOWNE CROSSING

Tax District: 1000

printed: 02/11/2019

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ECFQ - 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	6,900,780	0	10,379,864	0	17,280,644	6,048,225	Building Value	8,550,920								
2018 FV	6,866,448	0	10,346,552	0	17,213,000	6,024,550	Extra Feature Value	1,828,944								
2017 SBE	6,866,448	0	7,503,502	0	14,369,950	5,029,483	Land Value	6,900,780								
2016 FV	6,866,448	0	10,676,127	0	17,542,575	6,139,901	Taxable Value	17,280,644								
2015 FV	6,866,448	0	10,666,654	0	17,533,102	6,136,586	Exemption	0			Reopen	Code:				
2014 FV	6,866,448	0	10,590,119	0	17,456,567	6,109,798	FLAGS				Reappraisal					
2013 FV	6,866,448	0	10,911,835	0	17,778,283	6,222,399	Type	Value								
2012 FV	6,866,448	0	11,065,914	0	17,932,362	6,276,327	Cap Code	NFM								
2011 FV	6,866,448	0	11,528,478	0	18,394,926	6,438,224	Eligible for Form?	NO								
2010 FV	7,209,800	0	11,405,080	0	18,614,880	6,515,208	Low Cap Percentage	0								
2009 FV	7,295,635	0	11,511,209	0	18,806,844	6,582,395	Parcel Map	3708								
2008 FV	8,583,100	0	11,680,873	0	20,263,973	7,092,390										
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	0					
Occupancy	600	Miscellaneous								Sub Area-RCN	250,474					
Story/Frame	0	NONE								% Incomplete	0					
Quality	40	Good								% Depreciation	27.00					
										\$ Dep & Inc	67,628					
Year Built	WAY	%Comp	Year of Addn/Remodel							Obso/Other Adj.	0					
2001	2001	100								Sub Area DRC	182,846					
BUILDING CHARACTERISTICS										Additive DRC	1,828,944					
Category	Code	Type	%							Total DRC	2,011,790					
										Override						
										Cost Code	89502					
				Base Rate Adjustment				Adj.								
				Construction Modifiers				Adj.								
								Gross Living/Building Area		0						
								Perimeter		0						
#	Bld	Date	User ID	Activity Notes												
1	0-0	11/20/2018	eladouceu	REXT BY KMJ - 09/19/2018												
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	PIPD	PIPE WORK DISP/PROD	30	1-1	0	0	20	1,537.00	2002		100	30,740	74.5	22,901		BELONGS TO GAS STATION
20	PIPT	PIPE WORK / TANK	30	1-1	0	0	3	1,003.00	2002		100	3,009	74.5	2,242		BELONGS TO GAS STATION
21	PMP5	1/3 HP SUB PUMP	30	1-1	0	0	2	1,758.00	2002		100	3,516	74.5	2,619		BELONGS TO GAS STATION
22	TNKM	LEAK-MONITORING SYS	30	1-1	0	0	1	5,926.00	2002		100	5,926	74.5	4,415		BELONGS TO GAS STATION
23	TOTL	TOTALIZER PER HOSE	30	1-1	0	0	12	2,276.00	2002		100	27,312	74.5	20,347		BELONGS TO GAS STATION
24	TUF1	5,000 PG DOUBLE WALL	30	1-1	0	0	3	37,300.00	2002		100	111,900	74.5	83,366		BELONGS TO GAS STATION
LAND VALUE		DOR Code	400	Neighborhood	3985.17 ECFQ - Commercial			Land Size		19.7040		Unit Type		AC		
#	Code	Description	Zone	Units	Unit Type	Sub Type	Unit Price	Influence 1 Code	%	Influence 2 Code	%	Taxable Value	Land Notes			

WASHOE COUNTY APPRAISAL RECORD

2019

SOUTHTOWNE CROSSING

Tax District: 1000

printed: 02/11/2019

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APN: 160-791-03



3985.17

ECFQ - Commercial



160-791-03 05/22/2016

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04/05/2018	BLD18-06085	REMODEL;	500,000	Compl	100	06/11/18 KJ Compl	
02/26/2018	BLD18-06999	WATER	4000	Compl	100	06/13/18 KJ Compl	
02/16/2018	BLD18-06752	DAMAGE	4000	Compl	100	06/13/18 KJ Compl	
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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

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2019

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SOUTHTOWNE CROSSING	2491981	10/18/2000	140	3NTT			INC LETTER PER ERNIE/BOE

#	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 T1 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		

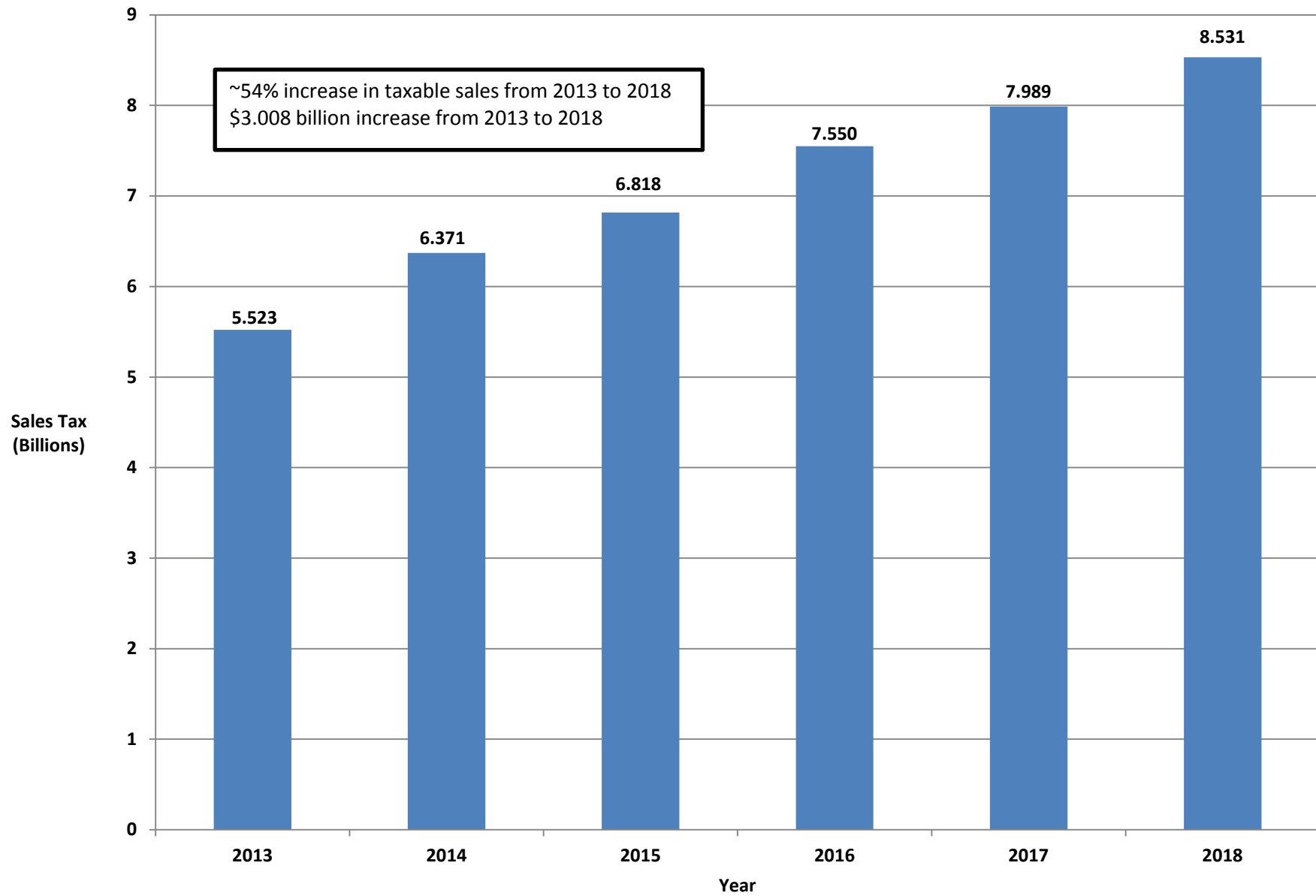
Grocery Store Rent Survey

#	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		

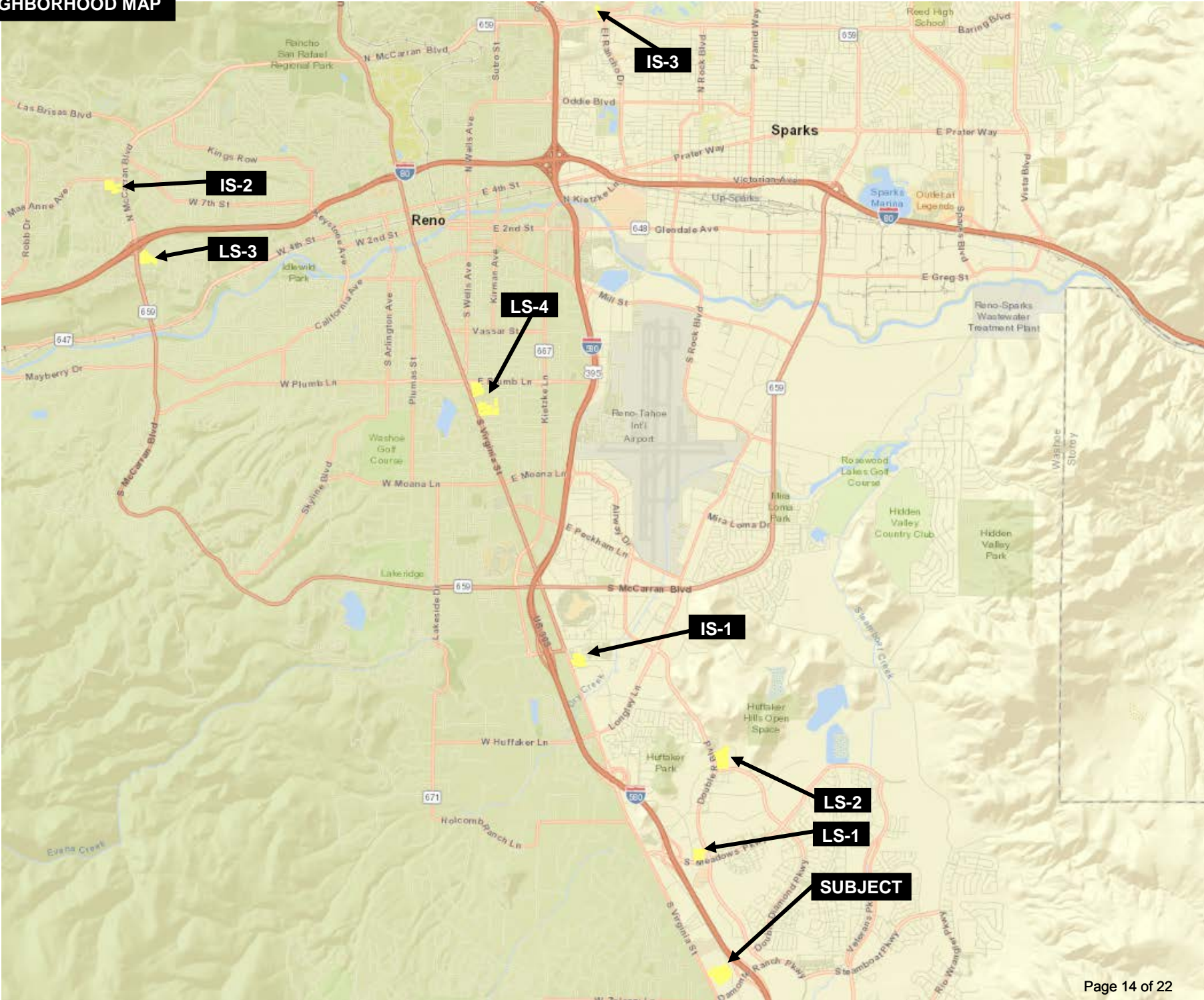
RETAIL CAPITALIZATION RATE CHART

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%

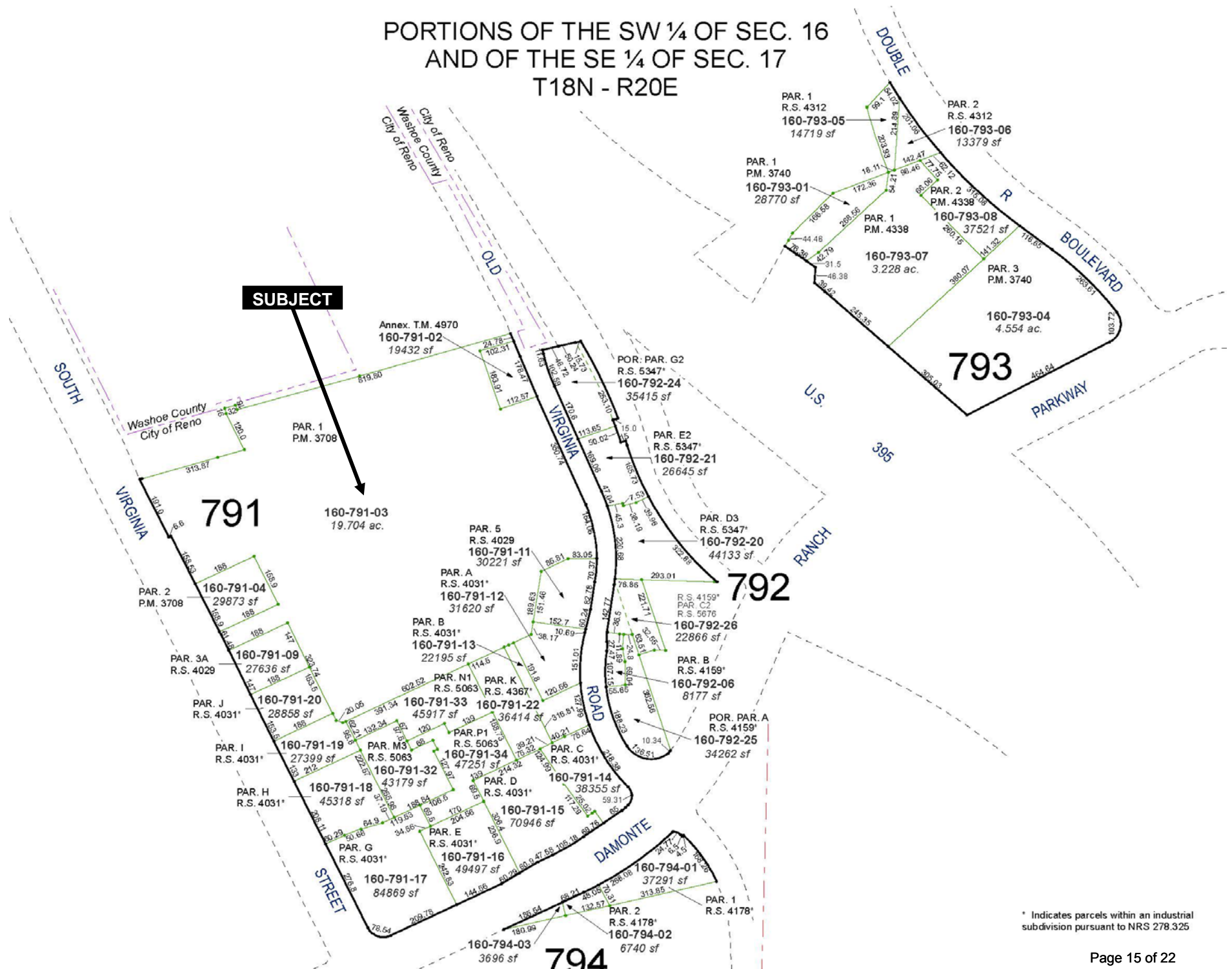
Annual Washoe County Sales & Use Tax



NEIGHBORHOOD MAP

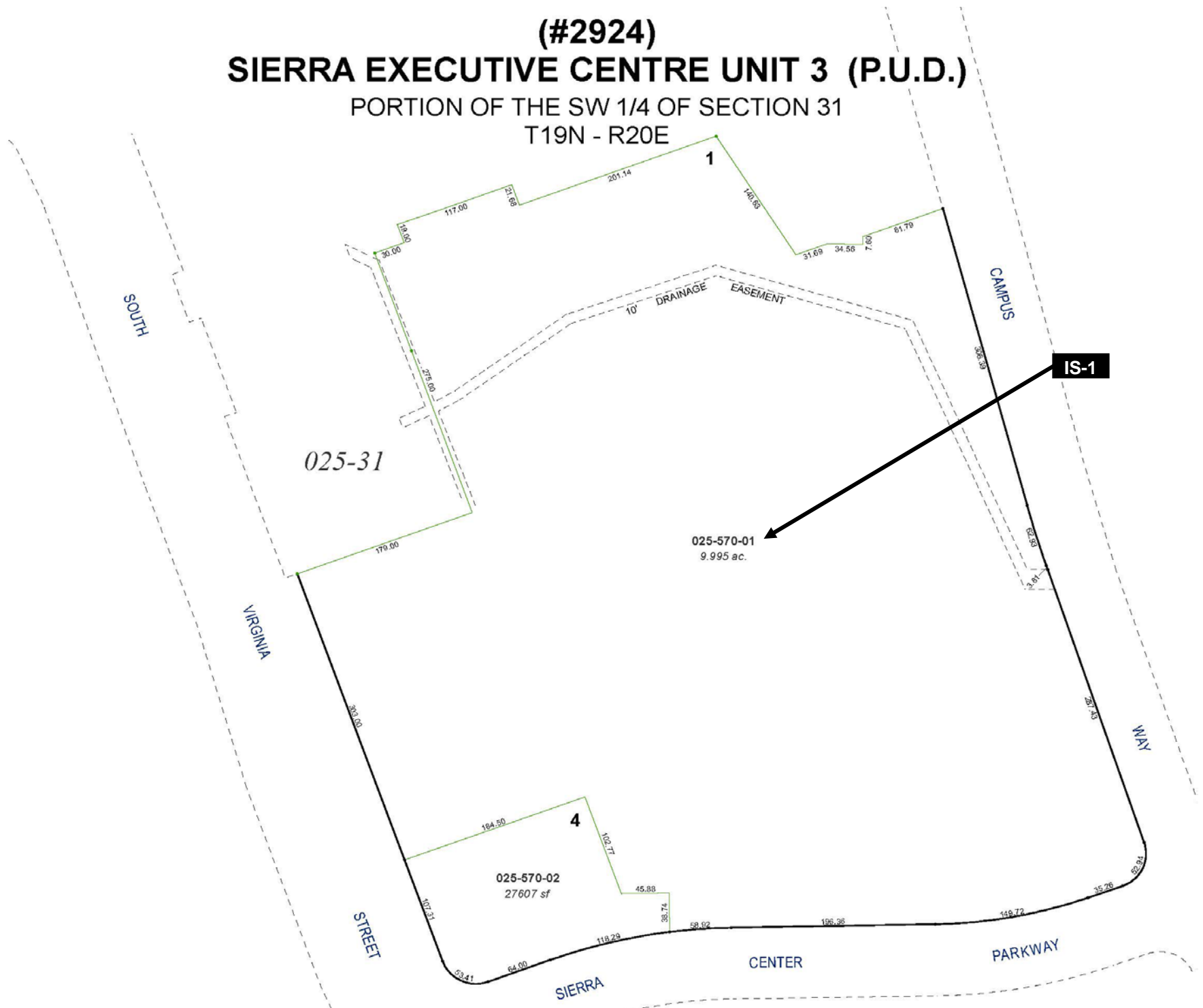


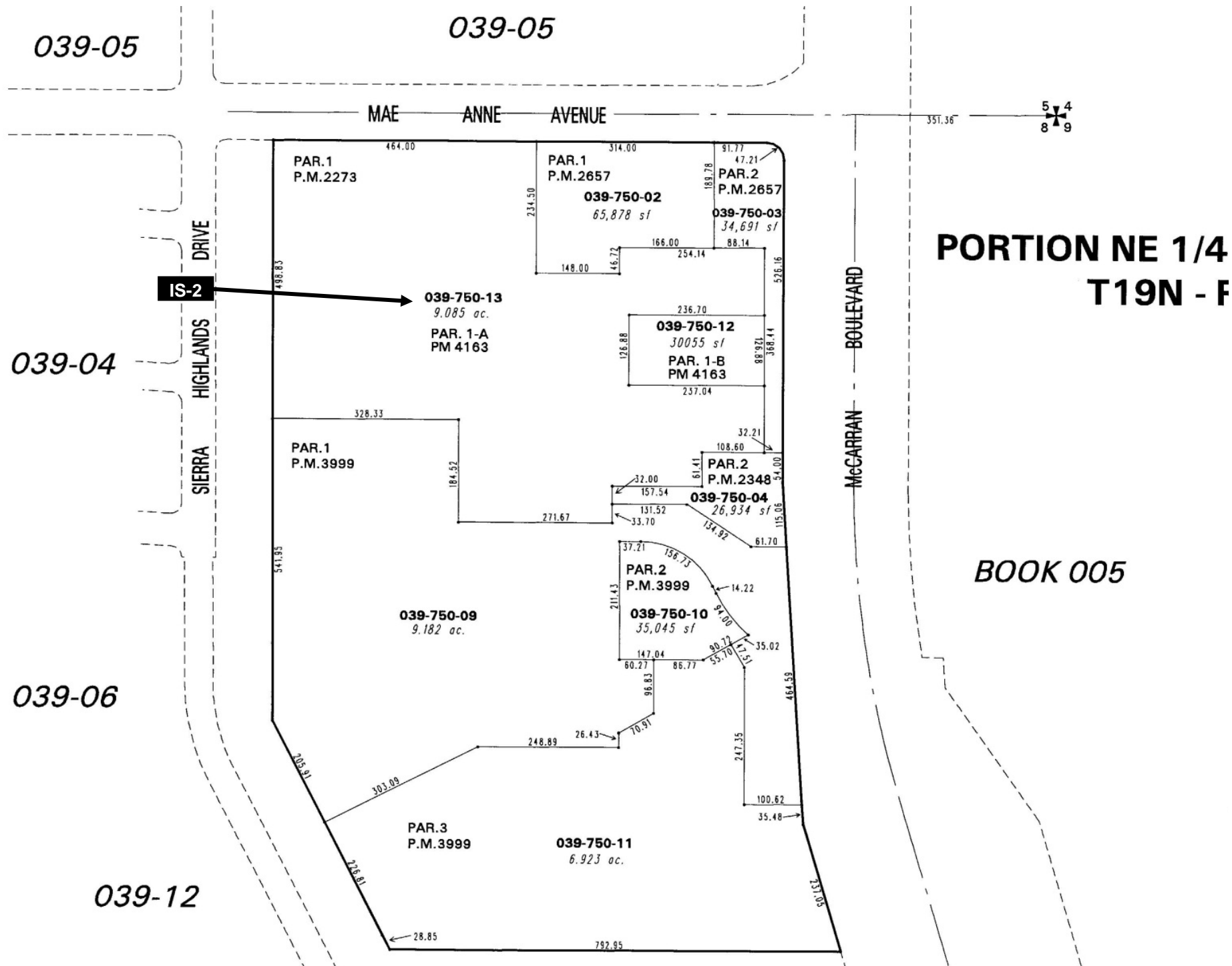
PORTIONS OF THE SW ¼ OF SEC. 16
AND OF THE SE ¼ OF SEC. 17
T18N - R20E



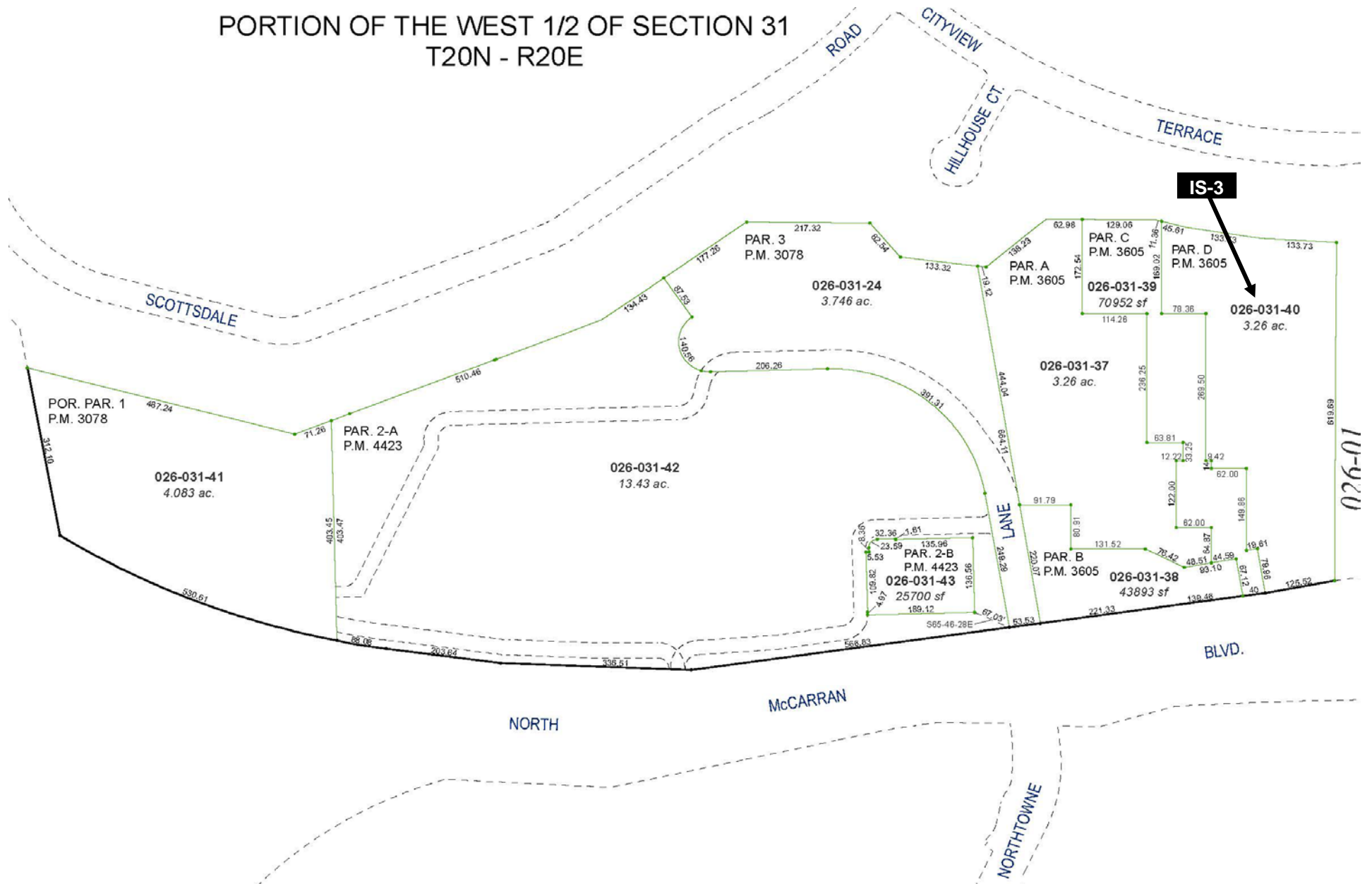
(#2924)
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)

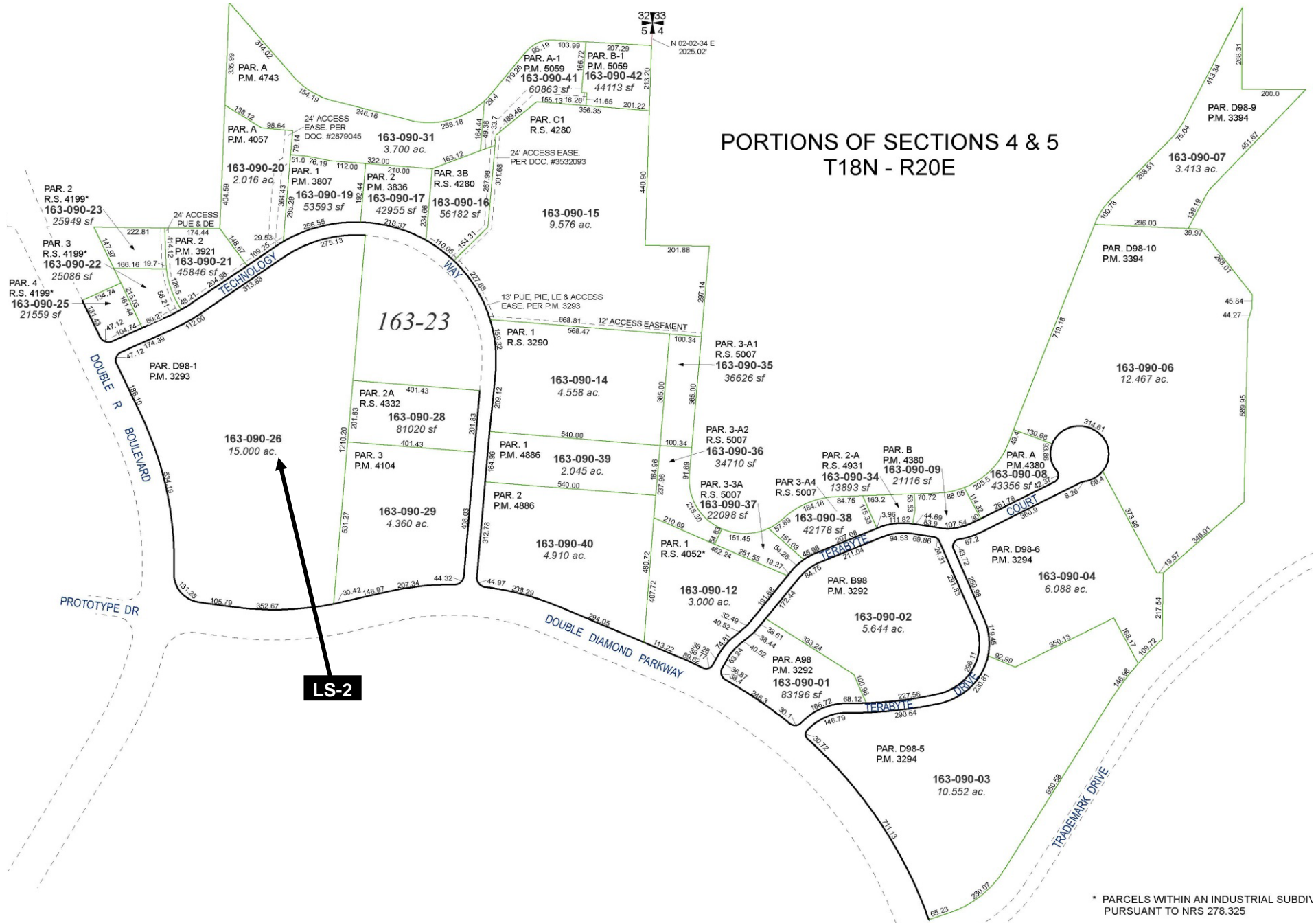
PORTION OF THE SW 1/4 OF SECTION 31
T19N - R20E





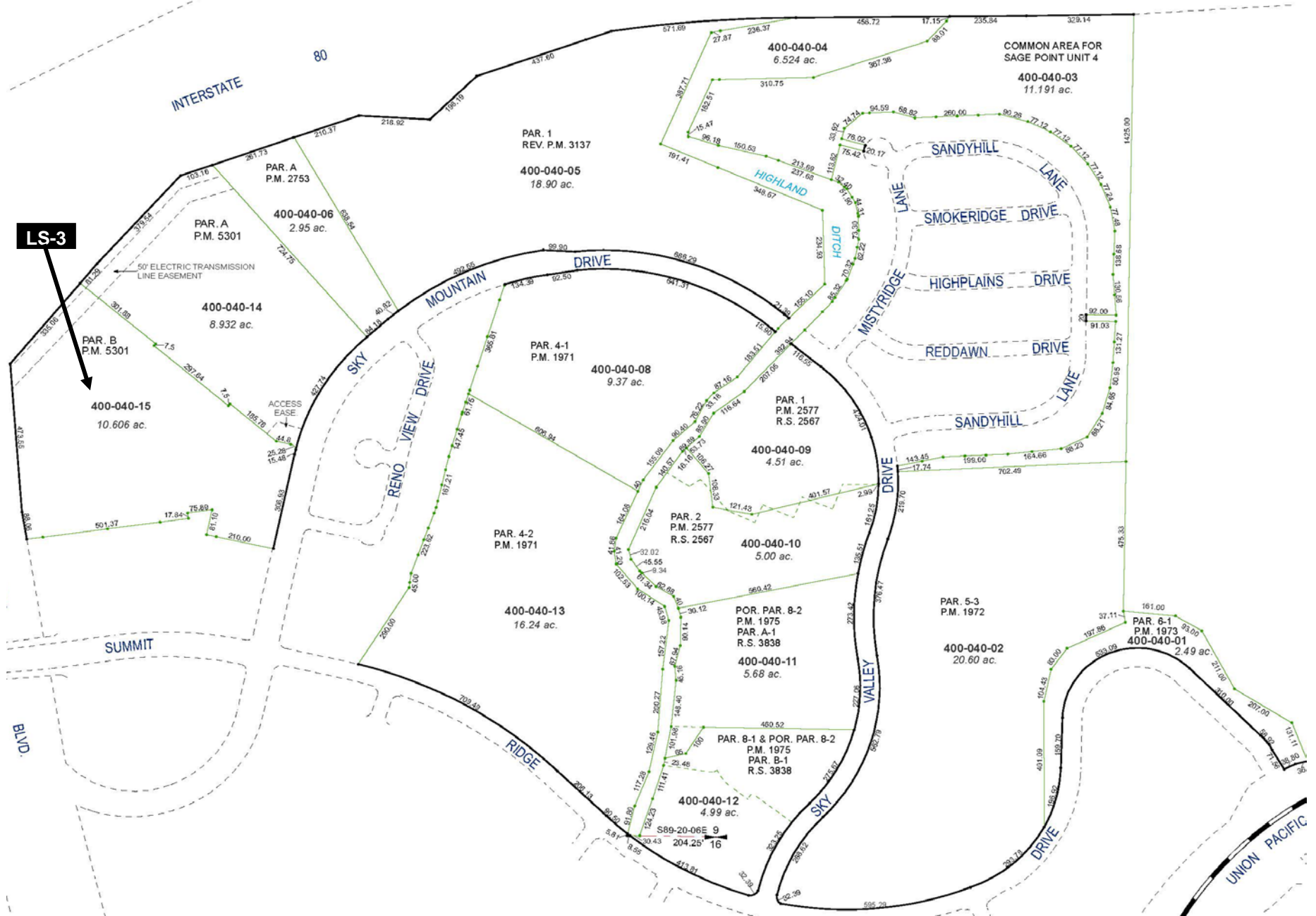
PORTION OF THE WEST 1/2 OF SECTION 31 T20N - R20E





* PARCELS WITHIN AN INDUSTRIAL SUBDIV
PURSUANT TO NRS 278.325

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



PORTION OF HILLBRA (UNOFFICIAL RECORD OF SURVI

PORTION OF N 1/2 SECT
T19N - R19E

