

**ASSESSOR'S**

**EVIDENCE**

# Washoe County Board of Equalization

## Appeal Summary Page - Secured Roll

Hearing # 21-0062  
Hearing Date 2/8/2021  
Tax Year 2021

APN: 037-400-13

Owner of Record: COX FAMILY LLC

Property Address: 425 SPARKS BLVD

Property Type: RESTAURANT 100%

Gross Building Area: 8,554

Year Built: 2006

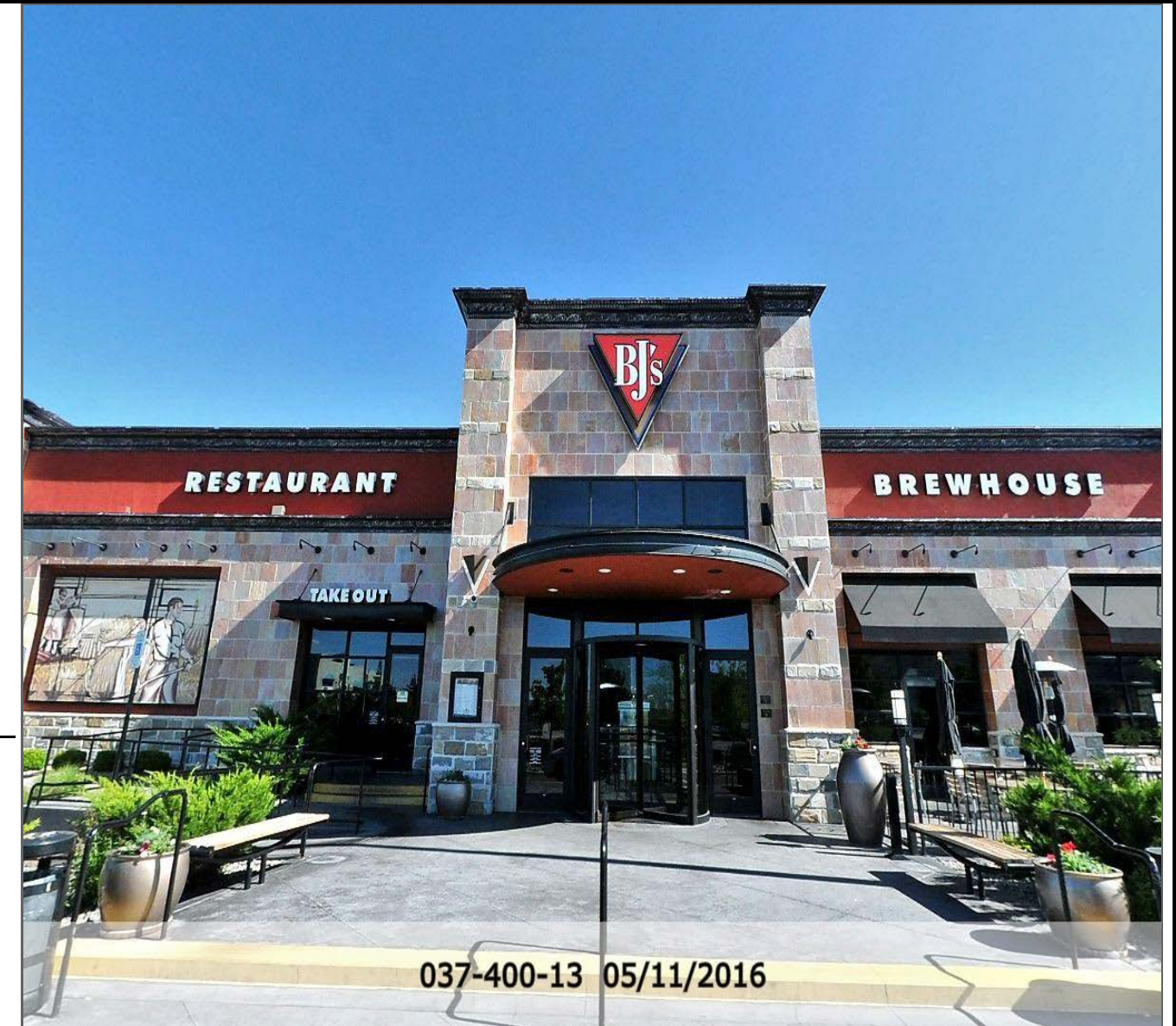
Parcel Size: 60,399 SF

Description / Location: Subject property is a BJ's Restaurant in the Legends shopping center. It is located on the NE corner of Lincoln Way and Sparks Blvd.

2021/22 Taxable Value:	Land:	\$996,584
	Improvements:	\$1,350,234
	Total:	\$2,346,818
	Taxable Value / SF:	\$274

Sales Comparison Approach:	Indicated Value:	\$2,600,000
	Indicated Value/SF:	\$304

Income Approach	Indicated Value:	\$2,530,000
	Indicated Value/SF:	\$296



Conclusions: The sales comparison analysis is reconciled to \$2,600,000 or \$304/SF and the income analysis results in a value of \$2,530,000 or \$296/SF. Note that the significant personal property value of the restaurant/brewery operations is not included in the valuation results. Both the sales and income results are greater than the current total taxable value of \$2,346,818 or \$274/SF. Consequently, it is recommended that the total taxable value be upheld.

RECOMMENDATION: Uphold X Reduce

## COMMERCIAL / INDUSTRIAL

## WASHOE COUNTY BOARD OF EQUALIZATION

		<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>	<b>HEARING:</b> 21-0062
<b>LAND:</b>		\$996,584	\$348,804	<b>\$/SF GBA</b>	<b>DATE:</b> 2/8/2021
<b>IMPROVEMENTS:</b>		\$1,350,234	\$472,582	\$274.35	
<b>TOTAL:</b>		\$2,346,818	\$821,386		<b>TAX YEAR:</b> 2021
<b>OWNER:</b> COX FAMILY LLC				<b>TAXABLE</b>	
				<b>\$/SF Land</b>	
				\$16.50	

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	PERSONAL PROPERTY	NOI OAR
1	037-400-13	425 SPARKS BLVD RESTAURANT	100%	8,554 8,554	WD/STL FRAME STUD WALLS - STUCCO	C30		2006 17	60,399 14% NUD				

IMPROVED SALES												
IS-1	024-020-20	3645 S VIRGINIA ST RESTAURANT	100%	6,090	WD/STL FRAME STUD WALLS - STUCCO	C25	1997	76,923	\$1,766,500	\$290.07	\$150,000	
				6,090			12	8% CC	8/27/2019	Est. PP		
IS-2	014-135-09	1555 S WELLS AVE RESTAURANT	100%	6,198	MASONRY WALL  BRICK W/ BLOCK 80% STUD WALL 20%	C30	1970	21,000	\$1,980,000	\$319.46	\$220,000	
				6,198			12	30% CC	1/30/2020	Est. PP		
IS-3	400-130-08	9620 S MCCARRAN BLVD RESTAURANT	100%	3,136	WD/STL FRAME STUD WALLS - STUCCO ON WIRE OR SHEAT 95%/ 5% BRICK VENEER	C25	2017	59,098	\$1,125,000	\$358.74	\$75,000	
				3,136			15	5% MUW4	5/28/2020	Acutal PP		
IS-4	400-140-04	9570 S MCCARRAN BLVD NBC SHOPPING	100%	14,920	WD/STL FRAME STUD WALLS - STUCCO ON WIRE OR SHEAT 80%/ 20% STONE	C25	2000	82,590	\$3,450,000	\$231.23	\$0	
				14,920			12	18% MUW4	2/25/2020	No PP allocated		

LAND SALES										
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	\$/sf	Tax/Unit	Zoning	Comments	
1	037-421-05, -06	1050 SCHEELS DR	1/29/2020	\$2,122,761	64,593	\$32.86		\$11.00 NUD	parcels were combined shortly after purchase; marina trail on east end of property reduces building area; parking lot improvements are constructed on adjacent parcel and likely contributed to sale pricelegends / 7951: \$50,357 (-05) + \$47,404 (-06) = \$97,761; sp \$2,025,000 + sp assmnt \$97,761 = adj sp \$2,122,761	
2	037-400-08	1440 E LINCOLN	11/24/2020	\$1,525,297	63,554	\$24.00		\$15.00 NUD	Sale of 1.459AC lot. Site currently has parking lot, but buyer intends to remove improvements and build a new bank on the site.	
3	025-300-28, -29	6250 S VIRGINA ST	2/15/2019	\$1,425,000	59,727	\$23.86		\$8.05 MUCC	2-parcel sale of both 025-300-28 and 025-300-29 located across from the whole foods shopping center near the neil rd and s virginia st intersection. the total land size is 59,272 sf, i.e. 1.36 ac. the resulted sale price per sf is \$24.04. the property is listed for lease by nai alliance as multi-tenant development for a proposed 7800 sf bldg. about 2800 sf is already taken by a fast food restaurant.	
4	019-360-24	3127 S VIRGINIA ST	1/21/2020	\$1,100,000	46,910	\$23.45		\$12.35 MUSV	costar notes: the property sold for \$23.38 per square foot. the property was in escrow fro 30 days. this was an all cash transaction. the proposed use is a gas station or possibly to expand the parking lot for the hotel across the street.	

## COMMENTS:

The subject property is a BJ's restaurant located in the Legends shopping center. BJ's is a national chain which owns and operates 210 casual dining restaurants in 29 states. BJ's currently leases the property on a ground lease, but lease terms were not disclosed to the Assessor's Office.

IS-1 Outback Steakhouse. The quality class and location are inferior the subject, however, the property is comparable in terms of use and building-type. The property was 100% leased at time of sale and sold for \$1,916,500 on 8/27/2019. The adjusted sales price, after accounting for the personal property value, is \$1,766,500 or \$290/SF. While a downward adjustment is necessary for building size, the subject's premier location is superior. Based on the subject's superior location, IS-1 is considered a low indicator of value.

IS-2 Rapscaillon. IS-2 is a local seafood/steak house establishment. This property is similar in use to the subject and is in a high traffic location. The property was originally built in 1953. The Weighted Average Year is 1970, due to extensive interior remodels. The fine-dining nature of the interior finish is superior to the subject; however, the location is inferior to subject's Legends location. The property sold on 1/30/2020 for \$2,200,000 with a reported CAP rate of 10.65%. The adjusted sales price, after accounting for the personal property value, is \$1,980,000 or \$319/SF. IS-2 is considered a reasonable indicator of value for the subject.

IS-3 Vacant Restaurant. IS-3 is a free-standing restaurant/cafe with a finished parking lot. The property and building-type are similar to the subject and it has good access and visibility from S. McCarran Blvd. The property sold on 5/28/2020 for \$1,200,000. Personal property was reported to be valued at \$75,000. The adjusted sales price is \$1,125,000 or \$359/SF. Although the subject's location is superior, the small size of the building makes the \$359/SF a high indicator of value.

IS-4 Neighborhood Shopping. Monte Vista Village is a multi-tenant neighborhood shopping center. The building does have two restaurant tenants, Flowing Tide Pub and Anna's Mexican Grill. The property sold on 2/25/2020 for \$3,450,000 or \$231/SF. The relatively large building size, location, and multi-tenant occupancy result in a low indicator of value.

The improved sales range from \$231/SF to \$359/SF; however the subject value likely falls between IS-1 (\$290/SF) and IS-2 (\$319/SF). If equal weight is given to IS-1 and IS-2, a sale comparison approach to value of \$304/SF or \$2,600,000 (rounded) is supported. Note that this value does not include the Personal Property associated with the restaurant/brewery operation.

The land sales range from \$23.45/SF to \$32.86/SF for high traffic commercial lots with good visibility. The subject parcel measures 1.39 acres in size with most of the parking located on the subject parcel. The land sale at the top end of the range (LS-1) included use of a finished parking lot on an adjacent value, which is superior to the subject's condition. The subject's land value would fall at the low end of the range. The land sale data supports the subject's value of \$16.50/SF.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

		<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE \$/SF GBA</b>	<b>HEARING: 21-0062 DATE: 2/8/2021</b>
	<b>LAND:</b>	\$996,584	\$348,804		
	<b>IMPROVEMENTS:</b>	\$1,350,234	\$472,582	\$274.35	
	<b>TOTAL:</b>	\$2,346,818	\$821,386		<b>TAX YEAR: 2021</b>
<b>APN: 037-400-13</b>				<b>TAXABLE \$/SF Land</b>	
<b>OWNER: COX FAMILY LLC</b>				\$16.50	

Income Approach					
Potential Gross Income	8,554 sq ft. @	\$2.35 /mo =	\$20,102		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$20,102		
	x 12 months =		12		
			\$241,223		
- Vacancy & Collection loss		3%	\$7,237		
= Effective Gross Income			\$233,986		
- Operating Expenses		5%	\$11,699.31		
= Net Operating Income			\$222,287		
Divided by Overall Capitalization Rate		8.00%	\$2,778,585		
		Less PP	\$250,000		
			\$2,528,585		
				Rounded	\$296 /sf GBA

<b>Subject Income Information:</b> The building is 100% occupied by BJ's Restaurants Inc. on a ground lease. Income and Expense data was requested, but not provided.
<b>Potential Gross Income:</b> Results from local rent data indicate that market rents range from \$1.75 to \$3.90. \$2.35/SF was determined to be the appropriate rent for the subject. When applied to the gross building area; an annualized PGI of \$241,223 is indicated.
<b>Effective Gross Income:</b> While the property has no vacancy, a 3% vacancy/collection loss is applied to account for potential future losses. An EGI of \$233,986 is indicated after vacancy and collection loss.
<b>Net Operating Income:</b> Ground lease types have minimal to no operating expenses. A 5% expense ratio is used to account for minor owner expenses.
<b>Capitalization Rate Analysis:</b> Properties reflecting strong real estate fundamentals in primary locations remain in high demand amongst institutional investors. The subject property is equivalent to a sought after investment that has been well maintained with a national credit tenant and situated at a premium location. Therefore, the overall investment risk is considered low. However, casual dining/sit-down restaurants have been heavily affected by the pandemic. This has resulted in higher than normal capitalization rates. Recent sales and listing data indicate an overall capitalization rate range of 5.75% to 10.65%. Properties on the lower end of the range tend to be smaller fast-food sites. These properties have smaller building areas and have been least impacted by the pandemic (drive thru locations). Casual dining/sit-down type restaurants with large building areas tend to be on the higher end of the range. 8% is a conservative estimate for this property.
<b>Indicated Value Income Approach:</b> The income approach to value is \$2,778,585, or \$324.83/SF. However, this result includes the Personal Property associated with the restaurant/brewery operation. Based on the personal property declaration submitted to the Assessor's Office, an adjustment of \$250,000 sufficiently accounts for the value of the personal property. After this adjustment, the indicated value for the real property is \$2,530,000 (rounded) or \$296/SF.
<b>Comments:</b> The taxable value of the subject value is supported by the income analysis. Full cash value does not exceed market.

### RESTAURANT/RETAIL CAPITALIZATION RATE CHART

APN	NBC	Location	Use %	GBA	Year Built	Land (SF) %Coverage Zoning	Sale Price Sale Date	NOI OAR	Notes
033-400-06 DIDQ		275 N McCarran Blvd Kentucky Fried Chicken	100 QSR	2,316	1984	23,552 100%	\$1,583,790 3/11/2020	\$83,149 5.25%	Listed on CoStar for 42 days with an asking price \$1,583,790. KFC agreed to a 15 year sale leaseback with 10% increase every five years.
085-060-12 CAAQ		4978 Sun Valley Blvd Taco Bell	100% QSR	2,496	1999	45,738 5% NC	\$2,239,300 3/18/2020	\$119,962 5.35%	Listed on CoStar for 46 days with an asking price of \$2,285,000. Good access and visibility from Sun Valley Boulevard
011-272-13 AJBQ		701 S Virginia St St. Lawrence Commons	100% Retail	7,807	1918	8,712 90% MUSV	\$2,800,000 2/20/2020	\$179,000 6.39%	Midtown multi-tenant building with food service and boutique store occupancy. Building was 87% occupied at time of sale. Cash purchase
040-162-13 OBGQ		7007 S Virginia St. Neighborhood Shopping	100% Retail	8,000	1991	20,909 38% MU	\$2,450,000 10/01/2019	\$157,625 6.50%	100% Occupied at time of purchase. Part of 1031 exchange for buyer. No listing broker found
014-135-09 ALAQ		1555 S. Wells Ave Rapsallion	100% Restaurant	6,198	1970	20,996 30% AC	\$2,200,000 1/30/202	\$234,300 10.65%	SLV and CoStar verified; Property was on market for 10+ months; Seller to do a sale-leaseback and continue with restaurant operation; Brokers used for both buyer and seller
<b>Listings</b>									
024-055-20		4999 Kietzke Ln. Red Robin	100% Restaurant	8,183	1994	41,588 20%	\$4,956,522	\$285,000 5.75%	NNN leased corporate red robin. 12 year term remaining. 4, 5yr renewal options through 2052. strong visibility and easy access
510-482-03		4712 Galleria Pkwy. Red Robin	100% Restaurant	6,347	2007	55,727 11%	\$3,125,000	\$250,000 8.00%	NNN lease. 12 yr term remaining. 4, 5-yr renewal options. Located in a popular retail destination

Median                      6.39%

### RESTAURANT RENTS

APN	Location	Tenant Description	Size Year Built	Lease Date Term (yrs.)	Base Rent	Lease Type CAM	Notes
032-134-12	1446 Victorian Avenue	Farah & Sons Bar	2,179 1960	2/2020 5	1.75	NNN None	Bar/grill on Victorian Square
011-192-08	516 S Virginia Street	Tacos+Tequila Restaurant	2,012 1930	1/2020 5	2.75	NNN None	New midtown restaurant; 3% annual escalations
033-152-17	593 E Prater Way	Firehouse Subs Restaurant	3,200 1992	2/22/2018 10	2.25	NNN None	Building has drive thru
<b>Contract Rents</b>							
024-055-20	4999 Kietzke Lane	Red Robin Restaurant	8,183 1994	NA 12 remaining	2.90	Ground None	Listing mentions that the lease was recently extended Rent equals \$23,766/month
510-482-03	4712 Galleria Parkway	Red Robin	6,347 2007	NA 12 remaining	3.28	Ground None	Listing mentions that the lease was recently extended Rent equals \$20,833/month

Median                      \$2.75



# Washoe County PRODUCTION APPRAISAL RECORD



APN: **037-400-13**

**2021**

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**ACTIVE**

Roll YR

Code

%Comp

Situs **425 SPARKS BLVD SPARKS** Database **WASHOE** NBHD **DIDQ** Appr **JGR** Exemption AV|Exemption  
 Owner **COX FAMILY LLC** Printed **1/25/2021** Commercial  
**7755 CENTER AVE STE 300 HUNTINGTON BEACH, CA 926** Tax District **2002**  
**47-3084** Property Name

Reopen			
Reappraisal			

Valuation History							Parcel Value Summary		OBSO	<input type="checkbox"/> Change <input type="checkbox"/> No Change	
Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD		NewLand	
2021 VN	996,584		1,350,234		2,346,818	821,386	Land Value	996,584			
2021 NR	996,584		1,350,234		2,346,818	821,386	Building Value	1,114,541			
2020 FV	996,584		1,385,249		2,381,833	833,642	XFOB Value	235,693			
2019 FV	930,145		1,330,358		2,260,503	791,176	Obsolescence	0		Parcel Total	
2018 FV	930,145		1,312,791		2,242,936	785,028	Taxable Value	2,346,818		New Const	<input type="checkbox"/> NC <input type="checkbox"/> C
2017 FV	930,145		1,336,349		2,266,494	793,273	Total Exemption			New Land	
2016 FV	930,145		1,368,813		2,298,958	804,635				Remainder	<input type="checkbox"/> New Sketch

Building Data														
1-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%	
Type	COMM	Commercial/Industria	BUILDING LEVEL			SHP	2	SLIGHTLY IRREGULAR	100					
Occ	350	Restaurant	Rate Adj			SP1C	8,554	Sprinkler System Generic - C	100					
Stry/Frm	D	WD/STL FRM ~ WOOD OR	Lump Sum			ST	1	No of Stories	100					
Quality	C30	Commercial 3.0 (Good				UT	1	Units	100					
Year Built	2006		PARCEL LEVEL			WH	17	Avg Wall Height/Floor	100					
WAY	2006		Lump Sum	0		EW	892	STUD WALLS - STUCCO ON WIRE	80					
Remodel Yr			%Obso	0.0000		EW	882	STUD WALLS - BRICK VENEER	20					
% Comp	100	%DPR 22.5				HEAT	611	PACKAGE UNIT	100					

Sub Area							Extra Features														
Code	Description	Yr Built	DPR Yr	Units	Price Per Unit	RCN	#	Code	Description	QC	BLDG #	Units	\$/Unit	Yr Built	Roll Year	%Comp	RCN	DRC	Override Value	Notes	
GBA	GROSS BUILDING A			8,554	168.12	1,438,117	1	CRBC	CONC CURB	30	1	850	14.35	2009		100	12,198	10,002			
							2	CRBC	CONC CURB	30	1	800	14.35	2010		100	11,480	9,586			
							3	CRBG	CURB & GUT	30	1	490	19.21	2010		100	9,413	7,860			
							4	FWAS	FW ASPHALT	30	1	21,900	2.61	2010		100	57,095	47,675			
							5	FWBO	FW BOMANIT	30	1	1,750	14.55	2010		100	25,459	21,258			
							6	FWCO	FW CONCRET	30	1	2,550	5.79	2010		100	14,773	12,336			
							7	MN	MANUAL *	30	1	1	58,257.08	2009		100	58,257	47,771		ENTRYLETTERS	
							8	PKL4	LT 24-2 FI	30	1	4	4,305.00	2009		100	17,220	14,120			
							9	PKLT	PKG LOT LI	30	1	21,900	0.66	2010		100	14,454	12,069			
Gross Bldg Area		8,554	Perimeter	410	Sub Area RCN		1,438,117	10	SG2S	SIGN PLAS	30	1	32	206.60	2010		100	6,611	5,520		
Building Notes				Building Cost Summary				11	TRS2	TRASH CO B	30	1	850	27.39	2010		100	23,282	19,440		
				Building RCN		1,438,117	12	YIMP	YARD IMPS	30	1	20	1,680.00	2010		100	33,600	28,056			
				Depreciation		323,576															
				Building DRC		1,114,541															
				Extra Feature DRC		235,693															
				Building Obso																	
Building Name				Total DRC		1,350,234															
				Override Value																	

Land Value: 1 Lines Total												Land Data		Property Characteristics		
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Size-Sf	60,399	Water	Municipal	
400	General Commercial: reta	NUD	60,399	SF5	15.00	CORN	110			996,584		Acre Size	1.387	Sewer	Municipal	
												DOR Code	400	Street	Paved	
												Deferment		SPC		
												CAGC				

# Washoe County PRODUCTION APPRAISAL RECORD

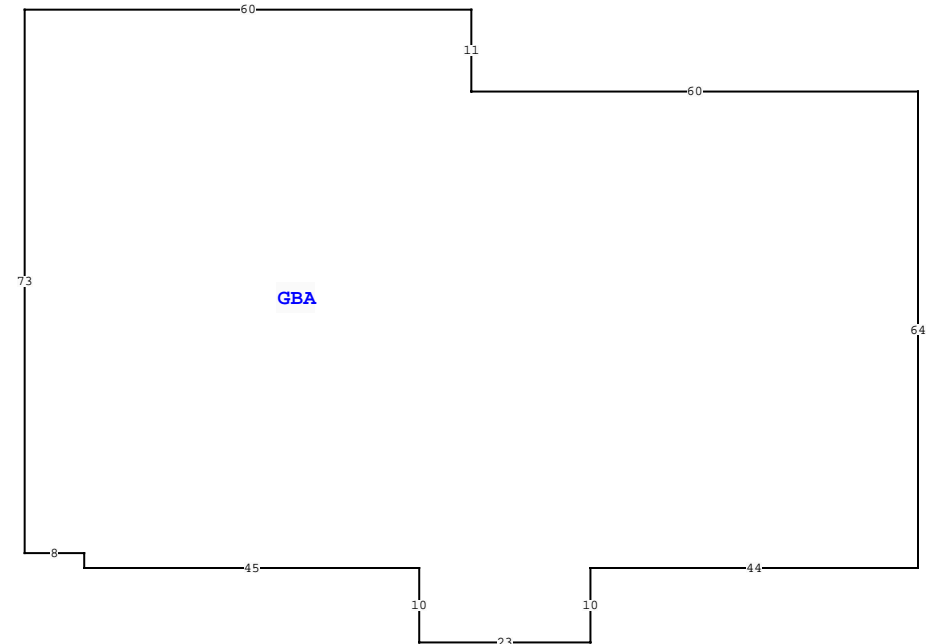
APN: **037-400-13**

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Owner **COX FAMILY LLC**  
Keyline Description **PM 4967 LT 2**

NBHD **DIDQ Commercial**

Appr **JGR**

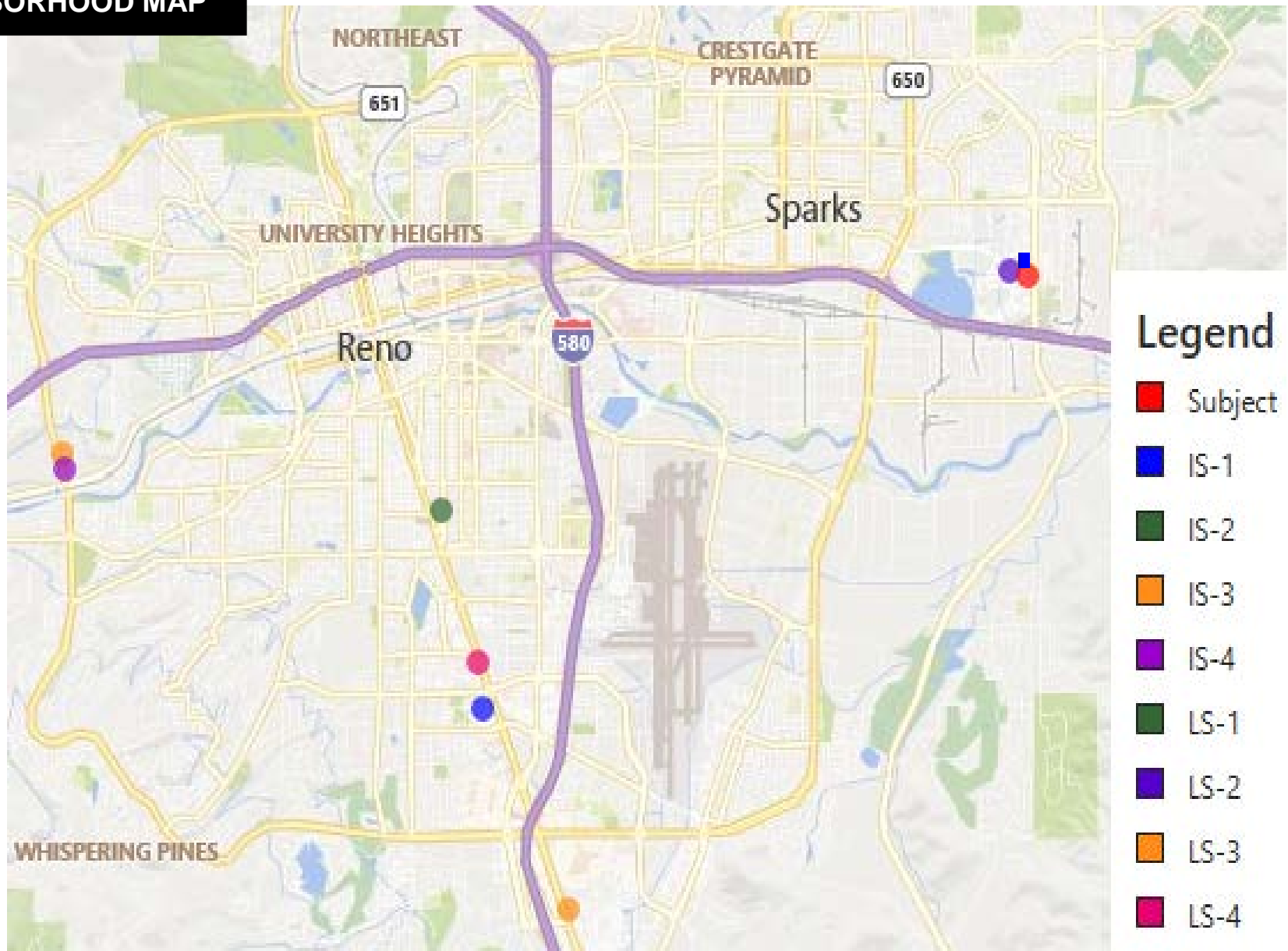


Activity Information						
Date	User ID	Activity Notes				
10/29/2020 3/15/2011	HNS PAO	Re-appraisal Review Permit Review Aerial Review				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
BJ`S RESTAURANTS INC,	3872905	4/20/2010	180	2,500,000	3BO	
SPARKS LEGENDS DEVELOPME	3872901	4/20/2010	180	1,350,000	1G	
SPARKS LEGENDS DEVELOPME	3716604	12/31/2008	140	0	3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
9/3/2010	A1001268	SIGN		C	100%	
7/2/2010	A1000771	FIRE SPRKLR		C	100%	
5/26/2010	A1000188	RESTAURANT		C	100%	
3/3/2010	Q1000005	SEE NOTES		C	100%	
3/3/2010	A1000194	SITE DEVEL		C	100%	

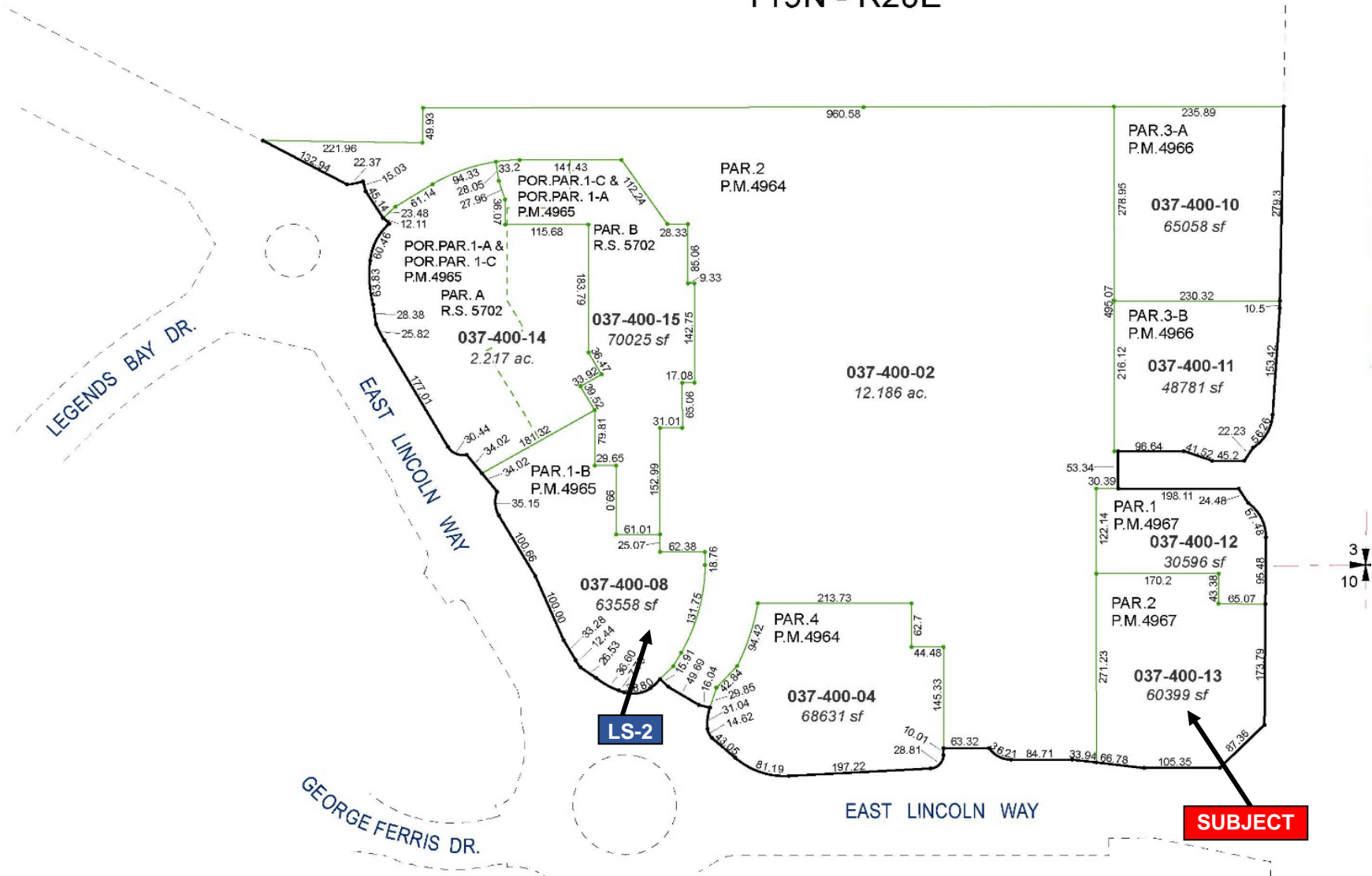
This information is for use by the Washoe County PRODUCTION Assessor for assessment purposes only.

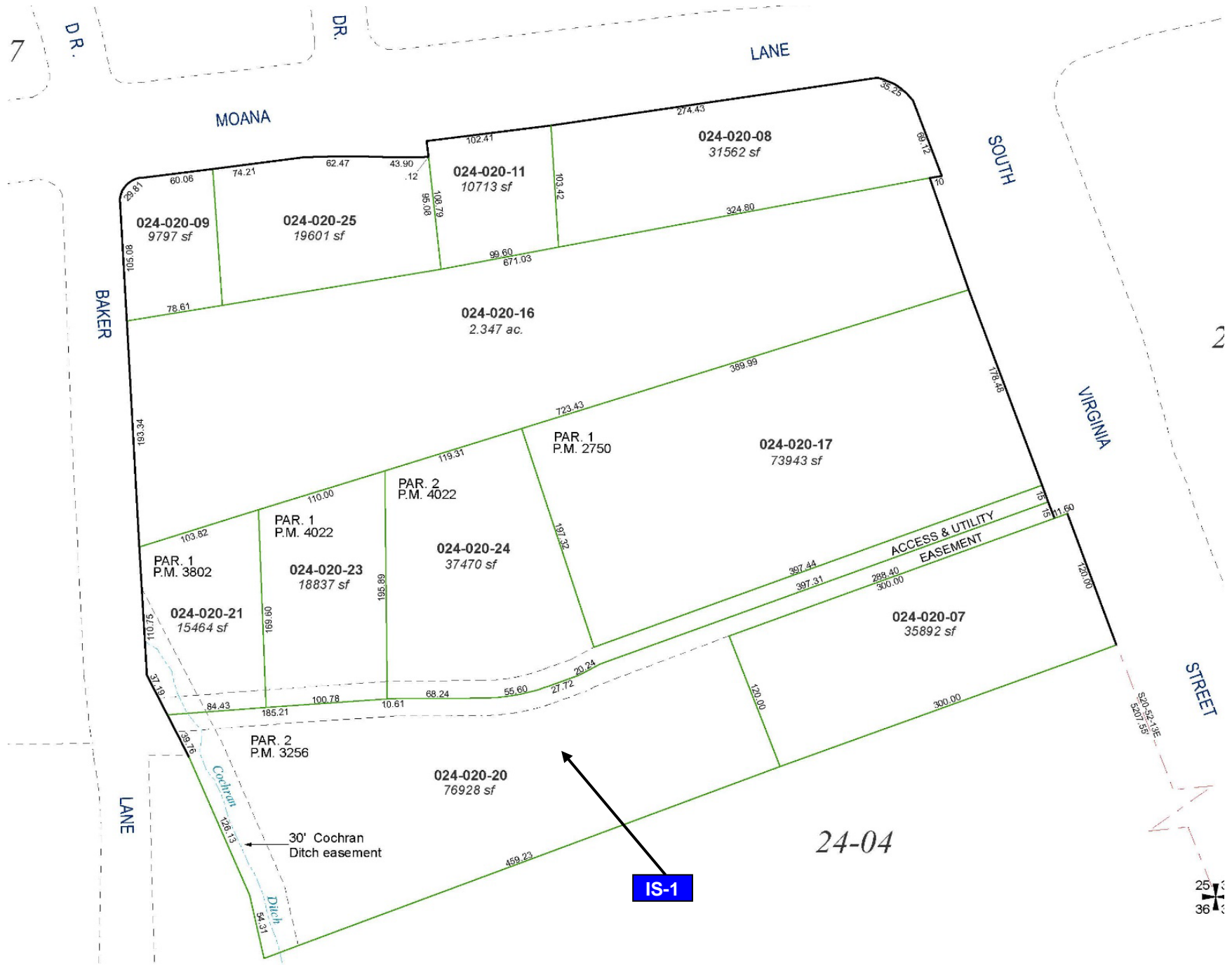


## NEIGHBORHOOD MAP

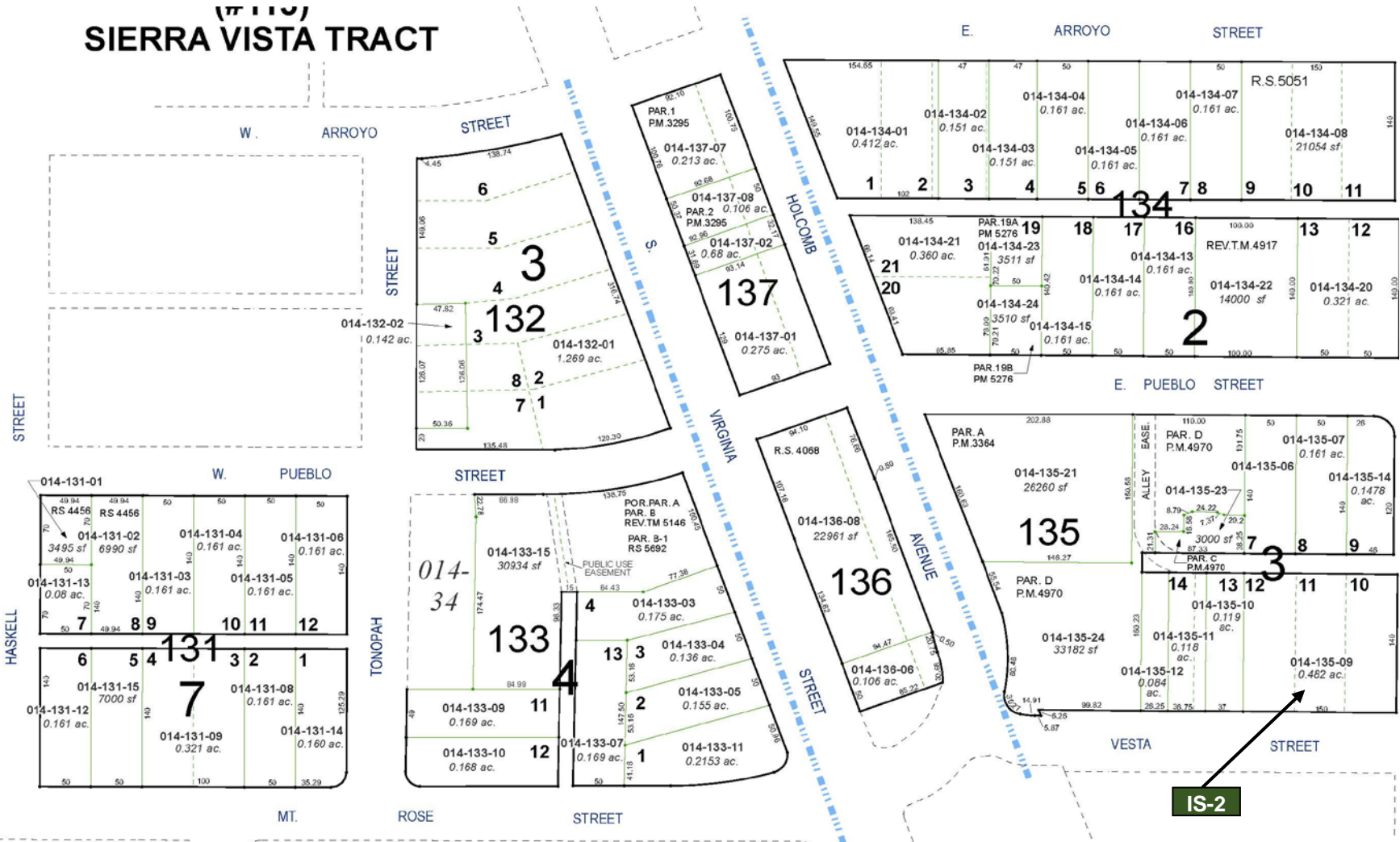


A PORTION OF THE SE ¼ OF SECTION 3  
AND A PORTION OF THE NE ¼ OF SECTION 10  
T19N - R20E



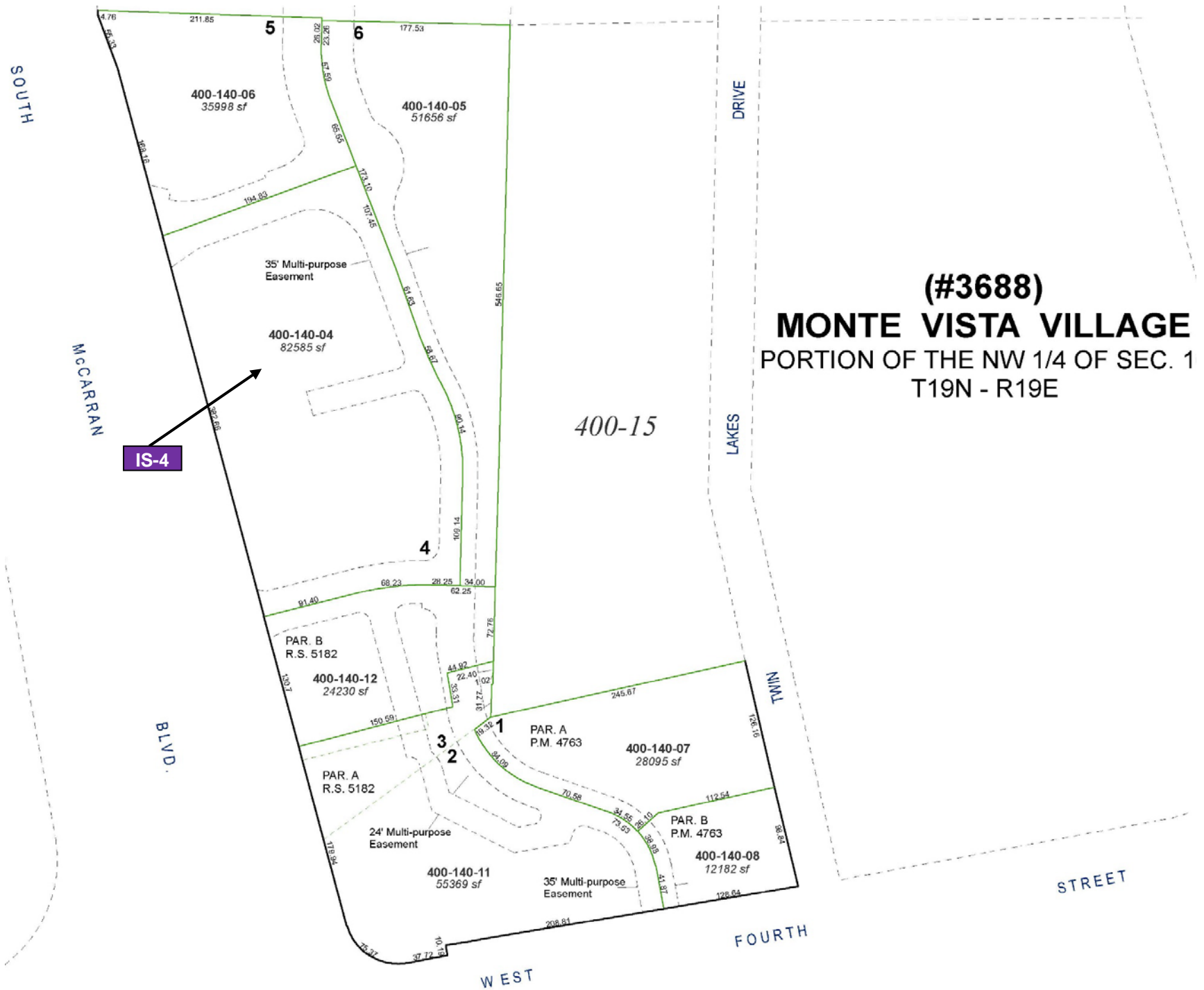


# SIERRA VISTA TRACT

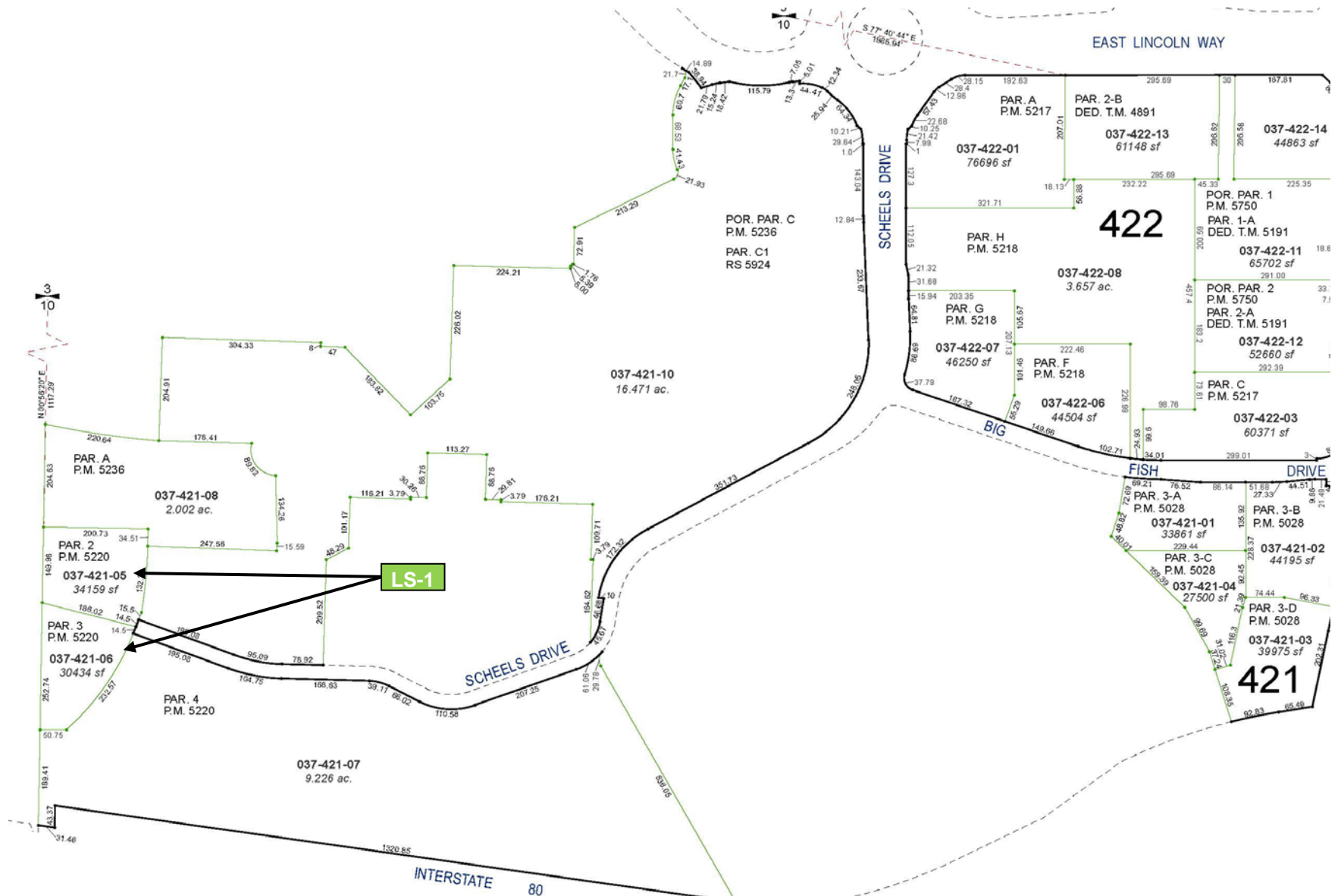












EW CENTERLINE SEC. 31

DELUCCHI

LANE

SOUTH

VIRGINIA

ROAD

NEIL

SHEET

PORTION OF THE SW ¼ OF SECTION 31  
T19N - R20E

LS-3

(#205)  
SOUTH VIRGINIA  
ROAD SUBDIVISION

025-300-10  
0.389 ac.

025-300-29  
0.412 ac.

025-300-28  
0.9487 ac.

025-300-37  
0.63 ac.

025-300-21  
0.19 ac.

1

2

3

4

# AMENDED NIXON FARM SUBDIVISION

LOTS 7, 8, 9, 10

PORTION OF THE S 1/2 OF SECTION 24  
T19N - R19E

