

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization

Appeal Summary Page - Secured Roll

Hearing # 21-0053

Hearing Date 02/22/2021

Tax Year 2021

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 AC
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.

2021/22 Taxable Value:	Land:	\$7,918,698
	Improvements:	<u>\$10,733,217</u>
	Total:	\$18,651,915
	Taxable Value / SF:	\$91

Sales Comparison		
Approach:	Indicated Value:	\$23,500,000
	Indicated Value per SF:	\$114

Income Approach:	Indicated Value:	\$21,700,000
	Indicated Value per SF:	\$105

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 \$23,500,000 or \$114/SF and the income approach yields a value of \$21,700,000 or \$105/SF. Both approaches to value support the current taxable value, which does not exceed full cash value.

RECOMMENDATION: Uphold: X Reduce



039-051-08 05/19/2016

Prepared By: Pete Kinne, Appraiser

Reviewed By: Chris Sarman, Senior Appraiser

ASSESSOR'S EXHIBIT I
27 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING:	21-0053
	\$7,918,698	\$2,771,544	\$/SF GBA	DATE:	02/18/2021
IMPROVEMENTS:	\$10,733,217	\$3,756,626	\$90.58		
TOTAL:	\$18,651,915	\$6,528,170		TAX YEAR:	2021
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 BRNG CONCRETE BLOCK	C25		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* 04/26/2018	\$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 09/12/2017 1SVR	\$99.24	\$656,250 NA NA	\$636,250 6.80%
IS-3	038-881-08 038-870-12	8650 BOOMTOWN GARSON RD Cabela's	100% WH Show Store	127,616	Con. Precast Panel	3.0	127,616	2007	980,100 13% AC	\$26,213,000 05/14/2019	\$205.41	NA NA NA	NA NA
LISTING	039-750-13	5150 MAE ANNE AVE Kohls	100% Discount Store	94,213	Con. Blk	2.0	94,213	1990	395,742 23% AC	\$9,525,000 PENDING	\$101.10	NA NA NA	\$694,373 7.29%

LAND SALES													
Sale #	APN	Location	Sale Date	Sale Price	Size(AC)	\$/sf	Tax/Unit	Zoning	Comments				
LS-1	164-354-01	647 INNOVATION DR	08/22/19	\$16,708,928	22.20	\$17.28	NA	PUD	Bordered by Longley Lane, Double R Blvd, and Innovation Dr. IC zoning was changed to PUD before transaction. Purchased by Universal Health Services who runs and operates Northern Nevada Medical Center. Proposed project is a 4-story hospital with medical offices, and parking garage.				
LS-2	140-212-01	1175 STEAMBOAT PKWY	03/09/18	\$10,800,000	19.90	\$12.46	NA	PUD	Located on SE corner of Damonte Ranch and Steamboat Parkway across from RC Willey & Home Depot. PUD zoning allows for mixed land uses. Purchased for senior living community.				
LS-3	025-480-44	6550 LONGLEY LANE	03/08/18	\$4,238,823	14.86	\$6.55	NA	IC	Located on SW corner of Double R Blvd and Longley Ln. IC zoning allows light industrial and commercial land use. Industrial flex building constructed.				
LS-4	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.				

COMMENTS:
See page 4 for sale notes.

WASHOE COUNTY BOARD OF EQUALIZATION

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1	039-051-08	5260 W 7TH ST MEGA WAREHOUSE DISCOUNT STORE	100%	205,916 205,916	MASONRY BRNG CONCRETE BLOCK	C25			2003 20	977,617 21% AC				
IMPROVED SALES														
	001-272-38	10500 N MCCARRAN BLVD SUPERMARKET	100%	50,398 50,398	MASONRY BRNG CONCRETE BLOCK	C20			1996 25	225,205 22% AC	\$6,100,000 11/20/2020	\$121		
	024-055-21	4995 KIETZKE LN SUPERMARKET	100%	47,419 47,419	MASONRY BRNG CONCRETE BLOCK	C20			1992 24	281,398 17% AC	\$6,850,410 11/20/2021	\$144		
	033-152-18	565 E PRATER WAY SUPERMARKET	100%	47,745 47,745	MASONRY BRNG CONCRETE BLOCK	C20			1993 24	191,011 25% MUD	\$8,102,141 11/20/2021	\$170		
	534-092-09	9750 PYRAMID WAY SUPERMARKET	100%	52,128 52,128	MASONRY BRNG CONCRETE BLOCK	C15			1999 25	291,852 18% GC	\$15,765,312 11/20/2021	\$302.43		
PRESENTED IN SUM - Investor who purchased a regional market share of retail inventory with cash flow and/or ROI being considered across that inventory as a whole rather than through the individual components/properties generating that cash flow. In other words, the investment was made in whole for a return in whole.														
	534-092-09- SAVE-MART	SUPERMARKET	100%	197,690	MASONRY BRNG CONCRETE BLOCK	C15			VARIES 25	989,465 20% GC	\$36,817,863 11/20/2021	\$186.24		

Improved Sales Conclusion:

The comparable sale prices range from \$99/SF to \$205/SF. Like 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 adjustment is necessary for the relatively small size of IS-1's building (102,832 SF) when compared to the subject (205,916 SF). Due to the differences in building size, IS-1 is considered a high indicator of value.

Also like the subject property, IS-2 is also a free-standing, single-tenant, retail building. The subject's multi-use characteristics (i.e. grocery, pharmacy, garden & home, vision center, beauty salon, and tire/lube shop) are superior to IS-2's department store use. While the Kohl's comparable would require a downward adjustment for building size, an upward adjustment is necessary for use. Overall, IS-2 is considered a low indicator of value.

IS-3 was part of a portfolio purchase of 11 Bass Pro Shop stores. This was a sale-leaseback transaction with a lease term of 25 years. Cabela's design, quality, and interior finishes are superior to the subject and would require a downward adjustment. An additional downward adjustment is necessary for Cabela's smaller building size (127,616 SF). However, the West Reno location is outside of the city core and has significantly less residential density within a five-mile radius. Consequently, an upward adjustment is warranted for inferior location. Based on IS-3's building attributes and size, it is considered a high indicator of value. If IS-1 and IS-2 are given the most weight in the analysis, they bracket the subject value between \$99/SF and \$145/SF. Due to building size differences between the comps and subject, a market value in the mid to low end of the range is supported. The sales comparison approach is reconciled to a value of \$114/SF or \$23,500,000.

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 retail/commercial land use, and the comparable sales establish a value range between \$6.55/SF and \$17.28/SF. The market value of the subject likely falls in the middle of the established range, which supports the current taxable land value of \$8.10/SF.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

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	IMPROVEMENTS:	\$10,733,217	\$3,756,626	\$90.58	
	TOTAL:	\$18,651,915	\$6,528,170		TAX YEAR: 2021
APN: 039-051-08				TAXABLE	
OWNER: WAL-MART STORES INC # 3254				\$/SF Land	
				\$8.10	

Income Approach					
Potential Gross Income	205,916 sq ft. @	\$0.60 /mo =	\$123,550		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$123,550		
	x 12 months =		12		
				\$1,482,595	
- Vacancy & Collection loss			0%	\$0	
= Effective Gross Income				\$1,482,595	
- Operating Expenses			5%	\$74,129.76	
=Net Operating Income				\$1,408,465	
Divided by Overall Capitalization Rate				6.50%	
				\$21,668,699	
				Rounded	\$105 /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: A survey of big box rents in Washoe County was conducted to estimate the PGI for the subject property (See page 13). The box store rents range from \$0.42/SF-\$0.79/SF with a median of \$0.72/SF. The subject's construction provides for multiple uses that include: grocery store; pharmacy; garden and home center; eye glass store; beauty salon; and tire lube shop. While many of these uses would warrant a rent at the top end of the range, a downward adjustment for size is necessary. Based on the subject's multi-use construction, age, size, and location, a market rent of \$0.60/SF is well supported.

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. In addition, vacancies in the Northwest submarket for big box retail is at 0% and currently remains at 0%.

Net Operating Income: The owner of a building leased by Wal-Mart would have minimal expenses. A 5% deduction for operation expenses was 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 page 12). 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 market rent for a department store, it is likely a better indicator of local cap rate than the Home Depot. However, the credit risk associated with Wal-Mart is anticipated to 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. 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 \$21,668,699 or \$105/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.

Washoe County PRODUCTION SUMMARY APPRAISAL RECORD



APN: **039-051-08**

2021

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ACTIVE

Roll YR

Code

%Comp

Situs 5260 W 7TH ST RENO Database WASHOE NBHD BCAQ Appr PJK Exemption AV|Exemption
 Owner WAL-MART STORES INC # 3254 Printed 2/12/2021 Commercial
 PO BOX 8050 BENTONVILLE, AR 72712 Tax District 1000
 Property Name WAL-MART

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	7,918,698		10,733,217		18,651,915	6,528,170	Land Value	7,918,698			
2021 NR	7,918,698		10,733,217		18,651,915	6,528,170	Building Value	9,156,533	Initials/Date		
2020 FV	7,918,698		10,993,705		18,912,403	6,619,341	XFOB Value	1,576,684			
2019 FV	7,918,698		10,575,483		18,494,181	6,472,963	Obsolescence	0	Parcel Total		<input type="checkbox"/> NC <input type="checkbox"/> C <input type="checkbox"/> New Sketch
2018 FV	7,918,698		10,531,855		18,450,553	6,457,694	Taxable Value	18,651,915	New Const		
2017 FV	7,918,698		10,629,836		18,548,534	6,491,987	Total Exemption		New Land		
2016 FV	7,918,698		10,851,511		18,770,209	6,569,573			Remainder		

Building Data													
Type	BLDG	Occ	Description	Frame	Yr Built	Way	% Comp	QC	RCN	DRC	SQFT	DRC \$/SQFT	Bldg OBSO
COMM	1-1	720	Mega Warehouse Discoun	C	2003	2003	100	C25	12,056,382	8,801,159	205,916	42	0
MISC	1-2	600	Miscellaneous	0	2003	2003	100	40	486,814	355,374		355,374	0



Land Value												Land Data		Property Characteristics	
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Size-Sf	977,617	Water	Municipal
400	General Commercial: reta	AC	977,617	SF8	9.00	SIZE	90			7,918,698	WALMART	Acre Size	22.443	Sewer	Municipal
												DOR Code	400	Street	Paved
												Deferment		SPC	
												CAGC			

Washoe County PRODUCTION APPRAISAL RECORD



APN: **039-051-08**

2021

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ACTIVE

Roll YR

Code

%Comp

Situs 5260 W 7TH ST RENO Database WASHOE NBHD BCAQ Appr PJK Exemption AV|Exemption
 Owner WAL-MART STORES INC # 3254 Printed 2/12/2021 Commercial
 PO BOX 8050 BENTONVILLE, AR 72712 Tax District 1000
 Property Name WAL-MART

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	7,918,698		10,733,217		18,651,915	6,528,170	Land Value	7,918,698			
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2020 FV	7,918,698		10,993,705		18,912,403	6,619,341	XFOB Value	1,576,684			
2019 FV	7,918,698		10,575,483		18,494,181	6,472,963	Obsolescence	0	Parcel Total		<input type="checkbox"/> NC <input type="checkbox"/> C <input type="checkbox"/> New Sketch
2018 FV	7,918,698		10,531,855		18,450,553	6,457,694	Taxable Value	18,651,915	New Const		
2017 FV	7,918,698		10,629,836		18,548,534	6,491,987	Total Exemption		New Land		
2016 FV	7,918,698		10,851,511		18,770,209	6,569,573			Remainder		

Building Data														
1-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%	
Type	COMM	Commercial/Industria	BUILDING LEVEL			SHP	1	SQUARE/RECTANGULAR	100					
Occ	720	Mega Warehouse Disco	Rate Adj			ST	1	No of Stories	100					
Stry/Frm	C	MSNRY BRNG ~ MASONRY	Lump Sum			UT	1	Units	100					
Quality	C25	Commercial 2.5 (Abov				WH	20	Avg Wall Height/Floor	100					
Year Built	2003		PARCEL LEVEL			EW	812	CONCRETE BLOCK	100					
WAY	2003		Lump Sum	0		HEAT	611	PACKAGE UNIT	100					
Remodel Yr			%Obso	0.0000										
% Comp	100	%DPR 27.0												
Sub Area														

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			205,916	58.55	12,056,382	1	CRBC	CONC CURB	30	1	8,000	14.35	2003		100	114,800	83,804		
							2	DKLP	DOCK PLATE	30	1	5	839.00	2003		100	4,195	3,062		
							3	FNC6	FN CHN LK6	30	1	480	19.89	2003		100	9,547	6,969		
							4	FNI2	FN IRON-AV	30	1	13,000	17.00	2003		100	221,000	161,330		
							5	FWAS	FW ASPHALT	30	1	450,000	1.98	2003		100	890,820	650,299		
							6	FWCO	FW CONCRET	30	1	40,000	4.70	2003		100	188,184	137,374		
							7	PKLT	PKG LOT LI	30	1	450,000	0.66	2003		100	297,000	216,810		
							8	TKW4	TK CON W/R	30	1	9,935	20.04	2003		100	199,097	145,341		
							9	VES1	VESTIBULE	30	1	1,161	83.46	2003		100	96,897	70,735		
Gross Bldg Area 205,916		Perimeter	2,262	Sub Area RCN 12,056,382		10	WLCB	WALL CO BL	30	1	3,287	16.52	2003		100	54,301	39,640			
Building Notes				Building Cost Summary				11	YIMP	YARD IMPS	30	1	50	1,680.00	2003		100	84,000	61,320	
				Building RCN		12,056,382														
				Depreciation		3,255,223														
				Building DRC		8,801,159														
				Extra Feature DRC		1,576,684														
				Building Obso																
Building Name				Total DRC		10,377,843														
WAL-MART				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	977,617	Water	Municipal
400	General Commercial: reta	AC	977,617	SF8	9.00	SIZE	90			7,918,698	WALMART	Acre Size	22.443	Sewer	Municipal
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												CAGC			

Washoe County PRODUCTION APPRAISAL RECORD

APN: **039-051-08**

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Owner **WAL-MART STORES INC # 3254**
Keyline Description **PM 3974 LT 3**

NBHD **BCAQ Commercial**

Appr **PJK**



Activity Information						
Date	User ID	Activity Notes				
10/7/2020	GS	Re-appraisal Review Permit Review Aerial Review				
5/22/2019	GS					
5/1/2015	LLL					
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
WAL-MART STORES INC # 32	2811670	2/26/2003	140	0	3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
9/4/2020	BLD20-09145E	COMMERCIAL REMODEL & ADDIT	50,000	A	100%	
8/10/2020	BLD20-08957E	COMMERCIAL REMODEL & ADDIT	7,500	A		
3/3/2020	SGN20-06793E	SIGN. (1) EXTERIOR WALL	2,500	C		
2/19/2020	BLD20-04571E	TENANT IMPROVEMENT. TENANT	150,000	N		
10/21/2019	BLD20-00940	REMODEL. FEDEX OFFICE IN V	42,600	N		

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

Washoe County PRODUCTION APPRAISAL RECORD



APN: **039-051-08**

2021

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2020 FV	7,918,698		10,993,705		18,912,403	6,619,341	XFOB Value	1,576,684			
2019 FV	7,918,698		10,575,483		18,494,181	6,472,963	Obsolescence	0	Parcel Total		<input type="checkbox"/> NC <input type="checkbox"/> C <input type="checkbox"/> New Sketch
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2016 FV	7,918,698		10,851,511		18,770,209	6,569,573			Remainder		

Building Data													
1-2	Code	Description	Adjustments & Modifiers		Name	Code/Units	Description	%	Name	Code/Units	Description	%	
Type	MISC	Miscellaneous	BUILDING LEVEL										
Occ	600	Miscellaneous	Rate Adj										
Stry/Frm	0	NONE - Only valid wi	Lump Sum										
Quality	40	Good											
Year Built	2003		PARCEL LEVEL										
WAY	2003		Lump Sum	0									
Remodel Yr			%Obso	0.0000									
% Comp	100	%DPR 27.0											

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
CNM	CANOPY METAL - C			8,262	57.79	477,496														
STR	STORAGE ROOM			180	51.77	9,318														
										</										

Gross Bldg Area Perimeter Sub Area RCN 486,814

Building Notes		Building Cost Summary	
		Building RCN	486,814
		Depreciation	131,440
		Building DRC	355,374
		Extra Feature DRC	
		Building Obso	
Building Name		Total DRC	355,374
WAL-MART		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	977,617	Water	Municipal
												Acre Size	22.443	Sewer	Municipal
												DOR Code	400	Street	Paved
												Deferment		SPC	
												CAGC			

Washoe County PRODUCTION APPRAISAL RECORD

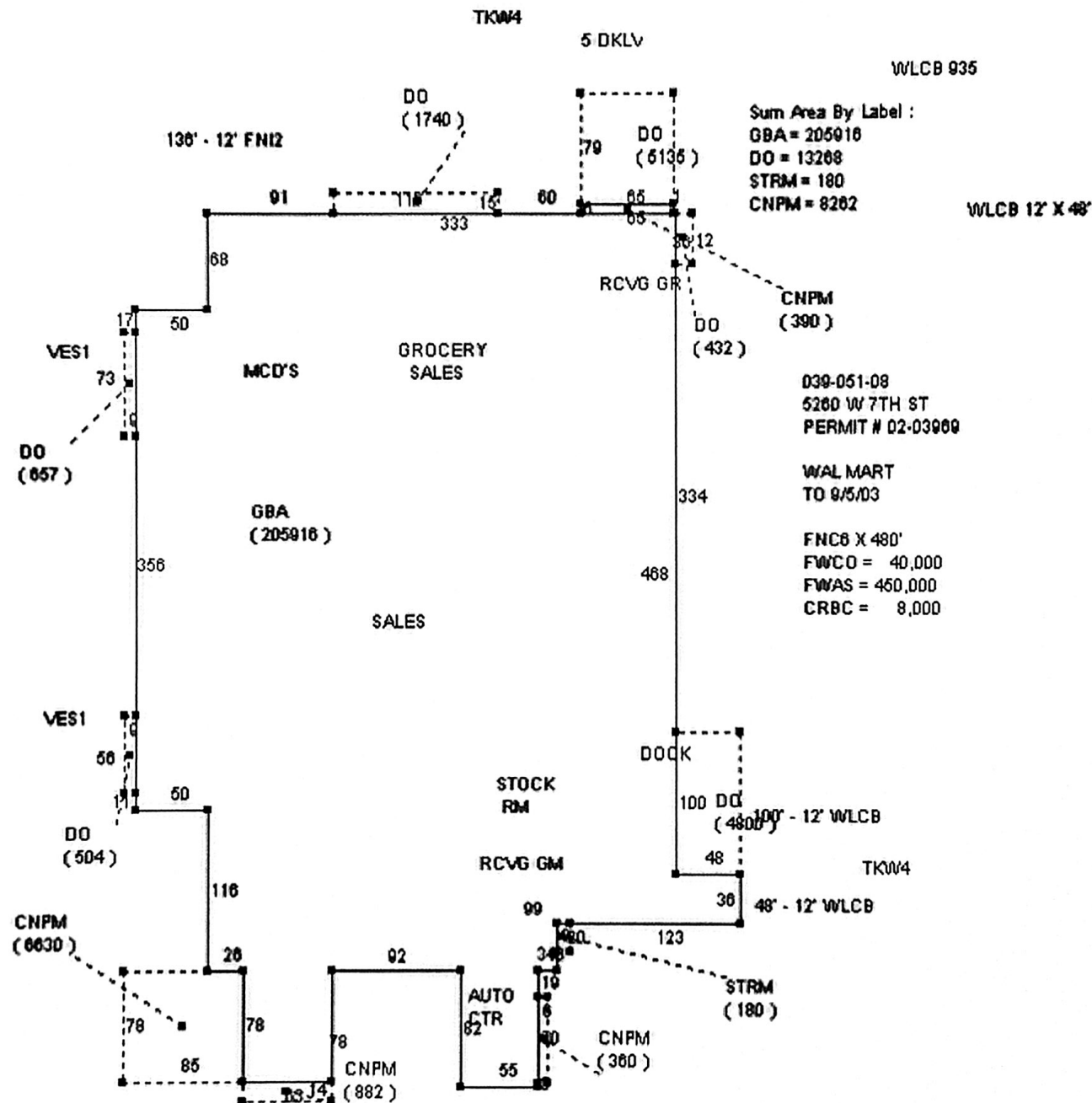
APN: 039-051-08

Owner WAL-MART STORES INC # 3254
Keyline Description PM 3974 LT 3

NBHD BCAQ Commercial

Appr PJK

Activity Information						
Date	User ID	Activity Notes				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
WAL-MART STORES INC # 32	2811670	2/26/2003	140	0	3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
7/16/2010	BLD10-04802	REMODEL		C	100%	
6/4/2010	BLD10-04496	FIRE SPRKLR		C	100%	
	LDP08-00684	TENANT IMPS		C	100%	
	LDP07-00678	REMODEL		C	100%	
	03-07864	TENANT IMPS		C	100%	



RETAIL CAPITALIZATION RATE CHART									
Cap Rate #	APN NBC	Location	Use %	Total AREA/ Finish	Year Built	Land (SF) %Coverage Zoning	Sale Price Sale Date	NOI OAR	Notes
CR-1	025-480-44	6650 Longley Lane	100%	270,950	2019	647,301	\$37,844,000	\$1,800,000	100% LEASED AT SALE. ACCORDING TO INFO FROM SELLER, CAP RATE WAS 5% WHICH CALCULATES TO NOI OF ABOUT \$1.8M. STARTING RENT FOUND RANGES FROM \$0.50/SF TO \$0.94/SF NNN.
			Warehouse/Industrial Flex use	24,386		42%	08/07/2020	4.76%	
CR-2	025-570-01	6590 S Virginia St.	100%	102,832	1993	435,382	\$15,980,000	\$933,660	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
	OBGQ	Home Depot	Discount			24%	04/26/2018	5.84%	
			WH Store			MUSV			
CR-3	039-750-13	5150 Mae Anne Ave.	100%	94,213	1990	395,742	\$9,350,000	\$636,250	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.
	BCAQ	Kohl's	Discount			23%	09/12/2017	6.80%	
			Store			AC			
CR-4	510-083-09, etal	125 Disc Dr	C. Shopping	204,228	2010	1,184,396	\$36,190,000	\$2,771,881	SALE OF SPARKS GALLERIA WHICH IS A COMMUNITY SHOPPING CENTER IN THE SPANISH SPRINGS SUBMARKET. TACO BELL AND TWO PAD SITES THAT FRONT DISC DRIVE WERE ACQUIRED THROUGH A SEPARATE TRANSACTION FOR \$4,460,000. LEASABLE AREA INCLUDES 8,402 SF OF MEZZANINE SPACE IN GOLD'S GYM (APN 510-083-03). CAP RATE AND NOI ARE REPORTED FOR TOTAL PURCHASE PRICE OF \$40,650,000 WHICH INCLUDES TACO BELL, 2 PAD SITES, AND GALLERIA SHOPPING CENTER. TOTAL VACANCY WAS ~13% AT TIME OF SALE FOR THE SHOPPING CENTER.
	DGAQ	Sparks Galleria	Center			17%	10/09/2019	6.82%	
CR-5	014-251-53 014-251-54 014-251-55	195 W. Plumb Lane (Lakeside Plaza)	Supermarket Community Shopping Center	69,236	1995	381,235 18% MUSV	\$12,678,000 02-28-2020	\$823,950 6.5%	SAVE MART SUPERMARKET & COMMUNITY SHOPPING CENTER TOTAL GBA 97,741SF+4,200SF UNFINISHED BASEMENT LOCATED ON NORTHEAST CORNER OF LAKESIDE & W PLUMB. SPOKE VIA PHONE W/BUYER FOR INFO- LISTED BY NAI ALLIANCE (KELLY BLAND) FOR ABOUT A YR.; NOT 1031 EXCHANGE; FINANCEDNOI \$823,950 RESULTS W/6.5% CAP- PLS REFER TO COMP EXCEL SHEET FOR DETAILS. TOTAL SP FOR 3-PARCELS \$12,678,000/97741 RBA- \$129.71/SF IS DEEMED TO BE AN ARM'S LENGTH TRANSACTION.
CR-6	040-880-24	6990 S McCarran Blvd	Office	76,487	2004	211,702	\$17,900,000	\$1,170,959	LISTED WITH COLLIERS ON MARKET FOR 3 MOS 14 DAYS. BANKRUPTCY SALE AT 6.54% CAP RATE. TOTAL GBA 76,487 SF. 76% OFFICE, 16% NEIGHBORHOODS SHOPPING CENTER, AND 8% RESTAURANT. SALE PRICE PER SF IS \$234. ESTIMATED RENT RATE IS IN THE RANGE OF \$1.33/SF TO \$2.08/SF/MO. 100% LEASED WHEN SOLD
	OBGQ		Shopping Center			36% GO	1/10/2019	6.54%	
CR-7	041-243-09,10,11	4780-4798 Caughlin Pkwy	N. Shopping	111,716	1992	478,332 23% PUD	\$18,000,000	\$1,413,000	RALEYS MOVED INTO THE PREVIOUS SCOLARI'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.
	RBEQ	Caughlin Shopping Center	Center				08/29/2018	7.85%	
CR-8	021-281-08,12,13,14,02	3310 S McCarran Blvd	N. Shopping	104,717	1993	405,793 26% AC	\$16,350,000	\$1,150,000	BUYER INDICATED THAT ENVIRONMENTAL ISSUES EXISTS (DRY CLEANERS). RALEYS TOOK OVER THE SCOLARI 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.
	NDEQ	Mira Loma Shopping Cente	Center				03/02/2018	7.03%	
LISTING	039-750-13	5150 Mae Anne Ave.	100%	94,213	1990	395,742	\$9,600,000	\$695,040	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.
	BCAQ	Kohl's	Discount			23%	PENDING	7.24%	
			Store			AC			

Box Store Rent Survey

#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	Lease Type	Comments
Market Rents							
1	4823 Kietzke Lane 024-055-33	Retail Store Floor and decor	55,276 1996	04/2014 10 Years	0.75	NNN	Fieldcreek crossing shopping center rent roll.
2	4821 Kietzke Lane 024-055-33	Retail Store TJ Maxx	45,970 1996	02/2019 10 Years	\$1.04	NN	Based on 2020 Fieldcreek Crossing Shopping Center rent roll.
3	Undisclosed (Spanish Springs Community Shopping Center)	Retail Store	20,000-25,000 2007	09/01/2018 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;
4	1350 Disc Drive, Suite A 035-263-09	Big Lots	32,285 1996	08/01/2018 10 Year	\$0.50	NNN	Landlord contributed ~\$900,000 in Tis. Rent is flat except for one 10% escalation after 5 years
5	125-165 Disc Drive, Ste. DM-2 510-083-09	Marshall's Home Goods	40,150 2006	08/09/2018 10 Year	\$0.63	NNN	Landlord responsible for Tis; Rent flat for first 5 years then a \$0.04/SF bump for final final 5 years; \$0.15/SF CAM also increases \$0.04/SF after 5 years
6	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
7	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
8	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
9	6590 S. Virginia St 025-570-01	Home Depot	102,832 1993	1993 30 Year	\$0.80	NNN	No percentage rent; lease expires 2024

ATTACHMENT A

WESTERN REGIONAL FREESTANDING SALES - Fully Occupied

Sale #	Tenant	State	City	Parcel #	Coverage Ratio	Building Size	Age	Sale Date	Sales Price	\$/SF	Cap Rate	Est. Annual Net Income	Est. Annual Rent	Est. Rent/ Mth	Lease Type	Years Left
													5% est. exp applied			
1	Home Depot	OR	Salem	R29446	0.24	112,099	1987	06/30/2020	\$12,200,000	\$109	5.81%	\$708,820	\$6	\$0.55	NNN	10
2	Home Depot	NV	Las Vegas	163-06-115-003	0.26	107,856	2000	11/26/2019	\$18,089,201	\$168	5.82%	\$1,052,707	\$10	\$0.86	NA	NA
3	Home Depot	WA	Covington	NA	0.38	130,948	2008	11/18/2019	\$21,031,030	\$161	6.00%	\$1,261,862	\$10	\$0.85	NA	NA
4	Lowe's	CA	Clovis	498-032-388	0.32	164,351	2003	10/01/2018	\$12,409,000	\$76	5.56%	\$689,940	\$4	\$0.37	NNN	10
5	Hardware	WA	Puyallup	Multi	0.31	86,355	1951	09/06/2018	\$11,400,100	\$132	6.25%	\$712,506	\$9	\$0.72	NNN	18
6	Home Depot	CA	Stanton	131-401-13	0.39	107,000	1986	06/28/2018	\$22,558,000	\$211	5.00%	\$1,127,900	\$11	\$0.92	NNN	7+
7	Lowe's	WA	Mount Vernon	P26247, P26279	0.45	137,472	1993	04/04/2018	\$16,991,453	\$124	5.85%	\$994,000	\$8	\$0.63	NNN	NA
8	Lowe's	WA	Mt. Vernon	P26247 & 49	0.45	137,472	1993	04/04/2018	\$16,991,453	\$124	5.85%	\$994,000	\$8	\$0.63	NNN	10
9	Home Depot	NM	Farmington	38172	0.29	129,924	2001	04/25/2018	\$9,100,000	\$70	6.20%	\$564,200	\$5	\$0.38	NNN	8
10	Home Depot	NV	Reno	025-570-01	0.24	102,832	1993	04/26/2018	\$15,980,000	\$155	5.84%	\$933,232	\$10	\$0.80	NNN	6
MEDIAN					0.32	121,012	1993	08/02/2018	\$16,485,727	\$128	5.85%	\$963,616	\$9	\$0.68	-	-

The table illustrates that home improvement centers/DIY stores throughout the Western Region of the US are considered valuable properties. The value for similar properties in Reno Nevada, a central point within that Western Region, falls within the central portion of these illustrated values.

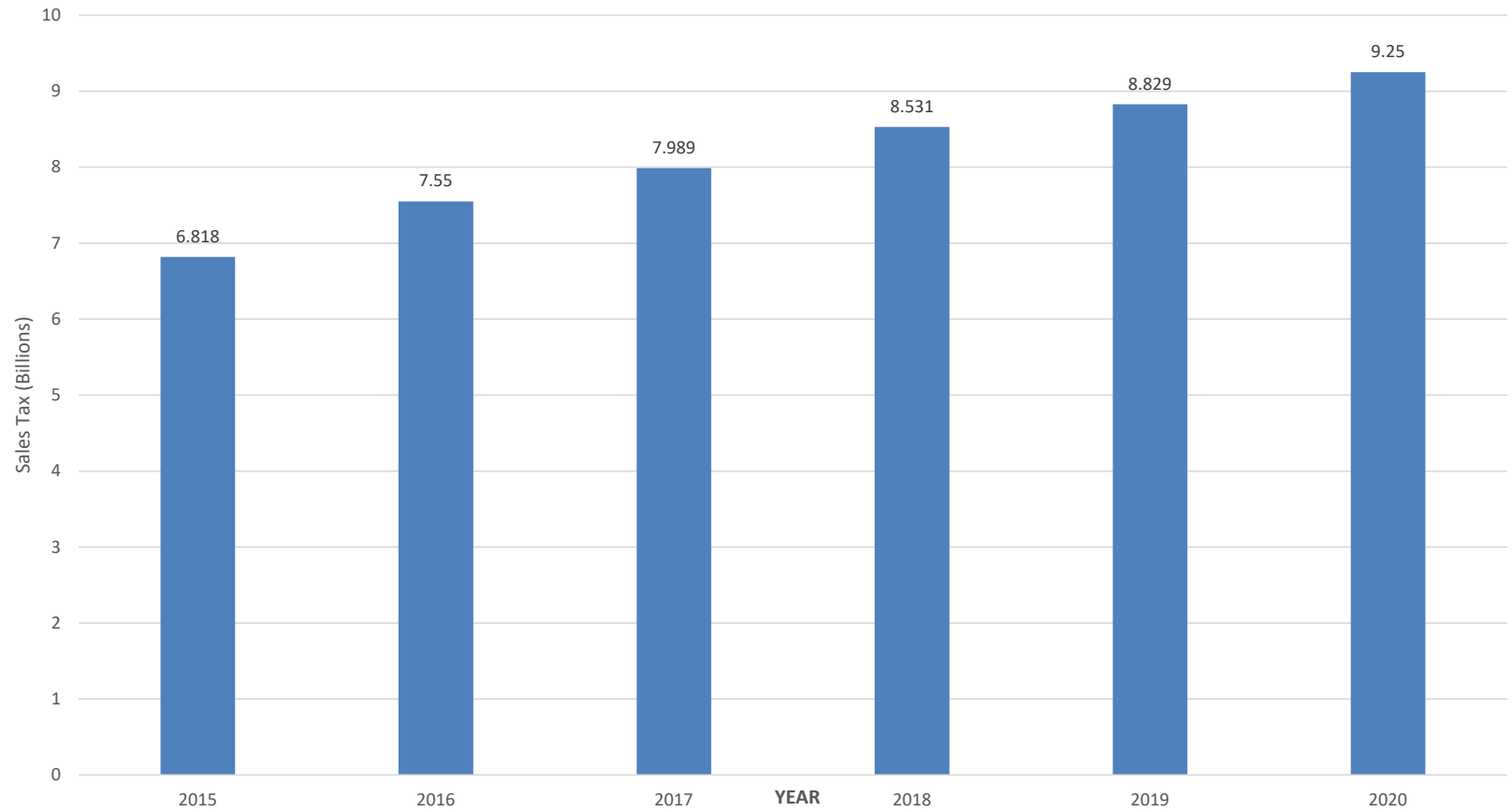
PARCEL: 039-051-08
Hearing# 21-0053

In an attempt to simplify the issues that exists in relation to this appeal, a side by side comparison of the both appellants analysis and our analysis was provided. Please refer to the comparison below for details regarding each methodology as used in the overall review of this property. In addition, please note that the subject property is a Discount Warehouse Store that was specifically designed and built for the purpose of its first generation owner.

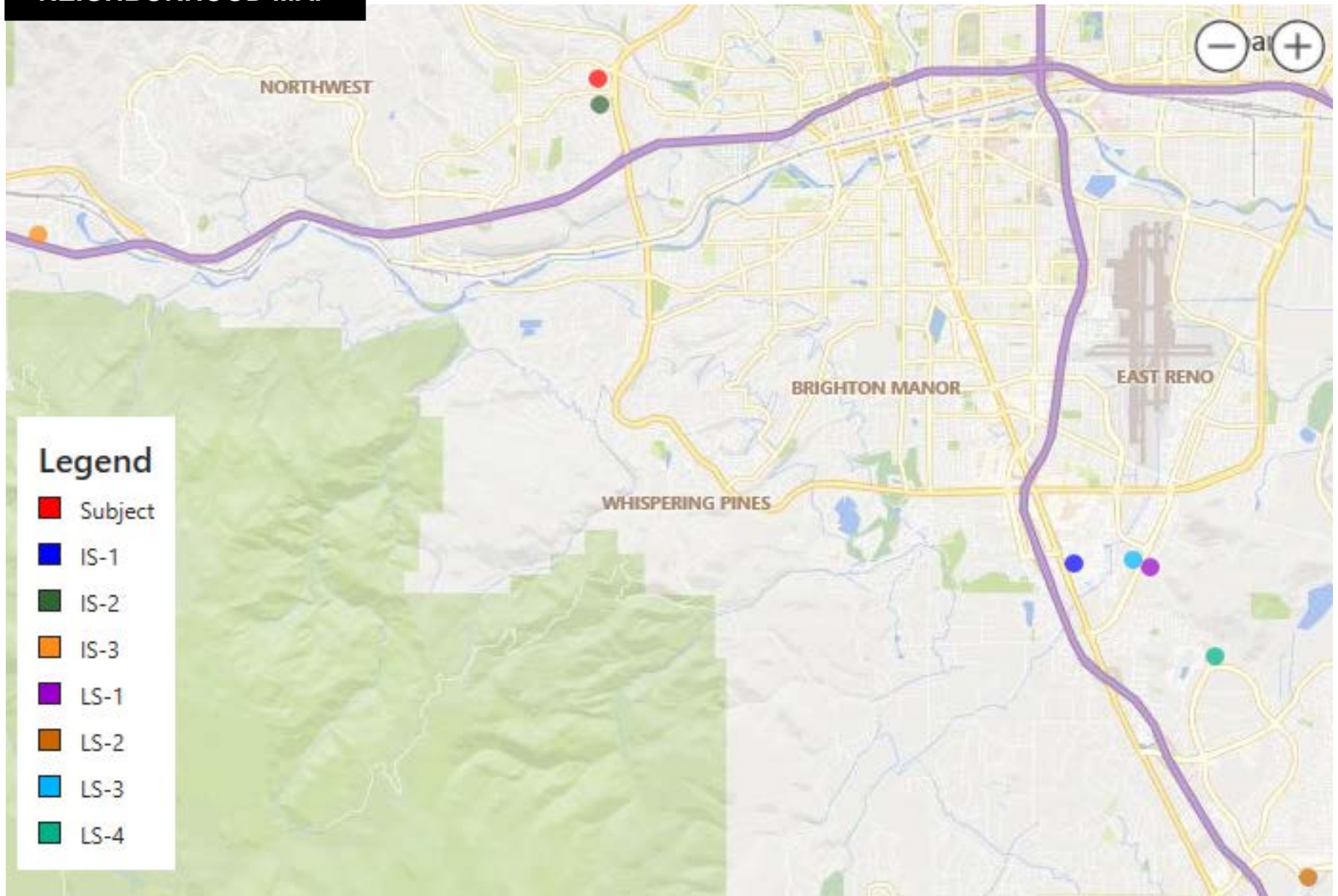
Cost Approach			
ITEMIZATION	WAL-MART 7th Street	WASHOE	DIFFERENCE
Analysis	Appellants costing is inaccurate due to incorrect variables used. In large, depreciation is incorrectly calculated and extra features are underestimated	Statutorily based. Depreciation is 1.5% per year. The property characteristics held by our office appear correct and the improvements were calculated according to statute.	The property is a well maintained building that reflects little physical depreciation. The actual age of the building is 18 years. The life expectancy of this type of building is 30 to 35 years. However the "effective age" of the building due to good maintenance is estimated at 10 years, therefore market depreciation is estimated at 15 to 21%.
Occupancy	Mega Warehouse Discount Store (720)	Mega Warehouse Discount Store (720)	Occupancy is equal
Age	17 - effective age	18 actual age	1 year difference
Quality	2	2.5	.5 difference in QC
Class	C	C	SAME
Size (SF)	205,916	205,916	SAME
Wall Height	20	20	SAME
Base Cost /sf	\$67.83	\$58.55	Walmart's RCN is \$9.28 per SF higher than Washoe
RCN - Building	\$13,967,492	\$12,056,382	Walmart's RCN is \$1,911,110 higher than Washoe and Walmart didn't cost the canopy.
RCN Canopy	No cost	\$486,814	
TOTAL RCN	\$13,967,492	\$12,543,196	
Depreciation	-31%	-27%	4% difference in depreciation
TOTAL DRCN - Building	\$9,637,564	\$9,156,533	Differences mainly due to depreciation and lack of canopy
DCRN Extra Features	\$690,000	\$1,576,684	Appellant doesn't account for all the extra features or yard items and thus this is clearly inaccurate. See record card for all extra features and costs.
TOTAL DRCN	\$10,327,564	\$10,733,217	Depreciation, lack of canopy cost, and extra features are the biggest difference
Land Value	\$7,918,698	\$7,918,698	SAME
TOTAL VALUE	\$18,246,262	\$18,651,915	
DRCN /SF	\$88.61	\$90.58	The difference between Walmart's RCN and Washoe County is less than \$2.00 per SF

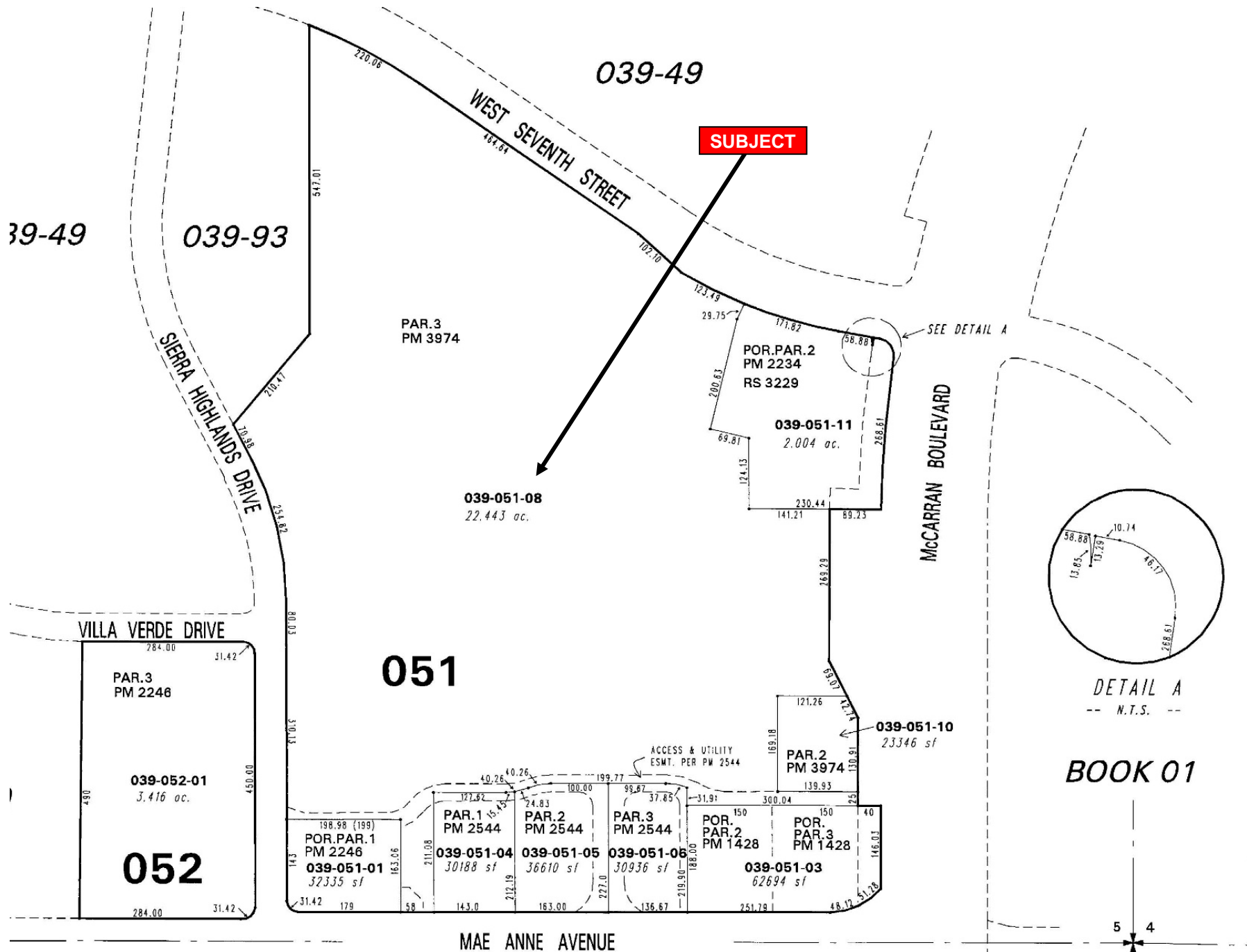
<p>PARCEL: 039-051-08 Hearing# 21-0053</p>			
Income Approach			
ITEMIZATION	APPELLANT	WASHOE	DIFFERENCE
Analysis:	Income variables are not supported in the analysis provided by appellant.	Income variables used are supported	It's important to use market variables which stem from comparable properties in the income analysis. Our analysis does this, the appellants does not.
RENT/ POTENTIAL GROSS INCOME (PGI)	\$5.25/sf/yr; .44/sf/yr.	\$7.20/yr.; \$0.60/month	Appellants rent is low and is representative of rents for large industrial warehouses.
VACANCY/ EFFECTIVE GROSS INCOME (EGI)	5%	0%	Vacancy for the subject has been at zero for a substantial amount of time. Additionally, vacancy for big box retail in NW Reno is 0%
EXPENSES/ NET OPERATING INCOME (NOI)	7%	5%	A typical lease structure on a property such as the subject would be based on a triple net (NNN), whereby the tenant pays all expenses. The 5% that WC utilized accounts for management fees and capital reserves.
CAP RATE	7.20%	6.50%	Appellant provides no support for the cap rate used. The subject is a investment grade property with little risk. Our cap rate is supported throughout our analysis and is reflective of comparable properties
Income Approach	\$13,212,943	\$21,668,699	

Annual Washoe County Sales & Use Tax



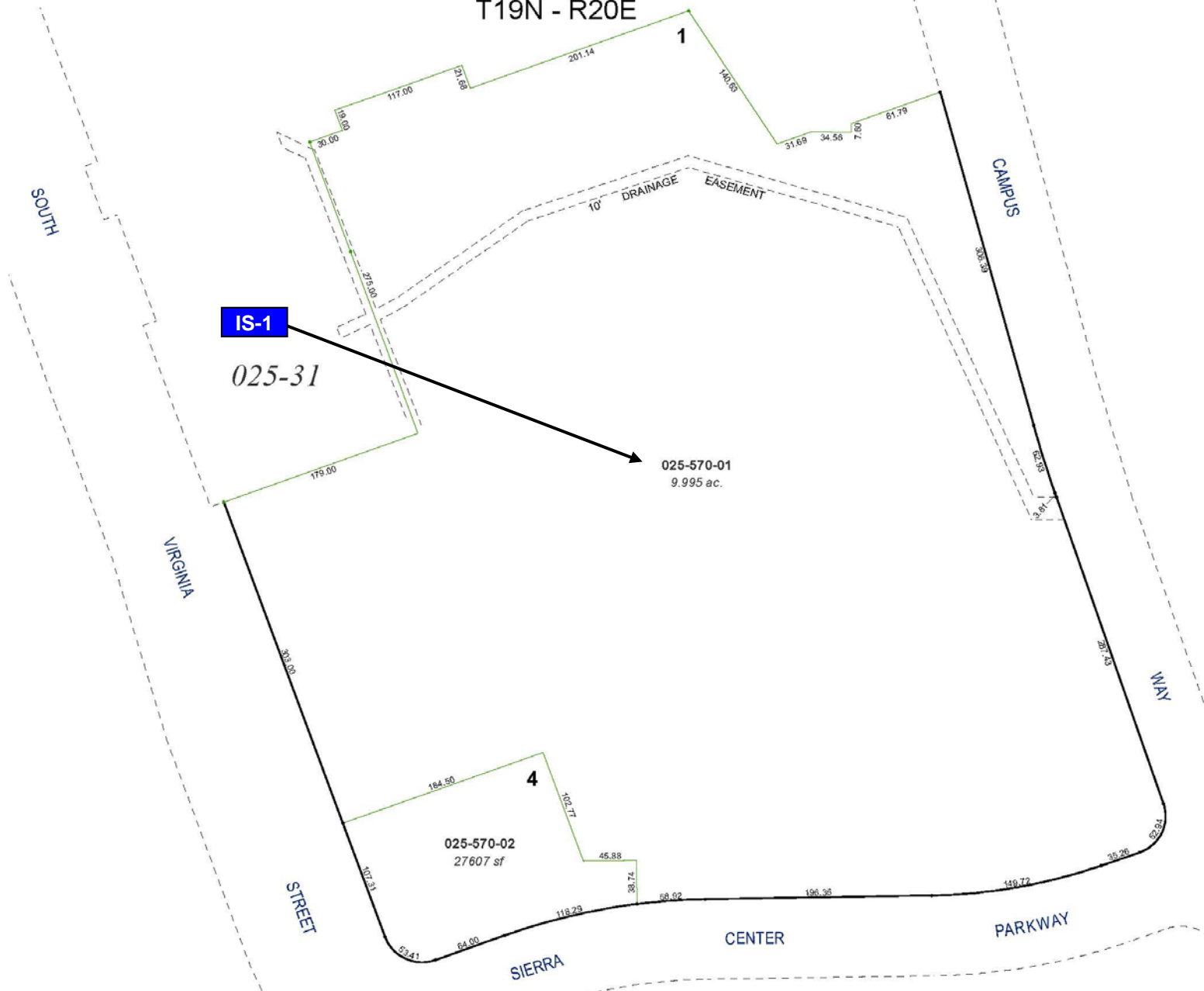
NEIGHBORHOOD MAP

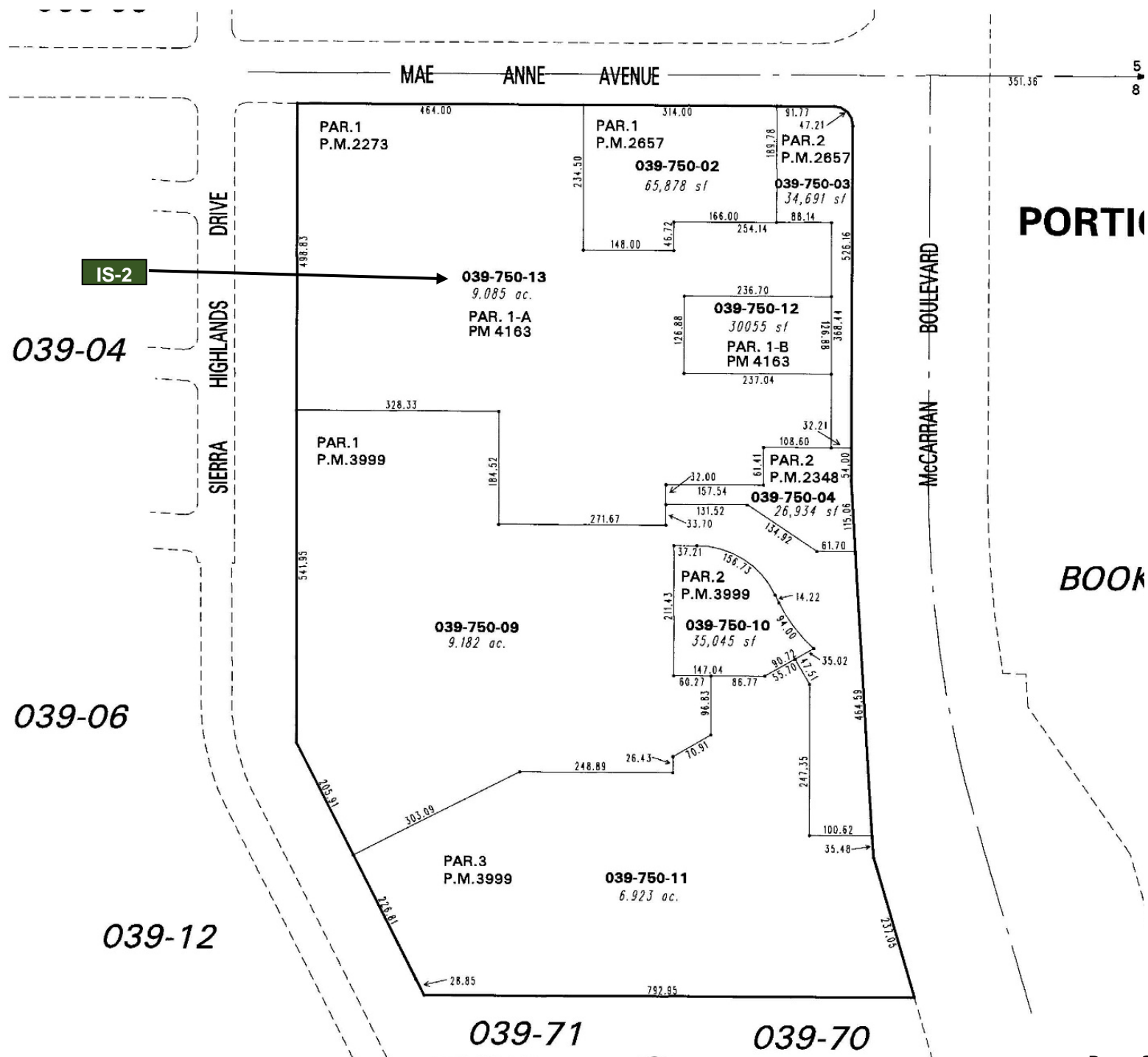




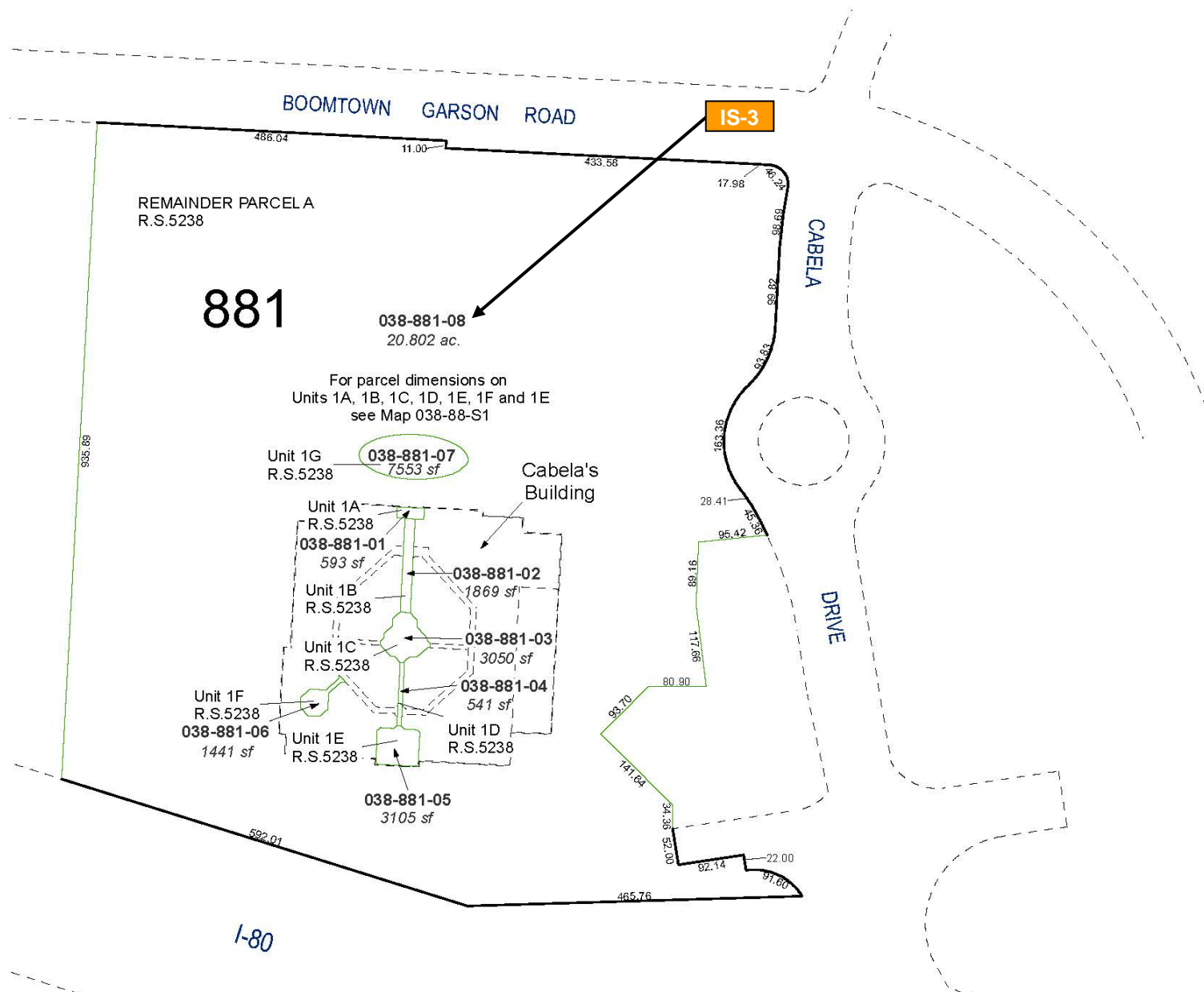
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)

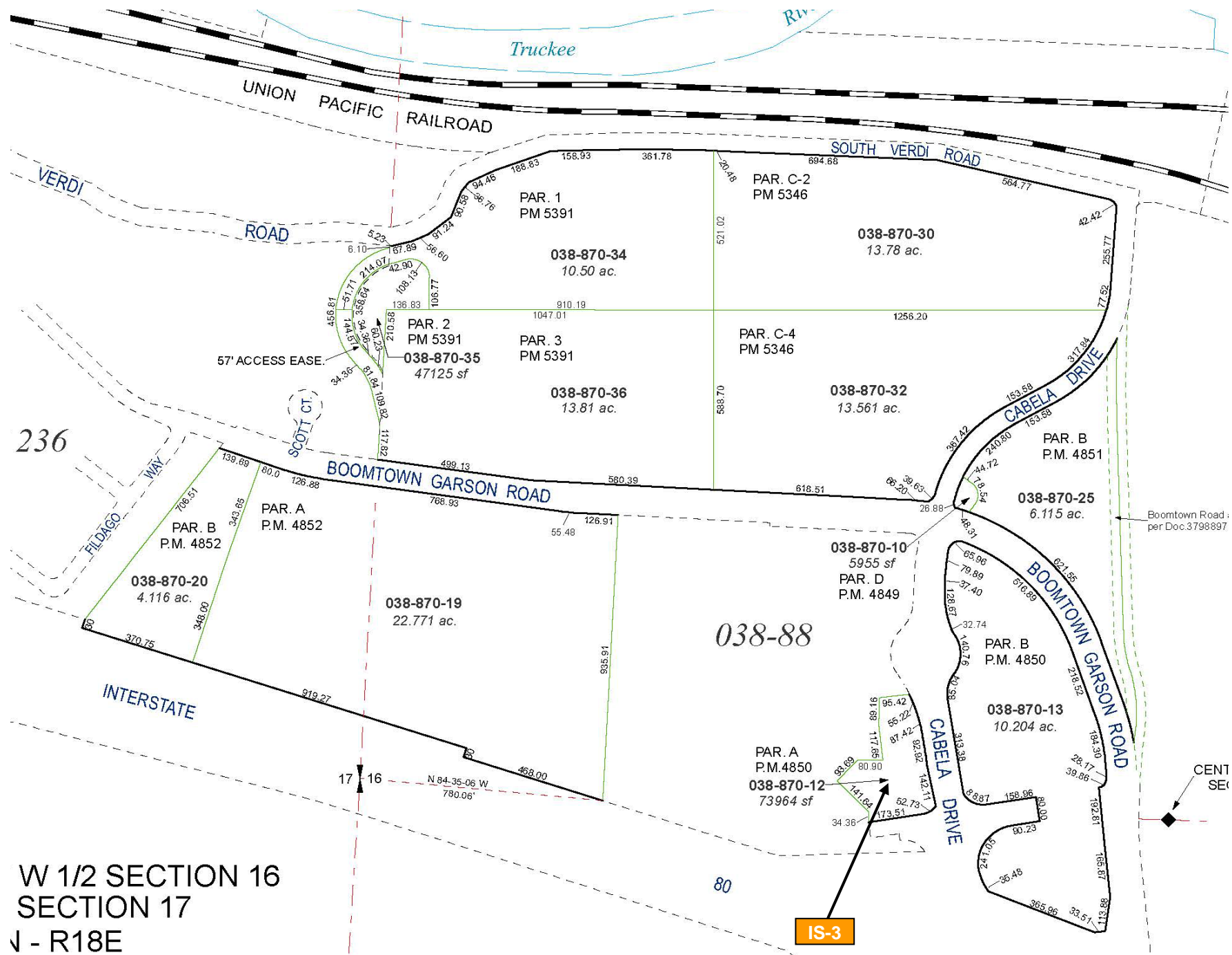
PORTION OF THE SW 1/4 OF SECTION 31
T19N - R20E



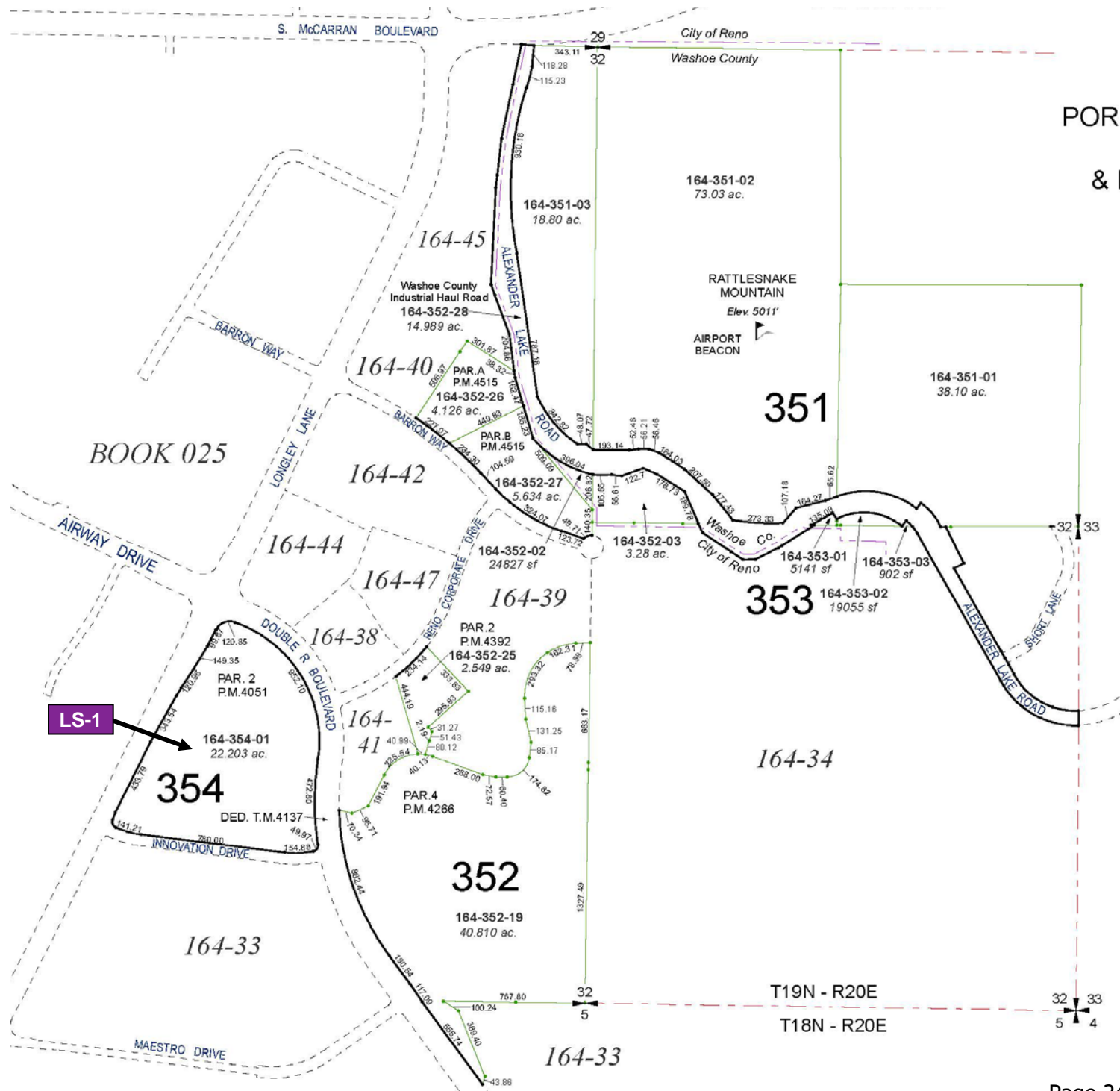


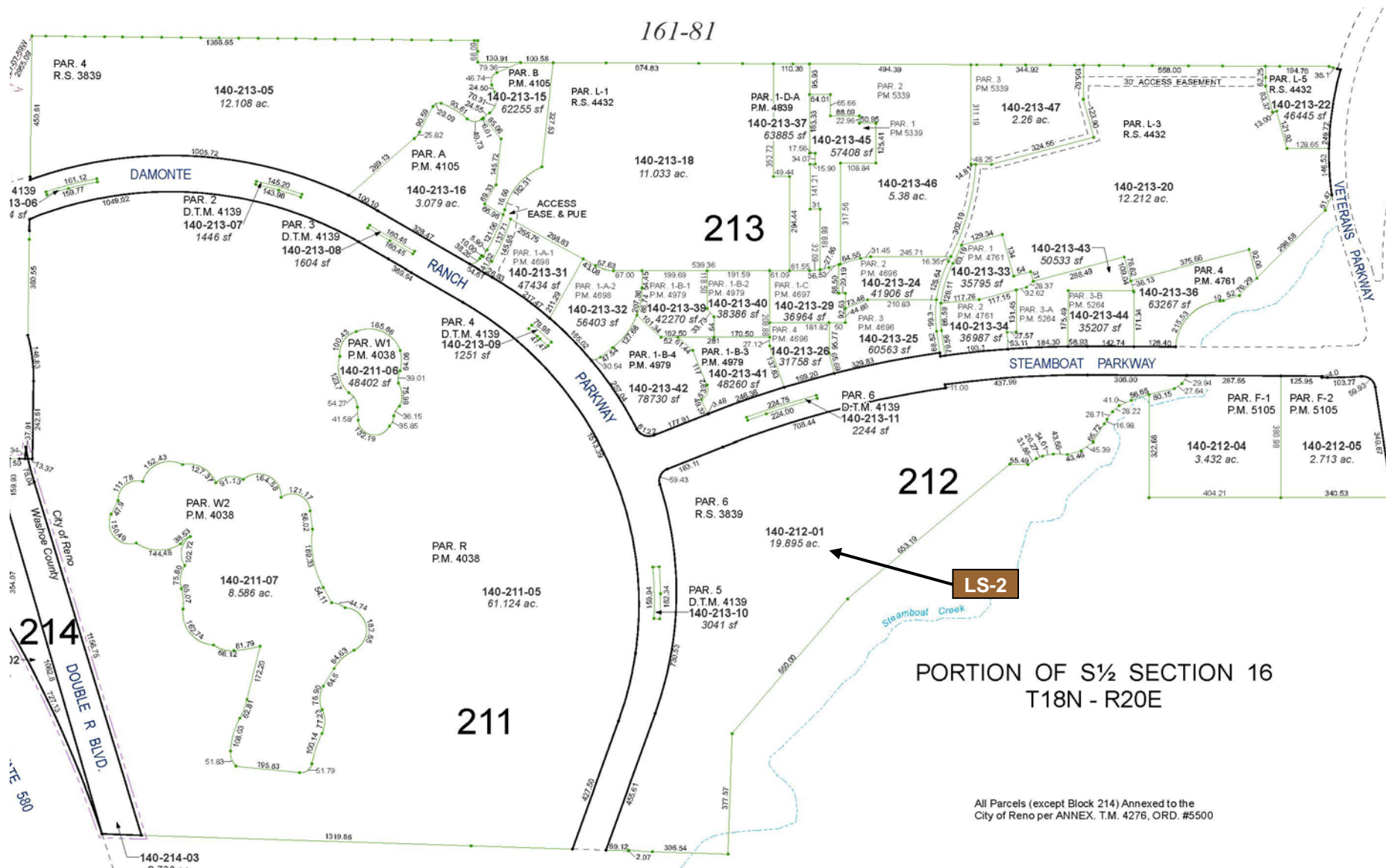
PORTION OF THE W 1/2 SECTION 16
T19N - R18E





W 1/2 SECTION 16
SECTION 17
J - R18E





T18N - R20E

