



## HIDALGO COUNTY RIGHT OF WAY DEPARTMENT

Jose N. Peña  
Director

### *MEMO*

TO: Commissioner's Court

FROM: Roy Gonzales *RG/JG*  
Right Of Way Agent

DATE: JUNE 21, 2011

RE: EL GATO ROAD PROJECT (Parcel # 6)  
Gary H. and Michael S. Palmer, as CO-TRUSTEES of J. Forrest Palmer  
Testamentary Trust Part B

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Attached please find letter provide by property owner for above-mentioned project.

Appraised Value: \$4,681.00

Settlement Offer: \$5,000.00

Differences: \$319.00

Approved; \_\_\_\_\_

*[Signature]* 6/21/11

Not Approved: \_\_\_\_\_

**Roy Gonzales**

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**From:** PALMER942@aol.com  
**Sent:** Tuesday, June 14, 2011 2:13 PM  
**To:** roy.gonzales@co.hidalgo.tx.us  
**Subject:** El Gato Road Project Parcel #6

6 / 14 / 2011

Mr. Roy Gonzales, after reviewing the latest revised offer of \$ 4,681.00, I see that there is progress being made in the right direction. I am sure the Commissioners' Court is looking forward to finalizing the El Gato Rd. project. Having discussed the proposal with my family, we feel strongly that we still want to sit tight on our original price of \$ 5,000.00. If both parties can agree to this figure, I think we can all move forward.

If you have any questions, please feel free to call.

Sincerely,

  
Mike Palmer



**REAL ESTATE APPRAISAL REPORT**  
TEXAS DEPARTMENT OF TRANSPORTATION

**Address of Property:** South side of El Gato Road, ±0.24 miles east of FM 907, Hidalgo County, TX. **District:** NA  
**Property Owner:** Gary H. and Michael S. Palmer, as CO-TRUSTEES of J. Forrest Palmer Testamentary Trust Part B **ROW CSJ:** NA  
**Address of Property Owner:** P.O. Box 518 Pharr TX 78577 **Parcel:** 6  
**Occupant's Name:** Vacant **Federal Project No:** N/A  
**Whole:**  **Partial:**  **Acquisition** **Highway:** El Gato Road **County:** Hidalgo

**Purpose of the Appraisal**

The purpose of this appraisal is to estimate the market value of the fee simple title to the real property to be acquired, encumbered by any easements not to be extinguished, less oil, gas and sulphur. If this acquisition is of less than the whole property, then any special benefits and/or damages to the remainder property must be included in accordance with the laws of Texas.

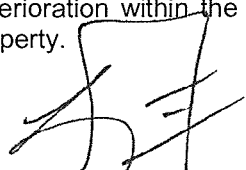
**Market Value**

Market value is defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

**Certificate of Appraiser**

I hereby certify that, it is my opinion the total compensation for the acquisition of the herein described property is \$4,681.00 as of January 10, 2011, based upon my independent appraisal and the exercise of my professional judgment; on January 10, 2011, (date)(s), I personally inspected in the field the property herein appraised; I afforded Gary H. and Michael S. Palmer, as CO-TRUSTEES of the J. Forrest Palmer Testamentary Trust Part B, the property owner or the representative (s) of the property owner, the opportunity to accompany me at the time of the inspection. The comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on February 17, 2011, (date)(s), I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of Hidalgo County, or officials of the Federal Highway Administration until authorized by County officials to do so, or until I am required to do so by due process of law or until I am released from this obligation by having publicly testified to such findings; and, my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

I certify to the best of my knowledge and belief that the statements of fact contained in this report are true and correct; the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions; I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved; and, my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement other than that due to the physical deterioration within the reasonable control of the owner has been disregarded in estimating the compensation for the property.

  
 \_\_\_\_\_  
 Appraiser Signature  
 \_\_\_\_\_  
 State Certified General Real Estate Appraiser – TX 1328375 – General  
 Certification Number  
 \_\_\_\_\_  
 June 8, 2011  
 \_\_\_\_\_  
 Date

To the best of my knowledge, the value does not include any items which are not compensable under the State law.	
_____	_____
District Reviewing Appraiser	Date

### **Certificate of Appraisal**

This appraisal report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation. The subject property was analyzed utilizing the Cost Approach to value which is a Sales Comparison Approach to the subject as if vacant and includes the estimated depreciated market value of real estate improvements and site improvements located within the part to be acquired. This is further explained within each section of the appraisal report.

### **Identification of Client & Intended User of Appraisal Report**

The client for this report is identified as Hidalgo County Right of Way Department under the direction of Joe E. Pena, Director, Right of Way Department and Hidalgo County. Mr. Pena along with Roy Gonzalez, Right-of-Way Agent will be involved with the acquisition of said proposed right-of-way. The part to be acquired is for the expansion of the existing road right-of-way of El Gato Road with the project limits being from Alamo Road (FM 907) to Tower Road, within the extra territorial jurisdiction of the City of Alamo, Texas.

The intended use of the report is to assist the Hidalgo County Right-of-Way Department and others involved with the project, for future negotiations of acquiring a portion of said property as fee simple, in the name of the County of Hidalgo. This report is not intended for any other use unless specified by the client. The client has identified that the report shall be a summary appraisal report, which is to conform to the ROW-A-6 Form Rev. 7/2004. The intended user of the report is defined as Hidalgo County Right of Way Department and the County of Hidalgo, and may include other governmental entities which may be participating in the project. Roy Gonzales shall be the project manager for this project under the direction of Joe E. Pena. Mr. Gonzales has a local office located at 2401 N Moorefield Road, Mission, Texas and can be contacted at (956) 283-8134.

### **Scope of the Assignment**

By work order 653485 dated February 28, 2011 on behalf of Hidalgo County Right of Way Department, Roy Gonzales, requested for Leonel Garza Jr. & Associates LLC to prepare an appraisal report of the part to be acquired as described by survey and metes and bounds created by R. Gutierrez Engineering Corporation. Leonel Garza III is the owner of Leonel Garza Jr. & Associates, LLC located at 1419 Dove Avenue Ste 1, McAllen, Texas. This office has been in operation for over 30 years of which Leonel Garza III, became owner of the family operation after the passing of Leonel Garza Jr. in 1998. Leonel Garza III has specialized in right-of-way acquisition field for over 10 years of which has performed projects in the following County's: Cameron County, Hidalgo County, Starr County, Zapata County, Webb County, Nueces County and Brooks County. Leonel Garza III, shall inspect each property personally along with staff member and General Certified Appraiser Luis C. Garza Lic. No. 1338051 who has worked under the direction of Leonel Garza III for over five (5) years. Luis C. Garza will aid in the preparation of the report, however, all analysis, determination of comparables and the determination of compensable items shall be performed by Leonel Garza III. The scope of the assignment is to appraise the area as fee simple in its present "as is condition" subject to governmental regulation, and in terms of a cash transaction. In addition, the scope is requiring the appraiser to make the extraordinary condition that the subject property is free from contamination of which could affect the overall market value of the subject property as a whole and the part to be acquired. Each property owner shall be sent a letter of intent to inspect the subject property and offer any additional inspections on-site and in the presence of the owner(s) and or owner(s) representative (as requested). In the event access is not granted to enter the subject area, the appraiser is to proceed off-site along existing road right-of-way as indicated by survey. The scope of the assignment requires that comparable market sales within the area be identified and analyzed for comparability and for their reliability in determining the estimated market value of the subject property. The comparables have been collected, confirmed and analyzed with respect to comparability to the subject property. These comparable sales were gathered through various sources which included the Greater McAllen Multiple Listing Service, local Realtors & Brokers, Real Estate Appraisers, and conversations with various owners along the project. Listings along El Gato Road were also reviewed in order to determine the current market asking price for property along the project. The appraisal report shall indicate the current market value of the subject property as per date of on-site and or off-site inspection without project influence as indicated by scope. The inspection is limited by the permissibility of the subject owner as per date of report. In the event an on-site inspection was not permitted, the appraiser continued the inspection off-site along existing road right of way of El Gato Road.

### **Purpose of the Appraisal Report**

This appraisal is prepared for the purpose of estimating the current market value of the fee simple estate of the subject property in order to determine the value of the proposed right-of-way to be acquired in the name of the Hidalgo County, as defined within this report. This appraisal does not include any enhancement in value resulting from items of intangible personal property such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, contracts, leases (mineral and or ground lease), or operating agreements and project influence (if any exist). The area to be acquired may contain personal property items and or real estate items, which may be compensable for the purpose of right-of-way acquisition only. These items deemed compensable shall be included within the body of the report and itemized for clarity. Any improvements not located within the part to be acquired and outside of the permissibility of inspection as defined by the subject owner, shall be given a stated value based on the assessment established by the corresponding Appraisal District and or by off-site estimation by appraiser, as they are not affected by the acquisition.

### **Property Rights Appraised**

The property rights being appraised in this report consist of the fee simple estate and easement valuation of the subject property. Fee Simple Estate is defined by the Dictionary of Real Estate Appraisal, Fifth Edition, copyright 2010, page 78, by the Appraisal Institute as being: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." In addition to the valuation of fee simple, the scope of the assignment is to evaluate the subject as an "Easement". According to the Dictionary of Real Estate Appraisal "An easement is the conveyance of certain property rights, but not ownership, to a parcel of real estate." By definition, the ownership of real estate is endowed with a bundle of rights. If there are any questions or concerns as to this definition of fee simple estate or easement, please feel free to contact Leonel Garza III at (956) 687-7295 for further explanation

### **Accessibility To Subject Property**

As per scope of the assignment, the subject property shall be inspected in order to verify any and all improvements affected by the part to be acquired. In the event the remainder after the acquisition is affected by the proposed acquisition, the remainder shall be inspected in order to determine damages (diminution) to market value if any exist. The property owner of record shall be sent a letter of intent to inspect and offer the opportunity for an on-site inspection in the presence of the appraiser, Leonel Garza III. The owner of record, as per the Hidalgo County Appraisal District was sent a letter of intent to inspect the subject property on the week of February 9, 2011. A copy of the certified letter is located within the addenda of this report. This appraiser spoke with Mike Palmer and Gary Palmer on April 5, 2011 to discuss the project. Mr. Palmer can be reached at (956) 227-5757 or (956) 283-6165.

### **Analysis of Subject As A Whole**

A survey of the property owners entire tract was not performed as the part to be acquired incorporates a portion of land located along El Gato Road. As per scope of the assignment, the subject property shall be analyzed based on the combined information of several sources including, the survey provided, on-site and or off-site inspection, personal interviews, and information gathered from the local appraisal district. The property was analyzed based on the whole property less any existing road right-of-way. Based on the inspection of the subject property and the evaluation of the subject as a whole, the remainder shall not be affected by the part to be acquired and therefore shall not be included within the valuation of this report.

### **Economic Unit Analysis**

The subject property shall be analyzed based on a 9.85 Acres tract of land as indicated by survey. The area for the subject property as a whole is indicated as per survey provided by R. Gutierrez Engineering Corporation dated December 3, 2010. The comparable sales used for the analysis of the subject property as whole and as the partial acquisition indicated a range of economic units of acres 2.0 to 21.63 acres. These indicated economic unit values are used for the valuation of the proposed acquisition, as the part to be acquired does constitute an economic unit. Therefore, the pro-rata part of the whole is applied as the market valuation of the proposed acquisition.

**Part To Be Acquired**

The proposed acquisition is comprised of fee land in which the land area to be acquired is 0.379 acres (16,509 square feet). The part to be acquired includes 0.152 acres of existing road right of way and is encumbered by a 0.038 acre South Texas Natural Gas Gathering Company ROW, leaving a net 0.189 acres (8,233 square feet) of land owned in fee simple. The proposed acquisition has approximately 330' lineal feet of frontage along the south side of El Gato Road. The proposed acquisition, which is the subject of this report, shall be evaluated as a whole as determined by the approaches to market value selected. The subject shall be valued based on the highest and best use as a residential development tract of land, which is based on the local market trends along El Gato Road. This highest and best use is further explained on page 3.2 of this report.

<b>To Be Acquired (Net)</b>	<b>0.189 Net Acres</b>
	<b>8,233 Square Feet</b>

**Legal Description: Part To Be Acquired**

A 0.379 gross acre tract of land, of which 0.152 acres lies in existing South Texas Natural Gas Gathering ROW and 0.038 acres lies in existing County Road ROW leaving a net taking of 0.189 acres, out of the west 1/2 of the west 1/2 of Lot 9, Block 29, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas. Volume 1, Pages 24-26, M.R.H.C.

**Remainder Before and After Acquisition**

The remainder, before and after the acquisition, is defined as the partial acquisition subtracted from the whole property which is described as the subject property. It is determined at the time of appraisal whether or not damages to the remainder are caused by the proposed part to be acquired. The highest and best use of the subject property before and after the proposed partial acquisition is analyzed to determine whether or not the use of the subject property will be altered as a result of the proposed part to be acquired. As for the remainder, it was determined that the highest and best use before and after the acquisition shall remain and not be damaged or changed as a result of the proposed acquisition.

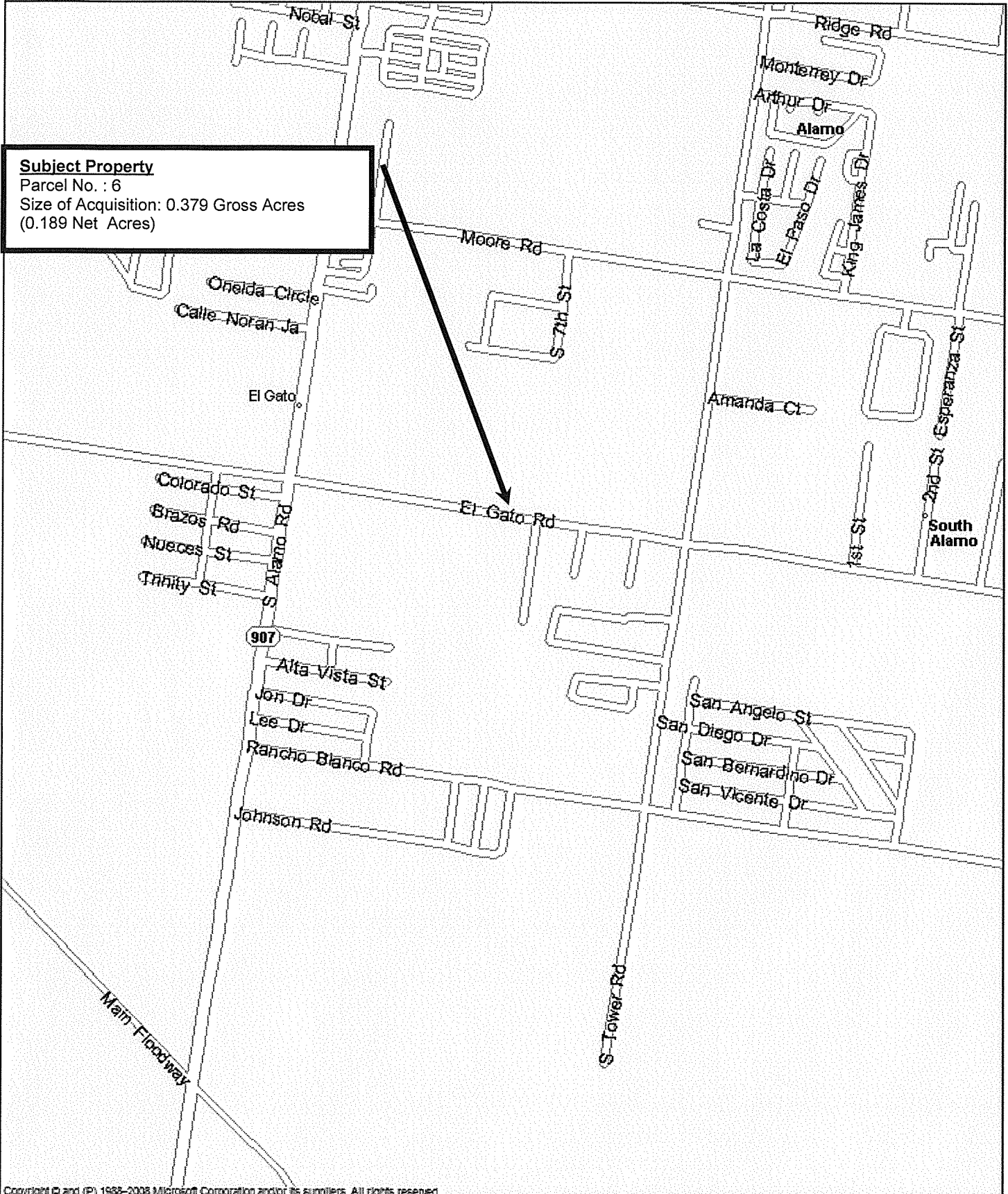
**Property Tax Information**

The Hidalgo County Appraisal District is located at 4405 S. Professional Dr., Edinburg, Texas and can also be accessed via [www.hidalgoad.org](http://www.hidalgoad.org). According to the information provided by the website, the subject property was confirmed to be under the ownership of Gary H. and Michael S. Palmer, as CO-TRUSTEES of the J. Forrest Palmer Testamentary Trust Part B. This was found under the tax account 111701 of which the subject property is current assessed at \$75,845 or \$7,770 per acre. The subject property currently receives an agriculture use exemption due to its current use, with a rate of \$404 per acre. The property taxes for the subject appear to be current; however, further research with the Hidalgo tax office shall be required to confirm any outstanding tax liabilities attributable to the subject property.

**General Site Assessment Statement**

This appraiser has made an off-site inspection of the subject property, and no obvious adverse environmental concerns or potentially hazardous materials were observed. This appraiser is not qualified to make a detailed environmental study and highly recommends that an inspection be made by a qualified environmental engineer if any environmental concerns exist. Leonel Garza Jr. & Associates LLC has performed this appraisal report under the hypothetical condition and extraordinary assumption that the subject property has not experienced any adverse environmental concerns which may influence its marketability and or value. A survey of the remainder of the subject property was not provided or necessary due to the acquisition being a partial taking. The extraordinary assumption is that neither adverse easements nor encroachments are located within the subject property which would affect the value of the whole. The subject property was observed that the property is generally level and typical of the surrounding market area. No severe low lying areas were observed, however, this appraiser is not an engineer and cannot certify to the topography or drainage of the subject property.

# LOCATION MAP OF SUBJECT PROPERTY



**Subject Property**  
Parcel No. : 6  
Size of Acquisition: 0.379 Gross Acres  
(0.189 Net Acres)

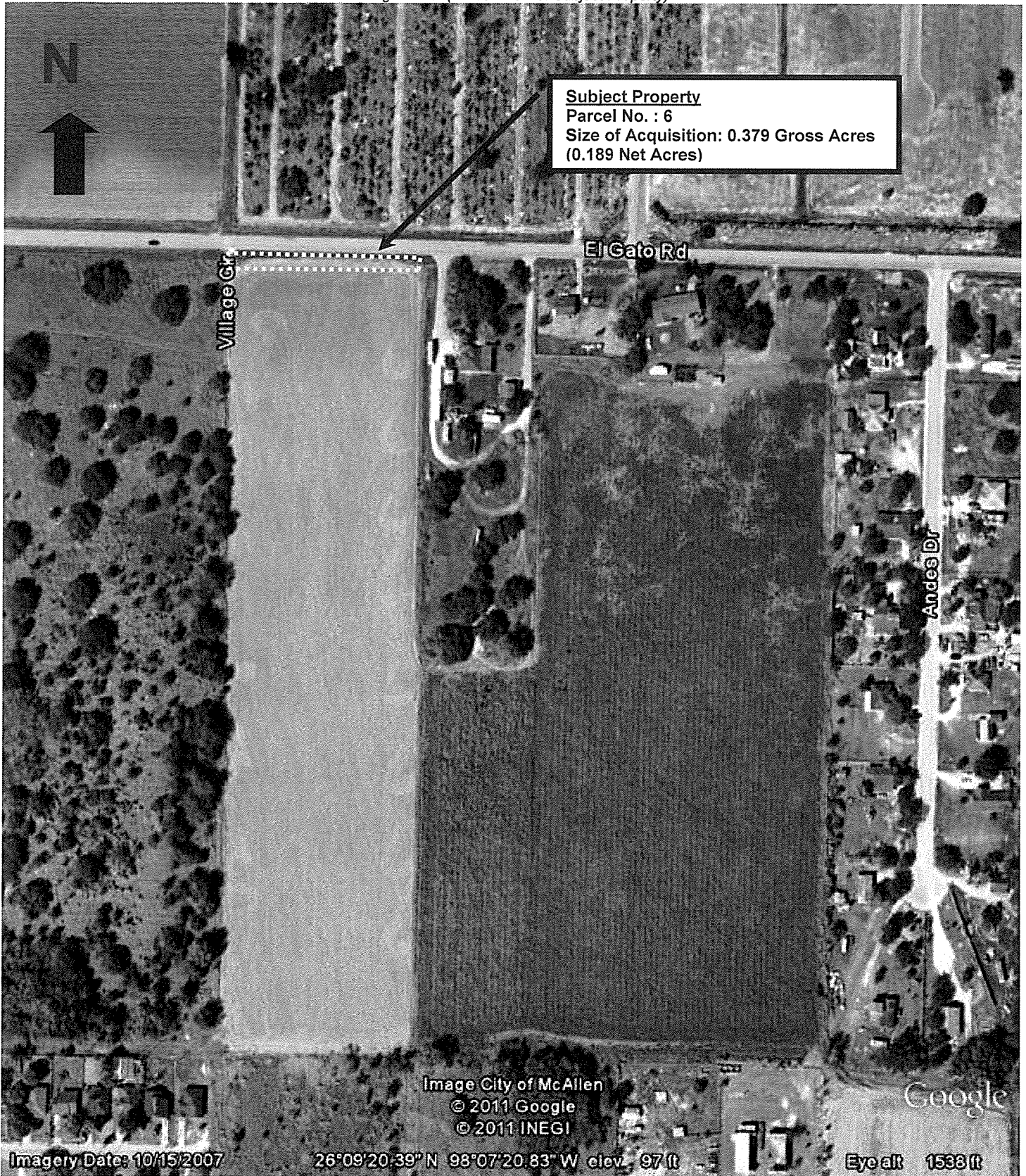
# AERIAL PHOTOGRAPH OF SUBJECT PROPERTY

Google Earth



# AERIAL PHOTOGRAPH OF SUBJECT PROPERTY

Google Earth (Closer View of Subject Property)



NOTE: THE PART TO BE ACQUIRED IS ESTIMATED AND DEPICTED BY THE YELLOW DASHED LINE. COMPLETE SURVEY OF SUBJECT AS A WHOLE WAS NOT PROVIDED BY R. GUTIERREZ ENGINEERING CORP. AND IS ESTIMATED BASED ON INFORMATION GATHERED DURING THE INSPECTION OF THE SUBJECT PROPERTY OR THE HIDALGO COUNTY APPRAISAL DISTRICT.

FIELD NOTES OF PART TO BE ACQUIRED (Page 1 of 2)

EXHIBIT "A"

COUNTY: HIDALGO

HIGHWAY: El Gato Road

PROJECT LIMITS: From Alamo Road (F.M. 907) to Tower Road

Eng09.022A  
September 30, 2010  
Parcel 6  
Page 1 of 2

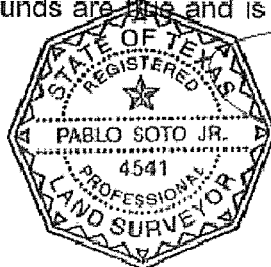
FIELD NOTES FOR PARCEL - 6

Being a 0.379-acre tract of land out of the West one-half (1/2) of the West one-half (1/2) of Lot 9, Block 29, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as per map recorded in Volume 1, Pages 24~26, Map Records of Hidalgo County, Texas. Said West one-half (1/2) of the West one-half (1/2) of Lot 9, Block 29, is vested to Gary H. Palmer and Michael S. Palmer, as Co-Trustees of the J. Forrest Palmer Testamentary Trust-part B (QTIP Trust), by virtue of a Partition Deed, dated March 30, 2005, recorded in Document No. 1452626, Official Records of Hidalgo County, Texas. Said 0.379-acre tract of land being more particularly described by metes and bounds as follows;

**Beginning** at a Cotton Picker Spindle set at the Northwest corner of Lot 9, for the Northwest corner of this tract of land and the **POINT OF BEGINNING**;

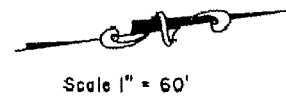
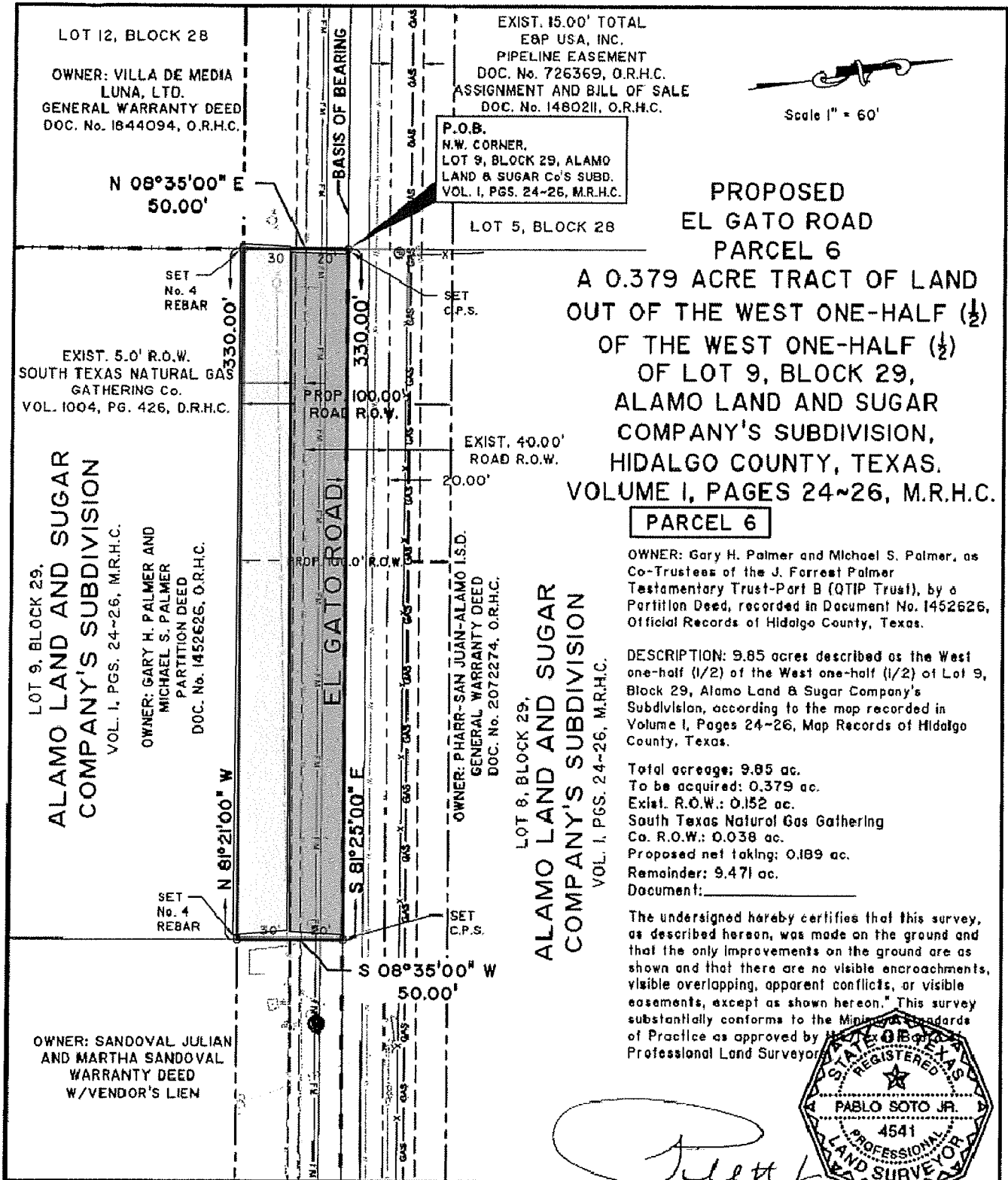
1. **THENCE**, South 81 degrees 25 minutes 00 seconds East, with the North line of said Lot 9, a distance of 330.00 feet to a Cotton Picker Spindle set, for the Northeast corner of this tract of land;
2. **THENCE**, South 08 degrees 35 minutes 00 seconds West, with the East line of the West one-half (1/2) of the West one-half (1/2) of said Lot 9, Block 29, at a distance of 20.00 feet pass the Existing South Right of Way line of El Gato Road, and at a total distance of 50.00 feet to a No. 4 rebar set at the Proposed South Right of Way line of El Gato Road, for the Southeast corner of this tract of land;
3. **THENCE**, North 81 degrees 25 minutes 00 seconds West, with the Proposed South Right of Way line of said El Gato Road, a distance of 330.00 feet to a No. 4 rebar set at the West line of said Lot 9, for the Southwest corner of this tract of land;
4. **THENCE**, North 08 degrees 35 minutes 00 seconds East, with the West line of said Lot 9, at a distance of a 30.00 feet pass the Existing South Right of Way line of said El Gato Road, and at a total distance of 50.00 feet to the **POINT OF BEGINNING**, containing 0.379 of an acre, of which 0.152 of an acre lies in the Existing Right of Way of El Gato Road, 0.038 of an acre lies in the Existing South Texas Natural Gas Gathering Company Right of Way, leaving a **Proposed Net Taking** of 0.189-acres of land, more or less.

I, Pablo Soto, Jr., a Registered Professional Land Surveyor in the State of Texas, do hereby certify the above metes and bounds are true and is the result of an actual survey performed on the ground under my direction.



*Pablo Soto Jr.*  
PABLO SOTO JR. - R.P.L.S. No. 4541  
Date: 12/3/10

**SURVEY OF PART TO BE ACQUIRED (Page 2 of 2)**



Scale 1" = 60'

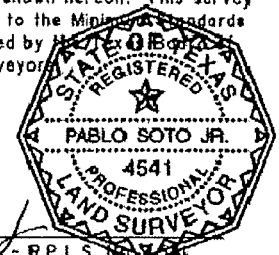
**PARCEL 6**

OWNER: Gary H. Palmer and Michael S. Palmer, as Co-Trustees of the J. Forrest Palmer Testamentary Trust-Part B (QTIP Trust), by a Partition Deed, recorded in Document No. 1452626, Official Records of Hidalgo County, Texas.

DESCRIPTION: 9.85 acres described as the West one-half (1/2) of the West one-half (1/2) of Lot 9, Block 29, Alamo Land & Sugar Company's Subdivision, according to the map recorded in Volume I, Pages 24-26, Map Records of Hidalgo County, Texas.

Total acreage: 9.85 ac.  
To be acquired: 0.379 ac.  
Exist. R.O.W.: 0.152 ac.  
South Texas Natural Gas Gathering Co. R.O.W.: 0.038 ac.  
Proposed net taking: 0.189 ac.  
Remainder: 9.471 ac.  
Document: \_\_\_\_\_

The undersigned hereby certifies that this survey, as described hereon, was made on the ground and that the only improvements on the ground are as shown and that there are no visible encroachments, visible overlapping, apparent conflicts, or visible easements, except as shown hereon. This survey substantially conforms to the Minimum Standards of Practice as approved by the State Board of Professional Land Surveyors.



*Pablo Soto Jr.*  
PABLO SOTO, JR. - R.P.L.S. No. 4541

Date: 12/3/10

**R. Gutierrez Engineering Corporation**  
Professional Engineers & Land Surveyors  
130 E. PARK AVENUE • PHARR, TEXAS 78577  
(TEL) 958 782-2557 • (FAX) 958 782-2558  
FIRM No. 486

JOB No.: ENG09.022A	DATE: 9/28/10
DRAWN BY: J.H.F./NML	PAGE: 2 OF 2

Green Highlighted Area = Existing ROW / Easement • Yellow Highlighted Area = Part to be Acquired