



## HIDALGO COUNTY RIGHT OF WAY DEPARTMENT

Jose N. Peña  
Director

### *MEMO*

TO: Commissioner's Court

FROM: Victor Gallardo *VB*  
Right Of Way Agent

DATE: August 10, 2011

RE: EL GATO ROAD PROJECT (Parcel # 4)  
Kormeier & Jackson, a Texas General Partnership

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

Appraised Value: \$ 6,000.00

Settlement Offer: \$ 8,000.00

Differences: \$ 2,000.00

Approved:   
\_\_\_\_\_

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

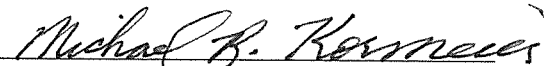
Date: 08/10/2011


Hidalgo County Right of Way Department  
Attn: Victor Gallardo ROW Agent  
2401 N. Moorefield Road  
Mission, Tx 78572

Subject : El Gato Road Project Parcel #4

Mr. Victor Gallardo, after reviewing the latest revised offer of \$ 6000.00, we still feel that the price should be \$ 8,000.00 . If the County would raise the price of Parcel #4 , we will be in agreement.

Thank you for your time concerning this matter.

  
Michael R. Kormeier, General Partner

  
Gary L. Jackson, General Partner

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

**Address of Property:** SEC of FM 907 (Alamo Road) and El Gato Road, Hidalgo County, TX. **District:** NA  
**Property Owner:** Kormeier & Jackson, a Texas Corporation **ROW CSJ:** NA  
**Address of Property Owner:** 809 Pecan Boulevard McAllen TX 78501 **Parcel:** 4  
**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.

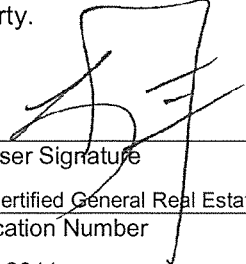
**Market Value**

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 \$6,000.00 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 Kormeier & Jackson, 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. I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the, City of Alamo, or officials of the Federal Highway Administration until authorized by city 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  
 \_\_\_\_\_  
 July 7, 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 that 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 the City of Alamo, Texas. 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 City of Alamo. 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 and the City of Alamo, 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 City of Alamo, 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. In the event no written or verbal permission was granted to the office of Leonel Garza Jr. & Associates LLC prior to date of inspection, the inspection proceeded off-site along existing road right-of-way as per scope. The property owner shall always reserve the right to contact the office of Leonel Garza Jr. & Associates LLC (956) 687-7295, after the date of inspection for an additional on-site inspection in their presence with appraiser, Leonel Garza III.

### **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 9.94 acre 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 2, 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 2.00 acres 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 0.639 acres (27,835 square feet) out of a 9.94 acre tract of land. The part to be acquired includes 0.248 acres of existing road right of way and is encumbered by a 0.062 acre South Texas Natural Gas Gathering Company ROW and City of Alamo utility easement and a 0.320 acre City of Alamo utility easement, leaving a net 0.009 acres (392 square feet) of land owned in fee simple. The proposed acquisition has approximately 540' lineal feet of frontage along the southern 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 mixed use tract with commercial/residential development, 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</b>	<b>0.639 Acres</b>
	<b>27,835 Square Feet</b>

**Legal Description: Part To Be Acquired**

A 0.639 acre tract of land out of the north 10.0 acres of the West 20.0 acres Lot 12, Block 28, 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 Kormeier & Jackson. This was found under the tax account 111604 of which the subject property is current assessed at \$7,700 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.

### **Utility Services Available**

The subject property is located within the City of Alamo, in an area where municipal utilities are available. As per Dalia Zuniga, Planning and Development Department of the City of Alamo, Texas, municipal water lines are located at the Sable Palms Subdivision. Sable Palms Subdivision is located along the northern frontage of El Gato Road, centrally located between Alamo Road and Tower Road,

### **Identification of Personal Property**

As per scope of the assignment, no personal property located within the proposed right-of-way and the remainder before and after the acquisition shall be included for compensation, unless it was determined by the appraiser that these items shall be affected or damaged by the proposed acquisition. In the event the selected items are determined to be compensable, then they shall be included within the cost approach section of this report. A value which shall be either the cost to cure and or the cost of replacement shall be delineated for each item for clarity.

### **Current Listing Status**

Based on the on and or off-site inspection of the subject property no visible "For Sale" signs were located on-site indicated the subject property listed for sale. Additional research was conducted with local Realtor's® Multiple Listing Services and the subject property was not listed.

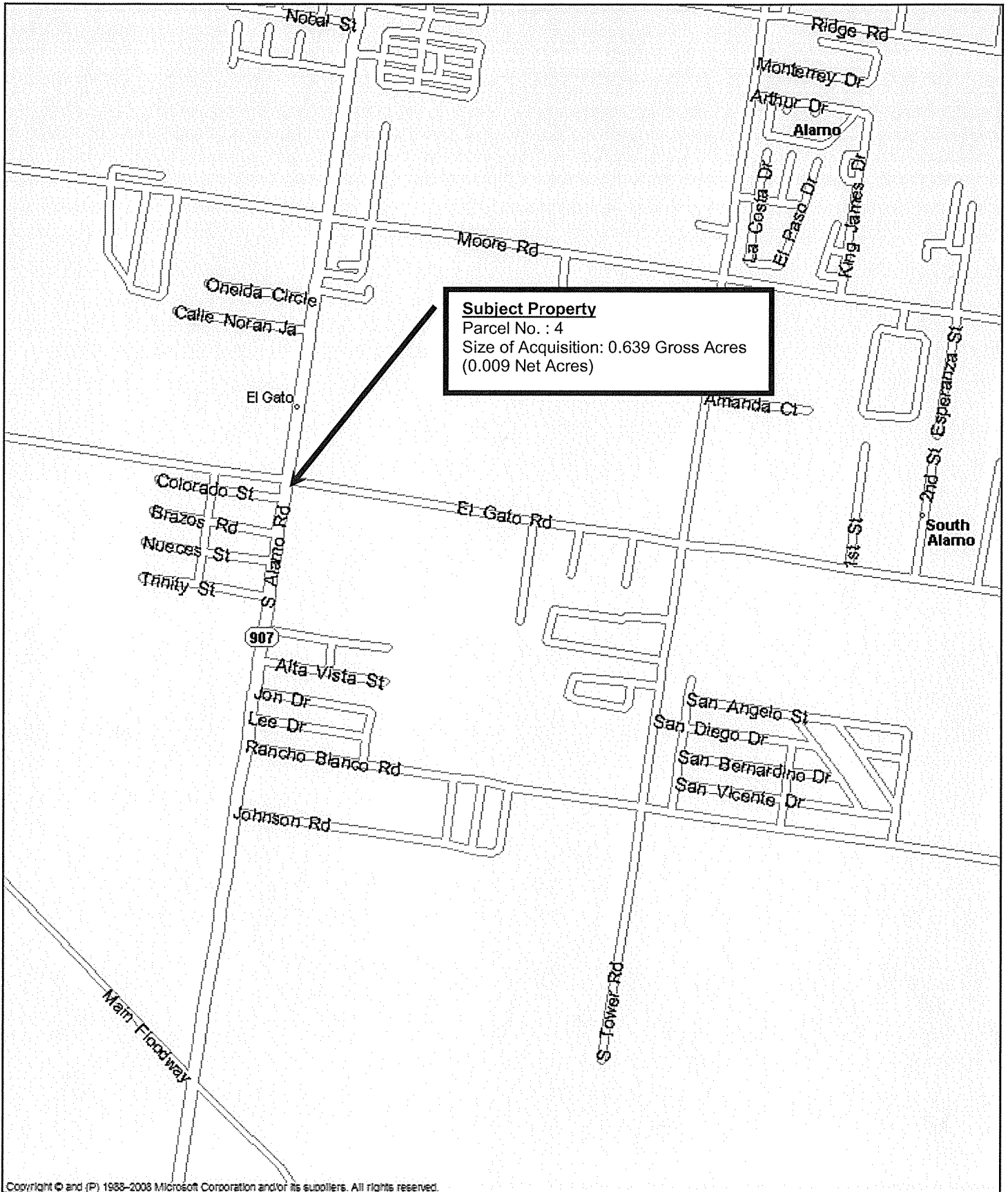
### **Exposure Time**

Exposure time is defined as the "length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Based on research performed within the market area, an indicated twelve (12) to twenty-four month (24) exposure time is indicated for the subject property. This was estimated based on current and past listings located within the market area which were reviewed during our sales search for comparables similar to the subject property.

### **Estimated Marketing Time Period**

The indicated marketing period is based on the marketing periods of the comparable sales used in the Sales Comparison Approach and the surrounding sales found. Based on the research performed, a twelve (12) to twenty-four month (24) marketing time period appears to be adequate. This time period was selected after a review of multiple land sales within the Hidalgo County markets along El Gato Road and neighboring thoroughfares. The analysis included the indicated "DOM" Days on Market as shown on the several multiple listing service which provides local Realtors® an avenue to advertise properties located in the Rio Grande Valley with the focus within Hidalgo County.

# LOCATION MAP OF SUBJECT PROPERTY



**Subject Property**  
Parcel No. : 4  
Size of Acquisition: 0.639 Gross Acres  
(0.009 Net Acres)

# AERIAL PHOTOGRAPH OF SUBJECT PROPERTY

Google Earth



**Subject Property**

Parcel No. : 4  
Size of Acquisition: 0.639 Gross Acres  
(0.009 Net Acres)

© 2010 INEGI

© 2010 Europa Technologies

Image City of McAllen

© 2010 Google

Imagery Date: Oct 15, 2007

26°09'23.69" N 98°07'16.38" W

Eye alt 5253 ft

# AERIAL PHOTOGRAPH OF SUBJECT PROPERTY

Google Earth (Closer View of Subject Property)



FIELD NOTES OF PART TO BE ACQUIRED (Page 1 of 3)  
**EXHIBIT "A"**

COUNTY: HIDALGO

HIGHWAY: El Gato Road

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

Eng09.022A  
December 2, 2010  
Parcel 4  
Page 1 of 3

**FIELD NOTES FOR PARCEL – 4**

Being a 0.639 of an acre of land out of the North 10.0-acres of the West 20.0-acres Lot Twelve (12), Block Twenty-eight (28), 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 10.0-acre tract of land is vested to Kormeier & Jackson, a Texas General Partnership from Alamo Merchandising, Construction & Development, Inc., by virtue of a Warranty Deed with Vendor's Lien, dated March 5, 2002, recorded in Document No. 1063192, Official Records of Hidalgo County, Texas. Save and Except: A 0.04 acre tract of land vested to City of Alamo, Texas, a municipal corporation, by virtue of Special Warranty Deed, dated February 13, 2008, recorded in Document No. 1856253, Official Records, Hidalgo County, Texas. A 0.02 acre tract of land vested to The State of Texas, by virtue of Deed, dated May 5, 2008, recorded in Document No.1896902, Official Records of Hidalgo County, Texas. Said 0.639 of an acre of land being more particularly described by metes and bounds as follows;

**Commencing** at the Northwest corner of Lot 12, **THENCE**, South 81 degrees 25 minutes 00 seconds East, with the North line of Lot 12, a distance of 90.00 feet to a Cotton Picker Spindle set at the East Right of Way line of Alamo Road (F.M. 907), for the Northwest corner and the **POINT OF BEGINNING** of this tract of land;

1. **THENCE**, continuing South 81 degrees 25 minutes 00 seconds East, with the North line of said Lot 12, a distance of 540.00 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 West line of said 0.04-acre tract, 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 550.00 feet to a No. 4 rebar set, for an interior corner of this tract of land;
4. **THENCE**, South 53 degrees 35 minutes 00 seconds West, continuing with the Proposed South Right of Way line of said El Gato Road, a distance of 42.43 feet to a No. 4 rebar set at the Existing East Right of Way line of said Alamo Road, for the Southwest corner of this tract of land;

FIELD NOTES OF PART TO BE ACQUIRED (Page 2 of 3)

Eng09.022A  
December 2, 2010  
Parcel 4  
Page 2 of 3

5. **THENCE**, North 08 degrees 35 minutes 00 seconds East, with the Existing East Right of Way line of said Alamo Road, a distance of a 20.00 feet to a No. 4 rebar set at the South corner of said 0.02-acre tract, for the exterior corner of this tract of land;
6. **THENCE**, North 53 degrees 35 minutes 00 seconds East, with the East line of said 0.02-acre tract line, a distance of 56.57 feet to a No. 4 rebar set at the Existing South Right of Way line of said El Gato Road, for an interior corner of this tract of land;
7. **THENCE**, North 08 degrees 35 minutes 00 seconds East, with the Existing East Right of Way line of said Alamo Road, a distance of a 20.00 feet to the **POINT OF BEGINNING**, containing 0.639 of an acre of land, of which 0.248 of an acre of land lies in the Existing Right of Way of El Gato Road, 0.062 of an acre of land lies in the overlapping Existing South Texas Natural Gas Gathering Company Right of Way and the City of Alamo Utility Easement, and 0.320 of an acre of land lies in the City of Alamo Utility Easement and leaving a **Proposed Net Taking** of 0.009 of an acre 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 is true and is the result of an actual survey performed on the ground under my direction.

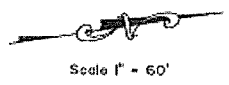
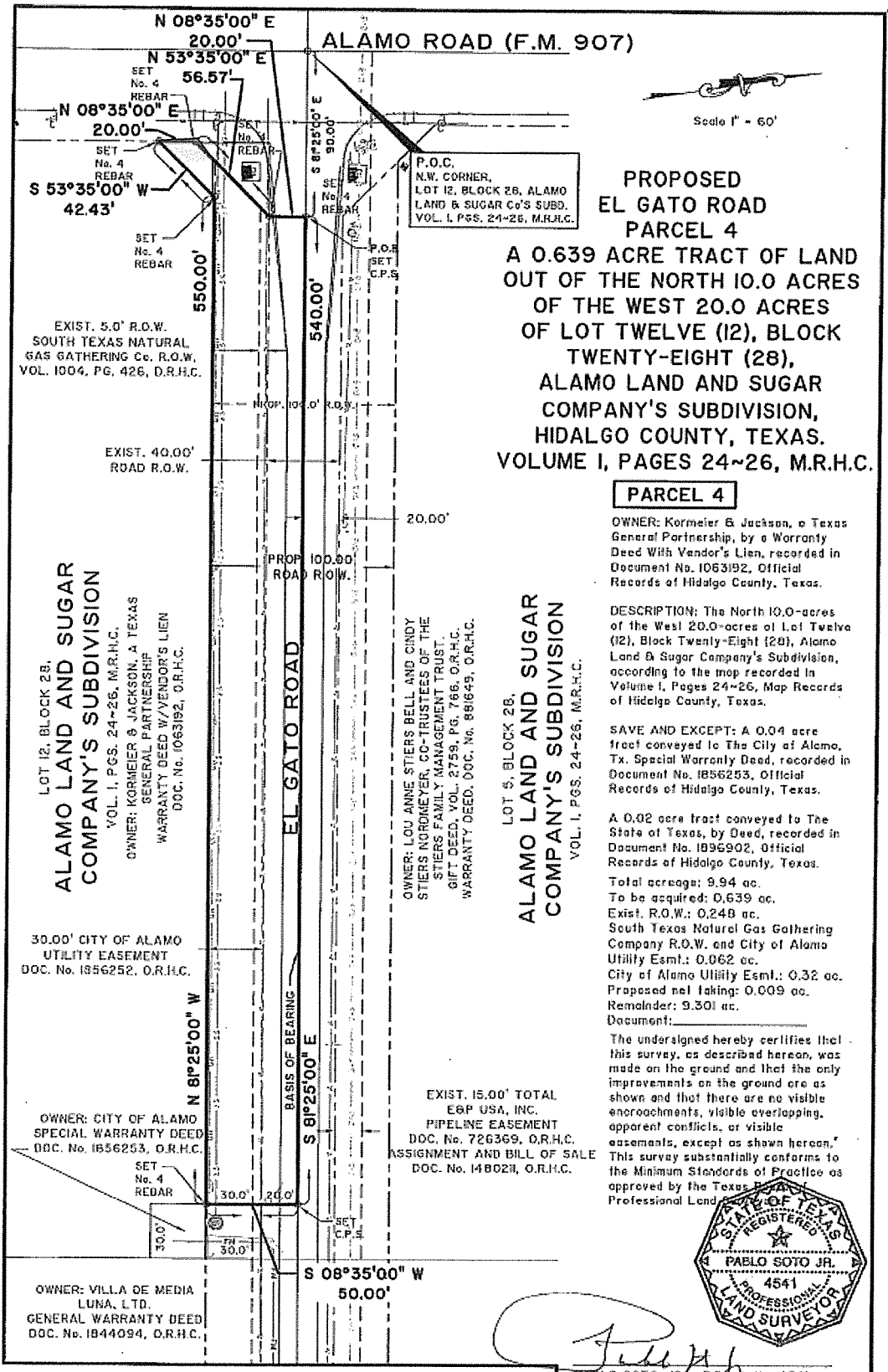


A handwritten signature in black ink, appearing to read "Pablo Soto Jr.", written over a horizontal line.

PABLO SOTO JR. - R.P.L.S. No. 4541

Date: 12/2/10

**SURVEY OF PART TO BE ACQUIRED (Page 3 of 3)**



Scale 1" = 60'

**PROPOSED  
EL GATO ROAD  
PARCEL 4**

**A 0.639 ACRE TRACT OF LAND  
OUT OF THE NORTH 10.0 ACRES  
OF THE WEST 20.0 ACRES  
OF LOT TWELVE (12), BLOCK  
TWENTY-EIGHT (28),  
ALAMO LAND AND SUGAR  
COMPANY'S SUBDIVISION,  
HIDALGO COUNTY, TEXAS.  
VOLUME I, PAGES 24~26, M.R.H.C.**

**PARCEL 4**

**OWNER:** Kormeier & Jackson, a Texas General Partnership, by a Warranty Deed With Vendor's Lien, recorded in Document No. 1063192, Official Records of Hidalgo County, Texas.

**DESCRIPTION:** The North 10.0-acres of the West 20.0-acres of Lot Twelve (12), Block Twenty-Eight (28), Alamo Land & Sugar Company's Subdivision, according to the map recorded in Volume I, Pages 24~26, Map Records of Hidalgo County, Texas.

**SAVE AND EXCEPT:** A 0.04 acre tract conveyed to The City of Alamo, Tx. Special Warranty Deed, recorded in Document No. 1856253, Official Records of Hidalgo County, Texas.

A 0.02 acre tract conveyed to The State of Texas, by Deed, recorded in Document No. 1896902, Official Records of Hidalgo County, Texas.

Total acreage: 9.94 ac.  
To be acquired: 0.639 ac.  
Exist. R.O.W.: 0.249 ac.  
South Texas Natural Gas Gathering Company R.O.W. and City of Alamo Utility Esmt.: 0.062 ac.  
City of Alamo Utility Esmt.: 0.32 ac.  
Proposed net taking: 0.009 ac.  
Remainder: 9.301 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 Texas Professional Land Surveyors.



PABLO SOTO, JR. - R.P.L.S. No. 4541  
 Date: 12/2/10

<p><b>R. Gutierrez Engineering Corporation</b> Professional Engineers &amp; Land Surveyors 130 E. PARK AVENUE • PHARR, TEXAS 78877 (TEL) 958 782-2557 • (FAX) 958 782-2558 ENGINEERING FIRM No. 486 • SURVEYING FIRM No. 101660-00</p>	JOB No: ENG09.022A      DATE: 12-02-10
	DRAWN BY: J.H.F./NML      PAGE: 2 OF 2

**PHOTOGRAPHS OF SUBJECT PROPERTY**  
Include Each Major Improvement

Parcel No.: 4

Local Address: SEC of FM 907(Alamo Road) and El Gato Road, Hidalgo County.

Date Taken: January 10, 2011

Taken By: Leonel Garza III

Point which taken: Photo 1: El Gato Road ROW  
Photo 2: El Gato Road ROW

Looking: Photo 1: Southern View  
Photo 2: Southwestern View



Photo 1

Southern view of subject property from El Gato Road ROW.



Photo 2

Southwestern view the part to be acquired, taken from El Gato Road.

Point which taken: Photo 3: El Gato Road ROW  
Photo 4: El Gato Road ROW

Looking: Photo 3: Eastern View  
Photo 4: Western View



Photo 3

Eastern view of El Gato Road. Subject property is to the right of the photo.



Photo 4

Western view of El Gato Road. Subject property is to the left of the photo.

**DESCRIPTION OF PROPERTY:**

The subject property, as a whole, is a 10.0 acre vacant tract of land located along the southeast corner of FM 907 and El Gato Road. The part to be acquired according to the survey provided by R. Gutierrez Engineering Corporation, dated December 2, 2010, indicates the corner clip is approximately 0.009 net acres (392 square feet) located along the most northern property boundary and the western frontage of FM 907 (Alamo Road). This land area currently in fee simple shall be calculated at 100% of the unit value derived from the sales comparison approach as vacant that shall exclude any existing road right of way and public easements to arrive at the net area to be acquired as per scope of the assignment. This is performed in order to determine the unit value for the proposed acquisition for the purchase of said tract in the name of the City of Alamo.

**AREA OR NEIGHBORHOOD ANALYSIS:**

The subject neighborhood is defined as being that area border to the north by US Business 83, to the south by US Highway 281 (Military Road), to the east by South Tower Road and to the west by FM 2557 (Stewart Road). The subject neighborhood is comprised of a mixture of single-family residential development predominantly located along South Tower, Stewart and El Gato Road. Small commercial development is predominantly located along US Business 83 and FM 907. With the introduction of municipal services within the area of the subject property, it is believed that a steady growth of both residential and commercial development will occur. Several properties along South Tower Road are in a state of development as indicated by the City of Alamo Planning and Zoning Department. Leonel Garza Jr. & Associates LLC has inspected the market area along El Gato Road and has found that the market is in a state of positive development.

## **SITE ANALYSIS**

### **Five Year Sales History:**

During the course of the appraisal, research was performed through the Hidalgo County Appraisal District to verify the current ownership of the subject property along with title information provided by the client. The property was transferred from Alamo Merchandising, Construction & Development, Inc to Kormeier & Jackson, a Texas Corporation, on March 5, 2002 and recorded under Document Number 1063192 for an undisclosed consideration. A copy of the appraisal card is located in the Addenda of this report.

### **Legal Description: (Whole Property)**

The North 10.00 acres of the West 20.0 acres of Lot 12, Block 28, Alamo Land & Sugar Company's Subdivision, according to the map recorded in Volume 1, Pages 24-26, Map Records of Hidalgo County, Texas. SAVE AND EXCEPT: A 0.04 acre tract conveyed to The City of Alamo, TX Special Warranty Deed, recorded in Document No. 1856253, Official Records of Hidalgo County, Texas.

### **Legal Description: (Part to be Acquired)**

A 0.639 acre tract of land out of the north 10.0 acres of Lot 12, Block 28, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas. Volume 1, Pages 24-26, M.R.H.C.

### **Improvements:**

During the off-site and or on-site inspection of the subject property, no building improvements were indicated within the part to be acquired. Any site improvements located within the proposed acquisition shall be itemized on page 5.0 of this report for purposes of determining compensation. These site improvements within the acquisition are valued based on their depreciated cost value. In the event site improvements must be re-established within the remainder, a cost to cure shall apply and be added to the total compensation calculated. In addition, any utilities located within the part to be acquired of which are affected by the acquisition, shall be relocated as an item of construction and shall not be included within the compensation of the subject property.

### **Highest and Best Use Analysis:**

The subject's highest and best use as vacant is indicated for commercial use. This type of use is concurrent with the recent trends located along Alamo Road within Alamo, Texas. This highest and best use is based on the determined economic unit of the subject property as whole which is being acquired in the name of the City of Alamo. When a property is evaluated, the highest and best use must always be considered. In the current case, the highest and best use of the whole is determined to be for continued agricultural use based on several factors. Factors taken into consideration are defined by The Dictionary of Real Estate Appraisal, Fourth Edition, copyright 2002, page 135, by the Appraisal Institute as being: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and there results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity." The scope of the assignment is to evaluate the subject property as a whole, part to be acquired, and the remainder before and after the taking, excluding project influence as required by Standards Rule 1-4(f) under the Jurisdictional Exception provision as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). The highest and best use is analyzed for each of these scenarios, as each parcel shall be evaluated before and after the proposed acquisition.

**VALUATION OF PART TO BE ACQUIRED**

**LAND VALUATION**

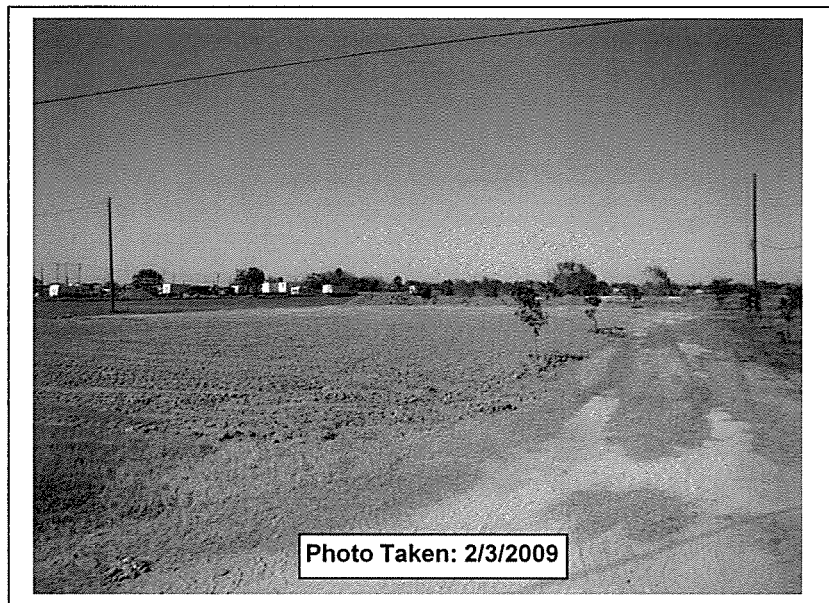
**Representative Comparable Sales**

Physical Characteristics	Typical of Market	Similar	0%	Similar	0%	Similar	0%
Relative Location	Average	Similar	0%	Similar	0%	Similar	0%
Lot Location	Corner Tract	Interior Tract	20%	Interior Tract	20%	Interior Tract	20%
Financing	Conventional	Similar	0%	Similar	0%	Similar	0%
Available Utilities	All Municipal	Similar	0%	Similar	0%	Similar	0%
Street Access / Frontage	Alamo Road and El Gato Road.	El Gato Road, East of Tower Road	0%	Alamo Road Just North of El Gato Road	0%	El Gato Road East of Alamo Road	0%
Size of Tract (Acre)	9.94 Ac	2.00 Ac	-5%	14.55 Ac	10%	21.63 Ac	20%
Net Adjustments			15%		30%		40%
Indicated Unit Value		\$ 31,625 / Ac		\$ 24,570 / Ac		\$ 23,800 / Ac	

<b>Estimated Unit Value of Fee Simple Area</b>		\$	<b>30,000 / Ac</b>
<b>Estimated Unit Value of Easement Area</b>	<b>(\$30,000 / Acre x 50% of Fee Simple Value)</b>	\$	<b>15,000 / Acre</b>
<b>Estimated Value by Sales Comparison Approach</b>	<b>(0.009 Acres x \$30,000 / Ac)</b>	\$	<b>270</b>
<i>(Includes Part To Be Acquired Only)- Fee Land</i>			
<b>Estimated Value by Sales Comparison Approach</b>	<b>( 0.062 Acres x \$15,000 / Ac)</b>	\$	<b>930</b>
<i>(Easement Portion of Part To Be Acquired Only @ 50% of Fee Simple Value)</i>			
<b>Estimated Value by Sales Comparison Approach</b>	<b>( 0.32 Acres x \$15,000 / Ac)</b>	\$	<b>4,800</b>
<i>(Easement Portion of Part To Be Acquired Only @ 50% of Fee Simple Value)</i>			
<b>Combined Market Value</b>		\$	<b>6,000</b>

## COMPARABLE DATA SUPPLEMENT

District: \_\_\_\_\_ Parcel No.: 4 Highway: El Gato County: Hidalgo ROW CSJ: \_\_\_\_\_  
 Road  
 Land Sale  Improved Sale  Rental Data



<b>Grantor/Lessor:</b> Imelda Rodriguez		<b>Grantee/Lessee:</b> Jose H. Mejia	
<b>Date:</b> October 23, 2008	<b>Recording Information:</b> Doc# 1940699		<b>Key Map:</b> TexMap Page 310 E 4
<b>Address:</b> North side of El Gato Road, east of South Tower Road, Alamo Texas.		<b>Zip Code:</b> 78516	
<b>Legal Description:</b> All of Lot 9, El Gato Estates No. 2, an addition to the City of Alamo, Hidalgo County, Texas.			
<b>Confirmed Price:</b> \$55,000		<b>Verified with:</b> MLS# A113650s	
<b>Terms and Conditions of Sale:</b> Cash to Seller			
<b>Rental Data:</b> N/A			
<b>Land Size:</b> 2.00 Acres		<b>Unit Price as Vacant:</b> \$27,500 per acre	
<b>Type Street:</b> Asphalt		<b>Utilities:</b> Water, Sewer, Gas, Electric	
<b>Improvement(s) Description:</b>			
<b>Improvement(s) Size:</b> N/A (GBA) N/A(NRA)		<b>Unit Price as Improved:</b> \$ N/A	
<b>Condition and Functional Design:</b>			
<b>Current Use:</b> Vacant at time of sale		<b>Highest &amp; Best Use:</b> Residential Use	
<b>Date of Inspection:</b> February 17, 2011		<b>Zoning:</b> N/A	<b>Flood Plain:</b> Zone "B"

**Attach additional information as necessary.**

The subject is located along the north side of El Gato Road, east of Tower Road in a area currently being developed into 2.00 acre home-site which is indicative of the trends along El Gato Road.

<b>Appraiser:</b> Leonel Garza III	July 7, 2011
(Typed, not signed)	Date

## COMPARABLE DATA SUPPLEMENT

District: \_\_\_\_\_ Parcel No.: 4 Highway: El Gato County: Hidalgo ROW CSJ: \_\_\_\_\_  
 Road  
 Land Sale  Improved Sale  Rental Data



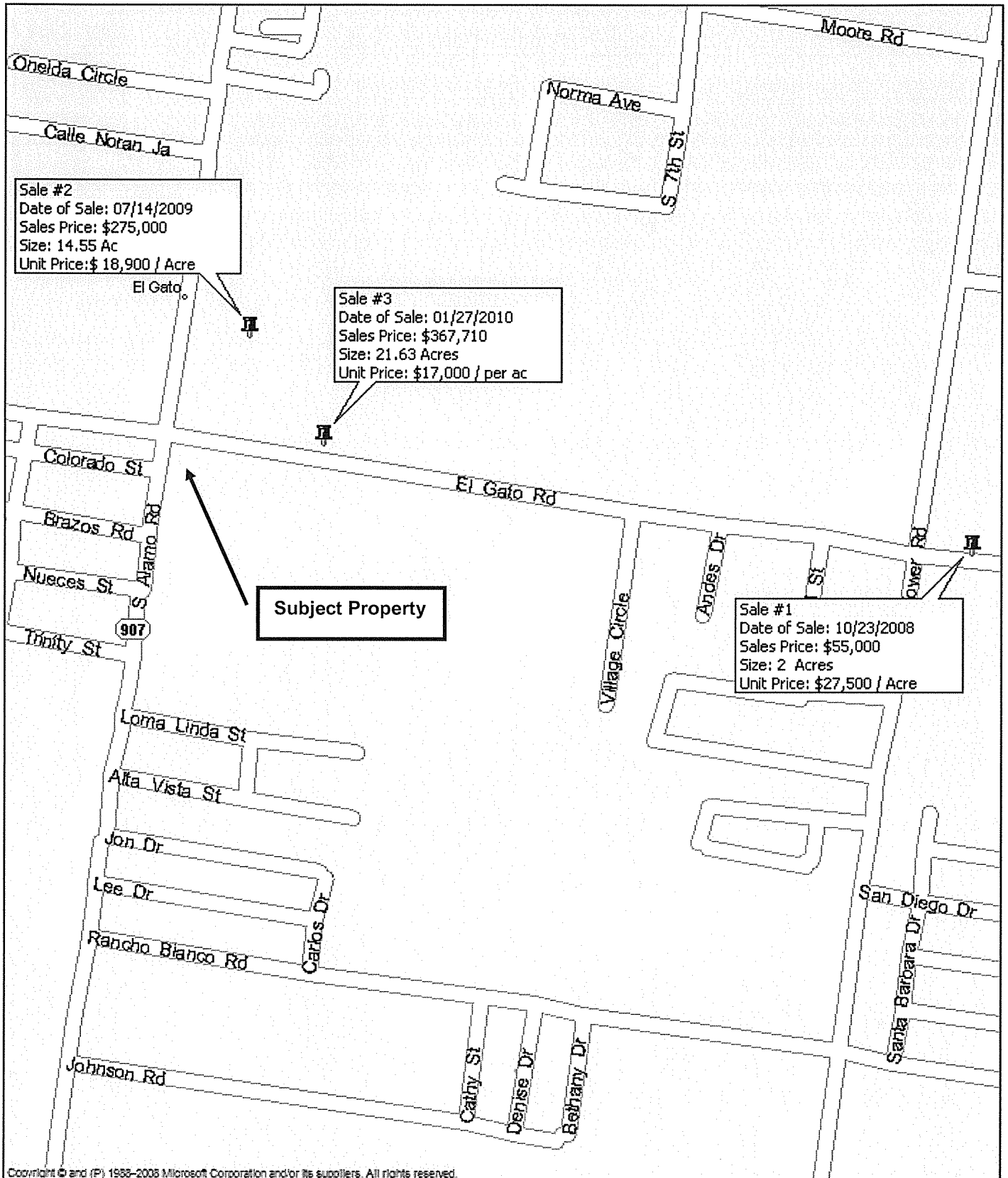
<b>Grantor/Lessor:</b> Geoval Properties, LTD		<b>Grantee/Lessee:</b> Universal Truckers, Inc.	
<b>Date:</b> July 14, 2009		<b>Recording Information:</b> Doc # 2018784	
<b>Address:</b> Located along the eastern side of Alamo Road, just north of El Gato Road, Alamo Texas.		<b>Key Map:</b> TexMap Page 309 E 5	
<b>Legal Description:</b> The South 15.0 acres of Lot 4, Block 28, Alamo Land and Sugar Company Subdivision, Hidalgo County, Texas, According to the map or plat thereof recorded in Volume 1, Page 24, Map Records of Hidalgo County, Texas. (14.55 acres net)		<b>Zip Code:</b> 78516	
<b>Confirmed Price:</b> \$275,000		<b>Verified with:</b> MLS# A106683s	
<b>Terms and Conditions of Sale:</b> Cash to Seller			
<b>Rental Data:</b> N/A			
<b>Land Size:</b> 14.55 Acres		<b>Unit Price as Vacant:</b> \$18,900 per acre	
<b>Type Street:</b> Asphalt		<b>Utilities:</b> Water, Sewer, Gas, Electric	
<b>Improvement(s) Description:</b> None			
<b>Improvement(s) Size:</b> N/A (GBA) N/A(NRA)		<b>Unit Price as Improved:</b> \$ N/A	
<b>Condition and Functional Design:</b>			
<b>Current Use:</b> Vacant (time of sale)		<b>Highest &amp; Best Use:</b> Single Family Residential Development	
<b>Date of Inspection:</b> February 17, 2011		<b>Zoning:</b> Commercial	<b>Flood Plain:</b> Zone "B"

Attach additional information as necessary.

<b>Appraiser:</b> Leonel Garza III	July 7, 2011
(Typed, not signed)	Date



# COMPARABLE SALES MAP



**Explanation of Adjustments with Reconciliation:**

During the analysis of the acquisition area, the value for the subject property as a whole or economic unit was determined. This determination of market value is utilized for the valuation of the proposed acquisition which is a pro-rata part of the whole. The local market and extended market was searched for comparable sales of which contained similar frontage along El Gato Road and other similar and intersecting thoroughfares. Each of the sales utilized are located within Hidalgo County and are the most comparable located in the market place of which all information pertinent to the transaction could be verified. Several sales were located within this parameter of which had occurred within the past three years. Three sales were selected which were the most comparable to the subject property and required the least number of adjustments. The following three comparable sales were reviewed for location, available utilities, financing, site utility, topography and other factors of which the real estate market shall recognized for the purchase of said tracts.

Sale No. 1 is located along the north side of El Gato Road, east of South Tower Road in Alamo, Texas. The comparable sales consist of ±2.00 acres of land out of El Gato Estates Phase 2 Subdivision and was purchased for single family residential development. The comparable sale is similar to the subject property in financing, condition of sale, market conditions, and available utilities. As such, no adjustments for these items of comparison were indicated. A +20% adjustment was indicated for lot location as the subject property is a hard corner tract. A final adjustment for the difference in size of -5% downward adjustment is required to the unit rate of the comparable sale. No further adjustments were required for this sale indicating a unit value of \$31,625 per acre for the subject property.

Sale No. 2 is located along the eastern frontage of Alamo Road, north of El Gato Road of City of Alamo, Texas. The property was purchased for \$275,000 for ±14.55 acres, which equates to a unit rate of \$18,900 per acre. Due to the subject's corner influence, an upward adjustment of +20% was required for this sale. A final adjustment for the difference in size of +10% was also indicated. No further adjustments were required. After adjustments, a unit value of \$24,570 per acre is indicated for the subject property.

Sale No. 3 is located along the northern frontage of El Gato Road, East of Alamo Road within the City of Alamo, Texas. The property was purchased for \$367,710 for 21.63 acres, which equates to a unit rate of \$17,000 per acre. A +20% upward adjustment was indicated for sales lack of corner influence as compared to the subject property. A final upward adjustment of +20% was indicated for the difference in size. No further adjustments were required. After adjustments, a unit value of \$23,800 per acre is indicated for the subject property.

After reviewing the comparable sales selected, an unadjusted unit range of market value of \$17,000 per acre to \$27,500 per acre was indicated. After adjustments were made in paired sales analysis of the comparable to the subject property, an adjusted range of market value of \$23,800 per acre to \$31,625 per acre was determined. Based on the existing developments and surrounding land use within the immediate market area and the current trends found along El Gato Road, a unit value near the upper-end of the adjusted range was selected; \$30,000 per acre.

As for the portion of the part to be acquired of which is encumbered by a South Texas Natural Gas Gathering Company Pipeline Easement and a City of Alamo Utility Easement, a -50% adjustment of the fee simple unit rate is applied for this area only. The purpose of such discount is that the fee simple owner of record does not contain the full bundle of right to this portion of the subject property as South Texas Natural Gas Gathering Company and the City of Alamo have the right to construct, repair any lines located within this designated easement area. This area reserved for such use will not be able to be built upon with structures without the explicit permissibility of the South Texas Natural Gas Gathering Company and the City of. However, upon the permissibility of the South Texas Natural Gas Gathering Company and the City of Alamo, the fee simple owner may cross, farm, and utilize the surface of said tract of land. Since the fee simple owner does not contain full control or bundle of rights, a discount of -50% is applied. Therefore, the 0.062 acre South Texas Natural Gas Gathering Company easement and the 0.32 acre City of Alamo utility easement unit rate is calculated at 50% of the \$30,000/acre value determined for the fee simple area. This value shall be included for total compensation for the part to be acquired.

**ESTIMATED VALUE OF ACQUISITION**

<b>Land:</b>	<b>0.009 Acres</b>	<b>@</b>	<b>\$ 30,000</b>	<b>Per Acre (Fee Simple)</b>	<b>\$</b>	<b>270</b>
	<b>0.062 Acres</b>	<b>@</b>	<b>\$ 15,000</b>	<b>Per Acre (Easement)</b>	<b>\$</b>	<b>930</b>
	<b>0.320 Acres</b>	<b>@</b>	<b>\$ 15,000</b>	<b>Per Acre (Easement)</b>	<b>\$</b>	<b>4,800</b>

<b>Improvements:</b>	<u><i>No Site Improvements Indicated</i></u>	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	_____	<u>\$</u>	<u>-</u>
	<b>Total Improvements</b>	<u>\$</u>	<u>-</u>

<b>TOTAL ESTIMATED VALUE</b>	_____	<b>\$</b>	<b>6,000</b>
<b>Cost To Cure Damages</b>	_____	<b>\$</b>	<b>-</b>
<b>Estimated Total Compensation</b>	_____	<b>\$</b>	<b>6,000</b>


## ADDENDUM

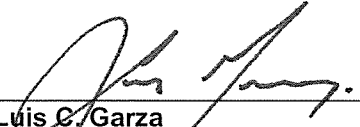
1. Certification of Appraisal
2. Assumption & Limiting Conditions
3. Qualification of Appraiser
4. Letter of Inspection Sent To Owner of Record Via Certified Mail
5. Certified Letter Tracking Information
6. Hidalgo County Appraisal District Card
7. Warranty Deed

## Certification of Appraisal

I, Leonel Garza III, certify that, to the best of my knowledge and belief:

- 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, impartial, and unbiased professional analyses, opinions, and conclusions.
- The employment and compensation of this appraiser in completing this appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice (2010-2011 Edition)*.
- I have made a personal on-site and or off-site visit of the property that is the subject of this report based on the permissibility granted at the time of inspection.
- Luis C. Garza, State Certified General Real Estate Appraiser with Leonel Garza Jr. & Associates LLC who provided significant professional assistance in the preparation of this report not limited to a physical inspection, taking of photographs of the subject property and value analysis.
- No one other than those mentioned within this certification provided significant real property appraisal assistance to the person(s) signing this certification.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. I also acknowledge that Leonel Garza III is an associate member of the Appraisal Institute and is not an MAI Designated Appraiser, however is currently seeking designation. Leonel Garza III is designated as a Master Real Estate Appraiser through the National Association of Master Appraisers.
- The employment and compensation of this appraiser in completing this appraisal assignment was not based on a requested minimum valuation, a specific valuation. This report was not prepared under the standards required by financial institutions for purposes of applying for a loan

  
\_\_\_\_\_  
**Leonel Garza III**  
**General Certified Real Estate Appraiser**  
**License No. TX 1328375 - General**

  
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**Luis C. Garza**  
**General Certified Real Estate Appraiser**  
**License No. TX - 1338051 - General**