



# HIDALGO COUNTY RIGHT OF WAY DEPARTMENT

## PAY MEMO

JOSE N. PEÑA  
Director

To: Mr. Ray Eufrazio  
Auditor-County of Hidalgo  
Attn: Lupita Garza

From: Jose N. Pena  
Director  
Right of Way Dept.

A handwritten signature in black ink, appearing to be "Jose N. Pena", is written over the "From" field.

Date: August 7, 2012

Re: Hidalgo County Pct. # 3—Drainage Equipment Yard  
Acquired thru Tax Sale

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Mr. Eufrazio,

Attached please find a copy of the Appraisal Report and Tax Sale information for the above-mentioned property acquired at the Tax Sale and approved by Commissioners Court today, August 7, 2012. Please authorize the County Treasurer to issue a manual check to the Law Office of Linebarger, Goggan, Blair, and Sampson, LLP for a total of \$31,540.00 no later then 2:30 PM today so we do not loose the property.

I will provide you with the legal documents as soon as the Law Office makes them available to me.

Please have this check processed out of Account # 2-1200-431-00-123-049-0-719

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

Thanks,  
Joe Pena

Approved

A handwritten signature in black ink, appearing to be "Jose N. Pena", is written over the "Approved" field.

Jose N. Pena

**Leonel Garza Jr. & Associates LLC**  
*Real Estate Appraisal Services*

**August 6, 2012**

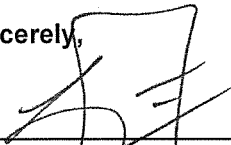
Hidalgo County  
2802 S. Business Highway 281  
Edinburg, Texas 78539

**RE: Tax Foreclosure Property**

4.33 Acre Tract of land located along the southern side of FM 681, approximately 0.13 miles west of Inspiration Road, Hidalgo County, Texas

In accordance with your request, we are pleased to present our restricted use appraisal report of the vacant 4.33 acre tract of land located along the southern side of FM 681 just west of Inspiration Road in Hidalgo County, Texas. The property is currently vacant and does not appear to be utilized for an economic use as of the on-site inspection. The scope of the assignment is to value the subject property as of the date of inspection in order to determine the current market value of the subject property as fee simple. This report shall be utilized for the analysis for the purpose of submitting a bid for the purchase of said tract at auction. This cover letter alone does not constitute an appraisal and must be attached to the remaining pages of this report. A restricted use appraisal report, which details the scope of our analysis, assumptions & limiting conditions, and certification is attached herewith. This appraiser personally made an on-site visit of the subject property on August 6, 2012 without the presence of the owner. Inspection was limited to existing road right of way along FM 618. The following appraisal report does not include any personal property such as equipment, signs, and does not include any benefit for business interest as per scope of the assignment. From the facts provided by the client and those provided during the on-site inspection, the indicated market value of the commercial office unit as of August 6, 2012 is indicated to be \$151,550.

Sincerely,



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

## Certification

**I 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.

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*.

I have made a personal inspection of the property that is the subject of this report. Thomas M. Davis, State Certified General Real Estate Appraiser with Leonel Garza Jr. & Associates, LLC provided significant professional assistance in the preparation of this report. Other assistance included, but was not limited to, a physical inspection and taking photographs, and data collections and analysis.

no one provided significant real property appraisal assistance to the person(s) signing the 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 Standards of Professional Appraisal Practice of the Appraisal Institute.

the use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.

the Office of Leonel Garza Jr. & Associates LLC has performed an appraisal on the subject property within the last (3) three years.



**Leonel Garza III**  
**State Certified General Real Estate Appraiser**  
**TX 1328375-General**

## Assumptions and Limiting Conditions

### **GENERAL ASSUMPTIONS**

This is a restricted use appraisal, which is intended to comply with the reporting requirements set forth under Standard Rule 1 and 2-2 (c) of the Uniform Standards of Professional Appraisal Practice. This report does not include a full discussion of data, reasoning, and analysis of which was utilized to develop an opinion of value. All supporting information and documentation, analysis is retained in the appraisers working file. The information set forth in this restricted use report was designed specifically for the intended user and specific needs of the client, Hidalgo County.

No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

Responsible ownership and competent property management are assumed.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

It is assumed that there are no hidden or un-apparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the use of the land and improvements is confined within the boundaries or property line of the property described and that there is no encroachment or trespass unless noted in the report.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by this appraiser. The appraiser does not have any knowledge of the existence of such material on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

**GENERAL LIMITING CONDITIONS**

Any allocation of the total value of the total valuation in this report between land and improvements applies only under the stated program of utilization.

The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Possession of this report, or a copy thereof, does not carry with it the right of publication.

The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

Neither all or any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

If the property rights appraised are the "Leased Fee Estate", then the final indicated market value estimate is based on the continued performance under the lease terms. (if applicable).

**ENVIRONMENTAL STATEMENT**

This appraiser has made a visual on-site observation of the subject property on 8/6/2012, and no obvious adverse environmental concerns, pesticides or other potentially hazardous materials were present. However, this appraiser is not qualified to make a detailed study on environmental concerns of the subject property. If, for any reason an environmental concern exist which was not observable to this appraiser, then it is highly recommended that an inspection be made by a qualified environmental engineer. Based on this appraisers observation and conversations with the subject owner, this appraisal shall be based on the assumption that no environmental concern exist and shall be valued as such. If an environmental concern is noted to this appraiser after the date of report, Leonel Garza Jr. & Associates LLC reserves the right to re-evaluate the market value of the subject property as mentioned in the scope of the assignment.

## Summary of Important Facts and Conclusions

### DESCRIPTION OF PROPERTY:

The subject property, as a whole, is a 4.33 acre vacant tract of land located along the southern side of FM 681. According to the survey provided by CVQ Land Surveyors LLC, dated July 13, 2009 and revised on December 3, 2010, a portion of said property will be purchased by the State of Texas of which the acquisition is on-going. As per date of this report the acquisition has not been completed as the determination of ownership and back taxes have hindered the acquisition of said parcel by the State. The proposed part to be acquired is approximately 0.168 acres (7,329 square feet) along the frontage of FM 681 of which this appraiser has been hired by L&G Engineering in conjunction with the State of Texas and the County of Hidalgo to appraise for acquisition purposes. The acquisition assignment is for only the area to be acquired and is valued based on the market trends in the area as commercial along the frontage. However, this scope of assignment is to evaluate the subject as a whole of which is currently 4.33 acres of land. This property shall have a future highest and best use of commercial retail, as the expansion of FM 681 to a five (5) lane roadway commences in late 2012. As per scope the land area currently in fee simple shall be calculated at 100% of the unit value derived from the sales comparison approach "as vacant". Site improvements include ranch style fencing, a metal gate and concrete have limited contributory value. It was indicated that the concrete drive belongs to the neighboring property owner as per the subject property owner. This valuation shall be utilized for the proposed acquisition of said property in the name of the County of Hidalgo as a whole.

Type of Appraisal \_\_\_\_\_ Restricted Use Appraisal Report  
Property Rights Appraised \_\_\_\_\_ Fee Simple Estate  
Type of Property \_\_\_\_\_ Vacant Land  
Date of On-Site Visit \_\_\_\_\_ August 6, 2012  
Date of Value Estimate \_\_\_\_\_ August 6, 2012  
Owner of Record \_\_\_\_\_ WEMO Incorporated  
Physical Location \_\_\_\_\_ Farm To Market (South-Side), Approximately 0.13 Miles west of  
Inspiration Road, Hidalgo County, Texas.  
Existing Property Use \_\_\_\_\_ Vacant Land (Non-Agricultural Use)  
Legal Description \_\_\_\_\_ The East 4.33 acres out of Lot 78, Block 4, La Homa Ranch Citrus  
Groves Unit 1, recorded in Volume 7, Page 59, H.C.M.R. Hidalgo  
County, Texas  
Gross Land Area \_\_\_\_\_ ± 4.33 Acres (Subject To Survey)  
Site Improvements \_\_\_\_\_ None Indicated  
Highest & Best Use \_\_\_\_\_ Future Commercial Development  
City Zoning Ordinance \_\_\_\_\_ Not Applicable  
Flood Zone Designation \_\_\_\_\_ Zone X (Shaded)  
Utilities Available \_\_\_\_\_ Water / Electricity / Phone / Cable  
Easements / Encroachments \_\_\_\_\_ None Indicated / Subject To Survey  
Estimated Marketing  
& Exposure Time Period \_\_\_\_\_ Twelve (12) Months to Eighteen (18) Months  
Appraisal District  
Assessed Value \_\_\_\_\_ \$58,347

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 Hazel Richardson to WEMO, Inc. on February 17, 1996 and recorded under Warranty Deed 2836 for an undisclosed consideration.

### **DEFINITION OF MARKET VALUE**

Market value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the Buyer and Seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from Seller to Buyer under conditions whereby:

Buyer and Seller are typically motivated

Both parties are well informed or well advised, and each-acting in what they consider their own best interest.

A reasonable time is allowed for exposure in the open market.

Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto.

The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*The Office of the Comptroller of the Currency. (2006). 12 CFR, Part 34, Subpart C-Appraisals, 34-42, Definitions (g). Retrieved March 12, 2007, from <http://www.occ.treas.gov/fr/cfrparts/12CFR34.htm#§%2034.42%20Definitions>.*

### **PURPOSE OF THE APPRAISAL**

This appraisal is prepared for the purpose of estimating the market value of the fee simple estate of the subject property, as defined in within this report, as of August 6, 2012. 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, or operating agreements.

### **CLIENT & INTENDED USE**

The client for this report is identified as the County of Hidalgo, Texas under the direction of Joe Pena, of the Hidalgo County Right of Way Department. The intended use of the report is to assist Mr. Pena in the determination of a maximum bid for the auction of the subject property as per tax sale on August 7, 2012

### **SCOPE OF ASSIGNMENT**

By phone conversation with Joe Pena on July 15, 2012 on behalf of the County of Hidalgo, requested for Leonel Garza Jr. & Associates LLC to prepare a Restricted Use Appraisal Report report of the fee simple estate of the subject property. The subject neighborhood was also inspected as to observe any external obsolescence or economic factors, which may be pertinent to the subject property's valuation. Market sales within the market area and comparable market areas were identified and analyzed for comparability and for reliability in determining the estimated market value of the subject property. The appraisal report shall indicate the "as existing market value" of the subject property as per on-site visit on Monday, August 06, 2012.

### **PROPERTY RIGHTS APPRAISED**

This appraisal requires a review of the rights to title that may be legally owned. The property rights appraised in this report are of the Fee Simple Estate.

### **PERSONAL PROPERTY**

No personal property was included nor indicated as per scope of the assignment.

# Market Area Map



Subject Property Aerial  
SUBJECT TO SURVEY



**HIGHEST AND BEST USE ANALYSIS**

The subject property meets the test of highest and best use "as vacant and as improved" shall be for commercial development. The four criteria of the highest and best use which must met are: physically possible, legally permissible, financially feasible and maximally profitable. "Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements." Definitions are from The Dictionary of Real Estate Appraisal, 5<sup>th</sup> Edition Chicago: Appraisal Institute, 2010. Based on the overall location and condition of the structure, the existing use meets each of the tests of highest and best use for a commercial retail type development. This is confirmed with the on-going expansion project of FM 681 by the Texas Department of Transportation in slated to begin construction in Late 2012.

## Comparable Land Sales

The following land sales were derived from a multitude of sources of which include the a local multiple listing service, appraisal district public information, deed records and other appraisers and Realtors in the Lower Rio Grande Valley. These sales are verified with at least two sources and are deemed reliable as of the date of this report. Other sales may have been identified in the area, however, if all information cannot be verified as per date of the report they may only be mentioned but not heavily weighted in the overall analysis of the subject property. Due to the level of sales occurring in recent years, comparable listings may be added to the list of comparable sales in order for the reader to understand what other properties are current asking for their properties in the immediate market area. These listing are for demonstrative purposes only and are not utilized in the direct weighted analysis of the subject property.

