




EDUARDO "EDDIE" CANTU
COUNTY COMMISSIONER



MEMO

TO: Commissioner's Court

FROM: Jaime Salinas, 
Hidalgo County Pct#2 Right of Way Department

TE: January 3, 2018

RE: Hidalgo County Precinct No. 2 Rancho Blanco Rd. Extension Project (Parcel # 3)
South Texas Commerce LLC,

Attached please find a letter provided by property owner for the above-mentioned project.

Appraised Value:	\$ 61,147.00
Settlement Request:	\$ 67,147.00
Difference to Landowner	\$ 6,000.00

Commissioners Court Executive Session January 9, 2018

Approved; _____

Not Approved; _____

Zimbra

jaime.salinas@co.hidalgo.tx.us

RE: Rancho Blanco Rd. Project

From : Will <will@alamosystemllc.com>

Tue, Jan 02, 2018 01:28 PM

Subject : RE: Rancho Blanco Rd. Project

📎 1 attachment

To : 'Jaime Salinas' <jaime.salinas@co.hidalgo.tx.us>**Cc :** 'Jaime Cruz' <jaime.cruz@co.hidalgo.tx.us>

Mr. Salinas and Mr. Cruz,

We reviewed your Offer Letter dated December 6, 2017 to South Texas Commerce, LLC for the Ranch Blanco Rd Project.

We hereby submit a counteroffer in the amount of \$67,147.00, adding \$6,000.00 in damages to the initial \$61,147.00 offer.

Please let me know if I can provide you with any additional information.

Thank you,

Will Lowry

9.8%



REAL ESTATE APPRAISAL REPORT - TEXAS DEPARTMENT OF TRANSPORTATION

Address of Property: Southeast corner of Orangewood Drive and Jackson Road, Pharr, Texas District: 21
Property Owner: South Texas Commerce LLC Parcel: 3
Address of Property Owner: 4316 North 10th Street, McAllen, Texas ROW CSJ: N/A
Occupant's Name: Alamo System Industries, LLC Federal Project No: N/A
Whole: [] Partial: [X] Acquisition Highway: Rancho Blanco 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 \$61,147 as of May 23, 2017, based upon my independent appraisal and the exercise of my professional judgment;

That on May 23, 2017 (date)(s), I personally inspected in the field the property herein appraised; that I afforded South Texas Commerce LLC, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the inspection;

That the comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on July 14, 2017 (date)(s);

That I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the Texas Department of Transportation, and/or their representatives, or officials of the Federal Highway Administration until authorized by State 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;

That 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.

The appraiser has considered access damages in accordance with Section 21.042(d) of the Texas Property Code, as amended by SB18 of the Texas 82nd Regular Legislative Session and finds as follows:

- 1. Is there a denial of direct access of the parcel? No (yes or no)
2. If so, is the denial of direct access material? N/A (yes, no, or not applicable)
3. The lack of any access denial or the material impairment of direct access on or off the remaining property affects the market value of the remaining property in the sum of \$ 0.00 .

I certify to the best of my knowledge and belief:

That the statements of fact contained in this report are true and correct;

That 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;

That 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;

That 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 for which such property is to be acquired, or by the likelihood that the property would be acquired for such 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.

Leonel Garza III
Appraiser Signature
TX 1328375 - G
Certification Number

November 29, 2017
Date

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



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.

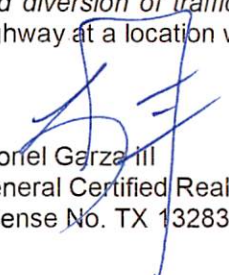
I have made a personal on-site and off-site visit of the property that is the subject of this report based on the permission granted at the time of inspection. No one other than those mentioned within this certification provided significant real property appraisal assistance to the person(s) signing 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.

The employment and compensation of this appraiser in completing this appraisal assignment was not based on a requested minimum valuation, i.e., a specific valuation. This report was not prepared under the standards required by financial institutions for purposes of applying for a loan. I have performed no other appraisal services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.

This appraisal has been completed with the extraordinary assumption that any and all access denial issues are clearly stated within the scope of this assignment and have been included within the surveys and field notes provided by client. The Texas Department of Transportation can control access in the future by way of permit at the time of redevelopment or re-subdivision of the subject property and/or by way of the Access Management Policy enacted by the State of Texas. This assignment was prepared in accordance with Section 21.042(d) of the Texas Property Code, as amended by SB 18 of the Texas 82nd Regular Legislative Session as follows: "(d) In estimating injury or benefit under Subsection C, the special commissioners shall consider an injury or benefit that is peculiar to the property owner and that relates to the property owner's ownership, use, or enjoyment of the particular parcel of real property including a material impairment of direct access on or off the remaining property that affects the market value of the remaining property, but they may not consider an injury or benefit that the property owner experiences in common with the general community, *including circuitry of travel and diversion of traffic*. In this subsection, "direct access" means ingress and egress on or off a public road, street, or highway at a location where the remaining property adjoins that road, street or highway."


Leonel Garza III
General Certified Real Estate Appraiser
License No. TX 1328375 – General

Assumptions and Limiting Conditions

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 for 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 lines 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 and 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 the 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.

Any allocation of the total value 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.

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.

No 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. Possession of this report, or a copy thereof, does not carry with it the right of publication.

Marketing Time: Begins with the date of value estimate and the exposure time indicated.

Exposure to the Open Market: Listing the property on the market for sale with a Realtor, a member of the Multiple Listing Service, or a licensed Real Estate Broker, that will properly expose the property to the Market.

Exposure Time: 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.

Jurisdictional Exception

Jurisdictional Exception is defined in the current Uniform Standards of Professional Appraisal Practice as an assignment condition established by applicable law or regulation which precludes an appraiser from complying with a part of USPAP. Project impact/influence is disregarded in the appraisal of the subject whole property. This is a departure from Standards Rule 1-4(f), which states that "when analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any, of such improvements to the extent they are reflected in market actions." This report has been prepared in such a manner that any market influences projected by the proposed development shall not be taken into consideration.

Client for Appraisal

The client for this report is Hidalgo County Precinct No. 2, 300 W. Hall Acres , Pharr, Texas. Jaime Salinas and Jaime Cruz Right of Way Agents are the project manager for this project and can be reached at (956) 787-1891 Office.

Intended Use and User

The appraisal report is intended for use solely by Hidalgo County Precinct No. 2 and others involved in the project. The purpose of this report is to provide a current market value of the part to be acquired, to begin negotiations for the purchase of the subject property, in part, as described by the survey provided. The report is to be used solely for the acquisition of said property in the name of the County of Hidalgo. The acquisition of the subject property will be utilized for the expansion and Rancho Blanco Road. This report is not intended for any other use, unless specified by the client.

Scope of the Assignment

By contract and written authorization to proceed, Hidalgo County Precinct No. 2 along with L&G Engineering requested that Garza & Associates prepare an appraisal report of the part to be acquired for the proposed right-of-way project. The subject property shall be valued in the fee simple estate in its present condition. The scope of the assignment makes the extraordinary assumption that the subject property is free from contamination and/or other environmental conditions, which would affect the overall market value. In addition, the subject property shall be valued with the Jurisdictional Exception that the subject property shall be valued without project influence. The owner-of-record shall be contacted by letter affording the right to be present on-site with the appraiser at the time of on-site visit. During the appraisal process, other sales in the area shall be analyzed for comparability and reliability in determining the market value of the subject property. Any site or building improvements located within the acquisition area shall be measured and photographed. These improvements shall be itemized for purposes of compensation and/or cost to cure (if any). The report shall establish the market value of the whole, part to be acquired, and the remainder before and after the acquisition. The appraiser shall also review the remainder before and after to determine if there is any diminution of market value. This report shall be prepared and conform to the Texas Department of Transportation ROW A-5 Form Rev. 08/2011.

Property Rights

The property rights being appraised in this report consist of the fee simple estate of the subject property. Fee simple is defined as:

"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."

Dictionary of Real Estate Appraisal, Sixth Edition, Copyright 2015

Market Value

Pursuant to the scope of the assignment, the overall market value is to be determined for the subject property. By definition, is based on the use of the Direct Sales Analysis. The Market Value is defined as *"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."*

City of Austin v. Cannizzo, 267 S.W. 2d 808 (Tex 1954)

Exposure & Marketing Time

During the analysis of the subject property, the exposure time is determined in order to define trends in the market. 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, there is a twelve (12) to eighteen (18) month exposure time and marketing time period, based on current and past listings within the market area.

Personal Property

Pursuant to the scope of the assignment, no personal property within the proposed right-of-way and the remainder before and after the acquisition shall be included for compensation. Any and all personal property and/or realty located within the existing road right-of-way shall be deemed non-compensable.

Extraordinary Assumptions & Hypothetical Conditions

An extraordinary assumption that the subject property is owned in fee simple and that there are no adverse easements nor encroachments that would affect market value.

Accessibility To Site

Brandon C. Wallace, owner (s) representative was contacted at (956) 605-5050 and was present during the on-site inspection of the subject property. The property owner shall always reserve the right to contact the office of Leonel Garza Jr. & Associates, LLC, at (956) 687-7295 or leonel3@garza-associates.com, after the date of inspection for an additional on-site inspection with appraiser, Leonel Garza III.

PHOTOGRAPHS OF SUBJECT PROPERTY

Parcel No. 3

Local Address: Southeast corner of Orangewood Drive and Jackson Road, Pharr, Texas

Date Taken: May 23, 2017

Taken By: Leonel Garza III

Point which taken: Photo 1: Subject Property
Photo 2: Subject Property

Looking: Photo 1: Southeastern View
Photo 2: Eastern View



Photo 1
View of the subject property.



Photo 2
View of the proposed acquisition.

Point which taken: Photo 3: Subject Property
Photo 4: Subject Property

Looking: Photo 3: Southern View
Photo 4: Northern View



Photo 3
Southern view of Jackson Road.



Photo 4
Northern view of Jackson Road.

Parent Tract

The subject property is a 3.672-acre tract of land which is improved with a 30,000-square foot warehouse development, as well as other supporting site improvements (concrete pavement, asphalt pavement, and landscaping). The property is located along the eastern side of Jackson Road at the intersection with Orangewood Drive in Pharr, Texas. Subject whole property is outlined in red. The part to be acquired is outlined in yellow.

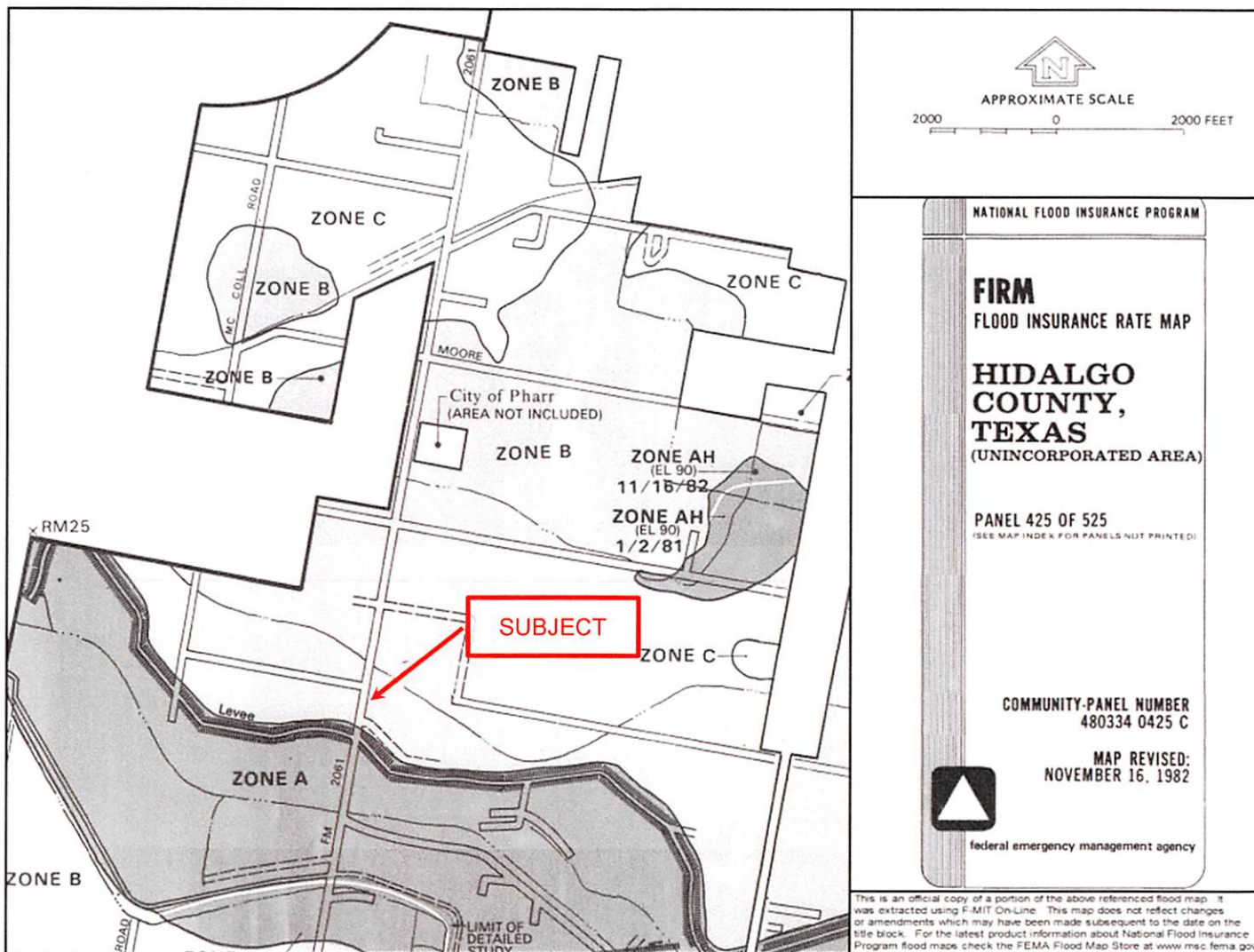


Municipal Zoning

The property is located within Hidalgo County just outside the city limits of Pharr. The subject property is located within the extraterritorial jurisdiction of the City, however, no zoning designation has been assigned.



Flood Zone Designation



The property is located in Flood Zone B. Zone B is not designated as a Special Flood Hazard area. "A Flood Insurance Rate Map (FIRM), Flood Boundary and Floodway Map (FBFM), and Flood Hazard Boundary Map (FHBM) are all flood maps that have been produced by FEMA.

www.fema.gov

Property Tax Assessment

The Hidalgo County Appraisal District provides general information about the District and the property tax system in Texas, as well as general information regarding properties assessed for taxes. This data source does not replace the use of a title search but will inform the appraiser of the current owner-of-record. The Appraisal District will annually appraise properties according to the Texas Property Tax Code and the Uniform Standards of Professional Appraisal Practices (USPAP). Research concerning the derivation of the following assessed value was not conducted during the course of this appraisal and is used for data collection purposes only. The following information can be found at www.hidalgoad.org and/or the District office, located at 4405 S. Professional Drive, Edinburg, Texas.

Hidalgo CAD

Property Search Results > 231278 SOUTH TEXAS COMMERCE LLC for Year 2017

Property

Account

Property ID:	231278	Legal Description:	MCCOLL TRACT S379.75'-N673.72'-E422.55'-W462.48' 3.67AC
Geographic ID:	M2650-00-009-0006-05	Agent Code:	
Type:	Real		
Property Use Code:			
Property Use Description:			

Location

Address:	S JACKSON RD TX	Mapsc0:	
Neighborhood:		Map ID:	
Neighborhood CD:			

Owner

Name:	SOUTH TEXAS COMMERCE LLC	Owner ID:	1068079
Mailing Address:	4316 N 10TH ST MCALLEN, TX 78504-3007	% Ownership:	100.000000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$700,444	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$149,945	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$850,389	
(-) Ag or Timber Use Value Reduction:	-	\$0	

(=) Appraised Value:	=	\$850,389	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$850,389	

Taxing Jurisdiction

Owner: SOUTH TEXAS COMMERCE LLC
 % Ownership: 100.000000000000%
 Total Value: \$850,389

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
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CAD	APPRAISAL DISTRICT	0.000000	\$850,389	\$850,389	\$0.00
DR1	DRAINAGE DISTRICT #1	0.095100	\$850,389	\$850,389	\$808.72
GHD	HIDALGO COUNTY	0.590000	\$850,389	\$850,389	\$5,017.30
JCC	SOUTH TEXAS COLLEGE	0.185000	\$850,389	\$850,389	\$1,573.22
R12	ROAD DIST 12	0.000000	\$850,389	\$850,389	\$0.00
SPA	PSJA ISD	1.399200	\$850,389	\$850,389	\$11,898.64
SST	SOUTH TEXAS SCHOOL	0.049200	\$850,389	\$850,389	\$418.39
Total Tax Rate:		2.318500			
				Taxes w/Current Exemptions:	\$19,716.27
				Taxes w/o Exemptions:	\$19,716.27

Improvement / Building

Improvement #1: COMMERCIAL State Code: F1 Living Area: 19846.0 sqft Value: \$700,444

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
OFF	OFFICE	50 - CAV	DCBK	1996	4595.0
CAN	CANOPY	* - *		1996	252.0
CAN	CANOPY	* - *		1996	252.0
CAN	CANOPY	* - *		1996	220.0
CAN	CANOPY	* - *		1996	231.0
CAN	CANOPY	* - *		1996	512.0
CAN	CANOPY	* - *		1996	512.0
STG	STORAGE	*		1996	10505.0
WHS	WAREHOUSE	101 - CAV		1972	15251.0
DLD	LOADING DOCK	101 - CAV		1972	2032.0
ASP2	ASPHALT 2	* - CAV		1972	36680.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	AC	ACREAGE	3.6700	159865.20	0.00	0.00	\$149,945	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2018	N/A	N/A	N/A	N/A	N/A	N/A
2017	\$700,444	\$149,945	0	850,389	\$0	\$850,389
2016	\$705,877	\$149,945	0	855,822	\$0	\$855,822
2015	\$0	\$150,879	0	150,879	\$0	\$150,879

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	12/15/2015	SVD	SPEC WD/VEN LIEN	WALLACE BRANDON C TRSTE	SOUTH TEXAS COMMERCE LLC			2669977
2	12/15/2015	SWD	SPEC. W/D	BURKHART MAX E & LOWELL H	WALLACE BRANDON C TRSTE			2669976
3	8/8/2011	CSW	CRTN SPECIAL WD	BURKHART MAX E & LOWELL H	BURKHART MAX E & LOWELL H			2230045

Highest & Best Use

The reasonably probable and legal use of vacant land/or an improved property that is physically possible, appropriately supported, financially feasible, and that 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. Alternatively, the probable use of land/or improvement property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

“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.”

The Dictionary of Real Estate Appraisal. 6TH Edition Chicago: Appraisal Institute

Legally Permissible

The subject property is located outside the city of Pharr. Therefore, municipal zoning does not apply to the subject property. However, the property still will have to maintain the model subdivision rules as developed by the Hidalgo County Planning Department in the event the subject property is re-subdivided. The current use of the subject property as light industrial and/or commercial use is therefore legally permissible as per the date of this report.

Physically Possible

Based on the overall acreage of the subject property and the existing use of the tract the property is physically possible to maintain a light industrial and/or commercial use in the before-and-after state of the acquisition. The proposed acquisition will not affect the light industrial and or commercial viability of the subject property.

Financially Feasible

Due to the location of the property, it appears that it is financially feasible to use the tract for light industrial and or commercial development.

Maximally Productive

the subject property is currently at its maximally developed state as a light industrial use tract.

In conclusion, the overall highest and best use of the subject property is confirmed to be for continued light industrial and or commercial use in the before and after acquisition. Therefore, no diminution of market value is indicated for the remainder after the acquisition.

SALES COMPARISON APPROACH

Whole: Part to be Acquired: Remainder After:
 Land: Improved:

VALUATION GRID

REPRESENTATIVE COMPARABLE SALES

Subject	Comp. Sale No. 1		Comp. Sale No. 2		Comp. Sale No. 3	
Grantor						
Grantee						
Date of Sale						
Unit Price	/sf	\$ - /sf	/sf	\$ - /sf	/sf	\$ - /sf
Relative Location		0%		0%		0%
Lot Location		0%		0%		0%
Financing		0%		0%		0%
Conditions of Sale		0%		0%		0%
Market Conditions		0%		0%		0%
Physical Characteristics		0%		0%		0%
Available Utilities		0%		0%		0%
Street Access		0%		0%		0%
Size of Improvement	square feet	- square feet 0%	square feet	0%	square feet	0%
Net Adjustments		0%		0%		0%
Indicated Unit Value	\$ - /sf		\$ - /sf		\$ - /sf	
Estimated Unit Value of Fee Simple Area					\$ - /sf	

Estimated Value by Sales Comparison Approach _____ N/A

COST APPROACH

Whole:

Part to be Acquired:

Remainder After:

ESTIMATED REPLACEMENT / REPRODUCTION COST					
IMPROVEMENT	Number of Units	\$ Per Unit	Cost New	Depreciation	Value
Warehouse	30,000	\$ 35.00	\$ 1,050,000	20%	\$ 840,000
		\$ -	\$ -	0%	\$ -
Contributory Value of the Buildings					\$ 840,000
Accessory Improvements					
Contributory Value of the Accessory Improvements					\$ -
Site Improvements					
Asphalt Paving	30,554	\$ 3.85	\$ 117,633	50%	\$ 58,817
Concrete Paving	17,199	\$ 7.00	\$ 120,393	50%	\$ 60,197
Chain Link Fencing	430	\$ 14.00	\$ 6,020	50%	\$ 3,010
Parking Lot Light Poles	2	\$ 1,750	\$ 3,500	50%	\$ 1,750
Concrete Curbing	1,225	\$ 24.25	\$ 29,706	50%	\$ 14,853
General Landscaping	1	\$ 20,000	\$ 20,000	0%	\$ 20,000
Contributory Value of the Site Improvements					\$ 158,627
Contributory Value of All Improvements					\$ 998,627
	Net Land Area		Price / Unit		
Land Value (Fee)	159,952	SF @	\$ 4.00 / SF		\$ 639,808
Estimated Value By Cost Approach					\$ 1,638,435

SALES COMPARISON APPROACH

Whole: Part to be Acquired: Remainder After:
 Land: Improved:

VALUATION GRID

REPRESENTATIVE COMPARABLE SALES

Subject		Comp. No. 1		Comp. No. 2		Comp. No. 3	
Grantor	Brandon C. Wallace, Trustee	Baltazar Resendez		Pharr Economic Development Corp.		Amore Investments	
Grantee	South Texas Commerce, LLC	Andres J. Zuniga		Zeppelin Texas, LLC		Novellini, LTD	
Date	December 15, 2015	April 25, 2015		July 29, 2015		October 19, 2016	
Sales Price		\$ 315,000		\$ 340,000		\$ 275,000	
Unit Price		\$ 2.41 / SF		\$ 3.52 / SF		\$ 3.16 / SF	
Conditions of Sale	Cash To Seller	Similar	0%	Similar	0%	Similar	0%
Market Conditions	Average	Inferior	5%	Inferior	5%	Inferior	5%
Relative Location	Average	Inferior	50%	Inferior	20%	Inferior	20%
Corner Influence	Corner	Similar	0%	Similar	0%	Similar	0%
Physical Characteristics	Average	Similar	0%	Similar	0%	Similar	0%
Topography	Level	Similar	0%	Similar	0%	Similar	0%
Available Utilities	Water / Electricity / No Sewer	All Pharr Municipal Utilities Available -5%		All Pharr Municipal Utilities Available -5%		All Pharr Municipal Utilities Available -5%	
Frontage	Jackson Road / Orangewood South Road / Rancho Blanco Road	SWC of Anaya Road and Alondra Drive 0%		Military Highway, East of Jackson Road 0%		S. Cage Boulevard, South of Hall Acres 0%	
Size of Tract	159,952 SF	130,680 0%		96,703 0%		87,120 0%	
	Net Adjustment	\$ 1.21 50%		\$ 0.70 20%		\$ 0.63 20%	
	Indicated Unit Value	\$ 3.62 / SF		\$ 4.22 / SF		\$ 3.79 / SF	
Estimated Unit Value of Fee Simple Area						\$ 4.00 / SF	

Estimated Value by Sales Comparison Approach

\$ 639,808

COMPARABLE DATA

District: 21 Parcel No.: 3 Highway: Rancho Blanco Road
 County: Hidalgo ROW CSJ:

Land Sale

Improved Sale

Rental Data



Grantor/Lessor: Pharr Economic Development Corporation II

Grantee/Lessee: Zeppelin Texas, LLC

Date: July 29, 2015

Recording Information: Deed No. 2633698

Key Map: Lon: W-98.216276

Lat: N26.096029

Address: 10700 South Palm Drive, Pharr, TX

Zip Code: 78577

Legal Description: Lots One (1) and Two (2), Pharr Produce District Subdivision Phase I, an addition to the City of Pharr, Hidalgo County, Texas.

Confirmed Price: \$340,000

Verified with: MLS No. A178513S

Terms and Conditions of Sale: Cash To Seller

Rental Data: N/A

Land Size: 2.220 Acres/ 96,703 Sq. Ft.

Unit Price as Vacant: \$153,153 / Acre

\$3.52 / Square Foot

Type Street: Asphalt Paved

Utilities: Public Water, City Sewer

Improvement(s) Description: N/A

Improvement(s) Size: N/A (GBA): N/A (NRA): N/A

Unit Price as Improved \$: N/A

Condition and Functional Design: N/A

Current Use: Vacant

Highest & Best Use: Commercial, Unimproved

Date of Inspection: July 14, 2017

Zoning: Commercial

Flood Plain:

Attach additional information as necessary.

Appraiser: Leonel Garza III

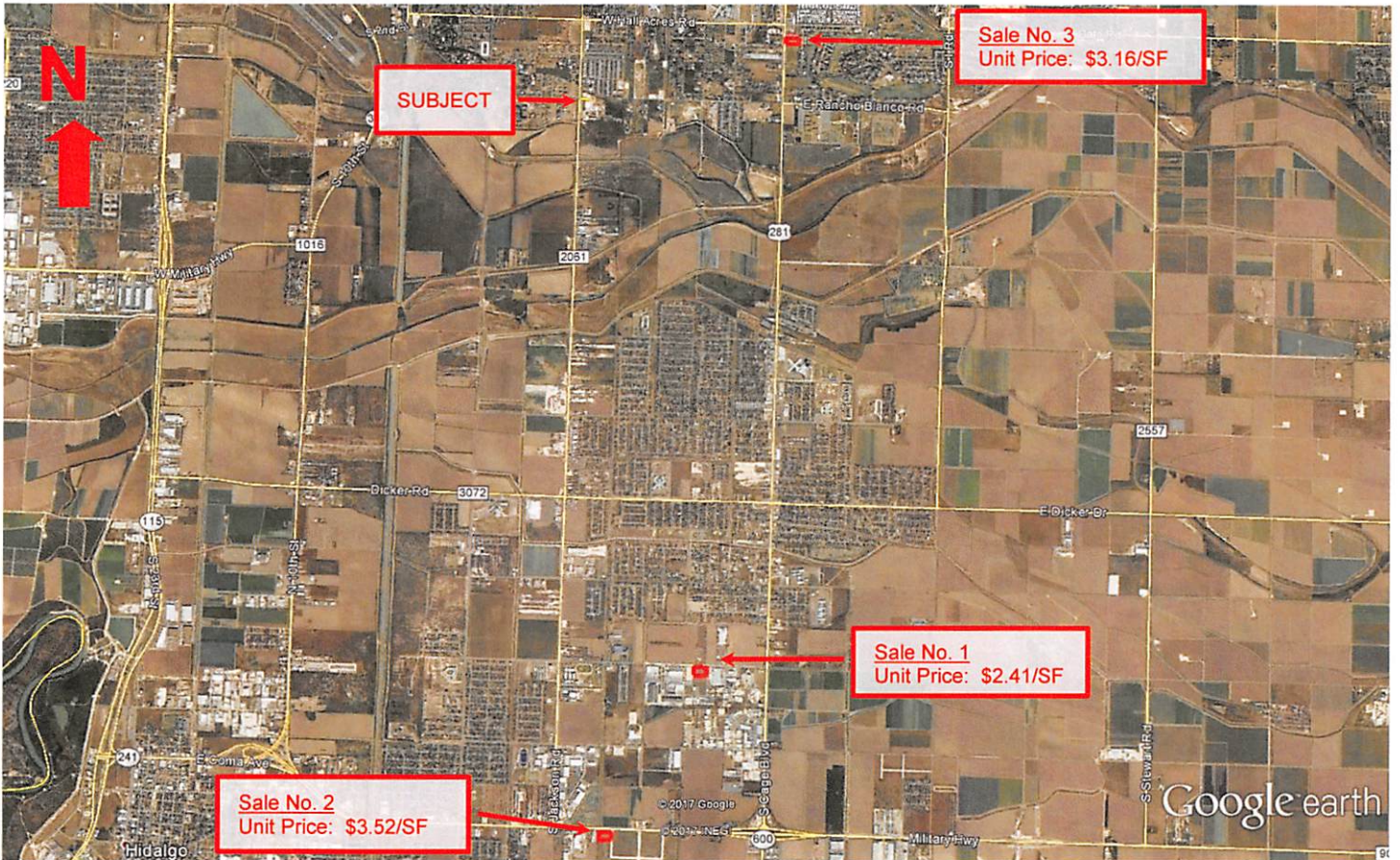
November 29, 2017

Date

Explanation of Adjustments with Reconciliation:

The sales comparison approach utilizes comparable sales with similar highest and best uses as the subject property, in order to determine the overall market value. Each of these sales was gathered through various sources, including but not limited to, the Greater McAllen Multiple Listing Service, local Realtors & Brokers, Real Estate Appraisers, and conversations with various property owners in the surrounding market area. Each sale was confirmed with at least two sources, which include the Hidalgo County Deed Records and the Hidalgo County Appraisal District. Each sale is reviewed for items recognized by the market that affect market value, which include conditions of the sale, market conditions, relative location, physical characteristics, available utilities and other factors that are recognized for arms-length transactions. Each of these factors may require adjustments for any differences found in comparison to the subject property, based on a direct sales analysis approach to value. After the appropriate adjustments were made to each sale, an adjusted unit range of value per square foot of \$3.62 to \$4.22 was calculated for the subject property. A unit rate of \$4.00 per square foot was determined for the land valuation.

COMPARABLE SALES MAP



INCOME APPROACH

Whole:

Part to be Acquired:

Remainder After:

Potential Gross Income	.....			\$	-
Vacancy	%			\$	-
Effective Gross Income	.....			\$	-
Expenses				\$	-
Fixed: Taxes.....		\$	-	\$	-
Insurance.....		\$	-	\$	-
Variable: Management.....		\$	-	\$	-
Other		\$	-	\$	-
		\$	-	\$	-
		\$	-	\$	-
Total Expenses	.....			\$	-
Net Operating Income	.....			\$	-
Income Capitalized @		%	.....	\$	-
Plus: Value of Excess Land (If Any)			.....	\$	-
			\$	-
Estimated Value By Income Approach			.....		Not Applicable

PROPERTY VALUATION SUMMARY

Whole: Part to be Acquired: Remainder After:

HIGHEST AND BEST USE ANALYSIS:

The highest and best use of the subject property is for continued light industrial use.

VALUATION APPROACHES

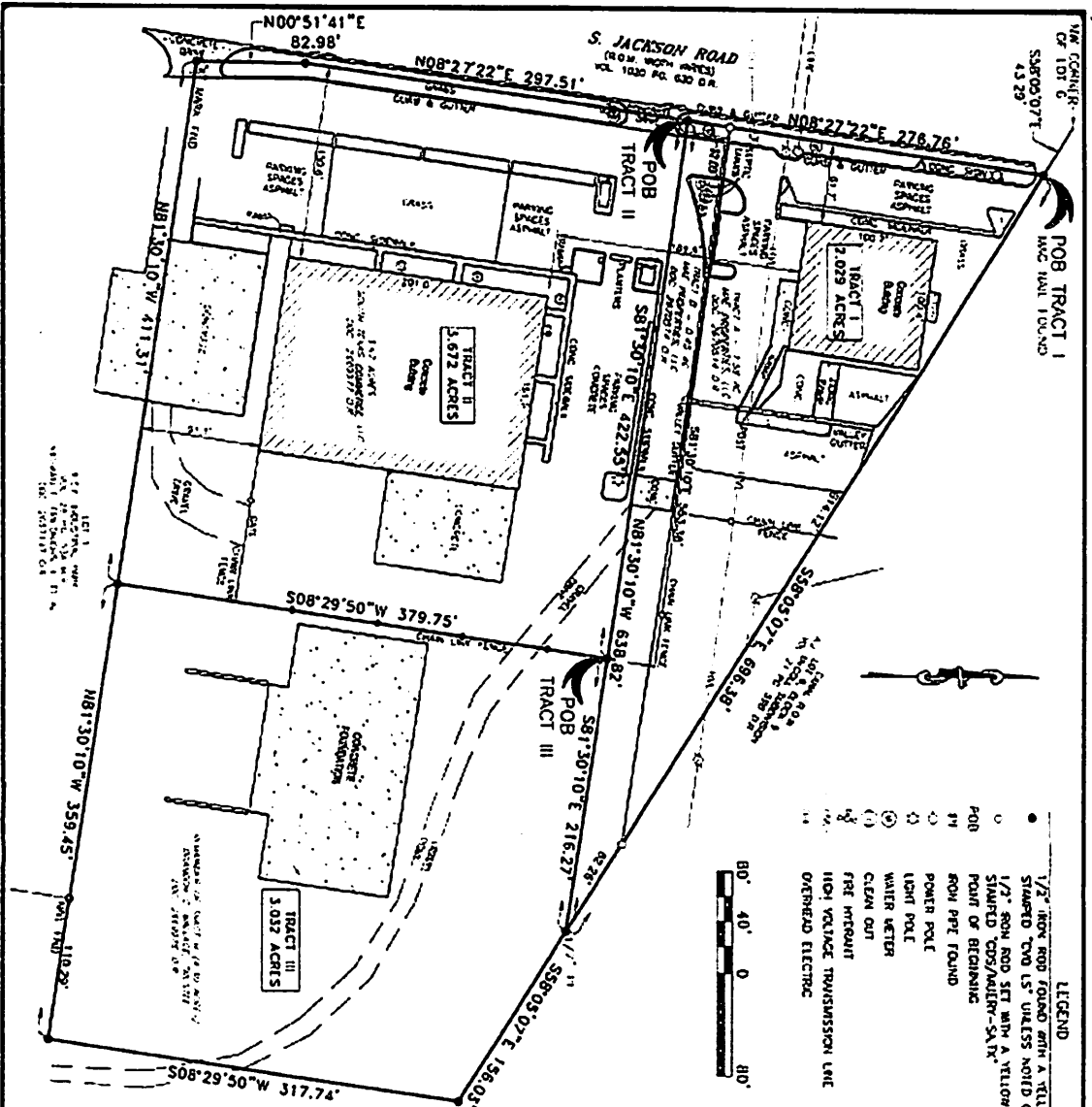
Cost Approach \$ 15,331
 Sales Comparison Approach..... \$
 Income Approach..... \$

RECONCILIATION OF APPROACHES TO VALUE

The subject property is a partial acquisition; no structural improvements are located within the proposed acquisition. Several site improvements are located within the proposed acquisition; therefore, the cost approach is the only reliable method to value the part to be acquired.

Contributory Value of Improvements	
Asphalt Paving (100 sf x \$3.85/sf @ 50% Depreciation)	\$ 193
Concrete Paving (145 sf x \$7.00/sf @ 50% Depreciation)	\$ 508
Chain Link Fencing (12' lf x \$14.00/lf @ 50% Depreciation)	\$ 84
Parking Lot Light Poles (2 Poles x \$1,750/Pole @ 50% Depreciation)	\$ 1,750
Concrete Curbing (162' lf x \$24.25/lf @ 50% Depreciation)	\$ 1,964
Masonry Planter Box	\$ 1,000
	\$ -
Total Contributory Value of Improvements	\$ 5,499

Land Value	2,458 SF @ \$ 4.00 / Square Foot	\$ 9,832
Total Land Value		\$ 9,832
Reconciled Final Value		\$ 15,331



- LEGEND**
- 1/2" iron rod found with a yellow cap stamped "TOL" unless noted otherwise
 - 1/2" iron rod set with a yellow cap stamped "CDS/WALBY-SALT"
 - POINT OF BEGINNING
 - ROW PIPE FOUND
 - POWER POLE
 - LIGHT POLE
 - WATER METER
 - CLEAN OUT
 - FIRE METER
 - HIGH VOLTAGE TRANSMISSION LINE
 - OVERHEAD ELECTRIC



- NOTES**
1. THE BASIS OF BEARING FROM HEREIN IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS SOUTH ZONE (NAD83). ALL MEASUREMENTS SHOWN ARE GROUND DISTANCES.
 2. A UTILITY AND BOUNDARY DESCRIPTION OF THIS DATE WAS PREPARED (416002.01, RANCHO BLANCO TRACT) AND IS MADE A PART OF THIS SURVEY PLAN.
 3. THIS SURVEY PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT, THEREFORE ALL ENCUMBRANCES AND RIGHTS OF WAY NOT BE SHOWN.
 4. ORIGINAL SURVEY WAS SEALED AND SEALED IN BLUE INK. ALL OTHER COPIES ARE NULL AND VOID.

TRACT I - A 2.029 ACRE TRACT DESCRIBED AS "TRACT A" AND "TRACT B" AND RECORDED IN DOCUMENT NO. 2670514 OF THE OFFICIAL RECORDS OF HIDALGO COUNTY, TEXAS, SITUATED IN LOT 6, BLOCK 9 OF A.J. MCGILL SUBDIVISION AS DEPICTED AND RECORDED IN VOLUME 21, PAGE 598 OF THE DEED RECORDS OF HIDALGO COUNTY, TEXAS

TRACT II - A 3.672 ACRE TRACT DESCRIBED AND RECORDED IN DOCUMENT NO. 2669927 OF THE OFFICIAL RECORDS OF HIDALGO COUNTY, TEXAS, SITUATED IN BLOCK 9 OF A.J. MCGILL SUBDIVISION AS DEPICTED AND RECORDED IN VOLUME 21, PAGE 598 OF THE DEED RECORDS OF HIDALGO COUNTY, TEXAS

TRACT III - A 3.032 ACRE TRACT BEING OUT OF THE REMAINING PORTION OF A 4.30 ACRE TRACT DESCRIBED AS "TRACT B" AND RECORDED IN DOCUMENT NO. 2669926 OF THE OFFICIAL RECORDS OF HIDALGO COUNTY, TEXAS, SITUATED IN LOT 6, BLOCK 9 OF A.J. MCGILL SUBDIVISION AS DEPICTED AND RECORDED IN VOLUME 21, PAGE 598 OF THE DEED RECORDS OF HIDALGO COUNTY, TEXAS

I, B. ARTHUR WOOD, A REGISTERED PROFESSIONAL LAND SURVEYOR DO HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED USING INFORMATION OBTAINED BY AN ON THE GROUND SURVEY MADE UNDER MY DIRECTION AND SUPERVISION.

B. ARTHUR WOOD
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 5914 - STATE OF TEXAS



BOUNDARY AND APPROXIMATE SURVEY
HIDALGO COUNTY, TEXAS

CDS

SCALE 1" = 40'	DATE 13 JAN 2006
DRAWN BY W. J. WOOD	BY B. ARTHUR WOOD
CHECKED BY B. ARTHUR WOOD	TITLE B.T.

TRACT II

BEING a 3.672 acre tract of land as described and recorded in Document No. 2669977 of the Official Records of Hidalgo County, Texas, situated in Lot 6, Block 9, of A.J. McColl Subdivision as depicted and recorded in Volume 21, Page 598 of the Deed Records of Hidalgo County, Texas, same also being depicted by a drawing (416002.01Tract1_E_Survey.dwg dated July 19, 2016) attached to and made part hereof, and more particularly described by metes and bounds as follows:

COMMENCING at the northwest corner of Lot 6, Block 9, of the aforementioned A.J. McColl Subdivision, located in South Jackson Road;

THENCE, South 58°05'07" East a distance of 43.29 feet, to a Mag Nail found on the east right-of-way line of South Jackson Road (right-of-way width varies) for the northwest corner of that certain tract of land described as "Tract A" and recorded in Document No. 2670514 of the Official Records of Hidalgo County, Texas;

THENCE, South 08°27'22" West, along the east right-of-way line of the aforementioned South Jackson Road, at a distance of 244.07 feet, pass a 1/2 inch iron rod set with a yellow cap stamped "CDS/MUERY-SA, TX" for the northwest corner of that certain tract of land described as "Tract B" and recorded in Document No. 2670514 of the Official Records of Hidalgo County, Texas, a total distance of 276.76 feet, to a 1/2 inch iron rod found with a yellow cap stamped "QVC LS" (hereinafter referred to as "with cap"), for the southwest corner of said "Tract B" and the northwest corner of that certain 3.67 acre tract of land described and recorded in Document No. 2669977 of the Official Records of Hidalgo County, Texas, at the **POINT OF BEGINNING** and the northwest corner of the herein described 3.672 acre tract.

THENCE, South 81°30'10" East, along the south boundary line of the aforementioned "Tract B" and the north boundary line the aforementioned 3.67 acre tract, a distance of 422.55 feet, to a 1/2 inch iron rod found with cap for the northeast corner of said 3.67 acre tract and the northeast corner of the herein described 3.672 acre tract;

THENCE, South 08°29'50" West, along the east boundary line of said 3.67 acre tract and the west boundary line of the remaining portion of a 4.30 acre tract of land described and recorded in Document No. 2669976, of the Official Records of Hidalgo County, Texas, a distance of 379.75 feet, to a 1/2 inch iron rod found with cap on the north boundary line of Lot 1, R.E.F. Industrial Park as depicted and recorded in Volume 28, Page 53A, of the Map Records of Hidalgo County, Texas, for the southeast corner of said 3.67 acre tract and the southeast corner of the herein described 3.672 acre tract;

THENCE, North 81°30'10" West, along the north boundary line of the aforementioned Lot 1 and the south boundary line of the aforementioned 3.67 acre tract, a distance of 411.31 feet, to an "X" mark found in concrete on the east right-of-way line of South Jackson Road, for the southwest corner of said 3.67 acre tract and the southwest corner of the herein described 3.672 acre tract;

THENCE, North 00°51'41" East, along the east right-of-way line of the aforementioned South Jackson Road, a distance of 82.98 feet to a 1/2 inch iron rod found with cap for an angle point in said east right-of-way line;

THENCE, North 08°27'22" East, continuing along the east right-of-way line of the South Jackson Road, a distance of 297.51 feet, to the **POINT OF BEGINNING** of the herein described tract of land, said tract contains 3.672 acres, more or less, within these metes and bounds.

Page 2 of 4
416002.01 Rancho Blanco TR1.docx
July 19, 2016

3411 Magic Drive • San Antonio, Texas 78229 • Phone: (210) 581-1111 • Fax: (210) 581-5555 • TBPE No. F-1733 • TBPLS No. 100495-00



**HIDALGO COUNTY PRECINCT No. 2
RANCHO BLANCO ROAD, PHASE 1
PARCEL 3 – SOUTH TEXAS COMMERCE, LLC**

BEING a 0.056 of an acre (2,458 S.F.) tract out of that certain 3.67 acre tract as described and recorded in Document 2669977 of the Official Records of Hidalgo County, Texas, being situated in Lot 6, Block 9 of A.J. McColl Subdivision as depicted and recorded in Volume 21, Page 598 of the Deed Records of Hidalgo County, Texas, same also being described by a drawing (Parcel 3_South Texas Commerce.dwg dated October 11, 2016) attached to and made part hereof and more particularly described as follows:

COMMENCING at the northwest corner of the aforementioned Lot 6 located in the center of South Jackson Road (variable width right-of-way as per Volume 1020, Page 630 of the Deed Records of Hidalgo County, Texas);

THENCE South 58°05'07" East, along the north boundary line of the aforementioned Lot 6, a distance of 43.29 feet, to a Mag Nail found on the east right-of-way line of the aforementioned South Jackson Road for the north corner of the aforementioned "Tract A";

THENCE South 08°27'22" West, along the east right-of-way line of the aforementioned South Jackson Road and the west boundary line of the aforementioned "Tract A", a distance of 276.77 feet, to a 1/2 inch iron rod found with plastic cap stamped "CVQ LS" for the northwest corner of the aforementioned 3.67 acre tract, the southwest corner of that certain 0.45 of an acre tract described as "Tract B" and recorded in the aforementioned Document 2670514, for the northwest corner and the **POINT OF BEGINNING** of the herein described 0.056 of an acre tract, having Texas State Plane Coordinates of N: 16,584,920.27 E: 1,079,351.43;

THENCE South 81°30'10" East, leaving the east right-of-way line of the aforementioned South Jackson Road, along the north boundary line of the aforementioned 3.67 acre tract and the south boundary line of the aforementioned "Tract B", a distance of 422.57 feet, to a 1/2 inch iron rod found with cap stamped "QVC LS" for the northeast corner of said 3.67 acre tract, the northwest corner of the remaining portion of that certain 4.30 acre tract of land recorded in Document 2669976 of the Official Records of Hidalgo County, Texas and the northeast corner of the herein described 0.056 of an acre tract, from which a 1/2 inch iron pipe found for the northernmost east corner of the remaining portion of said 4.30 acre tract bears South 81°30'10" East a distance of 216.28 feet;

THENCE South 08°29'50" West, along the east boundary line of the aforementioned 3.67 acre tract and the west boundary line of the remaining portion of the aforementioned 4.30 acre tract, a distance of 5.39 feet to a 1/2 inch iron rod set with cap stamped "CDS MUERY-SA,TX" for the southeast corner of the herein described 0.056 of an acre tract;

THENCE North 81°37'06" West, a distance of 422.56 feet, to a 1/2 inch iron rod set with cap stamped "CDS MUERY-SA,TX" on the east right-of-way line of the aforementioned South Jackson Road and the west boundary line of the aforementioned 3.67 acre tract, for the southwest corner of the herein described 0.056 of an acre tract;

HIDALGO COUNTY PRECINCT No. 2
RANCHO BLANCO ROAD, PHASE I
PARCEL 3 – SOUTH TEXAS COMMERCE, LLC

THENCE North 08°27'22" East, along the east right-of-way line of the aforementioned South Jackson Road and the west boundary line of the aforementioned 3.67 acre tract, a distance of 6.24 feet, to the POINT OF BEGINNING of the herein describe tract of land and containing 0.056 of an acre of land.

Bearings, distances and coordinates shown are based on a project coordinate system by applying TXDOT's surface adjustment factor of 1.000040 to Texas State Plane Grid Coordinates, NAD 83, South Zone.
Project Coordinates = Grid Coordinates x 1.000040

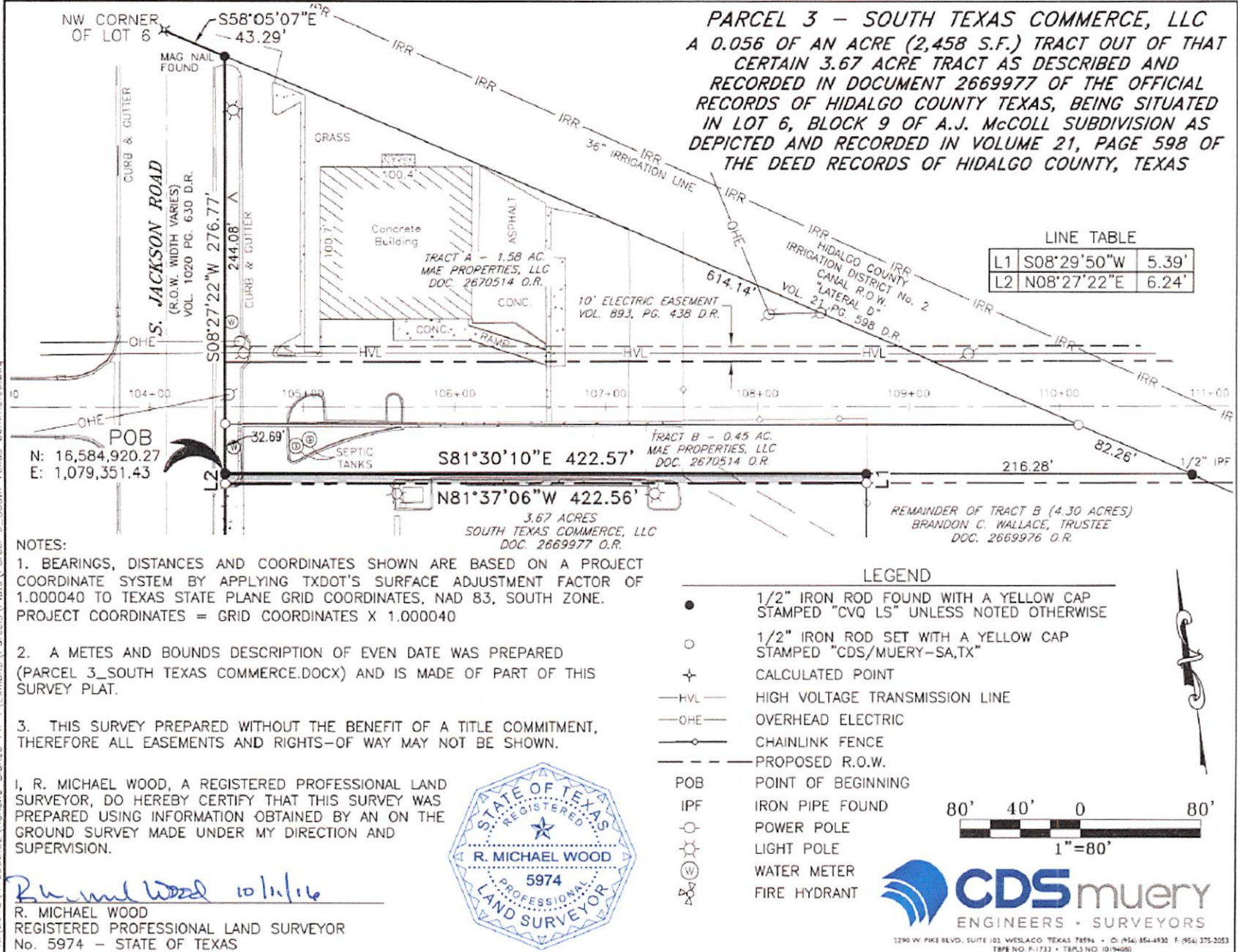
THE STATE OF TEXAS
KNOWN TO ALL MEN BY THESE PRESENTS:
COUNTY OF HIDALGO

I, R. Michael Wood, a Registered Professional Land Surveyor, do hereby certify that the above field notes were prepared using information obtained by an on the ground survey made under my direction and supervision.

Date 11th day of October 2016 A.D.

R. Michael Wood
R. Michael Wood, RPLS
Registered Professional Land Surveyor
No. 5974 - State of Texas





R:\2016\416002\02\Rorcho Blanco Ph. 1\Exhibits\Parcels\Plats\Parcel 3_South Texas Commerce.dwg



Part to Be Acquired



Acquisition area highlighted in blue

Part To Be Acquired

The part to be acquired is to be utilized for the expansion and extension of Rancho Blanco Road. In order to determine the unit market value of the part to be acquired, the Sales Comparison Approach "as vacant" is utilized to determine the subject land value. Once completed, the appraiser shall utilize the determined unit rate for the pro-rata valuation and include any compensable structural and/or site improvements located within the acquisition area. This determination of market value is based on the fee simple estate for the property. During the analysis of the unit rate, the appraiser has been instructed by jurisdictional exception to disregard any decreases or increases in the market value that are directly caused by the proposed public improvement or its likelihood, prior to the date of valuation. This is applied to the valuation of the property as a whole, part to be acquired and the remainder before acquisition. In the remainder after scenario, the determination of market value will consider the effect of the proposed acquisition on the remainder after, in order to determine if any damages (diminution in value) were incurred, as required by State Law. Any utilities that are affected by the part to be acquired shall be relocated during construction and therefore, shall not be included as a compensable item for purposes of this report. However, it is noted that an extension of sewer services will have to be performed in order to restore service to the "Warehouse A" structure. This item is included within the cost to cure.

PART TO BE ACQUIRED

Highest and Best Use:

The highest and best use of the subject property is for light industrial / commercial use.

Contributory Value of Improvements		
Asphalt Paving (100 sf x \$3.85/sf @ 50% Depreciation)		\$ 193
Concrete Paving (145 sf x \$7.00/sf @ 50% Depreciation)		\$ 508
Chain Link Fencing (12' lf x \$14.00/lf @ 50% Depreciation)		\$ 84
Parking Lot Light Poles (2 Poles x \$1,750/Pole @ 50% Depreciation)		\$ 1,750
Concrete Curbing (162' lf x \$24.25/lf @ 50% Depreciation)		\$ 1,964
Masonry Planter Box		\$ 1,000
		\$ -
Total Contributory Value of Improvements		\$ 5,499
Land	2,458 SF @ \$ 4.00 / Square Foot	\$ 9,832
Total Land		\$ 9,832
TOTAL AS A UNIT		\$ 15,331

REMAINDER BEFORE THE ACQUISITION

Contributory Value of Improvements		
Warehouse		\$ 840,000
Asphalt Paving		\$ 58,624
Concrete Paving		\$ 59,689
Chain Link Fencing		\$ 2,926
Concrete Curbing		\$ 12,889
General Landscaping		\$ 19,000
		\$ -
Total Contributory Value of Improvements		\$ 993,128
Land	157,494 SF @ \$ 4.00 / Square Foot	\$ 629,976
Total Land		\$ 629,976
TOTAL AS A UNIT		\$ 1,623,104

Remainder After Acquisition



Remainder is shaded in orange.

Explanation of Adjustments with Reconciliation:

The sales comparison approach utilizes comparable sales with similar highest and best uses as the subject property, in order to determine the overall market value. Each of these sales was gathered through various sources, including but not limited to, the Greater McAllen Multiple Listing Service, local Realtors & Brokers, Real Estate Appraisers, and conversations with various property owners in the surrounding market area. Each sale was confirmed with at least two sources, which include the Hidalgo County Deed Records and the Hidalgo County Appraisal District. Each sale is reviewed for items recognized by the market that affect market value, which include conditions of the sale, market conditions, relative location, physical characteristics, available utilities and other factors that are recognized for arms-length transactions. Each of these factors may require adjustments for any differences found in comparison to the subject property, based on a direct sales analysis approach to value. After the appropriate adjustments were made to each sale, an adjusted unit range of value per square foot of \$3.62 to \$4.22 was calculated for the subject property. A unit rate of \$4.00 per square foot was determined for the land valuation.

COST APPROACH

Whole:

Part to be Acquired:

Remainder After:

ESTIMATED REPLACEMENT / REPRODUCTION COST					
IMPROVEMENT	Number of Units	\$ Per Unit	Cost New	Depreciation	Value
Warehouse	30,000	\$ 35.00	\$ 1,050,000	20%	\$ 840,000
		\$ -	\$ -	0%	\$ -
Contributory Value of the Buildings					\$ 840,000
Accessory Improvements					
Contributory Value of the Accessory Improvements					\$ -
Site Improvements					
Asphalt Paving	30,454	\$ 3.85	\$ 117,248	50%	\$ 58,624
Concrete Paving	17,054	\$ 7.00	\$ 119,378	50%	\$ 59,689
Chain Link Fencing	418	\$ 14.00	\$ 5,852	50%	\$ 2,926
Concrete Curbing	1,063	\$ 24.25	\$ 25,778	50%	\$ 12,889
General Landscaping	1	\$ 16,000	\$ 16,000	0%	\$ 16,000
Contributory Value of the Site Improvements					\$ 150,128
Contributory Value of All Improvements					\$ 990,128
	Net Land Area		Price / Unit		
Land Value (Fee)	157,494	SF @	\$ 4.00	/ SF	\$ 629,976
Estimated Value By Cost Approach					\$ 1,620,104

SALES COMPARISON APPROACH

Whole: Part to be Acquired: Remainder After:
 Land: Improved:

VALUATION GRID

REPRESENTATIVE COMPARABLE SALES

Subject	Comp. Sale No. 1		Comp. Sale No. 2		Comp. Sale No. 3	
Grantor						
Grantee						
Date of Sale						
Unit Price	\$ - / SF	\$ - / SF	\$ - / SF	\$ - / SF	\$ - / SF	\$ - / SF
Relative Location	Average	0%	0%	0%	0%	0%
Lot Location	Corner	0%	0%	0%	0%	0%
Financing	Conventional	0%	0%	0%	0%	0%
Conditions of Sale	Cash to Seller	0%	0%	0%	0%	0%
Market Conditions	Average	0%	0%	0%	0%	0%
Physical Characteristics	Average	0%	0%	0%	0%	0%
Available Utilities	All Utilities	0%	0%	0%	0%	0%
Street Access	Public	0%	0%	0%	0%	0%
Size of Improvement	SF	SF	0%	SF	0%	SF
Net Adjustments		0%	0%	0%	0%	0%
Indicated Unit Value	\$ - / SF	\$ - / SF	\$ - / SF	\$ - / SF	\$ - / SF	\$ - / SF
Estimated Unit Value of Fee Simple Area					\$ - / SF	

Estimated Value by Sales Comparison Approach _____ Not Applicable

The sales comparison approach, as improved, was not a reliable approach to determine market value, based on the scope of the assignment and limited land area of the proposed acquisition area.

INCOME APPROACH

Whole:

Part to be Acquired:

Remainder After:

Potential Gross Income	.....			\$	-
Vacancy	%			\$	-
Effective Gross Income	.....			\$	-
Expenses				\$	-
Fixed: Taxes.....		\$	-	\$	-
Insurance.....		\$	-	\$	-
Variable: Management.....		\$	-	\$	-
Other		\$	-	\$	-
		\$	-	\$	-
		\$	-	\$	-
Total Expenses	.....			\$	-
Net Operating Income	.....			\$	-
Income Capitalized @		%	.....	\$	-
Plus: Value of Excess Land (If Any)			.....	\$	-
			\$	-
Estimated Value By Income Approach	.....				Not Applicable

The income approach was not a reliable approach to determine market value, based on the scope of the assignment and limited land area of the proposed acquisition area.

Explanation of Cost To Cure

A cost to cure is calculated for the remainder after, as a portion of the site improvements located within the acquisition area must be replaced to maintain site utility and functional use of the existing warehouses. Therefore, the cost to cure is based on the total cost of replacement of the improvement required, less the depreciated compensable amount calculated for the improvement within the part to be acquired:

Note: Several concrete entrance/aprons shall be constructed as part of the project and therefore are not included in the assessment of the cost to cure.

Replacement / Cost To Cure Item	Units	\$ Per Unit	Replacement Cost New	Depreciated Market Value	Cost To Cure
Septic System	1	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Additional Asphalt	500	\$ 3.85	\$ 1,925	\$ 193	\$ 1,732
Chain Link Fencing	660	\$ 14.00	\$ 9,240	\$ 50	\$ 9,190
Paint Striping / Asphalt Repair For Re-Direction of Traffic to Parking Lot	1	\$ 20,683	\$ 20,683	\$ -	\$ 20,683
Parking Lot Concrete Curb	100	\$ 24.25	\$ 2,425	\$ 1,964	\$ 461
Demolition of Planter	1	\$ 500	\$ 500	\$ -	\$ 500
Masonry Planter	1	\$ 1,250	\$ 1,250	\$ 1,000	\$ 250
Total Cost To Cure					\$ 42,816

COMPENSATION SUMMARY

WHOLE PROPERTY

The market value of the whole property is \$ 1,638,435

PART TO BE ACQUIRED

Considered as severed land, the fee simple title to the part being
acquired for highway purposes (less oil, gas and sulphur and subject
to existing easements, if any, which are not to be extinguished) is.... \$ 15,331

REMAINING PROPERTY

The value of the remainder immediately before the taking is..... \$ 1,623,104

Considering the uses to which the part taken is to be subjected to
the market value of the remainder immediately after the acquisition is \$ 1,620,104

NET DAMAGES OR ENHANCEMENTS (if any) \$ 3,000

ACCESS

The lack of any access denial or the material impairment of direct
access on or off the remaining property affects the market value of
the remaining property in the sum of \$ -

COST TO CURE \$ 42,816

TOTAL COMPENSATION \$ 61,147



1419 Dove Avenue, McAllen, Texas 78504
956-687-7295 Office / leonel3@garza-associates.com

Leonel Garza III
President of Leonel Garza Jr. & Associates LLC

Company Bio

Leonel Garza Jr. & Associates, LLC provides a variety of real estate consulting services with primary focus on real estate appraisals and appraisal litigation support. The company specializes in General Commercial Real Estate, Estate Valuations, and Right-of-Way Easement Acquisition and Defense. In addition to the appraisal services, the company provides Real Property Tax Consulting Services. The purpose of this division is to support property tax owners in the verification of property tax assessment as promulgated by the Texas Property Tax Code.

Property Tax Division

The property tax division of the firm conducts reviews of property tax assessments by various county appraisal districts to consult clients on their current tax liabilities. Reviews include attending informal and formal hearings on behalf of clients at local appraisal districts. With accounts throughout South Texas including the County of Cameron, Brooks, Hidalgo, Starr, Willacy, Webb and Nueces County. Clients include dealerships, movie theaters, concrete batch plants, convenience stores, national franchises, retail box centers, retail strip centers, warehouses, subdivisions, and many other commercial type properties and specialty type properties.

Right-of-Way Division

The Right-of-Way Division of the firm conducts Real Estate Appraisals for various local and government agencies throughout South Texas. Leonel Garza III has undergone extensive training in this field of work. He specializes in acquisitions concerning diminution of market value and/or property bi-sections. ROW experience extends to various types of acquisitions including, but not limited to, expansion of existing roadways, development of new roadways, utility easements, transmission line easements, drainage or irrigation easements, damage assessment, cost to cure, relocation assistant research, budget analysis, condemnation hearing and trial support. Clients include the Texas Department of Transportation (TxDOT), Texas Attorney General Office Real Estate Division, Hidalgo County Drainage District No. 2, Hidalgo County Regional Mobility Authority (HCRMA), American Electric & Power (AEP), Hidalgo County Precinct No. 2, Hidalgo County Precinct No. 3, Hidalgo County Precinct No. 4 and United Irrigation District.

Texas A&M University, College Station, Texas

Bachelor of Science Degree, 1995
Biomedical Science Major

Texas Appraiser Licensing and Certification Board

Certified General Real Estate Appraiser
TX 1328375 G

Texas Department of Licensing and Regulation

State Certified Property Tax Consultant
TX 00003181

Texas Appraiser Licensing and Certification Board P.O. Box 12188 Austin, Texas 78711-2188 Certified General Real Estate Appraiser		
Number:	TX 1328375 G	
Issued:	12/30/2016	Expires: 12/31/2018
Appraiser:	LEONEL GARZA III	
<small>Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.</small>		
		 <small>Douglas E. Oldmixon Commissioner</small>

Professional Organizations & Public Service

Appraisal Institute Associate Member

The Appraisal Institute is a global professional association of real estate appraisers, with nearly 20,000 professionals in almost 60 countries throughout the world. Its mission is to advance professionalism and ethics, global standards, methodologies, and practices through the professional development of property economics worldwide. (www.appraisalinstitute.org).

National Association of Master Appraisers

Designated as a Master Senior Appraiser by the National Association of Master Appraisers. This designation is obtained through educational requirements and experience. (www.naappraisers.org)

International Right of Way Association (IRWA) Associate Member 7899430

The International Right of Way Association is a professional member organization comprised of global infrastructure real estate practitioners. IRWA has served professionals who acquire, manage and transfer the land rights needed for building and maintaining energy and transportation infrastructure. Recognized for their high ethical standards, commitment to integrity and professional excellence, IRWA's nearly 10,000 members hail from over 15 countries around the world. They are united by their profession and their commitment to pursuing training and professional development through courses, chapter meetings, seminars and the annual education conference. (www.IRWA.com)

Hidalgo County Subdivision Advisory Board Chairman of the Board

This county board on subdivision reviews primary goal is to ensure that proper standards, set by Texas Water Development Board and the Texas Subdivision Model Rules and/or opinions from the Texas State Attorney General's Office, are conducted in the development of proposed subdivision within the County of Hidalgo and/or Extraterritorial Jurisdiction of municipalities throughout the County of Hidalgo. The board's secondary function is to review applications for variances against the Flood Plain Administrators decisions of the base flood elevations throughout the County of Hidalgo. Appointed to the board since May 1999.

Hidalgo County Building Line of Adjustments Chairman of the Board

This county board reviews applications of variances to general set-back regulations set forth by the County of Hidalgo. This review includes the review of existing and/or proposed encroachments into set-backs, easements, road right-of-way set-back, subdivision plat requirements and/or requirements set forth by adjoining municipalities of which the subject is within the extraterritorial jurisdiction. Appointed to the board since January 2005.

McAllen Planning and Zoning Board Former Member & Chairman

This board is charged with submitting reports, plans, and recommendations to the City Commission for the orderly growth, development, and welfare of the City. They review and make recommendations on zoning change requests, conditional use permits for longer than one year, and variances to Subdivision Ordinance requirements for development. Member of board from February 8, 2010 to January 28, 2016.

McAllen Traffic Commission Board Former Member & Vice Chairman

Makes recommendations to the City Commission to reduce and eliminate traffic congestion and flow throughout the City. Member of board from April 14, 2008 to June 24, 2014.

McAllen Zoning Board of Adjustments and Appeals

Former Member & Chairman

This city board has the duty to hear and decide appeals where it is alleged there is error in any requirement, or determination made administratively in the enforcement of the Zoning Ordinance. The Board hears appeals that grant variances to setback requirements and special exceptions to reconstruction of nonconforming buildings. Member of board from February 2002 to February 2008.

McAllen Ambulance Advisory Committee

Former Member & Vice Chairman

Evaluates and reports to the City Commission on the operation of the emergency ambulance service rendered by company or companies rendering such service.

McAllen Building Board of Adjustments and Appeals

Former Member

The BBOA reviews the decision of City Staff for the demolition of properties deemed unsafe through the City for a variety of reasons. The board review all facts and concerns and make the decision to secure or proceed with demolition based upon the safety of the neighboring property owners and occupants. The greatest concern for the commission is the safety of the surrounding neighborhood occupants. Board member from January 28, 2002 to December 31, 2003.