

APPRAISAL REVIEW SUBMISSION

FOR

Parcel No. 1

RCSJ: N/A

Hwy/Project: Trenton Drain Phase III

County: Hidalgo

CONSISTING OF:

**Appraisal Review Form-USPAP Supplement
Assumptions and Limiting Conditions-USPAP
Certification-USPAP**

PREPARED BY:



John H. Malcom, Jr, MAI, CCIM, SR/WA
State Certified General Appraiser
No. TX-1320239-G

August 24, 2018

Effective Date of Appraisal Review

August 30, 2018

Date of Appraisal Review Report

PREPARED FOR:

Ms. Diana Serna, Director
Hidalgo County Urban County Program
427 E. Duranta Avenue, Suite 107
Alamo, Texas 78516

APPRAISAL REVIEW REPORT - USPAP SUPPLEMENT
HIGHWAY/PROJECT: Trenton Drain Phase III **RSCJ:** N/A
PARCEL NO. 1

REVIEWER'S CLIENT: Hidalgo County Drainage District No. 1

SCOPE OF THE APPRAISAL REVIEW: This appraisal is prepared for Ms. Diana Serna, Director, Hidalgo County Urban County Program. The problem to be solved is to provide an opinion of the quality of another appraisers work. Leonel Garza, III, a State Certified General Appraiser has prepared an appraisal of the subject property. The client has requested a review of that appraisal report. The appraisal review requires a recommendation for the client to either accept or reject the value conclusions expressed in the appraisal report. The appraisal review is prepared to check for technical compliance with the TxDOT ROW Appraisal and Appraisal Review standards, to personally view the subject property and comparable sales, review the report for compliance with USPAP, and for completeness, accuracy, relevance, and reasonableness. The intended use of the appraisal review report is to formulate an opinion of completeness, accuracy, relevance, and reasonableness of a real estate appraisal report to be used for the initial offer for acquisition of drainage right of way. It is a partial acquisition of an unimproved property.

This appraisal review report is intended for the use of the client, Hidalgo County Urban County Program on behalf of Hidalgo County, Texas, their authorized advisors, and persons authorized in the appraisal, appraisal review, and right of way acquisition process. Use of the report by others, for any reason, is not intended

Scope of Work – Appraisal Review

- Report Type:** This is an Appraisal Review Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 3-2. This format provides a summary or description of the work under review based on the completeness, accuracy, relevance, and reasonableness of the report, given law, regulations, or intended users requirements.
- Property Identification:** The subject whole property has been identified by the Hidalgo County Appraisal District account number and a vesting deed. The part to be acquired has been identified by a metes and bounds description and a survey prepared by Alfonso Quintanilla, RPLS dated August 17, 2018.
- Inspection:** The subject property is located along the southwest corner of Alamo Road and Wisconsin Road in Hidalgo County, Texas. The part to be acquired is a rectangular shaped tract of land from the west side of the larger property. There are no

building improvements of site improvements within the acquisition. The acquisition extends 75.0' along Wisconsin Road by a depth of 640.0'. My observation of the property included a view from Wisconsin Road. I have also viewed the comparable land sales.

Market Area and Analysis of Market Conditions:

My opinions of the market area and the market conditions are based on information provided in the appraisal report under review.

Information Sources

In conjunction with the appraisal review, I have visited and observed the property to be acquired and I have observed each of the comparable sales. I have reviewed the survey and property descriptions and the information contained in the appraisal report. When necessary, I have requested clarification or additional information to provide support for the statements and conclusions contained in the report under review.

Highest and Best Use Analysis:

A complete as vacant highest and best use analysis for the subject was presented in the appraisal report under review. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded. The highest and best use was developed for the whole property, part to be acquired, and the remainder after the taking. My consideration of highest and best use is based on the information contained in the appraisal report.

Type of Value:

Market Value – As defined in RE: City of Austin v. Cannizzo, et al per page 1.0 and page 1.4 of the appraisal report.

Specific Requirements or the Appraisal Review

Check for technical compliance with ROW Appraisal and Appraisal Review standards.

Inspect the subject property and comparable data.

Check appraisal report for USPAP compliance

Review the appraisal report for completeness, accuracy, relevance, and reasonableness

Submit appraisal review. The review report includes a recommendation for the client to either accept or reject the value conclusion expressed in the appraisal report.

Hypothetical Conditions:) There are no hypothetical conditions for the appraisal review.

Extraordinary Assumptions:) The review appraiser has relied on the information presented in the appraisal report for the appraisal review. The review appraiser assumes the comparable and subject property information is correct and accurate unless indicated otherwise. Use of the extraordinary assumption might have affected assignment results.

JURISDICTIONAL EXCEPTION: An assignment condition established by applicable law or regulation which precludes an appraiser from complying with a part of USPAP. This appraisal review has been completed in accordance with TxDOT standards, rules, regulations and policies. Therefore, if any part or portion of this appraisal review precludes compliance to USPAP due to any specific standard, rule, regulation, or policy of the client or intended users, then the JURISDICTIONAL EXCEPTION RULE is invoked.

Extraordinary Assumptions: The appraisal report does not reference any extraordinary assumptions.

Hypothetical Conditions: The appraisal report does not identify any hypothetical conditions. The use of an extraordinary assumption or hypothetical condition may have affected the assignment results.

Jurisdictional Exceptions: The appraisal report was developed subject to the following jurisdictional exceptions:

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.” (U-20, Lines 618-620). This report has been prepared in such a manner that any market influences projected by the proposed development shall not be taken into consideration for the valuation of the whole property and is not applied to the remainder after.

Date of the Appraisal Report: August 27, 2018

Date of the Appraisal: August 21, 2018

Identity of the Appraiser: Leonel Garza, III. Mr. Garza, III is a Certified General appraiser. His Texas certification number is TX 1328375-G. His certification expires December 31, 2018.

CONCLUSION: The appraisal report has been prepared based on recognized appraisal principles and standards. The part to be acquired includes an unimproved land tract of 1.10 acres.

Whole Property: Parcel #1 includes a net land area of 18.95 acres (per the Hidalgo County Appraisal District) that extends along the south side of Wisconsin Road and the west side of Alamo Road in Hidalgo County, Texas. The larger property has direct access to both roads and does not adjoin any other property under the same ownership. The larger property is appraised as a single economic unit. In the absence of improvements, only the sales comparison approach is developed in the report. The land value was developed utilizing three comparable sales. The sales are located in the same market area as the subject and have a similar highest and best use. Adjustments were considered for conditions of sale, market conditions, location, site utility, physical characteristics, topography, utilities, frontage and size. The comparable sales and adjustments to the comparable sales appear reasonable and the unit value is supported by the data presented. The report concludes a unit value of \$17,000/acre for the whole property. Since the cost approach and income approach are not applicable, the sales comparison approach provides the basis for the final value.

Part To Be Acquired: The part to be acquired is a rectangular shaped strip of 1.10 acre or 48,000 square feet. The land is valued as a pro rata portion of the whole site at a unit value of \$17,000/acre. There are no site improvements or building improvements. The remainder before the acquisition is the mathematical difference between the whole property and the part to be acquired.

Remainder After The Taking: The remainder after the taking is appraised by the sales comparison approach. The same comparable sales utilized to value the whole property are utilized to value the remainder property. The report identifies a highest and best use for the remainder for residential development which is the same as the highest and best use for the whole property. The sales comparison approach concludes a unit value of \$17,000/acre for the remainder.

RECOMMENDATION: Based on the data, analysis, and conclusions contained in the appraisal report, I recommend that the value of \$18,700 be approved for negotiation and acquisition.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal review report is prepared subject to the following:

The legal description as provided by the client is assumed to be correct.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy. The right of way map and all other relevant data furnished by the client are assumed to be correct.

It is assumed that the property reviewed is unencumbered by adverse easements.

The property is reviewed as though free and clear from all liens and encumbrances in fee simple interest to the surface rights only.

No personal property (including appliances not fixed to the realty, furnishing, vehicles, trade fixtures, or intangible items) are included in the appraisal review.

Any allocation of the total value estimated in this review report between the land and improvements applies only to this parcel under review. The separate values allocated to the land and improvements must not be used in conjunction with any other appraisal report of another parcel and are invalid if so used.

The existence of potentially hazardous material and or toxic waste that may or may not be present on the property was not observed by the review appraiser. However, the review appraiser is not an expert on such matters and is not qualified to detect such substances, and no responsibility is assumed for any hazardous conditions, nor for any expertise required to discover them. The value conclusion of the appraisal review is based on the assumption that no significant environmental problems exist that would adversely affect the value or marketability of the subject property.

The professional competency of the review appraiser should not be presumed to include the knowledge or experience of a professional surveyor, architect, engineer, title lawyer or other specialist.

The appraiser was furnished comparable sale data and other data from sources considered reliable and the review appraiser assumes that all data furnished the appraiser is reliable and accurate but the reviewer does not assume responsibility for the accuracy of all items furnished by other parties.

The client is reminded that market value changes as the market changes with time. The value contained in this review report is as of the retrospective effective date of the appraisal review report. Any passage of time may render the value inaccurate and unsuitable.

The submission of the appraisal review report does not include the requirement of publication, court testimony or court appearance. Special arrangements will have to be made for this purpose, including fees and time frames.

I do not authorize the out-of-context quoting from or partial reprinting of the appraisal review report.

Further, neither all nor any part of the contents of this appraisal review shall be disseminated to the public through advertising media, public relations media, news media, sales media or any public means or communications without the prior written consent and approval of the review appraiser.

The liability of the review appraisal is limited to the client and intended users only and does not extend to any third parties or to users not specifically designated or authorized. The total liability of the review appraiser is limited to the amount of the fee received by the review appraiser for the report.

CERTIFICATION STATEMENT

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

- Z The statements of fact contained in this appraisal review report are true and correct.
- Z 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.
- Z I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
- Z I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- Z My engagement in this appraisal review assignment was not contingent upon developing or reporting predetermined results.
- Z 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 review.
- Z My analyses, opinions, and conclusions were developed, and this appraisal review report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Z No one provided significant real property appraisal or appraisal review assistance to the person signing this certification.
- Z The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- Z The use of this appraisal review report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Z As of the date of this appraisal review report, John H. Malcom, Jr. has completed the continuing education program for Designated Members of the Appraisal Institute.
- Z As of the date of this appraisal review report, John H. Malcom, Jr. has completed the Standards and Ethics Education Requirements of the Appraisal Institute.

- I have performed no services, as an appraiser, a review appraiser, or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- John H. Malcom, Jr. has made an inspection of the subject property.



John H. Malcom, Jr, MAI, CCIM, SR/WA
State Certified General Appraiser
No. TX-1320239-G

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