



GARZA
& ASSOCIATES

Leonel Garza Jr & Associates LLC

Real Estate Appraisal Services

Appraisal report of an improved tract of land, located at 1411 West 18th Street, Weslaco, Texas.

Client:	City of Weslaco
HCAD PID No.	326882
Effective Date of Appraisal	September 28, 2016
Date of Report	November 11, 2016

Appraisal Prepared For:
City of Weslaco
C/o: Mike Perez - City Manager
255 S. Kansas Avenue
Weslaco, Texas 78596



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Leonel Garza Jr. & Associates LLC

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November 11, 2016

City of Weslaco
c/o: Mike Perez, City Manager
255 S. Kansas Avenue
Weslaco, Texas 78596

RE: 1411 West 18th Street, Weslaco, Texas

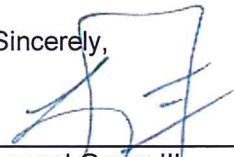
Mr. Perez:

In accordance with your request, we are pleased to present our appraisal report of the improved 0.676-acre (29,447 square feet) tract of land, located at 1411 West of 18th Street, Weslaco, Texas. The scope of the assignment is to value the subject property in fee simple "as is," as of September 28, 2016. The subject property is described as an improved tract of land consisting of two (2) buildings, which includes a 1,924-square-foot single-story wood frame building and a 2,004-square-foot steel frame metal building.

Due to the unique use and design of the subject property as a former childcare or daycare facility, consisting of two (2) separate buildings, as well as supporting site improvements, the subject property is determined to be a special-purpose property and will be appraised as a "Value In Use." The subject property is a limited-market property due to the unique design, special construction materials, and/or layout that restricts the utility of the site to the use for which the improvements were originally constructed. Therefore, the Cost Approach was determined to be the most applicable approach to value; the Income Approach and Sales Comparison Approach were determined to be inapplicable.

This cover letter alone does not constitute an appraisal and must be attached to the remaining pages of this report. This appraisal report details the scope of our analysis, assumptions & limiting conditions, and contains a signed certification. This appraiser personally made an on-site inspection of the property on September 28, 2016. From the facts provided by the client and those obtained during the on-site inspection, the market value of the subject property "as is", as of September 28, 2016, is \$130,000.

Sincerely,



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

SUMMARY OF SALIENT FACTS & CONCLUSIONS

Client of Report _____ City of Weslaco
Hidalgo County Appraisal District PID ___W3800-00-732-0000-60 (Property ID No. 326882)
Owner-of-record _____ City of Weslaco
Subject Address _____ 1411 West 18th Street, Weslaco, Texas
Physical Location _____ The subject property is located on the south side of 18th Street, in-between Borders Avenue and Westgate Drive, within the city limits of Weslaco, Texas
Property Rights Appraised _____ Fee Simple Estate
Date of Report _____ November 11, 2016
Effective Date of Report _____ September 28, 2016
Legal Description _____ A 1.0 acre (gross) / 0.676 acres (net), tract of land, more or less, out of the North 212.07' of the West 205.40' of Farm Tract 732, West Tract Subdivision, an addition to the City of Weslaco, Hidalgo County, Texas, according to a map or plat recorded in Volume 2, Pages 34-37, Map Records of Hidalgo County, Texas
Whole Land Area (Gross) _____ 1.00 acre (43,560 square feet)
*As Per Deed
Whole Land Area (Net) _____ 0.676 acres (29,446.56 square feet)
*As Per Deed
Highest & Best Use _____ Residential or Light Commercial Use
Existing Use (2016) _____ Daycare or Childcare Facility
City Zoning Ordinance _____ R-1 (Single-Family Residential Use)
Flood Zone Designation _____ Zone "B" (FEMA Flood Panel 480334 0525 B)
Utilities Available _____ All City of Weslaco utilities are available

APPRAISAL CONCLUSIONS

Market Land Value _____ \$ 53,005
Depreciated Improvement Value _____ \$ 78,345
Combined Market Value (rounded) _____ \$ 130,000

AERIAL MAP

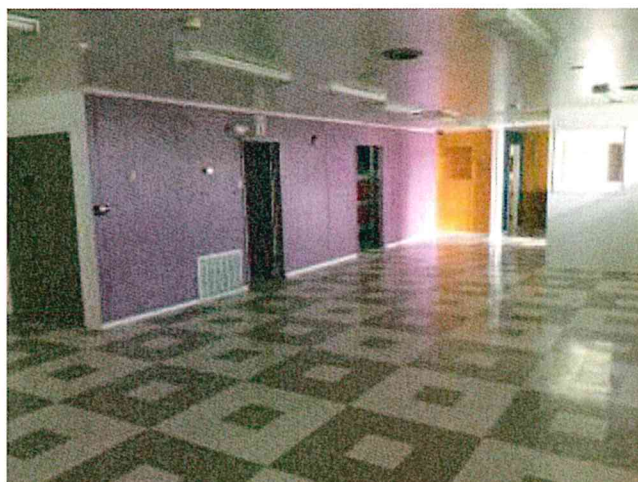


The above aerial image was taken on January, 2016. Source Google Earth Pro. Subject outlined in Red.

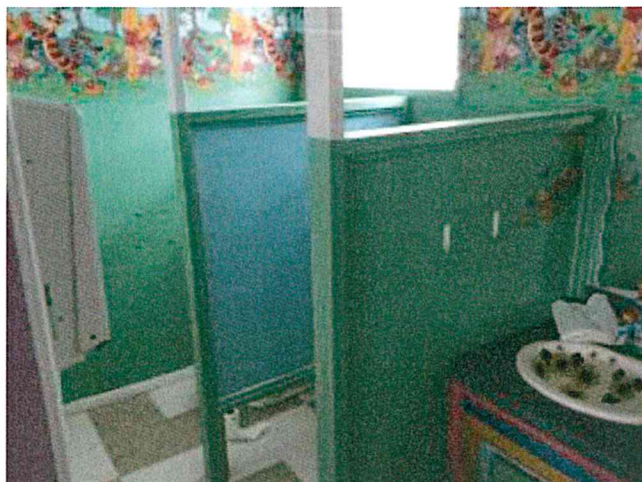
PHOTOGRAPHS



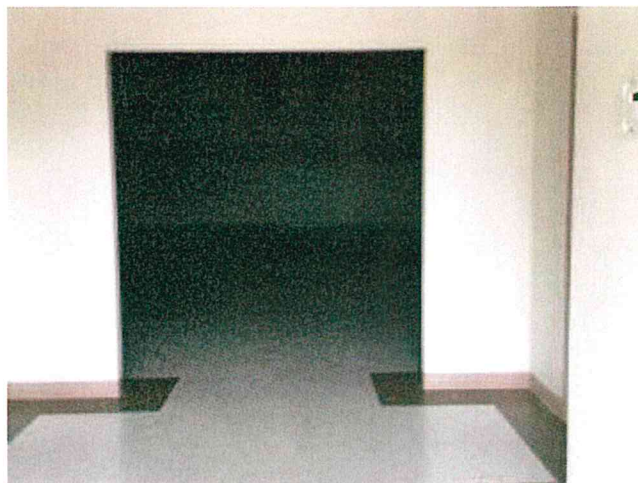
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PHOTOGRAPHS



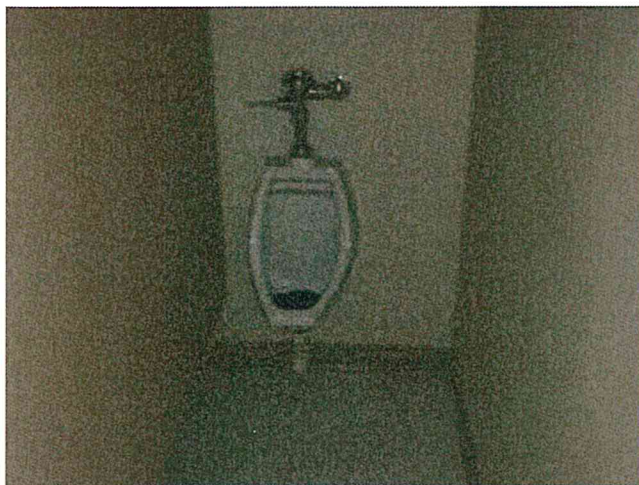
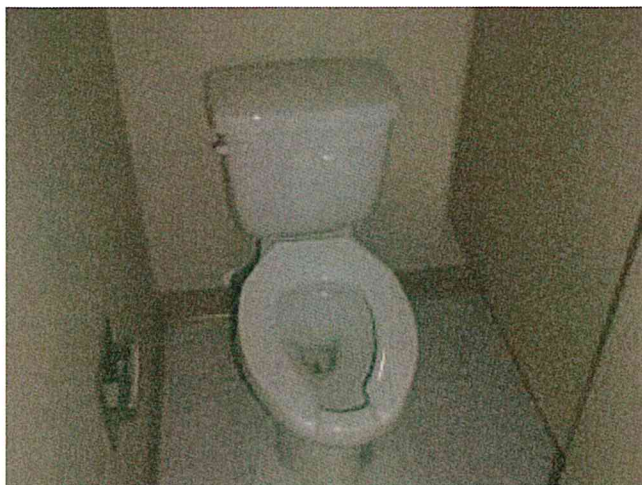
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PHOTOGRAPHS



PURPOSE OF THE APPRAISAL

This appraisal is prepared for estimating the market value of the fee simple estate "as is", which is improved with two (2) buildings and includes a 1,924 square foot single-story wood frame building and a 2,004 square foot steel frame metal building, as defined within this report, as of the effective date of September 28, 2016. 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.

PROPERTY RIGHTS APPRAISED

The property rights being appraised in this report consist of the fee simple estate and easement valuation of the subject property. Fee Simple Estate is defined by the Dictionary of Real Estate Appraisal, Sixth Edition by the Appraisal Institute as being: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

CLIENT / USER AND INTENDED USE OF APPRAISAL

The client and intended user of this report is identified as City of Weslaco. Mike Perez, City Manager is the contact person for this assignment. The intended use of the report is to aid the City of Weslaco in determining the market value for internal purposes.

SCOPE OF ASSIGNMENT

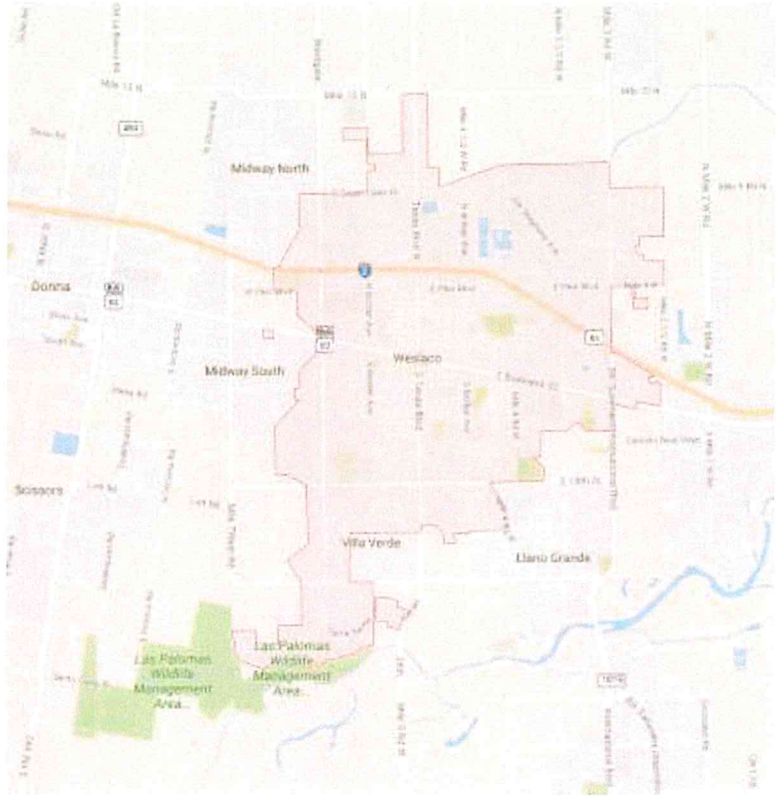
Mike Perez, City Manager with the City of Weslaco, requested for Leonel Garza Jr. & Associates, LLC to prepare an appraisal report of the fee simple estate of the subject property. The client indicated that the scope of the assignment is to determine the underlying land value of the subject property and any contributory value of the structural and site improvements as of the effective date of September 28, 2016. The land area is 0.676 acres (29,446.56 square feet rounded to 29,447 square feet), as indicated by the most recent deed recorded under Document No. 2015-2651673. The building and site improvement areas utilized in this report are based on the measurements taken during the on-site inspection on September 28, 2016. The Cost Approach was determined to be the most applicable approach to value; the Income Approach and Sales Comparison Approach were determined to be inapplicable due to the various types of structures on-site, which comparables within the Weslaco Market could not be located.

ENVIRONMENTAL STATEMENT

This appraiser made a visual on-site inspection of the subject property on September 28, 2016, and no obvious adverse environmental concerns, pesticides or other potentially hazardous materials were present. The subject property is currently unoccupied but was formerly utilized as a daycare / childcare facility. This appraiser is not qualified to make a detailed study on environmental concerns of the subject property, but is qualified to analyze the information provided concerning the extent to which the environmental issue affects market value. Based on this appraiser's on-site inspection, this appraisal shall be based on the extraordinary assumption that no environmental concerns exist. If an environmental concern is noted to this appraiser after the date of report, Garza & Associates, LLC, reserves the right to re-evaluate the market value of the subject property.

CITY AND NEIGHBORHOOD ANALYSIS

Weslaco, Texas, is in southern Hidalgo County, Texas, at the intersection of FM 88, FM 1015, and Interstate 2 (I-2), and is part of the McAllen-Mission-Edinburg MSA (Metropolitan Statistical Area), which is described by the United States Census Bureau as the entire County of Hidalgo, Texas. The population of Weslaco was estimated at 37,601 as of the 2014 U.S. Census. The City of Weslaco is located approximately 15.0 miles east of McAllen, 35.0 miles northwest of Brownsville, and 6.50 miles west of the Rio Grande Valley Premium Outlet Mall in Mercedes, Texas. The Knapp Medical Center is in Weslaco, Texas, which is a not-for-profit acute care hospital with 233 private rooms, and is rated one of the top hospitals in South Texas. The Rio Grande Valley Premium Outlets® were developed by Chelsea Property Group. The outlet mall is located at the northeast corner of Interstate 2 (US Expressway 83) and Mile 1 ½ East Road in Mercedes, Texas, which is just east of Weslaco, Texas. Located approximately 7.00 miles south of Weslaco is the Progreso International Bridge, and approximately 8.50 miles southwest of Weslaco is the Donna-Rio Bravo International Bridge.



The Progreso International Bridge, is the port of entry between the cities of Progreso and Nuevo Progreso, the latter of which is in the Mexican State of Tamaulipas, Mexico. Progreso International Bridge is located on FM 1015 (International Boulevard). It is a four-lane, asphalt-paved highway with a middle turning lane and paved shoulders, just south of Military Highway (U.S. Highway 281). Nuevo Progreso, also known as Las Flores (the flowers), a little town consisting of approximately 9,125 in population, has become the prime Mexico shopping destination for tourists, especially "Winter Texans." Nuevo Progreso has become a popular tourist destination due to the numerous restaurants, pharmacies, dentists and doctors, as well as being the safest and most family-friendly border town in the Rio Grande Valley. The Progreso International Bridge (a.k.a. B&P Bridge and Puente Las Flores) is owned privately by the B&P Bridge Company and handles a mix of commercial, passenger and pedestrian traffic. The bridge is actually two (2) bridges in one (1), with the main portion being utilized for four lanes of passenger traffic (two each way) and large covered pedestrian lanes, and the second separate bridge being utilized as a two-lane roadway for commercial traffic. The bridge was originally constructed in 1951 and rebuilt in 2003. Commercial traffic mainly consists of agricultural produce (i.e. corn, grains, cotton seed, sorghum, beans and popcorn) being exported to Mexico from the United States. The Progreso International Bridge connects directly to "El Centro" of Nuevo Progreso, which consists of six (6) city blocks in length by three (3) city blocks in width. The Donna International Bridge is also located along FM 493 southwest of Weslaco, Texas, at the intersection of Farm to Market 493 and Military Highway. The area has had little development in the past 5 years, however, plans for a large commercial / industrial development has been announced by the Donna Planning Department. The estimated time frame for construction of the development, known as Alliance River Crossing, has not been determined. This is a long-term plan according to the City of Donna.

The subject property is located at 1411 West 18th Street, Weslaco, Texas, on the south side of 18th Street, in-between Westgate Drive and Border Avenue, within the city limits of Weslaco. The subject property's market area is described as business Highway 83 to the North, Mile 5 North Road to the South, FM 1015 to the East, and Midway Road (Mile 7 West Road) to the West. The market area consists of mixed commercial, residential, industrial and agricultural uses and developments. Most commercial developments are located along the frontage of business Highway 83, FM 88, Westgate Drive, and FM 1015. Located across the street from the subject property is the Harlon Block Sports Complex and Memorial Elementary School.

PROPERTY DESCRIPTION

The subject property is located on the south side of 18th Street, in-between Borders Avenue and Westgate Drive, within the city limits of Weslaco, Texas. The physical address of the subject property is 1411 West 18th Street, Weslaco, Texas. The property consists of 1.00 acre (43,560 square feet) gross / 0.676 acres (29,447 square feet) net, with a property dimension of approximately 157.0' lineal feet (south side of 18th Street) x approximately 187.0' lineal feet. The subject property is improved two (2) separate buildings, which include a 1,924 square-foot single-story wood-frame building and a 2,004-square-foot steel frame metal building. Supporting site improvements include chain link fencing, a canopy, concrete pavement and caliche pavement.

According to a representative of the City of Weslaco Planning and Zoning Department, the subject property is currently zoned R-1 (Single-Family Residential District). It should be noted that the last use of the subject property was for a daycare center or facility, which is a legal non-conforming use. Any use outside of a single-family residential use would require a change in zoning through the Planning and Zoning Department. The subject property has full access to all City of Weslaco utilities, which includes water and sewer service.

SALES HISTORY

Research was performed through the Hidalgo County Appraisal District to verify the current ownership of the subject property. As of the date of appraisal, the subject property has been in the name of the City of Weslaco, since October 5, 2015. The subject property was transferred via a Warranty Deed from Adela Mireles (Grantor) to the City of Weslaco (Grantee) for sales price of \$105,000, recorded under Document No. 2015-2651673. Prior to the City of Weslaco owning the subject property, the subject property was owned by Adela Mireles, which was purchased from Serafin Vazquez and husband, Angeles Davila Vazquez, via a Warranty Deed w/ Vendor's Lien, dated December 10, 2012, recorded under Document No. 2012-2366131. Prior to Serafin Vazquez and husband, Angeles Davila Vazquez, the property was under the ownership of John Ted Stokes and wife, Lucy Stokes, according to a Warranty Deed w/ Vendor's Lien, dated July 1, 2005, recorded under Document No. 2005-1492618.

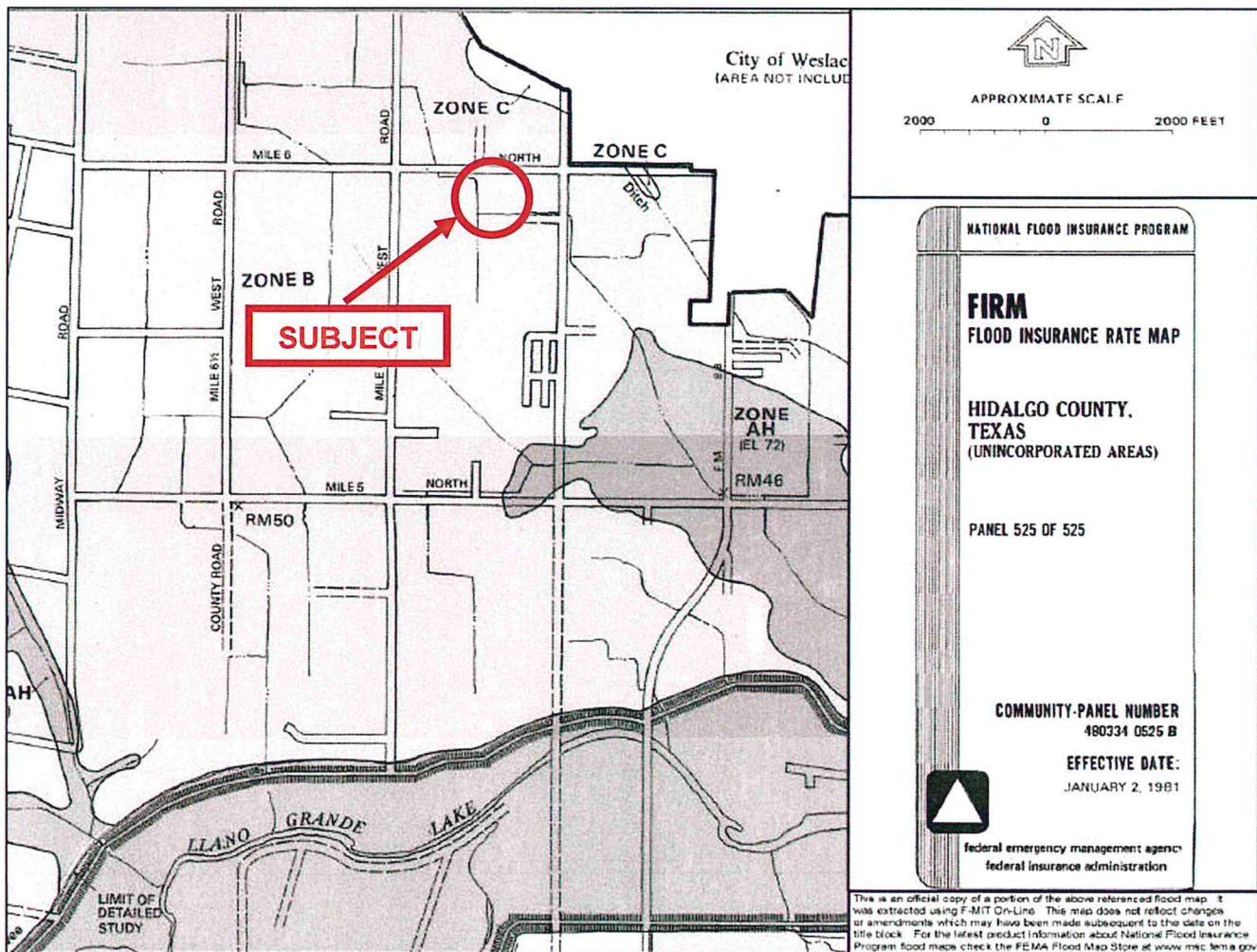
EASEMENTS / ENCROACHMENTS

Based on a survey provided by the client, the subject property is encumbered with a 70.0' drainage easement (drainage ditch & spoil bank), which encompasses 0.207 acres along the western boundary of the subject property, and 25.0' lineal feet of 18th Street road right-of-way, which encompasses 0.117 acres. No other encroachments, adverse easements, or rights-of-way were noted or were indicated, that would affect the market value of the subject property.

FLOOD ZONE DESIGNATION

FEMA MAP No. _____ 480334 0525B
FLOOD ZONE DESIGNATION* _____ Zone B

Flood hazard areas identified on the Flood Insurance Rate Map are identified as a Special Flood Hazard Area (SFHA). SFHA are defined as the area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to as the base flood or 100-year flood. SFHAs are labeled as Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30. Moderate flood hazard areas, labeled Zone B or Zone X (shaded) are also shown on the FIRM, and are the areas between the limits of the base flood and the 0.2-percent-annual-chance (or 500-year) flood. The areas of minimal flood hazard, which are the areas outside the SFHA and higher than the elevation of the 0.2 percent annual chance flood, are labeled Zone C or Zone X (unshaded).



HIGHEST & BEST USE

The highest and best uses of the site, both "as if vacant" and "as is," are analyzed in-order to determine the highest and best use before and after the proposed development. Four tests have been applied in-order to determine highest and best use. The tests include: (1) physically possible use, (2) legally permissible use, (3) financially feasible use and (4) maximally productive use. The highest and best use is further defined as follows:

"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. 4th Edition Chicago: Appraisal Institute, 2010

The highest and best use analysis for the subject property is applied to the site "As Is," based on the on-site inspection of the subject property on September 28, 2016.

CONCLUSION:

Based on the overall location of the subject property, the use "as is" meet each of the tests of highest and best use for a single-family residential use or continued light commercial use. Upon inspection of the subject property, the subject property is rectangular and consists of approximately 0.676 acres (29,447 square feet) net. The first criteria whether it is physically possible for the property to have single-family residential or continued light commercial use. Based on the evidence, it is possible to utilize the property for single-family residential or light commercial use.

The second criteria for highest and best use analyzes whether it is legally permissible to utilize the property in a particular way. This refers to the current municipal zoning assigned to the subject property. The City of Weslaco Planning and Zoning Department was contacted on October 17, 2016. A representative indicated that the subject property is currently zoned R-1 (Single-Family Residential District). The current/former use as a daycare/childcare facility is a legal non-conforming use, and further action would be required through the Planning and Zoning Department for further or continued commercial use on-site. The third criteria is to analyze the financial feasibility of the subject property having a commercial or other similar type of use located on-site. Based on the continuing growth of traffic along 18th Street, it is feasible to utilize the property for single-family residential use or for continued light commercial purposes. The fourth and final criterion reviewed is for the maximally productivity of the subject property. The subject property shall be at its maximal productive state as a light commercial development. The property is in an area of Weslaco which is be converted from residential uses to light commercial uses. Based on each of the criteria for highest and best use, the subject property's highest and best use is confirmed to be for single-family residential or light commercial use.

SALES COMPARISON APPROACH

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 interests.

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>.

SALES & RESEARCH DEVELOPMENT

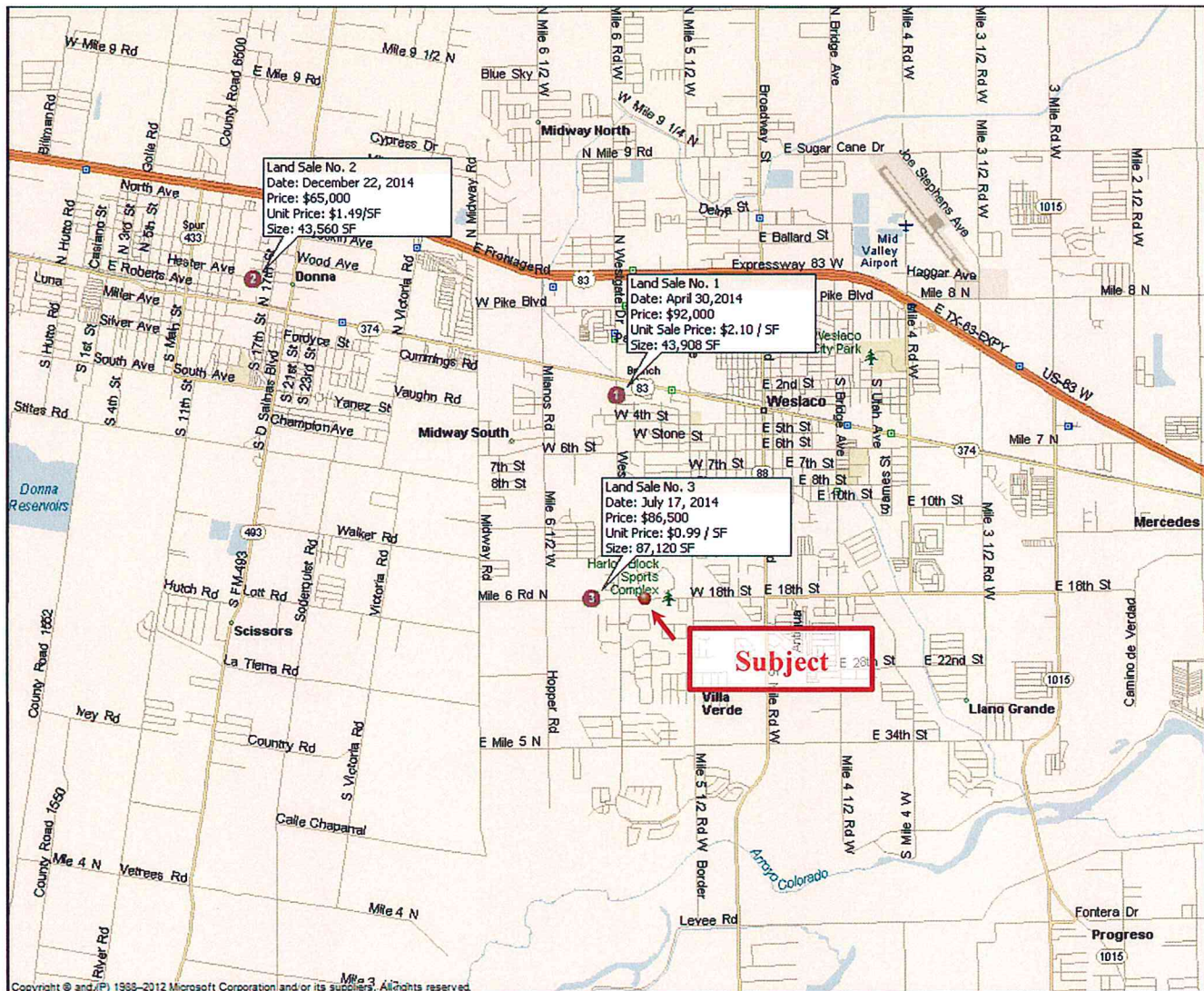
The following sales were derived from a multitude of sources, which include a local multiple listing service, Appraisal District public information, deed records and other appraisers and Realtors in the Rio Grande Valley. These sales are verified with at least two sources and are deemed reliable as of the date of this report.

MARKETING & EXPOSURE TIME

During the appraisal process, two additional factors must be considered within the Sales Comparison Approach: Marketing Time and the Exposure Time. Both items are important to establish the time required by the subject property to reach its market value potential within the current economic status. The estimated marketing period is based on the marketing periods for the comparable sales used in the Sales Comparison Approach. Based on the comparable sales within the market area, there is a twelve (12) to twenty-four (24) month time has been dictated by the market. The exposure time is 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 the information provided by the market for similar type properties within the market place, there is an exposure time of twelve (12) to twenty-four (24) months for the subject property.

LAND SALES

The following land sales were derived from a multitude of sources, which include 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 of the date of the report, they may only be mentioned but not heavily weighted in the overall analysis of the subject property. Multiple sales were located within the Mission/Alton market area. Each sale is of similar dimension and land area and was sold and verified through the Greater McAllen Multiple Listing Service.



Land Sale No. 1



Sales Record ID	1470
Property Type	Multifamily / Light Commercial
Location	204 South Westgate Drive
Tax ID	W3800-00-634-0000-03
Grantor	Allen Acquisitions
Grantee	Mitchell Jay Jones
Sale Date	April 30, 2014
Verification	MLS: E149086S
Gross Land Size	1.008 Acres or 43,908 SF
Sale Price	\$92,000
Unit Sales Price	\$91,270 / Acre or \$2.10 / SF
Utilities	All Municipal Services

Legal Description

A 0.99-acre tract of land being the South 100 feet of the North 614.16 feet of Farm 634, West Tract Subdivision, Hidalgo County, Texas.

Land Sale No. 2



Sales Record ID	1932
Property Type	Commercial
Location	1507 Hester Avenue
Tax ID	L0250-00-071-0001-01
Grantor	Rogers Partnership
Grantee	Juanita G. Garza and Amir H. Shekarchi
Sale Date	December 22, 2014
Verification	MLS: A180850S
Gross Land Size	1.000 Acres or 43,560 SF
Sale Price	\$65,000
Unit Sales Price	\$65,000 / Acre or \$1.49 / SF
Utilities	All Municipal Services

Legal Description

Being 10.326 acres of land situated in Hidalgo County, Texas, and being all of Lots 1 through 7, 18 and 19, and parts of Lots 20 through 24, Resubdivision of Lots 1 and 2, Block 71, Lott Town and Improvement Company Subdivision.

Land Sale No. 3



Sales Record ID	1699
Property Type	Residential / Light Commercial Use
Location	2008 West 18th Street
Tax ID	W3800-00-650-0000-00
Grantor	Jose Heriberto Sandoval
Grantee	Jesus Silva
Sale Date	July 17, 2014
Verification	MLS: A173666S
Gross Land Size	2.000 Acres or 87,120 SF
Sale Price	\$86,500
Unit Sales Price	\$43,250 / Acre or \$0.99 / SF
Utilities	All Municipal Services

Legal Description

Being 2.00 acres, more or less, out of Farm Tract 650, West Tract Subdivision, as per map or plat recorded in Volume 2, Pages 34-37, Map Records of Hidalgo County, Texas

SALES AND IMPROVEMENT GRID

	SALES PRICE	SIZE OF TRACT	UNIT PRICE	DATE OF SALE
SUBJECT	\$ -	29,447 square feet	\$ - / sf	
SALE No. 1	\$ 92,000	43,908 square feet	\$ 2.10 / sf	April 30, 2014
SALE No. 2	\$ 65,000	43,560 square feet	\$ 1.49 / sf	December 22, 2014
SALE No. 3	\$ 86,500	87,120 square feet	\$ 0.99 / sf	July 17, 2014

	SUBJECT	SALE No. 1	SALE No. 2	SALE No. 3
SALE PRICE	\$ -	\$ 92,000	\$ 65,000	\$ 86,500
UNIT PRICE	\$ - / sf	\$ 2.10 / sf	\$ 1.49 / sf	\$ 0.99 / sf
DATE OF SALE	10/1/2015	April 30, 2014	December 22, 2014	July 17, 2014
FINANCING TERMS	Conventional	Cash 0%	Cash 0%	Cash 0%
CONDITIONS OF SALE	Arm's Length	Arm's Length 0%	Arm's Length 0%	Arm's Length 0%
TIME/MARKETING COND.	Average	Similar 0%	Similar 0%	Similar 0%
LOCATION	Average	Superior -15%	Similar 0%	Inferior 30%
STREET ACCESS	Average	Similar 0%	Similar 0%	Similar 0%
SITE UTILITY (Corner/Interior)	Interior	Similar 0%	Similar 0%	Similar 0%
UTILITIES: Water/Sewer/Electricity	All Municipal Utilities Available	Similar 0%	Similar 0%	Similar 0%
SIZE ADJUSTMENT (SF)	29,447 sf	43,908 10%	43,560 10%	87,120 20%
TOTALS		\$ (0.11) -5%	\$ 0.15 10%	\$ 0.50 50%
ADJUSTED UNIT RATE		\$ 1.99 / sf	\$ 1.64 / sf	\$ 1.49 / sf
MEAN UNIT RATE				\$ 1.71 / sf
SELECTED UNIT RATE				\$ 1.80 / sf
CALCULATED VALUE				\$ 53,005
APPRAISED MARKET VALUE (ROUNDED)				\$ 53,000

Reconciliation of Sales Comparison Approach

Based on the adjusted comparable sales, a final unit value of \$1.85 per square foot was utilized under the direct sales comparison approach. The first adjustment made was for the superior location of Sale No. 1 and the inferior location of Sale No. 3, as compared to the subject property. The second and final adjustment made was for the difference in land area, which was approximately +/-10% for each doubling in land area. This unit value is calculated with the total land area of 29,447 square feet. Therefore, the final market value of the subject property "as if vacant" is \$53,005, rounded to \$53,000.

Cost Approach

Using the Cost Approach, the Appraiser estimates the cost new of the improvements. The Appraiser, by using the Marshall & Swift Valuation Service, estimates the reproduction costs of the improvements. The indicated unit costs are tempered by current cost multipliers used to adjust the figures in the schedules assigned to the last quarter and by multiplying local multipliers to bring the costs to the level of those line items in the area. The Appraiser examines the age and condition of the improvements, quality of the construction, materials used in construction, and the functional utility of the subject property. The cost new is reduced by the appropriate percentages of wear and tear, called depreciation. The Appraiser, having examined the functional utility of the improvements, and based on the functional utility of similar buildings, makes any appropriate adjustments. The Appraiser examines the trends in the neighborhood or area of influence, which affect the value and makes adjustments.

Cost Component Data

All costs are based on professional labor supervised by a contractor or his or her foreman, and are adjusted if amateur workmanship is detected during inspection. The unit costs used in this appraisal are from segregated cost section number 48 dated March 2015. Also, this appraiser discussed this type of building and costs with local builders to verify the costs used by the Marshall & Swift Evaluation Guide, including the cost multiplier factor. We periodically continue to verify line items in which a higher or lower unit cost is proposed for the new construction, as learned through the experience of working on similar projects, both in appraising and in construction.

Cost Components Included

- Normal interest only on the actual building funds during the period of construction.
- Processing fees, Service Charges, and Sales Taxes on Materials.
- Normal site preparation, including grading, excavation for foundation, back fill, and finish work.
- Utilities from structure to lot line, calculated for typical setback.
- Contractors' profit and overhead, including job supervision, unemployment insurance, equipment, temporary facilities and security.

Cost Components Not Included:

- Cost of buying or assembling land. This is calculated from the appraiser's data of the sales in the area.
- Escrow fees, legal fees, right-of-way costs, demolition, or rough grading.
- Taxes or interest on the land, feasibility studies, certificates of need, appraisal fees, or consulting fees.
- Discounts or bonuses paid for financing are considered a cost of doing business.
- Off-site costs including road, utilities, and park fees.
- Furnishings and Fixtures
- Marketing costs to create first occupancy, including advertising expenses, leasing or brokers commissions.

Floor Area

The average floor area should be considered an estimate only, with minor deviations in actual square footage being of little or no consequence, as this appraiser is not a licensed surveyor or engineer.

Entrepreneurial Profit

"A market-derived figure that represents the amount an entrepreneur expects to receive for his or her contribution to a project; the difference between the total cost of a property and its market value, which represents the entrepreneur's compensation for the risk and expertise associated with development. In the Cost Approach, expected profit is reflected as Entrepreneurial Profit." "In Economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward." Therefore, the entrepreneurial profit was zeroed out in the cost approach.

COST APPROACH ANALYSIS	
FILE No.	3973
OWNER OF RECORD	CITY OF WESLACO
SITUS ADDRESS	1411 WEST 18th STREET, WESLACO, TEXAS
EXISTING USE	DAYCARE / CHILDCARE FACILITY
CLASS & QUALITY OF STRUCTURE	CLASS "D" & "S" AVERAGE QUALITY
CONSTRUCTION TYPE	MIXED CONSTRUCTION
LAND AREA (SF)	29,447 SQUARE FEET (0.676 ACRES)

BUILDING IMPROVEMENTS					
BUILDING COMPONENT	AREA (SF)	UNIT COST	MULTIPLIER	DEPREC.	SUB TOTAL
SITE PREPARATION	29,447	\$ 0.29	0.75	75%	\$ 1,601
FOUNDATION	1,924	\$ 1.95	0.75	75%	\$ 703
FRAME	1,924	\$ 4.65	0.75	75%	\$ 1,677
FLOOR STRUCTURE	1,924	\$ 6.18	0.75	75%	\$ 2,229
FLOOR COVER	1,924	\$ 2.22	0.75	75%	\$ 801
INTERIOR CONSTRUCTION	1,924	\$ 26.20	0.75	75%	\$ 9,452
PLUMBING	1,924	\$ 5.76	0.75	75%	\$ 2,078
ELECTRICAL	1,924	\$ 7.07	0.75	75%	\$ 2,551
EXTERIOR WALL	2,000	\$ 15.55	0.75	75%	\$ 5,831
ROOF STRUCTURE	1,924	\$ 5.11	0.75	75%	\$ 1,843
ROOF COVER	1,924	\$ 1.80	0.75	75%	\$ 649
PORCH	96	\$ 23.85	0.75	75%	\$ 429
PORCH	36	\$ 23.85	0.75	75%	\$ 161
DECK	33	\$ 26.55	0.75	75%	\$ 164
CANAPY	320	\$ 29.48	0.75	75%	\$ 1,769
TOTAL					\$ 31,938

BUILDING IMPROVEMENTS					
BUILDING COMPONENT	AREA (SF)	UNIT COST	MULTIPLIER	DEPREC.	SUB TOTAL
FOUNDATION	2,004	\$ 1.95	0.75	25%	\$ 2,198
FRAME	2,004	\$ 3.32	0.75	25%	\$ 3,742
FLOOR STRUCTURE	2,004	\$ 4.20	0.75	25%	\$ 4,734
FLOOR COVER	2,004	\$ 2.22	0.75	25%	\$ 2,502
INTERIOR CONSTRUCTION	2,004	\$ 5.32	0.75	25%	\$ 5,997
PLUMBING	2,004	\$ 2.27	0.75	25%	\$ 2,559
ELECTRICAL	2,004	\$ 4.70	0.75	25%	\$ 5,298
EXTERIOR WALL	2,424	\$ 6.16	0.75	25%	\$ 8,399
ROOF STRUCTURE	2,004	\$ 3.19	0.75	25%	\$ 3,596
ROOF COVER	2,004	\$ 2.17	0.75	25%	\$ 2,446
TOTAL					\$ 41,471

SITE IMPROVEMENTS					
IMPROVEMENT	AREA (SF)	UNIT COST	MULTIPLIER	DEPREC.	SUB TOTAL
FENCING & GATES	462	\$ 8.50	0.75	75%	\$ 736
CONCRETE PAVEMENT	738	\$ 6.00	0.75	75%	\$ 830
CANOPY FRAME	450	\$ 5.50	0.75	75%	\$ 464
CALICHE PAVEMENT	9,679	\$ 1.05	0.75	75%	\$ 1,906
GENERAL LANDSCAPING	1	\$ 1,000	-	0%	\$ 1,000
TOTAL					\$ 4,936

FINAL COST ANALYSIS SUMMATION			
DEPRECIATED BUILDING IMPROVEMENT VALUE		\$	73,409
DEPRECIATED SITE IMPROVEMENT VALUE		\$	4,936
ENTREPRENEURIAL PROFIT		\$	-
SITE VALUE		\$	53,005
		TOTAL	\$ 131,350
		ROUNDED	\$ 130,000

APPRAISAL DISTRICT

During the analysis of the subject property, the property tax information was gathered from the Hidalgo County Appraisal District to determine the owner-of-record for the subject property and to determine the current assessed value of the subject property. The following data was gathered from the Hidalgo County Appraisal District website, www.hidalgoad.org.

OWNER-OF-RECORD	CITY OF WESLACO
PROPERTY TAX IDENTIFICATION NO.	326882
IMPROVEMENT VALUE	\$ 67,692
LAND VALUE	\$ 50,955
TOTAL ASSESSED VALUE	\$ 118,647
EXEMPTIONS	EX-XV

Property Search Results > 326882 CITY OF WESLACO for Year 2017

Property

Account

Property ID: 326882 Legal Description: WEST TRACT N212,07'-W205,40 FT 732 1AC GR 0,88AC NET
Geographic ID: W3800-00-732-0000-60 Agent Code:
Type: Real
Property Use Code:
Property Use Description:

Location

Address: 1411 W 18TH ST TX Mapsco:
Neighborhood: Map ID: CWL
Neighborhood CD:

Owner

Name: CITY OF WESLACO Owner ID: 121752
Mailing Address: 255 S KANSAS AVE % Ownership: 100.000000000000%
WESLACO, TX 78596-6158
Exemptions: EX-XV

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$67,692	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$50,955	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$118,647	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$118,647	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$118,647	

Taxing Jurisdiction

Owner: CITY OF WESLACO
 % Ownership: 100,000000000000%
 Total Value: \$118,647

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	APPRAISAL DISTRICT	0,000000	\$118,647	\$0	\$0,00
CWL	CITY OF WESLACO	0,676700	\$118,647	\$0	\$0,00
DR1	DRAINAGE DISTRICT #1	0,095100	\$118,647	\$0	\$0,00
GHD	HIDALGO COUNTY	0,590000	\$118,647	\$0	\$0,00
JCC	SOUTH TEXAS COLLEGE	0,185000	\$118,647	\$0	\$0,00
R02	ROAD DIST 02	0,000000	\$118,647	\$0	\$0,00
SST	SOUTH TEXAS SCHOOL	0,049200	\$118,647	\$0	\$0,00
SWL	WESLACO ISD	1,139700	\$118,647	\$0	\$0,00
Total Tax Rate:		2,735700			
Taxes w/Current Exemptions:					\$0,00
Taxes w/o Exemptions:					\$3,245.83

Improvement #1: COMMERCIAL **State Code:** F1 **Living Area:** 1798,0 sqft **Value:** \$20,496

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
WHS	WAREHOUSE	100	PFM	1985	1160,0
OFF	OFFICE	100		2000	638,0
CAN	CANOPY	100		2000	48,0
STG	STORAGE	100		2000	112,0
CAN	CANOPY	*		1985	392,0

Improvement #2: COMMERCIAL **State Code:** F1 **Living Area:** 1898,0 sqft **Value:** \$47,196

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
OFF	OFFICE	50	DWD	1995	1898,0
CAN	CANOPY	*		1995	255,0
CAN	CANOPY	*		1995	48,0
CAN	CANOPY	*		1995	96,0
CLF	CHAIN LINK FENCE	*		1995	470,0
ASP2	ASPHALT 2	*		1990	2520,0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	AC	ACREAGE	0,8800	38332,80	0,00	0,00	\$50,955	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2017	\$67,692	\$50,955	0	118,647	\$0	\$118,647
2016	\$71,310	\$40,995	0	112,305	\$0	\$112,305
2015	\$68,873	\$40,995	0	109,868	\$0	\$109,868
2014	\$71,294	\$40,995	0	112,289	\$0	\$112,289

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	10/5/2015 12:00:00 AM	WD	WARRANTY DEED	MIRELES ADELA	CITY OF WESLACO			2651673
2	12/12/2012 12:00:00 AM	WDV	WARRANTY DEED/VENDORS LIEN	VAZQUEZ SERAFIN	MIRELES ADELA			2366131
3	7/5/2005 12:00:00 AM	WDV	WARRANTY DEED/VENDORS LIEN	STOKES JOHN T &	VAZQUEZ SERAFIN			1492618

APPRAISAL CERTIFICATION

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.

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 towards 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*.

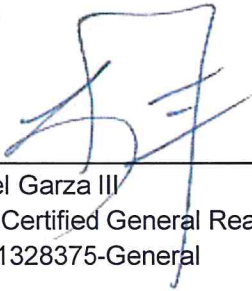
I have made a personal inspection of the property that is the subject of this report. This inspection is limited to the permission given verbally or in writing of the subject owner.

Thomas M. Davis, State Certified General Real Estate Appraiser 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 Garza & Associates has not 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 & LIMITING CONDITIONS

The appraisal report is based on facts present and found during the course of the report. The report is also conducted under the following assumptions and limiting conditions, except as otherwise noted in our report.

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 survey 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 indiscernible conditions of the property, subsoil 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 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 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 sketch the property included in the body of this report is for illustrative purposes only and should not be considered to be scaled accurately, as this is utilized for demonstrative purposes, only in order to have the reader understand the scope of the assignment, as stated in the report. Any survey provided by the client shall be utilized as the official indicator of land area to be acquired throughout the body of the report.

We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for the land must not be used in conjunction with any other appraisal and are invalid if so used. This appraisal report shall be considered only in its entirety. No part of this appraisal report shall be utilized separately or out of context.

No part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the appraisers.

Information, estimates and opinions contained in this report, obtained from sources outside of the office of the undersigned, are assumed to be reliable and have not been independently verified.

This appraisal report has been prepared for the exclusive benefit of client and or their assigns. It may not be used or relied upon by any other party. All parties who use or rely upon any information in this report without our written consent do so at their own risk.

Possession of this report, or a copy thereof, does not carry with it the right of publication. Any and all further copies of the report must be requested from the client.

The appraiser, because of this appraisal, is not required to give further consultation, testimony, or be in attendance in court regarding 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 from Leonel Garza III, President and Owner of Leonel Garza Jr. & Associates LLC.

QUALIFICATION OF APPRAISER

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 over 2,500 accounts throughout South Texas of which includes the County of Cameron, Brooks, Hidalgo, Starr, Willacy, Webb and Nueces County. Clients include dealerships, movie theaters, concrete batch plants, convenience stores, retail box centers, retail strip centers, warehouses, subdivisions, and many other commercial 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.

Education & Licensure

Graduate, 1995, Texas A&M University, College Station, Texas (Bachelor of Science)

State Certified General Real Estate Appraiser
Number TX - 1328375-General

State Certified Property Tax Consultant
Number TX – 00003181



Professional Organizations

Associate Member of the Appraisal Institute

Taking courses toward the designation of MAI through the Appraisal Institute.

Associate Member of the International Right-of-Way Association (IRWA) (Member # 7899430)

Public Service

Hidalgo County Subdivision Advisory Board (Active Member / Chairman)

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 in 1998 – Present)

Hidalgo County Building Line of Adjustments (Active Member / Chairman)

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.

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.

McAllen Traffic Commission Board (Former Member & Vice Chairman)

Makes recommendations to the City Commission in order to reduce and eliminate traffic congestion and flow throughout the City.

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.

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.

McAllen Palm City Lions Club (Former Member)

Direct the fund raising for the annual Thanksgiving Drive on behalf of Lion Leonel Garza Jr. who founded the drive more than 20 years ago raising funds to provided dinners to as many as 60 families (approximately 240 – 300 individuals) throughout the City of McAllen.