

IV.

May 27, 1997

*

Consider re-allocation of assessment of Lot 1, Maconda Park West in the Southwest Williamson County Road District #1.

Moved: Commissioner Heiligenstein

Seconded: Commissioner Hays

Motion: To approve re-allocation of assessment of Lot 1, Maconda Park West **contingent** upon having a letter from the property owner requesting the re-assessment and the re-assessment **contingent** upon the filing of a new plat in Williamson County and attorney Charlie Crossfield's review.

Vote: Motion carried 4 - 0

< Clerk copy here > NERD

AMERICAN REALTY

CORPORATION

THE WALTER TIPS BUILDING
712 CONGRESS AVENUE, STE. 200
AUSTIN, TEXAS 78701
PHONE 512-477-1312
FAX 512-477-1593

April 23, 1997

DALLAS - FORT WORTH OFFICE
3301 W. AIRPORT FWY., STE. 122
BEDFORD, TEXAS 76021
PHONE 817-267-1988
FAX 817-545-4504

Mr. Bill Foose
Maconda Park Co. LP
9400 N. Central Expressway, Suite 1620
Dallas, Texas 75231

RE: (1) Valuation of Lot 2 in Maconda Park West, Section One which is being divided into one large retail tract and 10 retail/restaurant pad sites. Lot 2 was originally valued by our company as a 31.19 acre tract. The division of the site into 11 parcels indicates a total size of 30.67303 acres, and

(2) the reallocation of the assessed values of these tracts based on a total assessment of \$475,654 for Lot 2, Maconda Park West. Maconda Park is located in the southeast quadrant of U.S. 183 and R.M. 620, Williamson County, Texas.

Dear Mr. Foose:

As requested, we have appraised the above referenced properties. The purpose of this appraisal is to estimate a market value of each tract, determine the percentage of value on each tract to the overall value, and apply those percentages to fixed assessments for the Southwest Williamson County Road District Number 1 in order to provide the assessment for each individual lot.

This appraisal qualifies as a "complete" appraisal reported in a "restricted" format. A restricted format reports the value of the property with all the supporting data and analyses being retained in the files of the appraiser. The appraisal, as set forth, is subject to any terms or conditions stated within this letter of transmittal or the Assumptions and Limiting Conditions contained in the addenda.

The effective date of this appraisal is April 1, 1997. The property was inspected on April 1, 1997. April 23, 1997 is the date of transmittal/completion. This report has been prepared in compliance with the U.S.P.A.P., 12 C.F.R. Part 1608, and standards set forth by the Appraisal Institute and Texas Real Estate Commission.

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:

approved 5-27-97
John C. Doerfler

172

- a) *buyer and seller are typically motivated;*
- b) *both parties are well informed or well advised, and each acting in what he considers his own best interest;*
- c) *a reasonable time is allowed for exposure in the open market;*
- d) *payment is made in terms of cash in US Dollars or in terms of financial arrangements comparable thereto; and;*
- e) *the price represents a normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

ANALYSIS

The subject tract of land is located within the Southwest Road District Number 1 which has a fixed assessed value on the subject and taxes for that road district may be paid off in a lump sum or over a period of time. The tract that is designated as Lot 1 Maconda Park West is in the process of being replatted, and the allocation of the road assessment for each individual new parcel will be different with the new sizes and configuration although the overall assessment for the total 30.67303 acres will remain the same.

This appraisal only concerns Lot 2 in Maconda Park West as it is being replatted into 11 lots and the road district taxes will need to be reallocated between these 11 parcels. In our original appraisal of Maconda Park East and West. We allocated an assessed value of \$475,654 for Lot 2 and this value was adopted by the governing body over the road district. To reallocate that assessment, we have valued each of the replatted tracts and summed those values to arrive at a new total value for Lot 2. Then, the individual values have been divided by the whole value to determine the percentage of the whole value each of the new parcels represent. This percentage was then applied to the fixed assessed value of the whole section to determine the assessed value for each individual value and the resulting tax liability for each parcel.

Our calculations are shown on a chart included in this report.

PROPERTY LOCATION & IDENTIFICATION

MACONDA PARK WEST, SECTION ONE

Identification: Maconda Park West consisted of three tracts of land designated as Lot 1, Lot 2, and Lot 3. Lot 3 will be used as a filtration pond for the subdivision, and like the streets in the development, has been assigned no value. Lot 1 was sold to Walmart and a new Walmart super store is currently under construction on this site. Reportedly, Walmart paid off the road district taxes on this site when they purchased the site. This only leaves Lot 2 with a road district assessment. Lot 2 is the subject of this appraisal.

jed

Orientation:

Lot 2: This lot is located on the south side of R.M. 620 between U.S. 183 and Lake Creek Parkway. It fronts R.M. 620, U.S. 183, and Lake Creek Parkway. The original lot is being replatted into eleven (11) lots. The large retail lot which will be improved with a new Lowe's retail outlet is in the center of the tract. The land to the east of this center lot will be divided into four (4) restaurant pad sites with frontage on R.M. 620 and/or Lake Creek Parkway. The land to the west of the Lowe's tract will be divided into six (6) retail pad sites which will including two (2) more restaurant sites. These six sites will have frontage on R.M. 620 and/or U.S. 183. The new Walmart store under construction on Lot 1 adjoins the subject on the south and is not part of this appraisal.

Address: The tracts do not have a designated mailing or street address.

Physical Characteristics*Size:*

Spec. Restaurant Pad:	1.55489 acres or 67,731 SF
Spec. Restaurant Pad:	0.65929 acres or 28,719 SF
Spec. Restaurant Pad:	0.95759 acres or 41,713 SF
Spec. Restaurant Pad:	1.65793 acres or 72,220 SF
Lowe's Retail Site:	17.63999 acres or 768,398 SF
Spec. Restaurant Pad:	1.15448 acres or 50,289 SF
Spec. Retail Pad:	0.75023 acres or 32,680 SF
Spec. Retail Pad:	2.34412 acres or 102,110 SF
Spec. Retail Pad:	1.16384 acres or 50,697 SF
Spec. Retail Pad:	1.36069 acres or 59,272 SF
Spec. Restaurant Pad:	1.42993 acres or 62,288 SF
Totals	30.67303 acres or 1,336,117 SF

174

Shape & Dimensions: Irregular (See Survey)

Topography & Vegetation: The site surfaces have a flat topography. The sites have been cleared of some of the native vegetation but still have some large trees along the road frontage.

jed

AMERICAN REALTY

Soil Conditions & Drainage: A soil survey was not provided to this office. However, based on an examination of surrounding properties, there appear to be no soil problems. Drainage appears adequate.

Flood Hazard: As indicated by revised FEMA floodplain map #481209-00330A, dated September 27, 1991, it appears that portions of the subject sites are located in a recognized flood hazard area. Plats show these areas to be contained within drainage easements. This area runs along the rear of the subject sites and does not materially effect value.

Utility of Sites: The topography and other major physical features of the sites do not appear to create any unusual drainage or development problems.

Access

The sites are accessible from U.S. 183, R.M. 620, and Lake Creek Parkway. Some of the pad sites are considered interior sites and have small strips of land which provide access from R.M. 620 while the bulk of these sites are behind the other pads fronting R.M. 620. These pads will have a substantially lower value than those with actual frontage.

Utilities & Public Services

Utilities: All the usual public utilities are available.

School District: The subject sites are located within the Round Rock Independent School District.

Easements & Encroachments

No adverse easements or encroachments were observed on the property.

Zoning & Restrictions

Deed Restrictions: The subject sites are not known to be encumbered with any deed restrictions.

Zoning: The property sites are located within Williamson County and are subject to plat approval by the City of Austin.

Surrounding Uses

The development to the northwest of the subject is the new Lake Line Mall. Several retail, office, and commercial properties exist along U.S. 183. A relatively small amount of commercial development exists along R.M. 620, east of U.S. 183 at this time. However, this area is in a development mode and new commercial development should occur in the foreseeable future. A new Walmart super store is currently under construction on Lot 1, in Maconda Park West adjacent to the subject tracts. The

Jed

175

AMERICAN REALTY

subject sites will eventually be improved with a Lowe's retail outlet store and several small retail uses including fast food restaurants. A small cemetery exists across Lake Creek Parkway in Maconda Park East.

Site Improvements

There are no improvements on the subject property.

Potentially Detrimental Conditions

Environmental Conditions: No adverse environmental conditions or nuisances (e.g. smoke, dust, noise, vibration) and no surrounding land incompatibilities, negatively affecting the subject property, were noted.

VALUATION

The sales comparison approach for vacant land is a process of comparing actual comparable land sales and listings to the subject. The market data is compared to the subject on the basis of significant characteristics exhibited in the subject property that influence value and adjustments made to the comparables for differences to make them equal to the subject. Characteristics generally analyzed and considered for adjustments include property rights conveyed, unusual buyer/seller motivation, special financing, location, size, floodplain, topography and zoning. Because the adjustments, whenever possible are market derived, the desires and actions of typical buyers and sellers are reflected in the comparison process. Several units of comparison are available for use in the comparative evaluation of vacant land sales in the sales comparison approach. These include the sale price/acre and the sale price/sf of land area. The most common unit of comparison used, however, for vacant commercial tracts similar to the subject tracts is the sale price per square foot of land area.

The sale price per square foot of land area comparison is calculated by dividing the sale price of the comparable by its land area, thus yielding an unadjusted sales price per square foot common denominator, which is then adjusted to reflect the attributes of the subject property. This adjusted sales price per square foot is applied to the subject land area to indicate a value of the subject derived by comparison to individual market sales. The market data in our valuation was analyzed through the price per square foot of land area unit of comparison.

In Maconda East, Lot 3 was sold as the site of a fire station. Reportedly, the price of this site was approximately \$4.30/SF. However, this site was part of Lot 2 and the purchaser agreed to pay an additional price for the replatting of this lot. It appears that the negotiated price of \$4.30/SF was above market at the date of sale.

176

The entire acreage in Maconda Park West sold for approximately \$8,000,000 or about \$3.45/SF (excluding Lot 3 - a filtration pond). Lot 1, reportedly resold for \$3,000,000 (\$3.13/SF) plus the road district taxes and is being improved with a Walmart super store. Portions of Lot 2 (subject lot) are being replatted and marketed as a large retail site with several pad sites. We researched pad site sales on other retail sites and the typical prices ranged from \$10.00/SF to \$12.00/SF with \$12.00/SF being the most typical. More recent sales have been found in excess of \$20.00/SF; however, these sites were considered to be in superior locations. In our opinion, the unit price for pad sites

Just

AMERICAN REALTY

has contained to climb and we have estimated the typical site to have a unit price approaching \$13.00/SF. Currently, five of the eleven subject lots are under contract and these contract prices are quite similar to our estimates of market value (with the exception of the smallest pad site which is under contract for \$18.39/SF due to its small size). When a contract exists on a particular parcel, we have employed the contract price rather than an estimate for the market value of that particular tract. These five parcels are marked with an asterick behind the sales price in the following chart which summarizes the market values and new assessed values. The large retail site in the center of the subject was valued at \$5.59/SF which is the contract price of this lot. The interior pad sites were valued at a similar price to the larger tract but were adjusted slightly upward for their smaller sizes. We estimated the unit price on these tracts at \$6.50/SF which is also similar to the current asking prices of these interior sites. The following chart shows our estimate of market value for each tract and also allocates a new assessed value for each tract based on our estimate of market value and the fixed assessment on the entire tract.

MARKET VALUES AND ASSESSMENT ANALYSIS						
MACONDA PARK WEST - LOT 1, SECTION ONE						
FIXED ASSESSMENT			\$475,654			
	ACRES	SQUARE FOOTAGE	UNIT VALUES	CURRENT VALUES	PERCENT OF WHOLE	NEW ASSESSMENT
REST. PAD	1.555	67,731	\$13.21	\$895,000 *	8.84%	\$42,058.31
REST. PAD	.659	28,719	\$18.39	\$528,000 *	5.22%	\$24,810.67
REST. PAD	.958	41,713	\$11.99	\$500,000 *	4.94%	\$23,495.15
REST. PAD	1.658	72,220	\$6.50	\$489,430	4.64%	\$22,058.65
LOWE'S	17.640	768,398	\$5.60	\$4,300,000 *	42.46%	\$202,058.26
RETAIL PAD	1.361	59,272	\$13.00	\$770,536	7.61%	\$36,207.71
RETAIL PAD	1.164	50,697	\$6.50	\$329,531	3.26%	\$15,484.73
RETAIL PAD	2.344	102,110	\$6.50	\$663,715	6.56%	\$31,188.16
RETAIL PAD	.750	32,680	\$6.50	\$212,420	2.10%	\$9,981.68
REST. PAD	1.154	50,289	\$13.00	\$653,757	6.46%	\$30,720.23
REST. PAD	1.430	62,288	\$12.84	\$800,000 *	7.90%	\$37,592.23
TOTALS	30.673	1,336,117		\$10,122,389	100%	\$475,654

177

Jed

V.

May 27, 1997

*

Discuss and take appropriate action on the Northeast Round Rock Road District #1, including, but not limited to payment of bills.

Moved: Commissioner Boatright

Seconded: Judge Doerfler

Motion: To approve payment in the amount of \$433.20 to Brown McCarroll Sheets & Crossfield.

Vote: Motion carried 4 - 0

< Clerk copy here >

BROWN MCCARROLL SHEETS &
CROSSFIELD, L.L.P
309 EAST MAIN STREET
ROUND ROCK TX 78664-5246
(512) 255-8877

April 30, 1997

NERRD
C/O JUDGE JOHN DOERFLER
WILLIAMSON COUNTY COURTHOUSE
GEORGETOWN TX 78626

Re: Special Counsel

Attorney - CDC

PROFESSIONAL SERVICES

			<u>Hours</u>	<u>Amount</u>
4/7/97	CDC	Phone conference with Ed Valeka regarding reallocation of debt.	0.20	20.00
	CDC	Phone conference with Larry Kokel regarding same.	0.20	20.00
4/8/97	CDC	Attend Commissioners' Court.	0.10	10.00
4/10/97	CDC	Phone conference with Nickey Lawrence.	0.20	20.00
	CDC	Phone conference with John Cowman and Jim Stendebach regarding change of lots from Vista Heights to Eagle Ridge.	0.30	30.00
	CDC	Draft letter to Jim Powell, agent for Nash Ranch; calculate Nash Ranch reassessments.	0.90	90.00
4/11/97	CDC	Review Order passed by Commissioners' Court regarding Schroeder tract.	0.30	30.00
	CDC	Phone conference with Jim Miles regarding Schroeder tract.	0.30	30.00
4/22/97	CDC	Phone conferences with Larry Kokel regarding reallocation of debt for Meadow Lake.	0.50	50.00
	CDC	Attend Commissioners' Court.	0.70	70.00
4/24/97	CDC	Phone conference with Mrs. Nash.	0.20	20.00
4/25/97	CDC	Phone conference with Nancy Bittle from Safeco Title regarding NERRD property.	0.20	20.00

178