

# MEMO

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DATE: October 29, 2010

TO: Taxing Entities  
Grayson County

FROM: Teresa Parsons Phone (903) 893-9673 xt. 126  
Grayson Central Appraisal District Fax (903) 892-3835

SUBJECT: Board of Directors Resolution to Purchase Real Estate

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In accordance with Section 6.051 of the Texas Property Tax Code, I have been directed by the Grayson Central Appraisal District (GCAD) Board of Directors to distribute the attached Resolution to each taxing entity entitled to vote on the appointment of board members.

As you may recall, last year we identified multiple needs for the maintenance of the Appraisal District building. In addition to our electrical issues, we have air quality issues, limited space, inadequate parking, etc. Our Board notified the entities in last year's budget letter and again in this year's preliminary budget memo that our budget would be expanded to include the facility needs. The preliminary budget included a commercial loan payment.

The Board formed a facility committee to review the cost and the immediate needs of our facility and to seek the best solution for remedy. The facility committee held multiple meetings in previous months. During this time; the committee continued to narrow the options that are being considered. Based on the facility committee's efforts, the Board has determined the most feasible avenue to meet the needs of the community, the entities, and the appraisal district would be to relocate the appraisal district offices. The Board has started the process as evidenced by the attached Resolution. Due to the negotiation process; the Board wishes to keep the location and particular details confidential of properties and options being considered. It is the Board's intent to negotiate the best purchase price possible without disclosing their purchasing limits, therefore the budget sets the limits of the final cost to purchase and perform any necessary modification should that option be selected. The Board has been preparing for the District's facilities needs over the last few years via the budget process and it is the Board's intent to utilize the dedicated capital fund to cover cost that would be incidental to closing such as inspection fees, moving fees, or misc modification cost.

Section 6.051 of the Property Tax Code requires the Chief Appraiser to provide costs of available alternatives to the proposal. In this case; the Board has determined that the most likely alternative would be to purchase land and construct a building that meets the International Association of Assessing Officers Standards on Facilities. The Board considered the Marshall and Swift Cost estimator (a nationally recognized cost handbook) to determine the cost of new construction. Construction would require the purchase of land adequate to meet parking needs and to accommodate a facility with a minimum square footage of 15,000. Estimated cost to

purchase land would be approximately \$550,000 to \$600,000. This is assuming we could acquire approximately 3 acres at a price per square foot in the \$4.25 – \$4.50 per square foot range. The construction cost is calculated at \$150.00 per square foot for 15,000 square feet for a total construction cost of \$2,250,000. The total turn key cost for land and construction would be \$2,800,000. The advantage to this avenue would be no need for modification: the building would be built to satisfy the operational requirements of the district. The disadvantages include the the ability to expand in future years.

Another alternative to the Boards proposal would be to seek financing for a period longer than 20 years. This would reduce the annual payment; but ultimately would extend the years of entity contribution.

**The final requirement of Section 6.051 is entity approval. On or before the 30<sup>th</sup> day after receipt of this notification; the governing body of a taxing unit by resolution may approve or disapprove the proposal. The resolution must be filed with the Chief Appraiser. In short, the governing body will need to approve or disapprove the proposal by resolution within 30 days of receipt of this notification and forward the resolution to the Chief Appraiser.**

I have enclosed the Board Resolution, a copy of Marshall & Swift Cost estimation for new construction as an alternative to the purchase of an existing building, copies of a sample resolution in support of the Board's decision that can be modified as deemed necessary by the governing body of your entity. In addition I have enclosed Section 6.051 of the Property Tax Code for reference purposes.

In summary, the Board of Directors is asking for your support in this endeavor. Please file your resolutions within the stated time frame. Should you have any questions; please feel free to call me.

Respectfully,  
Teresa Parsons  
Chief Appraiser  
Grayson Central Appraisal District  
903-893-9673 XT 126

RESOLUTION NO. 10-6.051

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GRAYSON  
CENTRAL APPRAISAL DISTRICT**

WHEREAS, the **BOARD OF DIRECTORS OF THE GRAYSON CENTRAL APPRAISAL DISTRICT** ("the Board"), exercising its authority under Section 6.051 of the Texas Property Tax Code, wishes to purchase or lease real property.


WHEREAS, a quorum of the Board of Directors of the Grayson Central Appraisal District met in a duly posted, open meeting and adopted the following;

THEREFORE, BE IT RESOLVED that, the Board, upon approval by the governing bodies of the applicable taxing units pursuant to Section 6.051 of the Texas Property Tax Code, intends to acquire and modify real property to serve as the location of the Grayson Central Appraisal District's office.

The Board has yet to enter into negotiations on this property, but it intends to stay within the parameters of the adopted budget.

This Resolution shall be in full force and effect upon its passage and approval.

PASSED AND APPROVED this 13 day of August, 2010.

  
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Chairman, Board of Directors, Grayson Central Appraisal District

STATE OF TEXAS §

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COUNTY OF Grayson

APPROVAL OF GRAYSON CENTRAL APPRAISAL DISTRICT RESOLUTION # 10-6.051

BY Celina ISD (NAME OF TAXING UNIT)

WHEREAS, § 6.051, TEX. TAX CODE authorizes the Board of Directors of an appraisal district to purchase real property and improvements as necessary to establish and operate the appraisal office.

WHEREAS, the Board of Directors of the Grayson Central Appraisal District have delivered a copy of resolution # 10-6.051 setting forth desire to the purchase property situated in Grayson County, Texas.

WHEREAS, the Board of Directors of the Central Appraisal District have also delivered information showing the costs of available alternatives.

WHEREAS, § 6.051, TEX. TAX CODE requires that an appraisal district's purchase of such real property and improvements must be approved by three-fourths (3/4) of the taxing units entitled to vote on the appointment of board members.

WHEREAS, the referenced provisions of the Texas Property Tax Code authorize the following action:

NOW, THEREFORE, BE IT RESOLVED by Celina ISD  
(Name of Taxing unit):

THAT the Grayson Central Appraisal District's proposal to acquire real property, improvements and perform modifications to the property purchased, is hereby APPROVED.

PASSED, APPROVED, AND ADOPTED this 15<sup>th</sup> day of November, 2010.

\_\_\_\_\_  
PRESIDING OFFICER, Shelby Barley, President

Celina ISD

NAME OF TAXING UNIT

ATTEST:

\_\_\_\_\_

### **§ 6.051. Ownership or Lease of Real Property**

(a) The board of directors of an appraisal district may purchase or lease real property and may construct improvements as necessary to establish and operate the appraisal office or a branch appraisal office.

(b) The acquisition or conveyance of real property or the construction or renovation of a building or other improvement by an appraisal district must be approved by the governing bodies of three-fourths of the taxing units entitled to vote on the appointment of board members. The board of directors by resolution may propose a property transaction or other action for which this subsection requires approval of the taxing units. The chief appraiser shall notify the presiding officer of each governing body entitled to vote on the approval of the proposal by delivering a copy of the board's resolution, together with information showing the costs of other available alternatives to the proposal. On or before the 30th day after the date the presiding officer receives notice of the proposal, the governing body of a taxing unit by resolution may approve or disapprove the proposal. If a governing body fails to act on or before that 30th day or fails to file its resolution with the chief appraiser on or before the 10th day after that 30th day, the proposal is treated as if it were disapproved by the governing body.

(c) The board of directors may convey real property owned by the district, and the proceeds shall be credited to each taxing unit that participates in the district in proportion to the unit's allocation of the appraisal district budget in the year in which the transaction occurs. A conveyance must be approved as provided by Subsection (b) of this section, and any proceeds shall be apportioned by an amendment to the annual budget made as provided by Subsection (c) of Section 6.06 of this code.

(d) An acquisition of real property by an appraisal district before January 1, 1988, may be validated before March 1, 1988, in the manner provided by Subsection (b) of this section for the acquisition of real property.

Added by Acts 1987, 70th Leg., ch. 55, § 2, eff. Jan. 1, 1988.

Estimate Number : 11  
 Estimate ID : 1  
 Property Owner : Grayson Central Appraisal District  
 ZIP/Postal Code : 75092

**Section 1**

**Occupancy**

|                             | <u>Class</u>          | <u>Height</u> | <u>Rank</u> |
|-----------------------------|-----------------------|---------------|-------------|
| 100% Governmental Building  | Metal frame and walls | 12.00         | 3.0         |
| Total Area                  | : 15.000              |               |             |
| Number of Stories (Section) | : 1.00                |               |             |
| Shape                       | : 3.00                |               |             |
| Effective Age (years)       |                       |               |             |

**Components**

|                       | <u>Units/%</u> | <u>Other</u> |
|-----------------------|----------------|--------------|
| Miscellaneous:        |                |              |
| Fire Alarm System     | 15.000         |              |
| Sprinklers:           |                |              |
| Sprinklers            | 100%           |              |
| Exterior Walls:       |                |              |
| PF.- Masonry Veneer   | 100%           |              |
| Custom Components:    |                |              |
| Concrete Paving       | 50.000         |              |
| Land and Site:        |                |              |
| Land                  | 500.000        |              |
| HVAC (Heating):       |                |              |
| Warmed and Cooled Air | 100%           | Climate : 2  |
| Cost as of 07/2010    |                |              |

|                               | <u>Units/%</u> | <u>Cost</u> | <u>Total</u> |
|-------------------------------|----------------|-------------|--------------|
| Basic Structure               |                |             |              |
| Base Cost                     | 15.000         | 103.65      | 1,554.750    |
| Exterior Walls                | 15.000         | 27.31       | 409.650      |
| Heating & Cooling             | 15.000         | 13.38       | 200.700      |
| Sprinklers                    | 15.000         | 3.68        | 55.200       |
| Fire Alarm System             | 15.000         | 1.50        | 22.500       |
| Miscellaneous Basic Structure | 50.000         | 5.25        | 262.500      |
| Basic Structure Cost          | 15.000         | 167.02      | 2,505.300    |
| Miscellaneous                 |                |             |              |
| Land                          |                |             | 500.000      |
| Total Cost                    | 15.000         | 200.35      | 3,005.300    |

Estimate Number: 11

Estimate ID: 1

**Section 1**

**Occupancy**

|                             | <u>Class</u>          | <u>Height</u> | <u>Rank</u> |
|-----------------------------|-----------------------|---------------|-------------|
| 100% Governmental Building  | Metal frame and walls | 12.00         | 3.0         |
| Total Area                  | : 15,000              |               |             |
| Number of Stories (Section) | : 1.00                |               |             |
| Shape                       | : 3.0                 |               |             |
| Effective Age (years)       |                       |               |             |

**Components**

|                       | <u>Units/%</u> | <u>Other</u> |
|-----------------------|----------------|--------------|
| Miscellaneous:        |                |              |
| Fire Alarm System     | 15,000         |              |
| Sprinklers:           |                |              |
| Sprinklers            | 100%           |              |
| Exterior Walls:       |                |              |
| PF. Masonry Veneer    | 100%           |              |
| Custom Components:    |                |              |
| Concrete Paving       | 50,000         |              |
| Land and Site:        |                |              |
| Land                  | 500,000        |              |
| HVAC (Heating):       |                |              |
| Warmed and Cooled Air | 100%           | Climate : 2  |

Cost as of 07/2010

|                               | <u>Units</u> | <u>Unit Cost</u> | <u>Total Cost New</u> | <u>Less Depreciation</u> | <u>Total Cost Depreciated</u> |
|-------------------------------|--------------|------------------|-----------------------|--------------------------|-------------------------------|
| Basic Structure               |              |                  |                       |                          |                               |
| Base Cost                     | 15,000       | 103.65           | 1,554,750             | 0                        | 1,554,750                     |
| Exterior Walls                |              |                  |                       |                          |                               |
| PF. Masonry Veneer            | 15,000       | 27.31            | 409,650               | 0                        | 409,650                       |
| Heating & Cooling             |              |                  |                       |                          |                               |
| Warmed and Cooled Air         | 15,000       | 13.38            | 200,700               | 0                        | 200,700                       |
| Sprinklers                    |              |                  |                       |                          |                               |
| Sprinklers                    | 15,000       | 3.68             | 55,200                | 0                        | 55,200                        |
| Fire Alarm System             |              |                  |                       |                          |                               |
| Fire Alarm System             | 15,000       | 1.50             | 22,500                | 0                        | 22,500                        |
| Miscellaneous Basic Structure |              |                  |                       |                          |                               |
| Concrete Paving               | 50,000       | 5.25             | 262,500               | 0                        | 262,500                       |
| Basic Structure Cost          | 15,000       | 167.02           | 2,505,300             | 0                        | 2,505,300                     |
| Miscellaneous                 |              |                  |                       |                          |                               |
| Land                          |              |                  |                       |                          |                               |
| Land                          |              |                  | 500,000               |                          |                               |
| Total Cost                    | 15,000       | 200.35           | 3,005,300             | 0                        | 3,005,300                     |

Estimate Number : 11  
 Property Owner : Grayson Central Appraisal District  
 ZIP/Postal Code : 75092  
 Estimate ID : 1  
 Apply depreciation % to Replacement Cost New : Yes

**Section 1**

| <b>Occupancy</b>            | <b>%</b>                  | <b>Class</b> | <b>Height</b> | <b>Rank</b> |
|-----------------------------|---------------------------|--------------|---------------|-------------|
| 327 Governmental Building   | 100                       | S            | 12            | 3           |
| Total Area                  | : 15000                   |              |               |             |
| Number of Stories (Section) | : 1                       |              |               |             |
| Shape                       | : 3                       |              |               |             |
| Effective Age (years)       | : 0                       |              |               |             |
| Typical Life (years)        | : Marshall & Swift Tables |              |               |             |
| Adjustment                  | : 0                       |              |               |             |
| Depreciation Type           | : Marshall & Swift Tables |              |               |             |

| <b>Components</b>         | <b>Units/%</b> | <b>Rank</b> | <b>Depr %</b> | <b>Other</b> |
|---------------------------|----------------|-------------|---------------|--------------|
| Miscellaneous:            |                |             |               |              |
| 764 Fire Alarm System     | 15000          |             |               |              |
| Sprinklers:               |                |             |               |              |
| 681 Sprinklers            | 100            |             |               |              |
| Exterior Walls:           |                |             |               |              |
| 867 PF. Masonry Veneer    | 100            |             |               |              |
| Custom Components:        |                |             |               |              |
| 8001 Concrete Paving      | 50000          | 3           |               |              |
| Typical Life (Years)      | 30             |             |               |              |
| Land and Site:            |                |             |               |              |
| 61 Land                   | 500000         |             |               |              |
| HVAC (Heating):           |                |             |               |              |
| 612 Warmed and Cooled Air | 100            | 3           |               | Climate : 2  |
| Typical Life (Years)      | 40             |             |               |              |



# CALCULATOR METHOD

## OFFICE BUILDINGS (344)

| CLASS        | TYPE      | EXTERIOR WALLS   | INTERIOR FINISH  | LIGHTING, PLUMBING AND MECHANICAL                                  | HEAT                          | Sq. M.     | COST Cu. Ft. | Sq. Ft.  |
|--------------|-----------|--|--|--|-------------------------------|------------|--------------|----------|
| <b>A</b>     | Excellent | Best metal or stone, brick or block backup, solar glass                | Plaster, best veneers, vinyl wall coverings, vinyl, terrazzo, carpet | *Luminous ceilings, many outlets, many private restrooms           | Hot and chilled water (zoned) | \$2,459.68 | \$19.04      | \$228.51 |
|              | Good      | Good metal and solar glass, face brick, precast concrete panels        | Drywall/plaster, some wall cover, acoustic tile, vinyl tile, carpet  | *Good fluorescent, high intensity lighting, good restrooms         | Hot and chilled water (zoned) | 1,946.88   | 15.07        | 180.87   |
|              | Average   | Brick, concrete or metal and glass panels, little trim                 | Average partitions, acoustic tile, vinyl composition, some extras    | *Average intensity fluorescent lighting, average restrooms (zoned) | Warm and cool air (zoned)     | 1,469.07   | 11.37        | 136.48   |
|              | Low cost  | Minimum-cost walls and fenestration, little trim                       | Drywall, acoustic ceilings, asphalt tile few partitions              | *Minimum office lighting and plumbing                              | Warm and cool air (zoned)     | 1,170.37   | 9.06         | 108.73   |
| <b>B</b>     | Excellent | Best metal or stone, brick or block backup, tinted glass               | Plaster, best veneers, vinyl wall coverings, vinyl tile, terrazzo    | *Luminous ceilings, many outlets, many private restrooms           | Hot and chilled water (zoned) | 2,364.33   | 18.46        | 221.51   |
|              | Good      | Good metal and solar glass, face brick, precast concrete panels        | Drywall/plaster, some wall cover acoustic tile, vinyl tile, carpet   | *Good fluorescent, high intensity lighting, good restrooms         | Hot and chilled water (zoned) | 1,875.52   | 14.52        | 174.24   |
|              | Average   | Brick, concrete or metal and glass panels, little trim                 | Average partitions, acoustic tile, vinyl composition, some extras    | *Average intensity fluorescent lighting, average restrooms (zoned) | Warm and cool air (zoned)     | 1,403.63   | 10.87        | 130.40   |
|              | Low cost  | Minimum-cost walls and fenestration little trim                        | Drywall, acoustic ceilings, asphalt tile few partitions              | *Minimum office lighting and plumbing                              | Warm and cool air (zoned)     | 1,111.92   | 8.61         | 103.30   |
| <b>C</b>     | Excellent | Steel frame, masonry and glass, stone ornamentation, top quality       | Plaster, paneling, carpet and terrazzo, suspended ceilings           | *Best fluorescent ceiling panels, tiled restrooms, good fixtures   | Warm and cool air (zoned)     | 2,007.59   | 15.54        | 186.51   |
|              | Good      | Steel frame or bearing walls, brick/conc. panels, some ornamentation   | Plaster or drywall, good partitions, acoustic tile, carpet and vinyl | *Good fluorescent lighting, good restrooms and fixtures            | Package A.C                   | 1,401.69   | 10.85        | 130.22   |
|              | Average   | Steel or concrete frame, or bearing walls, some trim                   | Paint, drywall partitions, acoustic tile, vinyl composition          | *Fluorescent lighting, adequate outlets and plumbing               | Forced air                    | 995.45     | 7.71         | 92.48    |
|              | Low cost  | Masonry bearing walls, light rafters very plain                        | Paint, few low-cost partitions, acoustic tile, asphalt tile          | Minimum office lighting and plumbing                               | Wall furnace                  | 670.70     | 5.19         | 62.31    |
| <b>D</b>     | Excellent | Studs or steel columns, bar or web joists, brick or stone veneer, EIFS | Best plaster, paneling, carpet and vinyl tile                        | *Fluorescent panels, many outlets, good tiled restrooms            | Warm and cool air (zoned)     | 1,992.96   | 14.66        | 175.86   |
|              | Good      | Best stucco on good frame, brick or stone trim, good front             | Plaster or drywall, good partitions, acoustic tile, carpet and vinyl | *Good fluorescent lighting, good restrooms and fixtures            | Package A.C.                  | 1,317.41   | 10.20        | 122.39   |
|              | Average   | Stucco or wood siding on wood or steel studs, some trim                | Drywall, acoustic tile, low-cost carpet or vinyl composition         | *Adequate lighting and plumbing                                    | Forced air                    | 933.56     | 7.23         | 86.73    |
|              | Low cost  | Light stucco or siding on wood or steel studs, very plain              | Drywall, few partitions, acoustic tile, asphalt tile                 | Minimum lighting and plumbing                                      | Wall furnace                  | 625.17     | 4.84         | 58.08    |
| <b>DPOLE</b> | Good      | Good metal panels, fenestration some brick or stone trim               | Plaster or drywall, good partitions, acoustic tile, carpet and vinyl | *Good fluorescent lighting, good restrooms and fixtures            | Package A.C.                  | 1,209.87   | 9.37         | 112.40   |
|              | Average   | Pole frame, insulated metal panels, some ornamentation                 | Drywall, acoustic tile, low-cost carpet or vinyl composition         | Adequate lighting and plumbing                                     | Forced air                    | 828.18     | 6.41         | 76.94    |
|              | Low cost  | Pole frame, finished interior, some insulation                         | Drywall, few partitions, acoustic tile, asphalt tile                 | Minimum lighting and plumbing                                      | Wall furnace                  | 558.65     | 4.33         | 51.90    |
| <b>S</b>     | Good      | Good sandwich panels and fenestration, some brick or stone             | Plaster or drywall, good partitions, acoustic tile, carpet and vinyl | *Good fluorescent lighting, good restrooms and fixtures            | Package A.C                   | 1,311.92   | 10.16        | 121.88   |
|              | Average   | Insulated wall or sandwich panels, adequate fenestration               | Drywall, acoustic tile, low-cost carpet or vinyl composition         | Adequate lighting and plumbing                                     | Forced air                    | 902.78     | 6.99         | 83.87    |
|              | Low cost  | Steel or aluminum on light frame, finished interior, some insulation   | Drywall, few partitions, acoustic tile, asphalt tile                 | Minimum lighting and plumbing                                      | Wall furnace                  | 612.58     | 4.74         | 56.91    |

**MULTISTORY BUILDINGS** - Add 5% (1/2%) for each story, over three, above ground, to all base costs, including basements but excluding mezzanines, up to 30 stories; over 30 add 4% (4/10%) for each additional story

**SPRINKLERS** - Systems are not included. Costs should be added from Page 36

**BALCONIES** - Exterior balconies; generally cost 1/5 to 1/3 of the final base cost per square foot of the building or they may be computed from the Segregated Costs

**CANOPIES** - For large entrance marquees or carport canopies, see notes on Page 19

**\*ELEVATORS** - Base costs of buildings marked with an asterisk (\*) include elevator costs. If the subject building has no elevators, deduct the following from the base costs for buildings on this page. See Notes on Page 19

| Classes A & B | Excellent | Sq. M.   | Sq. Ft. |
|---------------|-----------|----------|---------|
|               | Good      | \$109.79 | \$10.20 |
| Classes C/D/S | Excellent | \$55.43  | \$5.15  |
|               | Good      | 33.37    | 3.10    |
|               | Average   |          |         |
|               | Low cost  |          |         |
|               | Average   | \$19.91  | \$1.85  |
|               | Low cost  | \$4.98   | \$0.47  |