



MEMORANDUM

Date: February 25, 2021

To: Ms. Connie Morgenroth,
Assistant Superintendent of Business and Operations
Galveston Independent School District

From: Mark E. ^{MEC}Ciavaglia
Managing Partner of Galveston County Office
Linebarger Goggan Blair & Sampson, LLP

Re: Offer to Purchase Tax Foreclosed Property Located on Bolivar Peninsula

The purpose of this memorandum is to submit to the Galveston Independent School District (GISD) Board of Trustees an offer to purchase a parcel of property that is owned jointly by GISD, Galveston County and Galveston College.

➤ Background Facts

The property at issue is described generally as ‘An Undivided One-half (1/2) Interest in Lot Seven (7), of the Johnson Exline Subdivision in Galveston County, Texas.’ Per the attached map, the property is an undeveloped parcel being 42.512 acres located on Bolivar Peninsula. The other undivided one-half interest in the property is owned by St. Patrick’s Church in Galveston, apparently pursuant to a testamentary devise to the church in someone’s will.

The taxing entities interest in the property was created by virtue of a lawsuit and sheriff sale for delinquent property taxes under cause number 96-TX-0505 on the docket of the 122ND District Court of Galveston County. Pursuant to the Texas Property Tax Code, the property was offered to the public at public auction conducted on June 3, 1997, but no offers were received. By operation of law under the Texas Property Tax Code, the property thus became owned jointly by the taxing entities (a copy of the Sheriff’s Deed attached).

➤ Offer to Purchase

The taxing entities and St. Patrick’s Church are in receipt of an offer from Sidney Bouse to purchase their respective one-half interests in the property for the total sum of \$60,000.00 (a copy of the offer attached). If approved by all parties, the taxing entities share of the sale proceeds would be \$30,000.00.

To provide some general guidance and context for this offer, GISD had the property appraised. The appraisal valued the property at \$85,000.00. Attached hereto is a portion of the appraisal

which contains the relevant valuation. The current valuation of the property by Galveston CAD is \$57,180.00. (\$28,590.00 per undivided one-half interest).

➤ Mechanism for Sale of the Property

Since title to this property was gained by the taxing entities pursuant to a delinquent property tax foreclosure sale, the Texas Property Tax Code provides the statutory framework for disposition of the property. Accordingly, the typical laws governing the disposition of government owned property do not apply.

Texas Property Tax Code §34.05 provides that each taxing entity that was a party to the tax foreclosure must approve the offer to purchase the property in order for the offer to be accepted. As such, the offer is being submitted to the governing bodies of GISD, Galveston County and Galveston College for formal consideration.

➤ Distribution of Proceeds

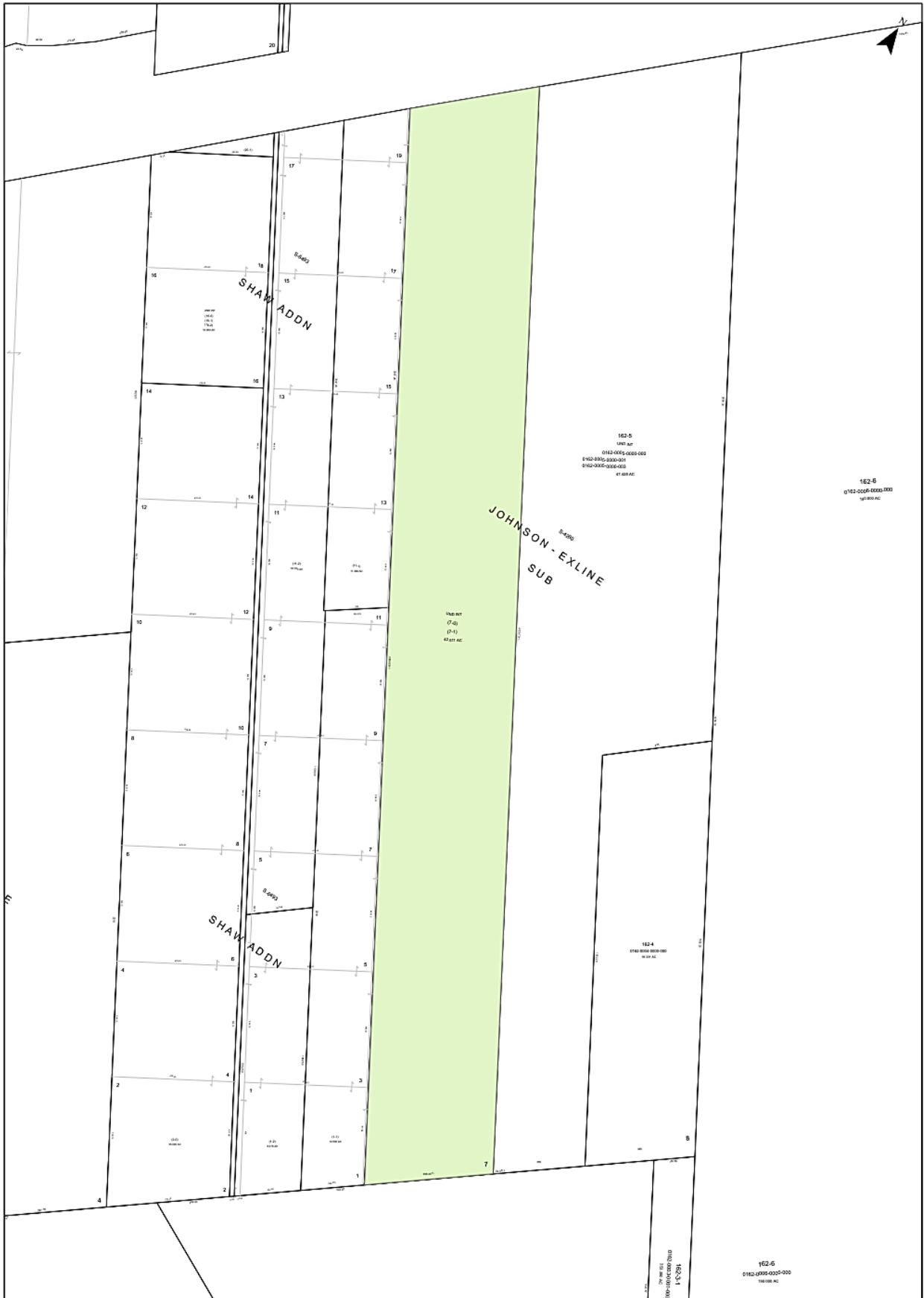
If the offer is accepted, Texas Property Tax Code §34.06 provides the statutory priority for distribution of the sale proceeds. Attached to this Memorandum is a worksheet setting forth the distribution of the taxing entities' shares. As reflected therein, the taxing entities' shares would exceed the original amounts due at sheriff sale. If the offer is approved by each taxing entity, our office will see that the funds are distributed to the taxing entities in the appropriate amounts.

Please note that there are no attorney's fees or other costs due associated with this sale.

➤ Conveyance

If the offer is accepted, the presiding officer of the Board of Trustees will need to execute the attached Trustee's Deed. If the offer is approved by all of the taxing entities and the Trustee's Deed is executed by each presiding officer, our office will arrange to have the Trustee's Deed recorded in the deed records.

Galveston Central Appraisal District



Geospatial or map data maintained by the Galveston Central Appraisal District is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and only represents the approximate relative location of property boundaries.



parcels: ST PATRICKS ...
1 of 1



Highway 87

M. CHASE, and CATHERINE O'REILLY had on the 4th day of April A.D. 1997, or at any time afterwards, of, in and to the following described premises as described in the said order of sale, viz:

AN UNDIVIDED ONE-HALF (½) INTEREST IN LOT SEVEN (7) JOHNSON EXLINE SUBDIVISION IN GALVESTON COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED AS A TRACT OF LAND BEING 50 ACRES, MORE OR LESS, OUT OF THE SAMUEL PARR LEAGUE SURVEY ON BOLIVAR PENINSULA IN GALVESTON COUNTY, TEXAS, AND MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

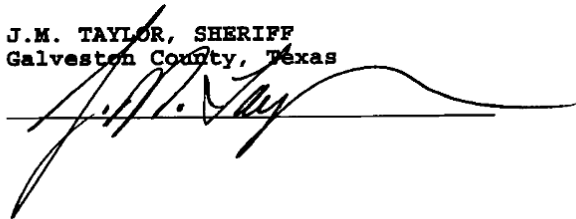
COMMENCING AT A STAKE ON THE BAY SHORE AT THE NORTHWEST CORNER OF THE TRACT OF LAND SOLD TO HUGH O. SHAW AND WIFE, BY JOHNSON & EXLINE AND RUNNING PARALLEL WITH THE SIDE LINE OF SAID SURVEY A DISTANCE OF 4438 FEET TO A STAKE ON THE REED BRAKE OR THE MAIN RIDGE; THENCE UP THE REED BRAKE DIST., BY RIGHT ANGLE MEASUREMENT, 490-3/4 FEET TO A STAKE; THENCE BY LINE PARALLEL TO THE SIDE LINES OF THIS SURVEY 4438 FEET TO A STAKE AT THE BAY SHORE; THENCE DOWN SHORE 490-3/4 FEET TO THE PLACE OF BEGINNING;

AND BEING THE SAME TRACT OF LAND CONVEYED BY JOHNSON & EXLINE TO CHARLES HEATH BY DEED RECORDED IN BOOK 48, PAGE 333, OF THE DEED RECORDS OF GALVESTON COUNTY, TEXAS, TO WHICH REFERENCED IS HERE MADE FOR FURTHER DESCRIPTION.

TO HAVE AND TO HOLD the above described premises unto the said GALVESTON INDEPENDENT SCHOOL DISTRICT, TRUSTEE FOR GALVESTON INDEPENDENT SCHOOL DISTRICT, GALVESTON COLLEGE and COUNTY OF GALVESTON, his, her, their or its heirs, successors and assigns forever, as fully and absolutely as I, as Sheriff as aforesaid, can convey, by virtue of the said order of sale.

IN TESTIMONY WHEREOF, I have hereunto set my hand, this 11th day of June, 1997.

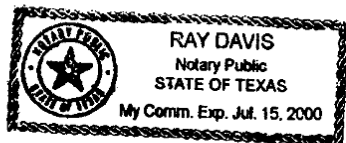
J.M. TAYLOR, SHERIFF
Galveston County, Texas




THE STATE OF TEXAS §
COUNTY OF GALVESTON §

BEFORE ME, Ray Davis a notary public in and for Galveston County, on this day personally appeared J.M. Taylor, Sheriff, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein set forth.

GIVEN under my hand and seal of office, this 11th day of June A.D. 1997.

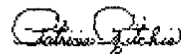



NOTARY PUBLIC, IN AND FOR THE STATE OF TEXAS
My commission expires: _____

Printed Name of Notary

AFTER RECORDING RETURN TO:
G.I.S.D., TRUSTEE
c/o Yarbrough, Jameson & Gray
520 20th Street
Galveston, TX 77550

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY



6-16-97 04:18 PM 9722124
LONG_D \$11.00
Patricia Ritchie, County Clerk
GALVESTON COUNTY, TEXAS

Tax ofc
pick up

David Walker

01/19/2021

St Patrick's Catholic Church- Holy Family Parish Galveston and Bolivar (HFP)

Galveston County Taxing Authorities (GCTA)

Hello All,

I am sending an Unimproved Property Contract for Lot 7, Johnson Exline Subdivision, Bolivar Peninsula.

I am the adjoining property owner to the east of this property. I understand that HFP and GCTA each have an undivided 50% ownership interest in this property. My offer for this tract of \$60,000.00 is for the \$60,000.00 to be divided equally among the owners so each will be paid \$30,000.00 for their interest.

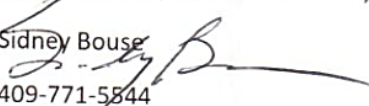
I am also a Registered Professional Land Surveyor. I have previously surveyed this tract when I was rebuilding our common fence line after Ike, so I have no need for a survey in associated with this purchase.

I also believe it is customary for taxing authorities to issue a Quit Claim Deed (QCD) in a transaction like this. I would be willing to accept a QCD from GCTA etal. as well as a QCD from HFP etal. A title policy will not be needed for this sale.

My intended immediate use would be to continue the grazing of cattle, but if additional uses of the Intracoastal Canal waterfront are found, I am willing to pursue those opportunities and of course the GCTA entities would see tax increases from such activities.

Thank you for your consideration,

Sidney Bouse


409-771-5844

APPRAISAL REPORT

+/-42.512 ACRES of VACANT LAND

PREPARED FOR

**GALVESTON INDEPENDENT SCHOOL DISTRICT
3904 AVENUE T
GALVESTON, TEXAS 77550**

**Attn.: Ms. Connie Morgenroth, CPA, RTSBA
Assistant Superintendent of Business & Operations**



View of subject site looking north

PREPARED BY

**BAY AREA REAL PROPERTY APPRAISERS & CONSULTANTS, INC.
1802 BROADWAY, SUITE 212
GALVESTON, TEXAS 77550**

BAY AREA
REAL PROPERTY APPRAISERS & CONSULTANTS, INC.
Est. 1990
bayapp10@aol.com

November 19, 2020

Galveston Independent School District
3904 Avenue T
Galveston, Texas 77550

Attn.: Ms. Connie Morgenroth, CPA, RTSBA
Assistant Superintendent of Business & Operations

Ref.: Appraisal report of vacant land being
42.512 acres on the Bolivar Peninsula, Texas

Dear Ms. Morgenroth:

As per your request, we have conducted an Appraisal Report on the property legally described as:

+/-42.512 acres of land being the South part of Lot 7 (7-1) of the Johnson
Exline Subdivision, S. Parr Survey, Abstract 162, Bolivar Peninsula,
Galveston County, Texas

Client

Galveston Independent School District

The subject of this report involves a 42.512 acre vacant tract of land on the Bolivar Peninsula in unincorporated Galveston County, Texas. The site fronts the Intracoastal Canal (ICC) to the north but does not have any in-place road frontage that exists. The site has a highest and best use to be held for investment or speculation or cattle grazing. The subject is comprised of 2 separate tax accounts/ownerships each of which represent an equal 50% undivided interest, both of which have been combined and appraised as a singular parcel with a single value estimate. The only means of access to the subject is either by boat from the ICC or from a private drive/road to the east owned by Sidney Bouse (GCAD account #205721) which extends northward from SH 87. The subject is +/- 1,100' north of SH 87 and +/-635' west of the Bouse property. The subject was not openly listed for sale at this time to our knowledge.

STEVE W. HUGHES, STATE CERTIFIED GENERAL APPRAISER

1802 BROADWAY, SUITE 212, GALVESTON, TEXAS 77550 (409) 762-8453 or FAX (409) 762-9056

We have reconciled an “as is” market value for the subject property (100% fee simple interest) as of November 10, 2020, with an exposure time to the market of up to 12 months, as follows:

EIGHTY FIVE THOUSAND DOLLARS

\$85,000.00

The aforementioned values are subject to the General Assumptions* and General Limiting Conditions** found in this report. Further, the aforementioned values stated above are represented as of the effective date of the appraisal and value estimates could change in the future. It should be noted, a potential purchaser of a property with hazardous waste or dangerous building materials may assume financial liability for removal of such materials. The appraiser inspected the subject property; however, hazardous waste products and dangerous building materials may not be found by a visual inspection. The appraiser highly recommends an inspection by qualified professionals in such matters.

Sincerely,
Bay Area Real Property Appraisers &
Consultants, Inc.



By: Steve Hughes
State Certification Number: TX-1322002-G
Expires: January 31, 2022

*Extraordinary Assumption

I have assumed the upland and wetland sizes used herein to be as stated and if this is not correct, I reserve the right to make any needed amendments to this report. I recommend a current wetland study/determination/delineation be made by a qualified firm to accurately determine the correct wetland totals for the property. A buyer/purchaser of a property such as the subject will typically require this information to assist in his/her decision-making process when negotiating a potential sale price.

**Hypothetical Condition

I have also considered a hypothetical condition for this assignment with regard to the two, 50% undivided interest ownerships which do exist. As requested by the client, I have appraised the subject of this report as a single-owned, 100% undivided interest property with no discount applied for joint ownerships. In other words, instead of appraising the GISD-owned parcel with 21.256 acres, I have also considered the

adjacent 21.256 acre tract owned by St. Patrick's Church and combined them as a singular, whole-owned property.

Sale of Property
Proceeds Distribution Worksheet
Tax Acct. 205713
Tax Cause No. 96-TX-0605

Amount Due at Original Sheriff Sale			\$ 17,923.12
Resale Offer			\$ 30,000.00
		Costs Due at	Disbursement From
<u>Payment of Costs Pursuant to Texas Property Tax Code §34.02</u>		<u>Original Sheriff Sale</u>	<u>Proposed Sale</u>
(1) Advertising:			
to "Galveston County Sheriffs Dept." (publication costs)		\$ 396.12	\$ 396.12
(2) Attorney Ad Litem Fees:			
to "Carol Sue Brantley, Administrator for The Estate of Traci Edwards Craft"		\$ 500.00	\$ 500.00
(3) Court Costs			
to "Galveston County District Clerk"		\$ 236.50	\$ 236.50
(4) Title Search Fees			
to "Lyn Wingert & Associates"		\$ 90.00	\$ 90.00
(5) Reimbursement - Costs, Fees			
to "Galveston County" (for notice of lis pendens filed)		\$ 11.00	\$ 11.00
to 'Galveston ISD' (reimbursement of appraisal of property)			\$ 1,800.00
	Subtotal	\$ 1,233.62	\$ 3,033.62
	<u>Proportionate</u>	<u>Taxes Due at</u>	<u>Proportionate Share</u>
<u>Taxing Entity Distribution</u>	<u>Share</u>	<u>Original Sheriff Sale</u>	<u>of Sale Proceeds</u>
to "COUNTY OF GALVESTON"	0.5119296564	\$ 8,543.85	\$ 13,804.89
to "GALVESTON COLLEGE"	0.0490338237	\$ 818.35	\$ 1,322.26
to "GALVESTON INDEPENDENT SCHOOL DISTRICT"	0.4390365200	\$ 7,327.30	\$ 11,839.23
		\$ -	\$ -
	Subtotal	\$ 16,689.50	\$ 26,966.38
	Grand Total	\$ 17,923.12	\$ 30,000.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

TRUSTEE'S DEED

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GALVESTON §

WHEREAS, by Order of Sale, issued by the Galveston County District Court, 122nd Judicial District in Cause Numbered **96-TX-0605**, styled "**Galveston Independent School District, et al. vs. Winnie Esello, also known as Estella Winnie, also known as Mrs. Fox Winnie, F.M. Hubbell, Agnes M. Chase and Catherine O'Reilly**", the Sheriff of Galveston County, on 4th of April, A.D., 1997, seized and levied upon the right, title and interest the defendants had in the premises hereinafter described; and

WHEREAS, the Sheriff on the first Tuesday of **June**, A.D., **1997** (the same being the 3rd day of said month), sold and conveyed the premises to **Galveston Independent School District**, as Trustee for itself and for **County of Galveston and Galveston College** for the sum of **Seventeen Thousand Nine Hundred Twenty-Three and 12/100 Dollars (\$17,923.12)**, it being the highest bidder therefore; and

WHEREAS, the GRANTEE named herein desires to purchase this property for the sum of **Thirty Thousand and 00/100 Dollars (\$30,000.00)**;

WHEREAS, this sale is authorized pursuant to V.T.C.A., Tax Code §34.05(b);

NOW, THEREFORE, in consideration of the sum of **Thirty Thousand and No/100 Dollars (\$30,000.00)** paid by the GRANTEE named below, the receipt and sufficiency of which is acknowledged, Galveston Independent School District, County of Galveston, and Galveston College ("GRANTOR"), have GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY to **Sidney Bouse**, of **P.O. Box 476, Port Bolivar, TX 77650** ("GRANTEE"), the following described real property, to wit:

AN UNDIVIDED ONE-HALF (1/2) INTEREST IN LOT SEVEN (7), JOHNSON EXLINE SUBDIVISION IN GALVESTON COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED AS A TRACT OF LAND BEING 50 ACRES, MORE OR LESS, OUT OF THE SAMUEL PARR LEAGUE SURVEY ON BOLIVAR PENINSULA IN GALVESTON COUNTY, TEXAS, AND MORE PARTICULARLY DESCRIBED BY METES AND COUNDS AS FOLLOWS:

COMMENCING AT A STAKE ON THE BAY SHORE AT THE NORTHWEST CORNER OF THE TRACT OF LAND SOLD TO HUGH O. SHAW AND WIFE, BY JOHNSON & EXLINE AND RUNNING PARALLEL WITH THE SIDE LINE OF SAID SURVEY A DISTANCE OF 4438 FEET TO A STAKE ON THE REED BRAKE OR THE MAIN RIDGE; THENCE UP THE REED BRAKE DIST., BY

RIGHT ANGLE MEASUREMENT, 490-¾ FEET TO A STAKE; THENCE BY LINE PARALLEL TO THE SIDE LINES OF THIS SURVEY 4438 FEET TO A STAKE AT THE BAY SHORE; THENCE DOWN SHORE 490-¾ FEET TO THE PLACE OF BEGINNING;

AND BEING THE SAME TRACT OF LAND CONVEYED BY JOHNSON & EXLINE TO CHARLES HEATH BY DEED RECORDED IN BOOK 48, PAGE 333, OF THE DEED RECORDS OF GALVESTON COUNTY, TEXAS, TO WHICH REFERENCED IS HERE MADE FOR FUTURE DESCRIPTION.

GRANTOR excludes and excepts from this conveyance any warranties, express or implied, on the property, including, without limitation, any warranties arising by common law or Section 5.023 of the Texas Property Code.

GRANTOR conveys the property:

- a) "as is", "with all faults" and without any warranty as to condition or environmental hazard,
- b) subject to all restrictions, easements, rights-of-way leases, oil, gas and mineral leases, royalties, mineral conveyances, and mineral reservations of record, if any, in the office of the County Clerk of said County,
- c) subject to any right of redemption; and
- d) subject to rights of parties in possession.

GRANTOR disclaims any warranty, guaranty or representation, oral or written, on:

- a) the nature and condition of the property or other items conveyed hereunder, including, without limitation, the water, soil and geology,
- b) the suitability of the property conveyed hereunder for any and all activities and uses which GRANTEE may elect to conduct thereon,
- c) the existence of any environmental hazards or conditions thereon (including but not limited to the presence of asbestos or other hazardous materials),
- d) compliance with applicable environmental laws, rules or regulations; and
- e) the compliance of the property with any laws, ordinances, or regulations of any governmental entity or body.

By acceptance of this deed, GRANTEE acknowledges and agrees:

- a) that GRANTOR acquired the property through foreclosure of a tax lien as Trustee and as such has little, if any, knowledge of the physical or economic characteristics of the property,
- b) GRANTEE has inspected the property and are relying solely on their own investigation of the same and not on any information provided or to be provided by on behalf of GRANTOR,
- c) that any information provided with respect to the property was obtained from a variety of sources,

- d) GRANTOR (1) has not made any independent investigation or verification of such information; and (2) does not make any representations as to the accuracy or completeness of such information; and
- e) that if there are any improvements on the property, GRANTOR shall not be responsible for or liable to GRANTEE for any construction defects, errors, omissions, of any other conditions affecting the property.

GRANTEE or anyone claiming by, through or under GRANTEE, hereby fully releases GRANTOR, its employees, officers, directors, representatives, attorneys and agents from any and all claims that it may now have or hereafter acquire against GRANTOR, its respective employees, officers, directors, representatives, attorneys and agents for any cost, loss, liability, damage, expense, demand, action or cause of action arising from or related to the conveyance of the premises herein as well as any construction defects, errors, omissions, or other conditions affecting the property and other items conveyed hereunder. GRANTEE further acknowledges and agrees that this release shall be given full force and effect according to each of its express terms and provisions, including, but not limited to, those relating to unknown and suspected claims, damages and causes of action. This covenant releasing GRANTOR shall be a covenant running with the property and shall be binding upon GRANTEE, their heirs, successors, beneficiaries and assigns. GRANTOR hereby assigns without recourse or representation of any nature to GRANTEE, effective upon the execution and delivery hereof, any and all claims that GRANTOR may have for any such errors, omissions or defects in the property and other items conveyed hereunder. As a material covenant and condition of this conveyance, GRANTEE agrees that in the event of any such construction defects, errors, omissions or on account of any other conditions affecting the property, GRANTEE shall look solely to GRANTOR's predecessors or to such contractors and consultants as may have contracted for work in connection with the property and other items conveyed hereunder for any redress or relief. Upon the assignment by GRANTOR of its claims, GRANTEE releases GRANTOR of all right, express or implied, GRANTEE may have against GRANTOR arising out of or resulting from any errors, omissions or defects in the property and other items conveyed hereunder. GRANTEE further understands that some of GRANTOR's predecessors in interest may be or become insolvent, bankrupt, judgment-proof or otherwise incapable of responding in damages, and GRANTEE may have no remedy against such predecessors, contractors or consultants.

GRANTEE hereby further agrees on behalf of himself and his heirs, successors, beneficiaries and assigns to indemnify, protect, defend, save and hold harmless GRANTOR and GRANTOR's elected and appointed officials, employees, officers, directors, representatives, attorneys and agents from and against any and all debts, duties, obligations, liabilities, suits, claims, demands, cause of action, damages, losses, costs and expenses (including, without limitation, attorneys' fees and expenses and court costs) in any way relating to, connected with or arising out of the property and other items conveyed hereunder or the

ownership, leasing, use, operation, maintenance and management thereof from and after the date hereof, including, without limitation, the cost of any removal of hazardous substances or contaminants from the property and other items conveyed hereunder.

TO HAVE AND TO HOLD the above described premises together with all and singular the rights and appurtenances thereto in any wise belonging unto GRANTEE, their heirs, and assigns, forever.

Taxes for the current year are to be paid by GRANTEE.

EXECUTED this the _____ day of _____, 2021.

GALVESTON INDEPENDENT SCHOOL DISTRICT

By: _____
Anthony Brown, President
Board of Trustees

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared Anthony Brown as President of the Board of Trustees of Galveston Independent School District, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this the _____ day of _____, 2021.

NOTARY PUBLIC, in and for the State of Texas

Printed or Typed Name of Notary

[The remainder of this page is intentionally left blank.]

EXECUTED this the _____ day of _____, 2021.

COUNTY OF GALVESTON

By: _____
Mark Henry
Galveston County Judge

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared Mark Henry as County Judge for County of Galveston, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this the _____ day of _____, 2021.

NOTARY PUBLIC, in and for the State of Texas

Printed or Typed Name of Notary

[The remainder of this page is intentionally left blank.]

EXECUTED this the _____ day of _____, 2021.

GALVESTON COLLEGE

By: _____
Karen F. Flowers, Chairperson
Board of Regents

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared Karen F. Flowers, Chairperson of the Board of Regents for Galveston College, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office this the _____ day of _____, 2021.

NOTARY PUBLIC, in and for the State of Texas

Printed or Typed Name of Notary

[The remainder of this page is intentionally left blank.]