

MEMO

DATE: May 21, 2012

TO: Taxing Entities of Grayson County

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

SUBJECT: Request to Purchase/Sell Real Estate

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, in the prior years 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, and many other issues in need of immediate attention. Our Board notified the entities in the 2010, 2011, & 2012 budget letters that our budget had been expanded to include the facility needs. The budget included a commercial loan payment. **The debt service payment has already been approved in the current budget.**

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 the previous 3 years. During this time; the committee had a feasibility study done on our current building and air quality testing. Based on this information the Board 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. The Board has entered into a contract (subject to entity approval) to purchase the facility at 512 N Travis for \$650,000. Currently we are in the feasibility stage of the contract and the feasibility estimates are attached. 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, network drops and other misc. cost.

The 512 N Travis facility would need to be adapted to appraisal district requirements. The feasibility estimate to adapt the facility at 512 N Travis is \$1,314,609 for a total cost of \$1,964,609. **Again, the amount of the payment to cover a loan has already been approved in the current budget.**

The seller of the 512 N Travis property has agreed to accept conveyance of the 205 N. Travis property which the District currently occupies in lieu of \$100,000 of the sales contract price of \$650,000. Therefore, the cash consideration for the acquisition of the 512 N Travis property will total \$550,000. Though there will be a conveyance of real property owned by the District as a result of this proposed transaction, the conveyance will not result in any proceeds. Instead that value will be rolled into the new property acquired by the District. As a result there will be no proceeds credited to the participating entities as contemplated by Section 6.051(c), Texas Tax

Therefore, the breakdown of the cost of acquiring new District offices is as follows:

Purchase	\$ 650,000
Renovation	<u>\$1,314,609</u>
Total	\$1,964,609
Less Trade Allowance	<u>\$ 100,000</u>
Total	\$1,864,609

Section 6.051 of the Texas 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 feasibility study performed by David Baca Studio to determine the cost of new construction. Construction of a building similar to the building located at 512 N Travis would cost \$3,399,383. **This is for comparison purposes as an available alternative as outlined in the Property Tax Code.**

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 30th 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 the architects findings, 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 or your Board representative.

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



10 May 2012

Opinion of Probable Construction Costs

Cost to Renovate Building	\$1,172,544.00
Telephone Systems Installation	\$60,000.00
Architectural Fees	\$50,500.00
Texas Accessibility Review/Inspection Fee	\$1,065.00
Replacement Furniture	
21 Cubicle Partitions (used)	\$10,500.00
25 'L' Desks & Chairs (used)	\$20,000.00
Total Budget for Renovation Project	\$1,314,609.00





01 February 2012

Estimate of Probable Construction Costs

Cost of New Building	\$2,909,500.00
Land Purchase Costs	\$121,968.00
Parking Lot (76 spaces)	\$91,200.00
Data/Phone Systems Installation	\$60,000.00
Architectural Fees	\$185,150.00
Texas Accessibility Review/Inspection Fee	\$1,065.00
Replacement Furniture	
21 Cubicle Partitions (used)	\$10,500.00
25 'L' Desks & Chairs (used)	\$20,000.00
Total Budget for New Construction Project	\$3,399,383.00

for comparison only – not for regulatory
approval, permitting, or construction.

§ 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.

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**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 real property to serve as the location of the Grayson Central Appraisal District's office. If approved as required by Section 6.051 of the Texas Property Tax Code, the Board intends to purchase the following property:

1. The Board of Directors resolves to purchase the property located at 512 N Travis, Sherman, Texas
2. The Board of Directors resolves to trade the current office at 205 N Travis, Sherman, Texas
3. The Board of Directors resolves to perform the necessary renovations of the property at 512 N Travis
4. The Board of Directors resolves to negotiate request for proposals in accordance with the District's requirements.
5. The Board of Directors resolves that the total purchase package including renovations will not exceed 2,000,000.
6. The Board of Directors resolves to pursue appropriate permanent financing for the project, contingent on the tax units' approval of the purchase as outlined above,

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

PASSED AND APPROVED this 8 day of FEBRUARY, 2012.


Chairman, Board of Directors, Grayson Central Appraisal District

STATE OF TEXAS §
§
§
COUNTY OF Grayson

APPROVAL OF GRAYSON CENTRAL APPRAISAL DISTRICT RESOLUTION

BY _____ (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 _____
(Name of Taxing unit):

THAT the Grayson Central Appraisal District's proposal to

1. Purchase the property located at 512 N Travis, Sherman, Texas
2. Trade the current office at 205 N Travis, Sherman, Texas
3. Perform the necessary renovations of the property at 512 N Travis
4. Negotiate request for proposals in accordance with the District's requirements.
5. Limit the total cost to the entities for the purchase package including renovations will not exceed the \$1,964,609.
6. Pursue appropriate permanent financing for the project, contingent on the tax units' approval of the purchase as outlined above,

is hereby **APPROVED**.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, 201____.

PRESIDING OFFICER

NAME OF TAXING UNIT

ATTEST:
