

**CITY OF DRIPPING SPRINGS**

**APPRAISAL REVIEW MEMORANDUM**

Parcel : 24

Location: Terminus of Diamond Path (private road), W of Cross Creek Dr (520 Diamond Path), Hays County, Texas

Taking Type: Partial Acquisition

Property Owner: Patrick J. Zielbauer and Jenna Kolle Zielbauer

Type of Property: Vacant Land

Appraised by: Lory R. Johnson

Effective Date of Appraisal: February 16, 2022

**Whole Property Values**

Land Value	Site Improvements	Main Improvements	Sign Value (OAS)	Total Value
\$1,310,721	\$0.00	\$0.00	\$0.00	\$1,310,721

**Acquisition Values**

**Land**

Acquisition Interest	Land Area	Unit Value	Total Value	Total Acquisition Land Value
Water and Wastewater Easement	0.41 ac (17,860 sf)	\$3.00/sf	\$26,790	*\$26,790

\* The fee simple base unit cost is \$3.00/sf. The permanent easement was valued at 50% of the fee simple value since not all of the interests are being acquired.

**Improvements in Acquisition**

Item No.	Improvement Type	Description	Improvement Value
N/A			
		Total	

**Remainder Before Value: \$1,283,931 (\$1,310,721 - \$26,790)**

**Remainder After Value: \$1,390,926**

**Damages/Enhancement: (\$106,995)**

## APPRAISAL REVIEW MEMORANDUM (Con't)

**Parcel:** 24

**Owner:** Patrick J. & Jenna Kolle Zielbauer

**Location:** Terminus of Diamond Path  
(private road), W of Cross Creek Dr  
(520 Diamond Path), Hays County, TX

### Comments and Conclusions:

Date of Review:	February 21, 2022
Purpose of the Review:	This appraisal report is reviewed for compliance with the rules and regulations of the City of Dripping Springs and the Uniform Standards of Professional Practice. The report was also reviewed for accuracy, reasonableness and correctness.
Client:	City of Dripping Springs
Intended User(s):	HDR Engineering, Inc. and the City of Dripping Springs
Intended Use:	For assistance in the partial acquisition of property.
Scope of the Review:	The subject property and comparable sales used in this report were inspected by the undersigned from the roadway, with all sales verified through public records although the sales prices of each comparable was not confirmed and any additional sales were not researched. I have read the report in its entirety with comments being provided to the appraiser. All calculations were checked for accuracy. The methodology was analyzed for compliance with acceptable standards. Compensable items were reviewed for compliance with the laws of the State of Texas regarding Eminent Domain acquisitions.
Hypothetical Conditions:	None associated with this review.
Extraordinary Assumptions:	None associated with this review.
Disclosure of Past Services:	Richard L. McGee has completed a review of an appraisal report prepared on the subject property within the last three years.
Legal Description:	Land in the Benjamin F. Mims, Survey No. 8, A-13, Hays County, Texas

**Whole Property Summary:** This review assignment is of an appraisal report prepared by Lory R. Johnson as of February 16, 2022 with a report date of February 21, 2022. The subject property is a tract of land consisting of 10.03 acres (436,907 sf) and improved with a single family residence. The appraiser determined that there were no improvements impacted by the acquisition and therefore all improvements were excluded from the valuation. The highest and best use of the whole property, as vacant, was considered to be residential. The property is located Terminus of Diamond Path (private road), W of Cross Creek Dr (520 Diamond Path), Hays County, Texas, just south of the town of Dripping Springs. The site has approximately 20-feet of frontage along Diamond Path Road. The site is rectangular in shape with a generally level topography. The sales comparison approach was used to estimate the market value of the whole property. The cost approach, sales comparison approach (as improved) and the income approach to value were not considered to be applicable for the valuation of the whole property since this is considered to be a vacant land appraisal. The appraiser used a total of five comparable sales to estimate the land value of the whole property. Sale dates of the five comparables ranged from February, 2021 to November, 2021. The appraiser did not apply a market condition adjustment to any of the sales. The appraiser appropriately adjusted for such items as location, size, flood/topography and utilities. The adjusted unit values of the ranged from a low of \$2.60 per square foot to a high of \$3.07 per square foot. The appraiser reconciled to a unit value is \$3.00 per square foot. Therefore, the total value of the whole property is **\$1,310,721** (\$3.00/sf x 436,907 sf).

**APPRAISAL REVIEW MEMORANDUM (Cont.)**

**Parcel:** 24

**Owner:** Patrick J. & Jenna Kolle Zielbauer

**Location:** Terminus of Diamond Path  
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(520 Diamond Path), Hays County, TX

**Comments and Conclusions (Con't)**

**Part Acquired:** The acquisition consists of a permanent water and wastewater easement that totals 0.41acs (17,860 sf) and a temporary construction easement 0.46 acs (20,038 sf) in size. The appraiser determined that the permanent easement has a value of 50% of the fee simple rights. The value of the permanent easements are therefore as follows:

$$17,860 \text{ sf} \quad \times \quad \$3.00/\text{sf} \times 50\% \quad = \quad \$26,790$$

The temporary easement was valued as a land lease. The appraiser estimated a rate of return of 12% per year with a two-year construction period. Therefore, the value of the temporary easement area is as follows:

$$20,038 \text{ sf} \quad \times \quad \$3.00/\text{sf} \times 12\% \times 2 \text{ yrs} \quad = \quad \underline{\$14,427}$$

Total Compensation **\$41,217**

**Remainder Valuation:** The appraiser determined that with the addition of water and sewer services on the property resulting from the project, there was an enhancement to the remainder of the subject property. The value of the remainder was estimated to be \$1,390,926. The enhancement does not affect the acquisition amount and does not have an effect on the estimate of compensation.

**Compensation:** Total compensation is the value as indicated in the part acquired being the water and wastewater easement and one temporary construction easement and equals **\$41,217**.

Based on my review of the above mentioned report, the appraisal report appears reasonable and acceptance is recommended.

**APPRAISAL REVIEW MEMORANDUM (Cont.)**

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**Reviewing Appraisers' Statements**

**Reviewing Appraiser's Statement**

It is my opinion that the appraiser's report for this parcel appears adequately supported and in compliance with all appropriate appraisal standards, laws, and regulations, and I recommend this appraisal for use by the appropriate Agency Official and his/her assigns. I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of the parcel. To the best of my knowledge, the value does not include any items that are not compensable under State law.

\_\_\_\_\_  
Reviewing Appraiser

\_\_\_\_\_  
Date

*Richard McGee* TX-1320854-G  
\_\_\_\_\_  
Contract Reviewing Appraiser (if applicable)

**February 21, 2022**  
\_\_\_\_\_  
Date

**X. Approval of Values**

\_\_\_\_\_  
County/City Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
ROW Staff Representative

\_\_\_\_\_  
Date

# Appraisal Review Certification

I certify, to the best of my knowledge and belief:

- the facts and data reported by the reviewer and used in the review process are true and correct;
- the analyses, opinions and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report 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 to the parties involved with this assignment;
- my engagement in this assignment was not contingent upon developing or reporting predetermined results;
- my compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in this review or from its use;
- The reported analysis, opinions and conclusions were developed, and this review report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice, the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) the appraisal guidelines detailed in the Uniform Act (49 CFR 24.103);
- as of the date of this review, Richard L. McGee, has met the continuing education requirements of the Texas Appraiser Licensing and Certification Board (License #TX-1320854-G).
- I have made a personal inspection of the subject property and the comparables, which are described in the appraisal report under review;
- No one provided significant appraisal review assistance to me during the review process;
- I have provided appraisal related services on this property within the last three years.

**HDR Engineering, Inc.**

*Richard McGee*

**Richard L. McGee, SR/WA, R/W-AC  
Texas Certified General Appraiser  
# TX-1320854-G**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal review report has been made with the following general assumptions and limiting conditions.

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.

Information, estimates, and opinions furnished to the appraiser or reviewer, and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser can be assumed by the reviewer.

All engineering is assumed to be correct. The illustrative material in this report is included only to assist the reader in visualizing the property.

It is assumed that there are no hidden or unapparent conditions of property, subsoil, or structures 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 there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

It is assumed that all applicable zoning, deed restrictions, and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, 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 opinion of value contained in this report is based.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

The appraisal reviewer assumes no responsibility for economic or physical factors occurring after the effective date stated in the appraisal review report which may affect the opinions herein stated.

In the valuation of agricultural property, no consideration has been given in the appraisal to the value, if any, attributable to growing crops on any portion of the property appraised unless stated in the report.

The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Possession of this report, or a copy thereof, does not carry with it the right of publication. This appraisal review is intended solely for the internal use of HDR Engineering, Inc. and the City of Dripping Springs.

## **ASSUMPTIONS AND LIMITING CONDITIONS (con't)**

The appraisal reviewer herein by reason of this appraisal review is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

Neither all nor any part of the contents of this appraisal review report (especially any conclusions as to value or the identity of the appraisal reviewer) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the review appraiser.

In this appraisal review assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, and/or existence of toxic waste, chemicals, materials, or any other hazardous materials, which may or may not be present on the property, has not been considered. The reviewer is not qualified to detect such substances. I urge the client to retain an expert in this field if desired.

Underground fuel tanks could be a liability. The typical life expectancy of an underground tank is 15 to 20 years. Soil contamination could occur if the tanks leak and would be costly to clean up. Without a detailed physical inspection of underground fuel tanks and surrounding soil, it is impossible to estimate potential clean up costs. Therefore, this analysis does not cover such contingencies, if applicable.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992, I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in the appraisal review or in developing an opinion of value for the property, if applicable.

The Appraisal Review Report constitutes a limited assignment and should not be construed as an appraisal of the subject property.

Unless otherwise stated, the analysis, opinions and conclusions in this Appraisal Review Report are based solely on the data, analysis and conclusions contained in the appraisal report under review. It is assumed that these data are representative of existing market conditions.

All analysis, opinions and conclusions expressed by the Review Appraiser are limited by the scope of the review process as identified under the section "Scope of the Review".



# Richard L. McGee, SR/WA, R/W-AC Real Estate Appraiser

## Education

Bachelor of Science Degree in Forestry with emphasis in Forest Management, Stephen F. Austin State University, 1980

## Professional Registrations

State Certified General Real Estate Appraiser,  
Texas, No. 1320854-G  
South Dakota, No. 1434CG  
Illinois, No. 553.002850  
Indiana, No.  
Michigan, No. 1205076985  
Idaho, No. CGA-5542  
Wyoming, No. AP-2063  
Washington State, No. 210  
Texas Broker License, No. 0362914  
New Mexico Broker License, No. 19189  
Member, IRWA (Appraisal Certification)  
IRWA Appraisal Certification, R/W-AC  
IRWA-Senior Right of Way Agent, SR/WA

## HDR Tenure

Nine Years +

## Industry Tenure

31 Years (Appraisal)  
16 Years (Right of Way)

## Professional Experience

Richard has over 30 years experience in the appraisal of real estate including appraising for ad-valorem tax purposes, mortgage loan purposes and for the acquirement of right of way. The last ten years the main concentration of his experience has been in the appraisal of various right of way projects. Began his career in 1981 with the Gregg County Appraisal District and was Assistant Director of Real Estate Valuations. Established timber productivity values in various counties in Northeast Texas for ad-valorem tax purposes. Formed Richard McGee & Associates, Inc. in 1989 with majority of work being in real estate appraising and property tax consulting. Expert witness in District Courts of Gregg, Harrison, Smith, Rush and Harrison Counties. Smith and Gregg Counties Special Commissioners Court and Federal Bankruptcy Court. Condemnation appraisals for various oil and gas companies as well as law firms.

## Major Project Appraisal/Appraisal Review Experience

### **Texas Department of Transportation**

F.M. 349, Whitehouse, Texas, State Highway 135, Gregg County, Texas; Highway 69 between Lindale and Mineola, Texas; U.S. Highway 79, Palestine, Texas; State Highway 155, Big Sandy, Texas; U.S. 59, Marion County, Texas; Loop 49 Tollway, Tyler, Texas; Bridge Project Cedar Creek Lake, Kaufman County, Texas; Loop 281, Longview, Texas; F.M. 1798, Rusk County, Texas.

### **Appraisal Reviews**

F.M. 1637 (China Springs) project  
Trial reviews on SH-130 Tollway, NTE 35W North, Section 3A.  
Loop 82-San Marcos  
BHW Loop 375-El Paso  
SH 183 Midtown Expressway  
RM 12 Hays County  
FM 2234 Fort Bend Parkway

### **Cost Estimates for TxDOT Projects**

Interstate 35E Project, Dallas/Denton Counties  
Loop 375 Border West Expressway Project, El Paso, Texas  
SH 183 Midtown Expressway Project, Dallas/Tarrant Counties

### **Other Projects**

#### **Wood County, Texas**

F.M. 546 (Appraisals)

#### **Gregg County, Texas**

F.M. 349, Estes Parkway and Eastman Road, Longview, Texas (Appraisals)

#### **City of Longview**

George Richey Road and Spring Hill Park Project. (Appraisals)

#### **Gulf Crossing Pipeline**

Appraisals for the acquisition of easements thru Titus and Cass Counties (Appraisals)

#### **City of New Braunfels**

Appraisal Reviews for City of New Braunfels

#### **City of Austin**

City of Austin-Onion Creek Floodplain Buyout Program (Review)  
Waiver Valuations for Capital Metro



### Relevant Seminars and Courses

Uniform Appraisal Standards for Federal Land Acquisitions, 2021  
TxDOT, Short Course for ROW Professionals, College Station, Tx, 2019  
CLE Eminent Domain Conference, 2008, 2016  
Region 2 Conference, College Station Texas, July, 2008 , 2013  
The Appraisal of Partial Acquisitions, March, 2009  
Easement Valuation, September, 2010  
Natural Gas: America's Transportation Future (Appraisal Institute, IRWA, 2011)  
Principles of Real Estate Negotiations, (IRWA, 2011)  
Principles of Real Estate Engineering, (IRWA, 2012)  
Alternative Dispute Resolution, (IRWA, 2013)  
Legal Aspects of Easements, (IRWA, 2014)  
Business Relocation, (IRWA, 2014)  
The Uniform Act Executive Summary, (IRWA, 2016)  
Principles of Real Estate Negotiation, (IRWA, 2016)  
Environmental Awareness, (IRWA, 2016)  
The Environmental Process, (IRWA, 2016)

Richard L. McGee is current on all Continuing Education Requirements of the States of Texas, South Dakota, New Mexico, Illinois, Wyoming, Idaho and the International Right of Way Association.

