

TRAVIS CENTRAL APPRAISAL DISTRICT

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May 1, 2019

THE HONORABLE VICTOR GONZALES, MAYOR
CITY OF PFLUGERVILLE
P.O. BOX 589
PFLUGERVILLE, TX 78691

It is critical that the Travis Central Appraisal District (District) certify the appraisal roll so that taxing units may prepare budgets and set tax rates. Because the deadline for certification is statutorily prescribed the District has limited options related to the timeline to complete the work. The only other recourse is to increase the staffing and physical resources dedicated to the certification effort. **The District facilities at 8314 Cross Park Drive are not sufficient for the District to meet statutory deadlines for certification.**

In order for the District to certify the appraisal roll the Appraisal Review Board (ARB) must first resolve 95% of protests filed and approve the records. Since 2005 the number of protests filed has increased from 46,495 to 142,812. To address the increased protest demand in 2018 the number of members of the ARB was increased to allow for maximum capacity of twenty panels, and because the facilities at 8314 Cross Park Drive can only accommodate ten panels, the District rented space at the Travis County Expo Center in 2018 to hold formal hearings at the maximum capacity of twenty panels. **The District contracted to rent the Travis County Expo Center for 2019; Unfortunately, in October 2018, the contract for rental was rejected by the Travis County Commissioners Court in favor of the Republic of Texas Biker Rally and the Texas Heat Wave Car Show.**

Because certification is time sensitive, **the District urgently needs a long term reliable solution to address the lack of workspace** so that we can continue to provide quality service to the taxing jurisdictions and the taxpayers of Travis County. The District explored several options to meet the growing need for additional workspace including leasing from a third party, expanding the current building, building on the lot the district owns behind its current facility, or purchasing an existing larger facility. In addition to the Expo Center we have attempted to rent space from other third parties; however, none will enter into a recurring annual short term lease with the District, and because of the infrastructure needed to support the ARB, it is not fiscally feasible to enter into new rental contracts yearly. New construction is a more expensive option and the time required for new construction would delay operational use for the 2019 and 2020 protest seasons. **The District determined the best option is for the District is to purchase an existing larger facility with sufficient space for expanded ARB panels that could be leased, contingent upon sale, for the use by the ARB for the upcoming 2019 season.**

The District will not request any additional funds from the taxing units for this real estate purchase. The District holds sufficient funds in dedicated reserves and

annually budgeted reserves for the building purchase and renovations. Additionally, the District requests that any funds from the sale or lease of its current facility be placed into its reserve accounts. The District will hold the proceeds from the sale or lease in reserve and will use the proceeds to make payments or payoff down the loan.

The District found a building located within two miles of its current facilities, with easy access from both IH-35 and 183. The total loan amount for the building and necessary renovations will not exceed \$10,000,000. The District negotiated financing for a 20 year fixed note at 4.3% interest.

The Texas Property Tax Code Section 6.051 requires acquisition or conveyance of real property by the appraisal district be approved by the governing bodies of three-fourths of the taxing units entitled to vote on the appointment of board members. Please find enclosed a copy of the resolution from the Travis Central Appraisal District for the purchase of real estate and a summary of the alternatives considered by the District. **The District needs a resolution from your governing body approving the real estate purchase by June 1, 2019. A sample resolution and sample agenda item language has been included for your convenience.**

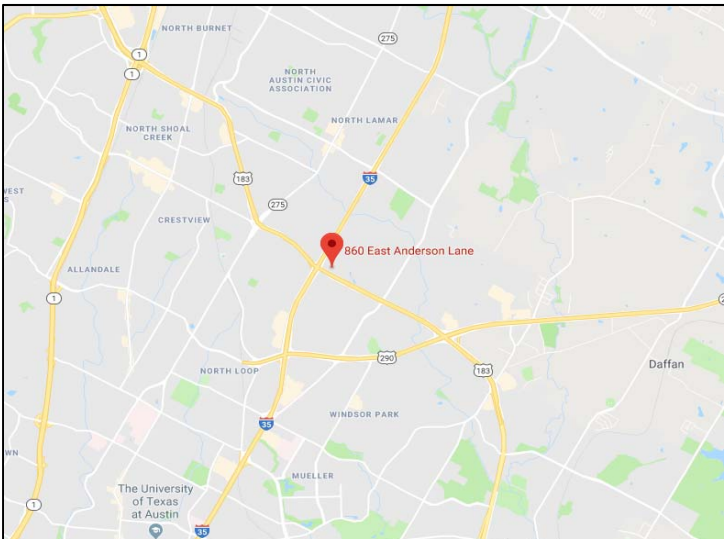
Please feel free to contact me if you have any questions or need additional information. My contact information is: (512) 834-9317 ext. 337 or by e-mail at Mcrigler@tcadcentral.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Marya Crigler", with a stylized, cursive script.

Marya Crigler
Chief Appraiser
Travis Central Appraisal District

NATIONAL WESTERN LIFE



PROPERTY SPECIFICS

Address: 850 E Anderson Ln
Austin, TX 78752

Sale Price: \$8,550,000 (\$119/sf)

Submarket: Northeast

Building Size: 72,720 SF

Occupancy: 0%

Year Built: 1975

Stories: 4 floors

Site Area: 2.95 acres

Parking: 3.44/1,000 RSF

PID(s): 234163

Notes:

CBRE fee simple appraisal estimates the stabilized value to be \$9,210,000 as of January 2018. This opinion of value estimates a \$1,710,000 lease-up adjustment for the vacant office.

Estimated Total Cost:

Purchase Price: \$ 8,550,000
Improvements: \$ 1,450,000
Total Cost \$ 10,000,000

20190114-14 RESOLUTION
BY THE BOARD OF DIRECTORS OF THE
TRAVIS CENTRAL APPRAISAL DISTRICT APPROVING THE
ACQUISITION OF REAL PROPERTY FOR AN APPRAISAL OFFICE

WHEREAS, the Travis Central Appraisal District (the "District") is a county appraisal district under the provisions of Texas law; and

WHEREAS, as such, under Section 6.051 of the *Texas Tax Code* the District may purchase or lease real property and construct improvements as necessary to establish and operate the appraisal office of the District; and

WHEREAS, the District is seeking financing for the acquisition and renovation of real property and improvements to serve as an appraisal office; and

WHEREAS, after considering various options for such financing, the Board has determined that the financing structure proposed by Government Capital Corporation provides the best value for the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TRAVIS CENTRAL APPRAISAL DISTRICT:

1. That the above recitals are true and correct.
2. That the financing for the acquisition of real property, tenant improvements, and finish out renovations for an appraisal office be awarded to Government Capital Corporation ("GCC") in a principal amount not to exceed \$10,000,000 at a fixed interest rate not to exceed 4.35% per annum.
3. That the financing shall be in the form of a lease purchase agreement whereby the District will enter into a twenty (20) year lease purchase agreement (the "Agreement") with GCC, or its assigns, the District will make quarterly lease payments in an amount not to exceed \$750,000 annually, to GCC or its assigns, during the term of the Agreement and upon the expiration of the term of the Agreement GCC, or its assigns, will convey fee simple title to the property to the District.
4. That the annual liability to the taxing entities of Travis County, who fund that District's annual budget, will not increase due to the payments associated with this lease purchase agreement.
5. That the Chief Appraiser be and is hereby authorized to negotiate the final terms of the Agreement and related financing documents with the winning proposer and to execute all such documents on behalf of the District.
6. That it is officially found and determined that this meeting was open to the public as required by law, and that notice of the time, place and subject matter of this meeting has been posted in the manner required by law.

Adopted this 14th day of January, 2019.

TRAVIS CENTRAL APPRAISAL DISTRICT

By: W. Thomas Buckle
~~Blanca Zamora Garcia, Chair~~
Board of Directors

W. THOMAS
BUCKLE

ATTEST:

By: James Valadez
James Valadez, Secretary
Board of Directors