

LA SALLE COUNTY APPRAISAL DISTRICT



2021 Mass Appraisal Summary Report

January 1st, 2021

**Mass Appraisal Summary Report
of the Universe of Properties within
La Salle County, Texas**

**Prepared for the
Board of Directors**

La Salle County Appraisal District

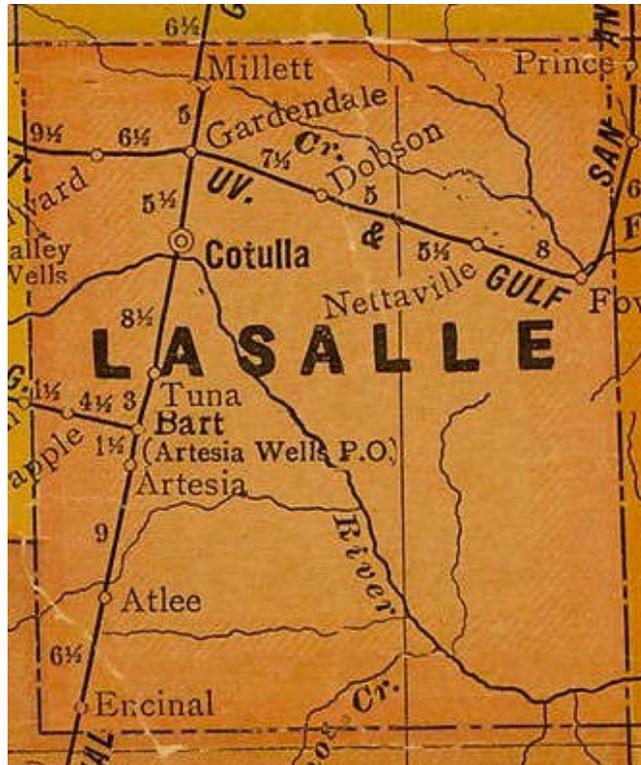
Prepared by

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Report Date September 2, 2021





La Salle County Appraisal District

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September 2, 2021

Board of Directors
La Salle County Appraisal District
204 NE Lane St.
Cotulla, Texas 78014

Re: **2021 Mass Appraisal Summary Report**

Honorable Board Members,

The Appraisal District has finalized the 2021 Mass Appraisal Summary Report prepared for "ad valorem" tax purposes. The report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the Texas Property Tax Code (TPTC). The purpose of the appraisal was to establish market value for the subject universe of properties. The individual market value for each item of taxable property comprises the appraisal rolls for the taxing entities served by this office.

The District completed the three (3) functions of the mass appraisal system, which includes reappraisal, data maintenance and value updates. Reappraisal consists of the periodic re-inspection of all properties within the jurisdiction. Data maintenance is the process of capturing and valuing new construction and new subdivisions, and any changes due to building permits. Value updates is the process of annual adjustments applied to all properties using trending factors.

The effective date of the appraisal is January 01, 2021, with the exception of certain inventories in which the property owner elected an appraisal date of September 01, 2020. The effective date of this report is September 2, 2021.

The total market and taxable value per taxing entity as of July 21, 2021:

Total Value by Taxing Entity		
Taxing Entity	Market	Taxable
La Salle County	6,830,896,505	5,223,332,488
City of Cotulla	227,525,392	168,423,790
City of Encinal	31,728,155	25,775,881
Cotulla ISD	6,370,672,587	4,874,036,561
Dilley ISD	453,478,205	324,687,608
Wintergarden Water Conservation District	6,830,896,505	5,231,647,962



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09/02/2021

Date



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INTRODUCTION

Scope of Responsibility

The La Salle County Appraisal District has prepared and published this report to provide the citizens and taxpayers of La Salle County with a better understanding of the District's activities, operations, and responsibilities. This report has been completed in accordance with Standard 6 of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. This report has several parts consisting of a general introduction, along with information specific to the various functions of the appraisal district.

The La Salle County Appraisal District ("District") is a Political Subdivision of the State of Texas which was established through legislation passed in the 66th Texas Legislature. The Appraisal District is governed by a board of five directors, who are responsible for setting policy, approving the annual budget, reviewing and approving all financial transactions, and hiring the Chief Appraiser. The Chief Appraiser is responsible for establishing a budget, hiring personnel, managing District operations, and appraising all taxable property located in La Salle County as of January 1st of each year. The Board of Directors is also responsible for appointing members to serve on the Appraisal Review Board and the Agricultural Appraisal Advisory Board (AAAB).

The 2021 mass appraisal program was prepared and executed in accordance with the Texas Property Tax Code ("TPTC"). The District is responsible for discovering, listing, and appraising all taxable property within La Salle County on an annual basis. As such, District staff is responsible for inspecting an area encompassing over one thousand five hundred (1,500) square miles and is tasked with listing all property and appraisal related information on the appraisal roll. The appraisal roll is then provided to each of the taxing entities located in La Salle County who then utilize this information to levy property taxes. Once collected, these taxes provide much needed revenue for purposes of public health, safety, and education, among others.

Client and Intended Users

The Texas State Constitution provides the foundation for the "ad valorem" tax system. Ad valorem, a Latin phrase meaning "according to value", is the basis for property values being established at market value. Property taxes based on market values established by appraisal districts throughout Texas is the largest funding source for local governments. Property taxes help fund public education, community colleges, city and county governments, and other local governmental entities.

For the purpose of this report, the taxing entities are considered the appraisal clients. However, taxing entity officials, the general public, property owners, and the Comptroller of Public Accounts for the State of Texas are considered other intended users of this appraisal report. Listed below are the taxing entities located within La Salle County and the number of accounts within their respective jurisdiction.

Taxing Entities	Total Parcels
La Salle County	68,312
City of Cotulla	4,400
City of Encinal	741
Cotulla ISD	61,852
Dilley ISD	6,886
Wintergarden Water Conservation District	68,312

- As of July 20, 2021 - PACS Certification Grand Totals

Intended Use

The intended use and purpose of the appraisal is to establish market value. The market value of the subject universe of properties was prepared exclusively for “ad valorem” tax purposes. Equity and uniformity must also be accomplished within the universe of properties. All taxable property was appraised at its market value as of January 1st, except as otherwise provided by the Texas Property Tax Code (TPTC). Analyses were performed and conclusions were achieved after the effective date, therefore, the market value for the subject property was established in retrospect to comply with the effective appraisal date as set by TPTC.

The market value of property shall be determined by the application of generally accepted appraisal methods and techniques. The District determines the market value of a property using mass appraisal standards which comply with the 2020-2021 Edition of Uniform Standards of Professional Appraisal Practices (USPAP).

The same or similar appraisal methods and techniques are used in appraising the same or similar types of properties.

A mass appraisal system, as established by IAAO, has three (3) main functions; reappraisal, data maintenance; and value updates. **Reappraisal** consists of the periodic re-inspection of all property within the jurisdiction. **Data maintenance** is the process of capturing and valuing new construction and new subdivisions, and any changes due to building permits. **Value updating** is the process of annual adjustments applied to all

properties using trending factors. LSCAD is responsible for implementing the three (3) functions of the mass appraisal system in La Salle County.

Equity and uniformity is measured through appraisal level and uniformity statistics. Appraisal level statistics include the calculation of the mean, median, and aggregate (weighted) mean of the appraisal-to-sales ratio of the sample population of qualified sales.

General Assumptions and Limiting Conditions

This appraisal report has been prepared under the following general assumptions and limiting conditions:

1. Information furnished by third parties is assumed to be true, factually correct, and reliable. No responsibility for its accuracy is assumed by the appraiser. Should there be any material error in the information provided to the appraiser; the results of this report are subject to review and revision.
2. All mortgages, liens, and encumbrances have been disregarded unless otherwise stated within the property record. The subject property is analyzed as though under responsible ownership and competent management.
3. It is assumed the utilization of the land and any improvements is located within the boundaries of the property described. It is assumed that there are no adverse easements or encroachments for any parcel that have not already been addressed in the mass appraisal.
4. In the preparation of the mass appraisal, all inspections are made from the exterior only. It is assumed that the condition of the interior of each property is similar to its exterior condition, unless the appraiser has performed an interior inspection at the request of the property owner or received additional information from qualified sources giving more specific detail about the interior condition.
5. It is assumed in these analyses that there were no hidden or unapparent conditions of the property, subsoil, or structures, including hazardous waste conditions, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them. No responsibility is assumed for legal matters existing or pending, nor is opinion rendered as to title, which is assumed to be good.
6. It is assumed that properties and/or the property owners are in full compliance with all applicable federal, state, and local land use laws, zoning and environmental regulations; unless non-compliance is noted, described, and considered in the property record.

7. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and/or analysis of this property to determine whether or not it is in conformity with the various 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 elements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of the ADA in estimating the value of the subject property.

8. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

9. Possession of this report, or a copy thereof, does not carry with it the right of publication.

10. Unless prior arrangements have been made, the appraiser, by reason of this report, is not required to give further consultation or testimony, or to be in attendance in court with reference to the property that is the subject of this report.

11. No legal survey has been prepared or commissioned. Therefore, references to a map, sketch, plat, diagram or previous survey appearing in the property record is only for the purpose of calculating square footage and estimating the market value of the property.

12. Unless otherwise noted, this appraisal has not given any specific consideration to the contributory or separate value of any mineral and/or timber rights associated with the subject real estate, as they are carried on separate accounts.

13. It is assumed that the mineral appraisal firm of Wardlaw Appraisal Group L. C. (WAG) has fulfilled their contractual obligation by establishing fair and equitable market values for properties as noted in their contract.

14. Disclosure of the contents of this report is governed by the laws, bylaws, and regulations of the Texas Property Tax Code and the 2020-2021 edition of USPAP.

15. The signatories of this appraisal are Registered Professional Appraisers licensed by Texas Department of Licensing and Regulation (TDLR). The Chief Appraiser and Deputy Chief Appraiser are Certified Chief Appraisers (2008 and 2017, respectively). The Signatories have been involved in mass appraisal valuation and/or review of many properties. Their education and experience in valuing properties satisfies the competency provision of USPAP. Reference Exhibit "C".

16. This appraisal was prepared by the appraisers named herein for the exclusive use of the client named herein. The information and opinions contained in this appraisal set forth the appraiser's best judgment in light of the information available at the time of the preparation of this report. Any use of this appraisal by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility and at the sole risk of the third party. The appraiser accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this report.

17. This appraisal report of the subject universe of properties was prepared exclusively for "ad valorem" tax purposes.

Extraordinary Assumptions or Hypothetical Conditions

As of January 1, 2021, the following hypothetical condition exists:

- Market value is established at what a property would sell for although the property is not offered for sale.

Aerial photography has been incorporated into mass appraisal procedures; therefore, the following assumptions are made:

- The structures identified are situated on the property.
- The uses of the structures as classified are accurate.
- The improvement measurements are accurate.
- The property boundary lines are accurate and reliable.

Effective Date of Appraisal

Section 23.01 of the Texas Property Tax Code establishes the effective date of all appraisals as January 1, 2021, with the exception of certain inventories in which the property owner elected an appraisal date of September 1, 2020.

Date of Report

The effective date of this report is September 2, 2021. The following appraisers provided assistance in the preparation of this report:

- Robert J. Peregoy, Deputy Chief Appraiser

Definition of Value

Market value, as defined by Section 1.04(7) of the Texas Property Tax Code, means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
- both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the other.

The Texas Property Tax Code defines special appraisal provisions for the valuation of several different categories of property. Specially appraised property is taxed on a basis other than market value as defined above. These categories include agricultural and timber property (Chapter 23, Subchapters C and D, TPTC), certain types of dealer inventory (Sections 23.121, 23.124, 23.1241 and 23.127), and nominal (Section 23.18) or restricted use properties (Section 23.83).

Identification of Subject Property

The subject property of this report is the entire universe of taxable property located within La Salle County and subject to appraisal by this office. The universe of taxable properties consists of three categories: Real Property, Personal Property, and Utilities and Mineral properties. Any taxable real and personal property discovered to be left off of the appraisal roll will be supplemented for the appraisal years omitted as prescribed under Section 25.21 of the Texas Property Tax Code.

The property rights appraised within the subject property are fee simple estate, with the exception of leasehold interests in property exempt to the owner of the estate or interest encumbered by possessory interest. Leasehold interests are appraised under a statutory formula described in Section 25.07 of the Texas Property Tax Code.

Fee simple estate as defined by *The Dictionary of Real Estate Appraisal Third Edition* is “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by governmental powers of taxation, eminent domain, police power, and escheat”. The bundle of rights consists of six basic rights associated with the private ownership of property.

They are:

- The right to use
- The right to sell
- The right to rent or lease
- The right to enter or leave
- The right to give away, and
- The right to refuse to do any of these

TPTC Section 23.01 (b) establishes that “each property shall be appraised based upon the individual characteristics that affect the property’s market value, and all available evidence that is specific to the value of the property shall be considered in determining the property’s market value.”

Scope of Work

The 2021 mass appraisal program evaluated all taxable real and personal property within the jurisdictional boundaries of the La Salle County Appraisal District, which encompasses all of La Salle County, Texas. Currently, this process involves a total of 68,312 accounts, which are distributed among District staff for review and completion.

The Chief Appraiser, as the Chief Administrator and Chief Executive Officer of the appraisal district, personally or through delegation of duties, is responsible for the overall operations of the District.

As Chief Administrator, he/she may contract legal services, consulting services, outsource appraisal services, and/or employ temporary services as needed, to perform the District’s duties and responsibilities.

The District employs five full time staff members who are tasked with various appraisal or support functions. In addition to these individuals, the District is managed by a team of five individuals who perform services for LSCAD in accordance with an interlocal agreement executed between the La Salle County Appraisal District and the Webb County Appraisal District. Through this arrangement, the division of duties is distributed as follows:

Administration - Administrative functions are under the supervision of the Chief Appraiser and consists of all business and accounting related functions, Board of Directors coordination, and general oversight of all District functions.

IT/GIS/Ownership – All functions related to Information Technology, mapping, and ownership are under the direction of the IT/GIS Director for LSCAD, who supervises the work of the full time Deed Clerk. These functions include maintaining and updating the digital cadastral maps through GIS. Additionally, staff reviews all filed deeds and processes ownership transfers based upon the various conveyance documents which are

typically filed with the La Salle County Clerk's office. Additionally, this area is responsible for evaluating potential property splits and creating new accounts when a large tract of land is developed into a subdivision and/or when it is split into smaller tracts. In addition to the aforementioned responsibilities, the IT/GIS Director is responsible for establishing and maintaining the District's hardware, software, and all other associated elements within the District's computer/network infrastructure. These duties include providing support and training to District staff, as well as, developing security measures to protect the District from unknown threats.

Data Management – These responsibilities include the management and input of data utilizing the District's appraisal software, as well as coordinating the data entry and notice requirements related to the valuation appeal process. These responsibilities include processing and inputting all property protests, supplemental changes, appraisal review board orders, and assisting with timely certification of the appraisal roll. Also required is the development, implementation and management of the District's Quality Control program, which includes a wide array of various audits and data checks to ensure that the integrity of the District's data is upheld. These tasks are managed by the Data Management/Quality Control Manager.

Appraisal – The appraisal department is responsible for all associated appraisal and taxpayer assistance functions of the District. This area is managed by the Deputy Chief Appraiser, who is assisted by the Appraisal/Real Property Operations Coordinator, who is a full-time employee of LSCAD. In addition, the District employs two additional full-time appraisers who report to the Operations Coordinator, and who carry out all necessary appraisal related duties. In addition to appraisal functions, this area is also responsible for the management of all customer service and Human Resources related functions. These duties include taxpayer assistance, exemptions administration, employee relations, personnel management and delivery of public information to the taxpayers, among others.

Although district staff conducted the majority of appraisal related activities, the district also uses a third-party appraisal firm for the appraisal of oil and gas and utilities. The contract for these services is solicited through bids and is awarded in two-year terms. The district has established procedures whereby ownership and property information are routinely exchanged.

Highest and Best Use

The highest and best use of real estate as defined by *The Dictionary of Real Estate Appraisal, Third Edition*, "is the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability".

Pursuant to Section 23.01(d) of the Texas Property Tax Code, “The market value of a residence homestead shall be determined solely on the basis of the property’s value as a residence homestead, regardless whether the residential use of the property by the property owner is considered to be the highest and best use of the property.”

With the exception of residence homesteads, the definition of highest and best use as outlined above still applies to appraisals conducted under the Texas Property Tax. Highest and best use is established when parcel accounts are created and identified by two (2) separate codes; generally, by state code and locally by neighborhood codes. The District considers the properties’ zoning, deed, and subdivision restrictions in the determination of highest and best use. An appraiser’s identification of a property’s highest and best use is a statement of opinion based on known facts of the property’s individual characteristics and potential use. The State category system which sorts the properties by type such as residential, commercial, multi-family, rural, and others is also considered. Neighborhood codes group properties by potential use and location. These concepts are discussed further in this report.

Appraisal Performance Tests and Performance Measures Attained

Section 403.302 of the Texas Government Code requires the Comptroller to conduct a study to determine the degree of uniformity and the median level of appraisals by the appraisal district within each major category of property, as required by Section 5.10 of the Texas Property Tax Code. The study is performed every other year, and if the locally appraised values for a particular school district are within the statistical margin of error of the state value, the Comptroller’s Property Tax Assistance Division (PTAD) will certify the school district’s local tax roll value to the Commissioner of Education. A 5% margin of error is used to establish the upper and lower value limit for each school district. If the local value falls outside the acceptable range, the Property Tax Assistance Division will certify the state value, unless the school district is eligible for a grace period, which is a period when local value is used even though it is determined to be invalid. The La Salle County Appraisal District had a property value study conducted in 2019, with final results being published on the Comptroller’s website at: <https://comptroller.texas.gov/taxes/property-tax/pvs/2019f/index.php>.

The final results for La Salle CAD indicated an overall ratio of 1.00, being 100% of market value, with the local tax roll value being certified to the Commissioner of Education.

Section 5.102 of the Texas Property Tax Code requires the Comptroller of Public Accounts to review county appraisal district governance, taxpayer assistance, operating standards, procedures and methodology at least once every two years. This review is known as the Methods and Assistance Program (MAP) Review, with the District’s most recent review being completed in 2020. The ratings for the District’s 2020 review were “PASS” for all of the mandatory requirements, “MEETS” for governance and “MEETS

ALL” for taxpayer assistance, operating procedures, and appraisal standards, procedures and methodology. A copy of the final report may be found at:

<https://comptroller.texas.gov/taxes/property-tax/map/2020/index.php>

Jurisdictional Exception

USPAP defines **JURISDICTIONAL EXCEPTION** as an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP. In this report there are a number of instances where the District claimed jurisdictional exception. These are listed below:

- TPTC section 23.01 (c) establishes that the appraisal of residential homestead properties shall be determined solely on the basis of its residential use value without consideration to the properties’ highest and best use as commercial in an area which is not exclusive to residential properties.
- TPTC Section 23.23 establishes a limit of 10 percent in value increase in the reappraisal of residential homestead properties from the previous appraisal year value.
- USPAP identifies an acceptable parameter of appraisal to sales ratio between 90 to 110 percent of market value, while the State of Texas mandates parameters of 95 to 105 percent of market value.
- TPTC Section 23.51(1) and the agricultural manual as adopted by the State provide the procedures for establishing agricultural value. Properties that qualified for agricultural appraisal will reflect two separate values; a market value and a special agricultural-use value. The “ag value” becomes the taxable value.
- TPTC Section 23.12 establishes the procedure for VIT/SIT appraisals. This inventory value was calculated using the sales average from the previous twelve months.

Report by Appraisal Division

As noted above, the District allocated the work of the mass appraisal among several areas within the appraisal district. The District develops, calibrates, and applies the various mass appraisal models for their respective property types. Wardlaw Appraisal Group appraises all mineral and utility properties for the District on a contractual basis.

2021 Mass Appraisal Program

As previously noted within the Scope of Work section of this report, the division of tasks is an essential element for the successful operation of the appraisal district. This section of the report complies with the Scope of Work disclosure requirements.

Appraisal involves the valuation of residential, commercial, business personal, agricultural/rural properties, as well as analysis related functions. The 2021-2022 Reappraisal Plan, prepared in compliance with TPTC Section 25.18, establishes a three (3) year reappraisal cycle for the re-inspection of all taxable property within La Salle County. These re-inspections are completed by reviewing the properties through one of the following appraisal activities:

- Physical inspections
- Aerial photography (Pictometry)
- Surveys and maps
- Fee appraisals and building plans
- Deeds and other legal documents

Residential Property – For Appraisal Year 2021, all residential improvements in Rural Area North (RAN1) were reappraised. All residential properties in these areas were inspected using aerial imagery to ensure accuracy and to adequately update District records. In preparing for this reappraisal, a large number of improvements were found to be omitted, or appraised on a “Flat Value” basis, which indicated that properties were not being appraised equally and uniformly.

Business Personal Property – For Appraisal Year 2021, all business personal property accounts located in the City of Cotulla were physically inspected in order to validate the existence and operation of local businesses. In January 2021, approximately 245 BPP rendition forms were mailed to business owners. The District processed a total of 153 renditions for 2021, which is 100% of what was received by LSCAD. Personal Property accounts located elsewhere will be physically inspected in subsequent years.

Agricultural Property – For 2021, new ag applications were requested for 50% of all owners located in the RAN1 market area. Once concluded, a total of 1,907 accounts were coded as receiving a current ag application in 2021, with ag inspections being performed physically and through Pictometry due to the ongoing COVID-19 pandemic. That figure represents 61% of all properties in this area. The remaining 39% will be cleaned up in Appraisal Year 2022.

Any improvements located during this process were inspected through Pictometry and re-sketched to ensure accuracy.

Commercial Property – For 2021, District staff performed inspections through the use of Pictometry and physical inspections for all commercial improvements located in CD02 and EXC. Most inspections were performed via Pictometry due to the ongoing COVID 19 pandemic, with all properties being inspected, verified, and corrected as needed.

Analysis – As part of its data analysis function, District staff was able to gather 38 sales through deeds of trust, fee appraisals, settlement statements, and during the prior year’s equalization phase. Each sale was coded in PACS with a sale type code, which allows sales to be segregated by different property types and non-arms-length transfers. This coding system facilitates managing and querying the sales database which is used to conduct ratio studies.

For the 2021 Appraisal Year, the District contracted various fee appraisers to perform various appraisal assignments. This process has improved the availability of comparable sales and other market information.

Property owners have the right to appeal an ARB decision either by filing a lawsuit in District Court, through binding arbitration, or through the State Office of Administrative Hearings (SOAH). This department maintained three (3) litigation cases throughout the appraisal year. A list of litigation cases and their respective accounts are maintained in PACS and updated accordingly. As judgments are received, change forms are prepared for each account listed in the judgment and presented to the ARB and subsequently forwarded to the taxing entities.

As per TPTC Section 23.01 (e), judgment values remain for a period of two appraisal cycles unless the reappraised property is reasonably supported by substantial evidence or by presenting evidence showing that an inequality in the appraisal of property was corrected. The judgment value was removed if the proposed 2021 value was lower or new improvements were discovered. If new improvements were discovered, the property was appraised accordingly.

In addition to litigation cases, the District facilitates any appeals received through SOAH or binding arbitration. In preparation for both types of hearings, the District will order fee appraisals to support the District’s case. If the value stated on the fee appraisal is higher than the appraised value, the District proceeds with the case. If the value on the fee appraisal is lower than the appraised value, the District recommends a settled value. Upon the determination of the case, the accounts are corrected in PACS and supplemented to the taxing units.

As previously noted in this report, **Wardlaw Appraisal Group L. C.** (WAG) was contracted by the District to perform the mineral and utility appraisals. A comparison of 2020 versus 2021 appraisal totals demonstrates a decrease in the number of mineral accounts and a decrease in overall mineral value. WAG prepared and submitted their 2021 Summary Report, which is hereby incorporated as part of this report and identified as Exhibit “B”.

Preliminary Testing Results

Land Valuation

Land Equalization Review

All properties were reviewed through the appraisal program to identify appraisal inequities across all property types. These accounts were reviewed for the following:

- non-conforming land schedules
- verify unusable designation
- property previously valued as unusable and is now usable
- land adjustments which are no longer applicable
- equalize land values to surrounding properties
- previous years' ARB land value adjustments
- court judgment land valuations

The review of these accounts resulted in equal and uniform land appraisals for the entire universe of properties utilizing the newly developed land schedule matrix for each property type.

Land Schedules (ratio studies)

Due to the comprehensive reappraisal of all land values in 2019, no land reappraisal was performed in 2021. District staff will periodically review market data in relation to existing land values to ensure that market value is maintained.

Agricultural Use Property Valuation

Section 23 of the TPTC establishes that land designated to agricultural use shall receive a special appraisal and shall be appraised at its productivity value as well as its market value. Productivity value is based on the land's capacity to produce agricultural products. The District values agricultural land in compliance with TPTC and "Texas Property Tax Manual for the Appraisal of Agricultural Land" is also utilized.

The TPTC definition of qualified open space land is *"land that is currently devoted principally to agricultural use to the degree of intensity generally accepted in the area and that has been devoted principally to agricultural use for five of the preceding seven years"*. For property located within the city limits, the land must be devoted principally to agricultural use continuously for the preceding five years in order to qualify for special appraisal.

Since the productivity value is based on the land's capacity to produce agricultural products the appraisal district annually sends out surveys to property owner(s) to establish income for the property (grazing, hunting, farming, and leases), as well as typical property expenses (ex: fencing, water, taxes, brush control, and management). This data is compiled and stored for future analysis. The process of establishing the special valuation uses an average of five years preceding the year of the appraisal starting the previous year.

The Texas Comptroller of Public Accounts establishes the capitalization (cap) rate annually. Beginning with appraisal year 2020, agricultural property owners in La Salle County began receiving Cash Lease Surveys which provided the District with information to assist in applying the cash lease method of appraisal to determine the special agricultural appraisal. The cash lease method uses information based on an agreement between landowner and tenant to lease the property at a fixed cash payment for a fixed period of time.

The net-to-land value per acre is calculated by the use of the income amount per acre minus expenses (landowner expenses)

$$\text{Net-To-Land Value Per Acre} = \text{Income Per Acre} - \text{Expenses Per Acre}$$

The net-to-land was averaged for the preceding five years to calculate an average net-to-land factor. The averaged net-to-land factor was then divided by the cap rate established for the year to determine a value per acre for each classification of agricultural property. The annual productivity valuations were determined following the guidelines as required by the TPTC.

Improved Property Valuation

Residential Property

Cost Approach

The District uses a hybrid cost-market approach when valuing residential properties. The square-foot method is used to calculate the base cost of a benchmark property. Some amenities or components such as open porches, garages, and servant's quarters are calculated as a percentage of the price per square foot of the main structure. Other amenities such as storage rooms, carports, and swimming pools are calculated on a fixed price per square foot.

Once the Replacement Cost New Less Depreciation (RCNLD) is calculated, the values are adjusted through modifiers based on current sales data. For the 2021 Appraisal Year, a reappraisal of improvements was performed for properties located in Rural Area North (RAN1), and the cost schedules for single family residences, condominiums, and townhouses from M&S 3rd Quarter August 2018 were used as a guide.

Sales Approach

The District measures the appraisal level and uniformity within the universe of properties through the use of appraisal-to-sale ratios of arms-length sales. The appraisal-to-sales ratio is calculated by dividing the appraisal value by the sales price of the property.

Appraisal level statistics include the calculation of the Mean, Median, and Aggregate (Weighted) Mean of the appraisal-to-sales ratio of the sample population of qualified sales. Mean is the sum of the ratios divided by the total number of ratios. Median is the midpoint, or middle ratio, when a set of ratios are sorted in ascending order. If the number of ratios is even, the median is the average of the two middle ratios. Aggregate (Weighted) Mean is calculated by the sum of the appraised values divided by the sum of the sales prices.

As previously noted in the Jurisdictional Exception section of this report, the State of Texas precludes the District from complying with USPAP acceptable parameters of appraisal-to-sale ratios. The State of Texas mandates parameters of 95 to 105 percent of market value.

Geographical Information System (GIS)

GIS was incorporated into the market analysis by identifying SFR, SFRN, DC_2, bank-owned properties, and ownership transfers. GIS facilitated the use of spatial analysis which provided the visual illustration of the market activity and other criteria noted above. Due to current issues affecting the accuracy of the District's maps, this process was somewhat hindered, but helpful in some respects.

Income Approach

The District does not utilize the income approach for single family residential property. Residential properties do not transfer for their income producing potential. Appraisers in the private sector do not utilize the income approach to value while appraising residential properties.

Commercial Property

Cost Approach

The objective of the commercial improvement schedules for the 2021 Appraisal Year is to keep the cost data current, as of the latest edition of the Marshall & Swift (M&S) Commercial Cost Explorer publication. The edition that was used to analyze the cost schedules is the M&S Commercial Cost Explorer August 2018. The Commercial Improvement Cost Schedule workbook is updated to analyze the schedules.

Sales Approach

Sales analysis is performed by executing sales ratio reports of all commercial sales that occurred. The number of sales for each property category for improved commercial properties was not sufficient to support a value change.

Income Approach

The income approach measures the present worth of the future benefits of a property by the capitalization of the net income stream over the remaining economic life of the property. The approach involves estimating the Effective Gross Income (EGI) of a property by deducting the appropriate vacancy and collection losses from its estimated gross income. Applicable operating expenses and an allowance for reserves for replacements are deducted to arrive at a Net Operating Income (NOI), that is then capitalized into an indication of value.

Income pro formas are performed on typical income-producing properties such as retail stores, warehouses, apartment complexes, and office buildings. The properties are tested using gross rent, vacancy, collection loss, expenses, and capitalization rates. Capitalization rates, vacancy and collection loss, and expense rates are established after reviewing 2020 third and fourth quarter national and regional data in the RERC publication, the 2020 third and fourth quarter national data on realtyrates.com, 2020 third quarter national data in the Korpacz Real Estate Investor Survey publication, and local data submitted through the commercial and apartment surveys. Rent rates are established by reviewing the classified ads in the Laredo Morning Times, as well as from the commercial and apartment surveys provided by the general public.

Hotel and motel income and occupancy data is collected from the Texas Hotel Performance Factbook annual report. This data is entered into a spreadsheet with historical data for each hotel/motel. The income approach to value (Rushmore Method) is calculated on a stabilized, three-year average for each individual hotel or motel and presented to the Commercial Review Committee.

Final Testing

Value Adjustment Summary

Attached as “Exhibit D” to this report is a certified value recap which provides the overall value change across all property types as compared to 2020 in order to assess the overall impact of the District’s reappraisal program.

Reconciliation

The final step in the appraisal process is reconciliation. In single-property appraisal, reconciliation is the process of resolving the differences that result from the application of the three approaches to value. It illustrates the values indication via the three approaches and states an opinion as to the weight placed on each approach. It also states the type of data used in the development of each value and the quality of same. In general, the appraiser should use and give the greatest weight to the approach that is most supportable, given the data available.

In mass appraisal, reconciliation is accomplished through model testing and measuring the quality of the values. In this final step, values generated from the mass appraisal system are compared with a representative sample of sales through a ratio study. In order to meet statistical appraisal standards, a value refinement process is required. The value refinement process entails the recalibration of appraisal models (schedules) until the values generated by the mass appraisal system meet statistical appraisal standards.

This refinement process is accomplished through the review of the quantity and quality of data available, data analysis, interpretation of analyses results, ratio studies, use of scatter graphs, and other stratified analysis as previously noted within this report.

The identification and the utilization of the three approaches to value used by District staff to appraise the various property types have been noted within other sections of this report.

The District completed the three main functions of the mass appraisal system, reappraisal, data maintenance, and value updates, as outlined within this report. The Chief Appraiser prepared taxing entity preliminary totals which were submitted to the Appraisal Review Board (ARB) on May 14, 2021 for initiation of the equalization (protest) phase.

Public Disclosure

Appraisal notices were mailed to property owners and agents on May 4, 2021 and totaled 925.

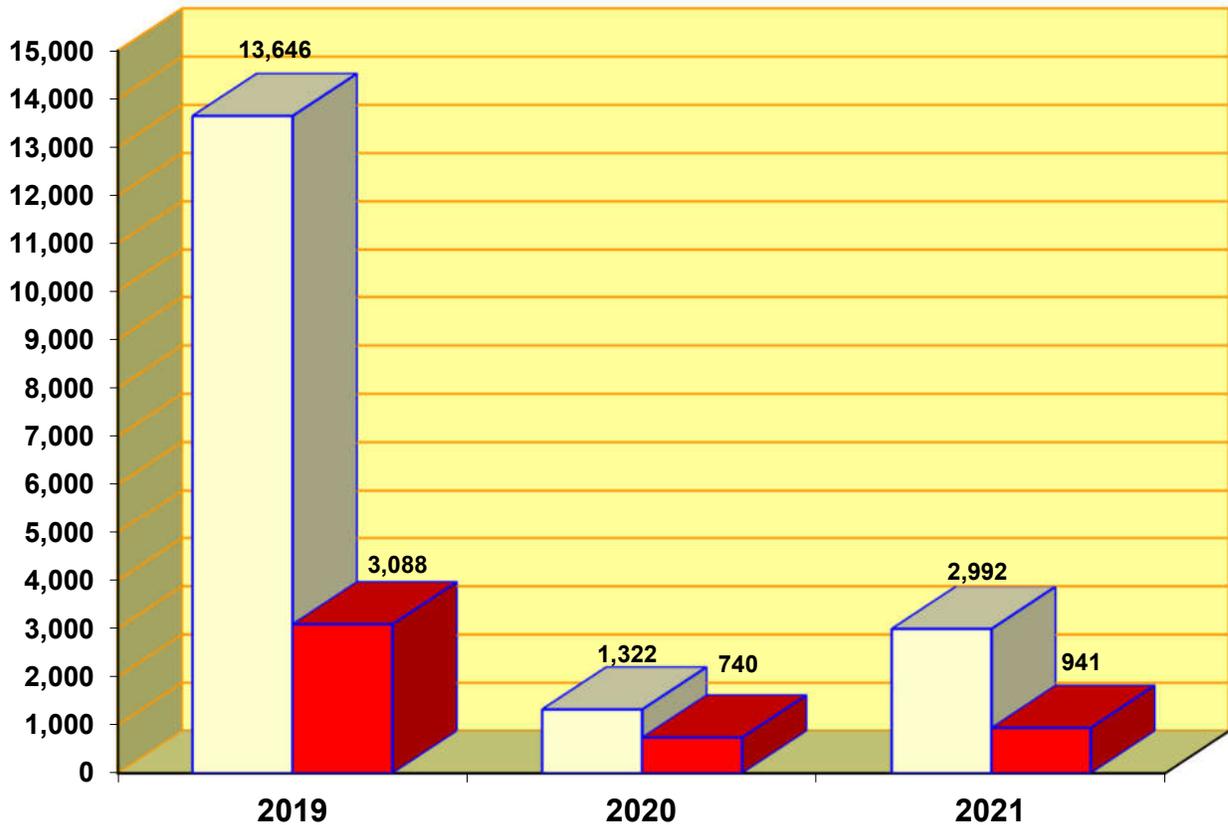
The second batch of appraisal notices, which consisted of Mineral and Utility properties, was mailed on April 15, 2021. There was a total of three (3) in-house mail outs between the months of May through July for a grand total of 2,992 appraisal notices, not including minerals.

The District published/distributed a number of news releases through various media sources. The local newspaper provided coverage for some of the news releases. As required by law, the District purchased several newspaper advertisements in order to inform the public of the appraisal notice mail outs and of the rights, responsibilities, and remedies of a property owner.

As a result of the appraisal notice mail-out, the District received and processed approximately 6,494 protests. The ARB held hearings for 14 days during the months of May, June, and July, and finalized 6,400 out of the 6,494 protest cases. The ARB was able to process, determine and finalize protest cases by July 15, 2021. Consequently, 99.13% of the appraisal roll was approved on July 19, 2021 by the ARB. The Chief Appraiser certified the appraisal roll to the taxing entities on July 21, 2021, and met the required deadline set by TPTC.

The graph below demonstrates a three-year comparison of the number of protests filed in relation to the number of notices mailed for accounts managed by LSCAD. These totals do not include mineral properties.

Notices vs. Protests



The number of protests filed during a typical protest period, which extends from May through July, saw a sharp increase in 2019 due to the comprehensive reappraisal which was performed. Protests filed on real and business personal property appraised in-house was approximately 10 percent of the total. In-house appraisers typically resolve approximately 85 percent of the protest cases. The ARB hears between 2 to 5 percent of the cases. The remainder of the cases are declared “no show” due to the failure of the property owner appear at his/her hearing.

In 2021, Wardlaw Appraisal Group L. C. was responsible for roughly 5,553 out of the 6,494 protests. Their representatives were available for informal reviews and for protest hearings dates. District staff was responsible for the remaining 941 protests. Appraisal staff was very resourceful in organizing for the protest by preparing protest packets which included sales and/or equity grids to support the District’s values. They assisted property owners and agents by conducting informal protest meetings and addressing their concerns.

Staff's superior effort resulted in the settlement of 692 cases and the withdrawal of 88 cases. The overall number of cases that were resolved informally was 83%. Based on these statistics, 2021 was recognized as a typical protest year.

Certification

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and it is our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest, other than in our personal residence, in the universe of properties that are the subject of this report, and we have no personal interest with respect to the parties involved.
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice and the Texas Property Tax Code*.
- We have made personal inspections of some the properties that are the subject of this report. Inspections performed by appraisal staff are recorded within the property records. Also noted within the appraisal record are the last inspection date and the last appraiser responsible for reviewing property characteristics used in the determination of the market value. Departmental appraisal staff is identified within this report.

- The following appraisers provided assistance in the preparation of this report:
 - Robert J. Peregoy, PHR, SHRM-CP, RPA, Deputy Chief Appraiser
- Mass appraisal involves the division of tasks, therefore significant mass appraisal assistance was provided by appraisal staff identified in **Exhibit “A”**.
- The District contracted the appraisal firm of Wardlaw Appraisal Group L. C. to perform mineral and utility appraisals and to represent the District in appeals and litigation of mineral and utility properties.
- By signing this report, we have relied on the work done by appraisal staff and others who did not sign this certification. We are therefore responsible for the decision to rely on their work and believe that the individuals performing the work are professional, ethical, credible and competent.

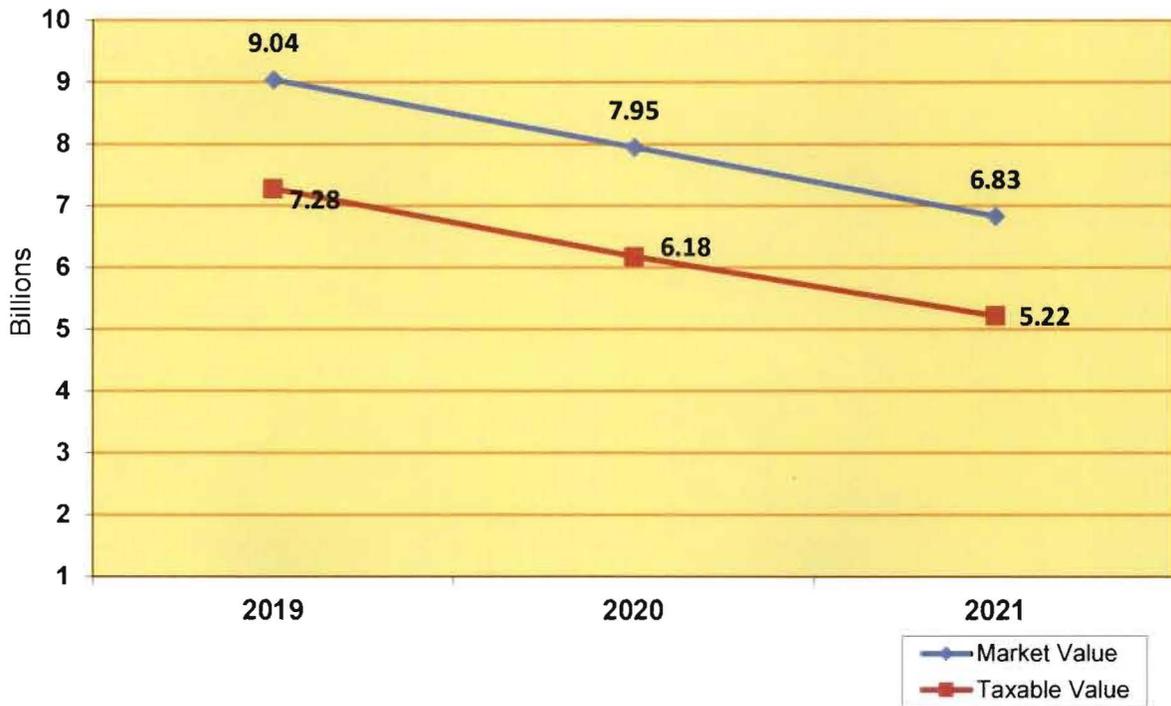
We, Robert J. Peregoy, Deputy Chief Appraiser and Martin Villarreal, Chief Appraiser for the La Salle County Appraisal District solemnly swear that we have made or caused to be made a diligent inquiry to ascertain all property in the District subject to appraisal by us and that we have included in the records all property that we are aware of at an appraised value determined as required by law.

The total market and taxable value per taxing entity as certified on July 21, 2021:

Total Value by Taxing Entity		
Taxing Entity	Market	Taxable
La Salle County	6,830,896,505	5,223,332,488
City of Cotulla	227,525,392	168,423,790
City of Encinal	31,728,155	25,775,881
Cotulla ISD	6,370,672,587	4,874,036,561
Dilley ISD	453,478,205	324,687,608
Wintergarden Water Conservation District	6,830,896,505	5,231,647,962

The graph below provides a 3-year comparison of the District’s overall market and taxable value. The graph illustrates that both the market and taxable value have steadily declined as compared to 2019 as a result of market forces impacting the oil & gas industry.

Market Value - vs - Taxable Value



La Salle County (G3) Certified Grand Totals as of July 20, 2021

Robert J. Pefegoy, RPA, License # 73615
Deputy Chief Appraiser
La Salle County Appraisal District

09/02/2021

Date

Martin Villarreal, RPA, License # 67635
Chief Appraiser
La Salle County Appraisal District

09/02/2021

Date

LA SALLE COUNTY APPRAISAL DISTRICT



Exhibit A

**Appraisers Providing Mass
Appraisal Assistance**

The following appraisers provided significant mass appraisal assistance in the appraisal of the subject property for the 2021 Appraisal Year. Each appraiser has contributed to the appraisal of the universe of property by completing their individual assignments within their respective scope of responsibility. Appraisers are registered with the Texas Department of Licensing and Regulation (TDLR).

Appraiser	Title
Robert J. Peregoy, PHR, SHRM-CP, RPA	Deputy Chief Appraiser
Peter Gonzalez, RPA	Data Management/Quality Control Manager
Ismael Ramirez, Jr., RPA	Analysis/Commercial Real Property Supervisor
Jodie Cantu	Appraiser
Thomas L. Gonzalez	Appraiser

RPA – Registered Professional Appraiser

LA SALLE COUNTY APPRAISAL DISTRICT



Exhibit B

Wardlaw Appraisal Group, LC 2021 Mass Appraisal Summary Report

Wardlaw Appraisal Group, L.C. Mineral, Utility, Industrial, & Personal Property 2021 Mass Appraisal Report

INTRODUCTION

Appraisal Responsibility

Wardlaw Appraisal Group, L.C. (WAG) is a contract mass appraisal firm responsible for developing fair and uniform market values on certain complex properties for client appraisal districts in Texas. The complex properties we appraise include mineral, utility, industrial, and personal properties. The client appraisal districts use these property appraisals as part of the appraisal roll for each of the taxing jurisdictions. WAG is under contract to support ten (10) Texas appraisal districts in 2021. Those appraisal districts are Brooks, Denton, El Paso, Kenedy, Kleberg, La Salle, Runnels, Starr, Webb, and Zapata.

Each contract between WAG and our client appraisal districts specifies our appraisal responsibilities in support of that district. Generally, those responsibilities are to discover, inspect, appraise, and maintain ownership records of the specific properties that are the subject of the contract. The properties covered under our contracts generally fall under the Texas Property Tax Code Categories G (minerals), J (utility), F1 (commercial real), F2 (industrial real), L1 (commercial personal) and L2 (industrial personal). The appraisal districts contract with WAG to provide these services because the districts do not have the personnel or resources to perform the appraisal internally.

Appraisal Resources

- Personnel – WAG maintains a professional employee and consulting staff that is skilled and experienced in property tax appraisal, engineering, information technology, administration, and division order maintenance. The appraisal staff consists of six (6) registered appraisers, five of whom are Registered Professional Appraisers (RPA), and two (2) Texas Registered Professional Engineers. These appraisal personnel are listed in Attachment 'A'. All appraisers maintain a current registration in good standing with TDLR. Our appraisers improve and supplement their mass appraisal skills by participating in continuing education classes and by attending property tax related conferences.
- Data – The appraisers inspect their assigned properties, if appropriate, to obtain information about buildings, site improvements, process and shop equipment, and various items of personal property. In addition, appraisal personnel use information provided by property owners concerning the cost to purchase, install, and construct items of real and personal property. For

mineral interests, data is collected from regulatory agencies such as the Texas Railroad Commission and the Texas Comptroller of Public Accounts, as well as from published data sources and fee-for-service companies.

VALUATION APPROACH (MODEL SPECIFICATIONS)

MINERAL APPRAISAL

Discounted Cash Flow analysis is the Income Method of Appraisal (Section 23.012 of the Texas Property Tax Code) used as the most appropriate technique for determining the market value of mineral properties. It is the primary appraisal method used for mineral properties. The Market Data Comparison Method of Appraisal (Section 23.013) and the Cost Method of Appraisal (Section 23.011) are also used. In addition, petroleum industry tendencies for acquisition and replacement cost (usually in dollars per barrel of oil equivalent) are considered. Because the sales and purchase prices of oil and gas properties are not generally disclosed, the Market Data Comparison method can seldom be used.

WAG uses discounted cash flow analysis to appraise every producing lease in the appraisal districts we support. The appraised value of each lease is distributed to each working interest, royalty, and overriding royalty interest owner based upon their decimal interest in the lease.

The oil and gas lease market values are reviewed and tested to ensure reasonableness and consistency. The reviews and testing include comparative analysis of the value, production, decline and price change from the previous year's appraisal. Additionally, comparative rules of thumb are reviewed to determine if the market value is in the correct range. The most common of these rules of thumb is that the appraised value of a mineral interest is often within 24-60 months revenue.

Additionally, the Property Tax Division of the Texas Comptroller of Public Accounts performs a Property Value Study each year, which effectively provides testing, and a comparative review of the mineral appraisals on a statistical sample of the leases in many of our counties.

UTILITY, INDUSTRIAL AND PERSONAL PROPERTY APPRAISAL

Area Analysis

The scope of market forces affecting industrial products and the capital goods used in the production process tends to extend beyond regional considerations. The effects of information and transportation technology are such that many industrial market forces are measured globally. One exception to this general concept is the market for industrial land. The pricing of land tends to be closely tied to possible alternative uses in the area. For this reason, the CAD appraisers assigned to land valuation analyze market forces for specific areas and adjust land value schedules appropriately.

Area Analysis

Neighborhood analysis of the type of properties valued by the industrial appraiser is not meaningful. Industrial properties do not have the type of generic “sameness” that is appropriate for neighborhood models.

Highest and Best Use Analysis

The highest and best use of real or personal property is the most reasonable and probable use of the property on the date of appraisal that is physically and financially feasible, legal, and that derives maximum production from the property. Usually, the current use of the property is the highest and best use of that property. Industrial facilities are commonly located in areas that support industrial use. In areas where mixed use does occur, the highest and best use of the property is examined by the appraiser to estimate the effect of this factor.

Market Analysis

Market analysis is the basis for finalizing value estimates on properties for which the utility, industrial and personal property appraiser has responsibility. Even though many utility and industrial properties are unique in nature, the market for this type property is analyzed to determine how the values of similar properties, or properties that are as similar as possible, are affected by market forces. Some industrial properties, such as machine shops, have many facilities that can be compared to similar subject properties in terms of type and size of equipment, type of property fabricated or services at the subject facility, and other factors. Those similarities help the appraiser estimate the value of the subject property.

Cost Analysis

The Cost Approach to value is applied to most personal property. This approach is utilized in conjunction with the Market and Income approaches to arrive at a final market value for most utility companies and many industrial companies. For the Cost Approach, depreciation schedules are developed based on the percent good typical for each property type at any specific age. Depreciation schedules have been implemented for what is typical of each major class of property by economic life categories. Schedules have been developed for improvements with varying years of expected life. The actual age, if known, and the effective ages of improvements are noted. Effective age estimates are based on the utility of the improvements relative to where the improvement lies on the scale of its total economic life and its competitive position in the marketplace.

Market adjustment factors such as external and/or functional obsolescence can be applied when warranted. A depreciation calculation override can be used if the condition or effective age of a property varies from the norm by appropriately noting the physical condition and functional utility ratings on the property data characteristics.

These adjustments are typically applied to a specific property type or location and can be developed via ratio studies or other market analyses.

Many utility, industrial and personal properties use the same types of buildings and, depending on the type of business, may use the same types of manufacturing or service equipment. Many of the buildings encountered at industrial facilities are generic in construction, such as pre-engineered metal buildings. The cost per square foot to construct these type structures can be used to estimate values at facilities that have similarly constructed buildings. However, the building as constructed will have differences that must be considered when estimating the final value of the property being reviewed. Most of these typical type buildings are appraised by CAD personnel.

However, some industrial properties, such as specialty chemical plants, are so unique in nature that the appraiser must use additional information such as output quantity, type of product manufactured, and other factors to estimate the value of the subject property. However, the way the entire business operation is put together may make a particular facility unique. The district uses information from similar businesses to examine the real property values at a particular business, but the individual characteristics of the business being reviewed determine the value estimation. Some industrial buildings are use specific and therefore have no comparable properties.

A similar analysis is used for personal property. Many items of personal property, such as furniture and fixtures, computers, and even machinery and equipment are generic in construction, but individual characteristics that affect value, such as usage, environment where used, and level of care will have an effect on the final value estimations. When cost data for this type of property is available and considered reliable, it is used for value estimation purposes at other plant facilities. However, on-site inspection and information provided by the property owner will affect the final value.

Income Analysis

Capitalization analysis is used in the income approach models. This methodology involves the capitalization of net operating income as an indication of market value for a specific property. Capitalization rates, both overall cap rates for the direct capitalization method and terminal cap rates for discounted cash flow analyses, can be derived from the market. Sales of improved properties from which actual income and expense data are obtained provide a very good indication of what a specific market participant is requiring from an investment at a specific point in time. In addition, overall capitalization rates can be derived from the built-up method (band-of-investment). This method relates to satisfying the market return requirements of both the debt and equity positions of a type of company.

Many utility companies are appraised on a Unit Appraisal Model, which utilizes both the income and cost approaches to value. Information from publicly available sources such as FERC and RRC reports are utilized to arrive at the input parameters for these types of properties.

DATA COLLECTION/VALIDATION

Data Collection

An extended range of variations may exist within the same class of utility, industrial or personal property, and there are a multitude of property types within the industrial category. For this reason, effective data collection procedures would be very difficult to organize in a single comprehensive manual. WAG uses many different publications available to the industry, such as the Oilfield Appraiser and the Equipment Newsletter, and other companion data acquisition forms to standardize data collection for schedule building that are later assigned to the industrial appraisal staff. The data generated by these forms enables the appraiser to use the software to value industrial properties.

Industrial personal property also consists of many different classes of assets with a wide range of variation within each class. The district has adopted the convention of listing assets and estimating effective age of assets in the field. The field listing is then compared with information furnished by the property owners during the final valuation review.

Sources of Data

The original real and personal property data used by WAG on behalf of the CADs have been maintained on the CAD computer system. The district and contract appraisal personnel have updated that information based on field review, renditions, and personal contact information. For Commercial vehicles, an outside vendor, Just Texas, provides the appraisers with a listing of vehicles registered commercially in the County. The vendor develops this listing from the Texas Department of Transportation Title and Registration Division records. As new facilities are built, the appraisal personnel collect all the real and personal property data necessary to value the property initially and thereafter update the information when the property is again visited. Other sources of data include publications such as the Texas Register regarding waste control permits, various refining and chemical industry magazine articles, and Texas Industrial Expansion articles on new construction.

Data Collection Procedures

The district and contract appraisal personnel annually or periodically visit assigned plants and facilities. The frequency of the visit is determined by the nature of the business conducted at each facility. For example, refineries and chemical plants are continually changing or adding to processes to extract greater efficiencies or make new products, but machines shops may not add or remove equipment over a period of two or more years.

The appraisers take with them the past data on the building and site improvements and the prior listing of personal property at the facility being visited. Changes to the existing structures and personal property are noted and that information is used for value estimation purposes. In addition, if possible, pictures are taken at the time of inspection to validate information provided on the rendition or to utilize for the appraisal if no rendition is submitted. If cost information for the real or personal property is supplied later, the field data can be compared to that information to judge the accuracy of the information.

The WAG appraisal staff members are not assigned any one geographical area of the county. The category of property, the nature of the business, and whether the district has the staff resources available can each be a determining factor in identifying which properties are appraised by WAG and which properties are appraised by the district's appraisal staff. WAG appraisers are trained by accompanying appraisers who have performed field visit and appraisal functions for several years. In additions each WAG appraiser is registered with the Texas Department of Licensing and Regulation and is either an RPA or is working towards the RPA designation. Each WAG appraiser is responsible for the completeness and correctness of their valuation work, but a new appraiser is encouraged to seek the advice of and review by experienced appraisal staff.

VALUATION ANALYSIS (MODEL CALIBRATION)

Final Valuation Schedules

WAG develops schedules based on indexed Marshall & Swift depreciation factors, as well as the schedules prepared by other appraisal districts, state appraisers and other cost estimates for use in the valuation of all business and industrial personal property. In addition, appraisal personnel, utilize actual cost data developed from both publicly available sources as well as proprietary information received from other companies without identifying information, to update these schedules annually.

INDIVIDUAL VALUE REVIEW PROCEDURES

Field Review

WAG personnel periodically review their assigned real and personal property accounts. These accounts are physically inspected on a one to two-year cycle. Certain properties are reviewed annually because experience shows that changes are occurring continually in the real or personal property at that facility.

The results of prior year hearings, renditions, and indications of new activity are another source that initiates required field visits. Many times, during hearings, issues are presented that cause a value adjustment. Those issues must be field checked to see if these influences will be on-going and warrant permanent value adjustments or are transitory. The information will be recorded so the appraiser will be better able to

estimate the property value. Any new construction or business activity is noted and the information necessary to value the property is recorded.

Part of the field review includes noting any land characteristics that would affect the land value. The district values all land for the properties over which it has responsibility, including those properties assigned to WAG. WAG advises the district of any characteristics that would affect the value of the land associated with an assigned facility.

Office Review

All properties are reviewed in the office by the WAG appraiser assigned to each utility, industrial, or personal property. The office review relies on historical information in the utility, industrial, or personal property file as the basis for deciding on the estimated value to be placed on the property for the current tax year.

The date of last inspection, extent of that inspection, and the appraiser responsible are listed in the WAG system. If a property owner disputes the district's records concerning this data in a protest hearing, the property record may be altered based on the credibility of the evidence provided.

When valuing utility, industrial or personal property, the type of furniture, equipment, computers, etc., will be used along with any cost data provided by the property owner to estimate the value. Experience in valuing similar property at other facilities will help the appraiser estimate the value of the subject facility. Individual characteristics of the property, such as usage and maintenance will have a bearing on the value calculated by use of the WAG schedules.

PERFORMANCE TESTS

Sales Ratio Studies

Ratio studies are an important tool to examine how close appraised values are to market values. The ratio study may use available sales data or independent, expert appraisals. Typically, there are not enough sales of utility and industrial properties to show representativeness of that class of property in a ratio study. Ratio studies of utility and industrial properties normally rely on independent appraisals as an indicator of market values.

Comparative Appraisal Analysis

This type of analysis is not normally performed on industrial property due to the unique nature of the property. Time and budget constraints regarding available appraisal staff also plays a role in the type of analysis that occurs. Only in an instance where a jurisdiction would file a jurisdiction challenge with the Appraisal Review Board would the district perform such an analysis.

If a CAD receives a jurisdiction challenge on a utility or industrial property category, the appraisers assigned to those accounts will research the appraisal roll to see what other similar properties exist. The real commercial property values can be compared on an average value per square foot of structure basis, but the location and type of improvement must be carefully accounted for in the valuation differences between two properties with the same square footage. Differences in location and type of improvement often account for a greater difference in market value than simple square footage. In like manner, the personal property values can be compared per category, such as furniture and fixtures, machinery and equipment, etc., but a comparison of the type and use of the property must be examined to ensure property value uniformity.

Attachment A
Wardlaw Appraisal Group Registered Personnel

PROPERTY TAX APPRAISER CERTIFICATION		
TDLR #	NAME	TYPE
74200	CRAIN, MALLORY M.	APPRAISER, RPA
73616	MCFARLANE, KATHLEEN M.	APPRAISER, RPA
74717	SHERWIN, PROCTOR	APPRAISER, RPA
66026	WARDLAW, MARGARET A	APPRAISER, RPA
70182	WILLIAMS, CHARLES R.	APPRAISER, RPA
71700	WILLIAMS, HAZIEL M.	APPRAISER, RPA
73672	WILLIAMS, C NOAH	APPRAISER, 3
PROFESSIONAL ENGINEERING CERTIFICATION		
PE#	NAME	BRANCH
76914	WARDLAW, MARGARET PEGGY ANNE	PETROLEUM
77254	WILLIAMS, CHARLES RAY JR	PETROLEUM
PROFESSIONAL ENGINEERING FIRM CERTIFICATION		
FIRM #	FIRM NAME	
5194	WARDLAW APPRAISAL GROUP LC	



PROPERTY CLASSIFICATION										
	G1 & G2 (MINERAL)		L1 & L2 (PERSONAL)		J (UTILITY)		F2 & F1 (INDUSTRIAL REAL)		CAD TOTAL	
CAD	ACCOUNTS	VALUE	ACCOUNTS	VALUE	ACCOUNTS	VALUE	ACCOUNTS	VALUE	ACCOUNTS	VALUE
BROOKS	8,119	\$69,921,740	92	\$23,384,740	171	\$177,863,360	3	\$625,700	8,385	\$271,795,540
DENTON	98,162	\$531,911,190	553	\$871,137,550	2,459	\$2,919,074,850	1	\$852,960	101,175	\$4,322,976,550
EL PASO	0	\$0	378	\$1,938,687,030	329	\$961,568,870	9	\$808,214,400	716	\$3,708,470,300
KENEDY	4,773	\$147,668,500	60	\$760,066,640	103	\$253,733,220	7	\$1,118,430	4,943	\$1,162,586,790
KLEBERG	4,830	\$18,483,630	64	\$45,568,960	302	\$261,380,510	1	\$450	5,197	\$325,433,550
LA SALLE	70,486	\$3,172,066,500	362	\$410,345,990	698	\$879,151,270	58	\$240,993,730	71,604	\$4,702,557,490
RUNNELS	5,665	\$16,979,160	167	\$81,674,910	197	\$189,625,510	59	\$11,467,710	6,088	\$299,747,290
STARR	30,684	\$174,808,560	182	\$992,510,490	331	\$302,982,100	10	\$27,584,240	31,207	\$1,497,885,390
WEBB	64,556	\$3,678,756,510	238	\$1,029,531,650	309	\$1,238,717,200	13	\$1,609,390	65,116	\$5,948,614,750
ZAPATA	48,085	\$205,822,870	119	\$470,322,160	185	\$194,139,870	9	\$894,660	48,398	\$871,179,560
TOTALS	335,360	\$8,016,418,660	2,215	\$6,623,230,120	5,084	\$7,378,236,760	170	\$1,093,361,670	342,829	\$ 23,111,247,210



CERTIFICATION

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

- The statements of fact contained in this report are true and correct
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and the personal, impartial and unbiased professional analysis, opinions and conclusions of either myself or of the other appraisers who support and appraise property for our client CDs.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any 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 for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinion, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- We have made personal inspections of many but not all properties that are the subject of this report.
- No one outside of Wardlaw Appraisal Group provided significant mass appraisal assistance to Wardlaw Appraisal Group personnel.

Charles R Williams, P.E., RPA
President

Date

LA SALLE COUNTY APPRAISAL DISTRICT



Exhibit C

Appraiser Certifications

Texas Association of Appraisal Districts, Inc.

hereby certifies

Martín Villarreal

has successfully completed

The Chief Appraiser Institute of 2008

and is hereby designated as a

Certified Chief Appraiser



Doris M. Koch

Doris M. Koch, Executive Director

TEXAS DEPARTMENT OF LICENSING AND REGULATION
P.O. Box 12157
Austin, Texas 78711-2157
1-800-803-9202 (512) 463-6599
<http://www.tdlr.texas.gov>



If you cut around the border of the registration certificate
it will fit in a standard 5" x 7" frame.

The license certificate at the bottom
of this page should be prominently
displayed at your primary business
location.

MARTIN VILLARREAL
3302 CLARK BLVD
LAREDO TX 78043-3346

Rick Figueroa
Chair

Thomas F. Butler
Vice Chair



Gerald R. Callas, M.D., F.A.S.A.
Helen Callier
Joel Garza
Gary F. Wesson, D.D.S., M.S.
Nora Castañeda

Registered Professional Appraiser

MARTIN VILLARREAL

Registration Number: 67635

The person named above is registered by the Texas Department of Licensing and Regulation

Registration Expires: NOVEMBER 17 2021

Brian E. Francis

Brian E. Francis
Executive Director

**Texas Association of Appraisal
Districts, Inc.**

hereby certifies

Robert Peregoy

has successfully completed

The Chief Appraiser Institute of 2017



Rick Figueroa
Chair

Thomas F. Butler
Vice Chair



Gerald R. Callas, M.D., F.A.S.A.
Helen Callier
Joel Garza
Gary F. Wesson, D.D.S., M.S
Nora Castañeda

Registered Professional Appraiser

ROBERT J PEREGOY

Registration Number: 73615

The person named above is registered by the Texas Department of Licensing and Regulation

Registration Expires: AUGUST 12 2022

Brian E. Francis
Executive Director