

Schedule 4
1120 E. 12th Street

APPRAISAL

TRACT 3 - EAST 11TH AND EAST 12TH STREETS REVITALIZATION PROJECT

1120 EAST 12TH STREET, CITY OF AUSTIN, TRAVIS COUNTY, TEXAS

FILE #: 4759.02A

EFFECTIVE DATE OF APPRAISAL: MARCH 19, 2013

DATE OF REPORT: MARCH 25, 2013

Prepared for
**CITY OF AUSTIN
OFFICE OF REAL ESTATE SERVICES
P.O. BOX 1088
AUSTIN, TEXAS 78767-8839**

Prepared by
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March 25, 2013

Mr. Justin Steinhauer
City Of Austin
Office of Real Estate Services
P.O. Box 1088
Austin, Texas 78767-8839

RE: Project: East 11th and East 12th Streets Revitalization Project
1120 East 12th Street, Austin, Texas
File #: 4759.02A

COA Assignment No. 44-268.02A

Dear Mr. Steinhauer:

The City of Austin is the client and intended user of this Self-Contained Appraisal. The intended use of the appraisal is to assist the City of Austin in its internal decision-making process and for disposition purposes by forming an opinion of the market value of the above referenced property.

This appraisal was conducted in accordance with the *Uniform Appraisal Standards for Federal Land Acquisitions* and the *Uniform Standards of Professional Appraisal Practice* (except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule as described in Section D-1 of the *Uniform Appraisal Standards for Federal Land Acquisitions*); and Code of Professional Ethics of the Appraisal Institute.

My opinion of the market value of the fee simple estate of the identified real property with an effective date of appraisal of March 19, 2013 is:

FOUR HUNDRED FORTY TWO THOUSAND DOLLARS
(\$442,000)

My opinions and conclusions are based on certain assignment conditions noted in the following sections of the report: *Assumptions and Limiting Conditions* and *Scope of Work*.

Respectfully submitted,

J. L. Craft, Ph.D., MAI
State Certified Appraiser TX-1320255-G

**APPRAISAL SUMMARY
FOR
OFFICE OF REAL ESTATE SERVICES
CITY OF AUSTIN**

Project Name: East 11th and East 12th Streets Revitalization Project

Date of Report: March 25, 2013

Date of Inspection: March 19, 2013

Effective Date of Appraisal: March 19, 2013

Subject Property: 13,200 SF vacant lot at the northwest corner of Navasota Street and East 12th Street

Address: 1120 East 12th Street

Owner: Urban Renewal Agency of the City of Austin

Property Rights Appraised: Fee Simple Estate

Type of Report: Self-Contained

Market Value Opinion: \$442,000

Appraiser: J. L. Craft, Ph.D., MAI

CERTIFICATION

1120 EAST 12TH STREET
CITY OF AUSTIN, TRAVIS COUNTY, TEXAS

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 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.
- I have performed services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of 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 development or 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.
- this appraisal was conducted in accordance with the *Uniform Appraisal Standards for Federal Land Acquisitions* and the *Uniform Standards of Professional Appraisal Practice* (except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule as described in Section D-1 of the *Uniform Appraisal Standards for Federal land Acquisitions*); and Code of Professional Ethics of the Appraisal Institute.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report; the property owner or owner's designated representative was given an opportunity to accompany the appraiser during the inspection of the property.
- no one provided significant real property appraisal assistance to the persons signing this certification.
- as of the date of this report, I, J. L. Craft, have completed the continuing education program of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



J. L. CRAFT, Ph.D., MAI
State Certified Appraiser TX-1320255-G

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Documents & Data

Market Data
Title Commitment Schedules A-C
Metes and Bounds
Notice to Proceed
Qualifications of Appraiser

The following documents are in the Workfile of this report and are publicly available as noted.

	COA Ordinance	Ordinance recorded, TCDR
<i>Urban Renewal Plan</i>	990114-10	Document # 1999157295 & 2000078958
	010802-89	Document # 2002204815
	030731-49	Document # 2003189506
	20050407-060	Document # 2005075165
	20080228-113	Document # 2008169755
<i>East 12th St. NCCD</i>	20080228-087	NA

EAST 11TH AND EAST 12TH STREETS REVITALIZATION PROJECT

1120 EAST 12th STREET
CITY OF AUSTIN, TRAVIS COUNTY, TEXAS

1. ASSIGNMENT ELEMENTS

Client:	City of Austin
Intended User:	City of Austin
Intended Use:	To assist the City of Austin in its internal decision-making process and for disposition purposes by forming an opinion of market value of the identified property
Definition of Value:	The price which the property would bring when its offered for sale by one who desires, but is not obligated to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future. <i>From the Court Case of City of Austin vs. Cannizzo, et al, 267 S.W.2d 808, 815 (1954)</i>
Project Name:	East 11 th and East 12 th Streets Revitalization Project
Subject Property:	13,200 SF vacant lot at the northwest corner of Navasota Street and East 12 th Street
Larger Parcel:	13,200 SF vacant lot
Location:	1120 East 12 th Street, Austin, Texas
Owner:	Urban Renewal Agency of the City of Austin
Property Rights Appraised:	Fee Simple Estate Fee simple estate is defined as: A title that signifies ownership of all the rights in a parcel of real property subject only to the four powers of government. American Institute of Real Estate Appraisers, <i>The Dictionary of Real Estate Appraisal</i> , Second Edition, (Chicago, 1989), page 120
Effective Date of Appraisal:	March 19, 2013
Dates of Inspection:	March 19, 2013
Date of Report:	March 25, 2013
Type of Report:	Self-Contained

2. PROPERTY DESCRIPTION

CENTRAL EAST AUSTIN NEIGHBORHOOD PLANNING AREA



Photographs taken by J. L. Craft, MAI on March 19, 2013



1. LOOKING WEST ALONG E. 12th ST. FROM SUBJECT'S SEC



2. LOOKING EAST ALONG E. 12th ST. FROM SUBJECT'S SWC



3. LOOKING NORTHWEST ACROSS SUBJECT FROM ITS SEC



4. LOOKING NORTHEAST ACROSS SUBJECT FROM ITS SWC

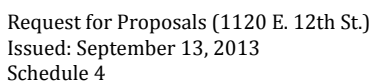


5. LOOKING EAST ALONG ALLEY FROM SUBJECT'S NWC



6. LOOKING NORTH ALONG NAVASOTA ST. FROM SUBJECT'S SEC

N



Legal Description:	A tract of land being 88' x 150', more or less, out of the subdivision of Outlot No. 41 in Division B of the City of Austin, the same being more particularly described by metes and bounds in the deed to Anderson community Development recorded in Volume 13124 Records, Travis County, Texas
Location:	Northwest corner of East 12 th Street and Navasota Street
Address:	1120 East 12 th Street
Size:	13,200 SF
Dimensions:	88' (E. 12 th St.) x 150' x 88' x 150' (Navasota St.)
Shape:	Rectangular
Access:	East 12 th Street, Navasota Street, and 20' alley
Soils & Terrain:	The soils and subsoils are typical for the area being Urban Land with Bracket and Travis soils. Urban Land is so altered by roads, parking lots, sidewalks, and other public works that it does not resemble any defined soil series. The East 12 th Street frontage is level, then slopes down gently toward the rear.
Flood Plain:	The site is not within a flood hazard zone as defined and identified by the City of Austin floodplain maps.
Utilities:	The site has City of Austin electricity, water, and wastewater available.
10- Year History:	Fern Govan, Administratrix of the Estate of Emma Marie Davis Gilbert, Deceased conveyed the subject property to Anderson Community Development Corporation on February 19, 1998, Volume 13124, Page 1079. The City of Austin conveyed the property to the Urban Renewal Agency of the City of Austin on April 2, 2004, Document #2004071161. No listings or offers are known.

Easements:**Easement:**

Recorded: Volume 4088, Page 1466, Deed Records, Travis County, Texas.

To: City of Austin

Purpose: Electric and Telephone

Notice Regarding: Urban Renewal Plan

Recorded: Document No. 1999157295, amended in Document No. 2000078958, Official Public Records, Travis County, Texas.

Type: Ordinance No. 990114-10

Recorded: Document No. 2002204815 Official Public Records, Travis County, Texas.

Type: Ordinance No. 010802-89

Recorded: Document No. 2005075165, Official Public Records, Travis County, Texas.

Type: Ordinance No. 20050407-060

Recorded: Document No. 2003189506, Official Public Records, Travis County, Texas.

Type: Ordinance No. 030731-49

Recorded: Document No. 2008169755, Official Public Records, Travis County, Texas.

Type: Ordinance No. 20080228-113

Assessed Values, Jurisdictions, &Tax Rates:

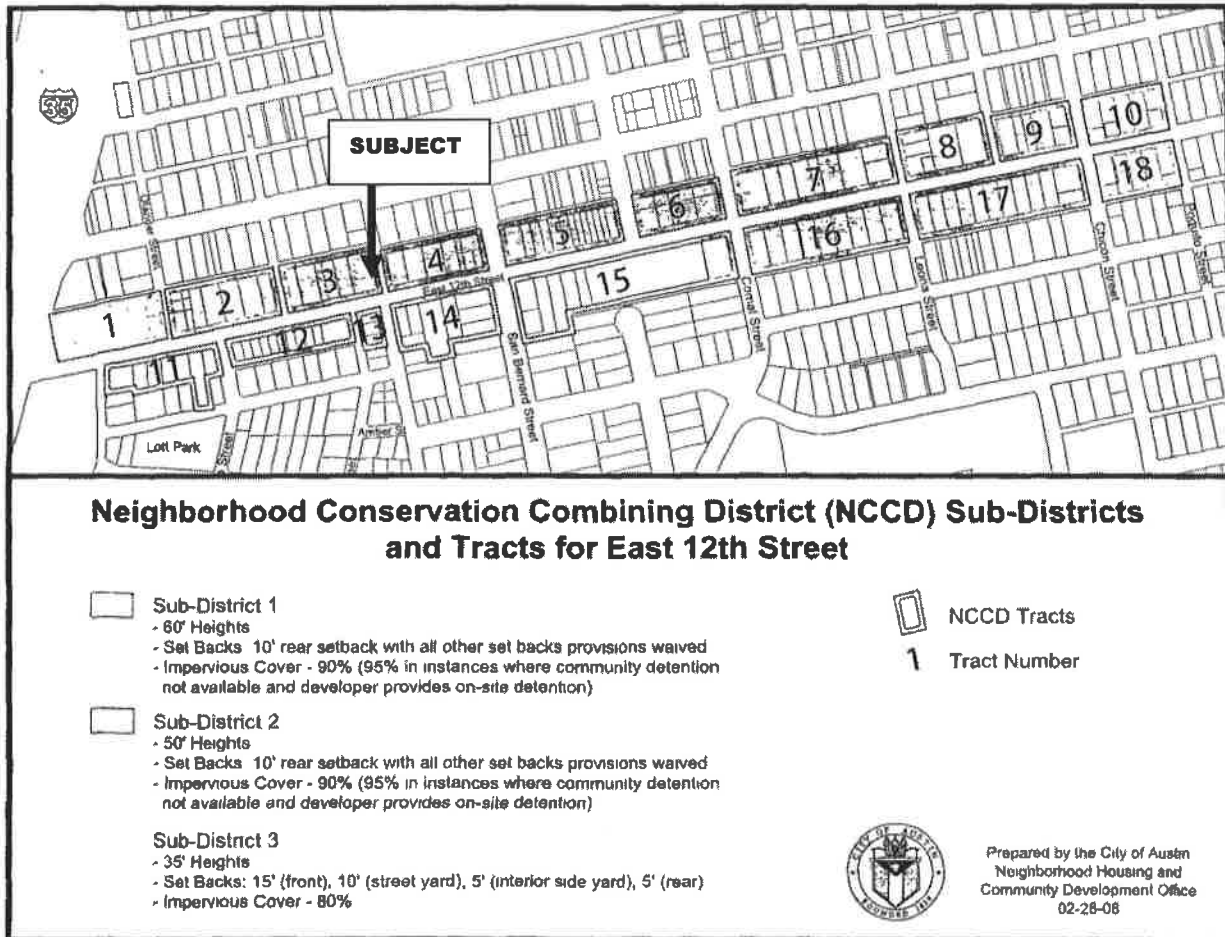
PARCEL NO.	ADDRESS	LAND	JURISDICTION	TAX RATE
02-0806-0307	1120 E. 12 th Street	\$198,000	Austin ISD	1.2420
			City of Austin	0.4811
			Travis County	0.4855
			ACC	0.0948
			Travis Co. Healthcare Dist.	<u>0.0789</u>
			TOTAL	2.3823

AERIAL



NCCD MAP

Subject is part of *Tract 3* and in Sub-District 2.



Zoning, Regulations, and Restrictions

The subject is zoned "CS-MU- NCCD-NP". The base zoning is "CS-MU-NP":

"CS": Community Commercial
"MU": Mixed Use
"NP": Central East Austin Neighborhood Plan,

The subject is in the Urban Renewal Plan (URP) and East 12th Street NCCD and would be developed in conformance to them.

The Central East Austin Neighborhood Plan states (in Appendix H) that the (URP) is the official redevelopment policy guidelines for the Central East Austin community and provides a continual mechanism for community-based participating in ongoing implementation of all redevelopment along its commercial corridors.

The Urban Renewal Plan indicates the following that applies to the subject (Project Number 12-3):

Permitted use: Mixed use between Branch & Curve; townhouses, between Curve & Waller excluding 1115 E. 12th which will be commercial; single family residential between Waller & Navasota on the south side of 12th St; ***mixed use or publicly-funded community parking between Waller and Navasota on the north side of 12th St.*** [my italics and bold] (Ordinance No. 20050407-060, effective April 18, 2005)

The term *mixed use*, as it applies to the subject property, is defined below:

"Mixed-use" means a building that provides for a combination of uses, requiring retail or office uses; on the ground floor (except for the exclusion of pawn shops; automobile sales, automotive sales, rentals and repairs; gas stations and adult oriented businesses), and some combination office/retail and/or office and residential uses on the other floors. Retail, office and residential uses referred to herein are as defined in the Land Development Code, as amended from time to time. Single story buildings and buildings less than 2000 sf on East 12th Street and single story buildings East 11th Street will not be required to provide a combination of uses, provided the use is retail, office or residential (except for the exclusion of pawn shops; automobile sales, automotive sales, rentals and repairs; gas stations and adult oriented businesses). Retail, office and residential uses referred to herein are as defined in the Land Development Code, as amended from time to time. (Ordinance No. 20050407-060, effective April 18, 2005)

The NCCD: the subject property is within Sub-District 2, the *East 12th Street Neighborhood Conservation Combining District* (Ordinance No. 20080228-087).

SUB-DISTRICT 2 - Sites generally on the northside of East 12th Street from Olander Street to Poquito Street, the southwest and southeast corners of Comal Street and East 12th Street, and the southside of East 12th Street between Comal Street and Poquito Street.

Site Development Standards for Sub-District 2:

Minimum Setbacks:

Front Yard	:	None
Street Side Yard	:	None
Interior Side Yard	:	None
Rear Yard	:	10'
Maximum Impervious Cover	:	90% of Lot Area
Building Heights	:	50'
FAR	:	No maximum

Parking: The combined total of on-site and remote spaces will not be less than 80% of Land Development Code parking requirement. Community parking lots will be developed within the district and available for use.

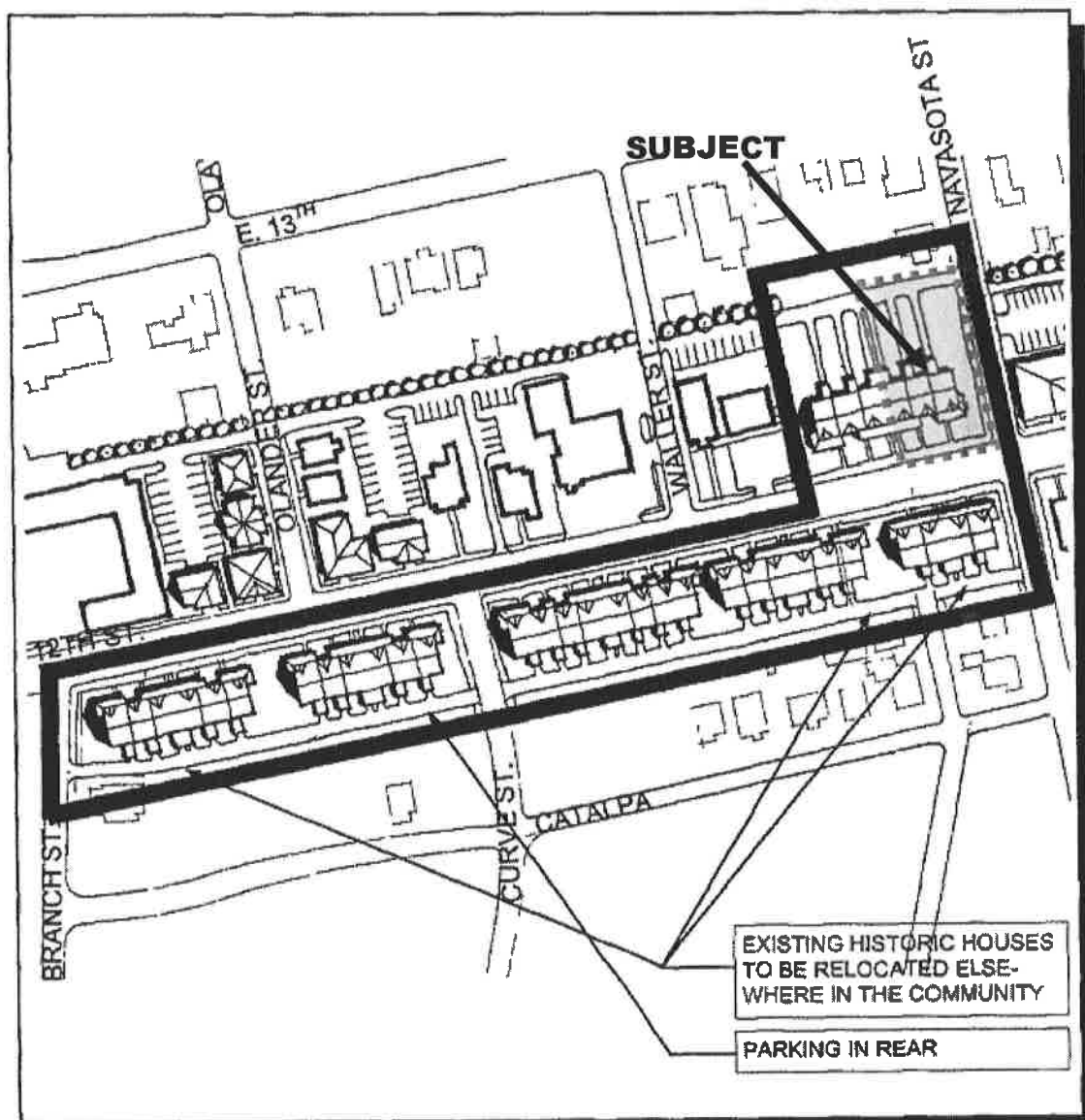
The subject parcel is within an Urban Watershed, Waller Creek, and must comply with the Urban Watershed Ordinance. Development would require participation in a regional storm water management program or construction of on-site detention ponds.

The following uses are prohibited in the East 12th Street NCCD. Those uses currently existing are allowed to continue as a legal non-conforming use as per the Land Development Code, section 25-2-941:

- | | |
|--|--|
| 1. Adult-Oriented Businesses | 14. Drive Through Services as an accessory use to a restaurant |
| 2. Automotive Rental | 15. Equipment Repair Services |
| 3. Automotive Repair | 16. Equipment Sales |
| 4. Automotive Sales | 17. Exterminating Services |
| 5. Automotive Washing | 18. Kennels |
| 6. Bail Bond Services | 19. Liquor Sales |
| 7. Campground | 20. Pawn Shop Services |
| 8. Carriage Stable | 21. Outdoor Entertainment |
| 9. Cocktail Lounge* | 22. Outdoor Recreation |
| 10. Laundry Service | 23. Service Stations |
| 11. Commercial Plasma Center | 24. Telecommunication Tower (if sited on ground) |
| 12. Convenience Storage | 25. Vehicle Storage |
| 13. Drop-off recycling Collection Facility | 26. Veterinary Services |

* Cocktail Lounge is a conditional use 1808-1812 E 12th Street.

[illegible]



PROJECT NUMBER/NAME	12-3/SCP II TOWNHOUSES-SOUTH
Project Location	South side of 12th St between Waller St and Branch St
Reuse Objective	Provide New Ownership Housing Opportunities on 12th St
Project Controls	
Site Area	3.2 Acres
Permitted Use	Townhouses
Allowable Height/Permitted FAR	35 foot maximum/ 0.36 Total Maximum FAR
New Commercial Space	0
Commercial Space to be Preserved	0
Potential New Housing Units	30-36
Existing Housing to be Preserved	0
Community Parking Spaces	0
Residential Parking Spaces	60-77 (2 spaces per unit)
Potential Demolition	6 houses and up to 1,400 square feet of commercial/retail

Figure 4-16: SCIP II Townhouses-South

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3. ASSUMPTIONS & LIMITING CONDITIONS

This appraisal is subject to the following assumptions:

1. Title to the ownership interest appraised being free of easements, encumbrances, leases, liens, restrictions and other limitations, except as noted.
2. Title to the ownership interest appraised being "good and marketable."
3. The property being under responsible ownership and competent management.
4. There being no hidden or unknown soil or subsurface conditions, which, if known, would render the property more or less valuable.
5. The property has no significant environmental concerns, based on the prior purchase by City of Austin which required an Environmental Site Assessment.
6. All information considered in the formation of the opinions, estimates, and conclusions set forth herein being factual, true, and correct.
7. Site is buildable and there is no significant impediment to any lot from a tree designated as a Heritage or Protected Tree.

The appraisal and this report are subject to the following limiting conditions:

1. The appraiser is not qualified to render an "opinion of title"; hence, no responsibility is accepted or assumed for matters of a legal nature affecting the property. The title to the property has been appraised assuming it to be marketable and free of encumbrances, except as noted.
2. The appraiser is not qualified to render an opinion as to the suitability of the soil and subsurface for any type of construction, development or use. The appraisal assumes there is no hidden or unknown soil or subsurface conditions that would render the title to the property more or less valuable. The appraiser does not warrant such condition.
3. The appraiser is not qualified to detect the presence of potentially hazardous materials such as urea-formaldehyde foam insulation, asbestos, and toxic wastes.
4. All photographs, sketches, and diagrams within and attached to this report or in the file memoranda are for illustrative purposes, intended to assist a reader in visualizing the property. While believed to accurately represent the property or a concept regarding the property, they are not guaranteed to be exact.
5. The land areas reported herein were obtained from sources deemed reliable. While the appraiser has checked them, they are neither guaranteed nor warranted by the appraiser. The appraiser reserves the right to amend any opinion, recommendation, and/or value conclusion based on an area found to be in error.
6. Information, estimates, and opinions used by the appraiser in forming his recommendations, opinions, and conclusions were obtained from sources thought reliable. While believed to be factual and correct, the accuracy of the information is neither guaranteed nor warranted by the appraiser and the appraiser reserves the right to amend his conclusions if they are based on misinformation.

7. There is no commercial value to the oil, gas, or mineral interests.
8. The bylaws and regulations of the Appraisal Institute govern disclosure of the contents of this document. As such, this report and its use are subject to review by duly authorized representatives of this organization.

4. SCOPE OF WORK

This appraisal was developed in accordance with the *Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)*; *Uniform Standards of Professional Appraisal Practice (USPAP)*; and the Code of Ethics of the Appraisal Institute. The subject property consists of a vacant tract of land in an area near the CBD and in the East 12th Street NCCD (Ordinance No. 20080228-087). It was inspected on June 13, 2012 and March 19, 2013.

Per the UASFLA, the Larger Parcel must be determined. The Larger Parcel is usually that tract or tracts of land which have unity of ownership and unity of use (the same highest and best use). Usually the tracts are contiguous. The subject property is a vacant tract consisting of 13,200 SF; it has not been subdivided, but is a legal lot. The Larger Parcel, in my opinion, is the 13,200 SF tract to be developed in accordance with the NCCD and URP.

Though the base zoning allows various uses, the use of the Larger Parcel is specified in the East 11th and 12th Urban Renewal Plan as mixed-use with no maximum FAR, 90% impervious cover, and allowable maximum height of 50'.

The subject's *mixed-use* zoning designation allows commercial, retail, office, or residential with retail or office uses on the ground floor and some combination of office/retail and/or office and residential uses on the other floors. Single story buildings and buildings less than 2,000 SF on East 12th will not be required to provide a combination of uses, provided the use is retail, office or residential.

The Sales Comparison Approach was used for forming an opinion of the subject property. Sales in the neighborhood were researched from public and vendor records, lenders, appraisers, brokers, and other market participants. All data used in the report was verified by J. L. Craft & Associates. The Sales Comparison Approach is based on the assumption that buyers will not pay more for a property than the amount required to purchase a suitable substitute. In application, this approach involves analysis of sales and offerings of properties similar to the subject in an effort to ascertain what prices the comparables might have brought had they possessed the same utility and desirability as the subject under market conditions similar to those existing on the effective date of appraisal. In those instances that the comparable is inferior to the subject, it is reasonable to expect that its price would have been higher had it been similar to the subject; when superior, the comparable most likely would not have brought as high a price had it been similar.

Information about the property and its environment was gathered from inspection of the subject property and neighborhood; various representatives of the City of Austin; and miscellaneous real estate reports, publications, data services, and files.

In accordance with *Section A-12* of the UASFLA, Area, City, and Neighborhood Data has been kept to an absolute minimum. (As the subject, comparables, and surrounding area are not in or affected by floodplain, a floodplain map has been omitted.)

Jurisdiction Exception Rule

Section D-1 of the Uniform Appraisal Standards for Federal Land Acquisitions requires invocation of USPAP's Jurisdictional Exception Rule. That section provides that the appraiser shall not link the opinion of market value to a specific exposure time and to disregard any changes in the property's neighborhood brought about by the government's project. No changes that would affect the market value of the subject due to the project were noted.

5. HIGHEST AND BEST USE

A definition of highest and best use is:

... the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value. Appraisal Institute, *The Appraisal of Real Estate*, Thirteenth Edition (Chicago: 2008), pp. 277, 278.

Highest and best use analysis inspects four criteria in estimating the use that results in the maximum return to the property. Potential uses are examined to determine first which are legally permissible and second, which of those are physically possible. Physically possible and legally permissible uses are then considered for financial feasibility and most productive uses.

Physically Possible. The subject has typical soils, all utilities, and is level to gently rolling. It has frontage on Navasota Street, E. 12th Street, and a paved alley at the rear. The subject is rectangular in shape with an area of 13,200 SF and 88' frontage on East 12th Street and 150' frontage on Navasota Street. In short, the subject is physically suitable for improvements and development in accordance with its zoning.

Legally Permissible. The subject property is identified for *Mixed Use* by the Urban Renewal Plan and must follow the site development regulations of Sub-District 2, *East 12th Street NCCD*. (See Pages 12 & 13)

The Urban Renewal Plan indicates the following that applies to the subject (Project Number 12-3):

Permitted use: Mixed use between Branch & Curve; townhouses, between Curve & Waller excluding 1115 E. 12th which will be commercial; single family residential between Waller & Navasota on the south side of 12th St; ***mixed use or publicly-funded community parking between Waller and Navasota on the north side of 12th St.*** [my italics and bold] (Ordinance No. 20050407-060, effective April 18, 2005)

"Mixed-use" means a building that provides for a combination of uses, requiring retail or office uses; on the ground floor (except for the exclusion of pawn shops; automobile sales, automotive sales, rentals and repairs; gas stations and adult oriented businesses), and some combination office/retail and/or office and residential uses on the other floors. Retail, office and residential uses referred to herein are as defined in the Land Development Code, as amended from time to time. Single story buildings and buildings less than 2000 SF on East 12th Street and single story buildings East 11th Street will not be required to provide a combination of uses, provided the use is retail, office or residential (except for the exclusion of pawn shops; automobile sales, automotive sales, rentals and repairs; gas stations and adult oriented businesses). Retail, office and residential uses referred to herein are as defined in the Land Development Code, as amended from time to time. (Ordinance No. 20050407-060, effective April 18, 2005)

For the subject, the following are important to the subject's use:

...a building that provides a combination of uses, requiring retail or office uses; on the ground floor and some combination office/retail and/or office and residential uses on the other floors.

Single story buildings and buildings less than 2000 SF on East 12th Street ... will not be required to provide a combination of uses, provided the use is retail, office or residential.

Accordingly, the subject could be developed with:

residences, being single-story or less than 2,000 SF; for several residences subdivision might be required for separate lots

a combination of retail, office, residential uses in a multi-story building (up to 50' in height). Uses not permitted include automotive-related, service station, exterminating services and kennels. (see Page 13)

For a multi-story building with a parking garage the following would apply:

1. Requirements for Parking Garages on East 12th Street:

i. All property owners that front both E. 12th Street and a side street must use the side street for the ingress/egress of the parking structure, unless determined by the City's Watershed Protection and Development and Review Department, or its successor, to be infeasible.

ii. For structures of two (2) stories but less than 30' in height, such structures must have complete shielding on the rear side of the structure and the adjacent rear-most fifty percent (50%) of the side walls adjoining such rear wall. Lights shall not be directed nor shall any light splash towards any rear adjacent properties. Overnight parking is limited to residents and their overnight guests.

iii. For structures of two (2) stories but less than 30' in height, such structures must have 75% of ground floor front footage which fronts E. 12th Street must be a pedestrian oriented use. There is a 15' depth requirement for all pedestrian oriented spaces. In the event that ingress/egress fronts such public street, the amount of footage taken up by ingress/egress must be rotated around building so that 75% requirement is met.

Example is a 100' by 100' garage at corner of Waller and E. 12th Street. Developer proposes to have ingress/egress facing E. 12th Street, which has a 30' width. Developer shall have satisfied this requirement if Developer provides 75' of a total front footage of a pedestrian oriented use, meaning an additional 5' of frontage on Waller. Structural pillars only are allowed to decrease the total requirement of 75'.

iv. For structures 30' in height or greater, such structures must have complete shielding on the rear side of the structure and the adjacent rear-most fifty percent (50%) of the side walls adjoining such rear wall. Lights shall not be directed nor shall any light splash towards any rear adjacent properties. Overnight parking is limited to residents and their overnight guests.

v. For structures 30' in height or greater, such structures must have 100% of ground floor front footage which fronts E. 12th Street must be a pedestrian oriented use. There is a 15' depth requirement for all pedestrian oriented spaces. In the event that ingress/egress fronts such public street, the amount of footage taken up by ingress/egress must be rotated around building so that the 100% requirement is met.

Example is a 100' by 100' garage at corner of Waller and E. 12th Street. Developer proposes to have ingress/egress facing 12th street, which has a 30' width. Developer must provide the 30' pedestrian oriented use on either Waller, the west side facing towards I-35 or towards the alley, so that there is a total front footage of 100' of a pedestrian oriented use. Structural pillars only are allowed to decrease the total requirement of 100'.

(From Ordinance No. 20080228-113, Recorded Doc. #2008169755)

Economic Considerations. It is beyond the scope of this appraisal assignment to specify the precise use or combination of uses of the subject with respect to office, retail, or residential, the type of building(s) and number of stories, and the type and orientation of parking or a parking garage. In the current market for smaller sites, such as the subject, in the subject neighborhood, there is little difference in price/SF between land developed for residential use and land purchased for commercial or potentially commercial use. New commercial development off of I-35 has been minimal along East 12th Street and East 11th Street.

The current market is more directed to residential development, as (1) financing constraints have eased, (2) apartment rents and occupancies, after two years of little or no construction of apartments, have risen, and (3) lot prices compare favorably with other areas near downtown.

An indication of the commercial land market is the tract located at 1000 East 12th Street, which is 50,063 SF, zoned "CS-MU-NCCD-NP" (same as the subject); and has an approved site plan for ground floor retail, administrative offices, multi-family residential, and townhome residential. It had been on the market for over three years, being listed March 2009 for \$1,938,000 or \$38.71/SF, and sold for \$1,700,000 or \$33.96/SF on August 9, 2012.

The market for residential lots and residences in East Austin has picked up since 2008, as financing is more available and Austin's economy is viewed as one of the best in the U.S. Below is a comparison of the lot sales and residential sales in MLS Area 5 (Area 5 is bounded by I-35, MLK, Ed Bluestein & Colorado River) for the selected three month periods:

LOT SALES: AREA 5				
Period	Sold	Median SP	%/SP/LP	Median DOM
3/15/11 to 6/14/11	24	\$81,250	95%	123
6/15/11 to 9/14/11	16	\$85,850	89%	59
9/15/11 to 12/14/12	20	\$105,000	96%	189
12/15/12 to 3/14/13	17	\$115,000	96%	21
RESIDENCE SALES: AREA 5				
Period	Sold	Median SP	%/SP/LP	Median DOM
3/15/11 to 6/14/11	93	\$195,000	97%	22
6/15/11 to 9/14/11	89	\$190,900	100%	13
9/15/11 to 12/14/12	80	\$185,050	98%	16
12/15/12 to 3/14/13	72	\$176,000	98%	27

For the Year 3/15/2011 to 3/14/2013, the trend shows a market with (1) lot prices increasing and residential prices slightly decreasing, (2) number of period sales stable for both residences and lots, (3) %SP/LP stable, and (4) days on the market stable for residences with demand increasing for lots during the first quarter of 2013 with a median days on the market of 21.

For the Period 3/15/2012 to 3/14/2013, the market experienced an increase in median lot price by about 42%. The increase in median lot price and the decrease in median residential sales price indicates a demand for new residences instead of older existing residences which predominate Area 5. In the Austin area, 1,626 homes were sold in February 2013, an increase of 26.4% from the 1,286 homes that sold in February 2012.

Conclusion. The highest and best use of the subject property is for residential or mixed use development in accordance with the East 12th Street NCCD and Urban Renewal Plan.

6. SALES COMPARISON APPROACH

Units of Comparison. The price per square foot of land area is a common unit of comparison in the market and is used in this analysis.

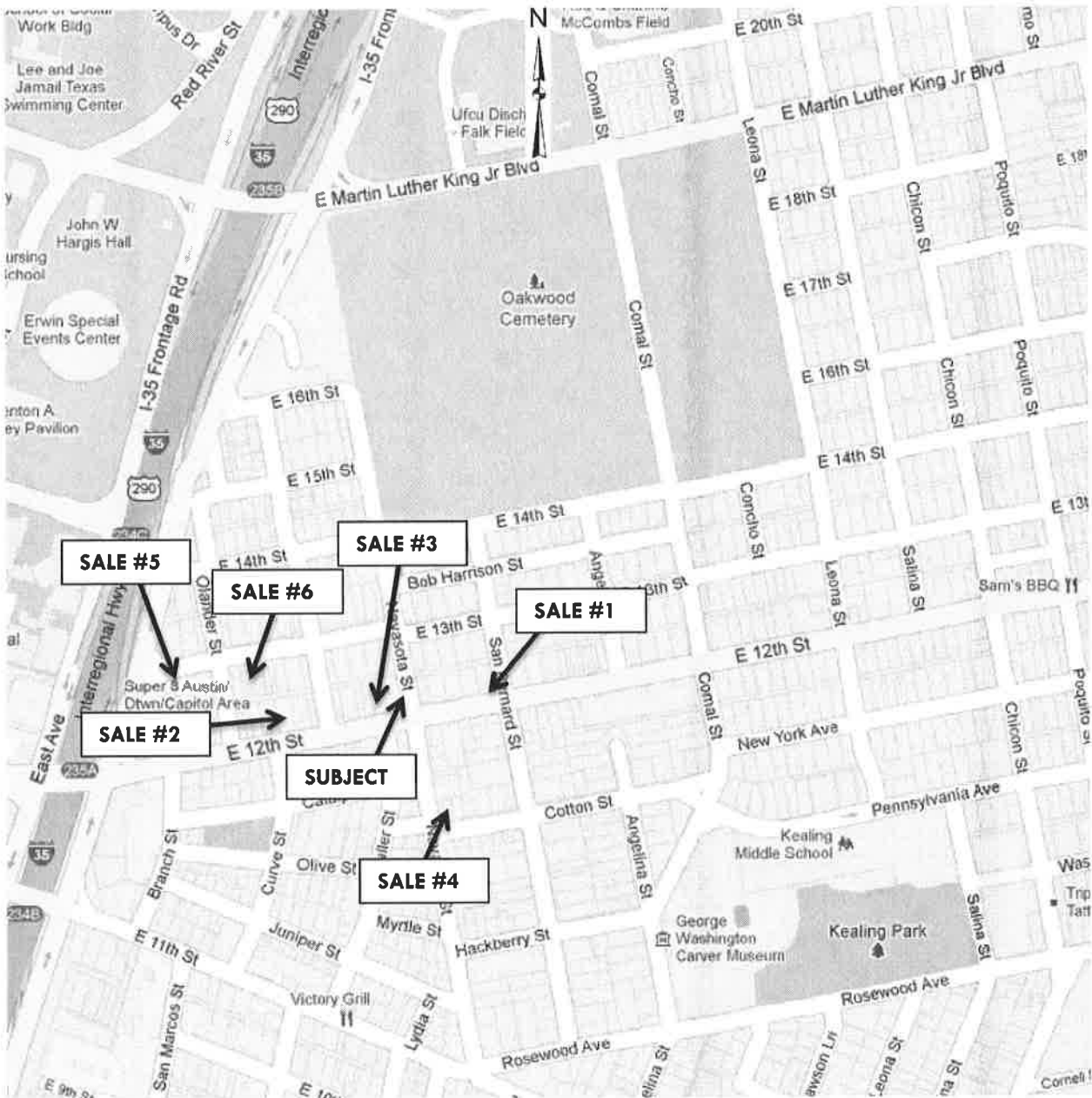
The comparables tabulated below are used as the basis for forming an opinion of the market value of the subject site. Additional information on each comparable is included on the market data sheets in the *Documents & Data* Section.

SUMMARY OF SALES						
SALE	1	2	3	4	5	6
GRANTOR	Henderson	Alma Tierra Ventures	Harris Properties	Henderson	Easely, et al	Antoine
GRANTEE	Austin Trust Co.	Louie World LLC	Harris 12 th , LLP	Smith	Bodner	Austin Newcastle Homes, Ltd.
DOC.#	2012164875 2012164877	2012131944	2005211580	2012202919	2012197436	2012033775
INSTRUMENT	GWD	WD	WD	WD	WD	GWD
DATE	9/28/2012	8/9/2012	6/7/2011	11/28/2012	11/20/2012	4/20/2012
LOCATION	1218 & 1224 E. 12 th St.	1000 E. 12 th St.	1112 E. 12 th St.	1200-1202 Cotton St.	813½ E 13 th St.	903 E. 13 th St.
SIZE (SF)	17,940	50,063	7,539	7,087	9,597	7,736
UTILITIES	All	All	All	All	All	All
ZONING	CS-MU-NCCD-NP	CS-MU-NCCD-NP	CS-MU-NCCD-NP	SF-3-NP	SF-3-NP	SF-3-NP
FRONTAGE	138' E. 12 th ; 130' San Bernard	253' E. 12 th ; 150' Waller	50' E. 12 th	83' Cotton; 86' Navasota	64.15' E 13 th	52' E. 13 th St.
CORNER	Yes	Yes	No	Yes	No	No
ALLEY ACCESS	Yes	Yes	Yes	No	Yes	Yes
INTENDED USE	Investment	Mixed	Investment	Residential	Residential	Residential
PRICE	\$595,000	\$1,700,000	\$145,000	\$270,000	\$249,000	\$153,000
TERMS	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Seller
PRICE/SF	\$33.17	\$33.96	\$19.23	\$38.10	\$25.95	\$19.78

(GWD: General Warranty Deed; WD: Warranty Deed)

Comparable sales map is on the following page.

MAP OF COMPARABLES



COMPARABLE SALES

Sale #1. This is a 17,940 SF site located at 1218-1224 East 12th Street, being the northwest corner of E. 12th Street and San Bernard Street. It is zoned CS-MU-NCCD, and it is not in the Urban Renewal Plan. It has alley access, has all utilities available, and is gently sloping. It is improved with a 2,195 SF retail building built in 1956; property was market as land. The property sold on September 28, 2012 for \$595,500 or \$33.17/SF, cash to seller, after 12 days on the market (Austin MLS # 7195486 & 7424979).

Sale #2. This is a 50,063 SF site located at 1000 East 12th Street. It has frontage on E. 12th Street from Olander to Waller and has access on an alley, Waller Street, and Olander Street. It is zoned CS-MU-NCCD and has an approved site plan. Site plan has two phases with a total floor area of 42,495 SF

GBA, FAR of 0.85 with ground floor retail, administrative offices, multi-family residential, and townhome residential. It was on the market over three years and sold on August 9, 2012 for \$1,700,000 or \$33.96/SF, cash to seller.

Sale #3. This is a 7,539 SF site located at 1112 East 12th Street. The lot is 50' wide, has a rectangular shape, has alley access, and is zoned CS-MU-NCCD, being in the East 12th St. NCCD. All utilities are available, and the lot is cleared and buildable. The site sold on June 7, 2011 for \$145,000, cash to seller, after 22 days on the market (Austin MLS #2061386). Buyer took first offer; listing price was \$225,000.

Sale #4. This is a 7,087 SF site located at 1200 and 1202 Cotton Street, being the northeast corner of Navasota Street and Cotton Street. The site is a ±83' x ±86' square with no alley access, and is zoned SF-3-Central East Austin NPA. All utilities are available, and the lot is cleared and buildable. The site sold on November 28, 2012 for \$270,000 or \$38.10/SF, cash to seller, after 12 days on the market (Austin MLS ## 7195486 & 7424979).

Sale #5. This is 9,597 SF site located at 813½ E 13th Street. The site is 64' wide, has a rectangular shape, has alley access, and is zoned SF-3-Central East Austin NPA. It is improved with a 948 SF residence built in 1930; marketed as s vacant lot. The site sold on November 20, 2012 for \$249,000 or \$25.95/SF, cash to seller, after 14 days on the market (Austin MLS # 2206659).

Sale #6. This a 7,736 SF lot located at 903 E. 13th Street. The lot is 52' wide, has a rectangular shape, has alley access, and is zoned SF-3-Central East Austin NPA. All utilities are available, and the lot is cleared and gently sloping. The lot sold on April 20, 2012 for \$153,000, with a note of \$100,000 to seller at market, after 30 days on the market (Austin MLS #2397968).

ANALYSIS

Methodology. The adjustments for *Property Rights Conveyed, Conditions of Sale, Financing, and Market Conditions* were applied to get an adjusted base price per lot for each sale. That adjusted price was used for comparisons, extractions, and derivations of the other adjustments.

ADJUSTMENTS TO DERIVE BASE PRICE/SF

- *Property Rights Conveyed*
- *Conditions of Sale*
- *Financing*
- *Market Conditions*

ADJUSTMENTS TO BASE PRICE/SF

- *Location*
- *Utilities*
- *Terrain*
- *Shape*
- *Zoning*
- *Size*
- *Corner/Access*

DERIVATION OF BASE PRICE/SF

The six comparables sales are representative of sales activity in the subject neighborhood for residential or competitive lots.

Property Rights. All of the comparables involve conveyance of fee simple estates with no unusual easements or encumbrances; therefore, no adjustments are warranted.

Financing. Sales #1-#5 are cash to seller. Sale #6 was seller financed with a note of \$100,000; agent report the note was at market terms. Hence no adjustments are required for this factor.

Conditions of Sale. Conditions of sale refer to the circumstances of the sale and whether the sale is arm's length. All of the comparables are arm's length transactions; thus no adjustments for this factor are warranted.

Market Conditions. Sales #1, #2, #4, and #5 sold after July 2012 and represent the current market. Sale #3 is a June 2011 sale, and Sale #6 is a April 2012 sale; these two sales represent the market conditions preceding the current market conditions. As noted in the Highest and Best Use, *Economic Considerations*, the market for land had been stable with an increase in demand for sites impacting the market mid to late 2012. I have paired Sales #3 and #6 with Sale #5, as the three sales are similar in size and absence of corner influence.

PAIRINGS FOR TIME ADJUSTMENT				
PAIR	COMPARABLES	P/SF	DATE	CHANGE
A	5	\$25.95	11/20/2012	+35%
	3	\$19.23	6/7/2011	
B	5	\$25.95	11/20/2012	+31%
	6	\$19.78	4/20/2012	

Based on the pairings, Sale #3 and Sale #6 are adjusted upward 33% for the change in market conditions. Below are the base prices/SF for the comparables.

BASE PRICE/SF						
SALE	#1	#2	#3	#4	#5	#6
PRICE/SF	\$33.17	\$33.96	\$19.23	\$38.10	\$25.95	\$19.78
CASH EQUIVALENCY	-0-	-0-	-0-	-0-	-0-	-0-
ADJUSTED P/SF	\$33.17	\$33.96	\$19.23	\$38.10	\$25.95	\$19.78
CONDITIONS OF SALE	-0-	-0-	-0-	-0-	-0-	-0-
ADJUSTED P/SF	\$33.17	\$33.96	\$19.23	\$38.10	\$25.95	\$19.78
MARKET CONDITIONS	-0-	-0-	+33%	-0-	-0-	+33%
BASE PRICE/SF	\$33.17	\$33.96	\$25.58	\$38.10	\$25.95	\$26.31

DERIVATION OF OTHER ADJUSTMENTS

The comparables and sales have similar locational factors, being located in the area bounded by I-35, Martin Luther King Boulevard, San Bernard Street, and East 11th Street. The sales and subject are similar with respect to *Utilities, Terrain, and Shape*.

The three elements of comparison requiring discussion are *Zoning, Corner/Access, and Size*. Below is an intermediate comparison grid.

INTERMEDIATE GRID 1						
SALE	#1	#2	#3	#4	#5	#6
BASE PRICE/SF	\$33.17	\$33.96	\$25.58	\$38.10	\$25.95	\$26.31
OTHER ADJUSTMENTS						
LOCATION	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR
UTILITIES	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR
TERRAIN	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR
SHAPE	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR
ZONING	SIMILAR	SIMILAR	SIMILAR	SF-3	SF-3	SF-3
CORNER/ACCESS	SIMILAR	SIMILAR	INFERIOR	SIMILAR	INFERIOR	INFERIOR
SIZE	SIMILAR	SIMILAR	SUPERIOR	SUPERIOR	SUPERIOR	SUPERIOR

Zoning. The subject is zoned "CS-MU-NCCD-NP", and the zonings of the sales are as follows.

ZONING COMPARISON		
SALE	ZONING	PRICE/SF
#1	CS-MU-NCCD-NP	\$33.17
#2	CS-MU-NCCD-NP	\$33.96
#3	CS-MU-NCCD-NP	\$25.58
#4	SF-3-NP	\$38.10
#5	SF-3-NP	\$25.95
#6	SF-3-NP	\$26.31

The zonings of all the sales allow residential development, but the zoning of Sales #1-#3 allows commercial and mixed-use development. Sales #1 and #3 were purchased as an investment. Sale #2 has a site plan for mixed use with office, retail, and residential uses. Sale #1 is in one size category, while Sales #3-#6 fall in another size category. Sale #2 appears to be in a different size category, which requires discussion, and is not used in the Zoning comparison. In Pair A, Sale #4 has been adjusted for size. In Pair B and C, the comparables are similar in their characteristics except for zoning.

PAIRINGS FOR ZONING ADJUSTMENT							
SALE	Pair A		Pair B		Pair C		
	#1	#4	#3	#5	#3	#6	
BASE PRICE/SF	\$33.17	\$33.60	\$25.58	\$25.95	\$25.58	\$26.31	
COMPARISON							
LOCATION	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	
UTILITIES	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	
TERRAIN	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	
SHAPE	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	SIMILAR	
ZONING	SIMILAR	SF-3	SIMILAR	SF-3	SIMILAR	SF-3	
CORNER/ACCESS	SIMILAR	SIMILAR	INFERIOR	INFERIOR	INFERIOR	INFERIOR	
SIZE	SIMILAR	ADJUSTED	SIMILAR	SIMILAR	SIMILAR	SIMILAR	

The pairings do not indicate a difference in price/SF for zoning. That commercial zoning does not command a higher price/SF is due, as of the date of appraisal, to the demand for residential lots in the subject area and the mix of commercial and residential uses that co-exist on E. 12th Street. Therefore, no adjustment for zoning has been made.

Size. Smaller sites often sell for a higher per unit price and larger sites often sell for a lower per unit price, other factors being similar. Below is a comparison of the subject and comparables.

SIZE COMPARISON				
SALE	SIZE (SF)	CORNER	PRICE/SF	COMPARISON TO SUBJECT
#2	50,063	YES	\$33.96	Similar
#1	17,940	YES	\$33.17	
Subject	13,200	YES		
#5	9,597	NO	\$25.95	Superior
#3	7,539	NO	\$25.58	
#6	7,736	NO	\$26.31	
#4	7,075	YES	\$38.10	

Sales #3-#6, being between 7,075 SF and 9,597 SF, are in the same size category. The subject and Sale #1 are in another size category. Though Sale #2 is significantly larger than the subject and comparables, it consists of about four tracts similar in size to the subject, which could be developed, and its size offers more flexibility in configuration of buildings, parking, and other improvements for greater density. In this case, the larger size of Sale #6 adds an element which offsets the decrease in price due to size alone. I rate Sale #6 *Similar*.

PAIRINGS FOR SIZE ADJUSTMENT						
PAIR	SALE	SIZE (SF)	CORNER	PRICE/SF	COMPARISON	DIFFERENCE
D	#1	17,940	YES	\$33.17	Similar	-\$4.93
	#4	7,075	YES	\$38.10	Superior	
E	#2	50,063	YES	\$33.96	Similar	-\$4.14
	#4	7,075	YES	\$38.10	Superior	

Pair D indicates a difference of -\$4.93/SF and Pair E indicates a difference of -\$4.14 for the difference in size. Based on the two pairs, an adjustment of -\$4.50/SF is applied to Sales #3-#6.

Below is an intermediate grid.

INTERMEDIATE GRID - 2						
SALE	#1	#2	#3	#4	#5	#6
BASE PRICE/SF	\$33.17	\$33.96	\$25.58	\$38.10	\$25.95	\$26.31
OTHER ADJUSTMENTS						
LOCATION	-0-	-0-	-0-	-0-	-0-	-0-
UTILITIES	-0-	-0-	-0-	-0-	-0-	-0-
TERRAIN	-0-	-0-	-0-	-0-	-0-	-0-
SHAPE	-0-	-0-	-0-	-0-	-0-	-0-
ZONING	-0-	-0-	-0-	-0-	-0-	-0-
SIZE	-0-	-0-	-\$4.50	-\$4.50	-\$4.50	-\$4.50
INDICATION	\$33.17	\$33.96	\$21.08	\$33.60	\$21.45	\$21.81

Corner/Access. Access may be enhanced by corner influence and alley access with the corner being a more significant characteristic than alley access. For some uses in the subject market, alley access may be beneficial for configuration of improvements, parking, and ingress/egress. The subject is a corner and has access by an alley.

COMPARISON OF ACCESS TO SUBJECT		
SALE	ACCESS	COMPARISON
#1, #2,	Corner & Alley	
#4	Corner & No alley	Similar
Subject	Corner & Alley	
#3, #5, #6	No corner & Alley	Inferior

For the group with Sales #1, #2, and #4, which range from \$33.17/SF to \$33.96/SF, I use \$33.50/SF for comparison purposes. For the group with Sales #3, #5, and #6, which range from \$21.08/SF to \$21.81/SF, I use \$21.50/SF. Based on that comparison, the adjustment for *Corner/Access* to Sales #3, #5, and #6 is \$33.50/\$21.50, being an upward \$12.00/SF.

Below is the adjustment grid.

SUMMARY OF ADJUSTMENTS						
SALE	#1	#2	#3	#4	#5	#6
PRICE/SF	\$33.17	\$33.96	\$19.23	\$38.10	\$25.95	\$19.78
CASH EQUIVALENCY	-0-	-0-	-0-	-0-	-0-	-0-
ADJUSTED P/SF	\$33.17	\$33.96	\$19.23	\$38.10	\$25.95	\$19.78
CONDITIONS OF SALE	-0-	-0-	-0-	-0-	-0-	-0-
ADJUSTED P/SF	\$33.17	\$33.96	\$19.23	\$38.10	\$25.95	\$19.78
MARKET CONDITIONS	-0-	-0-	+33%	-0-	-0-	+33%
BASE PRICE/SF	\$33.17	\$33.96	\$25.58	\$38.10	\$25.95	\$26.31
OTHER ADJUSTMENTS						
LOCATION	-0-	-0-	-0-	-0-	-0-	-0-
UTILITIES	-0-	-0-	-0-	-0-	-0-	-0-
TERRAIN	-0-	-0-	-0-	-0-	-0-	-0-
SHAPE	-0-	-0-	-0-	-0-	-0-	-0-
ZONING	-0-	-0-	-0-	-0-	-0-	-0-
SIZE	-0-	-0-	-\$4.50	-\$4.50	-\$4.50	-\$4.50
CORNER/ACCESS	-0-	-0-	+\$12.00	-0-	+\$12.00	+\$12.00
TOTAL ADJUSTMENTS	-0-	-0-	+\$7.50	-\$4.50	+\$7.50	+\$7.50
INDICATED PRICE/SF	\$33.17	\$33.96	\$33.08	\$33.60	\$33.45	\$33.81

The indicated prices/SF range from \$33.08 to \$33.96 with an average of \$33.51/SF and a median of \$33.53/SF, reconciled to \$33.50/SF.

My opinion of value of the subject property on March 19, 2013, subject to the assumptions and conditions of this report, is 13,200 SF x \$33.50/SF or \$442,000 (rd).

7. FINAL OPINION OF VALUE

The highest and best use of the subject is for retail, office, or residential use in accordance with the Urban Renewal Plan and the East 12th Street NCCD. An opinion of the market value of the subject was formed on the basis of the Sales Comparison Approach, using six sales. The adjustments were for *Market Conditions, Size, and Corner/Access* and were extracted by paired sales analysis.

Based on the Sales Comparison Approach, my opinion of the market value of the subject property on March 19, 2013, subject to the assumptions and conditions of this report, is:

FOUR HUNDRED FORTY TWO THOUSAND DOLLARS
(\$442,000)

DOCUMENTS & DATA

SALE #1

IDENTIFICATION

LOCATION : (1) 1218 E 12th Street; (2) 1224 E 12th Street
(NWC E. 12th St & San Bernard St.)
LEGAL : (1) W 50' of Lot 4, Block 1 of James O'Reilly's Subdivision of Outlot
38, Division B, Travis County, Texas
(2) Lot 5 and E. 19' of Lot 4, Block 1 of James O'Reilly's Subdivision
of Outlot 38, Division B, Travis County, Texas
TAX ID. NO. : 02-0708-0408, 0410
MAPSCO PG. : 585U

RECORDING DATA

GRANTOR : Thomas Henderson
GRANTEE : Austin Trust Company and Elizabeth Alford, Co-Trustee of the John
Rogers Alford, J. Life Insurance Trust
DOC.# : 2012164875 & 2012164877
INSTRUMENT : General Warranty Deed
DATE : 9/28/2012

SITE DATA

SIZE (SF) : 17,940 SF (6,500 SF & 11,440 SF)
SHAPE : Rectangular
FLOODPLAIN : None
TOPOGRAPHY : Level to gently sloping
UTILITIES : All Available
ZONING : CS-MU-NCCD-NP, Central East Austin NPA. Not in Urban Renewal
Plan
FRONTAGE : 138' E 12th St.; 130' San Bernard St; corner with alley access
HIGHEST & BEST USE : Residential

SALES DATA

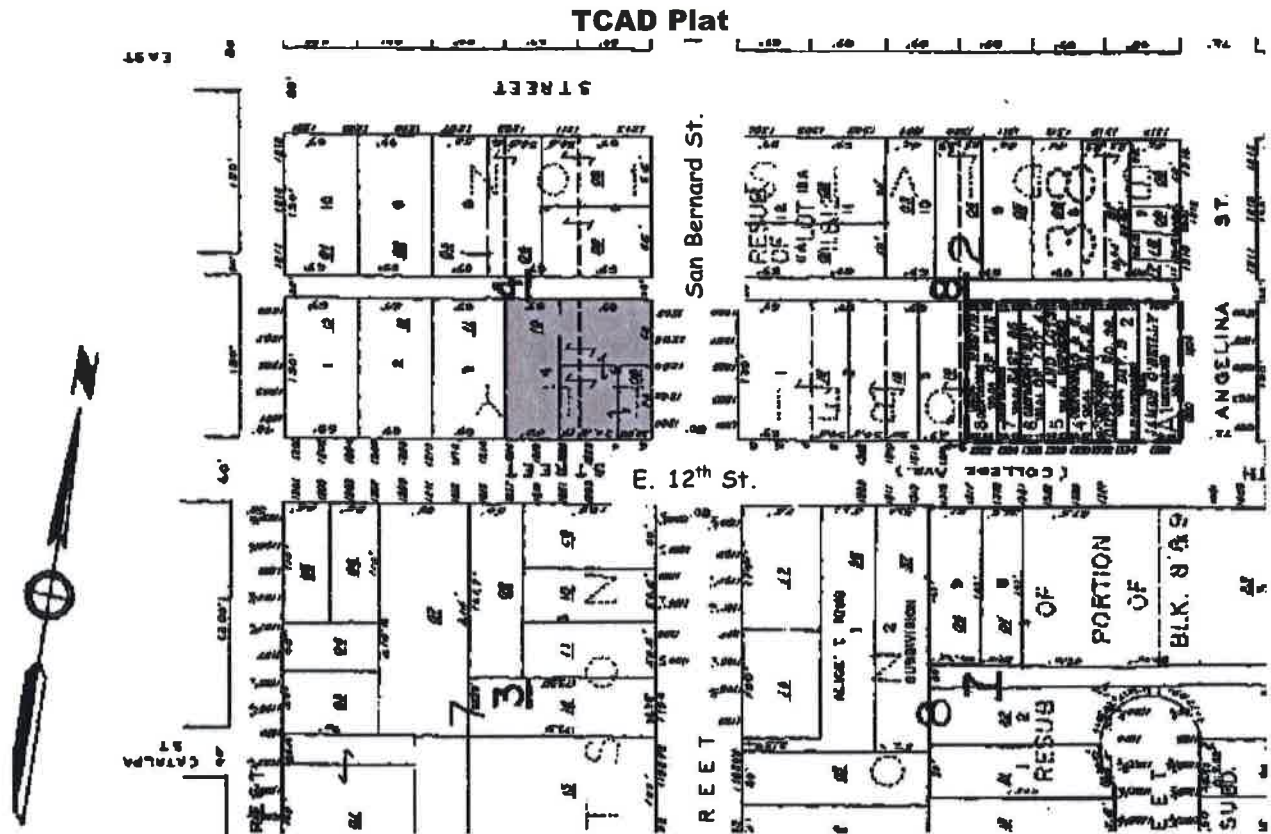
PRICE : \$595,000 (\$200,000; \$395,000)
TERMS : Cash to Seller
PRICE/SF : \$33.17

VERIFICATION

SOURCE : Joyce Williams, 658-4672, Austin MLS# 7195486 & 7424979, DOM
12
DEED READ : 3/15/2013
INSPECTED : 3/19/2013

COMMENTS

: Though listed separately, the two properties had to be sold together



PHOTOGRAPH – Taken 3.19.2013 by J. L. Craft



SALE #2

IDENTIFICATION

LOCATION : 1000 E 12th Street
(NEC Oleander & 12th; NWC Waller & 12th)
LEGAL : South 75' of Lot 9, South 75' and West 25' of Lot 10, East 45' of Lot 10
and Lots 11-14, Outlot 41, Division B, City of Austin, Travis County
TAX ID. NO. : 02-0806-0211, 0210, 0209, 0208 & 0207
MAPSCO PG. : 585 T

RECORDING DATA

GRANTOR : Alma Tierra Ventures, LLC
GRANTEE : Louie World LLC
DOC.# : 2012131944
INSTRUMENT : Warranty Deed
DATE : August 9, 2012

SITE DATA

SIZE : 50,063 SF or 1.1492 Ac
CORNER : Two
SHAPE : Rectangular
FLOODPLAIN : None
TOPOGRAPHY : Level to sloping
UTILITIES : All available
ZONING : CS-MU-NCCD-NP, Central East Austin NPA. In URP Nos. 12-1 & 12-2,
identified for mixed-use and/or commercial space
FRONTAGE : ±253' on E 12th Street; ±75' on Olander Street; ±150' on Waller Street
HIGHEST & BEST USE : Mixed Use

SALES DATA

LIST PRICE : \$1,700,000
TERMS : Cash to Seller
PRICE/SF : \$33.96

VERIFICATION

SOURCE : Matt Mathias 330-9111, Matt Mathias & Company
DEED READ : 3/13/2013
INSPECTED : 3/24/2011; 3/19/2013

COMMENTS

: Property has an approved site plan (SP-2007-0467C) and building permits. Site plan has two phases with a total floor area of 42,495 SF GBA with ground floor retail, administrative offices, multi-family residential, and townhome residential. FAR is 0.85. Property has Unified Development Agreement, Doc. #2008135061. Property previously listed by another broker at \$1,938,000 or \$38.71 as of March 2009.

TCAD PLAT



PHOTOGRAPH – Taken 6.21.2012 by J. L. Craft



SALE #3

IDENTIFICATION

LOCATION : 1112 E 12th Street
(Adjacent on west to NWC of Navasota & 12th)
LEGAL : ±0.1731 acre out of Outlot 41, Division B, Original City of Austin,
Travis County, Texas
TAX ID. NO. : 02-0806-0308
MAPSCO PG. : 585R

RECORDING DATA

GRANTOR : Wilton D. Harris Properties, Ltd
GRANTEE : Harris 12th, LLLP
DOC.# : 2011082636
INSTRUMENT : Warranty Deed with Vendor's Lien
DATE : 6/7/2011

SITE DATA

SIZE (SF) : 7,539
SHAPE : Rectangular
FLOODPLAIN : None
TOPOGRAPHY : Level to gently sloping below grade, some mature trees
UTILITIES : All Available
ZONING : CS-MU-NCCD, Central East Austin NP. In URP No. 12/4 Navasota
Retail identified for mixed-use opportunities
FRONTAGE : ±50' on E 12th Street and 50' at alley
HIGHEST & BEST USE : Mixed use

SALES DATA

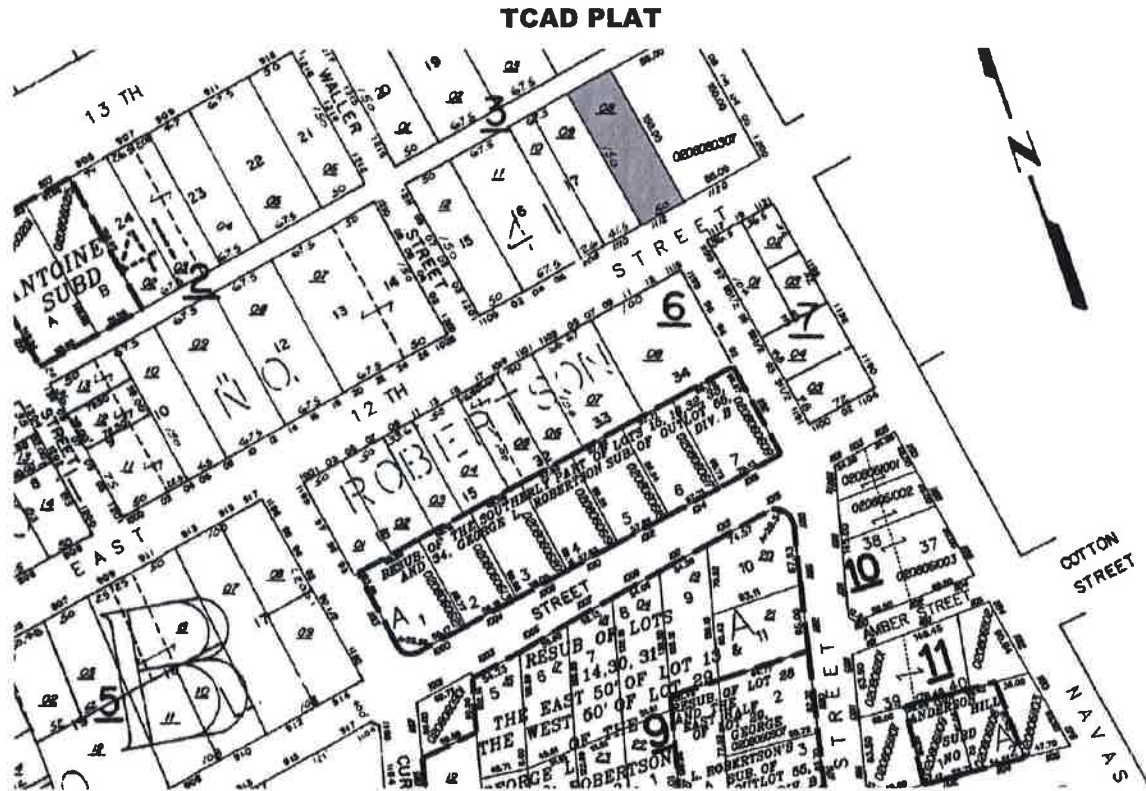
PRICE : \$145,000
TERMS : Cash to Seller
PRICE/SF : \$19.23

VERIFICATION

SOURCE : John Spae, Austin Referral Realty, Inc 466-1162; Austin MLS
#2061386; DOM 22, List Price \$225,000
DEED READ : 6/20/2012
INSPECTED : 6/13/2012; 3/19/2013

COMMENTS

A food trailer court is currently located on the property, buyers an investment partnership with the food court being an interim use. Listing broker reported that he listed the property based on commercial listings in the area and that seller took the first offer.
There is no relationship between the buyer and seller, and buyer incorporated owner's name as a historical matter.



PHOTOGRAPH – Taken 6.21.2012 by J. L. Craft



SALE #4

IDENTIFICATION

LOCATION : 1200 & 1202 Cotton Street
(NEC Navasota St. & Cotton St.)
LEGAL : Tract 1: 41.4' x 84.6' out of the west 125' of Lot 1, Block 7, George L. Robertson Addition of Outlot No. 56, Division B, Travis County, Texas
Tract 2: 41.4' x 85.6' out of Lot 1, Block 7, George L. Robertson Addition of Outlot No. 56, Division B, Travis County, Texas
TAX ID. NO. : 02-0708-0318, 0317
MAPSCO PG. : 585U

RECORDING DATA

GRANTOR : Thomas Henderson
GRANTEE : S. Kevin Smith
DOC.# : 2012202919
INSTRUMENT : Warranty Deed
DATE : 11/28/2012

SITE DATA

SIZE (SF) : 7,087 SF
SHAPE : Rectangular
FLOODPLAIN : None
TOPOGRAPHY : Level to gently sloping
UTILITIES : All Available
ZONING : SF-3-NP, Central East Austin NPA
FRONTAGE : 82.82' Cotton St.; 85.60' Navasota St; corner with no alley access
HIGHEST & BEST USE : Residential

SALES DATA

PRICE : \$270,000
TERMS : Cash to Seller
PRICE/SF : \$38.10

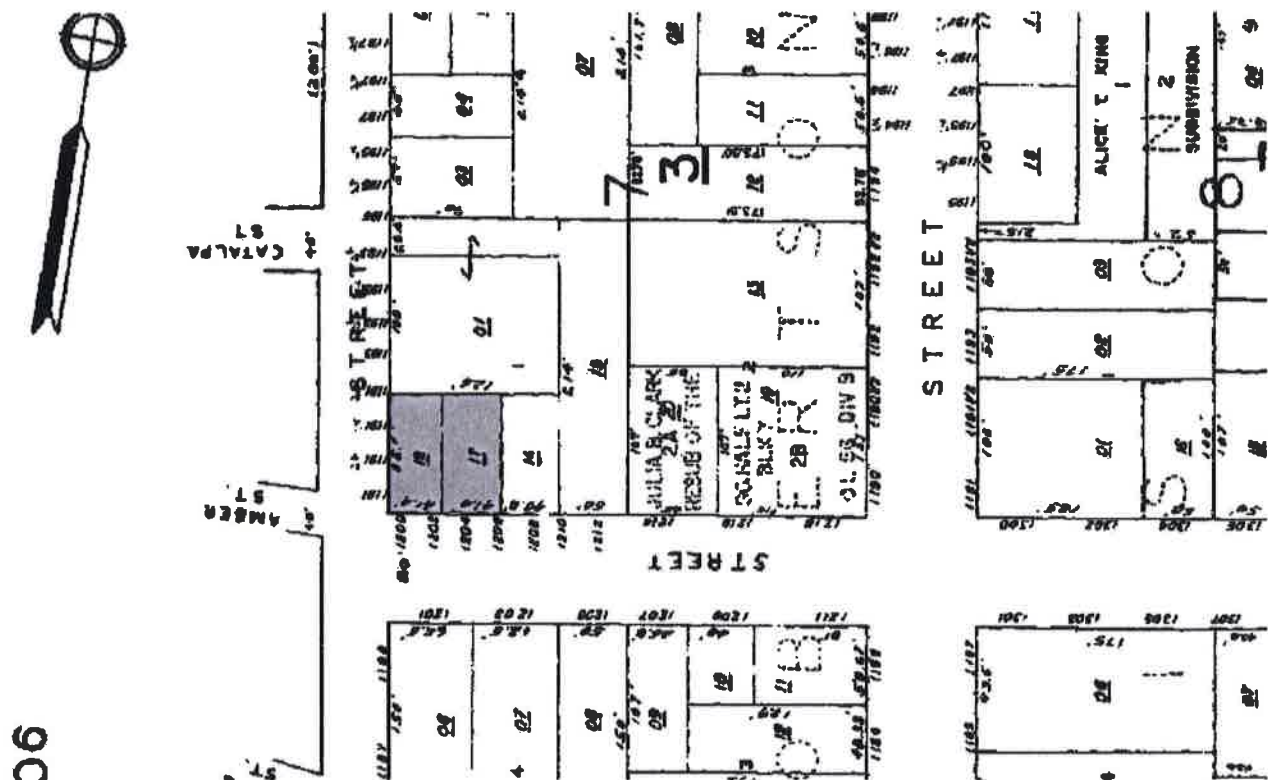
VERIFICATION

SOURCE : Joyce Williams, 658-4672, Austin MLS# 7195486 & 7424979,
DOM 12
DEED READ : 3/15/2013
INSPECTED : 3/19/2013

COMMENTS

: Listed separately

TCAD Plat



PHOTOGRAPH – Taken 3.19.2013 by J. L. Craft



SALE #5

IDENTIFICATION

LOCATION	:	813½ E 13 th Street
LEGAL	:	E 64.2' of Lot 29 Outlot 42, Division B Travis County, Texas
TAX ID. NO.	:	02-0806-0106
MAPSCO PG.	:	585T

RECORDING DATA

GRANTOR	:	Darnese Easley, et al
GRANTEE	:	Steven Bodner & Kimberly Bodner
DOC.#	:	2012197436
INSTRUMENT	:	Warranty Deed
DATE	:	11/20/2012

SITE DATA

SIZE (SF)	:	9,597 SF
SHAPE	:	Rectangular
FLOODPLAIN	:	None
TOPOGRAPHY	:	Level to gently sloping
UTILITIES	:	All Available
ZONING	:	SF-3-NP, Central East Austin NPA
FRONTAGE	:	64.15' E 13 th St.
HIGHEST & BEST USE	:	Residential

SALES DATA

PRICE	:	\$249,000
TERMS	:	Cash to Seller
PRICE/SF	:	\$25.95

VERIFICATION

SOURCE	:	Michael Clawson, 914-0670, Austin MLS# 2206659, DOM 14
DEED READ	:	3/15/2013
INSPECTED	:	3/19/2013

COMMENTS

:	Improved with a 948 SF residence built in 1930; marketed as vacant lot.
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TCAD Plat



PHOTOGRAPH – Taken 3.19.2013 by J. L. Craft



SALE #6

IDENTIFICATION

LOCATION	:	903 E 13 th Street
LEGAL	:	Lot B, Antoine Subdivision, Travis County, Texas
TAX ID. NO.	:	02-0806-0215
MAPSCO PG.	:	585T

RECORDING DATA

GRANTOR	:	Rick L. Antoine
GRANTEE	:	Austin Newcastle Homes, Ltd.
DOC.#	:	2012064030
INSTRUMENT	:	General Warranty Deed
DATE	:	4/20/2012

SITE DATA

SIZE (SF)	:	7,736
SHAPE	:	Rectangular
FLOODPLAIN	:	None
TOPOGRAPHY	:	Gently sloping above grade
UTILITIES	:	All Available
ZONING	:	SF-3-Central East Austin NPA
FRONTAGE	:	±51.6' on E 13 th Street; 51.6' on alley
HIGHEST & BEST USE	:	Residential

SALES DATA

PRICE	:	\$153,000
TERMS	:	Note of \$100,000 to grantor at market rate
PRICE/SF	:	\$19.78

VERIFICATION

SOURCE	:	Judy Zwarun 454-4600. Austin MLS# 2397968; listed at \$175,000. DOM 30
DEED READ	:	6/14/2012
INSPECTED	:	6/21/2012; 3/19/2013

COMMENTS

:	Per agent: 2 nd story city view
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TCAD PLAT



PHOTOGRAPH – Taken 6.21.2012 by J. L. Craft



COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

Effective Date: **June 12, 2012, 08:00 am**

G.F. No. or File No. **1214159-COM**

Commitment No. _____ issued: **June 22, 2012,**
(if applicable)

1. The policy or policies to be issued are:

- (a) **OWNER'S POLICY OF TITLE INSURANCE (Form T-1)**
(Not applicable for improved one-to-four family residential real estate)
Policy Amount:
PROPOSED INSURED: TBD
- (b) **TEXAS RESIDENTIAL OWNER POLICY OF TITLE INSURANCE - ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)**
Policy Amount:
PROPOSED INSURED:
- (c) **LOAN POLICY OF TITLE INSURANCE (Form T-2)**
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- (d) **TEXAS SHORT FORM RESIDENTIAL MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2R)**
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- (e) **MORTGAGEE TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)**
Binder Amount:
PROPOSED INSURED:
Proposed Borrower:
- (f) **OTHER**
Policy Amount:
PROPOSED INSURED:

2. The interest in the land covered by this Commitment is: **Fee Simple**

3. Record title to the land on the Effective Date appears to be vested in:
Urban Renewal Agency of the City of Austin, a Texas public body corporate and politic created under Chapter 374, Texas Local Government Code

4. Legal description of the land:
A tract of land being 88 feet by 150 feet, more or less, out of the subdivision of OUTLOT NO. 41, DIVISION "B", in the City of Austin, Texas, being the same property described in that deed recorded in Volume 13124, Page 1079, Real Property Records, Travis County, Texas. Said property being more particularly described by metes and bounds attached hereto in Exhibit "A".

The Company is prohibited from insuring the area or quantity of the land described herein. Therefore, the Company does not represent that the acreage or square footage calculations are correct and references to the quantity are for informational purposes only.

COMMITMENT FOR TITLE INSURANCE

SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):
 - **Item No. 1, Schedule B, is hereby deleted.**
2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only).
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.(Applies to the Owner Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year **2012**, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, *Texas Tax Code*, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Mortgagee Policy (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year _____ and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy (T-2) only.)

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Mortgage Policy (T-2R). (Applies to Texas Short Form Residential Mortgage Policy (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgage Policy (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
- a. **Rights of Parties in Possession. (Owner Policy)**
 - b. **Rights of tenants, as tenants only, under any and all unrecorded leases or rental agreements. (NOTE: This item can be deleted upon receipt of an Affidavit executed by the seller evidencing there are not any outstanding leases or rental agreements. If the Affidavit reveals unrecorded outstanding leases or rental agreements the exception may be modified to make specific exception to those matters.)**
 - c. **Any visible and apparent easement, either public or private, located on or across the land, the existence of which is not disclosed by the Public Records as herein defined.**
 - d. **Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the land.**
 - e. **Any portion of subject property lying within the boundaries of a dedicated or undedicated public or private roadway.**
 - f. **Notice Regarding: Urban Renewal Plan
Recorded: Document No(s). 1999157295, 2000078958, 2002204815, 2005075165 and 2008169755,
Official Public Records, Travis County, Texas.**
 - g. **Easement:
Recorded: Volume 4088, Page 466, Deed Records, Travis County, Texas.
Purpose: electric and telephone**
 - h. **All leases, grants, exceptions or reservation of coal, lignite, oil, gas and other mineral, together with all rights, privileges, and immunities relating thereto appearing in the public records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.**

COMMITMENT FOR TITLE INSURANCE

SCHEDULE C

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - b. all standby fees, taxes, assessments and charges against the property have been paid,
 - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - d. there is legal right of access to and from the land,
 - e. (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. **Lien in Favor of City of Austin:**

Recorded:	Volume 13111, Page 3978, Real Property Records, Travis County, Texas.
Amount:	\$59.00
Dated:	12/26/1997
Purpose:	Emergency Board and Secure Lien
6. Company must be furnished a properly executed Corporate Resolution in recordable form of the Board of Directors of Urban Renewal Agency of the City of Austin authorizing the proposed transaction and establishing the authority of the officers to act on behalf of the corporation.

In addition, company requires verification from the Secretary of State that corporation is in existence and in good standing.
7. Please furnish the names of the parties to be insured herein. Upon receipt of said names, additional requirements may be made.
8. **NOTICE:** Title Company is unwilling to issue the Title Policy without the general mineral exception(s) set out in Schedule B hereof pursuant to Procedural Rule P-5.1. Optional endorsements (T19.2 and T19.3) insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase upon request of the Proposed Insured. Neither this Policy, nor the optional endorsements, insure that the purchaser has title to the mineral rights related to the surface estate. (Loan Policy only)
9. Payment of any and all ad valorem taxes which may be due and payable on the subject property.
10. Company requires Owner, Seller and/or Borrower to complete an Affidavit of Debts and Liens prior to the issuance of the Title Insurance Policy.

The following definition of market value should be used:

"The price which the property would bring when it is offered for sale by one who desires, but is not obligated to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future." (City of Austin vs. Cannizzo, et al., 267 S.W.2d 808,815[1954])

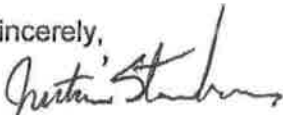
We have agreed on a fee not to exceed \$3,500 and a delivery date of April 5, 2013. No one other than the undersigned is authorized to alter the scope of this assignment. If it becomes apparent during the course of the assignment that the fee will exceed this amount, Real Estate Services is to be notified in writing for written authorization to amend the fee.

Regarding items of an administrative nature, your invoice for requested services and the letter of transmittal should contain the following information:

Address Report to: Justin Steinhauer
Project Name: East 12th Street Affordable Housing Project
File #: 4759.02A
Assignment Number: 44-268.02A
Address: 1120 E. 12th Street
Property Owner: Urban Renewal Agency
TCAD Parcel Number: 0208060307
Legal Description: OLT 41 Division B 88X150 FT (TCAD) NHC:Tract 3

Should you have any questions or need additional information, please contact me at 974-7201 or justin.steinhauer@austintexas.gov.

Sincerely,



Justin Steinhauer
Reviewer Appraiser

Sent by fax or email; original with attachments sent via regular mail

City of Austin Supplemental Appraisal Guidelines

- 1. Subject property inspections should be arranged within 7 to 10 days of the notice to proceed. If any property/owner issues arise, please contact COA Appraisal staff as soon as possible so that they can be addressed in a timely manner.**
- 2. An on-site inspection of the subject property must be completed, except in cases where access has been denied by the property owner.**
- 3. When providing an opinion of value on a property, analyze if, in your opinion, the improvements will be impacted by the acquisition. If the improvements are considered to be impacted, then a valuation of the property as improved is to be undertaken. If your analysis indicates that the improvements are not impacted, then a valuation of only the land component is necessary.**

The subject of the appraisal assignment is the property interest to be acquired. (For example, the proposed easement area and the rights included in the easement represent the subject property for the acquisition of a permanent easement.)

- 4. All comparable sales must be inspected.**
- 5. Photographs of improved sales and rentals must be included in the report.**
- 6. Plat maps must be included for all comparable sales, as well as the subject property.**
- 7. All comparables must be confirmed in-house.**
- 8. Comparable sale data sheets must include:**
 - Name of confirmation source and confirmation date.**
 - Inspection date of the comparable sale.**
 - The date when the deeds were read.**
- 9. Transactions where the City of Austin, or other condemning authority, is a party are not to be utilized.**
- 10. Appraisers will read all deeds, including deeds pertaining to the subject property history (3 Years per USPAP for the subject) as well as those pertaining to the comparable sales.**
- 11. A brief written description must accompany all adjustments made to the comparable sales as well as an adjustment grid.**
- 12. When contacted by the review appraiser, you will have 7 days to provide a response to the review comments. Once the draft has been approved, you will have 5 days to provide final reports to the COA.**
- 13. SFR appraisals may use URAR forms with supplemental pages addressing the partial acquisition and additional information.**

QUALIFICATIONS OF J. L. CRAFT, PH.D., MAI

EDUCATION

Bachelor of Arts Degree from Texas Tech University - 1972
Doctor of Philosophy Degree from the University of Texas - 1977

LICENSES

State Certified General Real Estate Appraiser, Certificate No. TX-1320255-G

PROFESSIONAL MEMBERSHIPS

MAI - Designated Member of the Appraisal Institute
Member & Instructor, International Right of Way Association
Instructor 2001-2004 Annual Joint Symposium Appraisal Institute
IRWA Instructor 1998-2008 Annual Joint Seminar IRWA Chapters 39 & 74
Appraiser Qualifications Board of the Appraisal Foundation Certified USPAP Instructor, No. 10442

EXPERTISE

Qualified Expert Witness: City of Austin, Travis County, Federal Bankruptcy Court, and the State of Texas

APPRAISAL EXPERIENCE

J. L. Craft & Associates, 02/1994 - present
Appraiser, The Harry Seidman Company, 02/1992 - 02/1994
Appraiser, Kaiser & Associates, Kaiser-Seidman, Kaiser Craft & Associates 05/1982 - 02/1992
Trainee Appraiser, Appraisal Associates of Austin, Inc., 05/1980 - 05/1982

APPRAISAL PUBLICATIONS

"Logic and Rhetoric in Appraisal Reporting," *The Appraisal Journal*, April 1995
"Noncompensability and Project Influence," *Right of Way*, May/June, 1998
"Appraising Legally Nonconforming Properties," *Right of Way*, Jan./Feb, 2000