

A RESOLUTION OF THE CITY OF WESTON, COLLIN COUNTY, TEXAS APPROVING THE REAL ESTATE TRANSACTION REQUESTED BY THE BOARD OF DIRECTORS OF CENTRAL APPRAISAL DISTRICT OF COLLIN COUNTY, AS PASSED IN THEIR RESOLUTION DATED APRIL 5, 2006.

WHEREAS, 6.051(a) of the Texas Property Tax Code authorizes the Board of Directors to establish an appraisal office, by purchase, lease or construction of improvements as necessary;

WHEREAS, The Board of Directors of the Central Appraisal District of Collin County passed a resolution on April 5, 2006, awarding a contract to Cornerstone Development in the amount not to exceed \$6,650,000, for the purchase of 8.22 acres with a new, to be constructed office building, located at the northeast corner of Eldorado Pkwy and College St., McKinney, TX. The Board of Directors resolution, in accordance with 6.051(b) of the Texas Property Tax Code, made the contract award subject to approval by three fourths of the voting taxing units within the appraisal district;

WHEREAS, The Board of Directors resolution, in accordance with 6.051(b) of the Texas Property Tax Code, made the contract award to Cornerstone Development subject to approval by three fourths of the voting taxing units within the appraisal district;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WESTON;

SECTION 1. That the City Council hereby APPROVES the real estate transaction requested by the Board of Directors of Central Appraisal District of Collin County, as passed in their resolution dated April 5, 2006.

RESOLVED AND ENTERED this the 16th day of May 2006.

Patti Harrington
Patti Harrington, Mayor



ATTEST:
Susan M Coffey
Susan M Coffey, City Secretary

RESOLUTION

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CENTRAL APPRAISAL DISTRICT OF COLLIN COUNTY AS AUTHORIZED BY SECTION 6.051(b) OF TEXAS PROPERTY TAX CODE. THE GOVERNING BOARD OF THE DISTRICT RESOLVES THAT

WHEREAS, 6.051(a) of the Texas Property Tax Code authorizes the Board of Directors to establish an appraisal office, by purchase, lease or construction of improvements as necessary;

WHEREAS, the Board of Directors of the Central Appraisal District of Collin County published an invitation to bid in a Request for Proposals, dated February 16, 2006 and received proposals in accordance with requirements of the RFP;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CENTRAL APPRAISAL DISTRICT OF COLLIN COUNTY;

Section 1. that the Board of Directors resolves to purchase a new, to be constructed 60,000 square feet office building, consisting of 35,000 square feet of finished office space and 25,000 square feet of shell space for future expansion, including other improvements to and on the land as setforth in the RFP. The subject project site is 8.22 +/- gross acres at the northeast corner of Eldorado Pkwy & College St, McKinney. The property is part of tax parcels 48 & 50 out of abstract 558, S. Mcfarland Survey consisting of 4.90 +/- acres and 3.3195 +/- acres from the most southerly part of Lot 2, The Action Two subdivision;

Section 2. the Board of Directors resolves to negotiate a contract with Cornerstone Development as the successful vendor proposing the subject site and improvements in accordance with the District's RFP requirements and that the total final contract will not exceed \$6,650,000 for the total purchase of the project;

Section 3. the Board of Directors resolves that a final contract will be executed only after the appropriate approval by the taxing units in accordance with Section 6.051(b) of the Texas Property Tax Code.

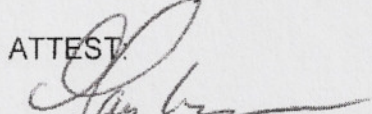
Section 4. the Board of Directors resolves to pursue appropriate permanent financing for the project, contingent on the tax units' approval of the purchase as outlined in Section 3 above, when a final contract is executed between Cornerstone Development and the Collin Central Appraisal District.

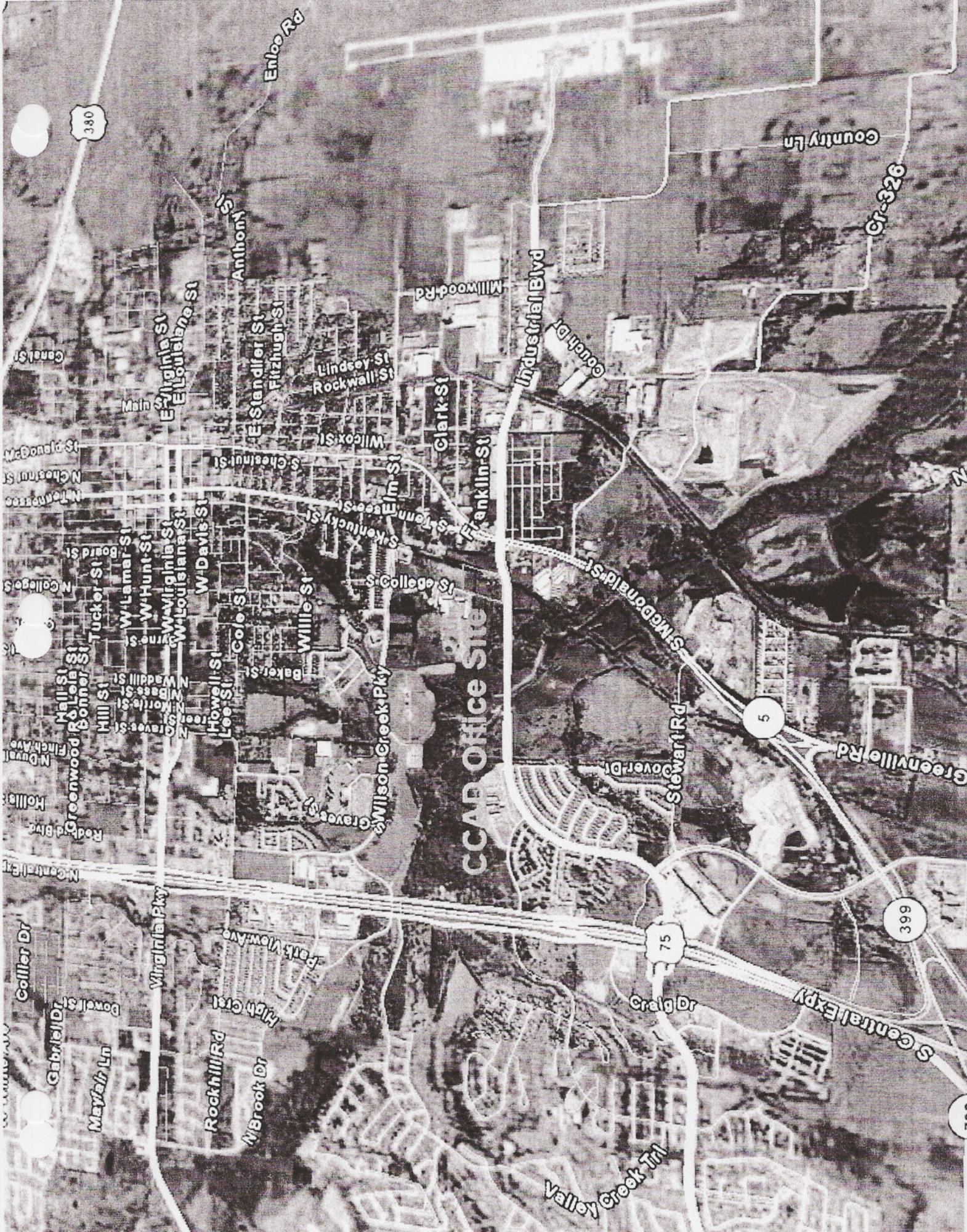
DULY PASSED BY THE BOARD OF DIRECTORS OF THE CENTRAL APPRAISAL DISTRICT OF COLLIN COUNTY, ON THIS THE 5th DAY OF April, 2006.

APPROVED:


CHAIRMAN

ATTEST:


SECRETARY



380

Cr-326

Enloe Rd

Anthony St

E Virginia St
E Louisa St

E Standifer St
Fitzhugh St

Lindsey St
Rockwall St

Millwood Rd

Industrial Blvd

Couch Dr

Wilcox St

Clark St

Franklin St

S Chestnut St

S Penn Tree St

S Kentucky St

S College St

Willie St

Baker St

Howell St

Lee St

Cole St

Wilson Creek Pkwy

Graves St

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Conet St

MS pined St

N Chestnut St

N Thompson St

N College St

Trucker St

W Lamar St

W Hunt St

W Virginia St

W Louisiana St

W Davis St

Howell St

Lee St

Cole St

Wilson Creek Pkwy

Graves St

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Coller Dr

Gabriel Dr

Bowell St

Mayfair Ln

Rockhill Rd

W Brook Dr

High Crcl

Park View Ave

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

Wilson Creek Pkwy

75

5

399

700

CCAD Office Site

Country Ln

Greenville Rd

S Central Expy

Valley Creek Trl

Crab Rd

Stewart Rd

Dover Dr

S McDonald St



YOSEMITE

POPE

CENTRAL

GRAVES

BAKER

GEDAR

WILLIE

LASSEN

SHAKER
FIREWHEEL

PARK

WILSON CREEK

COLLEGE

CCAD
OFFICE SITE

KENTUCKY

ELDORADO

75

75

BRIDGECREST
BELAIRE

KINGSBURY

COVENTRY

DOVER

STEWART

MCDONALD

MCDONALD

SITE AND DESCRIPTION OF PROPOSED BUILDING

- LOCATION:** Northeast corner of Eldorado Pkwy and College St., McKinney
- ACCESS:** Site is located one block west of Hwy 5 and 1.5 miles east of Central Expwy. The location offers very good access from all parts of the county via Central Expwy, Hwy 5, Hwy 121 and Hwy 380
- LAND:** 8.22 acres, rectangular parcel with frontage on Eldorado and College. The raw land cost will be in the \$3.75 to \$3.85 per square foot range, which is a favorable price for office land based on the location and shape of the subject parcel.
- PROPOSED BUILDING:** 60,000 square feet total building size, with 35,000 square feet finished-out initially. The remaining 25,000 square feet of "shell" space will be finished as future growth dictates. The District's current projections call for one-half of the shell space to be finished-out in five to seven years.
- Exterior walls will be metal panels, with steel texcoat (looks like stucco), with fake stone accents. The roof will be raised seem metal.
- Interior finish will be textured sheetrock, carpet/vinyl tile and with a suspended ceiling with lay in ceiling tile.
- PARKING:** Parking surface will be concrete and initially there will be approximately 250 public parking spaces.
- EXPANSION:** The site will allow the District to increase the parking and ultimately the building itself, as the county continues to grow.

**COLLIN CENTRAL APPRAISAL DISTRICT
OFFICE BUILDING COST ANALYSIS**

SUMMARY OF COST OPTIONS LISTED BELOW

	<u>PER SFT</u>
SELECTED SITE ELDORADO PARKWAY AND COLLEGE STREET, MCKINNEY	\$11.43
830 SOUTH GREENVILLE, ALLEN	\$14.24
EXPANSION OF EXISTING LEASE @ 2404 K AVE, PLANO	\$12.99
LEASE CLASS B OFFICE IN ALLEN, PLANO OR MCKINNEY, BASED ON ASKING RENT SURVEY	\$19.61

CORNERSTONE (ELDORADO PKWY & COLLEGE STREET, MCKINNEY)

<u>ITEM</u>	<u>PRICING</u>	<u>TOTAL NRA</u>	<u>PER SFT</u>
FIRM CONTRACT PRICE, INCLUDING EXPANSION LAND	\$6,650,000	60,000	\$110.83
COST OF DEBT SERVICE PER SQUARE FOOT			\$7.08
ESTIMATED COST OF EXPENSES			\$4.35
TOTAL PER SQUARE FOOT			\$11.43

STAUBACH (830 SOUTH GREENVILLE, ALLEN)

<u>ITEM</u>	<u>PRICING</u>	<u>TOTAL NRA</u>	<u>PER SFT</u>
PURCHASE PRICE OF EXISTING BLDG	\$8,765,000	70,000	\$125.21
ADDITIONAL LAND ESTIMATED BY CCAD FOR PARKING IMMEDIATELY AND FUTURE EXPANSION	\$555,390	70,000	\$7.93
TOTAL	\$9,320,390	70,000	\$133.15
SELLER 5 YEAR RENT ON 35,000 SF @ \$16 PSF, PAID TO DISTRICT	(\$2,800,000)	70,000	(\$40.00)
CCAD 5 YR COST OF EXPENSES ON LEASED PORTION OF BLDG, INCLUDING CAPITAL RESERVE AND EFFECT OF INCREASED INTEREST RATE ON NON-EXEMPT PART OF BLDG.	\$1,088,500	70,000	\$15.55
DIFFERENCE IN INTEREST AVERAGES APPROXIMATELY \$6,500 PER MONTH FOR \$7.50% VS 5.25% RATE, DUE TO NON-TAX EXEMPT WHILE TENANT IN BUILDING FOR 1ST FIVE YEARS.	\$390,000	70,000	\$5.57
NET EFFECT OF RENTAL INCOME, AFTER EXPENSES AND ADDITIONAL INTEREST EXPENSE	(\$1,321,500)	70,000	(\$18.88)
COST OF REAL ESTATE	\$7,998,890	70,000	\$114.27
COST OF DEBT SERVICE PER SQUARE FOOT			\$9.24
ESTIMATED COST OF EXPENSES			\$5.00
TOTAL PER SQUARE FOOT			\$14.24

NOTES: \$114.27 NET COST ON STAUBACH BUILDING ASSUMES SELLER, AS SUBLET TENANT FOR 5 YEARS WOULD GUARANTEE FULL AMOUNT OF RENT FOR 5 YEAR TERM.

EXISTING OFFICE - 2404 K AVE, PLANO

<u>ITEM</u>	<u>PRICING</u>	<u>TOTAL NRA</u>	<u>PER SFT</u>
RENEW EXISTING LEASE AND EXPAND SQUARE FOOTAGE. PER SQUARE FOOT RENTAL RATE BASED ON EXISTING 10 YEAR OLD RATE, PLUS A 15% INCREASE DUE TO MARKET RENT CHANGES IN THE LAST DECADE AND COST FOR TENANT IMPROVEMENTS TO EXISTING AND EXPANDED OFFICE SPACE. \$8.25 X 1.15 = \$9.49 PSF			\$9.49
PASS THROUGH EXPENSES			\$3.50
TOTAL PER SQUARE FOOT			\$12.99

LEASE CLASS B OFFICE IN ALLEN, MCKINNEY OR PLANO

<u>ITEM</u>	<u>PRICING</u>	<u>TOTAL NRA</u>	<u>PER SFT</u>
ESTIMATED COST TO LEASE A CLASS B OFFICE, BASED ON RENT SURVEY FROM COSTAR COMMERCIAL REAL ESTATE SERVICE. TYPICAL OFFICE RENT IS RENTAL RATE + TENANT PAYS THEIR OWN ELECTRIC. AVERAGE PLUS ELECTRIC ASKING RENT IS \$20.01, LESS 20% FOR NEGOTIATIONS OFF "ASKING", PLUS ELECTRIC COST \$2.00 PSF: \$22.01 x .80 = \$17.61 + \$2.00 = \$19.61. <<SEE SURVEY IN ADDENDUM SECTION AT BACK OF THIS REPORT>>			\$19.61
PASS THROUGH EXPENSES INCLUDED ABOVE			\$0.00
TOTAL PER SQUARE FOOT			\$19.61

Sec. 6.051. Ownership or Lease of Real Property.

(a) The board of directors of an appraisal district may purchase or lease real property and may construct improvements as necessary to establish and operate the appraisal office or a branch appraisal office.

(b) The acquisition or conveyance of real property or the construction or renovation of a building or other improvement by an appraisal district must be approved by the governing bodies of three-fourths of the taxing units entitled to vote on the appointment of board members. The board of directors by resolution may propose a property transaction or other action for which this subsection requires approval of the taxing units. The chief appraiser shall notify the presiding officer of each governing body entitled to vote on the approval of the proposal by delivering a copy of the board's resolution, together with information showing the costs of other available alternatives to the proposal. On or before the 30th day after the date the presiding officer receives notice of the proposal, the governing body of a taxing unit by resolution may approve or disapprove the proposal. If a governing body fails to act on or before that 30th day or fails to file its resolution with the chief appraiser on or before the 10th day after that 30th day, the proposal is treated as if it were disapproved by the governing body.

(c) The board of directors may convey real property owned by the district, and the proceeds shall be credited to each taxing unit that participates in the district in proportion to the unit's allocation of the appraisal district budget in the year in which the transaction occurs. A conveyance must be approved as provided by Subsection (b) of this section, and any proceeds shall be apportioned by an amendment to the annual budget made as provided by Subsection (c) of Section 6.06 of this code.

(d) An acquisition of real property by an appraisal district before January 1, 1988, may be validated before March 1, 1988, in the manner provided by Subsection (b) of this section for the acquisition of real property.

Added by 1987 Tex. Laws, ch. 55, Sec. 2.

Cross References:

Governing bodies entitled to vote on board selection, see Sec. 6.03(c).

Notes:

A lease-purchase agreement between a county and an appraisal district is governed by Local Government Code Chapter 263 and Section 272.001 procedures. Chapter 263 would preclude a county from merely accepting an offer to lease or purchase a building for the appraisal district. If the transaction is a sale, a county must follow Section 272.001 on notice and bidding requirements. Local Government Code Section 292.001 would not apply because it authorizes a county to lease excess office space in a building for county purposes and not for appraisal district purposes. Tex. Att'y Gen. LO-96-053 (1996).

The three-fourths approval requirement of Sec. 6.051 does not apply to contracts to perform appraisal services nor to leases of real property. This section does apply to the purchase of or construction of improvements on real property. Op. Tex. Att'y Gen. No. JM-1197 (1990).

PREPARED FOR:

**COLLIN APPRAISAL
DISTRICT - BOARD OF
DIRECTORS**

**CLASS B OFFICE
ASKING RENTS**

Rent Analysis Report

	DIRECT SPACES				SUBLET SPACES				TOTAL
	# Spaces	Min	Avg	Max	# Spaces	Min	Avg	Max	Avg
Medical									
Triple Net	1	\$25.00	\$25.00	\$25.00	0	-	-	-	\$25.00
Off/Med									
Triple Net	2	\$17.75	\$17.88	\$18.00	0	-	-	-	\$17.88
Office									
+ Elec & Clean	2	\$16.00	\$16.00	\$16.00	0	-	-	-	\$16.00
Full Service Gross	1	\$11.00	\$11.00	\$11.00	0	-	-	-	\$11.00
Negotiable	14	\$23.00	\$23.00	\$23.00	0	-	-	-	\$23.00
Plus Electric	26	\$12.50	\$20.01	\$24.50	0	-	-	-	\$20.01
Triple Net	2	\$10.50	\$10.50	\$10.50	1	\$10.50	\$10.50	\$10.50	\$10.50

Address	City	Property Type	Property Size	Space Avail	Rent/SF/Yr
1255 W 15th St	Plano	Class B Office	185,092 SF	92,738 SF	\$16.00
Alma Dr	Plano	Class B Office	54,000 SF	54,000 SF	\$17.00-\$20.00
1221 Coit Rd	Plano	Class B Office	125,030 SF	125,030 SF	\$10.50
3101 Gaylord Pky	Frisco	Class B Office	128,000 SF	125,000 SF	\$20.00
3101 Gaylord Pky	Frisco	Class B Office	150,000 SF	150,000 SF	\$23.50-\$24.50
5750 Genesis Ct	Frisco	Class B Office	40,000 SF	39,450 SF	\$21.00-\$23.00
830 S Greenville Ave	Allen	Class B Office	70,000 SF	70,000 SF	\$18.50
4121 International Pky	Plano	Class B Office	175,478 SF	161,224 SF	Negotiable
5400 Legacy Dr	Plano	Class B Office	45,000 SF	45,000 SF	Negotiable
1200 Main St	Frisco	Class B Office	45,750 SF	45,750 SF	Negotiable
2301 Marsh Ln	Plano	Class B Office	102,400 SF	102,400 SF	\$10.50
505 Millennium Dr	Allen	Class B Office	106,000 SF	106,000 SF	\$16.00
Pinecrest Dr @ Tennyson Pky	Plano	Class B Office	118,500 SF	115,000 SF	Negotiable
6100 W Plano Pky	Plano	Class B Office	158,000 SF	158,000 SF	\$23.00
7000 W Plano Pky	Plano	Class B Office/Medical	84,000 SF	33,278 SF	\$25.00
401 Powerhouse St	McKinney	Class B Office	50,000 SF	38,000 SF	\$11.00
2701 E President George Bush Hwy	Plano	Class B Office	47,430 SF	39,743 SF	\$12.50
1101 Raintree Cir	Allen	Class B Office/Medical	35,000 SF	31,249 SF	\$17.75-\$18.00
6100 Tennyson Pky	Plano	Class B Office	123,000 SF	31,000 SF	\$20.00

Report Criteria

location

Location method **City**

Cities **Allen (TX), Frisco (TX), McKinney (TX), Plano (TX)**

space

Available Space **from 20,000 SF contig in building**

Space Options **Exclude if Not For Lease**

property

Type **Office**

Status **Existing, Under Construction, Under Renovation, Proposed**

Class **B, C**

RBA (SF) **from 35,000**