SAN PATRICIO COUNTY APPRAISAL DISTRICT

2023 Mass Appraisal Report

Report Date: AUGUST 18, 2023
Appraisal Effective Date: January 1, 2023
Prepared by: Robert Cenci, Chief Appraiser

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INTRODUCTION

The San Patricio County Appraisal District has finalized the 2023 Mass Appraisal Summary Report prepared for "ad valorem" tax purposes. The report was prepared in compliance 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, subject to appropriate Jurisdictional Exceptions. The individual value for each item of taxable property comprises the appraisal rolls for the taxing entities served by this office.

The District has completed the various functions of the mass appraisal system, which include appraisal/reappraisal development, data entry/ maintenance and value determinations/updates. Reappraisal consists of the periodic re-inspection and review of all elements and factors which, in the opinion of the Chief Appraiser and other appraisers that contributed to this report, may influence the value of the reappraised properties within the last reappraisal cycle. The goal of the reappraisal is to ultimately produce credible valuation results through proper application of mass appraisal techniques. Data maintenance is the process of maintaining and correcting existing appraisal records, as well as capturing and valuing new residential, commercial, and industrial improvements and construction. Building permits are "worked" District-wide on an annual basis and the appropriate changes are made to District records accordingly. Value updates is the process of annual adjustments applied to all properties using statistical data analysis and trending factors. Further detailed information on the Appraisal plans and processes of the district are provided in the District's current (2023-2024) Reappraisal Plan, which is provided at the end of the report. The district serves 26 taxing jurisdictions and annually provides determinations of market value to each jurisdiction as required by law. A summary of the District's Certified value conclusions follows on the next page.

2023 VALUE BY TAXING ENTITY

Taxing Entity	Market Value	Taxable Value
ARANSAS PASS ISD	1,474,299,839	938,814,572
BANQUETE ISD	883,908	532,013
GREGORY-PORTLAND ISD	17,744,208,273	15,009,014,663
INGLESIDE ISD	6,657,465,226	5,458,945,530
MATHIS ISD	1,245,213,471	762,698,992
SINTON ISD	4,156,092,844	3,315,779,538
ODEM-EDROY ISD	988,913,543	605,832,709
SKIDMORE-TYNAN ISD	114,884,957	99,788,802
TAFT ISD	1,533,877,545	993,117,708
CITY OF ARANSAS PASS	843,824,650	718,368,910
CITY OF CORPUS CHRISTI	316,608,249	217,610,097
CITY OF GREGORY	155,127,698	120,038,936
CITY OF INGLESIDE	2,891,866,737	2,367,285,631
CITY OF INGLESIDE ON THE BAY	129,404,458	114,018,573
CITY OF LAKESIDE	39,241,878	33,186,266
CITY OF MATHIS	245,413,458	188,740,024
CITY OF ODEM	202,508,503	153,864,036
CITY OF PORTLAND	2,789,540,234	2,003,346,939
CITY OF SINTON	465,844,512	345,847,414
CITY OF TAFT	208,162,211	129,430,206
CITY OF TAFT DEANNEXED	49,846,422	26,505,814
NUECES COUNTY EMERGENCY DISTRICT	883,908	798,093
ODEM-EDROY ISD	618,981,801	418,832,506
SAN PATRICIO COUNTY DRAINAGE DISTRICT	33,915,903,024	13,791,507,088
SAN PATRICIO COUNTY ROAD & BRIDGES	33,915,843,582	19,892,957,203
SAN PATRICIO COUNTY	33,915,903,024	18,644,057,841
SINTON ISD	1,508,837,851	1,116,197,345
DEL MAR COLLEGE	317,769,038	218,770,886

Scope of Work and Responsibility

The San Patricio County Appraisal District has prepared and published this report 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 taxing entities.

The San Patricio County Appraisal District ("District") is a Political Subdivision of the State of Texas which was established in 1982 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 San Patricio County as of January 1st of each year. The Local Administrative District Judge is responsible for appointing all regular and auxiliary Appraisal Review Board Members and selecting a Chairman and Secretary of the Appraisal Review Board (ARB). The District's Board of Directors is responsible for approving qualified members to serve on the Agricultural Appraisal Advisory Board (AAAB) as recommended by the Chief Appraiser.

The District is responsible for discovering, listing, and appraising all taxable property within San Patricio County on an annual basis., District staff 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 San Patricio 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 Ad Valorem taxing entities and the officials that manage and control those entities that have territory located within the boundaries of San Patricio County, Texas, that contribute to the District's Budget are the clients and intended users of the appraisals performed by the San Patricio County Appraisal District. In addition, the Texas Comptroller of Public Accounts is also an intended user because the Comptroller's office utilizes the appraisal data from the District in Texas' public school funding process. Others may obtain and use the District's appraisal data for other purposes, such as general public, individual property owners, data collection companies, etc., however, these are not the intended users under USPAP standards. taxing entity officials, the, 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 San Patricio County and the number of accounts within their respective jurisdiction.

Intended Use

The purpose and intended use and purpose of the appraisal is to establish market value as of January 1, 2023, pursuant Texas Property Tax Code Section 1.04 (7) with the exceptions of certain property owners that may have applied and qualified for September 1 inventory appraisal. The universe of properties was identified and analyzed 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 2022-2023 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 ofproperties.

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. SPCAD is responsible for implementing the three (3) functions of the mass appraisal system in San Patricio County.

Equity and uniformity are 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. Uniformity statistics are Price Related Differential (PRD), Coefficient of Dispersion (COD), and Coefficient of Variation (COV). These statistical measures are defined further in this report.

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 has 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 like 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 details 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 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. 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.

8. 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.

9. No legal survey has been prepared or commissioned. Therefore, references to a

10. 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.

11. 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 out on separate accounts.

12. It is assumed that the mineral appraisal firm of Pritchard and Abbott has fulfilled their contractual obligation by establishing fair and equitable market values for properties as noted in their contract.

13. Disclosure of the contents of this report is governed by the laws, bylaws, and regulations of the Texas Property Tax Code and the 2022-2023 edition of USPAP.

14. The signatories of this appraisal are Registered Professional Appraisers licensed by the Texas Department of Licensing and Regulation (TDLR). The Chief Appraiser and Assistant Chief Appraiser are Certified Chief Appraisers (2013 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".

15. 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 considering 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.

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

Jurisdictional Exceptions

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.
- Properties subject to appraisal under Section 23.01(d) will be appraised based on the requirement of section 23.01(d).

- □ 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.

Extraordinary Assumptions or Hypothetical Conditions

As of January 1, 2023, 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 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 1st of each year. except for certain inventories in which the property owner elected an appraisal date of September 1.

Date of Report

This 2023 Mass Appraisal Report was prepared on August 18, 2023

Prepared by: Robert Cenci, 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 San Patricio County that the district has legal jurisdictional authority to appraise under law. The universe of taxable properties consists of three categories: Real Property, Personal Property, Utilities and Mineral properties. Any taxable real and personal property discovered to be left off the appraisal roll will be added to the appraisal roll as prescribed under Section 25.21 of the Texas Property Tax Code.

The property rights appraised within the subject property are FEE SIMPLE ESTATE, except for 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."

Disclosures

1. Capitalization rates used to estimate market value on income producing properties for 2023 were developed by sources outside of the district and not by District staff. These rates constitute the work of others that are deemed by the Chief Appraiser to be competent to develop such rates in the local market. The San Patricio County Appraisal District engages the services of BURBACH & ASSOCIATES in Corpus Christi Texas for the purpose of developing capitalization rates for income-producing properties in San Patricio County. The district will provide all district records related to the adoption of these rates upon written request.

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 of 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.

MASS APPRAISAL PROGRAM

As noted above, the District allocated the work of the mass appraisal among several areas within the appraisal department. The Residential, Commercial, Personal Property, and Agricultural/Rural appraisers develop, calibrate, and apply the various mass appraisal models for their respective property types. Pritchard and Abbott, Inc. appraises all mineral and utility properties for the District on a contractual basis.

The most basic mass appraisal model expresses the basis for calculating fair market value (FMV) as:

LAND FMV + IMPROVEMENT FMV = TOTAL FMV

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.

TPTC Section 25.18, establishes a three (3) year reappraisal cycle for the re-inspection of all taxable real property within San Patricio 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 Instruments

The reasons for re-inspections of properties include, but are not limited to, identifying the percentage of completion of incomplete improvements, verifying repairs made to existing improvements, on-going remodeling of improvements, or to review the market within a general neighborhood or subdivision.

For Appraisal Year 2023, agricultural-use applications were mailed to property owners

due to new ownership or at the Chief Appraiser's request of an updated application for review of qualification status. Applications that were submitted after the April 30th deadline incurred a penalty equivalent to 10% of the difference in taxes between market value and special agricultural-use value.

All agricultural-use valuation applications submitted were processed, inspected, and a determination was made by the Ag appraisal staff and the Chief Appraiser.

Several properties were identified to have ceased agricultural-use and caused a "rollback" to be initiated accordingly.

The Commercial Property Department, as part of its appraisal function, performs mass appraisal in accordance with the District's Reappraisal Plan. New commercial developments and construction projects are discovered through field inspection and building permits. The reappraisal plan appears at the end of this report.

As previously noted in this report, Pritchard and Abbott Company was contracted by the District to perform the mineral and utility appraisals.

Ratio Studies

Ratio studies were performed in accordance pursuant to the IAAO guidelines and mass appraisal practices. The ratio study results that were used in drawing valuation conclusions are available upon request.

Land Valuation

New Subdivision Plats and Re-plats

All new parcels created through plats and re-plats recorded at the County Clerk's office are appraised by the Commercial Department. New residential and commercial plats are field inspected and the phase of development is documented.

Annexations

2022 annexations for Appraisal Year 2023 were reviewed for possible market value and equity updates.

Field Inspections

Recorded and proposed plats and annexations were field inspected to determine the phase of development as of January 1, 2023. A report was created for each tract inspected and included observation notes and images of the property. All photographs and notes were entered into the corresponding PACS account. Improvements identified

through the inspections were also reported to their respective appraisal department.

Acreage Splits

New accounts for properties whose boundaries were affected by a transfer or partition deed. All new and/or modified accounts were reviewed and appraised based on the properties' updated effective acres.

Land Equalization Review

Land accounts are identified during the previous year for re- inspection in the current year. These accounts were reviewed individually due to special circumstances, including but not limited to:

- non-conforming land schedules
- property situated within a floodplain
- 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

Land Schedules (ratio studies)

Staff completed certain reappraisals of land values for the 2023 appraisal year in accordance with the District's Reappraisal plan. Section 23.013 (b) of the Texas Property Tax Code allows for sales beyond 24 months to be used as a representative sample if not enough comparable properties were sold within a 24-month period of the appraisal date.

This reappraisal of land values consisted of a market study which included analyses of confirmed land sales and deeds. An appraisal model for these property types was developed and the reappraisal of commercial land through the matrix valuation model was executed.

Residential, commercial, and rural land values were also reappraised for 2023 in accordance with the 2023-2024 Reappraisal Plan. Adjustments were determined through the use of ratio studies for each individual neighborhood. Adjustments were applied to the land class codes in the residential land matrix schedule to reflect market value.

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 Division's "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 for agricultural property. Some properties in San Patricio County are leased, therefore the District used 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)

Net-To-Land Value Per Acre = Income Per Acre - 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 –

Income Approach - Residential Property - 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.

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 at 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 d a t a .

One of the responsibilities of the Analysis/Commercial Department is to develop and update residential improvement cost schedules. For the 2023 Appraisal Year, cost schedules for single family residences, condominiums, townhouses, and manufactured homes were analyzed using M&S 3rd Quarter August 2019 as a guide. After review, the results of the analyses were presented to the Residential Review Committee. The committee decided to implement the proposed cost schedules for single family residences as detailed in Marshall & Swift. Cost schedules for mobile homes will be re-analyzed for the 2023 appraisal year.

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.

Uniformity statistics include the calculation of the Price Related Differential (PRD), Coefficient of Dispersion (COD), and Coefficient of Variation (COV). PRD is the mean ratio divided by the weighted mean ratio. COD is the average percentage deviation from the median ratio. COV is the standard deviation expressed as a percentage of the mean.

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. The acceptable COD range is 5 to 15 for newer or more homogeneous single family residential properties; less than 20 for older and more heterogeneous single family residential properties. The acceptable PRD range is 98% to 103%.

The median ratio and COD are the two statistical tools used by the state comptroller auditor in the PVS and by the District in ratio studies. The median ratio is the adopted

measure of central tendency because it gives equal weight to each ratio and is less affected by extreme ratios than the other measures. The COD is a measure of variability, which relates to the uniformity of the ratios, and generally, the smaller the measure of variability the better the uniformity. Coefficient of Dispersion is also studied to indicate how rigid the ratios are in relation to the measures of central tendency.

The sales comparison approach is the most reliable in appraising residential properties. Comparable sales which occurred in the preceding 24 months were allowed in the determination of market value as established by TPTC. Throughout the year, sales are gathered, reviewed, and coded into PACS to perform periodic ratio studies in accordance with the District's reappraisal Plan.

The ratio study serves a two-fold purpose: (1) to provide a final review of the prior year Appraisals and (2) to identify areas where the appraisal performance is not within the acceptable parameters as set by TPTC, which will be addressed during the current appraisal year.

The study was used to analyze the impact of on land reappraisal, as well as the impact of the District's annual cost schedule maintenance. This study was also used by the Residential appraisal staff for the purpose of preliminary market value adjustments.. Based on the statistics those neighborhoods or subdivisions not within acceptable parameters were addressed. The appraisal staff adjusted neighborhood and subdivision modifiers appropriately.

The ratio studies presented above are based on IAAO formats which include a series of stratifications. The statistics were stratified into the following categories:

- □ living area
- □ year built
- □ construction quality
- □ school district
- □ value range
- □ neighborhood
- □ appraisal-to-sale ratio
- □ number of sales per month
- □ and sale price per month

In addition to sales price increases, sales activity volume and sales of existing and new homes has also increased.

PACS Ratio Reports

PACS, the appraisal software utilized, provides for ratio reports to be prepared in various groupings. Residential sales are coded based on the nature of each sale,

whether it be a simple warranty deed or a foreclosure, multiple parcel and other sale types. Sale, etc. These ratios were stratified by school district or other market area parameters established by the District.

Geographical Information System GIS)

GIS was incorporated into the market analysis by identifying SFR, SFRN, DC_2, bank-owned properties, residential inventory, and ownership transfers for a 24-month period through a color-coding scheme. GIS facilitated the use of spatial analysis which provided the visual illustration of the market activity and other criteria noted above. For example, appraisers were able to identify neighborhoods where most of the sales activity occurred. It also assisted in locating areas where transfers occurred but the District was unsuccessful in gathering sales data.

COMMERCIAL AND LIGHT INDUSTRIAL IMPROVED PROPERTY

Income Approach

The income approach is the primary method used and applied on most commercial and light industrial properties. The district presently applies the income approach as required by law and otherwise as deemed appropriate according to Generally Accepted Appraisal Practice. The income approach as the primary valuation basis on all commercial properties, including Hotels, Apartment complexes, office buildings, strip malls, and most of all other retail and commercial properties. The San Patricio County Appraisal District engages the services of BURBACH & ASSOCIATES in Corpus Christi Texas, and Texas A&M Real Estate Center information and data for the purpose of establishing capitalization rates for income-producing properties in San Patricio County. The district will provide all district records related to the adoption of these rates upon written request.

The income approach requires 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 (divided by the determined capitalization rate) which produces an indication of value.

Income “pro-formas” may be 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. Local data submitted through the collection of rental income surveys from local landlords was also solicited and considered.

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

Cost Approach

The cost approach is no longer primary the appraisal method applied to commercial properties and may be used on commercial new construction initially. The hybrid cost/market practice may be employed in subsequent years and reappraisal cycles as deemed appropriate by the chief appraiser. The objective of the commercial improvement schedules for the 2023 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 Commercial Improvement Cost Schedule workbook is updated to analyze the schedules. Raw unit prices, multipliers, and heating & cooling costs are updated using the latest cost data from M&S.

After the cost data is updated with the latest information, the 2019 unit prices are compared to the proposed 2023 unit prices by calculating the mean, median, minimum, and maximum percentage changes.

Sales Comparison Approach

2023 Commercial Sales analysis was performed through analysis of sales ratio reports of all commercial sales available that occurred from 01/01/2022 to 03/31/2023.

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 use 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 functions of the mass appraisal system, reappraisal, data maintenance, and value updates, as outlined within this report. A final ratio study was generated to analyze and summarize the 2023 appraised values.

2023 CERTIFIED MARKET AND TAXABLE VALUES CERTIFIED TO THE TAXING JURISDICTIONS FOR 2023 TAX YEAR

ENTITY NAME	MARKET VAKUE	NET TAXABLE VALUE
ARANSAS PASS ISD	1,484,501,384	949,857,938
BANQUETE ISD	921,474	569,579
GREGORY-PORTLAND ISD	17,783,815,588	15,056,458,147
INGLESIDE ISD	6,675,167,630	5,477,628,629
MATHIS ISD	1,254,599,636	745,769,504
ODEM-EDROY ISD	990,874,556	582,930,903
SKIDMORE-TYNAN ISD	114,884,957	99,788,802
TAFT ISD	1,538,395,790	996,849,921
CITY OF ARANSAS PASS	843,824,650	$718,368,910
CITY OF CORPUS CHRISTI	317,250,251	217,610,097
CITY OF GREGORY	159,057,247	123,704,089
CITY OF INGLESIDE	2,909,693,744	2,364,130,550
CITY OF INGLESIDE ON THE BAY	130,147,158	114,369,234
CITY OF LAKESIDE	39,355,933	33,293,399
CITY OF MATHIS	250,649,279	193,019,205
CITY OF ODEM	203,372,608	154,596,997
CITY OF PORTLAND	2,823,555,643	2,039,546,278
CITY OF SINTON	470,731,445	350,103,064
CITY OF TAFT	209,377,014	130,751,130
CITY OF TAFT DEANNEXED	50,122,161	26,776,694
NUECES COUNTY EMERGENCY DISTRICT	921,474	835,659
ODEM-EDROY ISD	$618,981,801	$418,832,506
SAN PATRICIO COUNTY DRAINAGE DISTRICT	34,006,113,604	13,884,635,957
SAN PATRICIO COUNTY ROAD & BRIDGES	34,006,054,162	19,986,353,656
SAN PATRICIO COUNTY	32,554,392,289	18,737,244,594
SINTON ISD	4,162,819,171	3,291,141,844
DEL MAR COLLEGE	318,411,040	218,770,886

CERTIFICATION

I, ROBERT P. CENCI, CHIEF APPRAISER, of the San Patricio County Appraisal District do solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me and that I have included in the records all property that I am aware of at an appraised value determined as required by law.

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 it is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- □ I have no present or prospective interest, in the universe of properties that are 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, 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.
- □ I have made personal inspections of some of 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.
- □ All Appraisers that provided significant mass appraisal assistance in the appraisal of the subject properties for the 2023 Appraisal Year are listed below.

Each appraiser has contributed to the appraisal of the universe of property by completing their individual assignments within their respective department. Appraisers are registered with the Texas Department of Licensing and Regulation (TDLR):

PROPERTY TAX APPRAISER CERTIFICATION SAN PATRICIO COUNTY APPRAISAL DISTRICT APPRAISERS			
TDLR #	NAME	POSITION	CLASSIFICATION
60222	Cenci, Robert	Chief Appraiser	RPA, CTA
74761	DeLeon, Frances	Asst. Chief Appraiser	RPA
71088	Ramon, Benjamin J. Jr.	BPP Appraiser	RPA
76048	Saenz, Lauren M.	RES Coordinator	Class IV
76679	Buenrostro, Rebecca	BPP Appraiser	Class II
77805	Lewis, Samantha	COM Appraiser	Class I
77145	Guzman, Eddie	RES Appraiser	Class II
76641	Deyo, Katlyn	RES Appraiser	Class II
PROFESSIONAL APPRAISAL FIRM PRITCHARD AND ABBOTT			
68599	Shannon Stary	Appraiser	
70598	Jason Driskell	Appraiser	
71361	Christopher Palermo	Appraiser	
65426	Cindy Fox	Appraiser	
72275	Patrick Horak	Appraiser	
74628	Coleman Chism	Appraiser	
73946	Alan Jost	Appraiser	
72992	Andrew Mize	Appraiser	
71278	Wayne Frazell	Appraiser	
63468	Rodney Kret	Appraiser	

- □ Mass appraisal involves the division of tasks, therefore significant mass appraisal assistance was provided by departmental appraisal staff identified on Exhibit "A".

- □ The District contracted the appraisal firm of Pritchard and Abbott Company to perform mineral and utility appraisals and to represent the District in appeals and litigation of mineral and utility properties.

- □ By signing this report, I have relied on the work done by appraisal staff and others who did not sign this certification. I am therefore responsible for the decision to rely on their work and believe that the individuals performing the work are professional, ethical, credible and competent.

_____ _____

ROBERT P. CENCI, - RPA DATE
CHIEF APPRAISER
SAN PATRICIO COUNTY
APPRAISAL DISTRICT

CERTIFICATION OF PRITCHARD & ABBOTT COMPANY
CONTRACT APPRAISAL FIRM PROVIDING INDUSRTRIAL AND MINERAL
APPRAISAL WORK FOR THE SAN PATRICIO COUNTY APPRAISAL DISTRICT

SEE NEXT PAGE