

McLENNAN CENTRAL APPRAISAL DISTRICT



Dear Governing Body,

The McLennan Central Appraisal District (MCAD) must provide easy access for taxpayers and certify the appraisal roll timely so that taxing units may prepare budgets and set tax rates. Due to the current layout of the MCAD office and because the deadline for certification is statutorily prescribed MCAD has limited options related to taxpayer flow and the timeline to complete the work. The only recourse is to increase the physical resources dedicated to these efforts. **The facilities at 315 S. 26th Street are not currently sufficient for MCAD to meet the needs of both taxpayer flow and statutory deadlines for certification.**

The current facility MCAD is located in was originally built as a call center for a student loan company. As such, there was minimal space dedicated to waiting areas, counters for assisting customers, and a minimal parking lot with an inadequate traffic flow pattern. The lack of customer service space only allows MCAD to have one window for assisting taxpayers which leads to longer wait times that can be frustrating for taxpayers. During the summer months when hearings are occurring, the current small waiting area with 16 seats is insufficient for the amount of taxpayers waiting for a hearing. The parking lot lacks a flow pattern around the building causing visitors to make u-turns in the rows or drive through the grass at the back causing damage to the sprinkler system. There is also an inadequate amount of parking spots for staff, ARB members, and taxpayers.

For MCAD to certify the appraisal roll, the Appraisal Review Board (ARB) must first resolve 95% of protests filed and approve the records. Since 2009 the number of protests filed has increased from 7,643 to 19,702 in 2023 and the number of hearings held has increased from 1961 to 6005. To address the increased protest demand, MCAD has increased the number of panel rooms over the years from three in 2009 to five in 2023. This was accomplished by reducing cubicle sizes to allow for more cubicles and moving staff from existing offices into the newly created cubicles. There are no more spaces available to hold ARB hearings.

Because the need for ease of access and certification is time-sensitive, **MCAD urgently needs a long-term reliable solution to address the lack of space** so that we can continue to provide quality service to the taxing jurisdictions and the taxpayers of McLennan County. The District explored several options to meet the growing need for additional space including expanding the current building, building on the lot the district owns behind its current facility, or purchasing an existing larger facility. New construction is a more expensive option and the time required for new construction would delay operational use for the 2024 and 2025 protest seasons. **The District determined the best option for MCAD is to expand its current building by adding an addition that would create a new customer entrance with a counter to assist multiple taxpayers simultaneously and an adequate waiting area. Moving**

315 S. 26th Street ● Waco, Texas 76710 ● (254) 752-9864
www.mclennanad.org

customer service to the new addition would allow for the construction of two additional panel rooms to allow for more hearings to be scheduled per day to meet the statutory deadlines of certification.

The District will not request any additional funds from the taxing units for this addition and remodel. The District holds sufficient funds in reserves to pay off the existing loan on the building. The District will obtain financing for the addition and remodel that will not increase from what the current loan payment is currently.

The Texas Property Tax Code Section 6.051 requires the acquisition or conveyance of real property by the appraisal district or the construction or renovation of a building to be approved by the governing bodies of three-fourths of the taxing units entitled to vote on the appointment of board members. Please find enclosed a copy of the resolution from the McLennan Central Appraisal District for the construction and renovation of the current building and a summary of the alternatives considered by the District. **The District needs a resolution from your governing body approving the renovation. A sample resolution and sample agenda item language have been included for your convenience.** A non-response is counted as voting no.

Please feel free to contact me if you have any questions or need additional information. My contact information is 254-755-6567 or by e-mail at jbobbitt@mcleannacad.org.

Sincerely,

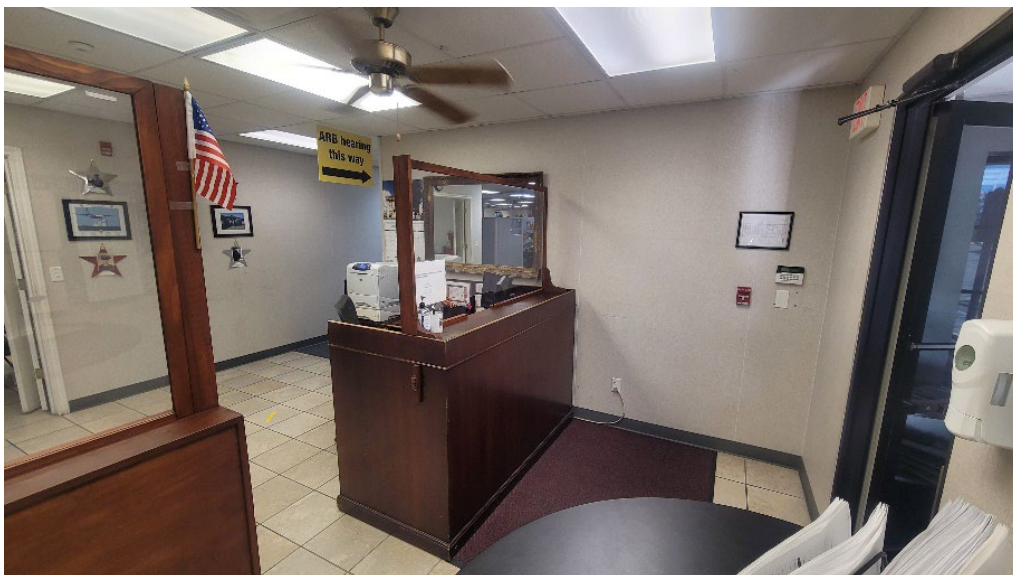
Joe Don Bobbitt
Chief Appraiser
McLennan Central Appraisal District

Current Facilities



Waiting Area

Small waiting area with limited seating. Single doorways.



Reception

One window availability. Confined space.



Hall

Elongated walkway to Appraisal Review Board waiting area and five hearing rooms on the right.

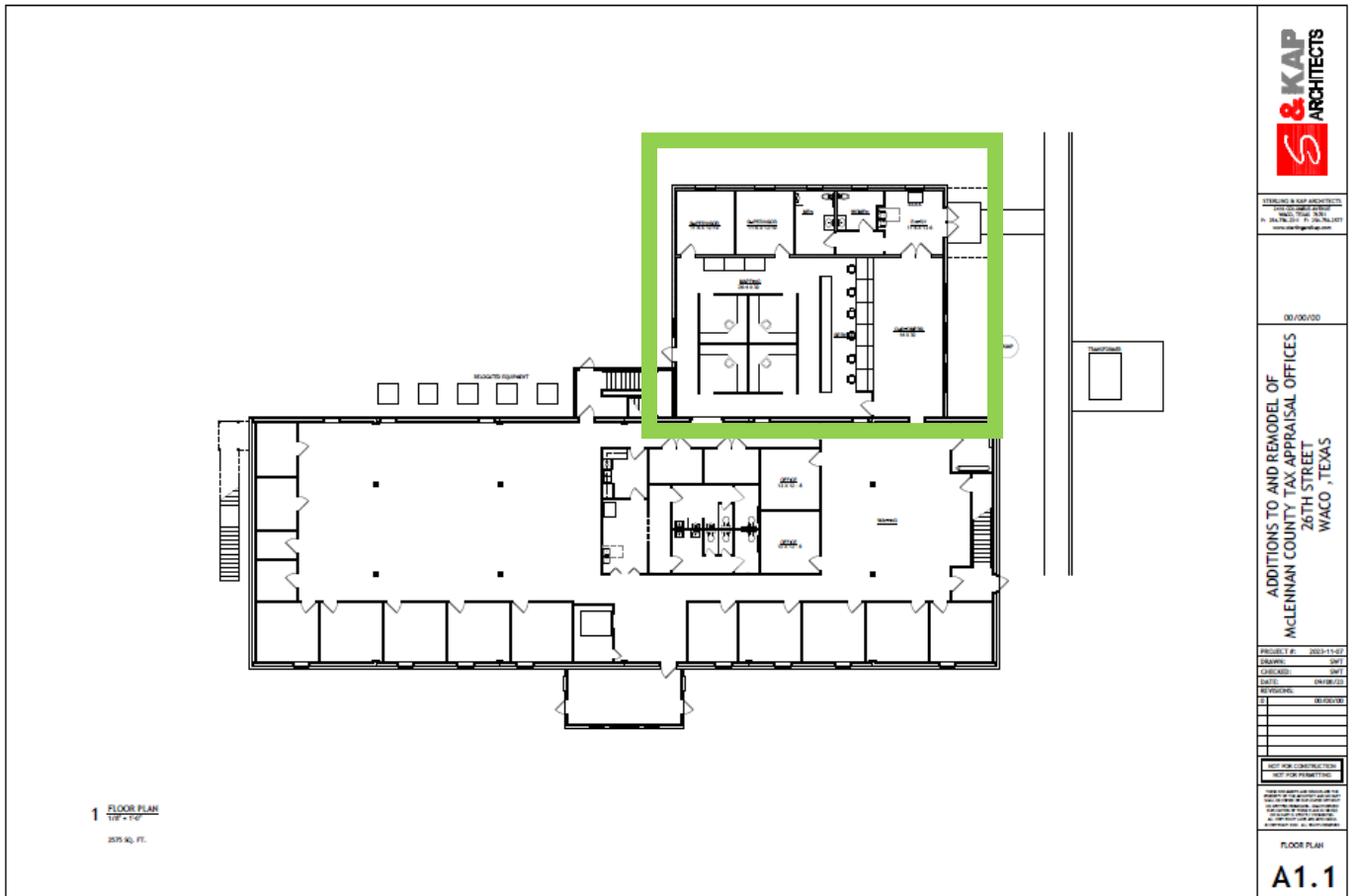


ARB Waiting Area

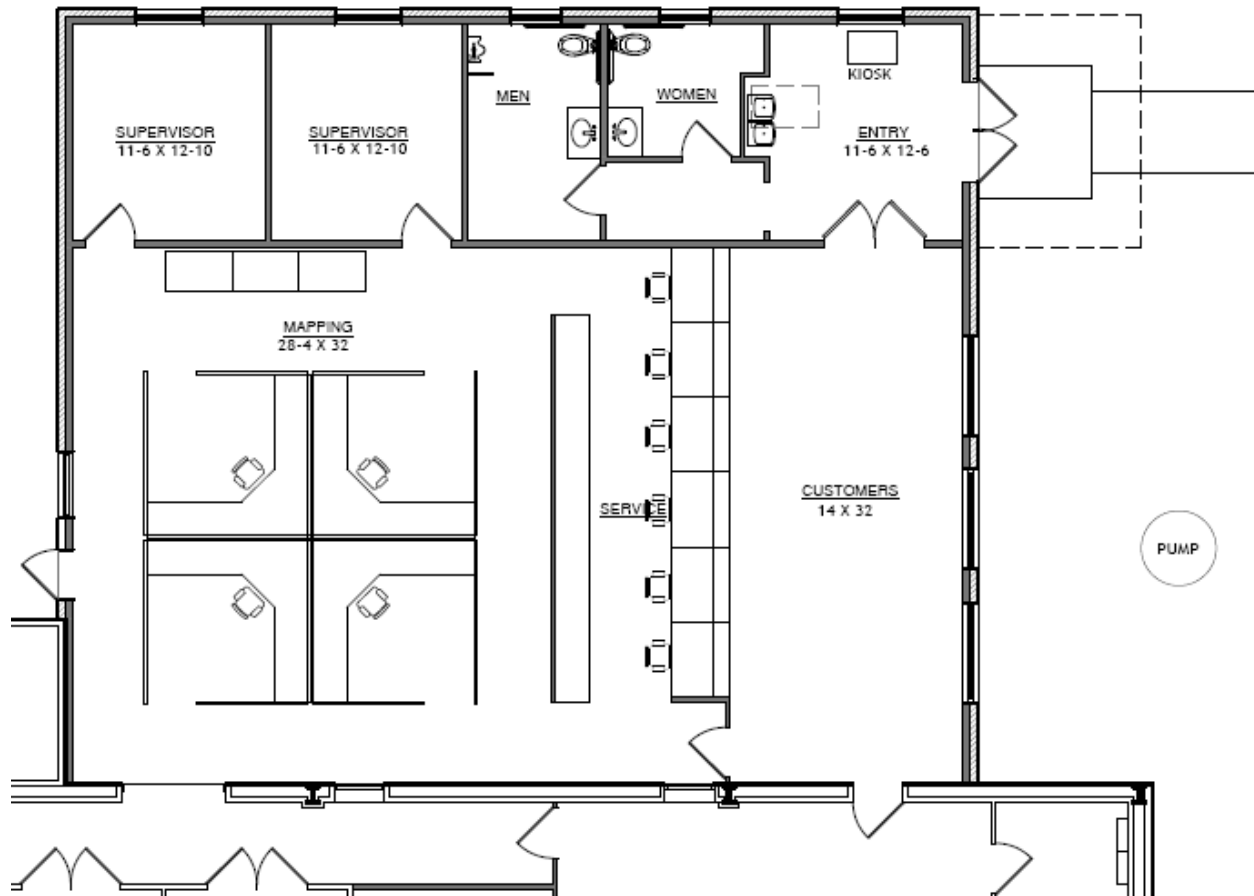
Secondary waiting area for ARB hearings at end of hallway.

Recommendations

1. Addition to the current building to create a proper entry and customer service counter. This space would be occupied by the customer service and records departments. The space currently occupied by the records department would be remodeled to add two ARB hearing rooms and a larger ARB waiting area.



Addition



2. Addition to the parking lot to create an adequate flow of traffic.



Estimated Total Costs:

Approx. 2500 sf building addition @ \$400/sf = \$1,000,000

Approx. 25,000 sf Parking lot addition @ \$10/sf = \$250,000

Remodel of existing building = \$250,000 - \$750,000

Estimated Total cost = \$1,500,000 - \$2,000,000

Alternatives

1. Construct a new MCAD office on the vacant land behind the existing building that MCAD already owns. The new building would be designed with customer flow in mind with a larger waiting area and easy access to the ARB area. This would also provide a customer parking lot completely in front of the building.



Estimated Total Costs:

Approx. 15000 sf building @ \$250/sf = \$3,750,000

Approx. 75,000 sf Parking lot addition @ \$10/sf = \$750,000

Approx cost for FFE = \$200,000













Approx cost to demo existing building = \$150,000

Estimated Total cost = \$4,600,000

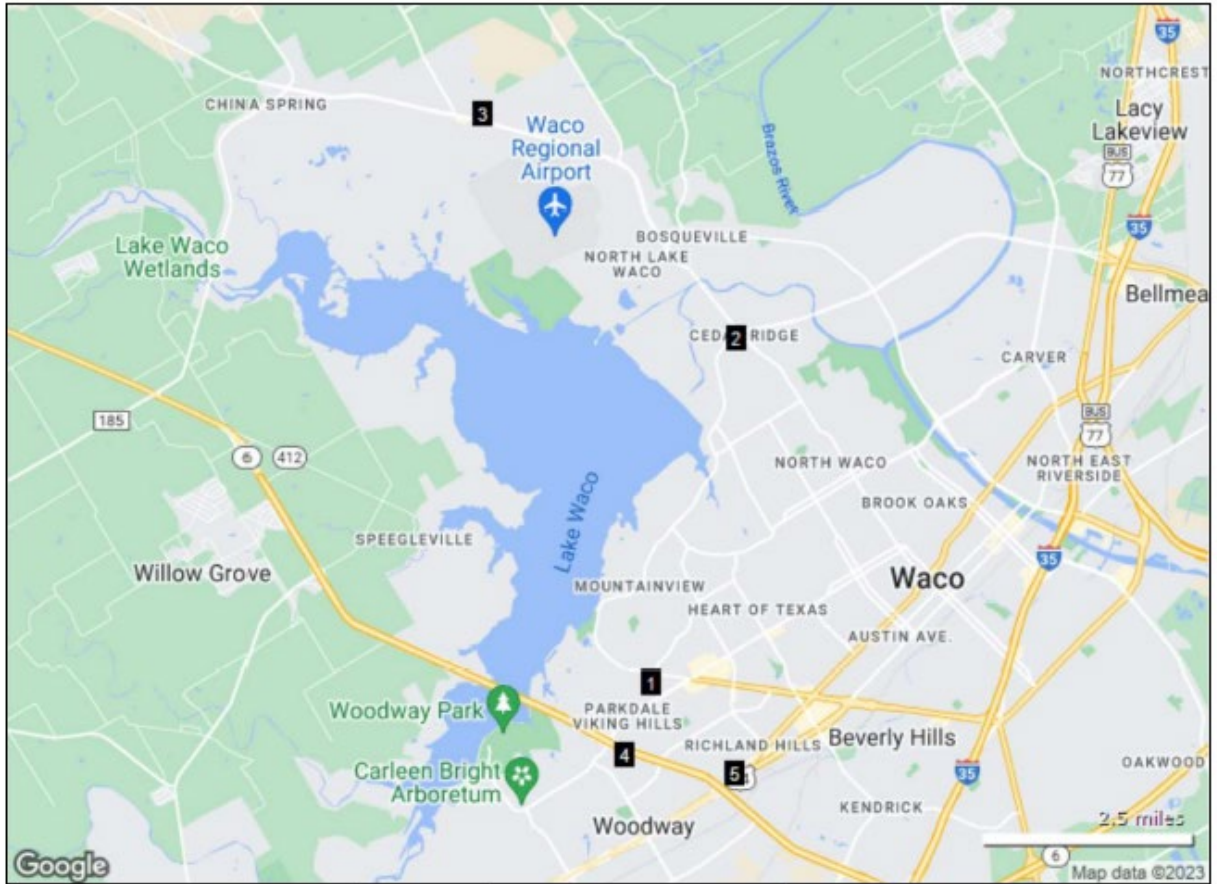
- Purchase and remodel an existing building and sell the current facility.

Current Listings:

For Sale Map & List Report

Property Name - Address	Property				Sale			
	Type	Yr Built	Size	Vacancy	Price	Price/Area	Cap Rate	Days on Market
 3420 W Waco Dr Waco, TX 76710	Office ★★★★★	1955	17,126 SF	-	Price Not Disclosed	-	-	59
 4547 Lake Shore Dr Waco, TX 76710	Office ★★★★★	1986	15,570 SF	-	Price Not Disclosed	-	-	687
 117 Burnett Ct Waco, TX 76712	Office ★★★★★	2022	9,999 SF	0%	Price Not Disclosed	-	-	263
 2124 N 25th St Waco, TX 76708	Medical ★★★★★	1980	7,545 SF	-	\$599,900	\$80/SF	-	59
 611 Spring Valley Rd Hewitt, TX 76643	Office ★★★★★	1986	6,504 SF	0%	\$510,000	\$78/SF	-	70
 1330 N Valley Mills Dr Waco, TX 76710	Office ★★★★★	2006	6,000 SF	0%	\$1,350,000	\$225/SF	-	23
 2925 & 2929 N. 18th... 2 Properties Portfolio	Office	-	5,680 SF	0%	\$800,000	\$141/SF	-	106
 Richland Mall 5901 W Waco Dr Waco, TX 76710	Medical ★★★★★	1998	5,636 SF	0%	\$8,072,014	\$1,432/SF	7.1%	144
 504 Austin Ave Waco, TX 76701	Office ★★★★★	1930	4,020 SF	100%	\$549,000	\$137/SF	-	60
 Bldg 100 6400 Cobbs Dr Waco, TX 76710	Medical ★★★★★	1977	2,258 SF	0%	Price Not Disclosed	-	-	134
 1925 N 25th St Waco, TX 76707	Medical ★★★★★	1955	2,158 SF	100%	\$188,550	\$87/SF	-	109
 Edward Jones 6403 Cobbs Dr Waco, TX 76710	Office ★★★★★	1961	1,704 SF	0%	\$375,000 Under Contract	\$220/SF	-	123

Recent Sales:



	Address	City	Property Info	Sale Info
1	6403 Cobbs Dr	Waco	1,704 SF Class C Office	Under Contract: w/Asking Price of \$375,000 (\$220.07/SF)
2	2100 Lake Shore Dr	Waco	14,769 SF Class C Office/Medical	Sold: \$5,175,000 (\$350.40/SF)
3	10112 Saddle Creek	Waco	675 SF Class C Office	Sold: \$145,000 (\$214.81/SF)
4	1000 W State Highway 6	Waco	8,340 SF Class B Office	Sold: \$785,000 (\$94.12/SF)
5	5901 W Waco Dr	Waco	5,636 SF Class B Office/Medical	Sold: \$1,305,000 (\$231.55/SF)

Estimated Total Costs:

Approx. purchase price of 15000 sf building @ \$300/sf = \$4,500,000

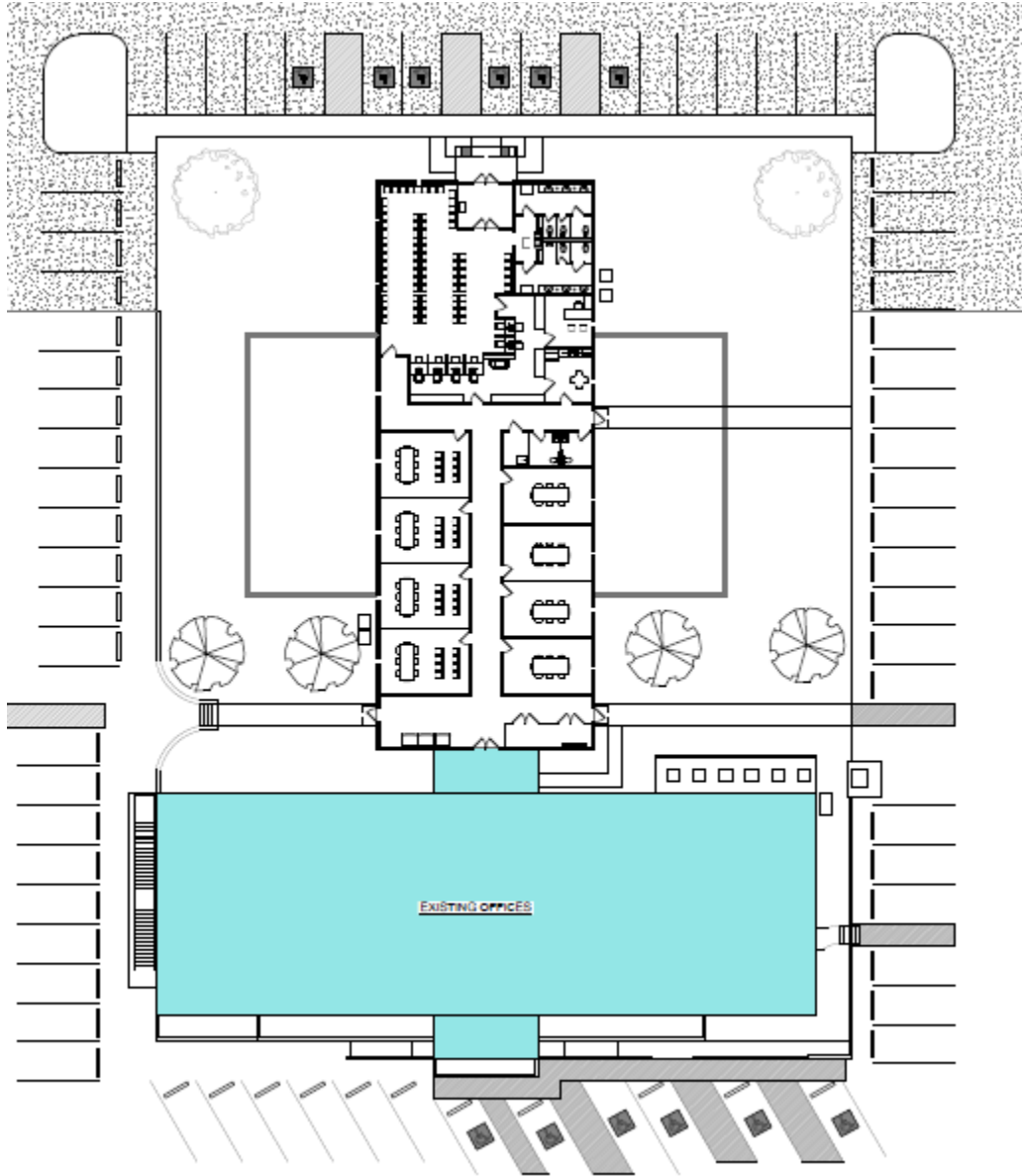
Approx. cost for remodel / improvements: \$750,000

Approx cost for FFE = \$200,000

Approx sale price of existing building = \$3,000,000

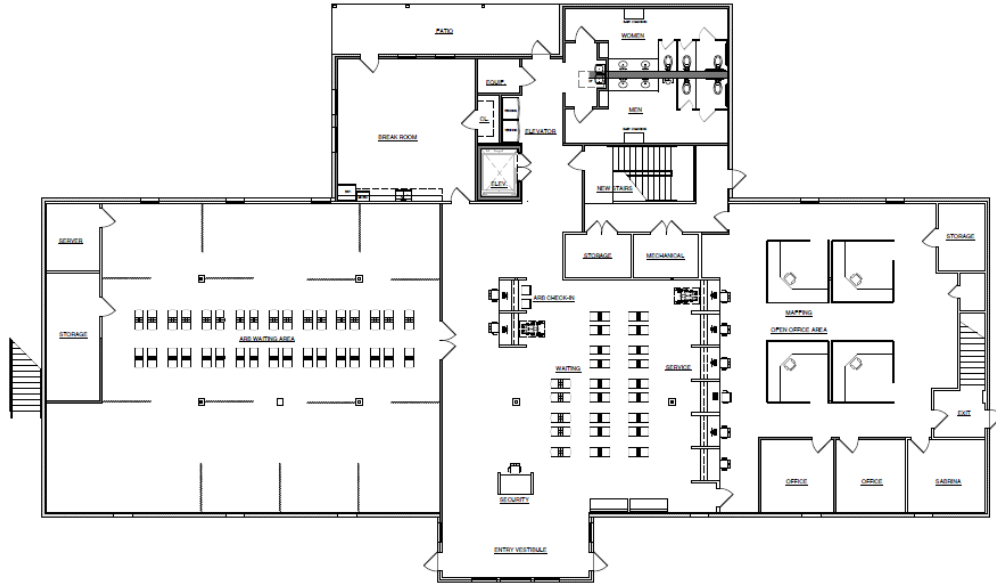
Estimated Total cost = \$2,450,000

3. 6000 sf addition to the rear of the existing building. The addition would move the main entrance of the building to the back of the property. Customer service and ARB hearing rooms would be in this wing. No remodel to the existing building.

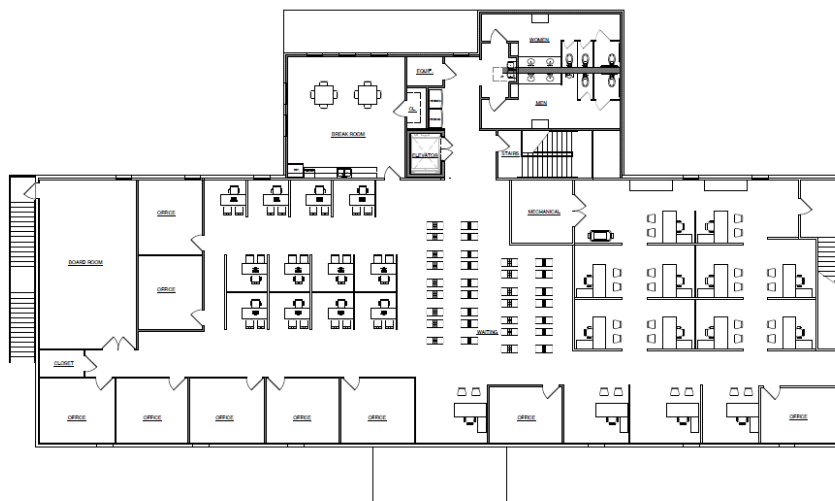


Estimated Total Cost: \$2,000,000

4. Complete remodeling of the existing building and a two-story addition to the rear of the building. This would create a central waiting area on the first floor by moving restrooms and elevator. The upstairs would be remodeled to accommodate all valuation departments and administration.



1 FIRST FLOOR PLAN
1/8" = 1'-0"



1 SECOND FLOOR PLAN
1/8" = 1'-0"

Estimated Total Cost: \$3,000,000