Due Diligence Report
Four Corners Development
Senior Housing Development
Tool, TX
February 22, 2019

1. Executive Summary

The below information was obtained through: (1) reference documents and ordinances found within the City of Tool, Texas website (2) conversations and emails with the City of Tool Secretary, Makenzie Lyons, including city documents provided by Mrs. Lyons; (2) conversations and emails with Jeremy Lyons, with City of Tool Code Enforcement; (3) Henderson County Appraisal District website; (4) Rodney McClain, Tool Volunteer Fire Department Fire Chief; and (5) Tony Ciardo, West Cedar Creek Municipal Utility District Manager.

Due diligence performed on the project site includes a limited boundary survey; a Phase I Environmental Site Assessment; and title research.

The proposed senior housing development in Tool, Texas consists of twelve (12) independent senior living quadplexes for a total of forty-eight (48) living units as well as one community building. Two separate floor plans will be utilized for the quadplexes, including a 1 bedroom/1 bath floorplan and a 2 bedroom/1 bath floorplan. The project site is a 16.00 acres tract that will be subdivided out of a larger parent tract. The project site is located within Tool city limits and is currently an open field.

Off-site work that this project will incur includes installation of a drainage ditch to the southwest of the site to allow for proper stormwater drainage.

All persons who have a property interest in this report hereby acknowledge that TDHCA may publish the full report on the TDHCA website, release the report in response to a request for public information and make other use of the report as authorized by law.
2. **Site Summary Items**

2.1 Property Identification Number(s)

Per Henderson County Appraisal District:  
[http://esearch.henderson-cad.org/Property/View/R000090557](http://esearch.henderson-cad.org/Property/View/R000090557)  
- Property ID: R000090557

2.2 Millage Rates for Taxing Jurisdictions

Per Henderson County Appraisal District 2018 Tax Year:  
- City of Tool: 0.490160  
- Emergency Services District #4: 0.030000  
- Henderson County FM-FC: 0.059329  
- Henderson County R&B: 0.025715  
- Henderson County: 0.392940  
- Malakoff ISD: 1.200000  
- Trinity Valley Community College 0.138540

2.3 Zoning Requirements

2.3.1 Current Zoning

The majority of the subject site is currently zoned R-1 – Single Family Detached Residential, with the southernmost immediate area adjacent to North Tool Drive (Hwy 274) being zoned B-1 – Local Business District.

It will be necessary to rezone the property to MF-1 - Multiple-Family Residential which specifically allows multi-family residences. The zoning code does not specifically address independent senior housing, but City staff has indicated that MF-1 is the appropriate zoning for the proposed development.

2.3.2 Rezoning Process

A rezoning application submittal package was made to the City of Tool on 02/15/19. The City of Tool Staff will have the rezoning application request placed on the next available City Council meeting. The City Council meets every month on the third Thursday of the month. The rezoning process will be completed upon approval at the City Council meeting.
2.3.3 Select Zoning Information

- Minimum Lot Area: The minimum lot area for MF-1 is 10,000 SF plus 1,500 SF for each one bedroom unit and 1,800 SF for each two bedroom unit. With the current proposed layout of 24 single bedroom units and 24 two bedroom units, the minimum lot size for the proposed development is 89,200 SF, or 2.05 AC.
- Minimum Dwelling Unit Size: 600 SF per bedroom unit
- Minimum Lot Width: 100 feet
- Minimum Lot Depth: Not specified in the ordinances.
- Minimum Front Yard: 25 feet
- Minimum Rear Yard: 20 feet minimum. The distance from main structures to adjacent property zoned as R or MH-2 shall be 50 feet. The distance from accessory structures to adjacent property zoned as R or MH-1 shall be 20 feet.
- Minimum Side Yard: 10 feet
- Max Building Height: 60 feet.
- Maximum Ground Coverage: 30% of lot area

2.4 Subdivision Requirements

Per the City of Tool Subdivision Ordinance and conversations with City staff, a subdivision plat will be required in order to split the purchase tract from the overall parent tract. City staff has confirmed that it will not be necessary to split the parcel up into individual lots for each of the quadplex buildings. The City Zoning Ordinance contains language which only allows for one principle building on a single residential lot. City staff has clarified that this language is referring to property zoned single family residential and is not applicable to property zoned Multifamily.

The platting process includes submission of a Preliminary and Final Plat for approval by City Council. The submittal deadline is 20 days prior to the scheduled City Council Meeting. Both the Preliminary and Final Plats can be submitted for approval concurrently. It is estimated that the platting approval process will take approximately 4 weeks once the submittal is made.

2.5 Development Ordinances

2.5.1 Parking

Per Tool’s Code of Ordinances, Chapter 155: Zoning, section 155.255 – Off-Street Parking and Loading Requirements:

- Required parking:
  - For dwelling units: 2 spaces per dwelling unit: 96 required
o For Community Building: 10 + 1 Space per 300 SF in excess of 2,000 SF: 11 required

- Total parking required: 107
- For ninety-degree angle parking, parking space shall be a minimum of 19’ in length and 9’ in width.
  o Maneuvering space of not less than 24 feet perpendicular to the building or parking line in addition to the parking spaces is also required

2.5.2 Landscaping

The City of Tool’s Code of Ordinances allows a maximum ground coverage of 30% of lot area for lots for Multi-Family Dwellings. There are no other specific landscape requirements in the Code of Ordinances.

2.5.3 Water Supply

Water service will be provided to the site by the West Cedar Creek Municipal Utility District. Per information provided by the utility provider, there is an existing 12 inch water line on the western side of Highway 274. It is anticipated that water service to the site will be achieved by extending a new 6 inch main into the proposed development that will be connected the existing 12 inch line. A highway bore will be required to get the water line across Highway 274. The utility provider has confirmed that they have facilities to provide service to the proposed development.

2.5.4 Sewer

Sewer service will be provided to the site by the West Cedar Creek Municipal Utility District. Per information provided by the utility provider, there is an existing 10 inch force main on the eastern side of Highway 274. It is anticipated that sewer service to the site will be achieved by installation of a gravity sewer line in within the development, and installation of a lift station to connect to the existing force main. The utility provider has confirmed that they have facilities to provide service to the proposed development.

2.6 Fire Department

The City of Tool requires that all areas of development be within a three hundred (300) feet radius from a fire hydrant and the hose line route to each building shall be less than three hundred (300) feet. Per discussions with Chief Rodney McClain with the Tool Volunteer Fire Department, they do not have any additional specific requirements related to the proposed development beyond providing fire hydrants as indicated.
2.7 Site Ingress and Egress Requirements

Site access will include a single full access driveway connection to Highway 274 (North Tool Drive). Highway 274 is a 2 lane road that is a Texas Department of Transportation (TxDOT) route. A driveway permit from TxDOT will be required; however, no road improvements are anticipated to be required.

2.8 Building Codes and Local Design Requirements

The City of Tool has adopted the 2015 Edition of the International Code of Council including all Appendix Chapters as follows:

- 2015 International Building Code
- 2015 International Residential Code
- 2015 International Fire Code
- 2015 International Mechanical Code
- 2015 International Fuel and Gas Code
- 2015 International Existing Building Code
- 2015 International Private Sewage Disposal Code
- 2015 International Property Maintenance Code
- 2015 International Zoning Code
- 2015 International Green Construction Code

2.9 Atypical Cost Items

An off-site drainage ditch will be required to be installed extending out from the site’s southwest corner to an crossing under Highway 274 that is located approximately 300 feet northwest of the site and on the seller’s remaining land. Full topographic survey data has not been obtained for the off-site ditch routing, but it is assumed that only minimal grading will be necessary to achieve the necessary positive drainage to the existing drainage crossing.

A lift station will also be required to connect the site’s sanitary sewer discharge to the available public sanitary sewer system. This is necessary because the available sewer facilities to the site is a force main which requires a lift station in order to tie into.
3. **Overview of Process, Timing and Fees**

3.1 Overview of Entitlement and Site Development Permitting and Associated Timing

3.1.1 Zoning – Approximately 4-6 weeks. See section 2.3.2 above for description of the process.

3.1.2 Preliminary/Final Plat – Approximately 6-8 weeks. See Section 2.4 above for description of the process.

3.1.3 Site Plan Review – Approximately 8-10 weeks concurrently with other approvals.

3.2 Building Permitting and Process and Timing

Building plan reviews are sent out by the City of Tool to a 3rd party reviewer. The City has indicated that typical review timeframe for building permits is 2-3 weeks.

3.3 Cost Itemization of All Anticipated Fees

3.3.1 Rezoning - $100

3.3.2 Water Meters - $2,750 per meter: $134,750 total for 49 meters

3.3.3 Residential Sewer Permit Fee - $1,250 per unit: $61,250 total for 48 units plus the community center.

3.3.4 Building Permit - $16,000

3.3.5 Construction Stormwater Permit - $225

Joseph Parsley, PE
Vice President
# Site Work Cost Breakdown - Cedar Trails - Tool, TX

This form must be submitted with the Development Cost Schedule as justification of Site Work costs. Column A: The Site Work activity reflected here must match the Site Work activity reflected in the Development Cost Schedule. **Columns B and C: In determining actual construction cost, two different methods may be used:**
- The construction costs may be broken into labor (Column B) and materials (Column C) for the activity; OR
- The use of unit price (Column B) and the number of units (Column C) data for the activity.

Column D: To arrive at total construction costs in Column D:
- If based on labor and materials, add Column B and Column C together to arrive at total construction costs.
- If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

Column F: Engineering/architectural costs must be broken out by the Site Work activity.

Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

**This form must be completed by a Third-Party engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

For Site Work costs that exceed $15,000 per Unit and are included in Eligible Basis, a CPA letter allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible must be submitted behind this tab.

<table>
<thead>
<tr>
<th>Activity</th>
<th>B. Unit Price</th>
<th>C. # of Units</th>
<th>D. Total Construction Costs</th>
<th>E. Acquisition Costs</th>
<th>F. Engineering / Architectural Costs</th>
<th>G. Total Activity Costs</th>
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Total: $1,429,583

Signature of Registered Engineer: [Signature]

Printed Name: Joseph Parsley, PE

Seal: [Seal]

Date: 2/22/2019

If a revised form is submitted, date of submission: [Blank]
## Off-Site Cost Breakdown - Cedar Trails - Tool, TX

This form must be submitted with the Development Cost Schedule if the development has offsite costs, whether those costs are included in the budget as a line item, embedded in the acquisition costs, or referenced in utility provider letters. Therefore, the total costs listed on this worksheet may or may not exactly correspond with those off-site costs indicated on the Development Costs Schedule. However, all costs listed here should be able to be justified in another place in the application.

**Column A:** The offsite activity reflected here should correspond to the offsite activity reflected in the Development Cost Schedule or other supporting documentation.

**Columns B and C:** In determining actual construction cost, two different methods may be used:

**Column D:** To arrive at total construction costs in Column D:

**Column E:** Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

**Column F:** Engineering/architectural costs must be broken out by the offsite work activity.

**Column G:** Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

**ALL contingency must be included in the Contingency line item on the Development Cost Schedule and NOT on this form**

**This form must be completed by a professional engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

<table>
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<tr>
<th>A. Activity</th>
<th>B. Unit Price</th>
<th>C. # of Units</th>
<th>D. Total Construction Costs</th>
<th>E. Acquisition Costs</th>
<th>F. Engineering / Architectural Costs</th>
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Total: $ 12,600

Signature of Registered Engineer responsible for Budget Justification

Printed Name: Joseph Parsley, PE

Seal: JOSEPH PARSLEY 104151

Date: 2/22/2019

If a revised form is submitted, date of submission: ___________________________