

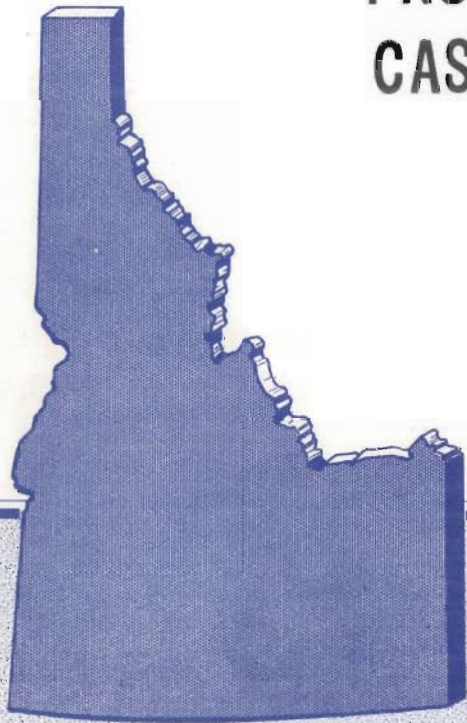
LAND ECONOMIC STUDIES

PROJECT F-6471(17)
CASE STUDY No. 7

MAY 1965

IDH-RP002, Vol 3

RESEARCH PROJECT NO. 2



STATE OF IDAHO DEPARTMENT OF HIGHWAYS

in cooperation with

U. S. DEPARTMENT OF COMMERCE BUREAU OF PUBLIC ROADS

LAND ECONOMIC STUDIES

Case Study No. 7

Severance Study

Project F-6471(17) - Idaho Falls

Parcels 2 & 11

March 1965 .

The Purpose of land economic studies is to determine the impact, if any, of highway construction and operation upon the value of abutting private property.

State of Idaho
Department of Highways
Research Project No. 2
in Cooperation with
U. S. Department of Commerce
Bureau of Public Roads

LAND ECONOMIC STUDY

Case Study No. 7

PROJECT F-6471(17) - Parcels 2 and 11 JOHNS HOLE INTERCHANGE

LOCATION: Lindsay Boulevard at Johns Hole Road.

This land lies south and east of Johns Hole Road between Lindsay Boulevard and Porter Canal. It is approximately one half mile north and west of the Broadway Interchange in Idaho Falls. This will be a new interconnector from I-15 to U. S. 191 at Ucon, Idaho, by way of U. S. 20.

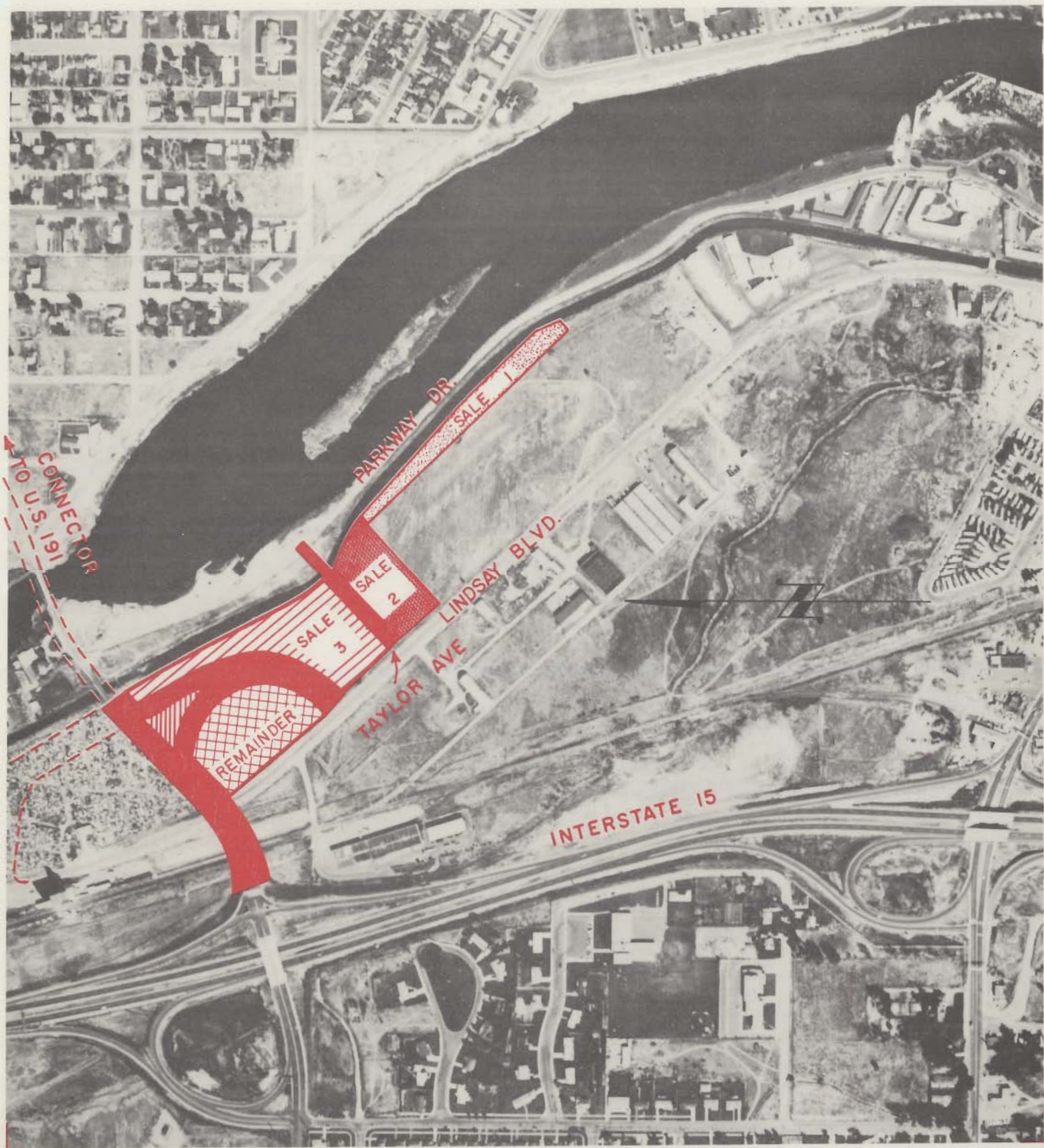
THE PROPERTY BEFORE RIGHT OF WAY REQUIRED:

1. Area: 13.82 acres.
2. Frontage: Approximately 1,095 front feet on Lindsay Boulevard.
3. Access: Unrestricted access on Lindsay Boulevard.
4. Zoning: Commercial.
5. Utilities: Available in reasonable proximity.
6. Improvements: None.

Lindsay Boulevard is a city-rural thoroughfare of active city, farm, commercial and industrial use. The concentration of growth in this area can be classified as suitable for motels and commercial services. This choice commercial property is in close proximity to residential and commercial areas within Idaho Falls. In fact, several motels are located just south on Lindsay Boulevard and Parkway Drive.



Before Highway Construction



After Highway Construction

APPRAISED VALUE:

Before Value	-	\$131,014.00
After Value	-	149,849.00

RIGHT OF WAY TAKEN: 3/12/63 and 5/18/64

The taking of 3.27 acres is for the construction of a connector between Lindsay Boulevard and U. S. 20. It also provides for construction of Taylor Avenue to connect Lindsay Boulevard and Parkway Drive. The nature of the taking creates three corner lots and improves the commercial potential of the remaining property.

PROPERTY REMAINING:

1. Area: 10.55 acres.
2. Frontage: Approximately 935 front feet on Lindsay Boulevard.
3. Access: Unlimited on Lindsay Boulevard and Taylor Avenue.
4. Zoning: Commercial.
5. Utilities: Available in reasonable proximity.
6. Improvements: None.

Highway construction and the location of Taylor Avenue has created three corner acreages of greater potential worth than the market value of the entire property before the taking. This was undoubtedly due to the connection of Lindsay Boulevard with Interstate 15.

AFTER SALE OF REMAINING PROPERTY:

Sale #1 was approximately 1.9 acres, isolated, lying along the canal bank and sold in September 1962 for \$5,500.00.

Sale #1a was the resale of the same 1.9 acres to the abutting property owner, on Lindsay Boulevard, for \$17,000.00

Sale #2 was a 2.41 acre corner site located at the intersection of Taylor Avenue and Lindsay Boulevard. Sale was made in April 1964 for \$25,134.00.

Sale #3 was a 2.87 acre corner site at the intersection of Taylor Avenue and Lindsay Boulevard and also abutting Interstate South bound off ramp. Sale was made in June 1964 for \$48,000.00.

Total consideration for sales #1a to
#3 inclusive is \$ 90,134.00

Sales plus negotiated settlement of \$33,320 \$123,454.00

REMARKS:

Purchasers of Parcel #1a state that they were of the opinion at the time of sale that they were buying three acres of land. Had this been the case, the enhancement in value would have been +80% instead of +211%. (See summary below).

It should be further noted that, although the appraiser recognized the probability of enhancement in value of the remainder by \$49,835.00 (see summary below), the State was unable to take advantage of this fact because Idaho law does not permit special benefits to be offset against the value of the land taken. Such enhancements may be used only to offset damages. (R.S. 5220; I.C. 7-711(3)).

SUMMARY OF APPRAISAL:

Before value of entire ownership	13.82 ac. @ \$ 9,480.00	= \$131,014.00
Before value of portion not taken	10.55 ac. @ 9,480.00	= <u>100,014.00</u>
Before value of take	3.27 ac. @ 9,480.00	= \$ 31,000.00
After value of portion not taken	10.55 ac. @ 14,204.00	= 149,849.00
Before value of portion not taken	10.55 ac. @ 9,480.00	= <u>100,014.00</u>
Increase in value of portion not taken		= \$ 49,835.00
Expected increase in value indicated by appraisal	= 50%	

INDICATIONS BY SALE:

Sale #1

Appraised value of portion not taken (per acre)	\$ 2,846.00
Sale value of portion not taken (per acre)	<u>2,900.00</u>
Actual enhancement in value (per acre)	\$ 54.00
Enhancement in value $\$54.00 \div \$2,846.00$	= 2%

Sale #1a:

Appraisal value of portion not taken (per acre)	\$ 2,846.00
Sale value of portion not taken (per acre)	<u>8,854.00</u>
Actual enhancement in value (per acre)	\$ 6,008.00
Enhancement in value $\$6,008.00 \div \$2,846.00$	= 211%

Sale #2

Appraised value of portion not taken (per acre)	\$ 9,583.00
Sale value of portion not taken (per acre)	<u>10,429.00</u>
Actual enhancement in value (per acre)	\$ 846.00
Enhancement in value $\$846.00 \div \$9,583.00$	= 9%

Sale #3

Appraised value of portion not taken (per acre)	\$ 9,583.00
Sale value of portion not taken (per acre)	<u>16,725.00</u>
Actual enhancement in value (per acre)	\$ 7,142.00
Enhancement in value $\$7,142.00 \div \$9,583.00$	= 75%

SUMMARY:

		<u>Date</u>
Enhancement in value indicated by appraisal	50%	7-62
Sale #1 Enhancement in value indicated by sale	+ 2%	9-62
Sale #1a Enhancement in value indicated by sale	+ 211%	7-64
Sale #2 Enhancement in value indicated by sale	+ 9%	4-64
Sale #3 Enhancement in value indicated by sale	+ 75%	6-64

OBSERVATIONS:

Sales #2 and #3 illustrate, very vividly, the special benefits that may accrue to remaining properties near an interchange and also indicates how the creation of corner properties may have an influence upon the after value. This impact is in direct proportion to the economic potential created by the highway facility.

In large measure this study affirms the fact that benefits may arise from interchange locations and, in this particular case, the appropriateness of the appraisal conclusions concerning them.