

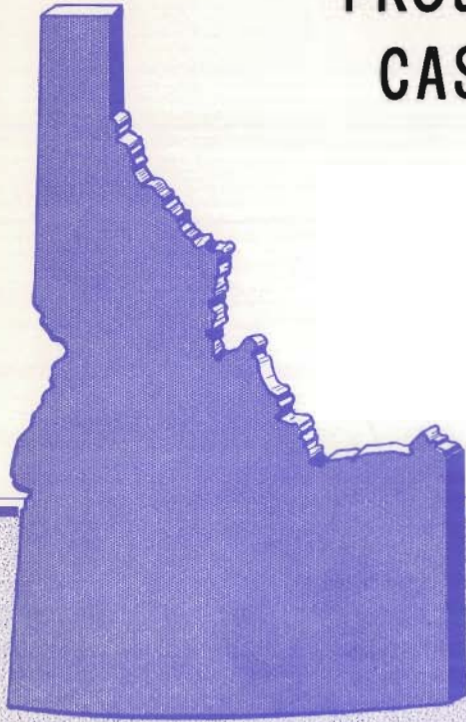
# LAND ECONOMIC STUDIES

PROJECT 1-15-3(7)111  
CASE STUDY No. 8

JUNE 1966

IDH-RP002, Vol 4

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. 8

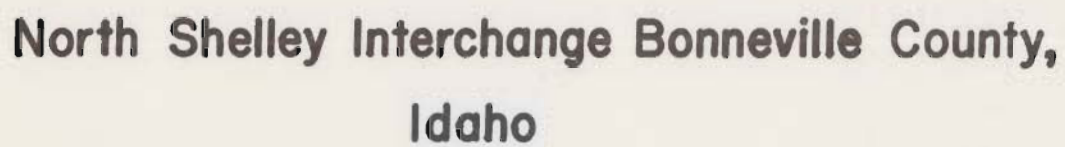
Project I-15-3(7)111 - (Bingham County Line to Idaho Falls)

Parcel No. 5

June 1966

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



# North Shelley Interchange Bonneville County, Idaho



LAND ECONOMIC STUDY

Case Study No. 8

PROJECT I-15-3(7)111 - Parcel 5 - NORTH SHELLEY INTERCHANGE

LOCATION: On Interstate Highway 15, five miles south of Idaho Falls and two miles north of Shelley, by way of New Sweden Road.

This property was severed by construction of the Interstate and the North Shelley Interchange. The Interchange directs U. S. 91 and U. S. 20 traffic from the Interstate to South Idaho Falls.

THE PROPERTY BEFORE RIGHT OF WAY WAS ACQUIRED:

1. Area: 187 acres.
2. Utilities: Electricity, irrigation and well water, telephone and septic tanks within the improvement areas.
3. Improvements: There are two sets of farm buildings, one on each side of the New Sweden Road.
4. Land Classifications:

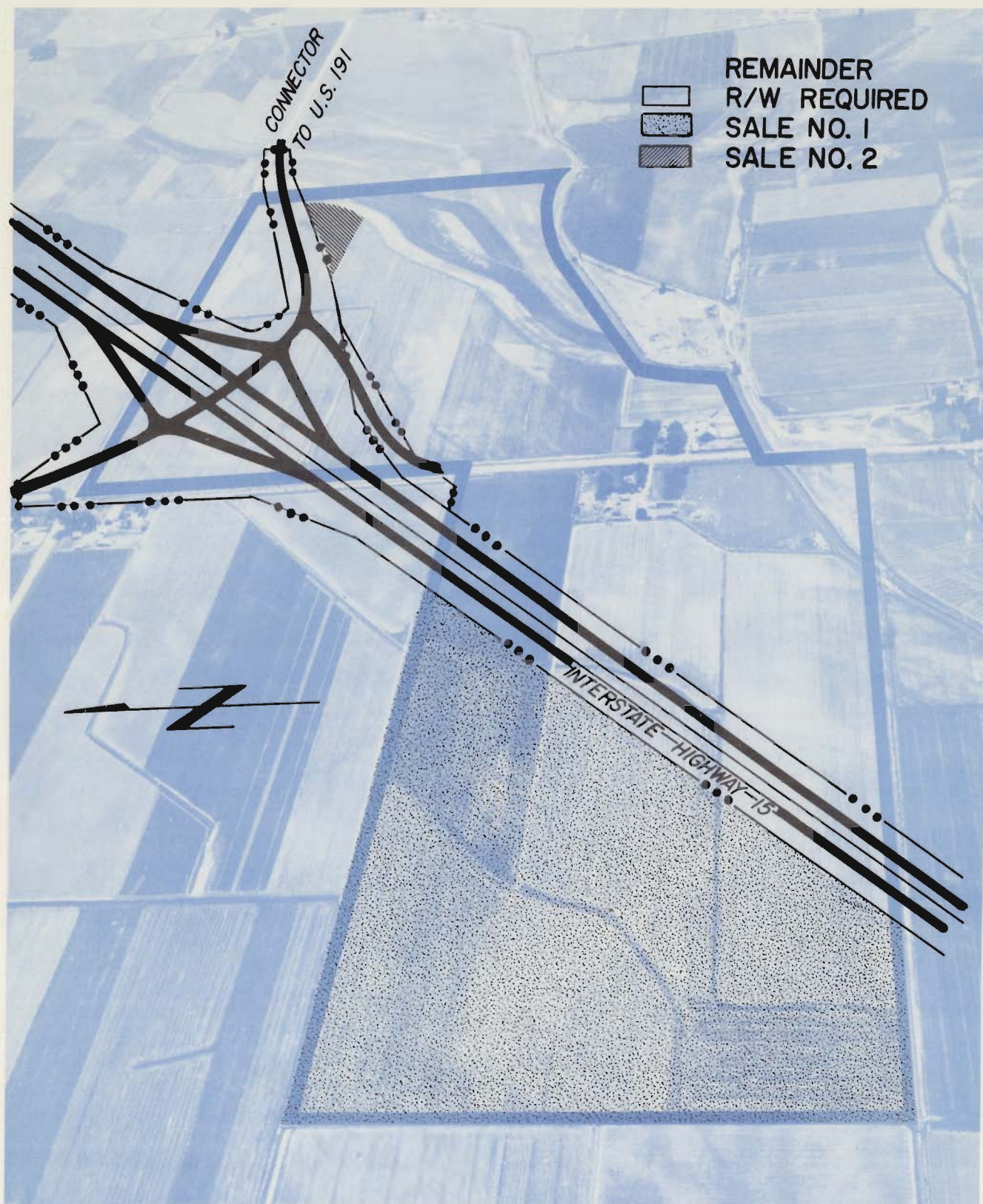
Agricultural lands

Building and improvement areas	2.00 acres
Irrigated agricultural	167.00 acres
Irrigated grazing	15.00 acres
Dry grazing	<u>3.00 acres</u>
Total	187.00 acres



**PROPERTY BEFORE RIGHT OF WAY ACQUIRED**





PROPERTY AFTER RIGHT OF WAY ACQUIRED

Land had unlimited access to New Sweden Road prior to acquisition of right of way.

The buildings within the improvement areas were not affected by either the right of way acquired or subsequent sales and, therefore, their descriptions and values were not included in this study.

DESCRIPTION OF RIGHT OF WAY ACQUIRED:

The right of way acquired consisted of 48.08 acres of irrigated agricultural land with no building improvements within the acreage acquired. These lands are used primarily for raising potatoes and sugar beets.

THE REMAINING PROPERTY:

1. Area: 138.92 acres.
2. Utilities: No change.
3. Improvements: No change.
4. Land classifications:

The lands remain the same in each classification, except for irrigated agriculture, which was reduced to 118.92 acres by the purchase of 48.08 acres of right of way.

The right of way purchased severed two tracts of land from the primary farming areas. One severed tract of 39 acres to the west was landlocked and the other was 12.71



acres to the north of the easterly off ramp. Access to New Sweden Road remained the same. Access to the 12.71 acres is a single 20 foot approach.

APPRAISED VALUE:

Three appraisals were made of this ownership and their correlation indicates the following:

Value of entire ownership of 187 acres	\$104,300.00
Value of remaining ownership	
of 138.92 acres	<u>\$ 73,180.00</u>
Just compensation as correlated	\$ 31,120.00

All of the 48.08 acres acquired was appraised at \$450.00 per acre for a total of \$21,636.00. Damage to the remaining property, for loss of utility of farm buildings and the severance of land, inclusive of the landlocked acreage, amounted to \$9,484.00. The appraisals did not contemplate any change in use for the remaining land.

ACQUISITION OF PROPERTY:

Judgment by stipulation was granted by the U. S. District Court on December 18, 1961, for \$34,000.00.

SALE OF PORTIONS OF REMAINING PROPERTY:

SALE NO. 1:

1. Area: 39 acres sold November 1, 1963. Contract is in escrow.



2. Frontage: Landlocked, none.
3. Utilities: Irrigation water only.
4. Improvements: None.
5. Consideration: \$23,000.00.

This landlocked property was purchased by the adjoining property owner to restore and further increase his acreage.

SALE NO. 2:

1. Area: 4.00 acres sold May 1, 1964, and recorded in Book of Deeds 157, page 165, Bonneville County, Idaho.
2. Frontage: Approximately 500 front feet on the east off ramp from the Interstate, carrying U.S. 91 business and U. S. 26 traffic.
3. Utilities: Irrigation water only.
4. Improvements: None
5. Consideration: \$4,000.00.

This is an angular piece of property, located near the end of the off ramp which links Interstate Highway 15 via U. S. 91 business and U. S. 26 to south Idaho Falls. Access is limited to one forty-foot approach.

The buyer is a distributor for a national petroleum corporation and desires to construct a truck stop.

CHANGE IN VALUE OF THE PORTIONS SOLD:

<u>SALE NO. 1:</u>	<u>Indications</u>	
	<u>By Appraisal</u>	<u>By Sale</u>
Value, before right of way was acquired, of portion sold	\$17,550.00	\$17,550.00
Value, after right of way was acquired, of portion sold	<u>\$13,065.00</u>	<u>\$23,000.00</u>
Change in Value	- <u>\$ 4,485.00</u>	+ <u>\$ 5,450.00</u>
Percentage increase or decrease	- 25%	+ 31%

<u>SALE NO. 2:</u>	<u>By Appraisal</u>	<u>By Sale</u>
Value, before right of way was acquired, of portion sold	\$ 1,800.00	\$ 1,800.00
Value, after right of way was acquired, of portion sold	<u>\$ 1,700.00</u>	<u>\$ 4,000.00</u>
Change in value	- <u>\$ 100.00</u>	+ <u>\$ 2,200.00</u>
Percentage increase or decrease	- 6%	+ 122%

CONCLUSIONS:

SALE NO. 1:

The close proximity of this 39 acres to farms of the same classification and the desire of an adjoining farmer to not only restore but to increase his overall acreage is the basis for the sale. It is interesting to note that the anticipated damage was not factual, for the buyer was willing to pay \$125.00 per acre more than the land was appraised for



and more than he had been paid for his own land by the State.

The location of the severed property to the purchaser's farm created a special condition prompting the farmer to take advantage of these circumstances to increase his farm acreage. The fact the land purchased is adjoining would make it more valuable to him than had it been remote.

SALE NO. 2:

Because of its advantageous location adjacent to the off-ramp from the interstate and carrying U. S. 91 business and U. S. 26 traffic to south Idaho Falls, the property sold at a substantial increase in value rather than at a loss as predicted.

The intended use of this land is for a truck stop, rest area and cafe.