

LAND ECONOMIC STUDIES

PROJECT I-15-1(18)70
CASE STUDY No.11

SEPTEMBER 1967

IDH-RP002, Vol 7

RESEARCH PROJECT NO. 2



STATE OF IDAHO DEPARTMENT OF HIGHWAYS

in cooperation with

U.S. DEPARTMENT OF TRANSPORTATION BUREAU OF PUBLIC ROADS

LAND ECONOMIC STUDIES

Case Study No. 11

Severance Study

Project I-15-1(18)70 - Pocatello

Parcel No. 5

1967

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.

The opinions, findings and conclusions expressed in this publication are those of the author and not necessarily those of the State or the Bureau of Public Roads.

State of Idaho
Department of Highways
Highway Planning and Research Project
in cooperation with
U. S. Department of Transportation
Federal Highway Administration
Bureau of Public Roads

LAND ECONOMIC STUDIES

Case Study No. 11

PROJECT I-15-1(18)70 - Parcel No. 5 - Pocatello, Idaho

LOCATION: This property consisted of 23.55 acres within the NW¹/₄SW¹/₄, Section 13, Township 6 South, Range 34 East, Boise Meridian.

This ownership was severed by the new Interstate 15 alignment at Pocatello Creek Road and Pocatello Bench Road at the end of Alameda Road.

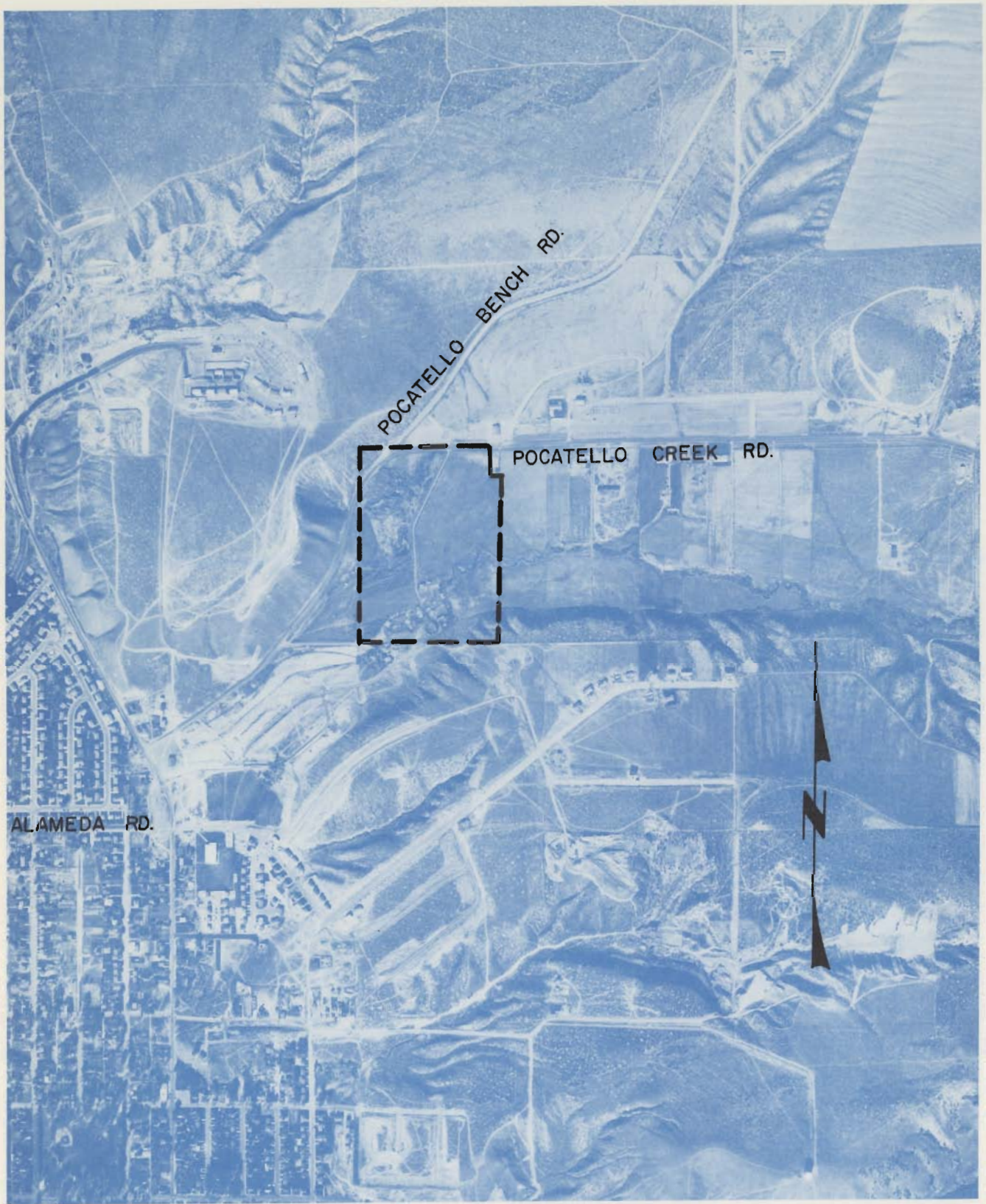
The land was used as a submarginal farming area and general refuse area.

PROPERTY BEFORE RIGHT OF WAY PURCHASE:

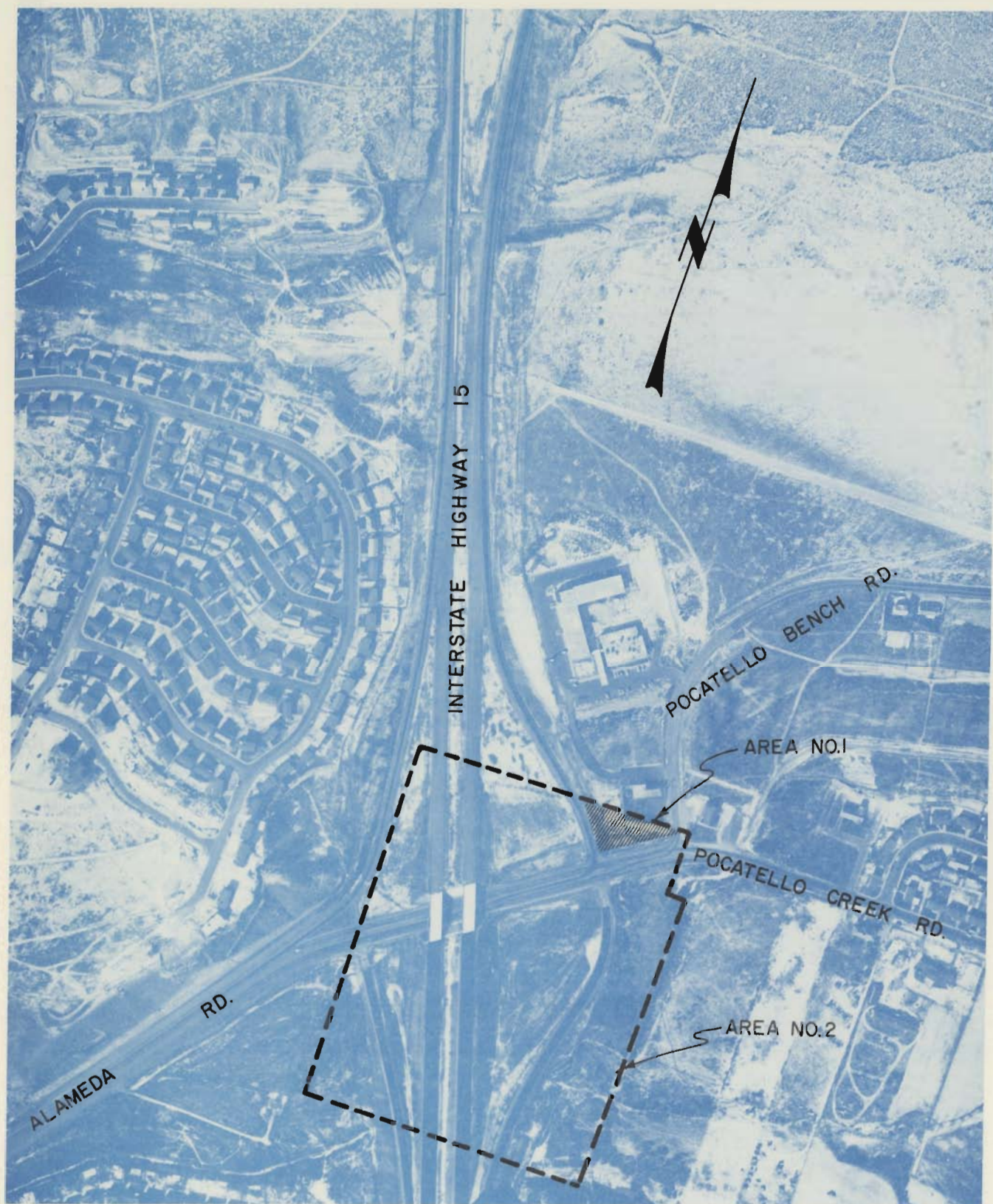
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|------------------|---|
| 1. Area: | 23.55 acres. |
| 2. Frontage: | Pocatello Creek Road. |
| 3. Zoning: | None. |
| 4. Utilities: | Adjoining sub-division water and all utilities except sewer are in close proximity to the property. |
| 5. Improvements: | None of value. |

DESCRIPTION OF RIGHT OF WAY ACQUIRED:

The right of way was acquired on June 28, 1961, and consisted of 18.89 acres, or approximately eight per cent of the property owned.



PROPERTY BEFORE RIGHT OF WAY ACQUIRED



PROPERTY SOLD AFTER RIGHT OF WAY ACQUIRED

THE REMAINING PROPERTY:

1. Area No. 1: 0.15 acre severed lands Northwest of the new alignment for the Pocatello Creek Road and East of the Interstate Highway Alignment.

Area No. 2: 4.51 acres Southeast of Interstate Highway.

2. Frontage:

Area No. 1: Landlocked.

Area No. 2: An easement at State expense, across adjoining land was acquired in order to afford the owner right of access to this acreage.

APPRAISED VALUE:

The correlation of appraisals dated March 23, 1961, as subsequently adjusted by the Highway Board, indicates the following:

Value of entire ownership of 23.55 acres	\$54,145.00
Value of remaining ownership of 4.66 acres	<u>19,145.00</u>
Just compensation	18.89 acres \$35,000.00

SALE OF AREA NO. 1:

1. Sold 0.15 acre June 24, 1964.
2. Zoning changed to commercial as a condition precedent to sale.
3. Consideration - \$3,000.00.
4. Motivation for the purchase of this land by Idaho Inns, Inc., was to extend its property line to the new Pocatello Creek Road and Pocatello Bench Road alignments. This permitted the corporation to

have control over the frontage and to gain an additional 0.48 acre of land from the abandonment of the old Pocatello Creek Road alignment. The total land acquired for \$3,000.00 was 0.63 acre; therefore, the indicated price per acre was \$4,748.

By acquiring this additional acreage, Idaho Inns was able to:

1. Rent a portion to Standard Oil Company.
2. To retain control of the landscaping of the approach to the Holiday Inn Motel.

CHANGE IN VALUE OF THE PORTION SOLD:

The value of the 0.15 acre before the right of way was taken was \$345.

The value of this same 0.15 acre in the after appraisal was \$200.

The appraised loss in value to the property owner was \$145.

Within three years, this 0.15 acre was sold by Mr. Peterson to Idaho Inns, Inc., for \$3,000. This sum was \$2,655 over the appraised before value of this 0.15 acre and \$2,800 over the appraised after value.

The percentage change in the before and after value, as appraised, reflects a 42 per cent loss, whereas the actual gain was 1,500 per cent.

OBSERVATIONS:

The design, location and construction of the Interstate highway, with the Pocatello Creek Overpass, created a transition of land from residential to prime commercial property.

This location is the gateway to the future development of approximately nine hundred acres of land as residential, country club, school, fairgrounds and commercial property. This is also a transition from a refuse area to an area of adornment.

By acquiring this 0.15 acre, Idaho Inns, Inc., was able to control landscaping and frontage, as well as to lease a portion to Standard Oil Company for a service station site.

CONCLUSION:

The transition in use and value was not recognized in the appraisal of this parcel. Value of this land as a gateway to surrounding development was not given consideration in the appraisal.