

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: House Bill No. 1386 Amendment to: _____

Requested by: Legislative Council Date of Receipt: 1-23-85

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

In November 1983 an appraisal was made of the property stated in the Bill for the Board of Higher Education. The appraisal was \$59,456. Proceeds from the sale of this property is income of the Dickinson Experiment Station. A copy of the appraisal report is attached.

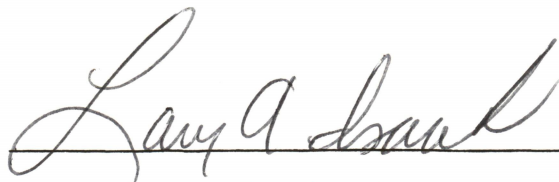
State Fiscal Effect:

<u>1985-86</u>		<u>1986-87</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
+ 59,456				+ 59,456	

County and City Fiscal Effect:

<u>1985-86</u>		<u>1986-87</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Larry A. Isaak

Date prepared: Jan. 24, 1985

Department Board of Higher Education



NORTH DAKOTA
STATE BOARD OF HIGHER EDUCATION

TO: Members State Board of Higher Education
FROM: Board Office
DATE: November 10, 1983
SUBJECT: Appraisal of Parcels of Dickinson Experiment Station Land
Desired by the City of Dickinson for the I-94 Underpass

You will recall that at the September meeting an offer of \$.0834 per square foot was offered by the City of Dickinson for the proposed site of the I-94 underpass. The offer was rejected.

At the October meeting Mr. Eugene Weekes, real estate appraiser from Bismarck, was named to appraise the site. Attached is a summary of his report. Mr. Weekes indicates in the first paragraph that the numbers presented are final figures and that the formal appraisal with all the backup material will follow. It may reach us at the State School of Science during the meeting.

This summary report is being forwarded for consideration at the November meeting in view of there being no meeting in December.

LN/ts

Attachment



Eugene D. Weekes & Associates

Appraisers



MID-WESTERN REAL ESTATE
1929 NORTH KAVANEY DRIVE • BOX 1201 • BISMARCK, NORTH DAKOTA 58502 • 701-255-4570

November 8, 1983

Mr. Lloyd H. Nygaard
Assistant Commissioner &
Executive Secretary
State Board of Higher Education
Capitol Building
Bismarck, ND 58505

RE; Dickinson Experiment Station Land
State Street and I94 Underpass

Dear Mr. Nygaard:

Complying with your request, I have made an investigation for the purposes of appraisal of those parcels of land requested by the City of Dickinson for construction of the State Street and I94 Underpass. Attached hereto is a valuation sheet showing my preliminary appraisal of the fee taking, easement areas, and cost of moving fence and damages for loss of trees. These will be the final figures, however the formal appraisal with all of the backup material will follow at a later date.

In making this appraisal, I have carefully examined the property to be appraised herein, I have checked recent sales in the area, and have obtained information from the City of Dickinson concerning their growth management policy which was adopted in April of 1980, together with their vacant lot ratios for each of the six sectors that the city has been divided into, and information concerning building permits in 1982 and up through September 1983.

After reviewing the most recent sales, it is my opinion that the fair market value of similar land is \$.90 per square foot. This figure, however, must be weighted because of the growth management policy and the number of vacant lots in the sectors involved. If we take the growth rate based upon 1982 figures, it would take approximately ten years to utilize all of the vacant lots that are presently available. However, once one gets down to 18% vacancy or below, other land can be brought in and developed. The vacancy ratio in Sector 2 at the present time is 36%. We also believe that 1982 is not going to be a typical growth year. It seems to this appraiser that, as the economy picks up and the energy industry in the western part of the state moves forward, there will be increased demand for building development in the City of Dickinson. For this reason we have used a five year holding period, to which we have applied

November 8, 1983

14% interest per year, less an appreciation value of 6% per year for a net cost of 8% per year. Figuring 8% per year on a \$.90 per square foot value, we arrive at \$.40 carrying cost for the five year period, or a present value of \$.50 per square foot.

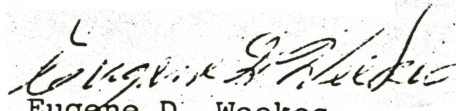
The easement areas have been figured on the bases of \$1,000 per acre damages for the drive easement and the flood easement. I have used figures provided by Tom Conlon as to the number of trees that will be removed, and have schedules of fence moving and tree loss which I agree with.

Based upon my appraisal, I find that the total damage for fee taking is \$56,628.00, the damages for easement is \$690.00, and the damage for moving fence and loss of trees is \$2,138.07 for a total damage of \$59,456.07.

The completed appraisal with backup information, providing the analysis upon which these values are based will be forwarded at a later date.

Thank you.

Yours very truly,


Eugene D. Weekes
IFAS

EDW/ir
Enc.

VALUATION

Estimated value per sq. ft. \$.90
 Figure holding time, 5 years
 Interest during holding period, 14%
 Appreciation per year, 6%
 $.14 - .06 = .08$
 $.08 \times 5 \text{ years} = .40$
 $.90 - .40 = .50 \text{ per sq. ft.}$

Land south of 194

1.65 acres, 71,874 sq. ft.			
71,874 sq. ft. @ \$.50	=	=	\$35,937.00

Land north of 194

.95 acres, 41,382 sq. ft.			
41,382 @ \$.50	=	=	\$20,691.00

TOTAL FEE TAKING

\$56,628.00

Temporary drive easement

.04 acres @ \$1000			
	=	=	\$ 40.00

Flood easement

.65 acres @ \$1000			
	=	=	\$ 650.00

Total easements

\$ 690.00

Net cost of moving fence

\$ 657.60

Loss of 13 Siberian Elms

\$ 1,045.98

Loss of 3 Pine trees

\$ 434.49

Moving fence & loss of trees

\$ 2,138.07

Fee Taking

\$ 56,628.00

Easements

\$ 690.00

Moving fence & loss of trees

\$ 2,138.07

\$ 59,456.07