

The Benefits of Studies

by Marion E. Everhart, MAI, ARA, CRA, SCV, MREC

In 1966, Everhart Appraisal Service, Inc. conducted studies to determine the economic impact of electric transmission lines on land values. These studies have broadened in scope over the years for a total of 97 covering a wide array of easements and fee takings such as: natural gas and crude oil pipelines; water lines (effluent, river water, lake water, municipal water); reservoirs (flood control, regulating, erosion control, municipal water storage); canals, such as the Canadian River Project in Texas, the All American Canal in California and the Central Arizona Project—all area-

wide or state-wide in scope; dikes (flood control, erosion control); railroads (passenger lines, wood and coal mines); electrical substations; navigational easements; fibre-optics easements; and many types of non-right-of-way studies.

In 1986, we started "Land Value Trend Studies" in southern Arizona because of widespread speculation and "lands in transition." After a total of 14 studies, we now know that appraisers and negotiators must conduct multi-year continuing analyses to know the direction that land values are taking (up, down or stationary). With-

out studies, rural values are assumed to follow depressed urban values.

We have completed more than 36 studies involving land uses for electric transmission lines in all the western states. These studies focus on "before" and "after" valuations including the corridor concept; the rear, side and front of lots concept, and involve 500, 345, 230 and 115 kilo volts.

We have pioneered the development of multiple types of studies for more persuasive testimony in court. These types are: encumbered and unencumbered; percent encumbered; proximity (varying distances from the right of



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way (noise, odor, view); marketability (delay in selling); rental value of right of way; view restrictions.

Repeat studies are effective where, over time, value diminution can be compared.

Parallel line studies are also effective where up to three lines are abutting urban developments, each of which are of different sizes and carry different electrical voltage.

Present and future use studies compare values of present cropland, timber, and grazing lands with future uses as subdivision compared to these same kinds of lands without future uses as subdivision, or only after a longer period of years.

Other studies we have made of lands involved in the valuation of easements or fee takings, but are not a part of the right of way taking itself: railroad underpasses for live stock; enhancement of lands abutting lakes or reservoirs; flood control dams, enhancement of protected lands from erosion downstream of dikes or reservoirs; water storage tanks—effect on adjacent lands; flooding of lands adjacent to reservoirs or dikes (flowage easements); television, radio and communication towers (on the right of way) and their effect on adjacent land values (because of restriction of view or danger of transmissions or failure during hurricanes).

Studies we have made that are involved in the "before" valuation of takings and not a part of the right of way taking itself: size as a factor of value (10 to 10,000 acres involved); shape as a factor of value (canal studies are used to determine effect of shape); mountainous lands—effect of steep slopes on value; contributory value of frontage and backlands on whole properties (access roads study).

Studies of uses of transmission line right of way after the taking (parking, roads, recreation, gardening, nurseries, farming, grazing, livestock holding areas).

Studies of the value of areas involved in the overlying fee, underlying fee, present worth of future uses and present worth of present uses. (Arrive at the difference of the value of a fee simple tak-

ing and a restrictive easement.)

Studies of damages involved in right of way taking: restricted access; diminution of value of lands adjacent to easement takings (noise, fire damage, explosion, alleged electrical damages, restricted view of mountains, lakes, reservoirs); weed control of noxious plants, adjacent orchards, nut trees, oil plants, plantations, etc.; flood water drainage (flood easements, water way easements, borrow easements, etc.); terminal easements (abutting highway takings).

Court experience

The appraiser needs the following: education in range sciences, soil sciences, botany (forest resources), wildlife science (management and resources analysis involved), and agronomy. Experience in inventory and analysis of all resources involved. Familiarity with land types, land uses, soils, capability classes, range sites, timber suitability groups, pasture suit-

ability groups on irrigated and dry land pasture is a necessary part of qualifications and experience of land appraisers.

Appraisers must be able to testify concerning "rights taken" on the overlying fee and rights remaining on the underlying fee.

After the experience of approximately 30 years of developing 97 studies; appraising lands throughout the Western United States and Canada with 47 years experience being in 52 major court cases, we feel that patterns of land use and valuation have been developed concerning easements on right of way. □

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