



August 12, 2020

Debi Meling, City Engineer
 City of Billings, a Montana municipal corporation
 PO Box 1178
 Billings, MT 59103-1178

RE: Shiloh 100kV Re-Build

Dear Debi,

No.	Date of Sale	Size/AC	Price/AC	Location	Current Use	Zoning	Utilities/Services
S	Subject	66		South Shiloh Road	Vacant Land	No	None/In proximity
1	4/30/2020	16	\$40,000	4620 King Ave West	Irrigated Crop Land	A-1	None/In proximity
2	11/27/2017	133	\$9,989	816 South 80 th Street West	Irrigated Crop Land	No	None
3	4/13/2017	70	\$18,500	48 th St W and Hesper Rd	Irrigated Crop Land	No	None
4	3/30/2017	8.2	\$27,500	5321 Grand Ave	Grazing Land	No	None/In proximity
5	2/3/2016	74	\$19,750	2406 South 56th Street West	Irrigated Crop Land	No	None

The sales comparables above were all used in constructing a market analysis to arrive at fair market value because they all exhibit some similarity to the subject.

Most weight has been given to the most recent comparable sale of a 16 AC parcel located between 44th and 48th and King Ave. because the sale is most recent and is located closest to the subject property. However, the subject is four times larger than sales comparable 1. As a general rule of thumb, the smaller the parcel, the higher the price. If we are to apply this logic, *all characteristics being equal*, the subject per acre price might be \$ 10,000/AC. However, there are important differences between the two properties.

Sales comparable 1 includes excellent access directly off King Ave., approaches exist off this central arterial. Utilities are readily available. Electricity, city sewer and water lines run along King Avenue, directly adjacent to the property, making access both easy and less expensive. The property is zoned A-1 and is currently used for agricultural purposes; producing healthy cop yields. The terrain is flat, suitable for building/improvements. The motivation for purchase was to develop and/or subdivide. The highest and best use of this property is for subdivision or commercial development, given its location, size, and land characteristics.



The Subject property includes access off both Shiloh Road and South 44th Street West. Electricity lines run along the northern portion of the property, no other city services are readily available. The property is not currently zoned and since the land was previously used as a gravel pit and work site, developing the property could include soil mitigation and cleanup efforts. The terrain is not flat so may require more work to develop. I believe the highest and best use for this property is as a water retention facility; its current use. In the future, it may be developed as commercial or a subdivision, but not without substantial investment.

NWE is proposing to purchase 24,000 Square Feet, or 0.55 AC in easement, a strip 30' wide and 800' long, located along the northern property line of the subject property. The strip cannot support improvements or structures. While electricity is readily available, city utilities are not. Access to the easement area is not direct; off Shiloh Road and through city property. The highest and best use of the 30' X 800' strip of property is as an easement to be used for an electric transmission line.

Based on the factors above, I believe the discounted fair market value of \$3,000/AC combined with a maintenance agreement is reasonable.

Sincerely,

Calista M. Montgomery, MBA

Real Estate Representative

Calista.Montgomery@northwestern.com

PO Box 80330 – 1944 Monad Road

Billings, MT 59108-0330

O: (406) 655-2562; C: (406) 606-0873

