

City of Billings, Water Reclamation Facility Influent Lift Station Project

Calculation of Compensation to Yellowstone County for: Perpetual Right of Way Easement

The City of Billings desires a new 1.17-acre permanent easement from Yellowstone County in the northeast corner of the MetraPark property. This easement is for the purpose of constructing, operating and maintaining a proposed new sanitary sewer lift station to serve the City's Water Reclamation Facility.

In keeping with the recommendations presented in the attached Restricted-Use Appraisal Report for the MetraPark property conducted by Thomas Appraisal Services, Inc. dated September 3, 2020, the established value of the MetraPark property is:

1. Land Information:
 - MetraPark, total size: 152.47 acres
 - MetraPark, useable size: 117 acres
 - Lift Station site (Exhibit "C"): 1.17 acres
2. Estimated MetraPark value: \$18,000 - \$20,000 per *useable* acre
3. MetraPark Market Value:
 - Low End: $\$18,000 \times 117 = \$2,106,000$
 - High End: $\$20,000 \times 117 = \$2,340,000$
4. Fee Simple Market Value of Land:
 - Low End: $\$2,106,000 / 152.47 = \$13,813/\text{acre}$
 - High End: $\$2,340,000 / 152.47 = \$15,347/\text{acre}$
5. Value of a Perpetual Easement (95% of market value):
 - Low End: $\$13,813 \times 0.95 = \$13,122/\text{acre}$
 - High End: $\$15,347 \times 0.95 = \$14,580/\text{acre}$
6. Value of Perpetual Lift Station Easement:
 - Low End: $\$13,122 \times 1.17 = \$15,353$
 - High End: $\$15,347 \times 1.17 = \$17,956$

Based on this calculation, the City of Billings' offer to Yellowstone County for the Perpetual Right-of-Way Easement is **\$17,000**.