




OFFICE OF
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MEMO

TO: Dale Hexom
Director of Public Works

FROM: Mark Schlafer
City Assessor 

RE: Value estimate for parcel adjacent to Dahl Ford property on Copeland Ave

DATE: December 3, 2015

As per your request, I have determined a value estimate for the captioned property.

DESCRIPTION

The subject is a long and narrow strip of land averaging approximately 20 to 22 feet wide by approximately 340 feet long (6,448 square feet). It is located immediately adjacent to the south and southwest border of an improved parcel owned and used by Dahl Ford for a detail/body shop at 1 Copeland Ave. It is level with the street and with the Dahl Ford parcel. This parcel has been leased by Dahl Ford for a number of years from the City, and has installed bituminous paving and a chain link security fence on it. It is used for vehicle parking.

VALUE ESTIMATE

The highest and best use for the subject is determined to be as it has been historically used – additional paved parking area for the existing business. This parcel adds needed additional space for parking vehicles while allowing reasonable space for a driving lane to access the building's side and rear areas. In my opinion, the subject will contribute equal supporting land value to the existing property as the current site does for the improvements. Increasing an inadequate land to building ratio normally adds a positive increment of value to most commercial properties.

In the alternative, if the subject were not to be put to its most probable highest use as additional supporting lands to the Dahl improved property, other market forces must be considered. As a stand alone parcel, or as supporting lands to the City property from which it came to the south, it has a diminished market value. Its shape, size, and diminished utility would be some obvious negatives to the open market. Typical adjustments made for these kinds of functional and economic obsolescences have ranged from 5% to 50% depending on the individual circumstances. In discussing this with staff, an adjustment of 30% is considered reasonable.

Value as owned and combined with adjacent parcel: $6,448 \times \$7.00/\text{sf} = \$45,000$

Value as a stand-alone parcel: $\$45,000 \times .70 = \$31,500$

The value at \$31,500 is at \$4.88/sf. This is typically what current industrial properties have been selling for in Industrial Parks. Higher traffic commercial locations such as Copeland Ave command significantly higher rates. An additional check to this value would be to capitalize an average operating income from renting parking stalls on the subject. An estimate of 20 parking stalls at \$25 per month with consideration for vacancy and expense still would produce a value well beyond \$31,500.