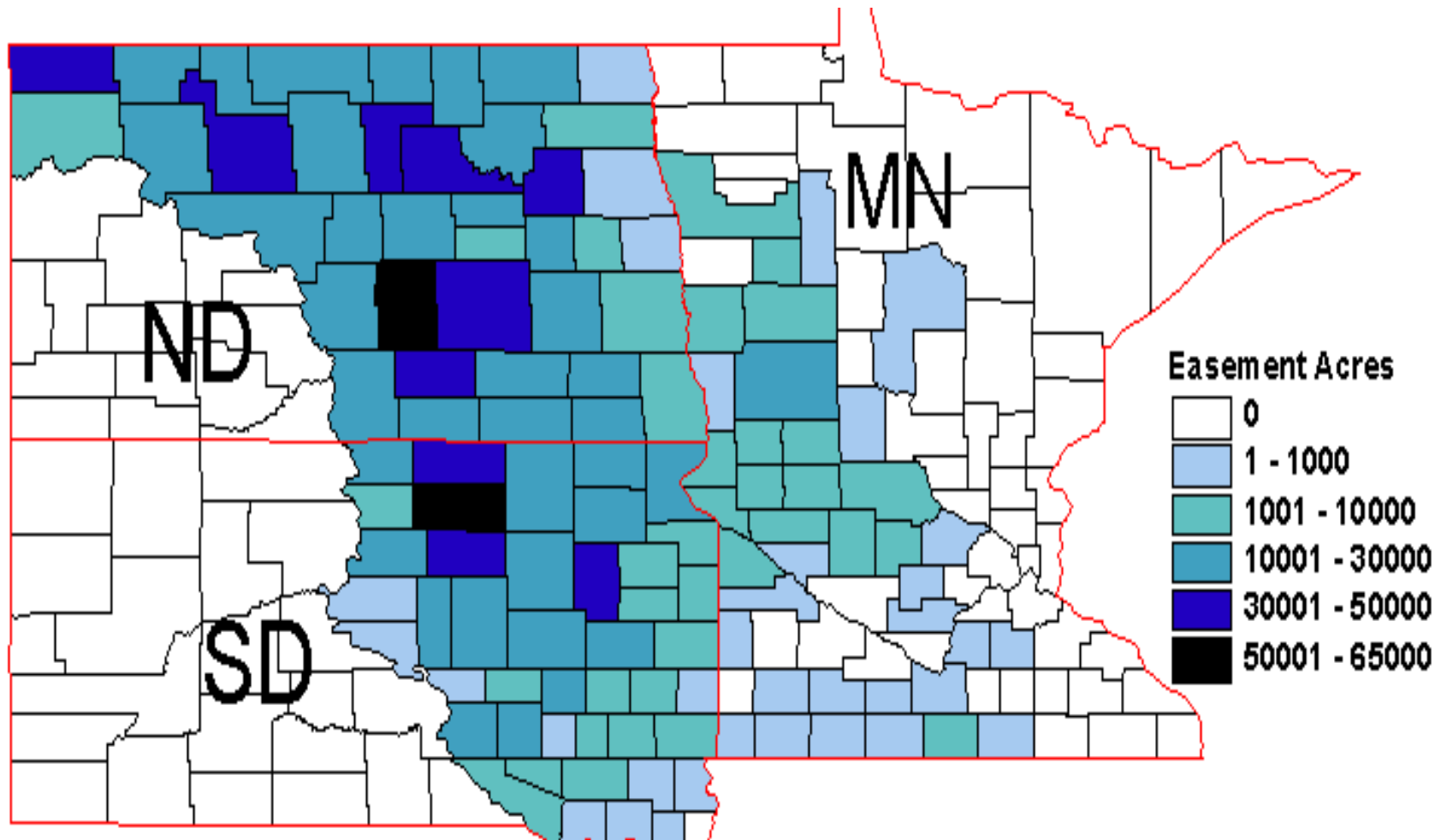


Improving the cost-effectiveness of USFWS wetland easements: Mapping Ag. land values across landscapes

Steve Shultz and Nick Schmitz
UNO Real Estate Research Center



Locations of FWS Easements

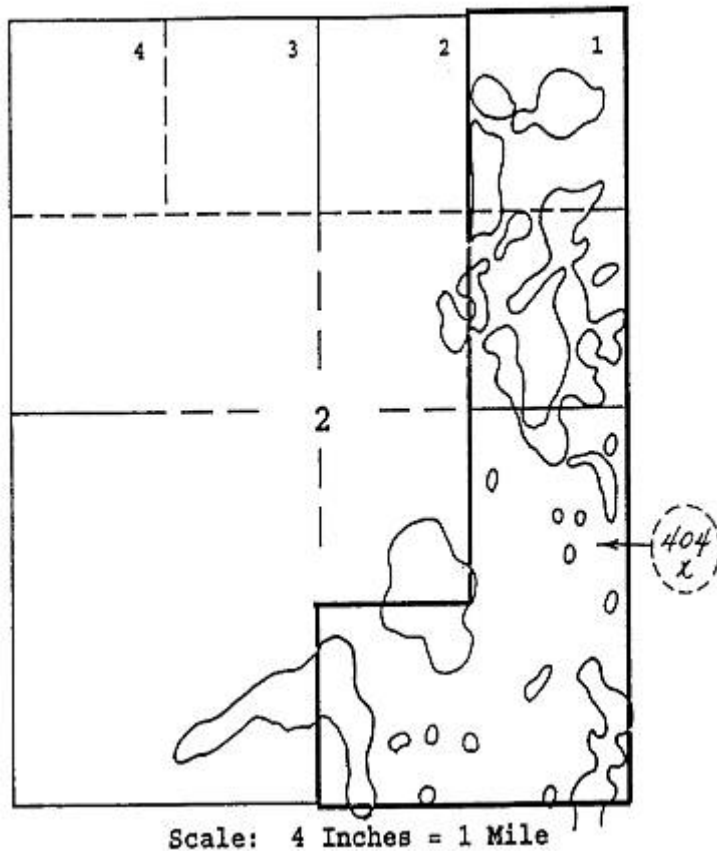


How are FWS Wetland Payments Calculated



Traditional FWS Easement Valuation Policy

(Tracts, Comparable Sales, Chart Values)



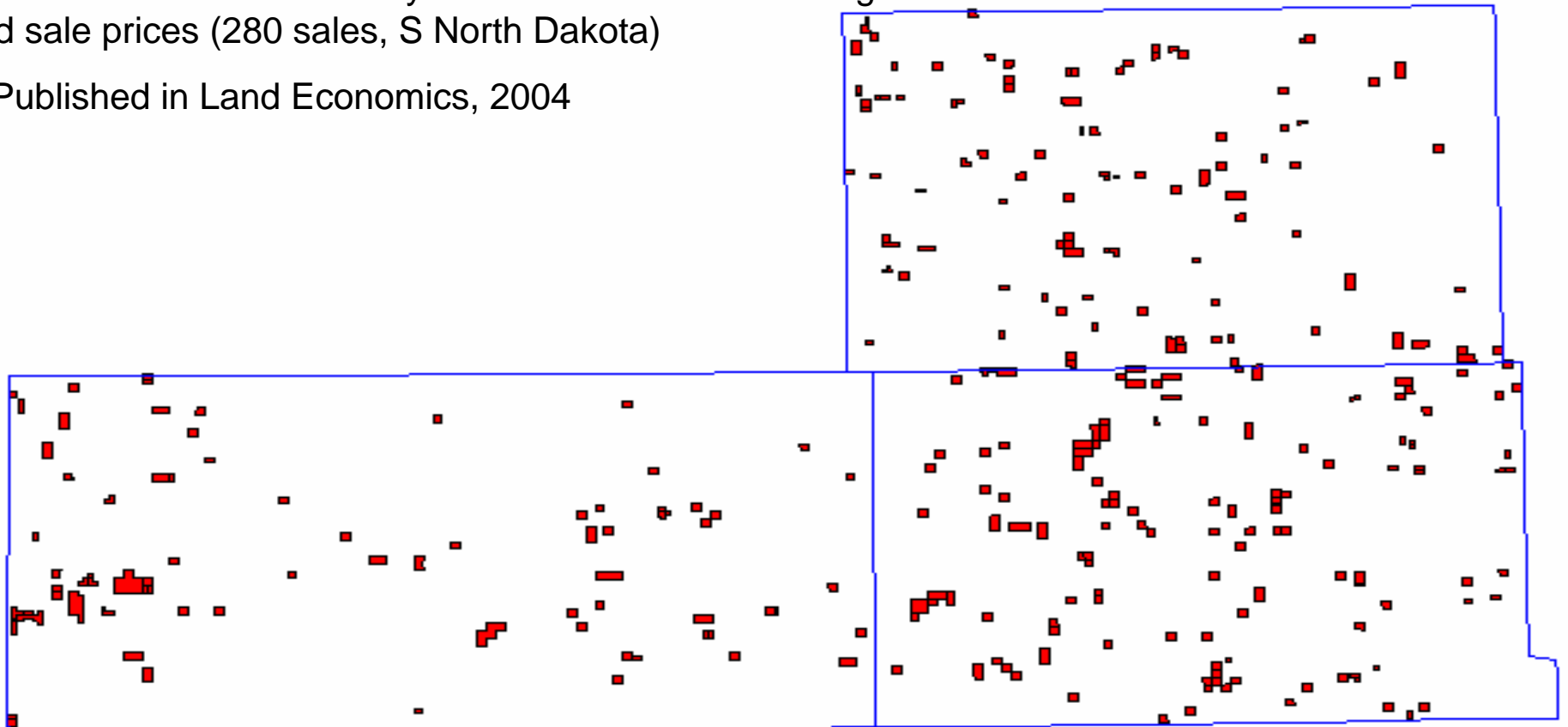
Estimated per-acre value of entire tract	North Dakota
100	.3
150	.3
200	.4
250	.5
300	.6
350	.65
400	.65
450	.7
500	.7
550	.75
600	.75
650	.8
700	.8
750	.85
800 +	.9

An Evaluation of the Program (Shultz & Taff 2001-2004)

Conclusions: Chart values were based on poor science (limited data)
but still were not bad

* A GIS based hedonic analysis of the factors influencing
land sale prices (280 sales, S North Dakota)

& Published in Land Economics, 2004



An Evaluation of the Program (Shultz & Taff 2001-2004)

- 2) Easement payment offer process had very low acceptance rates (56%) and were very costly (use of county land value estimates would have been better)

Average cost of all easements if average county land values were used in place of easements:

ND (-5%) SD (+7%) MN (23%)

More info: JSWC, 2004 & Review Ag. Econ (2005)

VIEWPOINT (Grand Forks Herald):

Land-appraisal integrity benefits ducks & humans

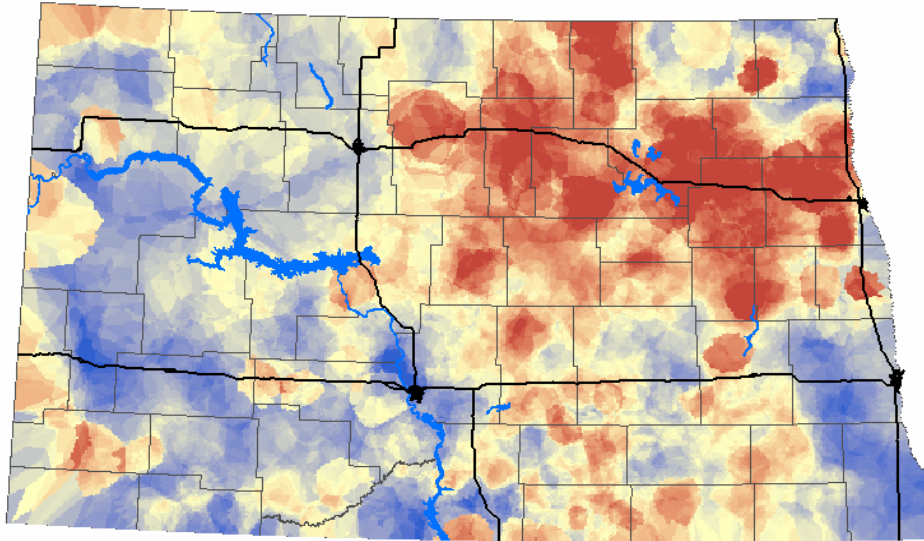
By Steve Williams, USFWS October, 2003

- They pay up 90 percent of the land's fee-simple value that, as both the Fish and Wildlife Service and others have noted, frequently do not diminish the land's value.
- Many FWS employees doing appraisals also regularly undertake realty work, a departure from standard professional practice.
- Alternatives being evaluated include making payments based upon an average percentage of local land values instead of formal appraisals.

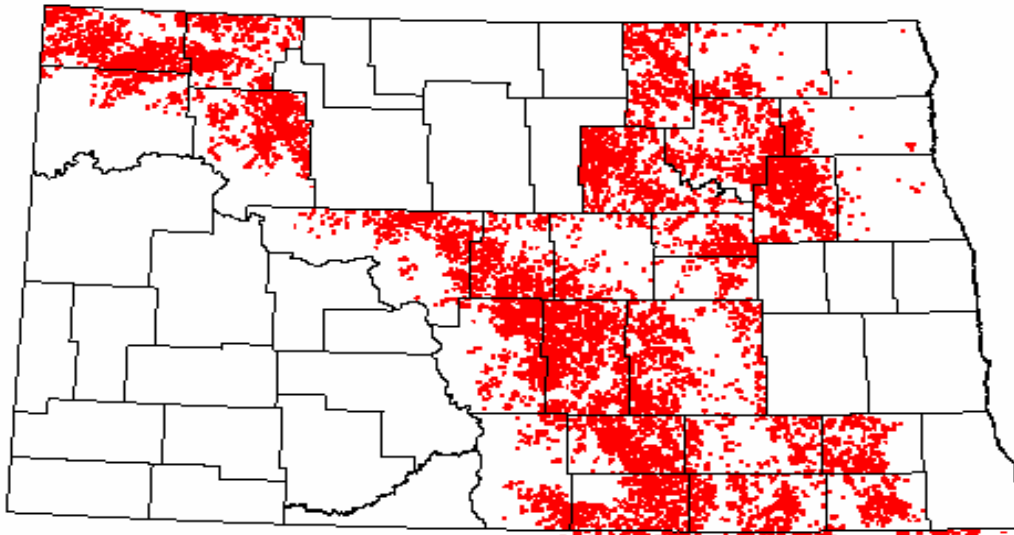
The New Appraisals System (2004-present)

No more appraisers, testing of a new system
(payments based on parcel and county tax-ratios).

A big potential problem with the New USFWS Approach of using A/S Ratios to Determine Easement Payments (in ND)



Areas of Non-Uniform A/S Ratios

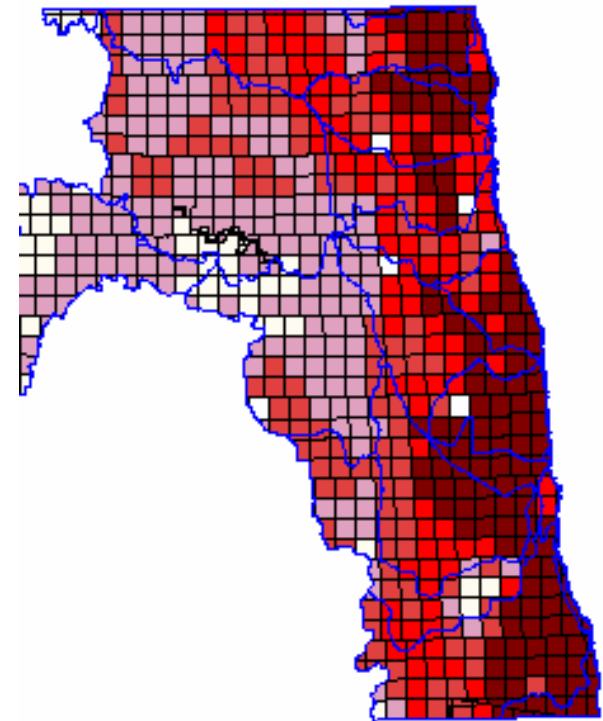
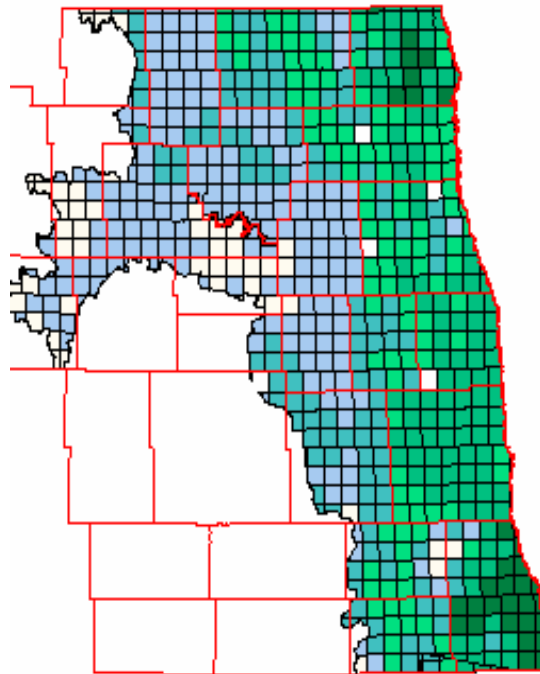
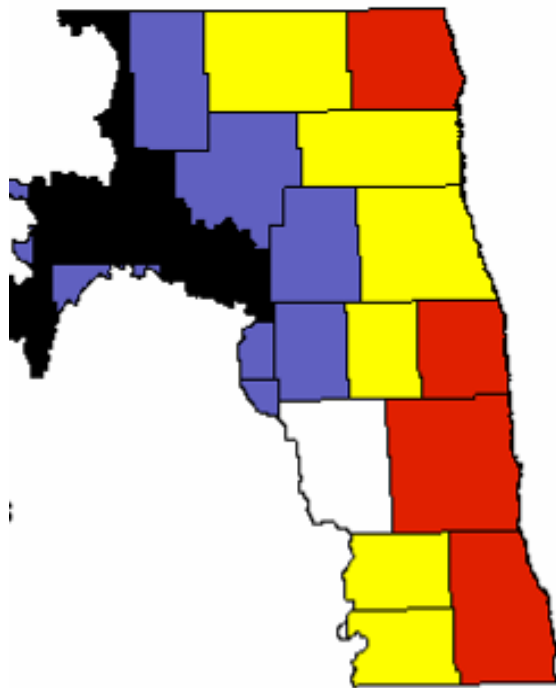


FWS Easements historically (to 2004)

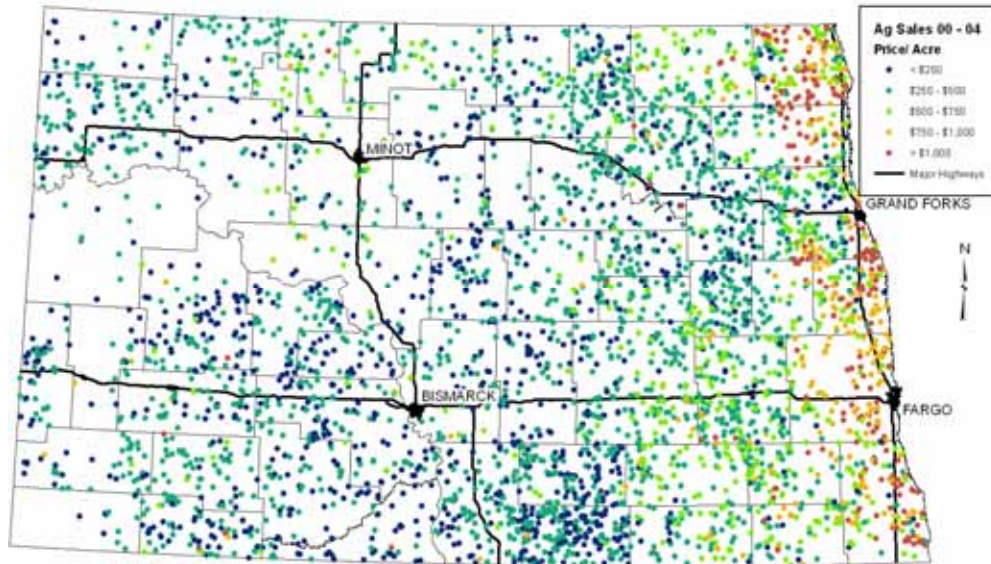
Suggested Alternatives:

- 1) Adjust published county level land values to townships based on soil productivity measures
- 2) Digitize and/or 'Krig' actual market sales

An Alternative: Adjusting County Level NASS Land Value Data to Township Level Using SSURGO Spring Wheat Yields



A Better Approach: Digitized and/or 'Krig' Market Sales



Locations of actual market sales, 2000-2004

Krigged Sale Values

