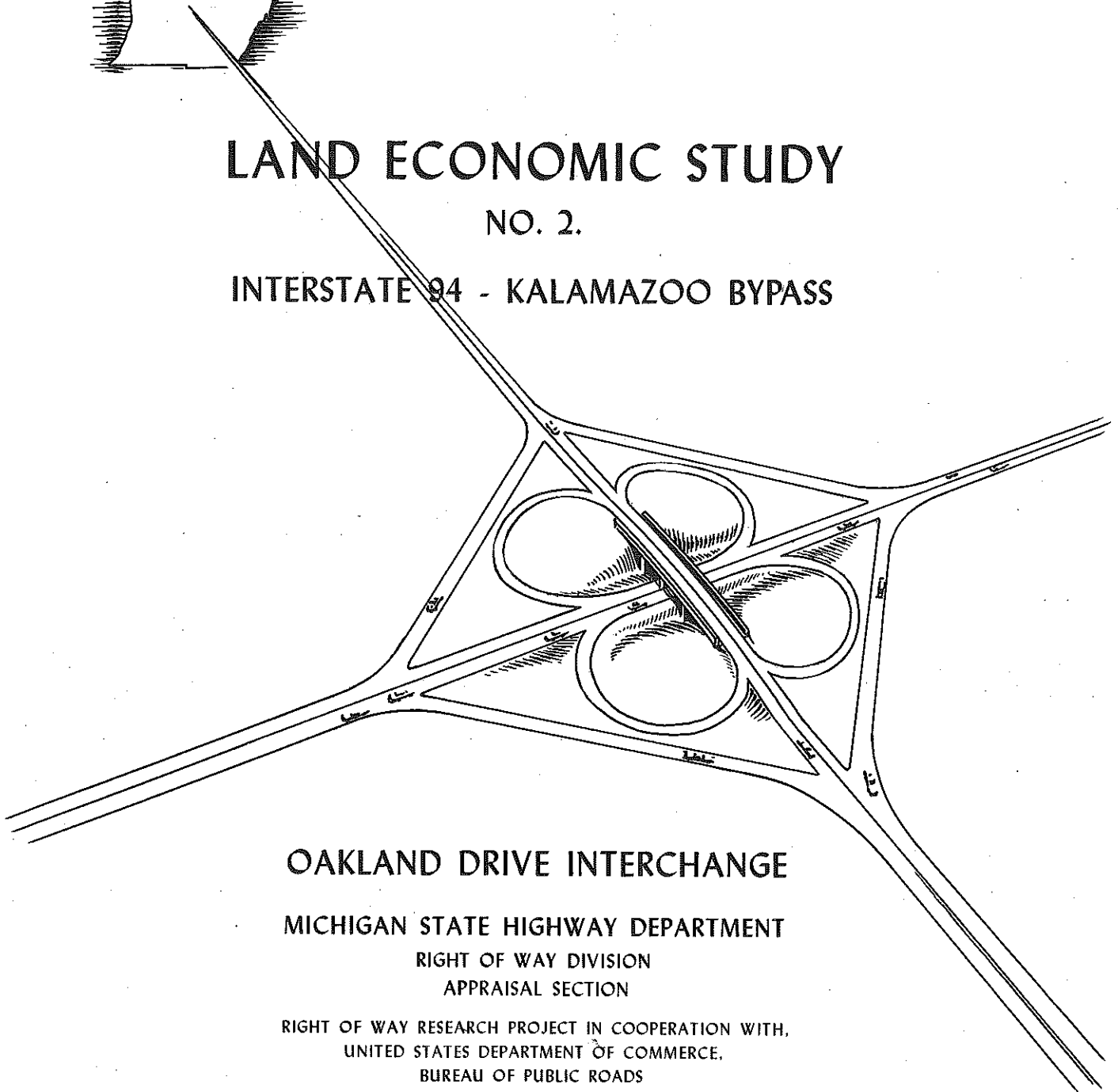


HIGHWAY
LIBRARY
MICHIGAN STATE HIGHWAY
DEPARTMENT — LANSING

LAND ECONOMIC STUDY

NO. 2.

INTERSTATE 94 - KALAMAZOO BYPASS

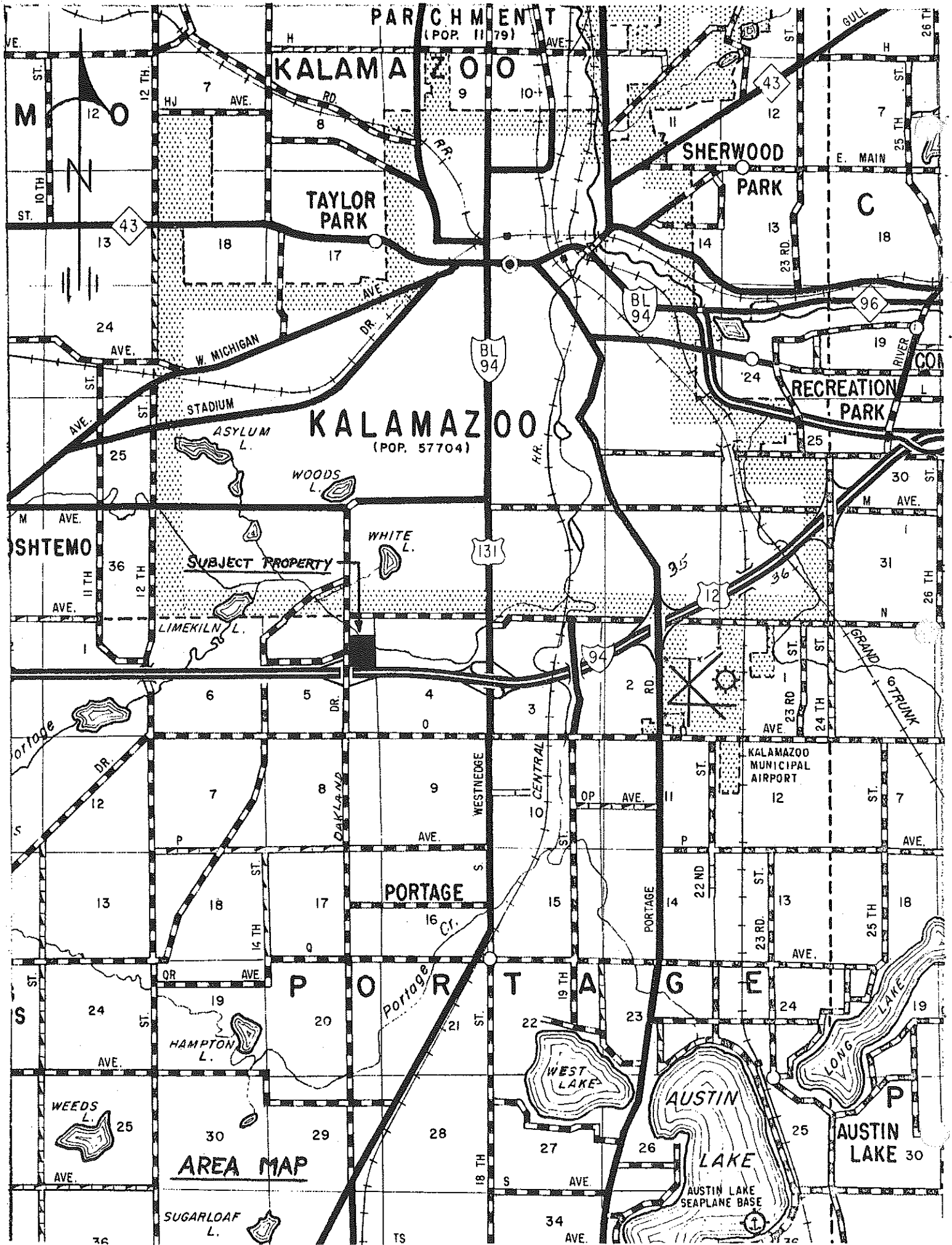


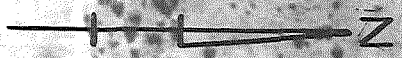
OAKLAND DRIVE INTERCHANGE

MICHIGAN STATE HIGHWAY DEPARTMENT
RIGHT OF WAY DIVISION
APPRAISAL SECTION

RIGHT OF WAY RESEARCH PROJECT IN COOPERATION WITH,
UNITED STATES DEPARTMENT OF COMMERCE,
BUREAU OF PUBLIC ROADS

APRIL 1960





Oakland Drive

TO KALAMAZOO

TO BENTON HARBOR

US 12 RELOCATION TO BUTTLE CREEK

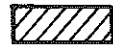
TIMBER BROOK NO 8

AERIAL VIEW BEFORE CONSTRUCTION

FRONTAGE RD.
WEST BOUND
← BENTON HARBOR



LEGEND



FEE C-59



EASEMENT C-59E

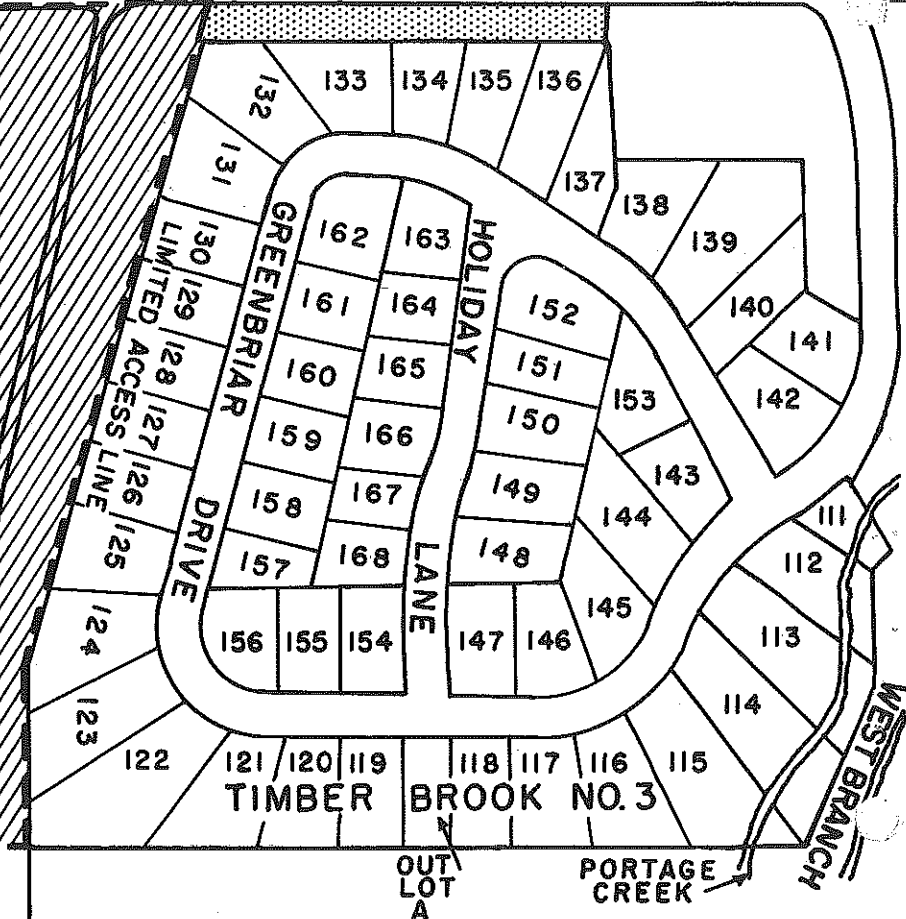
OAKLAND DRIVE → TO KALAMAZOO

C/S 39024
PROJ. 39-41
PCL. C-59 & C-59E

LIMITED ACCESS LINE

BATTLE CREEK →

EAST BOUND



NOT TO SCALE

Description of Subject Property

Subject property originally consisted of 45.18 acres of idle farm land, located $\frac{1}{4}$ mile South of the city limits of Kalamazoo, Michigan, on the East side of Oakland Drive and zoned "A" residential.

The tract is bordered on the North by a luxury type home development which adjoins the South city limits, and has all city improvements. These improvements are also available to the subject property.

This tract had 1,246 feet of frontage on Oakland Drive, with an irregular North boundary, and 1,320 feet of depth from Oakland Drive to the East.

Cost of the Original Tract

Harry A. and Nell Hurni purchased the tract by deed dated June 9, 1958 for a purchase price of \$45,000.00

There were no improvements on the property.

Right of Way Taking

The highway taking for Interstate 94 included 12.98 acres by warranty deed for limited access highway purposes, which included all access rights, off the South side of the tract, and 0.47 acre by easement for widening Oakland Drive at its' approach to Interstate 94. (see plat.)

Condemnation Proceedings

An offer was made at the necessity hearing of \$26,500.00, based on appraisals by independent fee appraisers as follows:

	<u>Before</u>	<u>After</u>	<u>Take & Damages</u>
"A" (3/21/58)	\$45,180.00	\$26,648.00	\$13,450.00 5,082.00
"B" (4/15/59)	54,200.00	27,700.00	16,200.00 10,300.00

Condemnation Proceedings - Continued

Title was taken by condemnation in May of 1959 and the Court Award, not including interest and attorney fees of \$1,152.00 and appraisal fees of the property owner's appraisers of \$600.00, was ----- \$40,780.00
Value of total tract as per appraiser ----- \$54,200.00
Cost of the remainder as per award ----- \$13,420.00

Development of the Remainder

Subsequent to the highway taking, a subdivision was laid out in conformity with the right of way lines. The remainder amounting to 31.73 acres was then platted into 58 luxury type residential building lots, and all improvements were put in.

Access to the plat was provided from Oakland Drive at the Northwest corner of the property. On and off ramps provided access to the Expressway by way of Oakland Drive Interchange.

Improvements in the plat were found to cost \$2,906.25 per lot. Improved lots are being sold to builders and home owners for from \$3,000.00 to \$5,000.00 per lot for an average of \$3,875.00 per lot for 31 lots sold to date.

Buyers and speculators (builders) show no preference for lots away from Oakland Drive or the Expressway.

Sales confirmed were as follows:

Lot # 127	sold to a builder for	\$4,000.00
136	" " " " "	4,500.00
137	" " " " "	3,000.00
142	" " " " "	3,000.00
154	" " " " "	3,500.00
157	" " " " "	3,000.00
161	" " " " "	4,000.00

Development of the Remainder - Continued

Lot # 166 sold to a builder for	\$3,500.00
120 " " " " " "	5,000.00
115 " " " " " "	5,000.00
Average selling price of improved lots	\$ 3,875.00
Cost of developing and selling the lots	2,906.25
Net selling price of the improved lots	968.75
Value of the remainder as per Award	13,420.00
Average value per lot ($\$13,420.00 \div 58$)	231.38
31 lots sold to date @ \$968.75 each	30,031.25
Net cost of 31 lots sold	7172.78
Net to developer on 31 lots sold	22,858.47

CONCLUSION

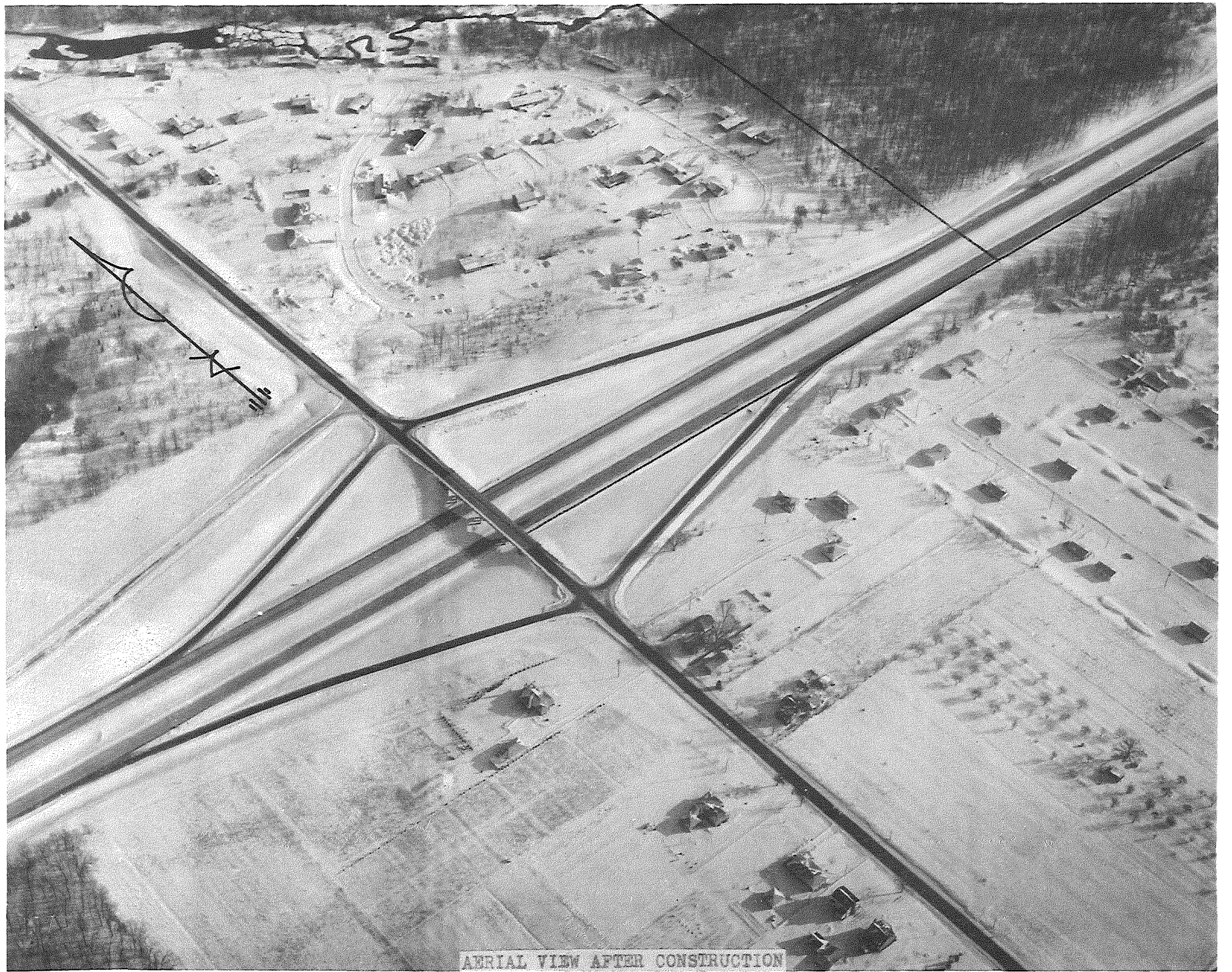
1. The award of \$40,780.00 amounts to 253% of the appraised value of the land taken (13.45 acres @ \$1,199.65 per acre).
2. The award of \$40,780.00 amounts to 154% of the offer of \$26,500.00 made by the necessity hearing.
3. The Commission award of \$40,780.00 far exceeded the actual pro rata per acre cost of the land to the property owner.
4. It would appear that the property owner would have been fully compensated at \$16,200.00, which is the value of the land taken as established by the state's appraiser without damages to the remainder.
(The award of \$40,780.00 equals 253% of this amount.)
5. Subsequent sales show that allowances for severance damages, estimated by the state's appraiser at \$10,300.00 were not justified.

Conclusion - Continued

6. The owners and builders of luxury type homes such as are found in this plat did not discriminate against sites adjacent to the Expressway, contrary to the average owner's claim that proximity to an expressway depreciates better type homes.
7. The development and sale of lots in this plat were greatly accelerated by the construction of the Expressway, with ready access by way of Oakland Drive.



AERIAL VIEW AFTER CONSTRUCTION



AERIAL VIEW AFTER CONSTRUCTION