

**VALUE ESTIMATES  
TO DATE**

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CITY OF JACKSONVILLE

JACKSONVILLE WATERSHED PROPERTY  
VALUE ESTIMATE  
3/7/03

This report of the estimated value of the City of Jacksonville's watershed property was prompted by a presentation by the Motorcycle Riders Association (MRA) to the City Council in October, 2002, whereby the City property was proposed for purchase with funds from the Oregon Parks and Recreation Department's off-highway vehicle fund. Their proposal contained several variations of purchase with or without timber values included. No values were presented because the presentation was informal and a formal offer would require a certified appraisal.

This report does not constitute a formal appraisal but is an estimate of values based the value of the forestland with the additional value of the merchantable and immature timber. One variation is provided that proposes some of the property being sold to a land developer interested in rural tract subdivisions.

A. Estimated value of Watershed Property with highest and best use as timberland:

1. The estimated value of the land is determined separately. It is given three different values based on Forest Site Productivity Classes. Site Productivity Classes are assigned to forest tracts based on their ability to grow timber (higher classes grow timber faster). The three values are as follows: (values based on estimates and review of comparable sales data).

600 acres of Site Class 4 forestland estimated	@ \$350/acre	= \$210,000
600 acres of Site Class 5 forestland estimated	@ \$300/acre	= \$180,000
600 acres of forestland poorer than Site 5 estimated	@ \$250/acre	= \$150,000
<u>1,800 acres</u>	<b>Total land value</b>	<b>\$540,000</b>

2. Current Timber volumes and values (see attached):

Gross Volume: 2,640 MBF.	Gross Value: \$650/MBF	
Defect <u>400 MBF</u>	Logging Cost: <u>\$250/MBF</u>	
Net Volume: 2,240 MBF.	X	Net Value: \$400/MBF = \$ 896,000
	<b>Total net timber value</b>	<b>= \$ 896,000</b>

3. Value of immature timber is based on site classes and current age of timber (48 years old) compared to the expected value at maturity (80 yrs.). Expected value at 80 yrs is discounted back to current age and value. Expected net value at 80 yrs. for Site 4 timber is 25MBF per acre X \$400/MBF = \$12,000/acre. Expected net value for Site 5 timber is 20 MBF per acre X \$400/MBF = \$10,000/acre. Discount rate is 8%. The current value of immature stands is as follows:

\$12,000 discounted for 32 yrs @ 8% = \$852/acre X 300 acres Site 4 timber.	= \$256,000
\$ 10,000 discounted for 32 yrs @ 8% = \$682/acre X 300 acres Site 5 timber.	= \$205,000
\$ 10,000 discounted for 74 yrs @ 8% = \$2.70/acre X 100 acres Site 5 plantation.	= <u>\$ 3,000</u>
<b>Total value of immature stands</b>	<b>\$464,000</b>

**Total Current Value as Timberland \$1,900,000**

Note: Value of road improvements is significant but not included.

*\$135,000 for 40 acres  
\$2,500/acre*

**B. Estimated Value of Watershed Property if offered and sold as land capable of being subdivided into Large Tract Forest Acreages:**

Jacksonville's watershed property could be offered at a higher price that may attract a land developer interested in rural tract subdivisions or the City could subdivide the property themselves and engage in tract sales. Selling to a developer would be preferable because there would be expenses incurred for road improvement and property surveys.

Large Tract Forest parcels would be 160 acres in size. There would be approximately nine (9) parcels of 160 acres each for a total of 1440 acres. In addition approximately two (2) parcels of 80 acres each would be available at the lower part of the watershed adjoining the county road for a total of 160 acres. Total land in forest parcels is 1600 acres. The remaining land, which tends to be less accessible, is 200 acres.

Based on reviews of comparable sales of forest parcels, each 160 acre tract would have an expected land value of at least \$128,000 (\$800/acre). Each 80 acre tract would expect to have a land value of at least \$192,000 (\$1,200/acre). Timber values would be in addition to these values.

**1. Expected Land Value of Forest Parcels:**

Nine (9) parcels	@ \$ 128,000 =	\$ 1,152,000
Two (2) parcels	@ \$ 96,000 =	\$ 192,000
Remaining land	@ \$ 60,000 =	<u>\$ 60,000</u>
	<b>Total expected land value</b>	<b>\$ 1,404,000</b>

**2. Estimated Net Timber Values:**

Merchantable Timber value	@ \$ 896,000 added to land value	\$ 896,000
Immature Timber value	@ \$ 464,000 added to land value	<u>\$ 464,000</u>
	<b>Total timber value</b>	<b>\$ 1,360,000</b>

**Total land and timber value if offered and sold for subdivision** **\$ 2,764,000**

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**JACKSONVILLE WATERSHED**  
**TIMBER VOLUME ESTIMATE ON CITY OF JACKSONVILLE PROPERTY**  
11/13/02

The following data describes the estimated timber volume in the Jackson Creek watershed, excluding property in or contiguous to the City of Jacksonville. Refer to the Jacksonville Watershed Forest Management Plan (1995), Cruise Unit Map showing numbered cruise units in the watershed.

<b>CURRENT TIMBER VOLUMES &amp; VALUES</b>				
<u>UNIT NUMBER</u>	<u>LOCATION</u>	<u>EST. GROSS VOL.</u>		<u>EST. NET VOL.</u>
1 & 2	80 ac. at reservoir	170	MBF	150 MBF
3	Norling Gl. South	1,500		1,200
4	Norling Gl. North	200		180
5	Jackson Cr. South	80		60
6	Jackson Cr. West	100		90
7	NW property	450		350
8	Cantrall Gl.	40		40
Other	Walker Cr.	80		50
Other	Norling Gl. East	80		70
Other	Misc. locations	50		50
	<b>TOTALS</b>	<b>2,640</b>	<b>MBF</b>	<b>2,240 MBF</b>

The timber volume for Unit 3, Norling Gl. South, is based on a 2001 on-the-ground timber cruise.

Based on a timber value of \$650.00 per MBF, the **estimated gross value** of the timber in the watershed would be:

$$2240 \text{ MBF Net Volume} \times \$650/\text{MBF} = \$1,456,000$$

Based on a timber value of \$400.00 per MBF after logging, the **estimated net value** of the timber in the watershed would be:

$$2,240 \text{ MBF Net Volume} \times \$400/\text{MBF} = \$896,000$$

Notes: MBF is Thousand Board Feet ; DBH is Diameter Breast Height