

**REPORT OF THE BOARD OF FREEHOLDERS ESTABLISHING THE VALUE
OF REAL PROPERTY TO BE DONATED TO
PASSAGES WOMEN'S TRANSITIONAL LIVING, INC.**

INTRODUCTION

The Rapid City Common Council appointed a Board of Freeholders to establish the value of property that has been declared surplus. The property is proposed to be donated by the City to Passages Women's Transitional Living, Inc. SDCL § 6-13-2 requires that the real property be appraised before the City may dispose of the property. The freeholders appointed were Charity Doyle, Chad Lewis, and Pauline Sumption.

PROPERTY

The real property to be appraised consists of a parcel of property located at the intersection of Denver Street and North First Street. The City-owned property (hereinafter the "Parcel"), consists of approximately 41,818 square feet (.96 acre), is legally described as follows:

Lots 1-12 of Block 19, Original Town of Rapid City, Pennington County, South Dakota.

PROCESS

The Board of Freeholders met to discuss the value of the property on July 17, 2017. Each of the Freeholders is generally familiar with the value of property in and around Rapid City. The Freeholders reviewed the assessed value of neighboring properties, as well as the price paid by the City to acquire the City Parcel. The Freeholders relied on this information, as well as their personal knowledge and experience in determining the value of the parcel. The Board of Freeholders also received input from Mayor's Executive Coordinator Kelsey Sakos and Assistant City Attorney Wade Nyberg.

ESTABLISHMENT OF VALUE

The City paid \$7,000 for Lots 1-2 when they were acquired in 1993. The City paid \$150,000 for Lots 3-12 when they were acquired in 1995. A structure was demolished and removed from the Parcel in 1999. While the Parcel was acquired for purposes of building a recreation and aquatics center, the planned facility was built elsewhere, and the Parcel has remained vacant and undeveloped.

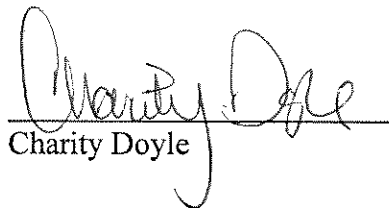
The property is zoned Medium Density Residential (MDR). The property is mostly flat and grass covered. There is a dirt path that traverses the Parcel from Denver Street to the alley between the Parcel and the south half of the block. A large portion of the Parcel is located within 100-year floodplain. This location will make construction of improvements on the Parcel more challenging, as it will require not only consultation with professional engineers, but also floodplain development permits and the possibility of applications for Letter of Map Revision (LOMR) from FEMA.

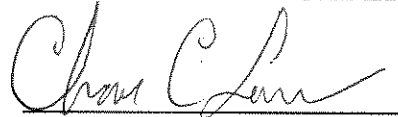
The Board looked at neighboring properties, which neighborhood consists of property east of Haines Avenue, north of Omaha Street, west of East Boulevard, and south of North Street. Assessed values for land in the area vary only slightly from an average of \$3.50 per square foot. Much of the property is publicly owned or non-taxed property. There are no recent sales in that immediate area. Residential lots to the north of North Street have similar values, ranging from a low of approximately \$2.00 per square foot to over \$4.00 per square foot. The difference is largely due to the size of the parcel, with parcel sizes of .16 acre to .34 acres having similar land values.

Considering all of the foregoing, the Board of Freeholders is of the opinion that the value of the property should be established by using a cost of \$3.50 per square foot, which provides a total valuation of **\$146,363**.

Submitted this 19th day of July, 2017.

BOARD OF FREEHOLDERS


Charity Doyle


Chad Lewis


Pauline Sumption