

Middle Fork Crow River Watershed District
189 County Road 8 NE
Spicer, MN 56288

RE: Determination of Benefits
Diamond Lake Aquatic
Management Project

July 3, 2015

Benefits and Damages Statement

This report addresses the property value benefits attributable to the proposed Diamond Lake Aquatic Management Project. The report values are based upon a comparison of the conditions that would exist within Diamond Lake with no public aquatic plant management with those that are anticipated with the implementation of and operation of the proposed management plan.

To determine the conditions that would exist without aquatic plant management, we viewed the lake vegetation in June 2015. Information was also received from the Middle Fork Crow River Watershed District and Wenck Associates Inc., the project engineer. Based upon the information provided, we have determined that the project will improve access to the lake, improved water quality, and management of the invasive curly leaf pondweed, now being the major aquatic problem plant. It is felt that the impact of harvest and treatment will provide a similar improved value to all properties having lake shore frontage. Surrounding properties will also benefit.

To determine the benefit value to the number of properties affected by the lakes accessibility and water quality, an investigation of lake shore land sales was conducted on various lakes within Kandiyohi County and other counties having lakes with and without measurable aquatic weed issues. The comparison looked at sales value and value trends over a period of time. We considered that some lakes have undertaken management of the vegetation and evaluated that impact to estimated value. We also considered the difference in the per year cost of individual plant management when compared with the cost savings of the public scale project.

With consideration of the indicated range of values, we have determined that a percentage of the assessor's estimated market value best reflects the benefit values. It is our opinion that the market value of the properties with direct lake access reflects a benefit of at least 3% of land value and at least 1% of the value of the improvements. For the second tier of properties, having a value impact from the lake, it is our opinion that the benefit value is at least ¼%. The County campgrounds the benefit value is at least 1½ % of the tract value. Undeveloped shoreland was valued under our highest and best use determination. Individual consideration was given to lands separated from the lake. Future development of surrounding lands should be added to the appropriate benefit class when the change of use occurs.

Respectfully submitted

Ron Ringquist, Merlyn Beekman, Clifford Emmert