Measurement of Special Valuation in Sarpy County

In Sarpy County, where special valuation encompasses the entire county, we use a sales-based measurement approach to project an uninfluenced agricultural land value. Comparable county sales where agricultural land sells without regard to alternative uses act as "surrogate" sales. By measuring Sarpy County's assessed values against the "surrogate" sale prices, we are provided an indication of Sarpy County's level of value. The result is an equalized relationship of assessed values in agricultural areas that ensures common uninfluenced agricultural land markets are recognized in special value assessments.

Study of Non-Agricultural Influence

To establish valid areas of the agricultural land market, we identify the boundaries of nonagricultural influence stemming from the metropolitan areas. Analyzing sale price changes in relation to urban proximity measures the degree of influence for land with similar agricultural features.

Given the agricultural trends of the last several years, agricultural land values have surpassed the value for alternative uses in many areas. In effect, agricultural use has become the highest and best use of land historically influenced by development and other non-agricultural activities. In the state of Nebraska, counties such as Gage, Otoe, and Scottsbluff have been eliminated from the category of "fully influenced" during this time, and their annual methodology confirms the correctness of that movement.

For 2013, all agricultural land within the counties of Douglas, Lancaster, and Sarpy was determined to be fully influenced by nonagricultural factors, whereas land in the remaining counties had a highest and best use as agricultural land. Analysis for 2014 indicates the nonagricultural influence has continued to diminish, resulting in Douglas, Lancaster, and Sarpy once again being the only counties in Nebraska to be considered fully influenced. Sale price analysis continues to demonstrate that not only do sale prices diminish as the land moves away from the urban centers, but sale prices become comparable to uninfluenced neighboring counties with similar land features.

The map below indicates areas in which the market value of agricultural land is determined to be influenced in the State.



Market Value Influence Areas

To determine comparable counties for fully influenced counties, the following factors and data were considered:

General Soil Associations (topography) - indicated by the Major Land Resource Areas determined by the USDA

- 1. Productivity produced by the United States Department of Agriculture (USDA)
- 2. Cropping Patterns (typical farming practices) produced by the *United States Department of Agriculture* (USDA)
- 3. Cropland Data Layer produced by the United States Department of Agriculture (USDA)
- 4. County Provided Abstracts
- 5. Proximity to the Subject County the mileage listed in parentheses should be interpreted as the distance between that County's county seat and Sarpy County's county seat.

Based on the following analysis of these factors, a map was created of sales to use for comparability purposes and an agricultural analysis followed.

<u>1. General Soil Associations (topography)</u>

The majority of Sarpy County soil is comprised of well drained silty soils formed in loess on uplands. To a much smaller degree, the county also has excessively drained sandy soils formed in alluvium in valleys and eolian sand on uplands in sandhills, and somewhat poorly drained soils formed in alluvium on bottom lands.



This soil composition most closely mirrors Washington County (31 miles) in totality, followed closely by Cass County (16 miles), although Cass contains moderately well drained silty soils with clayey subsoils on uplands in the Southwestern portion of the state.



Burt County (48 miles), just north of Washington, follows in comparability with a similar soil composition, but includes moderately well drained silty soils on uplands and in depressions formed in loess along the Western border. Saunders County (35 miles) has the same general composition as Burt.



Otoe County (41 miles), Nemaha County (60 miles), and Richardson County (102 miles) have similar soil compositions to one another. While a significant portion of each contains moderately well drained silty soils with clayey subsoils on uplands, the eastern portion of each resembles Sarpy's well drained silty soils formed in loess on uplands and somewhat poorly drained soils formed in alluvium on bottom lands. Additionally, Richardson contains moderately well drained silty soils on uplands and in depressions formed in loess along its Southern border.



Worth noting is that the United States Department of Agriculture separates Nebraska into 8 Districts for classification purposes. Per that classification, Sarpy, Washington, Cass, Saunders, and Dodge counties all lie in the same district. Burt, Otoe, Nemaha, and Richardson counties are excluded from this district.



2. Productivity

THE USDA 2012 dryland productivity/corn yield map demonstrates that all counties considered comparable counties to Sarpy County fall in the same productivity range.



<u>3. Typical Farming Practices</u>



AGRICULTURE





Cass County





Nemaha County



Otoe County



Richardson County





Washington County

Findings:

The most prevalent crops for Sarpy County are corn and soybeans. These crops also comprise a large portion of the crops produced in the comparable counties. These maps also show clear distinctions, similar to the county topography maps, of the differences that occur within counties as to soil associations and crops grown.

4. NE Cropland Data Layer



Corn



Pasture/Grassland/Non-agricultural



Soybeans



10

5. 2013 Abstract of Assessment Form 45

Sarpy

Schedule X : Agricultural Records : Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	835.48	3,346,453	5,382.12	21,264,053	6,217.60	24,610,506
77. Dry Land	22.88	82,487	17,769.24	64,596,667	48,072.14	172,820,669	65,864.26	237,499,823
78. Grass	0.00	0	1,499.66	2,097,846	5,704.54	7,693,953	7,204.20	9,791,799
79. Waste	0.00	0	604.34	64,698	2,172.61	217,261	2,776.95	281,959
80. Other	0.00	0	1,003.39	436,856	5,721.77	2,661,609	6,725.16	3,098,465
81. Exempt	0.00	0	1.74	0	0.00	0	1.74	0
82. Total	22.88	82,487	21,712.11	70,542,520	67,053.18	204,657,545	88,788.17	275,282,552

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	6,217.60	7.00%	24,610,506	8.94%	3,958.20
Dry Land	65,864.26	74.18%	237,499,823	86.27%	3,605.90
Grass	7,204.20	8.11%	9,791,799	3.56%	1,359.18
Waste	2,776.95	3.13%	281,959	0.10%	101.54
Other	6,725.16	7.57%	3,098,465	1.13%	460.73
Exempt	1.74	0.00%	0	0.00%	0.00
Total	88,788.17	100.00%	275,282,552	100.00%	3,100.44

Burt

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	2,211.00	8,424,380	53,523.41	197,429,255	55,734.41	205,853,635
77. Dry Land	209.40	814,180	10,063.13	37,777,365	178,292.83	648,113,070	188,565.36	686,704,615
78. Grass	0.00	0	2,017.06	3,353,095	27,616.69	42,233,035	29,633.75	45,586,130
79. Waste	0.00	0	352.54	43,570	4,606.57	571,310	4,959.11	614,880
80. Other	0.00	0	648.94	625,755	12,970.67	13,065,975	13,619.61	13,691,730
81. Exempt	0.00	0	0.00	0	0.00	0	0.00	0
82. Total	209.40	814,180	15,292.67	50,224,165	277,010.17	901,412,645	292,512.24	952,450,990

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	55,734.41	19.05%	205,853,635	21.61%	3,693.47
Dry Land	188,565.36	64.46%	686,704,615	72.10%	3,641.73
Grass	29,633.75	10.13%	45,586,130	4.79%	1,538.32
Waste	4,959.11	1.70%	614,880	0.06%	123.99
Other	13,619.61	4.66%	13,691,730	1.44%	1,005.30
Exempt	0.00	0.00%	0	0.00%	0.00
Total	292,512.24	100.00%	952,450,990	100.00%	3,256.11

Cass

Schedule X : Agricultural Records : Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	142.79	619,297	2,717.17	10,141,174	2,859.96	10,760,471
77. Dry Land	17.57	59,843	25,957.42	86,104,961	230,544.13	762,554,601	256,519.12	848,719,405
78. Grass	11.19	9,774	4,914.17	4,523,799	33,398.19	31,057,279	38,323.55	35,590,852
79. Waste	0.00	0	9.19	919	955.34	517,331	964.53	518,250
80. Other	0.00	0	171.54	17,154	1,529.29	153,914	1,700.83	171,068
81. Exempt	0.00	0	10.27	0	102.91	0	113.18	0
82. Total	28.76	69,617	31,195.11	91,266,130	269,144.12	804,424,299	300,367.99	895,760,046

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	2,859.96	0.95%	10,760,471	1.20%	3,762.46
Dry Land	256,519.12	85.40%	848,719,405	94.75%	3,308.60
Grass	38,323.55	12.76%	35,590,852	3.97%	928.69
Waste	964.53	0.32%	518,250	0.06%	537.31
Other	1,700.83	0.57%	171,068	0.02%	100.58
Exempt	113.18	0.04%	0	0.00%	0.00
Total	300,367.99	100.00%	895,760,046	100.00%	2,982.21

Nemaha

Schedule X : Agricultural Records : Ag Land Total

		Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value	
76. Irrigated	0.00	0	672.81	2,386,070	6,872.63	23,317,470	7,545.44	25,703,540	
77. Dry Land	363.63	1,051,945	11,271.26	29,238,135	170,608.46	445,330,700	182,243.35	475,620,780	
78. Grass	143.28	177,815	3,554.30	3,751,935	40,107.59	46,935,455	43,805.17	50,865,205	
79. Waste	0.19	20	255.89	25,615	2,793.68	269,695	3,049.76	295,330	
80. Other	0.00	0	56.23	2,815	287.43	16,120	343.66	18,935	
81. Exempt	0.07	0	70.31	0	161.50	0	231.88	0	
82. Total	507.10	1,229,780	15,810.49	35,404,570	220,669.79	515,869,440	236,987.38	552,503,790	

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	7,545.44	3.18%	25,703,540	4.65%	3,406.50
Dry Land	182,243.35	76.90%	475,620,780	86.08%	2,609.81
Grass	43,805.17	18.48%	50,865,205	9.21%	1,161.17
Waste	3,049.76	1.29%	295,330	0.05%	96.84
Other	343.66	0.15%	18,935	0.00%	55.10
Exempt	231.88	0.10%	0	0.00%	0.00
Total	236,987.38	100.00%	552,503,790	100.00%	2,331.36

Otoe

Schedule X : Agricultural Records : Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	592.84	2,254,400	3,791.86	13,962,670	4,384.70	16,217,070
77. Dry Land	21.08	69,500	29,271.74	86,674,930	246,474.02	724,637,450	275,766.84	811,381,880
78. Grass	0.00	0	6,506.71	8,157,250	61,807.49	80,048,740	68,314.20	88,205,990
79. Waste	0.00	0	531.15	53,190	2,169.67	217,700	2,700.82	270,890
80. Other	0.00	0	2.27	230	17.43	1,760	19.70	1,990
81. Exempt	0.00	0	81.56	0	148.25	0	229.81	0
82. Total	21.08	69,500	36,904.71	97,140,000	314,260.47	818,868,320	351,186.26	916,077,820

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	4,384.70	1.25%	16,217,070	1.77%	3,698.56
Dry Land	275,766.84	78.52%	811,381,880	88.57%	2,942.28
Grass	68,314.20	19.45%	88,205,990	9.63%	1,291.18
Waste	2,700.82	0.77%	270,890	0.03%	100.30
Other	19.70	0.01%	1,990	0.00%	101.02
Exempt	229.81	0.07%	0	0.00%	0.00
Total	351,186.26	100.00%	916,077,820	100.00%	2,608.52

Richardson

Schedule X : Agricultural Records : Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	110.00	350,856	2,294.67	7,134,405	2,404.67	7,485,261
77. Dry Land	0.00	0	20,899.19	59,820,295	210,515.65	594,100,251	231,414.84	653,920,546
78. Grass	0.00	0	7,056.38	6,902,991	69,533.11	65,861,285	76,589.49	72,764,276
79. Waste	0.00	0	1,329.90	132,990	14,853.12	1,484,687	16,183.02	1,617,677
80. Other	0.00	0	0.24	24	189.29	45,181	189.53	45,205
81. Exempt	26.79	0	27.96	0	2,790.03	0	2,844.78	0
82. Total	0.00	0	29,395.71	67,207,156	297,385.84	668,625,809	326,781.55	735,832,965

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	2,404.67	0.74%	7,485,261	1.02%	3,112.80
Dry Land	231,414.84	70.82%	653,920,546	88.87%	2,825.75
Grass	76,589.49	23.44%	72,764,276	9.89%	950.06
Waste	16,183.02	4.95%	1,617,677	0.22%	99.96
Other	189.53	0.06%	45,205	0.01%	238.51
Exempt	2,844.78	0.87%	0	0.00%	0.00
Total	326,781.55	100.00%	735,832,965	100.00%	2,251.76

Saunders

Schedule X : Agricultural Records : Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	119.05	566,050	10,264.78	47,026,010	87,723.38	389,574,010	98,107.21	437,166,070
77. Dry Land	88.64	390,410	19,144.20	68,443,010	238,320.17	819,658,450	257,553.01	888,491,870
78. Grass	0.00	0	2,856.75	3,597,710	52,076.41	73,007,090	54,933.16	76,604,800
79. Waste	0.00	0	709.02	212,100	7,541.44	1,351,900	8,250.46	1,564,000
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	1,576.93	0	14,547.11	0	16,124.04	0
82. Total	207.69	956,460	32,974.75	119,278,830	385,661.40	1,283,591,450	418,843.84	1,403,826,740

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	98,107.21	23.42%	437,166,070	31.14%	4,456.00
Dry Land	257,553.01	61.49%	888,491,870	63.29%	3,449.74
Grass	54,933.16	13.12%	76,604,800	5.46%	1,394.51
Waste	8,250.46	1.97%	1,564,000	0.11%	189.57
Other	0.00	0.00%	0	0.00%	0.00
Exempt	16,124.04	3.85%	0	0.00%	0.00
Total	418,843.84	100.00%	1,403,826,740	100.00%	3,351.67

Washington

 $Schedule \ \mathbf{X}: \mathbf{Agricultural} \ \mathbf{Records}: \mathbf{Ag} \ \mathbf{Land} \ \mathbf{Total}$

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	1,133.85	4,848,480	9,749.97	36,626,355	10,883.82	41,474,835
77. Dry Land	36.14	129,245	11,606.16	42,997,400	162,304.19	590,325,490	173,946.49	633,452,135
78. Grass	0.00	0	992.34	1,302,550	12,152.45	15,890,370	13,144.79	17,192,920
79. Waste	0.00	0	188.38	30,695	1,875.00	416,775	2,063.38	447,470
80. Other	2.00	3,690	1,421.61	2,623,190	11,394.46	15,906,365	12,818.07	18,533,245
81. Exempt	0.00	0	2.28	0	668.65	0	670.93	0
82. Total	38.14	132,935	15,342.34	51,802,315	197,476.07	659,165,355	212,856.55	711,100,605

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	10,883.82	5.11%	41,474,835	5.83%	3,810.69
Dry Land	173,946.49	81.72%	633,452,135	89.08%	3,641.65
Grass	13,144.79	6.18%	17,192,920	2.42%	1,307.96
Waste	2,063.38	0.97%	447,470	0.06%	216.86
Other	12,818.07	6.02%	18,533,245	2.61%	1,445.87
Exempt	670.93	0.32%	0	0.00%	0.00
Total	212,856.55	100.00%	711,100,605	100.00%	3,340.75

Comparable Land

Utilizing the established topography and productivity selection criteria, surrogate sales from Sarpy County's comparable counties were once more used in Sarpy's agricultural analysis, excluding the previously determined influenced portions.



15

Analysis of Agricultural Land in Sarpy County

Sarpy's 2014 agricultural increases

1A1	1A	2A1	2A	3A1	3A	4A1	4A
4720	4580	4250	3850	3670	3400	2550	2100
5428	5267	4888	4500	4230	4000	3240	2800
15%	15%	15%	17%	15%	18%	27%	33%
1D1	1D	2D1	2D	3D1	3D	4D1	4D
4400	4300	3950	3600	3400	3150	2400	1950
5000	4850	4510	4140	3900	3690	2990	2580
14%	13%	14%	15%	15%	17%	25%	32%
1G1	1G	2G1	2G	3G1	3G	4G1	4G
1817	1680	1595	1458	1405	1270	1131	1038
2040	1970	1840	1680	1580	1490	1200	1050
12%	17%	15%	15%	12%	17%	6%	1%

The measurement of Sarpy's Level of Value (LOV)

Median	64.43%	AAD	18.18%		Irrig Ratios	Dry Ratios	Grass Ratios
Mean	67.76%	PRD	107.64%	Count	5	157	1
W/ Mean	62.95%	COD	28.21%	Median	57.53%	65.03%	46.369

Conclusion:

It is our finding that based on the proven and previously utilized methodology described here, Sarpy has not achieved an acceptable LOV. Further, it is our opinion and recommendation that Sarpy increase values to reach the midpoint of the acceptable range of 69-75% in their overall median.