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PROJECT PLANNING STATEMENT
VALUATION OF SELECTED PARCELS OF LAND
IN THE MARIANA ISLANDS

A. Situation

1. U.S. Interest
 - a. Air Naval Base
 - b. Addition to U.S. territory
2. Mariana Political Status Commission Interest
 - a. Historical economy
 - b. Benefit of becoming a territory
3. Necessity for valuation
 - a. Position of U.S.
 - b. Position of MPSC
4. Parcels to Be Valued
 - a. On Tinian, 17,500 acres
 - b. On Saipan
 - c. Other

B. Statement of Problem

1. Objective of Analyses, and Estimate of Value
 - a. Specify parcels, interests, time and purpose of valuation
 - b. Provide value estimates under conditions of uncertainty of anticipated use, little if any sales data, and lack of comparability where sales data does exist
2. Constraints of Analysis
 - a. Data not available for traditional approach
 - b. Necessity of applying underlying value theory
 - c. Constraints result in necessity of developing and applying alternative techniques of analysis which provide a basis for estimating value

C. Methodology

1. Determine character of the property(ies)
 - a. Land characteristics
 - b. Improvements
 - c. Development potential
2. Classify land by use and potential use
 - a. Legal limitations
 - b. Agricultural use
 - c. Recreation potential
 - d. Other economic potentials
3. Place land in the pattern of area growth and structure
 - a. Economic base structure in Marianas.
Relate to Micronesia, Pacific Islands and neighboring economies of Hawaii, Japan, and Philippines.
 - b. Demographic structure in Marianas.
Identify area of population growth with associated characteristics of household size, income, and mobility.
 - c. Forecast aggregate employment and population growth focusing on clusters of areas which have a concentration of economic activity.
4. Forecast the distribution of increased economic activity
 - a. Forecast development of Guam and extent of economic spillover, if any.
 - b. Forecast the development of Saipan and extent of economic spillover, if any.
 - c. Forecast the development of Tinian in the absence of a U.S. base.
5. Estimate the timing of land use conversion (by type of land being valued)
 - a. Forecast the extent of demand to 1980, 1990, and 2000 for relevant demand segments
 - b. Distribute demand over relevant geographical area
 - c. Identify early time of development potential, rapid development time, and saturation time.
6. Estimate values at various stages of potential for conversion

- a. Estimate value on a when developed basis according to quality of location
 - b. Place values in a "time to expected development scale"
 - c. Place subject properties into scales, by land use category, to get indicated values
7. Compare with land of similar potentials
- a. Find sales of other land with similar potential in other areas irrespective of time to development
 - b. Validate scale against such sales as are available
 - c. Compare sold land with subject parcels to get indicated value.
 - d. Correlate the two approaches.

D. Analyses Required

E. Work Program