



TO: GOVERNANCE COMMITTEE
FROM: BRUCE SACKETT, DIRECTOR OF ACQUISITIONS
SUBJECT: ARNOLD ALBRECHT LAND AT NORTH PLATTE CHOKEPOINT
DATE: AUGUST 3, 2017

The enclosed map showing all the landowners involved in the State Channel project provides the property boundary setting of the State Channel Flood Risk Reduction Project. All landowners east of the Arnold Albrecht land associated with the project have agreed and signed easements to complete the repair of the State Channel project. Each of those land owners has received a small amount of compensation for signing the easement (\$100).

In discussions with Arnold Albrecht it was quite apparent he did not care about the project. He knew that he would not get any benefits from the project, and he did not want to sign an easement or even talk about it with me back in March of 2017 when we first approached him. For the next three months most of my time was spent trying to persuade him to talk about some transfer.

Between March and June we established he would consider selling all of his land north of the river, but he would never commit to a number. We had the land appraised and that value was \$35,000.00 for the 18 +/- acres. He believed he paid \$51,000.00 for the land in 2008. Our research indicated that he paid \$54,000.00 for both the tract on the north side and the tract on the south side near where his house is located. Talks continued into June, but after informing him of the appraised value all efforts to get a number from him stopped.

My calls went unanswered. We sent him a letter on July 5th trying to move him without shutting down negotiations entirely, but we received no response. Finally, last week we made a strong push to bring things to a conclusion. Either he was going to give us a number or we were going to move on to an alternative location and cease pursuit of the Albrecht property. In a voice message to him on Monday, July 31 I said we were willing to move to double the appraisal to \$70,000.00 and hoped he understood that if he did not call me back we would move on to alternative plans. He returned my call that evening and said he was too busy to think about this. I said he would not have to do anything more than sign the purchase agreement and deed. We would take care of all the other needed paperwork. He said, "If you pay me \$100,000.00, I will sell." I asked if we agree to 100k will you sign the papers and he said "Yes".

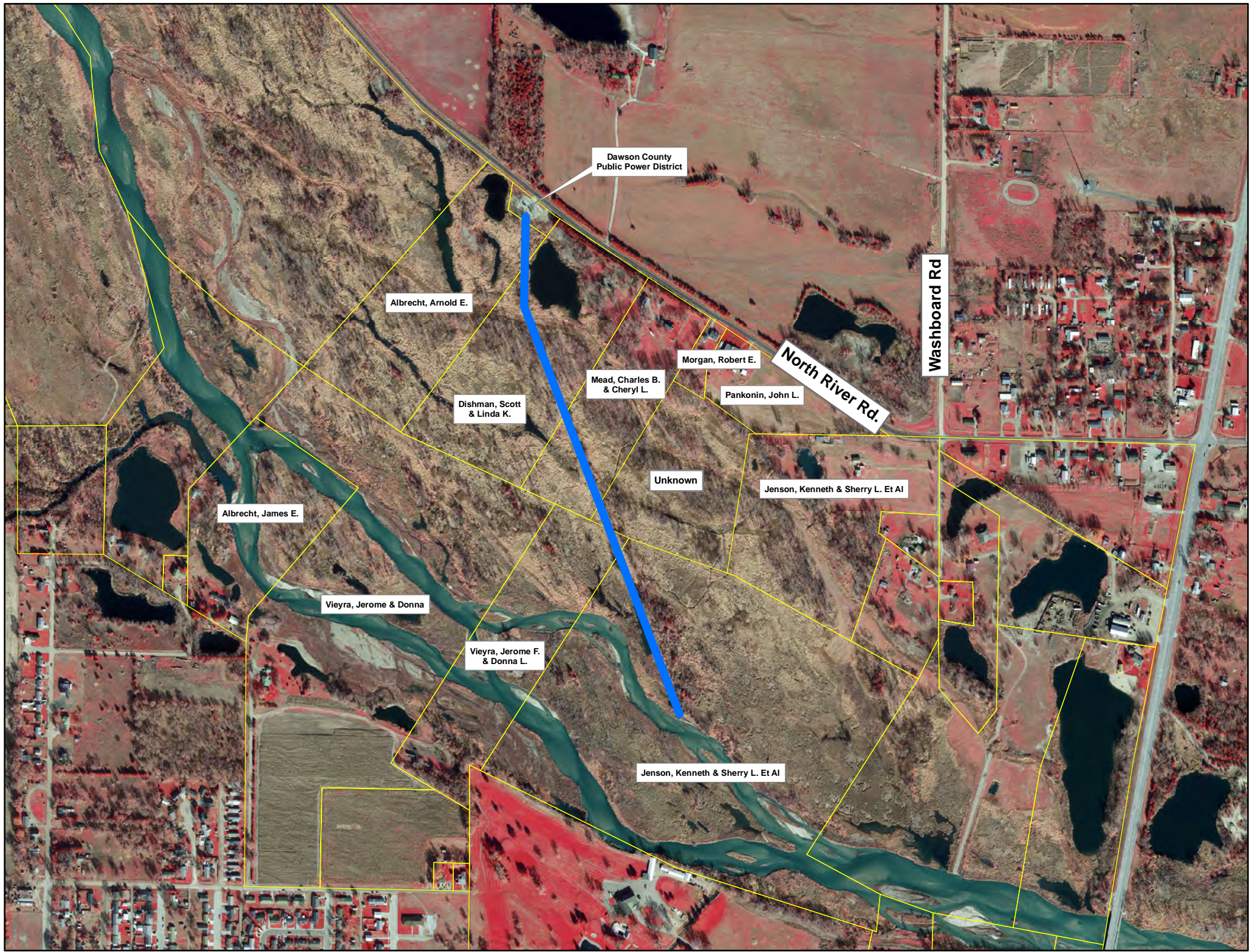
Dr. Kenny and I have talked over the good and bad involved in this transaction. While it is the last piece of land rights we need to do this project, it also is the one piece of land that gains nothing from the project and will be impacted most, in a negative way, by the State Channel work. It also provides the needed access for the project. In addition, the land could possibly be made wetter longer at the flow levels for which the State Channel was intend to direct flows to



the main channel. Owning the property eliminates concerns about damage claims that might ensue from Albrecht should we develop an alternative project configuration. We believe there is clearly a certain amount of damage claim avoidance cost built into the payment to Albrecht.

Redesign and an amended permit will delay the project further, provided we can buy the next landowner out. There is no assurance that landowner will be any more willing to sell, and that property includes the owner's house. Redesign and amending the permit together with acquisition costs of the downstream property would likely cost \$300,000.00 at a minimum. Any additional mitigation requirements included in a permit addendum could raise the alternative cost considerably higher.

All the downstream owners are benefitted by the work. The man with no flood proofing benefit and the most adverse impacts from the project has finally committed to a price and the Executive Director's Office recommends approval of the purchase.



Dawson County
Public Power District

Albrecht, Arnold E.

Mead, Charles B.
& Cheryl L.

Morgan, Robert E.

Pankonin, John L.

Dishman, Scott
& Linda K.

Unknown

North River Rd.

Washboard Rd.

Jenson, Kenneth & Sherry L. Et Al

Albrecht, James E.

Vieyra, Jerome & Donna

Vieyra, Jerome F.
& Donna L.

Jenson, Kenneth & Sherry L. Et Al

