

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

IX. MISCELLANEOUS PROJECTS AND CORRESPONDENCE WITH INDUSTRY

C. Appraisal Consulting

2. Articles on Real Estate Appraisal of Scenic Lands:
"The Alpine Lakes Case" and "What Price Beauty?",
Bernard J. Niemann, Jr. and Richard E. Chenoweth,
University of Wisconsin, Department of Landscape
Architecture, Circa 1980's, Refers to James. A.
Graaskamp

Visual Quality Assessment and Public Policy
in the Real Estate Appraisal Process

The Alpine Lakes Case

In their landmark evaluation of the Alpine Lakes area, Bernard J. Niemann Jr. and Richard E. Chenoweth have made a convincing demonstration of a new role for landscape architecture that may radically alter the dollar value of scenic lands. Integrating the profession's historical responsibility for visual assessment with modern real estate methods required the evaluation team to use new methods of determining "highest and best use" of the land—the fundamental concept of appraisal. Their work can be seen as another evolutionary stage in addressing the visual resource, with its roots in Frederick Law Olmsted's first carefully reasoned argument to support the setting aside of great scenic areas for public ownership and enjoyment. More specifically, the project provided the conceptual and evidentiary basis for including scenic beauty as a major factor in determining the dollar value compensation for 24,400 acres of private land condemned by the U.S. Forest Service (Alpine Lakes Management Act, Public Law 94-357) for addition to the Alpine Lakes Wilderness Area in the North Central Cascade Mountain Range of Washington State.



The Alpine Lakes Management Act (Public Law 94-397) condemned 24,400 acres of land owned by the Pack River Company for inclusion into the Alpine Lakes Wilderness and required purchase in fee simple by the U.S. Forest Service



In order to merge the analysis of scenic beauty value with the severe demands of real estate appraisal methods, the team had to meet stringent requirements. Namely, the analysis had to: (1) be based on the concept of highest and best use; (2) fit a market comparables appraisal process; (3) be consistent with the Federal Wilderness Act of 1964, the RARE II concept of wilderness, and the U.S. Forest Service Visual Management System; yet (4) be quantitatively precise enough to discriminate differences in scenic values at a 10-acre parcel resolution; (5) be defensible in a court of law; (6) reflect wilderness users' values; and (7) be demonstrably simple, reliable and valid. These requirements formed the foundation for cross-professional cooperation in which landscape architect Niemann worked with his social scientist colleague, Chenoweth, to develop innovative user surveys and visitor-employed photography (Chenoweth, 1984). These techniques were derived from their own previous research in visual quality evaluation and adapted to the overall real estate appraisal process (Niemann et al., 1979).

The out-of-court settlement for \$25 million, based on wilderness value including scenic beauty, in contrast to the U.S. Forest Service initial offer of \$13.5 million, based mainly on timber value, convincingly shows that (1) scenic beauty can be a measurable and legally defensible component of public policy for the natural landscape; (2) that with the innovative application of unique visual resource quality assessment procedures, landscape aesthetics can become a critical part of modern real estate appraisal; and (3) that in addition to its intrinsic value, the visual resource can be established as a powerful economic factor in land transactions when given explicit consideration by professional landscape architects collaborating with other professionals.

Most important, this project points the way to a new role for landscape architects to integrate their historical stewardship of the visual resource with public and private land transactions which have impacts on the scenic quality of natural environments.

Real Estate Appraisal Analysis Requirements

- **Must be based on highest and best use**
- **Must fit a market comparables real estate appraisal process**
- **Must be consistent with the Wilderness Act of 1964, RARE II, and the U.S. Forest Service Visual Management System**
- **Must be precise enough to discriminate differences in scenic values at 10 acre parcel resolution**
- **Must be legally defensible**
- **Must be simple, reliable, & valid**
- **Must reflect wilderness user's values**

Honor Award Landscape Planning and Analysis
Bernard J. Niemann Jr., Richard E. Chenoweth,
Ph.D. Landscape Architects
James A. Graaskamp, Client
Michael Robbins; Ralph Kiefer Consultants



What Price Beauty?

By Bernard J. Niemann Jr. and
Richard E. Chenoweth

“For the same reason that water of rivers should be guarded against private appropriation and destruction, portions of *natural scenery* may therefore be guarded and cared for by government.”

—Frederick Law Olmsted, 1865

SO WHEN GOVERNMENT DECIDES TO EXERCISE its responsibility to protect natural scenery through wilderness acquisition by using its eminent domain authority, what is the fair and just compensation for the natural beauty of the landscape such as waterfalls, blue mountain lakes, rocky mountain tops and wildflower meadows? Or should the land value be limited solely to its commodity value, in this case timber?

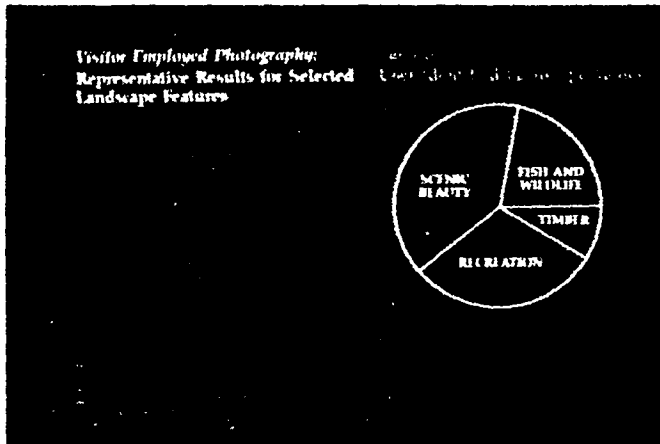
This question was posed by the Pack River Company of Coeur d'Alene, Idaho to Dr. James Graaskamp and his colleagues at Landmark Research, Inc. of Madison, Wisconsin. They are a real estate appraisal group that chooses clients and cases to demonstrate the cost effectiveness of analyzing land use issues and land development markets with contemporary information processing techniques.

Because they were aware of our research interest and work in the development and application of scenic beauty assessment methods, they asked us to join in. Having been frustrated over the years by those who insist that “beauty is in the eye of the beholder” and therefore not measurable in social or economic terms, this opportunity to test new methods and ideas in a real-world setting was a dream come true. Graaskamp put together an interdisciplinary team consisting of Bill Gates (a computer scientist), Ralph Kiefer (a remote-sensing expert), Mike Robbins (a graduate in Landscape Architecture and Real Estate) and ourselves. Besides the constant creative ferment caused by such an association, we were able to

implement and test a variety of visual assessment methods and concepts, including visitor-employed photography. As it turned out, the measurement of scenic beauty became an essential and powerful ingredient in the overall appraisal. The final out-of-court settlement between the Pack River Company and the U.S. Forest Service was millions above its appraised value for timber, and scenic beauty was a major contributor in the final settlement.

We all wished this case had gone to court. A courtroom challenge would not only have provided a critical test of our methods as an evidentiary basis for contested land appraisals, but also an important test for the whole concept of considering scenic beauty in public policy and in the marketplace. Nevertheless, we believe this case clearly demonstrates the value of scenic beauty as an integral economic and social component of the landscape. Furthermore, we believe aesthetic values can and must be explicitly considered in governmental action, be it compensation for private land acquisition or for private and industrial use of public lands. We hope the Alpine Lakes case will serve as an example for establishing a clearer public policy in matters of aesthetics for publicly held lands and meeting the charge articulated in 1865 by Olmsted.

This venture has now led Jim's group to Alaska, where he is assessing the impact of power line intrusions on Native American lands and the comparative value of white swan breeding habitat versus gas and oil reserves. We remain involved in other scenic beauty policy issues such as the managerial boundaries for the proposed 67,115-acre Lower Wisconsin Riverway State Forest. The focus of that debate is whether to limit the Wisconsin Department of Natural Resources' management authority to the floodway or to expand it to include the enclosing, privately owned natural bluffs, rock outcrops and hills. As a result of our research into the social value of beauty in the river corridor—gleaned from surveys of riverway users, local landowners, public officials, and sportsmen—we have become formally involved in the master planning and environmental impact assessment process. The provision of objective information on aesthetic matters is again playing a key role in policy decisions in spite of the highly charged political controversy over the proposed management boundaries.



REFERENCES

R. Chenoweth. "Visitor Employed Photography: A Potential Tool for Landscape Architecture." in *Landscape Journal*. Vol. 3, No. 2 (1984): 136-143.

B.J. Niemann Jr., R. Becker and W. A. Gates. "Management of the Lower St. Croix Riverway: the Application of Cognitive Mapping & Social Resource Assessment Methods." in *Proceedings of Our National Landscape* (Incline Village, NV: U.S. Forest Service Gen. Tech. Rep. PSW-35, 1979).

F. L. Olmsted. "The Yosemite Valley & the Mariposa Big Tree Grove." reprinted in *Landscape Architecture*. Vol. 43. (1952): 12-25.

F. L. Olmsted. *Report of State Park Scenery of California*. (Sacramento: State Printing Office, 1929).

Jury comments: This pioneering work puts the dollars where our aesthetic values are. It introduces a whole new dimension into the practice of landscape architecture. The Alpine Lakes Evaluation synthesizes two other relevant disciplines: survey research and land economics. It broadens the horizon of the landscape architect considerably, particularly in the realm of public agency practice. There was a fair amount of discussion of the pros and cons of this particular piece of work; there may be some varied and far-reaching consequences, both positive and negative. This award is not an endorsement of the outcome, this is an award for methodology.

SUMMARY

Landscape Architecture Planning Activities

- Visual resources given consideration in federal wilderness policy
- Visual analysis used to implement federal legislation: Alpine Lakes Area Management Act (Public Law 94-35)

Contributions to Landscape Architecture

- Innovative application of unique visual resource quality assessment procedures
- New role for landscape architects in the real estate appraisal process
- In modern real estate appraisal, scenic beauty was established as a measurable and important component of the landscape



Richard E. Chenoweth (left) and Bernard J. Niemann Jr.

Winning Profile

Bernard (Ben) J. Niemann Jr. is a graduate of the University of Illinois and Harvard University in Landscape Architecture and is Professor of Landscape Architecture at the Institute for Environmental Studies. Dr. Richard Chenoweth holds degrees from the University of Iowa and the University of Illinois in social psychology. He is an Associate Professor in Landscape Architecture. Both are faculty members in the Department of Landscape Architecture, School of Natural Resources, College of Agricultural and Life Sciences at the University of Wisconsin-Madison.