

# Imperial Irrigation District - (California)

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# Imperial Irrigation District (California)

- History:

The Imperial Irrigation District, Imperial County, California, is located in the extreme southeast corner of California. The west side being the Laguna Mountains and San Diego County, Riverside County to the north and the Salton Sea. The west side is the Colorado River and the south side the international border with Mexico. The Imperial Irrigation District provides water to 450,000 irrigated acres through 1,675 miles of ditches. The District was established in 1911 to provide water and hydroelectric power for the county.

# Imperial Irrigation District

- Irrigation water in the IID is delivered on demand at a current cost \$17.00 per acre-foot. Annual cost of water to a typical farm is approximately \$70-\$100 per acre. In addition there is a water availability charge of \$3.80 per acre for ditch maintenance and repairs.



# Land Value Trends

- Sales for farmland in the first part of 2006 was active with the second half slowing somewhat, but holding steady on land prices. This is attributed partly to the loss of activity in the metro areas that was promoting “1031” type tax exchanges in the previous years. Several exchanges took place in 2006 paying what was considered much above normal market prices.
- The farm economy is considered as financially “breakeven” for the typical cash crops such as cotton, grain and sugar beets. Vegetable crops experienced a poor market in 2006. The brightest market was in the area of hay crops which has been good for two years and holding an optimistic view for the coming year.
- Livestock feeding continues to be an active industry with an average of 360,000 head on feed generating 363 million gross dollars to the area, second to the vegetable sales at 571 million gross dollars. The cattle industry has been enhanced with a large meat processor being located in the vicinity.

# Land Value Trends Cont.

- In years previous the county developed within their general plan what is known as, “The Mesquite Lake Specific Plan,” that borders Harris Rd to the south, One-quarter mile east of Hwy 111 to the east, Hwy 86 to the west and Carey Rd to the north. This has generated some interest in the market but activity has slowed, but has increased within the perimeters of the zone.

# Summary of Farmland Values for 2006:

<i>Land Use</i>	<i>Value/Acre</i>	<i>Activity/Trend</i>	<i>Rent Range</i>
Good	\$5,000 - \$8,000	Active/Upward	\$250 - \$350
Average	\$3,000 - \$5,000	Minimal/Upward	\$150 - \$250
Limited	\$2,000 - \$3,000	Limited/Upward	\$100 - \$150

## Summary of Historical Land Value:

<i>Land Use</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
Good	\$4,000 - \$7,000	\$5,000-\$8,000	\$5,000-\$8,000
Average	\$2,500 - \$4,000	\$3,000-\$5,000	\$3,000-\$5,000
Limited	\$1,700 - \$2,500	\$2,000-\$3,000	\$2,000-\$3,000

# Points of Interest

- The Imperial Irrigation District developed and implemented a 15-year fallowing plan, an arbitrament for the transfer of water to the San Diego Water Authority and the Salton Sea in or near 2003. The IID purchased 41,761 acres for \$77,258,590 or \$1,850 per acre. The purpose of the purchase was; (1) is retire water debt overruns of the Colorado River from previous years; (2) the transfer water to SDCWA and the Salton Sea; (3) maintain their water allotment below the 3.1 million-acre feet cap requirement; (4) promote a farm water efficiency program.



# Points of Interest Cont.

- This plan also included a private land-owner voluntary program for owners to lease their land to the district or a maximum of 6/AF per acre. The IID is soliciting acreage to fallow at a price of \$75 per acre-foot. The district set aside 18,000 acres generating approximately 96,400 acre feet of water in 2006-2007 for delivery to San Diego. The demand for private leases varies from year to year with a call made at the beginning of each year with payment based on actual water usage. Terms are from July through June of each year. Last years price was \$60.00 per acre foot.

# Summary

- In respect to its impact on market values there has been no measurable change to date. Since the original purchase the IID has placed back on the market 10,538 acres consider to be surplus land. The first offering sold at typical market prices, with few failed escrows. The next offerings have gone up slightly each year by approximately \$500 per acre.

